



NIBLEY CITY COUNCIL MEETING AGENDA

Thursday, September 28, 2023 – 6:30 p.m.

In accordance with Utah Code Annotated 52-4-207 and Nibley City Resolution 12-04, this meeting may be conducted electronically. The anchor location for the meeting will be Nibley City Hall, 455 West 3200 South, Nibley, Utah. The public may also participate in the meeting via the Zoom meeting link provided at www.nibleycity.com. Public comment should be submitted to cheryl@nibleycity.com by 6:30 p.m. and will be read into the public record.

1. Opening Ceremonies (Councilmember Mann)
2. Call to Order and Roll Call (Chair)
3. Approval of the September 14, 2023, Regular and Executive Session City Council Meeting Minutes and the Current Agenda (Chair)
4. Planning Commission Report
5. Public Comment Period¹ (Chair)

6. **Discussion and Consideration:** Resolution 23-14—Amending the Cooperative Policy & List for Non-Municipal Entities; Girl Scouts, HAM Radio Operators, RODS Heros, Bridgeland Applied Technology, Astrological Society, Rural Water Association of Utah (First Reading)
7. **Training:** Open and Public Meeting Act Training
8. **Discussion & Consideration:** Resolution 23-15— Accepting the Fraud Risk Assessment of Nibley City for 2023 (First Reading)
9. **Discussion & Consideration:** Resolution 23-16—Updating the Nibley City Financial Policy for Auxiliary Organizations (First Reading)
10. **Discussion & Consideration:** Resolution 23-17—Amending Nibley City’s Investment Policy (First Reading)
11. **Discussion & Consideration:** Resolution 23-18— Appointments to the ULCT Legislative Policy Committee (First Reading)
12. **Discussion & Consideration:** Resolution 23-19—Amending the 2023 Nibley City Council Meeting Schedule (First Reading)
13. **Discussion & Consideration:** Amendment 2 to the 2600 South Roadway Agreement

14. Council and Staff Report

Adjourn

¹ Public input is welcomed at all City Council Meetings. 15 minutes have been allotted to receive verbal public comment. Verbal comments shall be limited to 3 minutes per person. A sign-up sheet is available at the entrance to the Council Chambers starting 15 minutes prior to each council meeting and at the rostrum for the duration of the public comment period. Commenters shall identify themselves by name and address on the comment form and verbally for inclusion in the record. Comment will be taken in the order shown on the sign-up sheet. Written comment will also be accepted and entered into the record for the meeting if received prior to the conclusion of the meeting. Comments determined by the presiding officer to be in violation of Council meeting rules shall be ruled out of order.

In compliance with the Americans With Disabilities Act, reasonable accommodations for individuals with disabilities will be provided upon request. For assistance, please call (435) 752-0431

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Agenda Item #7

Description	Discussion & Consideration – Resolution 23-14: Amending the Cooperative Community Partnership Policy & associated list to change the status for the Girl Scouts and also list the HAM Radio Operators, Rods Heroes, Bridgerland Technical College, Cache Valley Astronomical Society, and Rural Water of Utah (First Reading)
Presenter	Chad Wright, Nibley City Recreation Director
Recommendation	Move to approve Resolution 23-14: Amending the Cooperative Community Partnership Policy & associated list to change the status for the Girl Scouts and include the HAM Radio Operators, Rods Heroes, Bridgerland Technical College, Cache Valley Astronomical Society, and Rural Water of Utah Waive Second Reading
Reviewed By	Mayor, City Manager, Recreation Director

Background:

In March of 2023 the Council passed a Cooperative Community Partnership Policy that includes a list a number of entities that benefit our community. The policy was created to manage frequently requests to support organizations, that request staff time, promotional support, and or free use of city facilities. Nibley city staff believe that we can better serve our citizens, while also supporting the larger community by partnering with organizations for a mutual benefit. Our community has benefited from expanded facility use, volunteer support, and community opportunities beyond staff resources through community partners. We also believe that careful consideration should be given to all organizations interested in benefiting our community that may wish to be added to a pre-approved list of community partners.

However, partnerships require an outlay of resources that are supported by tax dollars, and our objective with this policy is to set the terms, conditions, and arrangements of City support available to community partners that contribute to the vision, values, goals, and priorities of Nibley City. With this established policy we are able to expedite action, and mutual support from community partners that have been evaluated and pre-approved by the Nibley City Council based on recommendations and suggestions from city staff.

To more clearly define partnership terms, especially for Level 1 partnerships and organizations currently supported by the Nibley City Budget or other agreements the city staff recommends specifying a Level 1A and Level 1B partnership benefits as outlined adjustments to the policy.

City staff also feel that it is important that the process for re-evaluating the list be continuous with at least an annual review as outlined in the policy. This will be the first amendment since the Policy and List were approved. Staff will continue to compile requests and evaluate partners, and will notify the Mayor and City council of requests that may require review more frequent than an annual review.

The following organizations have requested either a Community Partner status level adjustment or inclusion on the list:

Girl Scouts
Rods Heroes Club
HAM Operators of Nibley
Bridgeland Applied Technology
Cache Valley Astronomical Society
Rural Water Association of Utah

Girl Scouts: (currently listed as a Level 3 Promotional Support Partner, requesting a Level 1B partnership status to include use of Nibley City Facilities)

The Girl Scouts of Utah, Cache Service Unit, is requesting use of your Heritage Park North Pavilion on a weekly basis for Girl Scouts Troop 1655 meetings. They currently plan to meet on Thursdays 5-7 pm. In accordance with your website, we are requesting the waiver of the fee due to our support of the community with educational and civic public benefit.

The Girl Scout benefit to the community is that we help girls grow courage, confidence, and character. but we have a focus on making our world a better place. Girl Scout troops are always working on ways to help and improve their community and environment through our four program pillars which include life skills, entrepreneurship, outdoors, and STEM. These processes support community strength and growth through our troop meetings, program activities (using community resources), and valley-wide service unit events such as world thinking day, outdoor progression, first aid, and other life skills.

The Cache Service Unit is comprised of 14 troops with Girl Scouts from Paradise to Richmond/Garden City. We strive to place girls in troops in their geographic location, dependent upon age and Girl Scout level openings and timing of overall openings in the troops. Troop 1655 is a new troop, formed from the many new scouts from spring recruiting. There are currently 19 girls registered in grades K-10. Approximately 50% are from the south end of the valley, including Hyrum, Wellsville and south of River Heights (there are Logan, River Heights, and Hyrum troops that are currently at capacity). There are also scouts from Nibley in other troops as the Nibley location was not available when they joined over the last few years. Nibley is a great central location between Logan and Hyrum. Over time, as troops grow and change, the plan is to have troops in accessible locations throughout the valley.

We currently have troops in civic facilities in River Heights, Smithfield, and Hyrum. We are good stewards, always leaving a facility cleaner than we found it. We provide a certificate of insurance with the city named.

As the Cache Service Unit Manager, I plan to attend your Sept.12 meeting and would be glad to present more about Girl Scouts and answer any questions you might have. We would love to build a Girl Scout presence in the Nibley area to support your community and its environment.

Thanks to Chad for working with us to enable this request.

Regards,

Marsha Campbell

Rods Heroes club:

[Requesting a Level 1B partnership status]

My name is Heidi Fjeldsted. I am writing to request that you kindly consider adding RODS Heroes as a Level 1B community partner. RODS Heroes is a 501(c)(3) organization.

During the summer of 2023 I served as a captain for a run club called Heroes Club. As found on their website (runclub.rods.org) "Heroes Club, powered by RODS Heroes, is a values-centric summer running program for kids designed to inspire the rising generation to create a more inclusive world for all children, while also bringing awareness to RODS Heroes' core mission of inspiring families to answer the call of adoption." As a captain for this program this summer I witnessed first hand how kids were excited to get up and run for half an hour each day so that other kids, many of whom have special needs, will be able to have a family. The kids asked friends, relatives, and neighbors to support RODS Heroes by either making a flat donation or pledging per mile they ran over the course of the summer. Our little club in Nibley ran 1,242 miles and raised \$5,587! As the kids were asking neighbors to donate, I was truly touched by the kindness of the people of Nibley. I really felt a huge amount of community support for the kids running and for this amazing cause. All of the kids, whether they liked running or preferred to walk, cheered each other on and had fun being outside, interacting with peers, and being part of a cause bigger than themselves.

I would like to request for RODS Heroes to be added as a Nibley City Community Partner so we could have the facility use fee waived. We would love to grow to be even bigger next summer and would greatly benefit from any help with promoting this great cause. We used the north pavilion and the sidewalk loop around the baseball field at Heritage Park. Set up started at 8:30 and we were done cleaning up by 9:45. This past summer the program ran for ten weeks from the beginning of June through mid August, but I know they are discussing having it be shorter next summer. Thank you for considering this request.

Sincerely,
Heidi Fjeldsted

HAM Radio Operators:

Local citizens have been forming an organization for HAM Radio operators to gather, educate and help each other in operating radio equipment in the event of a large scale City Emergency when normal modes of communication are interrupted. City Emergency Manager, Chris Searl attended the first meeting, and plans to be a part of the group. The group meets in frequently, but would like to be able to use the building when they decide to meet.

Bridgeland Technical College:

(Requesting for them a Level 3 Organizational Partnership)

this Cache Valley educational institution offers a variety of skill-based programs and has supported Nibley City Talent Shows with scholarship offers. They occasionally offer FREE community events and have requested promotional support for these events.

Cache Valley Astronomical Society:

(Requesting for them a Level 2 Organizational Partnership)

This organization has utilized city facilities for occasional meetings and has hosted star watching parties at our Nibley Parks including Heritage Park and Firefly Park. This group includes some residents of Nibley City and it supported the grand opening of Firefly Park and has participated as an event partner at Heritage Days for several years.

Rural Water Association of Utah (RWAU):

(Requesting Level 2 Organizational Support – for occasional facility use)

RWAU is a non-profit organization that exists to provide education and training to Water and Waste Water Operators accross the State of Utah. They often partner with the Utah Divison of Drinking Water to provide up to date information on many different aspects of the industry. City Manager Justin Maughan is a sitting board memeber of the organization. On infrequent and a random occasions, RWAU will request to use a room to provide training, and invite municipalites from accross Northern Utah to participate.

Agenda Item #7

RESOLUTION 23-14

A RESOLUTION ADOPTING A COMMUNITY PARTNERSHIP POLICY FOR AUXILIARY ORGANIZATIONS AND OTHERS WITH NIBLEY CITY, UTAH

WHEREAS, Nibley City and its citizens have opportunities to experience mutually beneficial relationships with community partners and outside organizations, and

WHEREAS, the City desires to establish a policy on how city staff support and interact with these organizations.

NOW THEREFORE, be it resolved by the Nibley City Council, as follows:

1. The attached document, entitled “Nibley City Community Partnership Policy” is adopted and incorporated by reference.
2. The policy shall become effective upon passage of the resolution.

PASSED and ADOPTED BY THE NIBLEY CITY COUNCIL THIS 28 DAY OF September, 2023.

Larry Jacobsen, Mayor

ATTEST:

Cheryl Bodily, City Recorder

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Community Partnership Policy Nibley City Corporation

Effective Date: _____

Overview

Nibley City can better serve its citizens, while also supporting the larger community by partnering with organizations for a mutual benefit. Consideration should be given to all organizations interested in benefiting our community.

Policy

Whereas partnerships require an outlay of resources that are supported by tax dollars. Nibley City establishes this policy to outline the general terms, conditions, and arrangements of City support of community partners that contribute to the vision, values, goals, and priorities of Nibley City. The purpose of this policy is to outline the arrangements to expedite action and mutual support from community partners that have been evaluated and pre-approved by the Nibley City Council and staff. While some community organizations give more than they receive it is important that Nibley City offer them valued support to expand their reach and multiply the benefits to our community and the community at large.

Unique Relationships Eligible for Community Partner Status

1. **Interlocal Agreements Merit Level 1A Partnerships**

All interlocal agreements entered into by Nibley City and other organizations merit the benefits outlined in the agreement and Level 1 partnership benefits as applicable including but not limited to:

- 1.1. The Cache County School District their schools and affiliated parent organizations, teams, and clubs
- 1.2. Thomas Edison Charter School South Campus
- 1.3. Mountain Peak Volleyball

2. **Associated Government Organization: Merit Level 1A Partnerships**

- 2.1. Nibley City citizens benefit from the services of local cities, Cache County, Cache County Trails Association, Cache County Sheriff, Bear River Health Department, Bear River Association of Governments, BPAC: Bicycle and Pedestrian Advisory Committee, CVTD: Cache Valley Transit District, Utah State University including its extension services, and other State and Federal entities.
- 2.2. Special services that are financially supported by Nibley City by agreement including the Hyrum Senior Center, Hyrum Library, Hyrum Museum and Elite Hall, Hyrum City Fire, and the Nibley Millville Cemetery District

3. **Nibley City Auxiliary Organizations: Merit Level 1A partnership benefits**

Other Nibley organization that are supported by city funds include the following:

- 3.1. Nibley Parks and Recreation Advisory Committee and Friends Group, Nibley Children's Theatre, Nibley Youth Council, and Nibley Royalty

4. **Staff Affiliated Organizations: Merit Level 1A partnership benefits**

- 4.1. Associations and Organizations that staff are members of that relate to their specific job duties

5. **Other Organizations: Merit Level 1B** partnership benefits

These organizations offer a significant benefit to our community in offering service opportunities, and in expanding educational and recreational opportunities to members of our community:

5.1. Cache Wildlife Association, The Stokes Nature Center, Nordic United, B.L.U.E Crew Service organization, National Wildlife Federation, Girl Scouts, and Rods Hero's

6. **Special Interest organizations and Clubs: Merit Level 2** partnership benefits

As long as these organizations allow membership to all (including Nibley residents), and they in exchange offer a community wide benefit like contributing in a Nibley City event as a presenter, or offering a community event in Nibley City, they may be considered a partner.

6.1. Cache Quilters, Cache Fiber Arts, Cache Valley Cruise-In Car Club, Cache Valley Astronomical Society, Rural Water Association of Utah, HAM Radio Operators of Nibley,

7. **Promotional Support Partners: Merit Level 3** partnership benefits

Many of these partners offer an educational or a recreational experience and often participate in or help to promote our events and programs. Many also provide significant prize donations for events and programs. Others offer special services to members of our community in need.

7.1. The Family Place, CAPSA: Community Abuse Prevention Services Agency, The United Way, The Boy Scouts and Cub Scouts of America, , The American West Heritage Center, Zootah Zoo, Malouf Foundation, The American Festival Chorus and Orchestra, Cache Valley Cowboy Rendezvous, Sons of the Utah Pioneers, Daughters of the Utah Pioneers. Youth recreation programs and camps affiliated with Ridgeline High School. Bridgerland Applied Technology

8. **Community Partnership Levels**

8.1. LEVEL 1A Full Support 1B Partial Support

8.1.1. Financial support through the Nibley City Budget as applicable, and noted in the budget (1A Only)

8.1.2. Use of indoor and outdoor Nibley City Facilities at no charge on a first come first serve basis second only in priority to official Nibley City public meetings, staff meetings, and or city events and programs that are scheduled (1A and 1B)

8.1.3. Inclusion in the Nibley City Newsletter when appropriate (limited by available space) (1A and 1B)

8.1.4. Inclusion on the Nibley City Website if applicable if applicable and approved by the City Manager (1A and 1B)

8.1.5. Option to post to Nibley City flyer boards if space is available (when approved but shall not displace other Nibley City official notices or Nibley city flyers (1A and 1B)

8.1.6. Inclusion on the Nibley City Social Media Platforms

When content is provided to Nibley City for the post including an image file and or an option to share their social media post. (1A and 1B)

8.1.7. Event support by City Staff when approved by the City Manager and the appropriate Department Head (1A only)

8.2. LEVEL 2 Organizational Support

8.2.1. Use of indoor and outdoor Nibley City Facilities at no charge (deposits may apply) on a first come first serve basis second only in priority to official Nibley City public meetings, staff meetings, and or city events and programs, or Level 1A Full Support Partners or Level 1B Partial Support Partners that are scheduled, so long as the facility use is during NON-peak hours as determined by the City Manager.

8.3. LEVEL 3 Promotional Support

8.3.1. Inclusion on Nibley City Social Media Platforms

When content is provided to Nibley City for the post including an image file and or an option to share the partners social media post(s)

9. Sponsorship Situations:

Business and or other organizations may arrange to offer financial support (typically for an event or program) for the promotion of their organization at a given event or program, or through other Nibley City information sources as negotiated. **These do NOT fall under the Community**

Partnership Policy and are negotiated separately by the Nibley City Recreation Director. Financial or In-Kind Donations in exchange for facility use must be equal to or exceeding the rental cost of the facility. The terms of significant sponsorship donations over \$5000 must be approved by the Nibley City Manager prior to offering promotional services or allowing the use of facilities in exchange for the sponsorship.

10. Policy Revision Process:

It is anticipated that this policy will require revision and that the list of community partners will change and expand as our community and Cache Valley Grow. An annual review by staff and City Council is anticipated, however, in a special circumstance staff and or Mayor/City Council may request a revision to this policy for an existing or proposed community partner. A majority vote by City Council is required to update this policy.

11. Disclaimer

Any arrangement or agreement either prohibited or outlined more clearly in a Federal, State, or City law and or ordinances supersedes this policy.

12. Prohibited Partnerships: the following do NOT qualify for COMMUNITY PARTNERSHIP benefits

- 12.1.1. Political candidates or political parties for the purpose of campaigning.
- 12.1.2. Any organization political or otherwise that discriminates based on race, gender or other protected class
- 12.1.3. Any organization that supports the exclusion of those in a protected class or is for the purpose of moving forward a political agenda or cause.
- 12.1.4. Partnerships that constitute a conflict of interest for Nibley City employees or public officials.
- 12.1.5. A fundraiser for a single individual or family.
- 12.1.6. For profit businesses, except when a sponsorship arrangement or contract is created.

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Description	Training: Open and Public Meetings Act
Presenter	Cheryl Bodily, City Recorder
Planning Commission Recommendation	None
Staff Recommendation	View the video provided. Ask questions for clarification and/or research.
Reviewed By	City Manager, City Recorder

Background:

The Nibley City Council should receive annual training regarding the Open and Public Meetings Act (or OPMA) at least annually according to Utah Code 52-4-104. This training is also required to satisfy the requirements of Nibley City's internal and external audit.

- **Who must complete it:** All public governing body members
- **Time frame for completion:** Yearly
- **Who provides it:** Anyone the presiding officer deems appropriate
- **Who tracks it:** Presiding officer, in conjunction with records officer
- **Who enforces it:** Office of the Attorney General and County Attorney
- **Statute:** Utah Code 52-4-104

OPMA statute can be found in Utah State Code 52-4:

<https://le.utah.gov/xcode/Title52/Chapter4/52-4-S101.html>

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Agenda Item #8

Description	Discussion & Consideration: Resolution 23-15-- Accepting the Annual Fraud Risk Assessment of Nibley City for 2023
Presenter	Justin Maughan, City Manager
Planning Commission Recommendation	NA
Staff Recommendation	Approve Resolution 23-15 Accepting the Annual Fraud Risk Assessment of Nibley City for 2023 and waive second reading
Reviewed By	Mayor, City Manager, City Treasurer

Background:

The Office of the State Auditor regularly receives complaints of fraud or abuse by local government officials. As such, the Office developed a program as a guide to help measure and reduce the risk of undetected fraud, abuse and noncompliance in local governments. Staff is continually working to follow the process, and to go above and beyond what is required. You can learn more about the program here:

<https://resources.auditor.utah.gov/s/article/Fraud-Risk-Assessment-Implementation-Guide>.

As part of continuing to improve, City staff conducted an internal audit this year. Council Member Norman Larsen offered his services to come in and complete the audit. He spent a number of hours over a couple of days. He worked with many staff members, across all departments, learning different policies and procedures aimed at protecting the public from fraud, as well as efficient use of taxpayer dollars. Staff enjoyed this opportunity to share, and felt this process was of great value. Staff also particularly appreciated Norman's feedback and suggestions.

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RESOLUTION 22-15

A RESOLUTION ACCEPTING THE FRAUD RISK ASSESSEMNT OF NIBLEY CITY FOR 2023

WHEREAS, Nibley City is required to complete a fraud risk assessment and Basic Separation of Duties per state requirement; and

WHEREAS, Nibley City regards its fiduciary responsibilities among its highest of priorities; and

WHEREAS, the Nibley Council has adopted formal policies and practices regarding financial risk; and

WHEREAS, City Staff are regularly trained in the above-mentioned policies and practices; and

WHEREAS, the City received a score of 395 out of 395 on the attached fraud risk assessment; and

WHEREAS, the City was able to answer “yes” to all questions on the Basic Separation of Duties questionnaire.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF NIBLEY CITY, STATE OF UTAH, AS FOLLOWS:

1. Nibley City Council accepts the Fraud Risk Assessment and Basic Separation of Duties questionnaire as presented.

PASSED and ADOPTED BY THE NIBLEY CITY COUNCIL THIS 28 DAY OF SEPTEMBER, 2023.

Larry Jacobsen, Mayor

ATTEST:

Cheryl Bodily, City Recorder

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Fraud Risk Assessment

Background

The Office of the State Auditor (Office) regularly receives complaints of fraud or abuse by local government officials. The Office is also aware of internal investigations performed by local governments of their own officials and employees. Some of these situations receive significant media coverage, while others are resolved with less publicity. In either case, the level of concern by the public and local and state officials is significant. Many have asked the Office for more direction on how to prevent such occurrences in the future. The program outlined in this guide is designed to help measure and reduce the risk of undetected fraud, abuse, and noncompliance in local governments of all types and sizes. This assessment is a starting point, it is the hope of the Office that local governments will add to and adapt this form to improve how they manage their internal controls and the risk of fraud, waste and abuse.

Internal Controls as a Discipline

Professional literature, as well as our own experience, indicates that the solution to the reduction of fraud risk lies in effective internal controls. Internal controls are the policies, practices, and processes that ensure the operations of an organization are performed effectively and efficiently. Internal Controls are also intended to deter or prevent the misuse of public funds. Since internal controls require time and resources, entities should seek to reduce risk to an acceptable level, not eliminate risk altogether. In other words, a lock should never cost more than the item it is intended to protect.

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) is a group of organizations dedicated to providing frameworks and guidance on risk management, internal control, and fraud deterrence. COSO publishes a document “Internal Control – Integrated Framework” (the COSO Framework). The COSO Framework is noted as the gold standard for designing and implementing an entity-wide internal control program for all organizations including governments. The Government Accountability Office (GAO) publishes its own guidance for proper internal controls in government entities known as the Green Book. The Green Book follows the COSO Framework, but adds some specific context that is unique to the government environment. We used both of these publications as resources for this project.

The COSO Framework includes five principles:

- Tone at the Top
- Risk Assessment
- Control Activities
- Communication

- Monitoring

Incorporating these five principles into an organization is a recommended but complex endeavor. Most accountants and auditors have been trained on these principles, but full implementation requires additional training and a commitment throughout the organization to be effective. We recommend every organization with the resources use COSO, GAO, GFOA, or any other reputable source as an aid to implementing a comprehensive internal control program.

Due to the expense, most local governments in Utah lack the resources necessary to completely implement the COSO Framework. Our goal is to take the concepts of the COSO Framework and boil them down to specific measures that every local government can incorporate at minimal cost. If properly implemented, we believe these measures will reduce the risk of undetected fraud, abuse, and noncompliance. We have also developed a risk assessment model that provides a basic evaluation of an entity's fraud risk, based upon required separation of duties and our recommended measures.

Recommended Measures

1. Separate Duties over Cash Accounts (Crucial)

Widely recognized as a crucial internal control, separation of duties includes separating the powers of the treasurer and clerk (the person who performs the accounting function, regardless of title), as required by state law. If the roles and responsibilities of treasurer and clerk are *not* 1) separate, 2) independent, and 3) monitored by the governing board, the risk of financial fraud and abuse increases.

In general, the treasurer is responsible for the collection and custody of funds while the clerk validates payment requests, ensures compliance with policy and budgetary restrictions, prepares checks, and records all financial transactions. In situations where proper separation of duties are not maintained, mitigating controls must be implemented. Because of the extreme importance of this control, we have developed a separate questionnaire (see attached) to help determine if basic separation of duties or mitigating controls are in place.

2. Require a Commitment of Ethical Behavior

Purpose

A critical, fundamental, and far-reaching problem facing government today is the lack of public trust and confidence. Government officials are expected to perform their government duties without using their position for personal benefit. A written statement on ethical behavior will provide clarity and serve as a physical reminder of the aspirations of the organization.

Overview

Maintaining an ethical environment requires setting an example and communicating proper expectations at every level of the organization. Training and re-enforcement of

ethical standards must be continuous and applicable. Expectations must point to the highest standards and not excuse bad behavior by anyone for any reason.

Implementation

We recommend the entity set clear expectations and exercise consistent enforcement. We recommend instilling a culture rewarding high ethical standards, rather than rewarding cutting corners or engaging in questionable or self-serving behavior. We recommend that every entity have a written policy and strong practices that address a standard of ethical behavior, including prohibited activities, required disclosures, and clear directions on how and to whom disclosures should be submitted and reviewed. We also recommend that the entity require elected or appointed officials and employees to annually commit in writing to abide by the entity's standards of ethical behavior. This practice will provide an opportunity to review the policy and identify any potential or actual conflicts of interest. Requiring periodic confirmation will deter individuals from acting unethically and identify issues before they become problematic.

3. Adopt and Put Into Practice Written Policies

Overview

The governing body should evaluate policies to make sure they establish proper oversight and direct the organization toward the desired outcomes. The following are key policies along with certain elements that we have identified that are either required by law or best practices to improve the internal control system. As a matter of practical implementation, template policies that contain these elements are available on the Office's website at resources.auditor.utah.gov.

a. Conflict of Interest

1. Specifies who is required to declare conflicts.
2. States that if a new conflict arises during course of business it must be reported.
3. Requires each public official/employee to complete a disclosure form on an at least an annual basis.
4. Identifies the individual/position responsible to gather disclosure forms.
5. Disclosure forms provide the user a way to disclose conflicts or indicate that they have no conflicts.
6. Disclosure forms must list the name and position of the public official/employee.
7. Disclosure forms must list the name of the business entity and ownership interest or position for a business regulated by the entity for which there is a conflict.
8. Disclosure forms must list the name of the business entity and ownership interest or position for businesses doing business with the entity.
9. Disclosure forms must list any investments that may create a conflict with the entity.
10. The disclosure shall be made in a sworn statement filed with the entity's governing body.

b. Procurement

Seek the best value for the entity and promote a competitive purchasing process.

1. Specifies a small item threshold allowing employee or department discretion.
2. Specifies documentation required for each level of purchasing (e.g. small purchases, medium purchases and purchases requiring competitive bid).
3. Specifies purchasing procedures (e.g. advertising methods and time frames, rejection of bids, appeals) for items requiring competitive bid.
4. Lists exemptions and documentation needed for not following regular bidding requirements (e.g. sole source provider, emergency purchases etc.).
5. Addresses improper or illegal conduct:
 - a) Prohibits dividing a procurement to avoid following policy (Utah Code 63G-6a-2404.3)
 - b) Prohibits kickbacks (Utah Code 63G-6a-2404)
 - c) Requires disclosure of conflicts of interest (Utah Code 63G-6a-2406)
 - d) Prohibits cost-plus-a-percentage-of-cost contracts (Utah Code 63G-6a-1205)
 - e) Lists other specific activities that are not allowed (Utah Code 67-16 applies to the state and all political subdivisions)
6. Designates a purchasing agent, specify who may sign contracts including requirement for contracts that must go before the governing body.
7. Has an ethics provision and/or reference Utah Code 67-16.
8. Documents consequences of violating the policy (e.g. formal reprimand, suspension, termination or criminal prosecution).

c. Ethical Behavior

1. Prohibits participation in decisions or actions in which the employee or official has real or reasonably perceived conflict (see conflict of interest policy).
2. Prohibits use of authority for personal gain or that of close friends, family, or business associates.
3. Prohibits receiving gifts, loans or bribes.
4. Requires confidentiality regarding any information not subject to GRAMA.
5. Prohibits violation of nepotism laws (Utah Code 52-3).
6. Prohibits misuse of public resources or property (Utah Code 76-8-4).
7. References the Utah Public Officer and Employee Ethics Act (Utah Code 67-16).
8. Establishes individual accountability, including consequences for noncompliance (e.g. suspension, termination).

d. Reporting Fraud and Abuse

1. Requires the reporting of inappropriate actions or behavior.
2. Provides reporting structure, including alternatives if the employee's normal supervisor is involved.
3. Provides guidance on the type of actions and behaviors which must be reported.
4. Provides guidance on the information to be provided (e.g. names, dates, times, descriptions, effects) when reporting fraud or abuse.
5. Provides whistleblower protection or refers to Utah Code 67-21-3.
6. Provides for the evaluation, investigation and possible consequences of the alleged action or behavior.

7. Provides for feedback to the employee reporting the action and the governing body.
- e. Travel
1. Establishes a process to authorize travel expenditures (i.e. preauthorization).
 2. Defines what constitutes allowable and unallowable travel and clearly establishes reasonable limits.
 3. Establishes a reporting structure with senior management reporting to the governing body.
 4. Establishes individual accountability, including consequences for noncompliance (e.g. suspension, termination, recovery of funds, inability to travel).
 5. Requires adequate record keeping (documentation of time, place, business purpose, and authorization).
 6. Communicates the public nature of purchase records.
 7. Ensures enough information is gathered and communicated to maintain accountability and measure performance.
 8. Has a provision to comply with external reporting requirements (e.g. IRS, Utah Public Finance Website reporting).
- f. Credit/Purchasing Cards
1. Credit/purchase card issuance should be approved by governing body.
 2. Establishes procedures for independent review and reconciliation of each card.
 3. Establishes card holder accountability including consequences for noncompliance (e.g. suspension, termination, recovery of funds, or loss of card privileges).
 4. Establishes required practices to ensure the security of the card (e.g. signing, storing, and who can use the card).
 5. Establishes procedures for card use (e.g. documentation required, timelines, reconciliations, restrictions).
- g. Personal Use of Entity Assets
1. Establishes allowable uses, or disallows use, of entity assets and rates if applicable (e.g. making photocopies, use of heavy equipment).
 2. Establishes individual accountability, including consequences for noncompliance (e.g. suspension, termination, recovery of funds or loss of privileges).
- h. IT & Computer Security
1. Establishes allowable uses of information systems, computer equipment, and the internet.
 2. Discloses to the user that the entity has the right to monitor and limit the activities on entity IT systems.
 3. Establishes individual accountability, including consequences for noncompliance (e.g. suspension, termination, recovery of funds, or loss of privileges).
- i. Cash Receipting and Deposit
1. Establishes a timeline for entering receipts into the accounting system.
 2. Establishes a timeline for depositing funds in the bank that complies with the Utah Money Management Act (3 days).

3. Establishes security measures for holding funds before deposit (e.g. safe, vault).
4. Establishes a receipting process for giving the customer documentation of the transaction and also provide sufficient information to understand the purpose of the transaction for management review or audit.
5. Establishes a procedure for entering credit card and ACH transactions into the accounting system.
6. Establishes a separation of duties between the person receiving payments and the person making deposits (smaller entities may require dual sign-off on deposits).
7. Establishes required documentation for voiding or altering a cash receipt, including that it be reviewed by someone that didn't make the correction.
8. Requires system-generated or sequentially-numbered receipts to allow for a review of completeness.
9. Requires cash deposits and receipts to be reconciled and/or reviewed by someone not receiving cash.

4. Hire and Train Qualified Staff

Purpose

In order to ensure the effective and efficient delivery of government services, each entity should identify the knowledge, skills, and abilities (KSA) needed by its management and employees. In technical areas, KSA often align with formal credentials, such as a degree or license. Accounting is an area where degrees and professional designations usually indicate a level of proficiency.

Overview

A licensed Certified Public Accountant (CPA) is the most common designation of a person who possesses the KSA needed to oversee the day-to-day financial operations of an entity. There are several other designations that may indicate similar KSA, such as Certified Government Financial Manager (CGFM), Certified Management Accountant (CMA), Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), Certified Government Auditing Professional (CGAP), and Certified Public Finance Officer (CPFO). At a minimum, we recommend that every entity have someone with a bachelor's degree in accounting as part of its staff.

Implementation

While not every local government entity needs a full-time CPA, every entity should utilize a qualified accountant to ensure that its finances are protected and accurately reported. Most accounting firms and professional bookkeeping services provide a variety of services on an as-needed basis. We recommend every local government evaluate the level of KSA possessed by its accounting staff and consider contracting with an accounting professional. The accounting professional could perform some or all of the accounting and ensure that the entity has effectively implemented internal controls and meets reporting requirements.

To aid local government entities in identifying and procuring the services of qualified accounting professionals, the Office maintains a qualified vendor list included on the Office's website at resources.auditor.utah.gov. The firms on this list have met the requirements set forth by the Office to provide bookkeeping, compliance reporting, or financial statement preparation for local governments.

5. Provide Effective Training

Overview

Training is vital to any organization, especially governments, where services are essential to economic prosperity and basic human needs. Public officials and key employees need to possess at least a basic understanding of the legal requirements of their entity. We encourage entities to consider the KSA needed to support the services provided by their entity, then determine the appropriate level of training that is needed to maintain those KSA. The entity should provide resources to attend sufficient and appropriate training on an ongoing basis.

Implementation

The Office provides comprehensive but basic training on financial topics for local government board members and finance officers. However, this training serves only as an introduction for those who are new or previously untrained in local government financial matters. We recommend board members and finance officers identify and participate in organizations that provide more advanced training. These organizations may be specific to the government type (e.g. counties, charter schools), a specific type of operation (e.g. sewer, water), or a specific job within the organization (e.g. treasurer, finance officer).

At a minimum, board members should view our online basic but comprehensive training every four years (see training.auditor.utah.gov). Also, at least one member of the finance team, preferably the chief finance officer, should have 40 hours of financial training each year. Financial training includes: auditing, accounting, budgeting, reporting, internal controls, fraud prevention and detection, software, and any other topic that is related to the management of finances.

6. Implement a Hotline

Definition

A hotline is a means by which the public and employees can anonymously report concerns about improper behavior of an entity's officers or employees or concerning practices of the entity.

Overview

Fraud losses are 50% smaller at organizations with hotlines than those without hotlines. According to the Association of Certified Fraud Examiners, 40% of reported instances of fraud are discovered through a tip. More than half of these tips were provided by an employee of the organization and 46% of fraud cases detected by tip were reported through a hotline.

Implementation

An effective hotline can be implemented at virtually no cost and can be as simple as providing an email address or phone number. Hotline submissions should be sent directly to a person who has the resources and objectivity to evaluate the concern and investigate if warranted. All complaints and the results of investigations should be presented to the audit committee of the entity in a timely fashion.

Hotlines should be promoted and easy to access (most entities put a link to their hotline on the main page of their website). Every entity should have a written policy that includes the following:

1. Methods for receiving complaints (e.g. email, phone number).
2. A provision for anonymous complaints.
3. Sufficient direction to ensure complaints are given adequate treatment as follows:
 - a. An initial screening of complaints to be performed by an office not involved in the complaint (this could be accomplished by having it performed by more than one office if an independent internal audit function does not exist or it could be sent directly to the audit committee).
 - b. Audit committee:
 - i. Reviews available evidence.
 - ii. Determines if further investigation is merited. If so;
 - Sets the scope of audit
 - Sets a budget
 - Sets a timeline
 - Provides resources
 - c. Audit results are reported to the audit committee.
 - d. Audit committee approves findings and recommendations.
 - e. Audit committee ensures that findings and recommendations are addressed by the appropriate officers or employees.
 - f. Feedback provided to the complainant, if requested.

7. Implement an Internal Audit Function

Definition

An internal audit function is an organizational initiative to monitor and analyze the entity's own operations in order to determine how well it conforms to a set of specific criteria, such as laws, policies, or best practices. Internal auditors are independent of the work they audit, but are very familiar with it so as to allow them to determine compliance with the requirements for that work.

Overview

An internal audit may focus on financial operations, systems, processes, or compliance. As part of the internal audit plan, auditors try to find discrepancies between operational design and operational reality. Internal audits also help uncover evidence of fraud, waste, or abuse. If internal auditors find discrepancies or inappropriate activities, they document and report them to entity leadership who can prioritize and direct corrective action.

The frequency of internal audits will depend on the department or process being examined. Some types of operations may require daily audits for quality control, others may require only an annual audit of records.

Internal audit plans act as a pre-emptive step in maintaining operational efficiency and financial reliability, as well as safeguarding assets.

Implementation

An internal audit function should be formalized by the adoption of an Internal Audit Charter which identifies who is responsible to oversee the internal audit function and who will perform the internal audits.

Those responsible for internal audits should adopt an audit plan which identifies what will be audited and when it will be audited. The audit plan should be reviewed regularly, usually once per year.

Adaptation for small entities

Only the largest of our local governments can justify a full-time internal auditor. Most local governments can execute an effective internal audit program by contracting with an audit professional to work a few days a year. To eliminate added costs entirely, some entities may coordinate with peer entities and utilize each other's financial staff to act as internal auditors. Keep in mind, internal auditors need a solid understanding of audit principles and should use work programs that are designed to effectively identify violations of the laws or policies they are auditing.

8. Use an Audit Committee

Purpose

An audit committee assists the governing body in its financial oversight responsibilities.

Membership

We recommend that members of the audit committee are a subset of the governing body. An audit committee should have a financial expert who is not a member of management. This can be achieved by having a governing body member who is a financial expert, or acquiring the assistance of a volunteer or paid professional financial expert. Finance officers from other local governments should be considered when looking for a financial expert, as they are independent and have a working knowledge of government accounting issues.

Functions

An audit committee must ensure the following:

1. Management develops and enforces systems that ensure the entity accomplishes its mission effectively and efficiently while complying with laws and regulations.
2. The internal audit function objectively assesses the effectiveness of management's internal control program.
3. Financial statement audits are performed by a qualified, independent accounting firm and issues identified during those audits are reviewed and resolved as appropriate.
4. Hotline complaints are investigated and findings are addressed by the governing body.

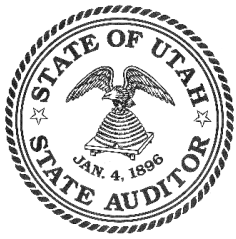
Risk Score

We have developed a five-level assessment score that is intended to communicate the entity's risk of undetected fraud, abuse, or noncompliance. The levels are based upon points assigned to each of the recommended measures. Since some measures are more effective than others, the most effective measures are assigned the most points. As more measures are adopted the score improves. The higher the score, the lower the risk.

The scale and corresponding levels are as follows:

- Very Low
- Low
- Moderate
- High
- Very High

See the *Fraud Risk Assessment Questionnaire* (attached) for specific points assigned to each measure and how point totals correspond to the risk scale.



Fraud Risk Assessment

INSTRUCTIONS:

- Reference the *Fraud Risk Assessment Implementation Guide* to determine which of the following recommended measures have been implemented.
- Indicate successful implementation by marking “Yes” on each of the questions in the table. Partial points may not be earned on any individual question.
- Total the points of the questions marked “Yes” and enter the total on the “Total Points Earned” line.
- Based on the points earned, circle/highlight the risk level on the “Risk Level” line.
- Enter on the lines indicated the entity name, fiscal year for which the Fraud Risk Assessment was completed, and date the Fraud Risk Assessment was completed.
- Print CAO and CFO names on the lines indicated, then have the CAO and CFO provide required signatures on the lines indicated.

Fraud Risk Assessment

Continued

*Total Points Earned: 395 /395 *Risk Level: Very Low Low Moderate High Very High
 > 355 316-355 276-315 200-275 < 200

	Yes	Pts
1. Does the entity have adequate basic separation of duties or mitigating controls as outlined in the attached Basic Separation of Duties Questionnaire?	✓	200
2. Does the entity have governing body adopted written policies in the following areas:		
a. Conflict of interest?	✓	5
b. Procurement?	✓	5
c. Ethical behavior?	✓	5
d. Reporting fraud and abuse?	✓	5
e. Travel?	✓	5
f. Credit/Purchasing cards (where applicable)?	✓	5
g. Personal use of entity assets?	✓	5
h. IT and computer security?	✓	5
i. Cash receipting and deposits?	✓	5
3. Does the entity have a licensed or certified (CPA, CGFM, CMA, CIA, CFE, CGAP, CPFO) expert as part of its management team?	✓	20
a. Do any members of the management team have at least a bachelor's degree in accounting?	✓	10
4. Are employees and elected officials required to annually commit in writing to abide by a statement of ethical behavior?	✓	20
5. Have all governing body members completed entity specific (District Board Member Training for local/special service districts & interlocal entities, Introductory Training for Municipal Officials for cities & towns, etc.) online training (training.auditor.utah.gov) within four years of term appointment/election date?	✓	20
6. Regardless of license or formal education, does at least one member of the management team receive at least 40 hours of formal training related to accounting, budgeting, or other financial areas each year?	✓	20
7. Does the entity have or promote a fraud hotline?	✓	20
8. Does the entity have a formal internal audit function?	✓	20
9. Does the entity have a formal audit committee?	✓	20

*Entity Name: Nibley City Corporation

*Completed for Fiscal Year Ending: 6/30/2023 *Completion Date: 9/28/2023

*CAO Name: Justin Maughan *CFO Name: Amy Johnson

*CAO Signature:  *CFO Signature: 

*Required



Basic Separation of Duties

Continued

Instructions: Answer questions 1-12 on the Basic Separation of Duties Questionnaire using the definitions provided below.

☺ If all of the questions were answered “Yes” or “No” with mitigating controls (“MC”) in place, or “N/A,” the entity has achieved adequate basic separation of duties. Question 1 of the Fraud Risk Assessment Questionnaire will be answered “Yes.” 200 points will be awarded for question 1 of the Fraud Risk Assessment Questionnaire.

☹ If any of the questions were answered “No,” and mitigating controls are not in place, the entity has not achieved adequate basic separation of duties. Question 1 of the Fraud Risk Assessment Questionnaire will remain blank. 0 points will be awarded for question 1 of the Fraud Risk Assessment Questionnaire.

Definitions:

Board Chair is the elected or appointed chairperson of an entity’s governing body, e.g. Mayor, Commissioner, Councilmember or Trustee. The official title will vary depending on the entity type and form of government.

Clerk is the bookkeeper for the entity, e.g. Controller, Accountant, Auditor or Finance Director. Though the title for this position may vary, they validate payment requests, ensure compliance with policy and budgetary restrictions, prepare checks, and record all financial transactions.

Chief Administrative Officer (CAO) is the person who directs the day-to-day operations of the entity. The CAO of most cities and towns is the mayor, except where the city has a city manager. The CAO of most local and special districts is the board chair, except where the district has an appointed director. In school districts, the CAO is the superintendent. In counties, the CAO is the commission or council chair, except where there is an elected or appointed manager or executive.

General Ledger is a general term for accounting books. A general ledger contains all financial transactions of an organization and may include sub-ledgers that are more detailed. A general ledger may be electronic or paper based. Financial records such as invoices, purchase orders, or depreciation schedules are not part of the general ledger, but rather support the transaction in the general ledger.

Mitigating Controls are systems or procedures that effectively mitigate a risk in lieu of separation of duties.

Original Bank Statement means a document that has been received directly from the bank. Direct receipt of the document could mean having the statement 1) mailed to an address or PO Box separate from the entity’s place of business, 2) remain in an unopened envelope at the entity offices, or 3) electronically downloaded from the bank website by the intended recipient. The key risk is that a treasurer or clerk who is intending to conceal an unauthorized transaction may be able to physically or electronically alter the statement before the independent reviewer sees it.

Treasurer is the custodian of all cash accounts and is responsible for overseeing the receipt of all payments made to the entity. A treasurer is always an authorized signer of all entity checks and is responsible for ensuring cash balances are adequate to cover all payments issued by the entity.

Basic Separation of Duties

See the following page for instructions and definitions.

	Yes	No	MC*	N/A
1. Does the entity have a board chair, clerk, and treasurer who are three separate people?	✓			
2. Are all the people who are able to receive cash or check payments different from all of the people who are able to make general ledger entries?	✓			
3. Are all the people who are able to collect cash or check payments different from all the people who are able to adjust customer accounts? If no customer accounts, check "N/A".	✓			
4. Are all the people who have access to blank checks different from those who are authorized signers?	✓			
5. Does someone other than the clerk and treasurer reconcile all bank accounts OR are original bank statements reviewed by a person other than the clerk to detect unauthorized disbursements?	✓			
6. Does someone other than the clerk review periodic reports of all general ledger accounts to identify unauthorized payments recorded in those accounts?	✓			
7. Are original credit/purchase card statements received directly from the card company by someone other than the card holder? If no credit/purchase cards, check "N/A".	✓			
8. Does someone other than the credit/purchase card holder ensure that all card purchases are supported with receipts or other supporting documentation? If no credit/purchase cards, check "N/A".	✓			
9. Does someone who is not a subordinate of the credit/purchase card holder review all card purchases for appropriateness (including the chief administrative officer and board members if they have a card)? If no credit/purchase cards, check "N/A".	✓			
10. Does the person who authorizes payment for goods or services, who is not the clerk, verify the receipt of goods or services?	✓			
11. Does someone authorize payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".	✓			
12. Does someone review all payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".	✓			

* MC = Mitigating Control

Fraud Risk Assessment

Continued

*Total Points Earned: 395 /395 *Risk Level: Very Low Low Moderate High Very High
 > 355 316-355 276-315 200-275 < 200

	Yes	Pts
1. Does the entity have adequate basic separation of duties or mitigating controls as outlined in the attached Basic Separation of Duties Questionnaire?	✓	200
2. Does the entity have governing body adopted written policies in the following areas:		
a. Conflict of interest?	✓	5
b. Procurement?	✓	5
c. Ethical behavior?	✓	5
d. Reporting fraud and abuse?	✓	5
e. Travel?	✓	5
f. Credit/Purchasing cards (where applicable)?	✓	5
g. Personal use of entity assets?	✓	5
h. IT and computer security?	✓	5
i. Cash receipting and deposits?	✓	5
3. Does the entity have a licensed or certified (CPA, CGFM, CMA, CIA, CFE, CGAP, CPFO) expert as part of its management team?	✓	20
a. Do any members of the management team have at least a bachelor's degree in accounting?	✓	10
4. Are employees and elected officials required to annually commit in writing to abide by a statement of ethical behavior?	✓	20
5. Have all governing body members completed entity specific (District Board Member Training for local/special service districts & interlocal entities, Introductory Training for Municipal Officials for cities & towns, etc.) online training (training.auditor.utah.gov) within four years of term appointment/election date?	✓	20
6. Regardless of license or formal education, does at least one member of the management team receive at least 40 hours of formal training related to accounting, budgeting, or other financial areas each year?	✓	20
7. Does the entity have or promote a fraud hotline?	✓	20
8. Does the entity have a formal internal audit function?	✓	20
9. Does the entity have a formal audit committee?	✓	20

*Entity Name: Nibley City Corporation

*Completed for Fiscal Year Ending: 6/30/2023 *Completion Date: 9/28/2023

*CAO Name: Justin Maughan *CFO Name: Amy Johnson

*CAO Signature:  *CFO Signature: 

*Required

Basic Separation of Duties

See the following page for instructions and definitions.

	Yes	No	MC*	N/A
1. Does the entity have a board chair, clerk, and treasurer who are three separate people?	✓			
2. Are all the people who are able to receive cash or check payments different from all of the people who are able to make general ledger entries?	✓			
3. Are all the people who are able to collect cash or check payments different from all the people who are able to adjust customer accounts? If no customer accounts, check "N/A".	✓			
4. Are all the people who have access to blank checks different from those who are authorized signers?	✓			
5. Does someone other than the clerk and treasurer reconcile all bank accounts OR are original bank statements reviewed by a person other than the clerk to detect unauthorized disbursements?	✓			
6. Does someone other than the clerk review periodic reports of all general ledger accounts to identify unauthorized payments recorded in those accounts?	✓			
7. Are original credit/purchase card statements received directly from the card company by someone other than the card holder? If no credit/purchase cards, check "N/A".	✓			
8. Does someone other than the credit/purchase card holder ensure that all card purchases are supported with receipts or other supporting documentation? If no credit/purchase cards, check "N/A".	✓			
9. Does someone who is not a subordinate of the credit/purchase card holder review all card purchases for appropriateness (including the chief administrative officer and board members if they have a card)? If no credit/purchase cards, check "N/A".	✓			
10. Does the person who authorizes payment for goods or services, who is not the clerk, verify the receipt of goods or services?	✓			
11. Does someone authorize payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".	✓			
12. Does someone review all payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".	✓			

* MC = Mitigating Control

Agenda Item #9

Description	Discussion & Consideration: Resolution 23-16— Updating the Nibley City Financial Policy for Auxiliary Organizations (First Reading).
Presenter	Justin Maughan, City Manager
Planning Commission Recommendation	NA
Staff Recommendation	Approve Resolution 23-16 Updating the Nibley City Financial Policy for Auxiliary Organizations for first reading.
Reviewed By	Jusitn Maughan, City Manager Chad Wright, Recreation Director Amy Johnson, City Treasurer Larry Jacobsen, Mayor

Background:

As discussed earlier in the agenda, ensuring that proper use and care of public funds is of the highest priority for City staff. As such, staff thought it would be appropriate to create clear financial policies for auxiliary organizations of the City such as: Nibley City Youth Council, Morgan Farm, Nibley Royalty, and Nibley Children’s Theater. In doing so, no accusations are being made that any organization has done anything wrong; rather, staff just wishes to be ahead of any issues and safeguard public funds as much as possible.

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RESOLUTION 23-16

**A RESOLUTION UPDATING THE NIBLEY CITY FINANCIAL POLICY FOR
AUXILIARY ORGANIZATIONS**

WHEREAS, Nibley City Auxiliary Organizations are considered of great worth and valued by the community; and

WHEREAS, Nibley City Auxiliary Organizations receive funds from the City, authorized by City Council during the regular annual Fiscal Year budgeting process; and

WHEREAS, from time to time receive funds from other sources not from the City budget; and

WHEREAS, Nibley City desires all financial transactions to be open and transparent as required by accounting and auditing practices.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF NIBLEY CITY,
STATE OF UTAH, AS FOLLOWS:

That attached policy be amended into the Financial Policy for the City.

Dated this 28 day of September, 2023.

Larry Jacobsen, Mayor

ATTEST

Cheryl Bodily, City Recorder

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Cash Handling Policy for Nibley City Auxiliary Organizations including but not limited to Nibley Youth Council, Nibley Royalty, Morgan Farm, and Nibley Children's Theatre

Policy Statement:

Nibley City Auxiliary Organizations are greatly valued in the community. As such, these organizations receive funding through the normal budgeting process of the City, and public funds are allocated to the organizations for use. Due to the nature of public funds, auxiliary organizations are required to follow all purchasing and cash handling policies adopted by the City Council. This policy is intended to supplement those policies with specifics targeted more directly to auxiliary organizations, with the intent of securely and accurately handling any cash transactions. It is essential to maintain the highest level of accountability, integrity, and security when dealing with cash to prevent losses, errors, and potential misuse.

Definition of Cash:

For the purposes of this policy, "Cash" is defined as coin, currency, checks, money orders, credit and debit card transactions, and electronic transfers of funds, including any sponsorships, donations or grants that may be received by the organization.

Scope:

This policy applies to all members of any auxiliary organizations of Nibley City who are responsible for handling cash transactions.

Objectives:

- Ensure the security and accuracy of all cash or financial transactions.
- Minimize the risk of theft, fraud, and errors related to cash handling.
- Maintain a clear and documented trail of all cash transactions.
- Promote accountability and transparency among employees and volunteers.

Cash Handlers:

Individuals who handle cash transactions are responsible for following the procedures outlined in this policy to ensure accuracy and security.

Supervisor/Manager:

The designated supervisor or manager is responsible for overseeing and enforcing the policy, providing necessary training, and addressing any issues related to cash handling. Each Supervisor/Manager shall sign a copy of this policy, acknowledging they understand and will agree to adhere to it, to be kept on record at the

City Office.

Cash Receipts:

All cash transactions must be recorded immediately upon receipt.

Cash should be stored securely in a locked cash box or safe until it is deposited.

No funds are allowed to be received on behalf of the city to a personal financial account, including any personal online payment applications (for example, Venmo).

No City property or City resources shall be used by any individual or auxiliary organization for personal financial gain.

Any money received on behalf of any auxiliary organization is property of Nibley City and may not be retained by the auxiliary organization or any individual.

Funds must be properly accounted for in City budgets and must be publicly accounted for, and therefore must be deposited with the City before being reallocated elsewhere.

Cash Counting:

Cash tills should be balanced after each day of use and a Cash Reconciliation Form should be filled out. Cash should be counted by at least two authorized individuals before and after each shift or event. A record of the cash count should be documented and signed by both individuals. Any discrepancies should be immediately reported to the supervisor/manager.

Cash Deposits:

Cash deposits should be made within 3 business days of receipt, or as soon as circumstances allow if the amount exceeds \$500. These deposits should be made by a designated city employee. A deposit slip should accompany the cash when making deposits, clearly indicating the amount, date, and purpose of the deposit.

Record Keeping:

Accurate and detailed records of all cash transactions, including deposits, must be maintained for audit purposes. Records should be stored in a secure and organized manner, accessible only to authorized personnel.

Security Measures:

Cash should be stored in a locked cash box or safe when not in use. All cash being held overnight must be secured in a location approved by the City Treasurer if not deposited. Only authorized employees or volunteers should have access to cash boxes.

Training and Education:

All employees and volunteers involved in cash handling must undergo training in this policy and its procedures. Annual refresher training should be conducted to ensure compliance and awareness.

Reporting Violations:

Any suspected violations of this cash handling policy should be reported to the city manager. Failure to comply with this policy may result in disciplinary actions. This policy is subject to periodic review and updates to ensure its effectiveness and relevance to changing circumstances.

I understand and agree to abide by these stated policies.

Mayor
Larry Jacobsen



Council Members
Tom Bernhardt
Norman Larsen
Nathan Laursen
Kay Sweeten
Erin Mann

Auxiliary Organization

Printed Name

Signature

Date

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Agenda Item #10

Description	Discussion & Consideration: Resolution 23-17— Updating the Nibley City Investment Policy
Presenter	Justin Maughan, City Manager
Planning Commission Recommendation	NA
Staff Recommendation	Approve Resolution 23-17—Updating the Nibley City Investment Policy
Reviewed By	Jusitn Maughan, City Manager Amy Johnson, City Treasurer Larry Jacobsen, Mayor Dave Sanderson, City Accountant

Background:

City Treasurer Amy Johnson recently became aware of the need for the City to have an Investment Policy, in which to invest the public funds received by the City. Upon investigation, she discovered that the City had already adopted an Investment Policy in 2014. Edits have been suggested to the 2014 policy, intended to enable the City to utilize other investment accounts than the Public Treasurer's Investment Fund (PTIF), so long as the level of safety, liquidity, and yield are equivalent or greater.

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RESOLUTION 23-17

A RESOLUTION AMENDING THE NIBLEY CITY INVESTMENT POLICY

WHEREAS, Nibley City has a fiduciary responsibility to safeguard the public funds entrusted to the City; and

WHEREAS, the State Money Management Act sets forth guidelines for municipalities to follow when investing public funds; and

WHEREAS, the Utah Money Management Council strongly encourages all municipalities to adopt an investment policy.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF NIBLEY CITY, STATE OF UTAH, AS FOLLOWS:

That attached investment policy replaces the current investment policy dated 20 Feb 2014.

Dated this 28 day of September, 2023.

Larry Jacobsen, Mayor

ATTEST

Cheryl Bodily, City Recorder

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Nibley City Investment Policy

Purpose: The purpose of the funds to be invested is to provide for daily working cash flow requirements for Nibley City and for future capital projects. Nibley City will invest public funds in a manner that:

1. Primarily, ensures maximum safety,
2. Secondly, provides adequate liquidity to meet cash flow requirements, and
3. Lastly, provides a yield on investments consistent with the primary objectives of safety and liquidity.

Legal Constraints: It is the policy of Nibley City to comply with the Utah Money Management Act and rules set by the Money Management Council with regards to all city investments. It is Nibley City policy to use the "Criteria for Investments," 51-7-17, in the Money Management Act as a rule for all investments. In following those rules, Nibley City will invest public funds in a manner that ensures maximum safety as the primary objective, provides adequate liquidity to meet the projected cash flow requirements, and provides a yield on investments consistent with the primary objectives of safety and liquidity. All investments made by the city shall be judged by these and other criteria in accordance ~~to~~with the Money Management Act and rules set by the Money Management Council.

Roles and Responsibilities: The City Treasurer, under the supervision of the City Manager, and in consultation with the city's financial advisors, has the authority to invest city funds and to manage the city's investments. The City Treasurer shall assess all investments regularly and report the status of all city investments to City management monthly and to the Money Management Council as required by law. In the event that the City Treasurer is unable to perform those duties, the City Manager is authorized to conduct the city's investment transactions and reports.

Prudent Investor Rule: City staff, acting in accordance with this policy and Utah law, acting with all due diligences, shall not be held personally responsible for an investment's market performance, provided that staff takes appropriate action to control adverse developments.

Return: The Public Treasurer Investment Fund (PTIF), managed by the Utah State Treasurer, shall be a ~~benchmark the primary~~ investment vehicle for Nibley City against

~~which all other city investments will be evaluated, including those that the city currently has or may consider in the future. If a new investment is considered to meet or exceed the PTIF in terms of our objectives of safety, liquidity, and yield, the investment may be entered into with the approval of the City Manager. The PTIF shall also be used as the benchmark investment against which all other city investments will be evaluated, including those that the city currently has or may consider in the future.~~

Agenda Item #11

Description	Discussion & Consideration: Resolution 23-18— Appointments to the ULCT Legislative Policy Committee (First Reading)
Presenter	Justin Maughan, City Manager
Planning Commission Recommendation	NA
Staff Recommendation	Select three individuals to appoint to the LPC and waive second reading
Reviewed By	Justin Maughan, City Manager Larry Jacobsen, Mayor

Background

The Utah League of Cities and Towns has a Legislative Policy Committee (LPC), that reviews legislative proposals, and is active at Capitol Hill in promoting legislation deemed beneficial to Cities and fighting against legislation deemed to be negative for Cities. The LPC is a committee made up of ULCT members, who meet weekly during the legislative session each year, to review and take a stance on proposed legislation. Nibley City is allowed three voting members to be on the committee. Mayor Jacobsen would like the Council to appoint three individuals to be active members of the Committee.

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RESOLUTION 23-18

A RESOLUTION APPOINTING NIBLEY CITY REPRESENTATIVES TO THE UTAH LEAGUE OF CITIES AND TOWNS LEGISLATIVE POLICY COMMITTEE

WHEREAS, Nibley City is a member of the Utah League of Cities and Towns; and

WHEREAS, Nibley City is allowed three representatives to sit on the Legislative Policy Committee.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF NIBLEY CITY, STATE OF UTAH, AS FOLLOWS:

The following three individuals are appointed by Nibley City Council to represent Nibley City on the Legislative Policy Committee:

Dated this 28 day of September, 2023.

Larry Jacobsen, Mayor

ATTEST

Cheryl Bodily, City Recorder

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Agenda Item #12

Description	Discussion & Consideration: Resolution 23-19— Amending the 2023 Nibley City Council Meeting Schedule (First Reading)
Presenter	Justin Maughan, City Manager
Planning Commission Recommendation	NA
Staff Recommendation	
Reviewed By	Justin Maughan, City Manager Larry Jacobsen, Mayor

Background

There is currently only three meetings scheduled the rest of the Calander year. Mayor Jacobsen and City Manger Maughan have been discussing an idea, about changing the schedule. Currently the Council meets on the 2nd and 4th Thursdays of each month. This can prove difficult to properly prepare for the meeting, in that there is only one week between a meeting, and having to have the packet ready for the next meeting. Often staff is trying to wrap things up that came up during the first meeting, and is not able to focus adequate time to prepare for the next meeting. An idea emerged to put the meeting schedule on a rolling three week basis. This would give staff a week to wrap the last meeting, and then a week to have the packet ready for the next meeting, and a week for the Council to review it before the next meeting. This is just an idea that staff would like to discuss with the Council.

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RESOLUTION 22-28

**A RESOLUTION ADOPTING THE 2023 ANNUAL MEETING SCHEDULE
FOR THE NIBLEY CITY COUNCIL**

WHEREAS, the Open and Public Meetings Act, in section 52-4-202 (2) of the Utah Code, requires that a public body, which holds regular meetings that are scheduled in advance over the course of a year, shall give public notice at least once each year of its annual meeting schedule; and

WHEREAS, adopting an annual meeting schedule can make it easier for citizens to be involved in civic affairs by making them aware of normal City Council meeting times.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF NIBLEY CITY, STATE OF UTAH, AS FOLLOWS:

Regular meetings for the Nibley City Council shall be held according to the dates and times listed on the attached schedule at Nibley City Hall, which is located at 455 West 3200 South in Nibley.

BE IT FURTHER RESOLVED THAT:

The City Council may also convene special or emergency meetings pursuant to the provisions of the Open and Public Meetings Act.

Dated this 10 day of November, 2022.

Larry Jacobsen, Mayor

ATTEST

Cheryl Bodily, City Recorder

The following is hereby adopted as the 2023 Nibley City Council meeting schedule.

The meeting dates below all fall on a Thursday and the normal meeting start time is 6:30 p.m.

2023 City Council Meeting Dates
January 26
February 9
February 23
March 9
March 23
April 27
May 11
May 25
June 8
June 22
July 13
July 27
August 10
August 24
September 14
September 28
October 26
November 9
December 14
January 11, 2024

The normal schedule for Council meetings is for meetings to be held at 6:30 p.m. on the second and fourth Thursdays of each month. However, exceptions occur due to holidays, scheduling conflicts or other needs.

There may be circumstances that arise which may cause a meeting to be cancelled or for a special or emergency meeting to be scheduled, pursuant to the provisions of the Open and Public Meetings Act. Notification will be made as soon as reasonably possible in the event of a cancellation or special/emergency meeting.

Agenda Item #13

Description	Discussion & Consideration: Amendment 2 to the 2600 South Roadway Agreement with Wesley Nelson Farms
Presenter	Justin Maughan, City Manager
Planning Commission Recommendation	NA
Staff Recommendation	
Reviewed By	Larry Jacobsen, Mayor Rob Patterson, City Attorney Tom Dickinson, City Engineer Levi Roberts, City Planner Justin Maughan, City Manager

Background

In light of recent decisions by City Council, Staff is proposing Amendment 2 to the Street Agreement with Wesley Nelson Farms/Nibley Development, that would allow the roadway to be dedicated without a bond in place for unfinished improvements but put the requirement in place when further development happens. Rob Patterson, Nibley City Attorney drafted the amendment. Staff feels the Addendum protects the residents in the same substantial form as a bond.

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Addendum 2

To the Street Improvement and Dedication Agreement between Nibley Development, LLC and Nibley City dated 29 July, 2021

RECITALS

- A. Nibley City (“City”) and Nibley Development, LLC (“Developer”) previously executed the Nibley City Street Improvement and Dedication Agreement, dated July 29, 2021, (“Street Agreement”) regarding the construction and dedication of part of 2600 South.
- B. City and Developer amended the Street Agreement by way of the Addendum 1 To the Street Improvement and Dedication Agreement between Nibley Development and Nibley City dated 29 July 2021 (“Addendum 1”).
- C. Since the execution of Addendum 1, Developer has installed the final two inches of asphalt described in “Item 1” of Addendum 1, and City has paid Developer the \$86,205.82 described in “Item 2” of Addendum 1.
- D. City and Developer desire to further amend the Street Agreement and Addendum 1 to adjust the timing and process for Nibley City’s acceptance of the dedication of 2600 South and the process for the completion of the remaining improvements consisting of curb, gutter, sidewalk, and landscaping, described in Item 3 of Addendum 1.

TERMS

- 1. Amendment to “Item 3: Process and timing for Nibley City accepting road ownership”
 - a. Addendum 1, “Item 3: Process and timing for Nibley City accepting road ownership,” currently provides, in part:

“Nibley City will accept dedication of Nibley Development’s 2600 South either on completion, including (for example) curb and gutter, sidewalk, and landscaping or earlier if financial assurance of a complete roadway is in place.”
 - b. The foregoing language within “Item 3” of Addendum 1 is amended and replaced with the following language:

“Nibley City will accept dedication of 2600 South, without the completion of curb, gutter, sidewalk, landscaping, and other improvements required by the Street Agreement and City design standards and specifications for a complete roadway (“Remaining Improvements”), in accordance with the following:

 - 1. Nibley Development, LLC, or Wesley Nelson Farms, Inc., as appropriate, shall execute one or more agreements or other instruments and record the same against title to all property owned or under the control of Nibley Development, LLC or Wesley Nelson Farms, Inc. adjacent to 2600 South (“Property”). The agreements or other

instruments shall be subject to the review and approval of City and shall contain the following terms:

A. Remaining Improvements will be required to be provided, installed, constructed, inspected, assured, and warrantied by Nibley Development, LLC, or Wesley Nelson Farms, Inc., or an assign, transferee, or other successor-in-interest of the same, in connection with the development of the Property and not before.

B. Development shall be deemed to occur when Nibley Development, LLC, or Wesley Nelson Farms, Inc., or an assign, transferee, or other successor-in-interest of the same, seeks to subdivide further from the four lot subdivision that has previously been submitted to the City, seeks approval of a site plan, or otherwise undertakes “Development activity” as defined by Utah Code § 10-9a-103, on or for the Property or a portion thereof.

C. Upon development, as defined herein, Nibley Development, LLC, or Wesley Nelson Farms, Inc., or an assign, transferee, or other successor-in-interest of the same, shall provide, install, construct, assure, and warranty, according to adopted City ordinances, standards, and specifications and in conformance with the Nibley City Street Improvement and Dedication Agreement, dated July 29, 2021, the Remaining Improvements for the half width of 2600 South along the entire 2600 South frontage of the parcel or lot within the Property being developed.

D. Nibley City may withhold or condition approval of any land use application related to the portion of the Property being developed to ensure completion of the related portion of the Remaining Improvements.

2. After the execution and recordation of the agreements or instruments described herein, Developer may request, and the City shall approve and accept, the dedication of 2600 South as a public road and right of way.

3. The potential \$500,000 in Tax Increment Funding through the Malouf Community Redevelopment Agency (CRA) described in “Item 1” does not constitute and shall not be treated by any person or entity as an improvement completion assurance or improvement warranty.”

2. Final Inspection. Developer shall schedule a Final Inspection with City to inspect the constructed roadway and infrastructure to ensure compliance with approved plans as modified by above said agreements and addenda. Punch list items identified resultant of the Final Inspection shall be completed and verified by City prior to final acceptance of 2600 South.

3. No Waiver. No term, condition, provision, or requirement of the Street Agreement or Addendum 1, other than those expressly set forth herein, is modified, amended, or waived. The Street Agreement and Addendum 1, as amended herein, shall continue in full effect and force.

