

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 915 - Amending Shoreline Municipal Code Chapter 3.35 - Funds to Change the Name of the Agency Fund
DEPARTMENT:	Administrative Services Department
PRESENTED BY:	Sara Lane, Administrative Services Director
ACTION:	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

In 1996, the City Council adopted Ordinance No. 98, creating the “Agency Fund” in Shoreline Municipal Code (SMC) Chapter 3.35. The Governmental Accounting Standards Board (GASB) has now issued Statement No. 84, effective for reporting year 2020, a portion of which mandates renaming “Agency Funds” as “Custodial Funds.” Proposed Ordinance No. 915 (Attachment A) would amend SMC Section 3.35.120 to change the name of the City’s “Agency Fund” to “Custodial Fund.”

Tonight, Council is scheduled to adopt proposed Ordinance No. 915. As proposed Ordinance No. 915 is in front of the Council for the first time and is scheduled for adoption on tonight’s Consent Calendar, staff recommends that Council waive Council Rule of Procedure 3.5B, waiving the second reading of this Ordinance, given its routine nature.

RESOURCE/FINANCIAL IMPACT:

There is no substantial resource or financial impact anticipated from the change of fund name.

RECOMMENDATION

Staff recommends that the City Council waive Council Rule of Procedure 3.5B and adopt Ordinance No. 915 to amend Shoreline Municipal Code Section 3.35.120 to change the name from Agency Fund to Custodial Fund.

Approved By: City Manager **DT** City Attorney **JA-T**

BACKGROUND

In 1996, the City Council approved Ordinance No. 98, creating the City's "Agency Fund" to account for assets held by the City as an agent for individuals, private organizations, other governmental units, and/or other funds. This Fund is included in the Shoreline Municipal Code (SMC) Section 3.35.120. The Governmental Accounting Standards Board (GASB) has now issued Statement No 84, effective for reporting year 2020, a portion of which mandates renaming "Agency Funds" as "Custodial Funds."

DISCUSSION

To make this change required by GASB Statement No. 84, the SMC must be amended by City ordinance. Proposed Ordinance No. 915 (Attachment A) would amend SMC 3.35.120 to change the name from "Agency Fund" to "Custodial Fund."

As proposed Ordinance No. 915 is in front of the Council for the first time and is scheduled for adoption on tonight's Consent Calendar, staff recommends that Council waive Council Rule of Procedure 3.5B, waiving the second reading of this Ordinance, given its routine nature.

RESOURCE/FINANCIAL IMPACT

There is no substantial resource or financial impact anticipated from the change of fund name.

RECOMMENDATION

Staff recommends that the City Council waive Council Rule of Procedure 3.5B and adopt Ordinance No. 915 to amend Shoreline Municipal Code Section 3.35.120 to change the name from Agency Fund to Custodial Fund.

ATTACHMENTS

Attachment A – Ordinance No. 915

ORDINANCE NO. 915

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON,
AMENDING SHORELINE MUNICIPAL CODE SECTION 3.35.120 TO
REFLECT A CHANGE IN THE NAME OF THE FUND.**

WHEREAS, Chapter 3.35 of the Shoreline Municipal Code establishes various funds; and Section 3.35.120 is currently entitled “Agency Fund;” and

WHEREAS, according to the BARS GAAP Manual, Custodial Funds should be used to report all fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds or private purpose trust funds; and

WHEREAS, the Washington State Office of the State Auditor, by the Governmental Accounting Standards Board, is requiring that the City amend the title of this fund to “Custodial Fund” to ensure accurate reporting;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE,
WASHINGTON DO ORDAIN AS FOLLOWS:**

Section 1. Amendment. Shoreline Municipal Code Section 3.35.120 is amended to read as follows:

3.35.120 ~~Agency~~Custodial fund.

There is created a fund to be known as the “AgencyCustodial Fund” to account for assets held by the city as an agent for individuals, private organizations, other governmental units, and/or other funds

Section 2. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this Ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

Section 3. Severability. Should any section, subsection, paragraph, sentence, clause, or phrase of this Ordinance or its application to any person or situation be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance or its application to any person or situation.

Section 4. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON NOVEMBER 23, 2020.

Mayor Will Hall

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik Smith
City Clerk

Julie Ainsworth-Taylor,
Assistant City Attorney
On behalf of Margaret King,
City Attorney

Date of Publication: , 2020
Effective Date: , 2020