

CLERK'S OFFICE

APPROVED

Date: 2-28-12

Submitted by: Chairman of the Assembly
at the Request of the Mayor

Prepared by: Finance Department

For Reading: February 28, 2012

ANCHORAGE, ALASKA
AR NO. 2012-51


1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING
2 THIRTY-FOUR THOUSAND TWO HUNDRED FIFTY-EIGHT DOLLARS (\$34,258) OF
3 PUBLIC FINANCE AND INVESTMENT FUND (191) FUND BALANCE TO THE
4 PUBLIC FINANCE AND INVESTMENT FUND (191) IN THE FINANCE
5 DEPARTMENT 2011 OPERATING BUDGET FOR MANAGEMENT AND
6 CUSTODIAL EXPENSES OF THE MUNICIPAL CASH POOL.

7
8 THE ANCHORAGE ASSEMBLY RESOLVES:

9
10 **Section 1.** That the sum of Thirty-four Thousand Two Hundred Fifty-eight Dollars
11 (\$34,258) of Public Finance and Investment Fund (191) Fund Balance be appropriated
12 to the Public Finance and Investment Fund (191) in the Finance Department 2011
13 Operating Budget to pay management and custodial expenses of the Municipal Cash
14 Pool.

15
16 **Section 2.** That this resolution shall take effect immediately upon passage and
17 approval.

18
19 PASSED AND APPROVED by the Anchorage Assembly this 28th day of
20 February, 2012.

21
22
23 
24 Chair

25 ATTEST:

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27
28 
29 Municipal Clerk

30
31 **Departmental Appropriation:**
32 Finance Department \$34,258



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 124-2012

Meeting Date: February 28, 2012

1 **FROM:** Mayor

2
3 **SUBJECT:** A Resolution of the Municipality of Anchorage Appropriating Thirty-four
4 Thousand Two Hundred Fifty-eight Dollars (\$34,258) of Public Finance
5 and Investment Fund (191) Fund Balance to the Public Finance and
6 Investment Fund (191) in the Finance Department 2011 Operating
7 Budget for Management and Custodial Expenses of the Municipal Cash
8 Pool.
9

10 Management and custodial fees for the Municipal Cash Pool (MCP) are
11 predominantly charged as a percentage of market value, with longer duration
12 portfolio managers charging a higher percentage than shorter duration managers.
13 For 2011, the MCP's average balance was nearly 2% higher than the previous
14 year's, upon which the 2011 budget was based.
15

16 Additionally, in September 2011, \$50 million was moved from the short duration
17 portfolio to the two longer duration portfolios as part of the MCP's annual
18 rebalancing. This move not only increased the expected return of the MCP, but also
19 the management fees accrued to it. As such, the 2011 budget is currently insufficient
20 to pay management and custody fees accrued in December. This will be remedied
21 by appropriating Public Finance and Investment Fund (191) Fund Balance to cover
22 the higher management and custody fees.
23

24 The accounting detail is as follows:

25 **REVENUE**

26 <u>Account Number</u>	27 <u>Account Name</u>	28 <u>Amount</u>
29 191-0740	Fund Balance	\$34,258

30 **EXPENSE**

31 <u>Account Number</u>	32 <u>Account Name</u>	33 <u>Amount</u>
191-1313-3101-BP2011	Professional Services	\$34,258

34 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE RESOLUTION
35 APPROPRIATING THIRTY-FOUR THOUSAND TWO HUNDRED FIFTY-EIGHT
36 DOLLARS (\$34,258) OF PUBLIC FINANCE AND INVESTMENT FUND (191) FUND
37 BALANCE TO THE PUBLIC FINANCE AND INVESTMENT FUND (191) IN THE

1 FINANCE DEPARTMENT 2011 OPERATING BUDGET FOR MANAGEMENT AND
2 CUSTODIAL EXPENSES OF THE MUNICIPAL CASH POOL.

3
4 Prepared by: Finance Department
5 Public Finance and Investments Division
6 Approved by and Fund Certification: Lucinda Mahoney, CFO
7 191-0740 \$34,258
8 (Public Finance & Investments Fund Balance)
9 Concur: George J. Vakalis, Municipal Manager
10 Respectfully submitted: Daniel A. Sullivan, Mayor