

Municipality of Anchorage



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Dan Sullivan, Mayor*

*GIRDWOOD VALLEY SERVICE AREA BOARD OF SUPERVISORS
Erin Eker & David Chadwick, Co-Chairmen
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Overview: Creation and Purpose of the Capital Improvement Accounts

The 406 Capital Improvement Fund model was originally designed for the construction of the Girdwood Community Center and Gerrish Library, which was completed in 2008. After successful completion of that project, the Girdwood Board of Supervisors began placing funds into 406 Accounts as follows, in chronological order:

- 2009 Girdwood Parks and Recreation Capital Improvement Account
- 2014 Girdwood Roads Capital Improvement Account
- 2014 Girdwood Existing Facilities Capital Improvement Account
(Community Room & Fire Station)

These three funds were set up to allow for savings for projects. Benefits to placing money in these funds are:

Money in these funds is more readily available to GBOS. Anchorage Assembly approval is not needed unless the project is part of a term contract and costs more than \$50,000.

Money in these funds can be used as a source of matching capital for grants.

Use of money in these funds allows for Girdwood a higher level of autonomy as projects can be completed without entire funding from state and or federal grants. In some cases, Girdwood Service Area would be able to fund projects entirely from these accounts.

Capital Improvement Accounts allow for long range prioritization and planning for capital projects.

Standard Operating Procedure Adding money to the Capital Improvement Accounts

There are two methods for adding to the Capital Improvement Accounts

I. GBOS Budget

GBOS may choose to add more to these accounts and submit this as part of the budget that is provided to the Anchorage Assembly. This follows the budget work session schedule and budget approval process.

II. GBOS Resolution

Money can also be re-allocated from the Girdwood Undesignated Fund Balance to a specific Capital Improvement Account via a Resolution of Support. This would follow the GBOS 2 meeting process: 1 meeting it is discussed as New Business, 2nd meeting it is discussed and voted on as Old Business as either a GBOS Motion or as a Resolution.

Standard Operating Procedure

Spending money from the Capital Improvement Accounts

Projects identified for Capital Improvement Account Spending are to be kept on a list, in order of priority. Those priorities are to be reviewed annually by GBOS as part of the annual operating budget.

Spending funds in Capital Improvement Accounts requires GBOS approval, using 2 meeting process: 1 meeting it is discussed as New Business, 2nd meeting it is discussed and voted on as Old Business either as a GBOS Motion or as a Resolution.

In the event that an emergency requires that funds be accessed to resolve a specific issue (i.e. immediate repair or replacement of critical equipment), the first option to be explored is obtaining funds from the Operating Budget.

If funds are not available from Operating Budget, accessing funds from a Capital Improvement Account may be considered, following the 2 meeting process. A special meeting may be called to expedite the process. Funds would then be secured through the Assembly to repay those funds to the Capital Improvement Account from the Girdwood Undesignated Fund.

Approved unanimously at the GBOS Regular meeting on December 15, 2014.