

**KUNA CITY ORDINANCE NO. 2019-12
CITY OF KUNA**

**A MUNICIPAL ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KUNA:
AMENDING TITLE 1 OF THE KUNA CITY CODE BY THE ADDITION THERETO OF
A NEW CHAPTER 17 PROVIDING FOR AN AGENCY FUND; AND**

- **PROVIDING THE FUND’S PURPOSE; AND**
- **PROVIDING THE FUND’S NAME; AND**
- **PROVIDING STANDARDS FOR DEPOSITS TO THE FUND; AND**
- **PROVIDING FOR THE FUND’S ACCOUNTING, DISTRIBUTION RESTRICTIONS AND INVESTMENT GUIDELINES; AND**
- **PROVIDING FOR THE TRANSFER OF THE FUND’S INCOME TO THE CITY’S GENERAL FUND; AND**

**AMENDING TITLE 1 OF THE KUNA CITY CODE BY THE ADDITION THERETO OF
A NEW CHAPTER 18 PROVIDING FOR PUBLIC DEPOSITORY LAW COMPLIANCE;
AND**

- **STATING A PURPOSE; AND**
- **PROVIDING FOR THE PROCESS OF THE DESIGNATION OF THE CITY’S DEPOSITORY; AND**
- **PROVIDING FOR THE PROCESS OF THE CERITIFCATION OF CITY FUNDS FOR INVESTMENT; AND**
- **PROVIDING FOR INVESTMENT GUIDELINES AND ACCOUNTING OF INVESTMENT INTEREST; AND**
- **DIRECTING THE CITY CLERK; AND**
- **PROVIDING AN EFFECTIVE DATE.**

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Kuna, Ada County, Idaho:

Section 1: That Title 1 of the Kuna City Code be and the same is hereby amended by the addition thereto of a new chapter 17 to read as follows:

CHAPTER 17- AGENCY FUND

- 1.17.1 Purpose:** From time to time in the process of the administration of the City’s business there is a need to hold funds to secure performance of regulated and/or permitted activity; and there are occasions when persons or entities tender funds to the City as a special project incentive for reimbursement to the City and/or funds otherwise tendered to the City in a custodial capacity; and in such circumstances such funds need to be held and

accounted by the City in a separate custodial holding fund which is separate and apart from the City's assets and budget process.

17.1.2 Fund Name: This Fund shall be known and administered as "City of Kuna Agency Fund," hereinafter in this instrument referred to as the "Fund."

17.1.3 Fund Deposits: The Treasurer shall place in the Fund those funds received by the City under the following circumstances:

- A. To secure performance of a regulated and/or permitted activity; or
- B. Specially tendered to the City as an inducement and as a reimbursement to the City in the performance of a special City project subject first to acceptance by the City Council; or
- C. Otherwise tendered to the City as a custodian subject first to acceptance by the City Council.

17.1.4 Accounting and Distribution Restrictions

- A. **Accounting:** The City Treasurer shall maintain separate accounting of the deposits to this Fund in accordance with the regulated and/or permitted activity for which the funds are tendered or pursuant to the directive of the City Council in the acceptance of funds to this Fund as the case may be.
 - 1. **Not an Asset of the City:** This Fund is a custodial account and not an asset of the City and shall not be included in the City's budget.
- B. **Distribution:** Distributions from this Fund shall be subject to approval by the City Council unless otherwise provided by City regulation or permitting which is applicable to a deposit made to secure performance of regulated and/or permitted activity as authorized by the City Council in the ordinary course of the City's business.

17.1.5 Accounting and Investment Guidelines

- A. **Fund Account Guidelines:** The treasurer shall account, by separate line item, for all deposits made involving regulated and/or permitted activity and shall also establish a sub-funds within this Fund for the acceptance of tendered funds which required the approval of the City Council.
- B. **Fund Investment Guidelines:** This Fund's investment guidelines are as follows: The principle shall be invested in accordance with the policy established by the City Council.

- C. Fund Income:** The income (i.e., interest) generated by the Fund's investment of the principal shall be transferred from this Fund monthly to the City's General Fund in order to offset the costs incurred by the City in the administration of this Fund.

Section 2: That Title 1 of the Kuna City Code be and the same is hereby amended by the addition thereto of a new chapter 18 to read as follows:

CHAPTER 18 PUBLIC DEPOSITORY LAW COMPLIANCE

1.18.1 Purpose: The Public Depository Law, set forth in Chapter 1 of Title 57, Idaho Code, governs the management of the City's public funds, and it is the intent of this Chapter to establish a policy to provide guidance to the Treasurer and the City Council in compliance with the Law.

1.18.2 Designation of Depository: All City funds shall be deposited by the Treasurer in a qualified depository designated by the City Council.

A. As provided and required by Idaho Code § 57-110, a qualified depository includes any national bank, state bank, trust company, federal savings and loan association, state savings and loan association, the Idaho Local Government Investment Pool, federal credit union or state credit union which lies within the boundaries of the City and otherwise complies with Idaho Code § 57-113.

B. When there is more than one qualified depository; the process for designation shall be upon recommendation of the Treasurer after competitive bidding or by other means acceptable as a standard business practice.

1. The type of account upon designation shall be a demand deposit account, except for surplus or idle City funds as designed by the City Council.

1.18.3 Certification of Funds for Investment: The City Council shall, at least once every six (6) months, certify to the Treasurer the City's capital and surplus or reserves and unallocated or undivided earnings, funds as applicable, of each public depository, which funds are not needed for anticipated expenditures of the City for the period of time so certified using and delivering a copy to the Treasurer of the completed Certification.

A. Investment Options: The Treasurer, having been served with a completed Certification, the treasurer is then authorized and empowered to invest the certified funds in investments permitted by section 67-1210, Idaho Code, for the certified period.

1. Investment Consideration: The following are the guidelines to the Treasurer for investments made pursuant to this policy and in accordance with the following priority:

- First Priority:** Probable safety of the capital investment
- Second Priority:** Probable income to be derived from the investment
- Third Priority:** Liquidity of the investment at the conclusion of the certified period.

B. Interest Earned: The interest earned on investments made, unless otherwise required by law, shall become part of the general fund of the City.

Section 3: Directing the City Clerk

- 3.1** The City Clerk is directed to file, this Ordinance in the official records of the City and to provide the same to the City's codifier for inclusion and publication in the Kuna City Code.

Section 4: Effective Date

- 4.1** This Ordinance shall take effect and be in force from and after its passage, approval, and publication as required by law and at the discretion of the City Clerk and In lieu of publication of the entire ordinance, a summary thereof in compliance with Section 50-901A, Idaho Code, may be published.

DATED this 7th day of May, 2019

CITY OF KUNA

Joe L. Stear, Mayor

ATTEST:

Chris Engels, City Clerk