

Introduced by: Mayor Cleworth
Date: June 11, 2012

ORDINANCE NO. 5884

**AN ORDINANCE AMENDING FGC 2-651 REGARDING THE
PREPARATION OF THE ANNUAL BUDGET ESTIMATE AND
ACCOUNTING TERMINOLOGY**

WHEREAS, it is the intent of the Mayor and City Council to clarify that as initially presented by the Mayor, prior year revenues may not be used to meet current expenditures; and

WHEREAS, in addition, the City follows the accounting terminology adopted by the Governmental Accounting Standards Board; the Board has issued GASB 54 which changed the terminology relating to fund balance,

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Fairbanks,

Section 1. FGC Sec. 2-651 is amended as follows: (news text **underlined and bold**, deleted text in [strikeout]).

Sec. 2-651. - Preparation and presentation to city council.

a) Pursuant to the Charter, the mayor shall prepare and submit to the city council a balanced annual budget estimate and budget message. The annual budget shall be balanced in a manner wherein current costs will be funded by current revenues expected to be received by the city in the calendar budget year.

(b) **After initial presentation of the mayor's proposed budget estimate, the city council may by ordinance elect to adopt or amend the budget to expend**[For purposes of this section, current revenues shall include] general funds accumulated in prior years; however, in no case shall [unreserved, undesignated, and unrestricted] **unassigned** general fund balances **be** less than the greater of either 20 percent of budgeted operational expenditures or \$4,000,000.00[constitute current revenues. General funds balance shall be reserved for encumbrances and restricted for self insurance liabilities, and leave not funded elsewhere].

(c) The annual budget and accounting year shall begin on January 1 and shall end on December 31 of each calendar year.

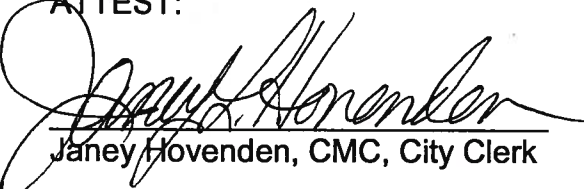
(d) The director of finance shall compile the budget estimate, based upon detailed departmental estimates and work programs and control the budget estimate under the direction of the mayor. The budget estimate shall cover and appropriate for all expenditures of money, including contracts and other commitments, except appropriations for expenditures from bond construction and debt service funds and special assessment construction funds. When the city council is considering the budget estimate, department heads and such other officials as may be interested shall appear and be free to criticize the budget or any of its items

Section 2. This ordinance is effective June 30, 2012.




Jerry Cleworth, Mayor

AYES: Stiver, Matherly, Gatewood, Hilling, Roberts
NAYS: None
ABSENT: Eberhart
ADOPTED: June 25, 2012

ATTEST:


Janey Hovenden, CMC, City Clerk

APPROVED AS TO FORM


Paul Ewers, City Attorney