

**SALT LAKE COUNTY ORDINANCE**

Ordinance No. \_\_\_\_\_, 2021

**FINANCIAL ADMINISTRATION ORDINANCE**

AN ORDINANCE ENACTING CHAPTER 2.90, ENTITLED “COUNTY FINANCIAL ADMINISTRATION,” OF THE SALT LAKE COUNTY CODE OF ORDINANCES, 2001; REGARDING THE FINANCIAL OPERATIONS, STANDARDS AND PROCEDURES OF THE COUNTY; PROVIDING FOR THE DETAILED PROCESSES AND REQUIREMENTS TO BE ADOPTED BY THE COUNTY IN POLICY AND PROCEDURE FORMAT; DIRECTING COMPLIANCE WITH THE UTAH UNIFORM FISCAL PROCEDURES ACT FOR COUNTIES; SETTING OUT GENERAL PURPOSES FOR BUDGETING, CAPITAL BUDGETING, REVENUES, RESERVES, INVESTMENTS, ACCOUNTING, AUDITING, AND FINANCIAL REPORTING; AND MAKING RELATED CHANGES.

The County Legislative Body of Salt Lake County ordains as follows:

SECTION I. Chapter 2.90 of the Salt Lake County Code of Ordinances, 2001, is enacted to read follows:

**2.90 COUNTY FINANCIAL ADMINISTRATION**

- 2.90.010 Financial Administration – General Provisions and Purposes.
- 2.90.020 Budgeting.
- 2.90.030 Capital Budgeting.
- 2.90.040 Debt.
- 2.90.050 Revenues.
- 2.90.060 Reserves.
- 2.90.070 Investments.
- 2.90.080 Accounting, Auditing, Financial Reporting, and Internal Control.

**2.90.010 Financial Administration – General Provisions and Purposes.**

A. The Mayor is the financial officer and the budget officer of Salt Lake County (the County) and, as such, shall ensure compliance with the Uniform Fiscal Procedures Act for Counties (the Act) as required by state law, these ordinances, and county policies and procedures.

B. The purpose of the Salt Lake County Council, in enacting this Section, is to:

- 1. Comply with the Act;
- 2. Formalize the County’s commitment to financial best practices;

3. Direct the preparation and adoption of specific, detailed financial administration processes and requirements, where needed, by policy and procedure; and
4. Comply with relevant statutory and ordinance requirements.

C. The goals and purposes of the County expressed in this Chapter are to address financial operations in the following areas: operating and capital budgeting, debt issuance, revenues, minimum reserves, investments, accounting, financial reporting, auditing and internal control function, as provided specifically below.

D. Pursuant to the Act, these ordinances and county policies, the county mayor is authorized to pay routine expenditures, such as utility bills, payroll-related expenses, supplies, materials, and payments on county-approved contracts and capital expenditures referenced in the County budget document and approved by an appropriation resolution adopted for the current fiscal year.

E. County ordinances and policies shall establish maximum amounts over which purchases may not be made without the Mayor's approval.

F. The Mayor, as county financial officer, shall be bonded for a reasonable amount as set out in Chapter 2.12 of these ordinances.

#### **2.90.020 Budgeting.**

A. Each budget period, the Mayor shall prepare on forms in accordance with the provisions of the Act and with County Ordinance, Chapter 2.95, a budget for each of the following funds or sets of funds which are included in the county's system of accounts:

1. County general fund;
2. Special revenue funds;
3. Debt service funds;
4. Capital project funds; and
5. Any other fund or funds for which a budget is required.

B. As needed or as requested by the Council, the Mayor shall prepare a multi-year budget and revenue projection for various funds, including the following:

1. General Fund.
2. Flood Control Fund.
3. Health Fund.
4. Clark Planetarium Fund.
5. Tax Administration Fund.
6. Library Fund.
7. Tourism, Recreation, Cultural, and Convention Fund.
8. Transportation Preservation Fund

C. The County budget for any fund shall be balanced. In accordance with the Act, the County shall not adopt a budget for any fund where the total appropriation exceeds the estimated expendable revenue.

**2.90.030 Capital Budgeting.**

The County shall maintain and annually update its multi-year plan for capital projects, including acquisition of real estate, construction of new facilities, improvements to existing facilities and capital maintenance. An annual capital budget shall be prepared based on a multi-year capital improvements plan. Preparation of the capital projects budget shall be coordinated with preparing the operating budget. The County shall adopt policies and procedures to establish detailed processes for capital projects and capital project budgets.

**2.90.040 Debt.**

A. It is the policy of the County to minimize its reliance on issuing debt according to the following directions:

1. The County shall borrow only when necessary and use pay-as-you-go financing whenever possible.
2. The County shall limit multiyear borrowing to capital projects or other major capital additions or improvements which cannot be financed from current revenues.

3. When the County finances capital projects by issuing bonds, the County shall amortize the bonds within a period not to exceed the expected useful life of the capital project.
4. The County shall not enter into multi-year borrowing for current operations.
5. The County shall pay all debt obligations when due.
6. The County shall strive to maintain a general obligation bond rating of AAA.
7. The County's total General Obligation (G.O.) debt shall not exceed 2% of the value of taxable property within the County in accordance with Utah Constitution., Art. XIV, § 4(1)(a).

B. The County shall establish, use and maintain a Debt Review Committee, as provided in Chapter 2.97 of these ordinances, to review debt proposals.

C. In managing debt, the County shall abide by the laws and regulations of the Utah Money Management Council, as provided by state law.

**2.90.050 Revenues.**

A. The County shall strive to create and maintain diversified and stable revenue sources and shall regularly evaluate the long-term sustainability of revenue sources. For grant revenues, the program funded by the grant shall be evaluated to determine if it adequately reflects the County's legal responsibilities and authority as defined by the law.

B. Payment for services, fines, fees and user charges shall be set at full cost unless otherwise provided in this section.

1. Except where the Mayor or Council determine otherwise, to satisfy good practice and public policy, the County shall establish all inter-local cooperation agreements for services at a payment which reflects the full cost of providing the services, including all actual direct costs and overhead.
2. All fines, fees and user charges shall be set at full cost, unless the Council approves another basis or as otherwise established in these ordinances or in state statute.

3. The County shall set fees, user charges and inter-fund charges for all enterprise and internal service funds at a level that fully supports the total direct and overhead costs of services related to such funds.

C. The County should structurally balance each fund over the long term, matching ongoing revenues with ongoing expenditures. One-time revenues should not be used as a revenue source to support current ongoing operations over the long term. The County shall annually review unpredictable revenue sources, such as annually renewable contracts or programs, to determine whether to retain any program funded thereby.

**2.90.060 Reserves.**

A. The County shall establish minimum reserves or fund balances for the general fund and certain other funds, taking into consideration the elasticity of revenue sources for each fund, Government Finance Officers Association recommended practices, and the reserve requirements necessary to maintain the County's bond rating. The minimum reserve for each of these funds shall be established by policy.

B. Wherever possible, the County shall create the necessary accounting mechanisms in each fund to accumulate reserves for capital projects on a pay-as-you-go basis.

**2.90.070 Investments.**

The County shall invest monies in accordance with the Utah State Money Management Act and in ways which stress safety, liquidity, the matching of investment terms to cash flow projections, and yield. The County will also acquire secure banking services by contract with a financial institution that qualifies under the Act.

**2.90.080 Accounting, Auditing, Financial Reporting, and Internal Control.**

A. The Mayor shall be responsible for accounting services and duties, in accordance with state law, to ensure good management practice; to foster effectiveness, efficiency and the adequate protection of county assets; and to strengthen appropriate checks and balances within county government.

B. The accounting system shall maintain records to produce statements on a basis consistent with General Accepted Accounting Principles for local government accounting and with the Act.

C. An independent public accounting firm shall perform an annual audit and shall publicly issue its opinion regarding the County's financial statements and other reports and shall review with the Council significant matters contained in its annual report.

D. The County shall adopt policies to permit and require an adequate cost allocation methodology used throughout the County and to foster consistency and compliance with generally accepted cost accounting practices. These policies shall include all funds of the County, shall be consistent with state and federal accounting requirements and with applicable state statute.

E. The Auditor shall maintain an internal audit function to performs audits of County organizations with such specific objectives as the Auditor deems appropriate and necessary under applicable state statute and in compliance with governmental auditing standards.

1. An annual schedule of audits shall be structured and performed based on materiality and appropriate risk assessment.
2. The Auditor shall, as requested, perform other special analyses, investigations and studies to provide for the effectiveness and efficiency of County operations and administration within applicable legal and professional standards.

SECTION II. This ordinance shall become effective fifteen (15) days after its passage and upon at least one publication of the ordinance or a summary thereof in a newspaper published and having general circulation in Salt Lake County.

[Signature Page To Follow]

APPROVED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

SALT LAKE COUNTY COUNCIL:

By: \_\_\_\_\_  
Steve DeBry, Chair Date

ATTEST:

\_\_\_\_\_  
Sherrie Swensen Date  
Salt Lake County Clerk

- Council Member Alvord voting \_\_\_\_\_
- Council Member Bradley voting \_\_\_\_\_
- Council Member Bradshaw voting \_\_\_\_\_
- Council Member DeBry voting \_\_\_\_\_
- Council Member Granato voting \_\_\_\_\_
- Council Member Newton voting \_\_\_\_\_
- Council Member Snelgrove voting \_\_\_\_\_
- Council Member Stringham voting \_\_\_\_\_
- Council Member Theodore voting \_\_\_\_\_

VETOED and DATED this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

By: \_\_\_\_\_  
Jennifer Wilson, Mayor

(Complete as Applicable)

Veto override: Yes \_\_\_\_\_ No \_\_\_\_\_ Date \_\_\_\_\_

Ordinance published in newspaper: Date \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy District Attorney

SUMMARY OF SALT LAKE COUNTY ORDINANCE NO. \_\_\_\_\_.

On the \_\_\_\_\_ day of \_\_\_\_\_, 2021, the County Council of Salt Lake County adopted Ordinance No. \_\_\_\_\_, which enacts Chapter 2.90, entitled "County Financial Administration," of the Salt Lake County Code of Ordinances, 2001; regarding the financial operations, standards and procedures of the County; providing for the detailed processes and requirements to be adopted by the County in policy and procedure format; directing compliance with the Utah Uniform Fiscal Procedures Act for Counties; setting out general purposes and direction for budgeting, capital budgeting, revenues, reserves, investments, accounting, auditing, and financial reporting; and making related changes.

APPROVED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

SALT LAKE COUNTY COUNCIL:

By: \_\_\_\_\_  
Steve DeBry, Chair Date

ATTEST:

\_\_\_\_\_  
Sherrie Swensen Date  
Salt Lake County Clerk

- Council Member Alvord voting \_\_\_\_\_
- Council Member Bradley voting \_\_\_\_\_
- Council Member Bradshaw voting \_\_\_\_\_
- Council Member DeBry voting \_\_\_\_\_
- Council Member Granato voting \_\_\_\_\_
- Council Member Newton voting \_\_\_\_\_
- Council Member Snelgrove voting \_\_\_\_\_
- Council Member Stringham voting \_\_\_\_\_
- Council Member Theodore voting \_\_\_\_\_

Approved As to Form

\_\_\_\_\_  
Craig Wangsgard  
Deputy District Attorney

A complete copy of Ordinance No. \_\_\_\_\_ is available in the office of the Salt Lake County Clerk, 2001 South State Street, N2700A. Salt Lake City. Utah.