

**CITY OF LIBERTY LAKE
SPOKANE COUNTY, WASHINGTON
ORDINANCE NO. 105**

**AN ORDINANCE OF ESTABLISHING A "SECTION 125 FUND" FOR THE PURPOSE OF
IMPLEMENTING A "CAFETERIA PLAN" AUTHORIZED UNDER SECTION 125 OF THE
INTERNAL REVENUE CODE OF 1986, AS AMENDED.**

WHEREAS, Section 125 of the Internal Revenue Code of 1986, as amended, authorizes the City of Liberty Lake to establish a cafeteria plan that allows for the contribution of pre-tax dollars by participating employees to a fund in order to pay for and reimburse certain medical, child care and other expenses authorized under Section 125;

WHEREAS, the City Council finds and declares that it is in the best interest of the City to provide a cafeteria plan to its employees and allow voluntary employee pre-tax contributions to be used to reimburse providers of certain medical, child care and other expenses; and

WHEREAS, the establishment of the Section 125 fund shall be deemed to be a non-operating fund of the City of Liberty Lake.

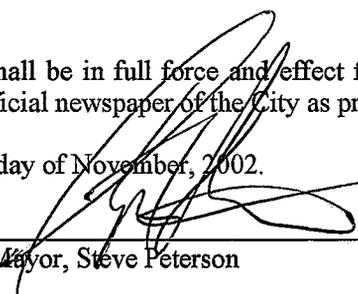
NOW, THEREFORE, the City Council of the City of Liberty Lake, Washington, do ordain as follows:

Section 1. Establishment of Fund. There is hereby established a fund to be known as the "Section 125 Fund" within the group of City funds that will contain money voluntarily deposited from the salaries and compensation of participating employees and from which employee reimbursements shall be paid for authorized medical, child care and other expenses of the contributing employees in compliance with Section 125 of the IRS Code.

Section 2. Severability. If any section, sentence, clause or phrase of this ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not effect the validity or unconstitutionality of any other section, sentence, clause or phrase of this ordinance.

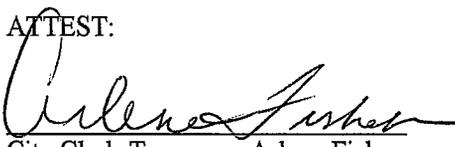
Section 3. Effective Date. This Ordinance shall be in full force and effect five (5) days after publication of this Ordinance or a summary thereof in the official newspaper of the City as provided by law.

PASSED by the City Council this 19th day of November, 2002.



Mayor, Steve Peterson

ATTEST:



City Clerk-Treasurer, Arlene Fisher

APPROVED AS TO FORM:



City Attorney, Stanley M. Schwartz
Date of Publication: 11/13/02
Effective Date: 12/10/02