

**ORDINANCE NO. 179**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, DESIGNATING THE FINANCE MANAGER AS CITY TREASURER; CREATING SPECIFIC FUNDS IN THE CITY TREASURY; DEFINING THEIR PURPOSES AND REVENUE SOURCES; SPECIFYING THE FUND ADMINISTRATOR TO BE THE TREASURER; PROVIDING OTHER PERTINENT GENERAL AND FINANCIAL INFORMATION RELATED TO EACH FUND; AUTHORIZING THE MAKING OF INTERFUND LOANS OF MUNICIPAL MONIES TO COMPLY WITH THE PROVISIONS OF RCW 43.09.210, AND REPEALING SECTIONS OF ORDINANCES 5, 18, 34, 56, 73, 77, 80; AND 111, INCONSISTENT HEREWITH.**

WHEREAS, RCW 35A.42.010 imposes certain duties and grants authorities to the City Treasurer, as designated by ordinance, including the management and investment of city funds;

WHEREAS, the establishment of separate accounts for every appropriation or fund of a municipality is required by RCW 43.09.210;

WHEREAS, this provision also states that "all services rendered by . . . one department, public improvement, undertaking, institution, or public service industry to another, shall be paid for at its true and full value . . . or no department . . . shall benefit in any financial manner whatever by an appropriation or fund made for the support of another"; and

WHEREAS, the City Council must authorize the Treasurer or his or her designee to make interfund loans to maintain positive cash balances in all funds pursuant to the provision of RCW 43.09.210; NOW THEREFORE,

**THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON DO ORDAIN AS FOLLOWS:**

Section 1. Establishment of City Treasurer. The City Finance Manager is hereby designated as the City Treasurer, pursuant to RCW 35A.42.010.

Section 2. Establishment of Funds. The Council hereby establishes the following funds for the City of University Place:

1. GENERAL FUND (RCW 35A.37.010. AND 35.37.010).

A. Purposes: The General Fund is established to account for all receipt and disbursement transactions associated with ordinary City operations that are not required to be accounted for in another fund.

B. Revenue Sources: Taxes and general revenues, including but not limited to property taxes, local sales taxes, franchise fees, gambling taxes, liquor taxes, utility taxes, fines and forfeitures, license fees, permits, recreation fees, and miscellaneous other revenues that support general government operations.

2. STREET FUND.

A. Purposes: This Fund is established to account for the receipt and disbursements of State-levied unrestricted motor vehicle fuel taxes.

B. Revenue Sources: Specific revenue sources shall include, but not be limited to, unrestricted motor vehicle fuel taxes, transportation related fees, permits, interest earnings, and such other sources as may be authorized by the City Council.

3. ARTERIAL STREET FUND

A. Purpose: This Fund is established to receive and disburse all monies received by the City as distributions, pursuant to RCW 46.68.100 (2), of the motor vehicle fuel taxes imposed by the State. These revenues are to be used exclusively for the construction, improvement, chip sealing, seal-coating, and repair of arterial highways and City streets as those terms are defined in RCW 46.04.030 and 46.04.120; or for the payment of any municipal indebtedness which may be incurred for the above noted expenditures related to arterial highways and City streets.

B. Revenue Sources: Motor vehicle fuel tax distributions pursuant to RCW 46.68.100 (2), interest earnings, and other revenue sources as may be authorized by the City Council.

4. REAL ESTATE EXCISE TAX FUND.

A. Purposes: This fund is established to account for the receipt and disbursement of the real estate excise tax authorized by RCW 82.46.010, and dedicated for capital purposes defined in RCW 35.43.040. Such expenditures may include public buildings and facilities, parks, and debt service associated with such capital oriented projects.

This fund is also established to account for the receipt and expenditure of the real estate excise tax authorized pursuant to the Growth Management Act (RCW 82.46.035), which restricts those revenues to financing capital projects specified in a capital facilities plan.

B. Revenue Sources: Real estate excise taxes authorized by RCW 82.46.010, and RCW 82.46.035, interest earnings, and other revenue that may be authorized by the City Council.

5. PATH AND TRAILS RESERVE FUND.

A. Purposes: This fund is established to accumulate the annually unexpended portion of the motor vehicle fuel tax designated to establish and maintain paths and trails within the right-of-way of city streets for pedestrians, equestrians, or bicyclists, pursuant to RCW 47.30.050, which requires that at least one half of one percent (0.5%) of the total amount of funds annually received from the motor vehicle fund be expended for paths and trails purposes.

B. Revenue Sources: Motor vehicle fuel taxes received from the motor vehicle fund according to the provisions of RCW 46.68.100, and interest earnings.

6. SURFACE WATER MANAGEMENT FUND.

A. Purposes: This fund is established to administer and account for all receipts and disbursements related to the City's surface and storm water management system. All service charges shall be deposited in this fund for the purpose of paying all or any part of the cost and expense of maintaining and operating surface and storm water management facilities, all or any part of the cost and expense of planning, constructing and improving any such facilities, or to pay or secure the payment of all or any portion of any issue of general obligation or revenue bond issued for such purpose.

- B. Revenue Sources: Revenues supporting this fund's activities include various storm and surface water charges, interest earnings, and other Revenue Sources as may be authorized by the City Council.

7. STRATEGIC RESERVE FUND.

A. Purposes: This fund is established to set aside financial resources to be used to mitigate adverse situations occurring as the result of severe short-term revenue shortfalls or expenditures resulting from emergencies, or as otherwise designated by the City Council.

B. Revenue Sources: This fund shall be financed by transferring undesignated and unreserved fund balance in the General Fund at the end of each calendar year or by other appropriation, as deemed appropriate by the City Council.

8. COUNCILMANIC DEBT SERVICE FUND.

A. Purposes: This fund is established to account for the debt service, and debt service related costs, on all City Council approved general obligation bonds or other general obligation debt.

B. Revenue Sources: Allocations of the City' regular levy property taxes, operating transfers from the Real Estate Excise Tax Fund or other funds, or other revenue sources as may be designated by the City Council.

C. Other General Information: The authorizing ordinances for the bond sale and the related bond debt service schedule provide budget authority for this fund.

9. CAPITAL PROJECTS - PARKS FUND.

A. Purposes: The fund is established to account for receipts and disbursements related to acquisitions, design, construction and any other related park capital project expenditures. These fund appropriations shall not lapse at the end of any calendar year but shall remain in effect until the project is complete.

B. Revenue Sources: Revenues supporting this fund's activities include bond proceeds, grant proceeds, interfund transfers and other Revenue Sources as may be authorized by the City Council.

C. Fund Administration: The City Treasurer or his or her designee shall maintain a separate record of accounts showing the receipts and disbursements of each and every grant assigned to this Fund. The Department assigned, by the

terms of the City's acceptance of said grant, to administer any program or activity financed wholly or in part by the grant financially controlled by this Fund, shall approve all expenditures therefrom and shall maintain such records and documents, and prepare such reports of a nonfinancial nature as may be required by the grantor agency or the City Council.

10. CAPITAL PROJECTS - PUBLIC WORKS FUND.

A. Purpose: The fund is established to account for receipts and disbursements related to acquisition, design, construction and any other related street, traffic, and surface water management capital project expenditures. These Fund appropriations shall not lapse at the end of any calendar year but shall remain in effect until the project is completed.

B. Revenue Sources: Revenues supporting this fund's activities include bond proceeds, grant proceeds, mitigation fees, interfund transfers, and other Revenue Sources as may be authorized by the City Council.

C. Fund Administration: The City Treasurer or his/her designee shall maintain a separate record of accounts showing the receipts and disbursements of each and every grant assigned to this fund. The Department assigned, by the terms of the City's acceptance of said grant, to administer any program or activity financed wholly or in part by the grant financially controlled by this fund, shall approve all expenditures therefrom and shall maintain such nonfinancial records and documents, and prepare such reports as may be required by the grantor agency or the City Council.

11. CAPITAL PROJECTS - MUNICIPAL FACILITIES FUND.

A. Purposes: The fund is established to account for receipts and disbursements related to acquisitions, design, construction and any other related park capital project expenditures. These fund appropriations shall not lapse at the end of any calendar year but shall remain in effect until the project is complete.

B. Revenue Sources: Revenues supporting this fund's activities include bond proceeds, grant proceeds, interfund transfers and other Revenue Sources as may be authorized by the City Council.

C. Fund Administration: The City Treasurer or his or her designee shall maintain a separate record of accounts showing the receipts and disbursements of each and every grant assigned to this Fund. The Department assigned, by the terms of the City's acceptance of said grant, to administer any program or activity financed wholly or in part by the grant financially controlled by this Fund, shall approve all expenditures therefrom and shall maintain such records and

documents, and prepare such reports of a nonfinancial nature as may be required by the grantor agency or the City Council.

12. FLEET AND EQUIPMENT FUND.

A. Purposes: This fund shall be used as the means through which to account for all costs associated with operating, maintaining and replacing the City's non-proprietary owned vehicular and other motorized equipment. This Fund shall own and depreciate all non-proprietary fund assets of this nature, and shall accumulate reserves for the replacement of these assets. This fund shall be used to pay salaries and operating costs, including equipment and furniture, associated with its administration, and costs required to repair, replace, purchase and operate equipment owned by this fund.

B. Revenue Sources: Interfund charges shall recover equipment maintenance and operating costs, equipment replacement and acquisition costs, and the cost of fund administration. Other revenues may include interest earnings, proceeds from the sale of assets, interfund transfers, and other revenue sources designated by the City Council.

C. Other General/Financial Information:

(1) Revenues shall be recorded as either replacement reserves or for maintenance and operations. Replacement reserve cash shall be maintained in a separate cash account in the accounting records. The replacement reserve shall only be used for vehicle and equipment replacement purposes.

(2) Charges for rental of such equipment shall be sufficient to cover the repair, replacement, purchase and operation thereof. Maintenance and operation costs may also be recovered on an actual cost basis, rather than through monthly or other rate structures.

13. COMMUNITY INFORMATION SERVICES FUND.

A. Purposes: This fund shall serve as the vehicle through which to account for all costs associated with information systems, telecommunications, cable, geographical information services (GIS), postage operations, and copier and duplication service for the City. This fund shall own and depreciate all assets related to these functions which are not otherwise owned by proprietary funds of the City. It shall accumulate reserves for the replacement of these assets. This fund shall be used to pay salaries and operation costs, including equipment and

furniture, associated with its administration and costs required to repair, replace, purchase and operate equipment owned by this fund.

B. Revenue Sources: Interfund charges shall be made to recover equipment maintenance and operating costs, equipment replacement and acquisition costs, and the cost of fund administration. Other revenues may include interest earnings, proceeds from the sale of assets, interfund transfers, and other Revenue Sources designated by the City Council.

C. Other General/Financial Information: Revenues recorded shall be specified as either for replacement reserves or for maintenance and operation. Replacement reserve cash shall be maintained in a separate cash account in the accounting records. The replacement reserves shall only be used for equipment replacement purposes.

Charges for the use of such equipment shall be sufficient to cover the repair, replacement, purchase and operation thereof.

All information system equipment purchased by other City funds of a non-proprietary nature shall be donated to this City fund effective January 1, 1996. All subsequent acquisitions shall be likewise donated to this Fund.

#### 14. PROPERTY MANAGEMENT FUND.

A. Purposes: The Property Management Fund is established to account for all costs associated with the maintenance and operation of City owned facilities and properties as specified by the City Treasurer or his or her designee. City building facilities and furnishings shall be owned by this fund. Maintenance/operation costs and replacement recovery shall be charged to City funds and departments. Debt Service payments on specified facility acquisitions may also be included in this fund along with revenues dedicated to these payments.

B. Revenue Sources: Interfund charges shall be made, as necessary, to recover maintenance and operating costs, furnishing and facility replacement and acquisition costs, and the cost of Fund administration. Other revenues may include interest earnings, proceeds from the sale of assets, lease payments, interfund transfers, and other revenue sources designated by the City Council.

C. Other General/Financial Information: Revenues recorded shall be specified as either for replacement reserves or for maintenance and operations. Replacement reserve cash shall be maintained in a separated cash account in the accounting records.

15. RISK MANAGEMENT FUND.

A. Purposes: This fund is for financial administration of the City's comprehensive risk management/self-insurance program.

B. Revenue Sources: Monies may be paid into this fund from time to time from various City operating funds as insurance premiums. Fund revenues may also include interest earnings, operating transfers and other revenue sources as may be designated by the City Council.

16. UNIVERSITY PLACE RETIREMENT SYSTEM FUND.

A. Purposes: This Fund is established to provide a means of accumulating the assets necessary to provide the benefits, which become payable under the City of University Place Employees' Retirement Plan, adopted by Resolution 118. This fund shall account for all transactions associated with this Plan and its administration. This is a defined contribution plan to which the City and employee make contributions. This fund accounts for all plan related expenditures and receipts.

B. Revenue Sources: Revenues include required employee and employer contributions, interest earnings, investment gains/losses, interfund transfers, and other sources designated by the City Council.

17. DEFERRED COMPENSATION FUND.

A. Purposes: This is an agency fund used to account for assets related to the City's employee tax deferred compensation program.

18. INVESTMENT CONTROL FUND.

A. Purposes: This is an agency fund established to account for investment transactions. It is used to record the amount of pooled monies invested from all City Funds. Interest earned on the pooled investments is distributed to individual City Funds.



19. DONATIONS FUND.

- A. Purposes: This Special Revenue Fund is established to receive donations of cash designated for specific purposes identified by the donor.
- B. Revenue Sources: Cash contributions from various sources. Investment earnings shall be placed in the General Fund.

20. CURRAN APPLE ORCHARD FUND.

- A. Purposes: This is an expendable trust fund established to receive donations of cash designated by the donor for specific purposes. This fund shall be a project-based fund that shall record all transactions associated with the donations. The City Manager is authorized to accept any donations and gifts made on behalf of the Curran Apple Orchard project, to be used for the improvement, maintenance, and general administration of the Orchard, as an edible urban park.
- B. Revenue Sources: Cash contributions from various sources. Investment earnings shall be placed in the General Fund.
- C. Fund Administration: The City Treasurer or his or her designee is authorized to expend any moneys maintained within the Fund, unless otherwise provided by ordinance.

Section 3. Authorization for Interfund Loan. The University Place City Council does hereby authorize the City Treasurer, or his/her designee, to make interfund loans of those municipal monies which are otherwise legally available for investment purposes, where such loans would be necessary to ensure compliance with the provisions of RCW 43.09.210.

Section 4. Procedures for Interfund Loan. The following procedures shall be used for the establishment and accounting of all interfund loans made pursuant to ordinance.

- 1. The City Treasurer or his or her designee shall approve all interfund loans and provide in the written authorization a planned schedule of repayment of the loan principal and shall set a reasonable rate of interest (based upon the external rate available to the municipality) to be paid to the lending fund.
- 2. Interest shall be charged in all cases unless:
  - a. the borrowing fund has no independent sources of revenue other than the lending fund:
  - b. the borrowing fund is normally funded by the lending fund; or

- c. the lending fund is the General Fund, which being unrestricted, can loan interest free, except to a proprietary fund.
3. The borrowing fund must anticipate sufficient revenues to be in a position over the period of the loan to make the specified principal and interest payments.
4. The term of loan should whenever practicable be restricted to a period of one year, but in no case shall the term of loan exceed three years, except for those funds which are legally permitted to support one another through appropriations, transfers, advances, or other means.
5. Only the portion of a given fund which, in the prudent management of municipal finances as determined by the City Treasurer, is clearly inactive or in excess of current needs may be loaned to other municipal funds or invested.
6. Appropriate accounting records shall be maintained to reflect the balances of loans payable and receivable in every fund affected by such transactions.

Section 5. Additional Authority. The Council further hereby grants to the City Treasurer, or his or her designee, the authority to make interim, temporary loans from one fund to another during the course of the fiscal year. The term of such loan shall not exceed the end of the fiscal year in which loan was made.

Section 6. Interest Earnings. When not otherwise specified by ordinance, interest earnings accruing on idle cash balances in funds of the City shall be apportioned to the General Fund.

Section 7. Repealer. Section 3 of Ordinance 5, "A special fund of the City to be known as the University Place Tax Anticipation Note Redemption Fund, 1995 (the Note Fund) is hereby authorized to be created by the City", enacted May 24, 1995; Section 8 of Ordinance 18, enacted July 10, 1995; Ordinance 34, enacted July 24, 1995; Sections 3, 4, 5, 6, 7 of Ordinance 56, enacted August 21, 1995; Section 2, "The City of University Place hereby adopts a surface water management fund", enacted August 28, 1995; Section 8 of Ordinance 73, enacted October 16, 1995; Section 5 of Ordinance 77, enacted December 20, 1995; Ordinance 80; Section 4, "A special fund of the City to be known as the "City of University Place Limited Tax General Obligation Bond Anticipation Note Fund, 1996" (the "Note Fund") is hereby authorized to be created by the City Treasurer" of Ordinance 111, enacted July 15, 1996; are hereby repealed.

Section 8. Ratification. Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and affirmed.

Section 9. Severability. The provisions of this ordinance are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance or the invalidity of the application thereof to any

person or circumstance, shall not affect the validity of the remainder of the ordinance, or the validity of its application to other persons or circumstances.

Section 10. Effective Date and Publication. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall be effective five (5) days after passage and publication of an approved summary of this ordinance.

**PASSED BY THE CITY COUNCIL OF THE CITY OF UNIVERSITY  
PLACE THIS 15<sup>TH</sup> DAY OF DECEMBER, 1997.**

  
\_\_\_\_\_

Linda Bird, Mayor

**ATTEST:**

  
\_\_\_\_\_

Susan Matthew, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_

Timothy X. Sullivan, City Attorney

**PUBLISHED :** December 17, 1997

**EFFECTIVE DATE:** December 22, 1997