



City Council

Approval to Amend Ordinance 7153 to Create a Capital Fund for Monies Collected from the Home Fund Sales Tax

Agenda Date: 9/11/2018
Agenda Item Number: 4.H
File Number: 18-0794

Type: ordinance **Version:** 2 **Status:** Passed

Title

Approval to Amend Ordinance 7153 to Create a Capital Fund for Monies Collected from the Home Fund Sales Tax

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the ordinance amending Ordinance 7153 to create a capital fund for monies collected from the Home Fund Sales Tax on second reading.

Report

Issue:

Whether to amend Ordinance 7153 to create a capital fund for monies collected from the Home Fund Sales Tax.

Staff Contact:

Olivia Oudman, Senior Accountant, Administrative Services, 360.753.8435

Presenter(s):

None - Consent Calendar Item

Background and Analysis:

Background and analysis have not changed from first to second reading.

On February 13, 2018, Olympia voters approved Proposition No. 1 to increase the sales tax by one-tenth of one percent as authorized by RCW 82.14.530. The use of the revenue collected was outlined in a voter fact sheet and stated by law in the RCW 82.14.530.

On April 17, 2018, City Council approved ordinance 7135 to create a separate fund for revenues received from the Home Fund sales tax. This ordinance allows all revenue to go into one account. Staff is requesting Council to amend ordinance 7135 to approve to establish a separate capital fund.

This is based on the fact that 60% or more of all revenue collected will be used for capital, and the Governmental Accounting Standards Board (GASB) requires that monies collected for capital purposes be segregated from monies collected for operating purposes.

If approved, revenues received from the Home Fund Sales Tax will be accounted for in both an operating fund and capital fund.

Neighborhood/Community Interests (if known):

Options:

1. Move to approve the ordinance amending Ordinance 7153 to create a capital fund for monies collected from the Home Fund Sales Tax
2. Do not approve the ordinance amending Ordinance 7153 to create a capital fund for monies collected from the Home Fund Sales Tax. The City would be at risk of a finding by the State Auditor due to the lack of separation and distinction between the authorized operating and capital nature of the monies collected.

Financial Impact:

NA

Attachments:

Ordinance