

**CITY OF MERCER ISLAND  
ORDINANCE NO. 21C-32**

**AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON,  
AMENDING CHAPTER 4.40 MICC TO DISSOLVE THE YOUTH SERVICES  
ENDOWMENT FUND AND TO ESTABLISH CERTAIN MINIMUM OPERATING  
FUND BALANCE, PROVIDING FOR SEVERABILITY, AND ESTABLISHING AN  
EFFECTIVE DATE.**

**WHEREAS**, on September 21, 2021, the City Council adopted new Financial Management Policies that serve as a blueprint for City staff to draft the biennial budget, achieve goals set forth in budget work plans, the Comprehensive Plan, and other City planning documents by maintaining sound financial practices in accordance with all Federal, State, and local laws; and

**WHEREAS**, the Financial Management Policies established a new operating fund balance for Fund 160 – Youth & Family Services Fund to address temporary revenue losses due to economic-cycles, emergencies, or other time-limited causes. The Fund Balance will be maintained with YFS revenues at a target threshold of six-months of average monthly YFS expenditures, evaluated each biennium, to provide adequate reserves given the asynchronous nature between the City’s biennial budget and the Mercer Island School District’s academic year; and

**WHEREAS**, Fund 061 – the Youth Services Endowment Fund was established in 1986 so funds donated to Youth & Family Services would remain invested as principal and cannot be used for ongoing operations; and

**WHEREAS**, over the past ten years, Fund 061 averaged diminimus investment earnings with principal remaining at about \$290,000; and

**WHEREAS**, the City Council elects to dissolve this Fund and invest the resources into Fund 160 – Youth & Family Services Fund operating Fund Balance equivalent to six-months of average monthly expenditures, evaluated each biennium; **NOW, THEREFORE**,

**THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, DO ORDAIN AS FOLLOWS:**

**Section 1: Amended.** MICC 4.40.010, and 4.40.180 are hereby amended as set forth in Attachment A to this ordinance.

**Section 2: Repealed.** MICC 4.40.190 is hereby repealed.

**Section 3: Severability.** If any section, sentence, clause, or phrase of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, or its application held inapplicable to any person, property, or circumstance, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause, or phrase of this Ordinance or its application to any other person, property, or circumstance.

**Section 4: Publication and Effective Date.** A summary of this Ordinance consisting of its title shall be published in the official newspaper of the City. This

Ordinance shall take effect and be in full force five days after the date of publication.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AT ITS MEETING ON THE \_\_\_\_ DAY OF \_\_\_\_\_ 2021.

CITY OF MERCER ISLAND

\_\_\_\_\_  
Benson Wong, Mayor

ATTEST:

\_\_\_\_\_  
Andrea Larson, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Bio Park, City Attorney

Date of Publication: \_\_\_\_\_

ATTACHMENT A  
TO ORDINANCE NO. 21C-32

**4.40.010 - Funds—Created.**

The director of finance shall have the authority, without prior consent of the city council, to create or cancel a specific fund among the individual funds of the city in accordance with the applicable rules of the state auditor and generally accepted accounting principles; provided, that no funds may be deposited into or expended from a fund created by the director of finance utilizing this authority without prior approval of the city council. As required by the Revised Code of Washington and generally accepted accounting principles, there are created in the city treasury the following funds to be known and designated as:

Bond redemption fund.

Capital improvement fund.

City street fund.

Claims fund.

Contingency fund.

Current expense (general) fund.

Equipment rental fund.

Firemen's relief and pension fund.

LID guaranty fund.

Payroll fund.

Self-insurance claim reserve fund.

Sewer utility fund.

Storm water utility fund.

Technology and equipment fund.

Water utility fund.

Youth and family services fund.

~~Youth services endowment fund.~~

1% for art in public places fund.

#### **4.40.180 – Youth and family services fund.**

A. There is established in the city a special revenue fund to be known and designated as the youth and family services fund.

B. Funding for the youth and family services fund shall be by private or public gifts, endowments, donations, bequests or other such sources or grants which are intended to be deposited in the youth and family services fund.

C. All gross revenue earned by the Mercer Island Thrift Shop shall be deposited in the youth and family services fund and use shall be committed to the development and delivery of human services and related programs provided by the department of youth and family services.

D. All expenditures will be made from the fund only upon recommendation of the city manager ~~director of youth and family services~~, subject to budget approval by the city council.

E. A minimum operating fund balance equivalent to six-months of average YFS expenditures, evaluated each biennium, will be maintained to address temporary revenue losses due to economic-cycles, emergencies, or other time-limited causes.