

SALT LAKE COUNTY ORDINANCE

Ordinance No. _____, 2019

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, and Financial Reporting.
- 2.90.090 Internal control structure.

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, and auditing, 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 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 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 ~~by the uniform system of budgeting, accounting and reporting.~~

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. Capital Improvements Fund.~~

3. Flood Control Fund.

4. Health Fund.

5. Clark Planetarium Fund.

~~6. Governmental Immunity Fund.~~

7. ~~State~~ Tax Administration ~~Levy~~ Fund.

~~8. Municipal Services Fund.~~

9. Library Fund.

10. Tourism, Recreation, Cultural, and Convention Fund.

11. 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.

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2.90.040 Debt.

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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 confine multiyear borrowing to capital projects or other major capital additions or improvements that 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's total general obligation debt shall not exceed two percent of the value of taxable property within the County, in accordance with the Utah Constitution.
5. The County shall not enter into long-term debt for current operations.
6. The County shall pay all debt obligations when due.
7. The County shall strive to maintain a general obligation bond rating of AAA.

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.

D. 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.

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. One-time revenues shall generally not be used as a revenue source to support current ongoing operations over the long term, or they shall be deposited in the appropriate fund balance account. 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.

C. Wherever possible, the County shall create the necessary accounting mechanisms pay-as-you-go basis.

2.90.070 Investments.

The County shall manage investments in such a way as to insure maximum availability of cash; to maximize financial safety, liquidity and yield; and to acquire secure banking services by contract, pursuant to the requirements of the Utah Money Management Act and other provisions of state law. The County may enter into contracts for the control and management of debt pursuant to Section 2.90.040 of this Chapter.

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2.90.080 Accounting, Auditing, and Financial Reporting.

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 on a basis consistent with GAAP for local government accounting and with the Act. Annual financial reports shall present county financial activity in accordance with GAAP. Monthly financial reports shall present financial activity in an appropriate format, as determined by the Mayor.

C. An independent public accounting firm shall perform an annual audit and shall publicly issue its opinion on the County’s financial statements and other reports and 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 law.

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 law and in compliance with governmental auditing standards.

1. An annual schedule of audits shall be structured and performed based on appropriate risk assessment.

2. Audits, reviews, investigations, and studies are performed by the Auditor at the request of the Mayor, Council or other elected officials. The Auditor shall make every effort to accommodate these requests within the scope and priority of audit work scheduled and in process. Audit goals shall be to assist County executives and managers to accomplish their organizational mission efficiently and effectively, with adequate internal controls to insure financial and operational integrity.

3. 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.

2.90.090 Internal control structure.

A. The County shall implement an internal control structure to ensure, on a reasonable basis, all valid financial transactions of the County are identified and recorded accurately and timely.

B. The objectives of the internal control structure shall be to ensure:

1. the proper authorization of transactions and activities;
2. the appropriate segregation of:
 - a. the duty to authorize transactions;
 - b. the duty to record transactions; and
 - c. the duty to maintain custody of assets.

C. Adequate documents and records shall be designed and used to ensure the proper recording of events; the development of adequate safeguards over access to and use of assets and records; and the use of independent checks on performance and on the proper valuation of recorded amounts.

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.

APPROVED AND ADOPTED this ____ day of _____, 2019

SALT LAKE COUNTY COUNCIL:

By: _____

Richard Snelgrove, Chair

Date: _____

ATTEST:

Sherrie Swensen
Salt Lake County Clerk

APPROVED AS TO FORM:

Deputy District Attorney

- Council Member Bradley voting _____
- Council Member Bradshaw voting _____
- Council Member Burdick voting _____
- Council Member DeBry voting _____
- Council Member Ghorbani voting _____
- Council Member Granato voting _____
- Council Member Jensen voting _____
- Council Member Newton voting _____
- Council Member Snelgrove voting _____

VETOED and DATED this ____ day of _____ 2019.

By: _____

Jennifer Wilson, Mayor

(Complete as Applicable)

Veto override: Yes ____ No ____ Date _____

Ordinance published in newspaper: Date _____

SUMMARY OF SALT LAKE COUNTY ORDINANCE NO. _____.

On the _____ day of _____, 2019, 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 _____, 2019.

SALT LAKE COUNTY COUNCIL:

By: _____
Richard Snelgrove, Chair
Date: _____

ATTEST:

Sherrie Swensen
Salt Lake County Clerk

APPROVED AS TO FORM:

Deputy District Attorney

- Council Member Bradley voting _____
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- Council Member Ghorbani voting _____
- Council Member Granato voting _____
- Council Member Jensen voting _____
- Council Member Newton voting _____
- Council Member Snelgrove voting _____

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.