

Submitted by: Chair of the Assembly
at the Request of Mayor
Prepared by: Finance Department
For Reading: July 11, 2006

CLERK'S OFFICE

APPROVED

Date: 7-25-06 ANCHORAGE, ALASKA
AR No. 2006- 170

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING NINE
2 MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$9,800,000) OF RETIREMENT
3 CERTIFICATES OF PARTICIPATION PROCEEDS FROM FUND 719 FUND BALANCE
4 AND CONTRIBUTING SUCH PROCEEDS TO THE POLICE / FIRE RETIREE
5 MEDICAL LIABILITY FUND (FUND 313) TO BE REINVESTED BY THE PRE-
6 FUNDING INVESTMENT BOARD ESTABLISHED BY AMC 3.88.

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9 The Anchorage Assembly resolves:

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11 Section 1. That the sum of Nine Million Eight Hundred Thousand Dollars
12 (\$9,800,000) is hereby appropriated from fund balance within the Retirement Certificates of
13 Participation Debt Service Fund (719) and contributed to the Police/Fire Retiree Medical
14 Liability Fund (313) for further investment by the Pre-Funding Investment Board established
15 by AMC 3.88.

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17 Section 2. That this resolution shall take effect immediately upon approval.

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19 PASSED AND APPROVED by the Assembly this 25th day of July,
20 2006.

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23 Daniel A. Sullivan
24 Chair

25 ATTEST:

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27 Salma S. Duenkel
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29 Municipal Clerk

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34 Departmental appropriation:
35 Employee Relations \$9,800,000



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 490 -2006

Meeting Date: July 11, 2006

FROM: Mayor

SUBJECT: Appropriating Fund 719 Fund Balance and Contributing \$9,800,000 of Retirement Certificate of Participation proceeds to Fund 313

The Administration requests approval of the attached Assembly Resolution, AR 2006- 170, to appropriate \$9,800,000 from the Retirement Certificates of Participation proceeds from Fund 719 fund balance and contributing such proceeds to the Police/Fire Retiree Medical Liability Fund (Fund 313) for further reinvestment by the Pre-Funding Investment Board established by AMC 3.88.

The Pre-Funding Investment Program began January 1, 1995 as a funding vehicle to advance fund (over a 20-year period) the medical trust established for qualifying retired police and fire employees. Details related to the Pre-Funding Investment Program are contained in AMC 3.88. Medical Trust details are covered in AMC 3.87. At the time the Pre-Funding Investment Program was created it was assumed that a lump sum payment deposit of \$9,800,000 would be made to the Police/Fire Retiree Medical Liability Fund once designated Retirement Certificates of Participation (C.O.P.) proceeds fully matured in 2006. The C.O.P. funds matured during the 1st Quarter 2006 and the proceeds are currently invested in the City's general cash pool. The current value of this cash pool investment is \$15.73 million as of late June 2006. The attached resolution proposes to appropriate \$9.8 million of the total \$15.73 million in C.O.P. proceeds to the Police/Fire Retiree Medical Liability Fund, so these funds can be received and reinvested by the Pre-Funding Investment Board.

After recent discussions with the external auditors, \$5.9 million of the C.O.P. proceeds will remain unappropriated and held as a contingency for current, specific potential legal claims. These funds will continue to be invested within the City's general cash pool, Fund 719. The final use of the \$5.9 million will not be known until ties to the aforementioned potential legal claims are broken. Nonetheless any future use of the \$5.9 million will require supplemental Assembly appropriation. Once it is formally known whether any of the \$5.9 million will actually be needed for the previously cited legal claims, the Administration's intent is to follow through and apply the full remaining balance as a supplemental deposit to the Pre-Funding Investment Program – this will have a positive effect in terms of lowering the actuarially required annual contribution from General Government operating budget (i.e., Police and Fire Department budgets).

An Assembly Information Memorandum regarding the Pre-Funding Investment Program's financial performance for 2005 is expected to be submitted at or near the same time as this Assembly Resolution.

The accounting detail is as follows:

Revenue 313-9601-1860	Revenue Contributions – Other Funds	\$9,800,000
Expense 719-3901-9072	Contributions to Other Funds	\$9,800,000

The Administration recommends approval of AR 2006-170 appropriating \$9,800,000 from Retirement Certificates of Participation proceeds from Fund 719 fund balance and contributing such proceeds to the Police/Fire Retiree Medical Liability Fund for further re-investment by the Pre-Funding Investment Board established by AMC 3.88.

Prepared by: Daniel Moore, Municipal Treasurer/Administrator to Pre-Funding Invstmt Program

Concurrence & Fund Certification: Jeffrey E. Sinz, Chief Fiscal Officer

719-0740-2006 \$9,800,000

Concurrence: Denis C. LeBlanc, Municipal Manager

Respectfully submitted, Mark Begich, Mayor

Content Information**Content ID :** 004087**Type:** AR_FundsApprop - Funds Approp Resolution

Appropriating & Contributing \$9,800,000 of Retirement Certificate of

Title: Participation Proceeds for Reinvestment by the Pre-funding
Investment Board, Finance**Author:** curtiscr**Initiating Dept:** Finance**Keywords:** Appropriation, \$9,800,000, Pre-funding, Investment, Board**Date Prepared:** 6/23/06 11:58 AM**Director Name:** Jeffrey Sinz**Assembly Meeting** 7/11/06**Date MM/DD/YY:****Public Hearing Date** 7/25/06**MM/DD/YY:**M.O.A.
2006 JUL - 3 PM 1:45
CLERKS OFFICE**Workflow History**

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
FundsAppropWorkflow	6/23/06 12:03 PM	Checkin	pruittns	Public	004087
Finance_SubWorkflow	6/23/06 5:08 PM	Approve	sinzje	Public	004087
FundsAppropWorkflow	6/26/06 4:04 PM	Reject	mitsonjl	Public	004087
FundsAppropWorkflow	6/28/06 2:55 PM	Checkin	pruittns	Public	004087
Finance_SubWorkflow	6/29/06 4:00 PM	Approve	sinzje	Public	004087
OMB_SubWorkflow	6/30/06 8:59 AM	Approve	mitsonjl	Public	004087
MuniManager_SubWorkflow	6/30/06 9:31 AM	Checkin	curtiscr	Public	004087
MuniManager_SubWorkflow	6/30/06 9:39 AM	Approve	leblancdc	Public	004087
MuniMgrCoord_SubWorkflow	6/30/06 2:12 PM	Approve	abbottmk	Public	004087