

Council Meeting Date: June 24, 2002

Agenda Item: 7(c)

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

**AGENDA TITLE:** Interlocal Agreement to provide Fiscal Agent Services for the Northshore/Shoreline Public Health and Safety Network.  
**DEPARTMENT:** Finance  
**PRESENTED BY:** Debbie Tarry, Finance Director

**PROBLEM/ISSUE STATEMENT:**

State Statute requires that the Northshore/Shoreline Public Health and Safety Network (Network) obtain fiscal agent services from a municipality or other public entity.

The City of Bothell currently provides fiscal agent services for the Network. With the Network's offices in Shoreline it is cumbersome to maintain this arrangement. The Network approached the City of Shoreline to provide these services. The City of Shoreline and the Network have negotiated an equitable agreement to provide the necessary fiscal agent services.

**ALTERNATIVES ANALYZED:**

The Network considered contracting for these services with the Shoreline School District and the cities of Lake Forest Park, Kenmore and Woodinville. These organizations were either not in a position to take on this responsibility or found it necessary to charge significantly more than the City of Shoreline.

It is anticipated based on Bothell's experience, that providing this service will take a maximum of 5 hours per month.

**FINANCIAL IMPACT:**

Under terms of this agreement the Network will compensate the City of Shoreline \$150/month for a total of \$1,800/year.

The Network's annual budget is \$76,000. However, Network funds will be maintained in a separate account and will not become City funds in any manner.

**RECOMMENDATION**

Staff recommends that Council authorize the City Manager to enter the proposed Interlocal Agreement between the Northshore/Shoreline Public Health and Safety Network and the City regarding provision of fiscal agent services.

Approved By: City Manager  City Attorney 

## **INTRODUCTION**

Public Health and Safety Networks are required by state statute, RCW 70.190.075, to engage the services of a unit of state government (city, school district, or county) to service as their fiscal agent. A fiscal agent's responsibilities are centered on disbursing and receiving monies into a bank account that the agent maintains for the Network.

Networks were established to undertake and promote activities which increase the effectiveness of state, county and local programs that foster the healthy development of young people.

## **BACKGROUND**

The Public Health and Safety Networks were formed by the state legislature in 1996 with the express purpose of fostering local responses to issues affecting the health and welfare of children and youth. Networks across the state, and particularly here in Shoreline, have formed strong partnerships among local governments, state agencies, private non-profits and interested citizens. The City has been an active participant on the Northshore/Shoreline Network since its creation. Since 1999, Rob Beem, the City's Assistant Director, PRCS, has served as a member of the Network.

Since its creation, the City of Bothell has served as the Network's fiscal agent. This arrangement worked well while the Network staff maintained an office in the Bothell area. Beginning in the fall of 2001 the staffing changed and moved its base of operations to Shoreline. It would be more efficient for the fiscal agent and staff to be located closer to one another.

As a fiscal agent the City will be responsible for maintaining a bank account and disbursing funds as directed by the Network. The City also is responsible for billing the State and depositing State funds into the Network's account. Based on past experience, the City will process between 5 and 10 transactions per month as the Network's fiscal agent. The fee of \$150 per month was calculated based on an estimate of the time involved for staff to process the transactions and for the staff supervisor to provide minimal guidance and support.

## **ALTERNATIVES ANALYSIS**

In addition to the recommended action the City considered the option of not offering its services or offering its services and charging different rates.

### **Not Providing Fiscal Agent Services:**

The City is under no obligation to provide these services. Upon review by staff and after consultation with the City of Bothell, staff determined that taking on these duties did not expose the City to any increased liability nor did it exceed staff's capacity. Given that the action has no adverse impacts and that providing these services actually furthers a strong community partnership, this option was rejected.

### Charging Different Rates:

Staff considered charging a flat percentage, a per-transaction charge or a monthly rate. Because the time involved and the scope of services is minimal it did not seem equitable to charge the Network a percentage of its total funding. Again because the number of transactions are so few in number, it would be difficult to ensure that the City would recoup its costs for setting up the account and conducting necessary monthly activities.

### **RECOMMENDATION**

Staff recommends that Council authorize the City Manger to enter the proposed Interlocal Agreement between the Northshore/Shoreline Public Health and Safety Network and the City regarding provision of fiscal agent services

### **ATTACHMENTS**

Attachment A - Interlocal Agreement for Fiscal Agency

## INTERLOCAL AGREEMENT FOR FISCAL AGENCY

THIS INTERLOCAL AGREEMENT ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2002 by and between the City of Shoreline, hereinafter referred to as "Fiscal Agent" and the Northshore/Shoreline Community Network, hereinafter referred to as "Network".

WHEREAS the Network must contract with a public entity as its lead fiscal agent under RCW 70.190.075; and

WHEREAS, THE City is willing to serve as the lead fiscal agent to promote the most efficient operation of the Network which serves the city of Shoreline as part of its service area; now therefore

IN CONSIDERATION of the above and foregoing recitals, the payments to be made, the mutual promises and covenants herein contained, and for other good and valuable consideration, the parties agree as follows:

**I. Responsibilities:** The Fiscal Agent shall have the general fiscal responsibilities as outlined in this agreement, while the Executive Board of the Network shall retain control over the day-to-day administrative activities of the Network as described below.

**A. The Fiscal Agent shall:**

1. Receive all Network funds and deposit Network moneys in an appropriate account in accordance with state law, and applicable regulations.
2. Provide the Network with monthly reports of the transactions in the Network's agency account, such as bank statements and notification of dates of deposits from the state or other entities.
3. Disburse all Network funds from the agency account only upon written authority and direction of the Network. The Fiscal Agent reserves the right to request additional written authorization by the Board of the Network concerning funds in the account when the Fiscal Agent determines that such additional written direction and authorization is necessary.
4. Provide financial liaison with the State Auditor's office and the Family Policy Council as needed.
5. Maintain the Network checking and savings accounts in accordance with state law and regulations.
6. Provide access to all records of Network transactions upon request.

**B. The Network shall:**

1. The Executive Board of the Network shall retain control over the day-to-day administrative activities of the Network which includes oversight of the Network's administrative operations in order to assure the policies and actions of the Fiscal Agent and Network are adhered to and comply with applicable law and regulations.
2. Commit to expending funds deposited with the fiscal agent only for the purposes for which they are designated, approved or allowed by state law, local law and approved funding contracts.
3. Upon approval of the Executive Director or the Network Executive Committee, sign contracts and agreements on behalf of the Network.
4. Be solely responsible for the valid authorization of the acceptance, expenditure, deposit or disbursement of the Network's funds and provide written direction and authorization to the Fiscal Agent by at least two of the members of the Network's executive committee as authorizing agents on

behalf of the Network. Disbursement of the funds shall be at the direction of the Network Executive Committee or the Network Board of Directors.

5. Maintain all financial records at the Network's place of business with the exception of checks, bank statements and checkbooks which shall be maintained by the Fiscal Agency at its place of business.
6. Maintain original source documents including but not limited to invoices, statements, contracts, project status reports, supporting the expenditures and activities of the Network so that they are available for audit by the State Auditor's office.
7. The Network Executive Board shall retain the authority to hire staff or retain consultants to conduct the Network's business, including financial management of the Network.
8. The Network shall be responsible for audit or financial reviews and fiscal reports required by the state, Family Policy Council and other agencies.
9. The Network shall provide office and conference/meeting space for Network staff.
10. The Northshore/Shoreline Community Network commits to expending the funds deposited with the fiscal agent only for the purpose of planning and services per the Family Policy Council guidelines and 70.90.080, to be disbursed by the fiscal agent under the direction of the Northshore/Shoreline Network.

## **II. Equipment.**

All equipment purchased or provided by the Network shall remain the property of the Network at the conclusion of this agreement.

## **III. Indemnification.**

Each party to this agreement shall be responsible for and shall defend any claims for damage or injury to persons or property resulting from its own negligence or the negligence of its employees, volunteers, agents or officers. Neither party assumes responsibility for consequences of acts or omissions of any person, company, or corporation not a party to this agreement.

## **IV. Term.**

This agreement shall be for an eighteen-month period beginning July 1, 2002 and ending December 31, 2003 unless terminated earlier by either party as provided in this agreement.

## **V. Fiscal Agent Administration Fee**

In consideration of these activities the Fiscal Agent shall be paid a monthly fee of \$150.00 to be invoiced to the Network quarterly. The fee structure will be reviewed annually.

## **VI. Provisions of Services**

This agreement shall not prevent the Fiscal Agent from directly delivering intervention and prevention services for at-risk children and youth or their families and thereby receiving payment from the Network for those services.

## **VII. Termination of Agreement**

Both the Fiscal Agent and the Network shall retain the power to terminate this agreement when, in the opinion of either party, the best interests of that party are served by termination. Such termination shall be by a majority vote of the Network Board or the City Council. The terminating party shall give at least ninety days written notice.

### **VIII. Amendment of Agreement**

This agreement contains the entire agreement of the parties relating to the Fiscal Agent's performance of services on behalf of the Network. The contract may be amended at any time by mutual agreement of the parties; provided that any amendments to this agreement must be in writing and signed by the parties.

Date:

Date:

Date:

\_\_\_\_\_  
Chairperson, Network Board

\_\_\_\_\_  
Steven C. Burkett, City Manager

Approved as to form: \_\_\_\_\_

Ian R. Sievers, City Attorney