CITY OF EDGEWOOD
COUNCIL STUDY SESSION AGENDA

Tuesday, December 17, 2024 – 7:00 PM ♦ City Hall – 2224 104th Avenue East ♦ Edgewood, WA
Meeting Link: https://cityofedgewood-org.zoom.us/j/86916509308

1. **CALL TO ORDER**
   Roll Call, Pledge of Allegiance
2. **COUNCIL BUSINESS**
   - **A.** Equity, Diversity, and Inclusion Council Sub-Committee Update
   - **B.** Economic Development Advisory Board (EDAB) Updates
   - **C.** Investment Authorization
   - **D.** Equipment/Vehicle Surplus
3. **OTHER COUNCIL ITEMS**
4. **ADJOURN**

Study Sessions are meetings for Council to review upcoming and pertinent business of the City, no action is taken by the City Council. Study Sessions are open to the public, but public input is reserved for the regular Council meetings

This meeting is accessible to persons with disabilities. For individuals who may require special accommodations, please contact City Hall at (253) 952.3299, 24 hours in advance.

City Of Edgewood
Council Agenda Summary Sheet

Subject: Equity, Diversity, and Inclusion Council Sub-Committee Update	Agenda Item #: 2.A
	For Agenda of: 12/17/2024
	Prepared by: Jill Schwerzler-Herrera

Attachments (list):

Approval of Materials:		
Jill Schwerzler-Herrera		**Expenditure Required:**
Rachel Pitzel, Assistant City Administrator	12/12/2024	**Amount Budgeted:**
Dave Olson, Mayor	12/12/2024	**Timeline:** Topic to be added to all future Study Sessions (see item history below)

Summary Statement:

Item History:
The council has asked that this topic be discussed at all study sessions for the foreseeable future. As such, this has been a reoccurring agenda item since September of 2020.

Recommended Action:
N/A

Fiscal Note/Consideration:
N/A

City Of Edgewood
Council Agenda Summary Sheet

Subject: Economic Development Advisory Board (EDAB) Updates	**Agenda Item #:** 2.B **For Agenda of:** 12/17/2024 **Prepared by:** Morgan Dorner
Attachments (list):	

Approval of Materials:		**Expenditure Required:** N/A
Morgan Dorner		
Rachel Pitzel, Assistant City Administrator	12/12/2024	**Amount Budgeted:** N/A
Dave Olson, Mayor	12/12/2024	**Timeline:** Monthly Report to Council, 2nd Study Session

Summary Statement:
The EDAB last met on December 2, 2024, and the materials and recording can be found here: https://edgewoodwa.portal.civicclerk.com/event/935/files/agenda/2268. The board members continued their review of the draft 2025 Work Plan, discussing how to prioritize the items listed therein for Council's consideration, again in preparation for discussion and vetting at the annual joint meeting with the City Council in February 2025. The draft prioritization materials, which were presented at the meeting, are being shared with the EDAB members for continued review and consideration ahead of their January 6, 2024 meeting, where they intend to resume their discussion.

Staff also informed the Board that they will be looking at Traffic Impact Fees and other items as assigned by the Council in 2025. Members discussed the need to formalize what the "Edgewood Brand" is. There are no other items on the EDAB's agenda at this time, pending tonight's discussion and direction.

Item History:
The council has asked that this topic be discussed at every second study session of the month for the foreseeable future. This is a reoccurring agenda item.

Recommended Action:
Hold a discussion regarding Economic Development Advisory Board (EDAB) Updates

Fiscal Note/Consideration:
N/A

City Of Edgewood
Council Agenda Summary Sheet

Subject: Investment Authorization	**Agenda Item #:** **2.C**
	For Agenda of: **12/17/2024**
	Prepared by: Hardeep Goraya

Attachments (list):

1. ORDINANCE 24.0672, ADDING SECTIONS 3.30.130 OF THE EMC REGARDING INVESTMENT OF PUBLIC FUNDS
2. Investment Interest Ordinance

Approval of Materials:		**Expenditure Required:** NA
Hardeep Goraya		
Rachel Pitzel, Assistant City Administrator	12/12/2024	**Amount Budgeted:** NA
Dave Olson, Mayor	12/12/2024	**Timeline:** SS 12.17.2024 RCM 12.23.2024

Summary Statement:
Edgewood Municipal Code (EMC) Chapter 3.30 establishes various funds and their uses but is silent as to the exercise of the City's inherent authority to invest monies in compliance with state law. The addition of a section to EMC Chapter 3.30 allowing for investment of public funds to generate additional revenues, shall enhance the health, welfare, and safety of the community.

**Please note: the City Attorney is currently working on the Ordinance. A revised packet will be sent out prior to the council meeting on Monday, December 16, 2024.*

Item History:
NA

Recommended Action:
Hold discussion and provide staff guidance regarding Investment authorization ordinance.

Fiscal Note/Consideration:
NA

ORDINANCE NO. 24-0672

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EDGEWOOD, PIERCE COUNTY, WASHINGTON; ADDING SECTIONS 3.30.130 OF THE EDGEWOOD MUNICIPAL CODE REGARDING INVESTMENT OF PUBLIC FUNDS; PROVIDING FOR SEVERABILITY; DECLARING AN EMERGENCY; AND ESTABLISHING AN IMMEDIATE EFFECTIVE DATE

WHEREAS, pursuant to RCW 35A.11.020 the City is authorized to adopt ordinances of all kinds relating to the regulation and good governance of municipal affairs; and

WHEREAS, pursuant to RCW 35A.40.050 the City is authorized to invest excess or inactive funds and may apportion revenue derived from such investment; and

WHEREAS, Edgewood Municipal Code Chapter 3.30 establishes various funds and their uses but is silent as to the exercise of the City's inherent authority to invest monies in compliance with state law; and

WHEREAS, the Council finds investment of City funds, pursuant to state law, into revenue bearing financial accounts and instruments is an appropriate use of City funds and demonstrates wise stewardship of public monies; and

WHEREAS, having considered the aforementioned, the Council has concluded that the authorization of amendments to Edgewood Municipal Code (EMC) Chapter 3.30 allowing for investment of public funds to generate additional revenues, shall enhance the health, welfare, and safety of the community; and

WHEREAS, in order to deposit the year 2024 interest income to the general fund, the deposit must comply with RCW 35A.40.050 and this ordinance must take effect and be in effect prior to the end of 2024; and

WHEREAS, due to the Christmas and New Year's Day holidays, unless the City Council declares an emergency, this ordinance will not take effect before the end of 2024; and

WHEREAS, RCW 35A.12.130 provides that an ordinance may be made effective upon adoption if passed by a majority plus one of the whole membership of the Council, and if designated as a public emergency ordinance necessary for the protection of the public health, public safety, public property or public peace; and

WHEREAS, pursuant to RCW 35A.12.130, the City Council finds that this ordinance is a public emergency ordinance necessary for the protection of public health, public safety, public property, or public peace for the reasons set forth herein;

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

Section 1. Findings. The City Council adopts the recitals set forth above, which are incorporated by reference, as findings in support of a declaration of this ordinance as a public emergency.

Section 2. New Section 3.30.130 Added. A new section is hereby added to Chapter 3.30 of the Edgewood Municipal Code (EMC) to read as follows:

> **3.30.130 Investment of Public Funds**. (a) The City Administrator and the Finance Director are authorized to invest public funds, revenues and monies pursuant to the authority and requirements of RCW 35A.40.050 now or as amended.
>
> (b) Unless prohibited by local, State or Federal law or regulation, all investment revenue shall be deposited into the general fund unless the stated intent of the original investment decision was to generate revenue for a specifically identified fund.
>
> (c) Unless prohibited by local, State or Federal law or regulation, the provisions of this Chapter shall be interpreted to allow and encourage the investment of public funds pursuant to the authority and requirements of RCW 35A.40.050 now or as amended.

Section 3. Corrections. Upon the approval of the city attorney and/or the city clerk, the code publisher is authorized to make any necessary technical corrections to this ordinance, including but not limited to the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any reference thereto.

Section 4. 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, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 5. Designation of Emergency Ordinance; Immediate Effective Date. Pursuant to RCW 35A.12.130, the City Council declares and designates this ordinance as a public emergency ordinance necessary for the protection of the public health, public safety, public property, or the public peace. Upon adoption of this ordinance by a majority plus one of the whole membership of the council, this ordinance shall take effect and be in full force immediately upon its adoption. Pursuant to *Matson v. Clark County Board of Commissioners*, 79 Wn.App. 641, 904 P.2d 317 (1995), underlying facts necessary to support this emergency declaration are included in the recitals set forth above, which are adopted by reference.

PASSED BY THE CITY COUNCIL ON THE 23RD DAY OF DECEMBER 2024

____
Dave Olson, Mayor

ATTEST/AUTHENTICATED:

____
Jill Schwerzler-Herrera, CMC
City Clerk

APPROVED AS TO FORM:

____
Maili C. Barber, City Attorney

Date of Publication: Dec 27, 2024
Effective Date: Dec. 27, 2024

3.2.3.20 The answers to these questions may be "Yes: or "No", based on the statutory language that authorized the imposition of taxes and levies or the distribution of fees and taxes by the state. These answers are also affected by the type of entity receiving the revenue.

Counties

3.2.3.30 County legislative authorities have the power to direct the investment of county funds, and when they do so, the interest earned stays with the original fund. If the legislative authority does not provide this direction RCW 36.29.020 allows a county treasurer to allocate the interest and other income earned on the investment of a county's own funds into county general fund.

3.2.3.40 As discussed in the AGO 2010 No. 10, the three statutes listed below are examples of a specific legislative intent which overrides the general authorization granted counties in RCW 36.29.020.

- RCW 73.08.080 – Veterans' assistance fund
- RCW 81.100.080 – High occupancy vehicle system fund
- RCW 41.16.050 – Firefighters' pension fund

3.2.3.50 Again, the statutes listed above are not meant to provide an exhaustive list of all revenues where the allocation of interest is restricted. It is the county's responsibility to carefully review the statutory language governing a particular revenue source to determine restrictions related to interest and other investment income.

Cities

3.2.3.60 Cities may transfer interest income to their general fund if the transfer is in compliance with RCW 35.39.034 (non-code cities) or RCW 35A.40.050 (code cities).

Capital Assets
Capital Assets Management

BARS Chapter
3.3.8

3 **Accounting**

3.3 **Capital Assets**

3.3.8 **Capital Assets Management**

Quick Links

3.3.8.10 **Definitions**

Accountability means the obligation to demonstrate good management of or control over those matters for which the government is responsible.

Capital assets are real and personal property used in operations, above a specified value, the government intends to use or keep for more than one year. Capital assets include land and land rights; buildings, fixtures, and furniture; infrastructure assets, intangible assets (such right-to-use lease, SBITA, and PPP assets, right-of-way easements, patents, etc.), equipment, machinery, vehicles, and tools.

RCW 35.39.034

Investment by individual fund or commingling of funds—Investment in United States securities—Validation.

Moneys thus determined available for this purpose may be invested on an individual fund basis or may, unless otherwise restricted by law be commingled within one common investment portfolio for investment. All income derived from such investment shall be apportioned and used for the benefit of the various participating funds or for the benefit of the general or current expense fund as the governing body of the city of [or] town shall determine by ordinance or resolution: PROVIDED, That funds derived from the sale of general obligation bonds or revenue bonds or similar instruments of indebtedness shall be invested, or used in such manner as the initiating ordinances, resolutions, or bond covenants may lawfully prescribe.

Any excess or inactive funds on hand in the city treasury not otherwise invested, or required to be invested by this section, as now or hereafter amended, may be invested by the city treasurer in United States government bonds, notes, bills, certificates of indebtedness, or interim financing warrants of a local improvement district which is within the protection of the local improvement guaranty fund law for the benefit of the general or current expense fund.

All previous or outstanding investments of city or town funds for the benefit of the city's or town's general or current expense fund which have been or could be made in accordance with the provisions of this section, as now or hereafter amended, are declared valid.

[**1981 c 218 s 1**; **1975 1st ex.s. c 11 s 2**; **1969 ex.s. c 33 s 3**.]

RCW 35A.40.050

Fiscal—Investment of funds.

Excess and inactive funds on hand in the treasury of any code city may be invested in the same manner and subject to the same limitations as provided for city and town funds in all applicable statutes, including, but not limited to the following: RCW **35.39.030**, **35.58.510**, **35.81.070**, **35.82.070**, **36.29.020**, **39.58.020**, **39.58.080**, **39.58.130**, **39.60.010**, **39.60.020**, **41.16.040**, **68.52.060**, and **68.52.065**.

The responsibility for determining the amount of money available in each fund for investment purposes shall be placed upon the department, division, or board responsible for the administration of such fund.

Moneys thus determined available for this purpose may be invested on an individual fund basis or may, unless otherwise restricted by law be commingled within one common investment portfolio for the mutual benefit of all participating funds: PROVIDED, That if such moneys are commingled in a common investment portfolio, all income derived therefrom shall be apportioned among the various participating funds or the general or current expense fund as the governing body of the code city determines by ordinance or resolution.

Any excess or inactive funds on hand in the city treasury not otherwise invested for the specific benefit of any particular fund, may be invested by the city treasurer in United States government bonds, notes, bills or certificates of indebtedness for the benefit of the general or current expense fund.

[**2015 1st sp.s. c 4 s 28**; **2007 c 64 s 1**; **1987 c 331 s 77**; **1983 c 66 s 2**; **1983 c 3 s 64**; **1967 ex.s. c 119 s 35A.40.050**.]

NOTES:

Effective date—1987 c 331: See RCW **68.05.900**.

Severability—1983 c 66: See note following RCW **39.58.010**.

Hardeep Goraya

From: Eric J. Lowell <elowell@mrsc.org>
Sent: Thursday, December 5, 2024 4:42 PM
To: Hardeep Goraya
Subject: Sweeping Interest to General Fund

Follow Up Flag: Follow up
Flag Status: Flagged

***This message is from an External Sender**

Hardeep,

Good afternoon. I received your inquiry asking about sweeping interest from other funds to the general fund. The BARS Manual Section 3.2.3.60 discusses cities sweeping interest to the general fund. Cities may do so, as long as the city follows RCW 35A.40.050 which states:

> "Moneys thus determined available for this purpose may be invested on an individual fund basis or may, unless otherwise restricted by law be commingled within one common investment portfolio for the mutual benefit of all participating funds: PROVIDED, That if such moneys are commingled in a common investment portfolio, ***all income derived therefrom shall be apportioned among the various participating funds or the general or current expense fund as the governing body of the code city determines by ordinance or resolution***."

In AGO Opinion 2010 No. 10, the AGO determined that if a restricted revenue statute does not specifically restrict interest earnings, then interest earned from those restricted revenues could be swept to the general fund. The only restricted revenues that I am aware of (and that are listed in BARS Manual Section 3.2.3.60) are revenues related to counties: veterans' assistance funds, high occupancy vehicle system funds, and firefighters' pension funds.

The city would need to make sure it has an ordinance or resolution in place allowing interest from other funds to be deposited into the general fund.

Let me know if you have further questions concerning this inquiry.

Regards,

Eric Lowell (He/She/They)
Finance Consultant
206.625.1300 x105

MRSC Empowering local governments

City Attorney

Hardeep Goraya

From: Maili C. Barber <mbarber@insleebest.com>
Sent: Monday, December 16, 2024 6:48 AM
To: Hardeep Goraya
Cc: Rachel Pitzel
Subject: Re: Investment Interest Ordinance

***This message is from an External Sender**

It's fine to sweep all interest/investment earnings into the general fund unless state law regarding the restricted revenue has language that specifically restricts interest earnings **or** if the City's ordinances have set forth a different apportionment for interest earnings.

I'll have some time today or tomorrow to review the attachments.

Have a good Monday.
Maili

Maili C. Barber | Senior Attorney
Skyline Tower, Suite 1500 | 10900 NE 4th Street | Bellevue, WA 98004
P: 425.450.4251 | F: 425.635.7720
vCard | website | mbarber@insleebest.com

From: Hardeep Goraya <hardeep@cityofedgewood.org>
Sent: Thursday, December 12, 2024 12:55:28 PM
To: Maili C. Barber <mbarber@insleebest.com>
Cc: Rachel Pitzel <rachel@cityofedgewood.org>
Subject: RE: Investment Interest Ordinance

Hi Maili,

We agreed with all the edits except minor changes in the highlighted paragraph.

A question for you - We know Real estate excise taxes, Park and Traffic Impact fees and utility fess have statutory restrictions on the use of revenue. But we are NOT aware of any statutory language that authorized the imposition of these taxes and fees - restricts the use of investment earning from those revenues. So, in accordance with AGO Opinion 2010 No. 10 - our understanding is we can use investment interest earned from city's various funds (restricted and unrestricted revenues) from a pooled investment in LGIP for the benefit of general fund. And MRSC agreed with us and have the same opinion - see attached . And I think City of University Place and City of Federal way already sweeping all interest income to GF. What are your thoughts?

Thank you

City Of Edgewood
Council Agenda Summary Sheet

Subject: Equipment/Vehicle Surplus	**Agenda Item #:** 2.D
	For Agenda of: 12/17/2024
	Prepared by: Chuck Hendricksen

Attachments (list):
1. Resolution SURPLUS
2. Surplus Equipment Exhibit A

Approval of Materials:		**Expenditure Required:** N/A
Chuck Hendricksen		
Rachel Pitzel, Assistant City Administrator	12/11/2024	**Amount Budgeted:** N/A
Dave Olson, Mayor	12/11/2024	**Timeline:** 12/17/2024 - SS Discussion 1/14/2025 - RCM Action under Consent Agenda

Summary Statement:
Staff continues to work to identify and prepare to dispose of miscellaneous obsolete computer equipment, electronics, and automobiles that are no longer in use or being retired as obsolete. By approval of this resolution, council will be authorizing the Mayor to work with staff to determine the most appropriate method to surplus the equipment and documenting any proceeds which will be returned to the general fund.

Item History:

Recommended Action:
Hold a discussion and provide staff guidance regarding the Equipment and Vehicle Surplus resolution.

Fiscal Note/Consideration:
Any revenues generated from the surplus activity will be deposited in to the General Fund.

RESOLUTION NO. 24-0XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EDGEWOOD, PIERCE COUNTY, WASHINGTON, AUTHORIZING THE MAYOR TO DECLARE MISCELLANEOUS OBSOLETE COMPUTER EQUIPMENT, ELECTRONICS, AND AUTOMOBILES AS SURPLUS, AND ADMINISTER THE DONATION OR SALE OF THE ITEMS

WHEREAS, City staff have been working to identify and prepare to dispose of miscellaneous obsolete computer equipment, electronics, and automobiles; and

WHEREAS, it is in the best interest of the City to free up valuable space that is currently not available due to storage of unused & obsolete items; and

WHEREAS, the City has donated and recycled obsolete computer equipment and electronics with little to no value in the past, for possible re-use by other government and non-profit organizations; and

WHEREAS, the City Council desires to formally authorize the Mayor to surplus said obsolete equipment;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EDGEWOOD, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Surplus Declaration. The City Council hereby declares these items surplus and authorizes the Mayor to administer the sale of items with a value greater than the disposal cost, donation of items that serve the public interest but have nominal or no value to the City, and finally to dispose of or recycle those items remaining. A list of items is attached as Exhibit A. All City data shall be permanently removed from all data devices prior to loss of custody by the City with a certificate provided stating such disposal was done according to the highest industry standards**.**

Section 2. Effective Date. This resolution will take effect immediately upon passage by the City Council.

ADOPTED THIS XTH DAY OF XXXXXXXXXX, 2024

____
Dave Olson, Mayor

ATTEST:

____
Jill Schwerzler-Herrera, CMC
City Clerk

Exhibit A

(Insert Exhibit here if applicable)

EXHIBIT A

City of Edgewood
Resolution No. 24-0xxx
Surplus Property List
December 17, 2024

Description of Item	Value
2004 Chevrolet 1500	$2,500
2014 Ford Explorer	$6,500

- Final values to be determined upon sale of items, to be attached to the Original Resolution.