



THE CITY OF WEST JORDAN CITY COUNCIL MEETING June 05, 2024

8000 S Redwood Road, 3rd Floor
West Jordan, UT 84088

Zoom Webinar ID: **878 9383 9270** Password: **8000** [Click Here to Join](#)

Members of the Council not attending in person may participate electronically using the Zoom information below. Interested parties are encouraged to attend the meeting in person. Those unable to attend in person may participate electronically via Zoom Webinar when called upon by the Council Chair in one of the following ways:

- *In your web browser, go to join.zoom.us and enter the **Webinar Meeting ID: 878 9383 9270** and **Password: 8000***
- *By phone dial one of the following numbers: 346-248-7799 or 312-626-6799 and enter **Webinar Meeting ID: 878 9383 9270** and **Password: 8000***
- *View the meeting on the [City of West Jordan's YouTube Channel](#)*

To view agendas and packet information, please visit <https://westjordan.primegov.com/public/portal>

CITY COUNCIL MEETING 6:00 PM

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. SPECIAL RECOGNITION

- a. West Jordan Fire Department Badge Pinning
- b. Introducing the 2024 Western Stampede Royalty

4. PUBLIC COMMENT

Please address comments to the Council Chair without expecting debate or response. It is our desire that each person attending a meeting feel safe, respected, and comfortable participating in their government. We hope commenters will have the same goal striving to keep comments respectful, professional, and free from profanity, personal attacks, and indecency. Please provide your full name and limit your remarks to three (3) minutes. Alternatively written comments may also be submitted.

5. REPORTS TO COUNCIL

- a. City Council Reports
- b. Council Office Report
- c. Mayor's Report
- d. City Administrator's Report

6. PUBLIC COMMENT

- a. Receive public comment regarding **Resolution No. 24-026**, authorizing the transfer of monies from enterprise funds to other city funds in FY 2025. Public Hearing to be held on June 26, 2024 due to noticing requirements.

7. BUSINESS ITEMS

- a. **Resolution No. 24-025** authorizing the pick-up of certain public safety and firefighter employee retirement contributions.
- b. Presentation of the Annual Fraud Risk Assessment for FY 2024.

8. CONSENT ITEMS

Items not requiring public discussion or which have previously been discussed may be adopted by one single motion. Council Members may request to pull an item for further discussion and consideration.

- a. Approve Meeting Minutes
 - May 15, 2024 – Committee of the Whole Meeting

9. ADJOURN

UPCOMING CITY COUNCIL MEETINGS

- Wednesday, June 12, 2024 – Committee of the Whole Meeting – 6:00p
- Wednesday, June 26, 2024 – Regular City Council Meeting – 6:00p
- Wednesday, July 10, 2024 – Regular City Council Meeting – 6:00p
- Wednesday, July 17, 2024 – Committee of the Whole Meeting – 6:00p
- Wednesday, July 31, 2024 – Regular City Council Meeting – 6:00p

Interested parties may contact the Council PRIOR to the meeting in one of the following ways: *(your comment will not be part of the meeting but will be provided to all members of the entire City Council)*

- Call the 24-hour Public Comment Line PRIOR to the meeting and leave a message: **(801) 569-5052**. Please include your name and phone number.
- Send an email to councilcomments@westjordan.utah.gov. Please include your name and phone number.

You can follow the City Council on Facebook @WestJordanCityCouncil

In accordance with the Americans with Disabilities Act, the City of West Jordan will make reasonable accommodations for participation in the meeting. Request for assistance can be made by contacting the West Jordan City Council Office at 801-569-5017, providing at least three working days' advance notice of the meeting.

ELECTRONIC PARTICIPATION

One or more council members may participate electronically in this meeting using online video conferencing technology per Utah Code (§52-4-207) and West Jordan City Code 1-13-1-E. Participation will be broadcast and amplified so all present in the meeting will be able to hear or see the communication.

INTELLECTUAL PROPERTY PERMISSION NOTICE

By attending this meeting/event, you consent to the use of your photograph, voice, likeness, and image in broadcasts of this meeting/event, and in subsequent productions drawn from video or audio recordings of this meeting/event, in the sole and absolute discretion of the City of West Jordan. The city retains copyright for all video and audio recordings. Video and audio recordings may not be modified, manipulated, or distributed in any way without the express written consent of the City Administrator.

CERTIFICATE OF POSTING

I certify that the foregoing agenda was posted at the principal office of the public body, on the Utah Public Notice website <https://www.utah.gov/pmn/>, on West Jordan City's website <https://westjordan.primegov.com/public/portal>, and notification was sent to the Salt Lake Tribune, Deseret News, and West Jordan Journal.

Please note: *agenda items are subject to change and may be reordered or tabled in order to accommodate the needs of the City Council, staff, and the public.*

Posted and dated May 30, 2024 Cindy M. Quick, MMC, Council Office Clerk



REQUEST FOR COUNCIL ACTION

Action: Need Council to take action

Meeting Date Requested : 06/05/2024

Presenter: Danyce Steck

Deadline of item : 06/30/2024

Applicant:

Department Sponsor: Admin. Services

Agenda Type: PUBLIC COMMENT

Presentation Time: 15 Minutes

(Council may elect to provide more or less time)

1. AGENDA SUBJECT

Receive public comment regarding **Resolution No. 24-026**, authorizing the transfer of monies from enterprise funds to other city funds in FY 2025. Public Hearing to be held on June 26, 2024, due to noticing requirements.

2. EXECUTIVE SUMMARY

The City Council will hold a public hearing on June 26, 2024 to explain a proposed transfer of enterprise fund money to other City funds, provide enterprise fund accounting data, as defined in the Utah Code, and receive and consider public input regarding both the proposed transfers and the enterprise fund accounting data.

The transfer amount is based on 5% of utility sales and is intended to be similar to other utility franchise taxes which are collected at a rate of 6% of sales. Other utility franchise taxes include electricity (Rocky Mountain Power), natural gas (Dominion Energy), cable franchise tax (Comcast), etc.

Replacing this revenue source would require a property tax increase of 13% in addition to the 3.5% proposed property tax increase.

Legal reference:

The authorization and process for this transfer can be found in Utah State Code Annotated Section 10-6-135.5 (as amended).

3. TIME SENSITIVITY / URGENCY

The City intends to adopt a budget that includes a transfer of money from an enterprise fund to the General Fund. Prior to adopting the budget, the Council must resolve the transfer of enterprise funds.

4. FISCAL NOTE

Water Fund to General Fund: \$ 1,353,200
Sewer Fund to General Fund: \$ 828,750
Storm Water Fund to General Fund: \$ 258,000
Streetlight Fund to General Fund: \$ 66,900
Total to General Fund: \$ 2,506,850

5. STAFF ANALYSIS

Staff recommends approval of Resolution 24-026 authorizing the transfer of monies from enterprise funds to other city funds. This source of funding is critical to the General Fund.

6. PACKET ATTACHMENT(S)

Resolution No. 24-026

Presentation

THE CITY OF WEST JORDAN, UTAH
A Municipal Corporation

RESOLUTION NO. 24-026

A RESOLUTION ADOPTING THE TRANSFER OF MONIES FROM ENTERPRISE FUNDS TO OTHER CITY FUNDS.

WHEREAS, the State Legislature amended section 10-6-135.5, Utah Code Annotated, relating to the transfer of enterprise fund monies to other City funds. This amendment went into effect on May 3, 2023.

WHEREAS, the Section 10-6-135.5 of the Utah Code requires the City to provide notice of the proposed transfers, to hold an “enterprise fund hearing”, and to provide “enterprise fund accounting data” to the public.

WHEREAS, Section 10-6-135.5 of the Utah Code requires certain notices to be provided after the City adopts a budget which includes the transfer of enterprise funds to other City funds.

WHEREAS, the City provided notice that included an explanation of the proposed transfer of enterprise funds to other City funds; the specific enterprise fund information, as defined in the Utah Code, the date, time and place of the enterprise fund hearing, and the purpose of the enterprise fund hearing.

WHEREAS, a notice was mailed to users of the various enterprises in their most recent billings, which were mailed more than seven days prior to the enterprise fund hearing.

WHEREAS, on June 12, 2024 notice was posted on the Utah Public Notice Website, and published on the City’s website.

WHEREAS, on June 26, 2024, the City held a public hearing regarding the proposed transfer of enterprise fund monies to other City funds.

WHEREAS, at this hearing the City explained the proposed transfer of enterprise fund money to other City funds, provided to the public the enterprise fund accounting data, as defined in the Utah Code, and received and considered public input regarding both the proposed transfers and the enterprise fund accounting data.

WHEREAS, on June 26, 2024, the City intends to adopt a tentative budget that includes a transfer of money from an enterprise fund to another fund.

NOW, THEREFORE, be it resolved by the City Council of West Jordan, Utah:

SECTION 1. The City hereby adopts the transfer of enterprise fund money to other City funds, as outlined in the City’s fiscal year 2025 budget. Accordingly, pursuant to Section 10-6-135.5 of the Utah Code, the City shall provide the following notices:

- a. Within 60 days of adopting the budget, the City shall mail a notice to the users of the goods or services provided by the enterprise and announcement of the adoption of a budget that includes an enterprise fund transfer to another fund, and shall include the specific enterprise fund information; and
- b. Within seven (7) days after adopting the budget, the City shall post the enterprise fund accounting data on its website and publish on its social media platform an announcement of the adoption of a budget that includes the transfer of money from an enterprise fund to another City fund; and
- c. Within 30 days of adopting the budget, the City shall submit to the State Auditor the specific enterprise fund information for each enterprise fund from which money will be transferred.

ADOPTED by the City Council of West Jordan, Utah this 26th day of June, 2024.

CITY OF WEST JORDAN

By: _____
Zach Jacob
Council Chair

ATTEST:

Cindy M. Quick, MMC
Council Office Clerk

Voting by the City Council	"YES"	"NO"
Council Chair Zach Jacob	☐	☐
Council Vice Chair Chad Lamb	☐	☐
Council Member Bob Bedore	☐	☐
Council Member Pamela Bloom	☐	☐
Council Member Kelvin Green	☐	☐
Council Member Kent Shelton	☐	☐
Council Member Kayleen Whitelock	☐	☐

AUTHORITY TO TRANSFER

Utah State Code Section 10-6-135.5

“...a city may transfer money in an enterprise fund to another fund to pay for a good, service, project, venture, or other purpose that is not directly related to the goods or services provided by the enterprise for which the enterprise fund was created.”

NOTICING REQUIREMENTS

1. Provide notice of the intended transfer
2. Clearly identify the transfer in the budget
3. Provide notice of an enterprise fund hearing
4. Hold a public hearing

PUBLIC HEARING REQUIREMENTS

1. Hearing must be separate and independent
2. Explain the intended transfer
3. Provide enterprise fund accounting data to the public
4. Allow comment

IS THIS JUST A TAX?

Yes.

It is the same as the franchise tax that every utility customer pays on their electric, natural gas, cable, and telecom bills.

A franchise tax is an amount paid to the City for the use of the City's property to provide a service. It's renting the City's space for a business.

The water, sewer, storm water, and streetlight utilities are considered businesses just like the power company.

WILL THIS TRANSFER HAPPEN EVERY YEAR?

Yes, the transfer is a more equitable and progressive revenue source than property tax in that it is based on consumption versus ownership.

If this transfer were to go away, an additional 13% property tax increase would be needed to sustain a balanced budget.



FINANCIAL IMPACT

GENERAL FUND REVENUE

	With transfer		Without transfer	
		Tax Increase		Tax Increase
Current property tax	\$ 19,283,277		\$ 19,283,277	
New growth estimate	400,887		400,887	
Tax increase	674,915	3.5%	3,181,765	16.5%
Transfers in	2,506,850		-	
Other revenue	50,687,725		50,687,725	
	<u>\$ 73,553,654</u>		<u>\$ 73,553,654</u>	

	Transfer Amount	Tax Increase
Water	\$ 1,353,200	7.0%
Sewer	828,750	4.3%
Storm Water	258,000	1.3%
Streetlight	66,900	0.4%
	<u>\$ 2,506,850</u>	<u>13.0%</u>

ACCOUNTING DATA – WATER FUND

FY 2025 Budget

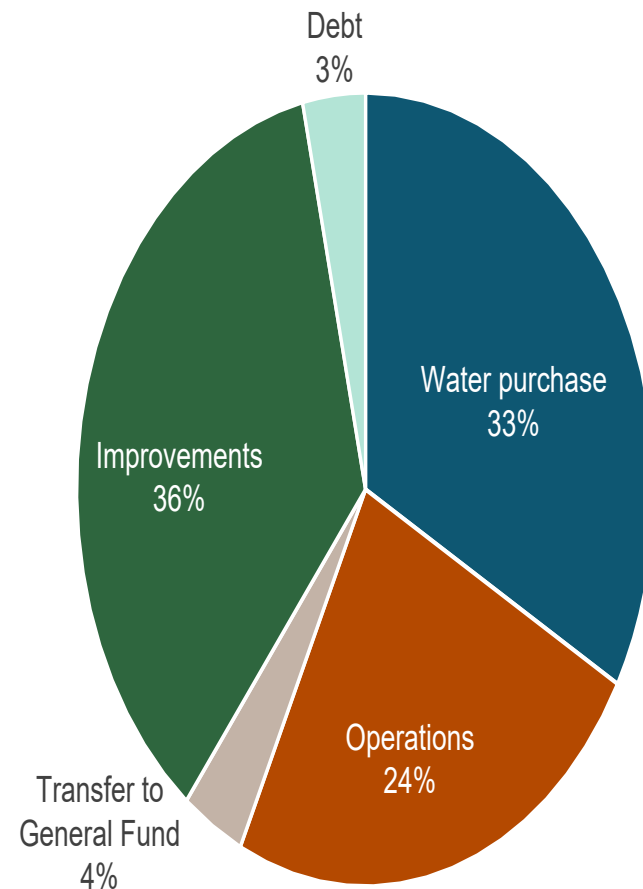
Operations

Water sales	\$ 23,639,500
Water purchase	(12,780,000)
Operations	(9,252,493)
Transfer to General Fund	(1,353,200)
	<u>253,807</u>

Capital

Base fees	4,482,000
Impact fees and other revenue	1,945,000
Improvements	(13,820,000)
Debt	(1,350,984)
	<u>(8,743,984)</u>

Beginning reserve balance	\$ 28,258,606
Net change	<u>(8,490,177)</u>
Ending reserve balance	<u>\$ 19,768,429</u>



ACCOUNTING DATA – SEWER FUND

FY 2025 Budget

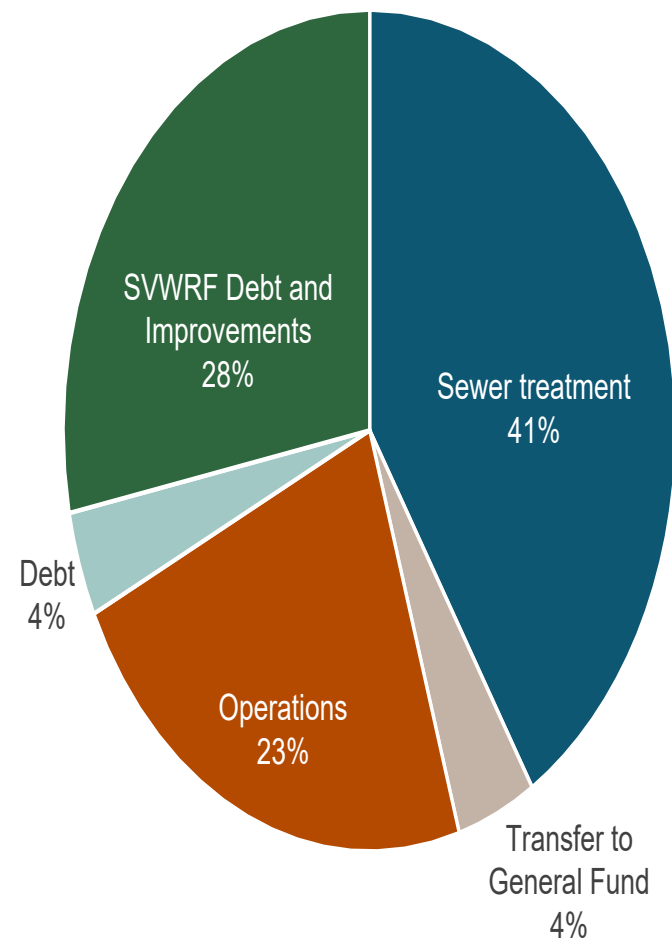
Operations

Sewer fees	\$ 16,605,000
Sewer treatment	(8,165,800)
Operations	(4,481,180)
Transfer to General Fund	<u>(828,750)</u>
	3,129,270

Capital

Impact fees and other revenue	475,000
Improvements	(5,075,532)
Debt	<u>(3,641,152)</u>
	(8,241,684)

Beginning reserve balance	\$ 12,538,874
Net change	<u>(5,112,414)</u>
Ending reserve balance	<u>\$ 7,426,460</u>



ACCOUNTING DATA – STORM WATER FUND

FY 2025 Budget

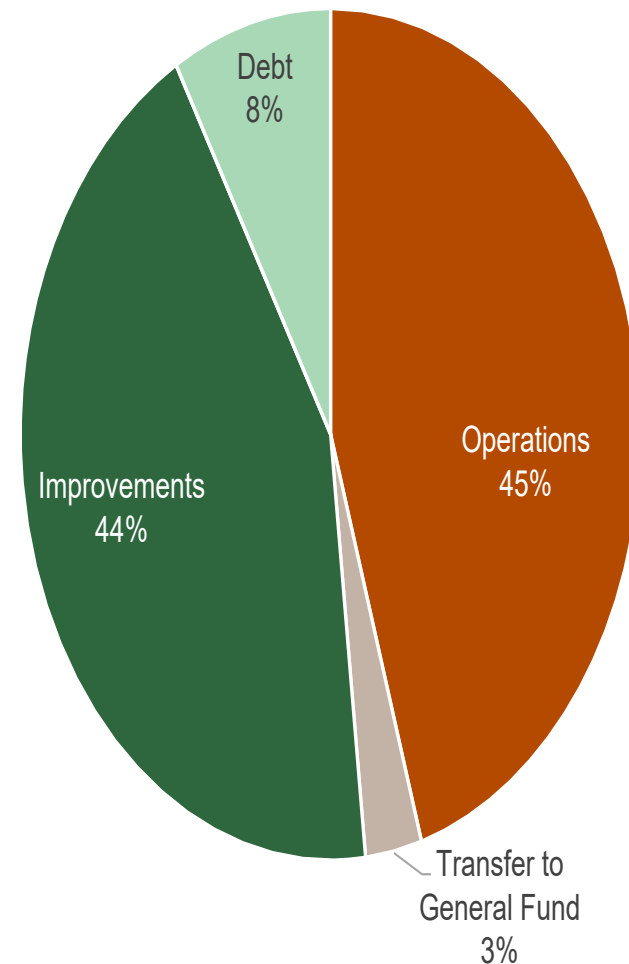
Operations

Storm water fees	\$ 5,160,000
Operations	(3,973,699)
Transfer to General Fund	(258,000)
	<u>928,301</u>

Capital

Impact fees and other revenue	750,000
Improvements	(3,819,280)
Debt	(728,763)
	<u>(3,798,043)</u>

Beginning reserve balance	\$ 15,609,664
Net change	(2,869,742)
Ending reserve balance	<u>\$ 12,739,922</u>



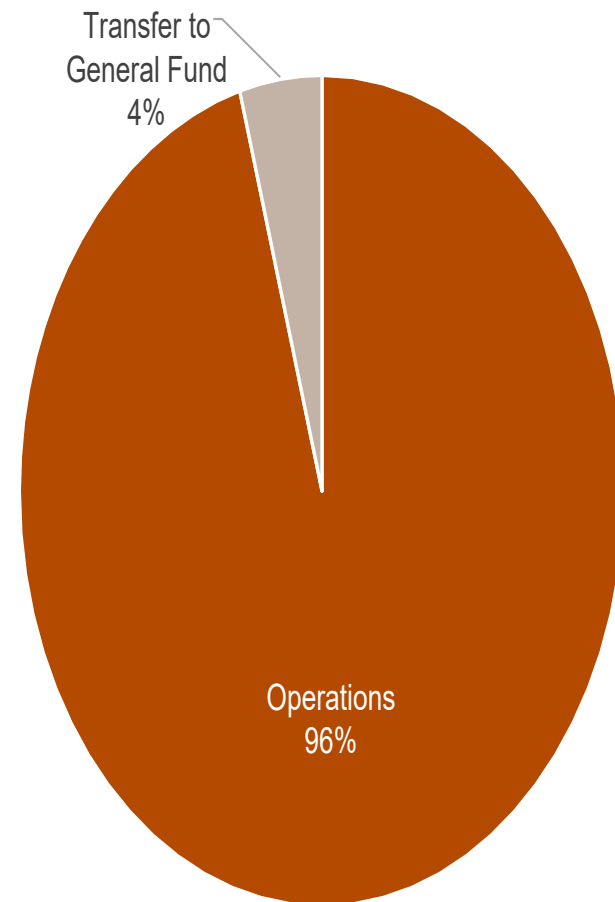
ACCOUNTING DATA – STREETLIGHT FUND

FY 2025 Budget

Operations

Streetlight fees	\$ 1,338,000
Operations	(1,458,018)
Transfer to General Fund	<u>(66,900)</u>
	(186,918)

Beginning reserve balance	\$ 534,480
Net change	<u>(186,918)</u>
Ending reserve balance	<u>\$ 347,562</u>



DIFFERENCE BETWEEN TRANSFERS & ADMINISTRATIVE COSTS

TRANSFERS OUT

Calculation based on 5% of revenue of each utility

Franchise or 'use' tax, other utilities that use City-owned space to deliver services pay 6% for the use of that space

Budget: \$2.51 million

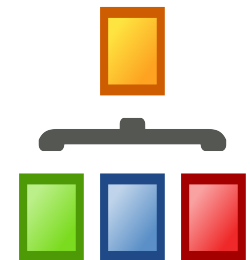
Contributes approximately 3.4% of the General Fund revenue

ADMINISTRATIVE COST ALLOCATION

Calculated based on a % of actual cost of administration

Pay for centralized administrative and professional services including but not limited to legislative, legal, finance, IT, and human resources.

Estimated cost: \$3.86 million



ALLOCATED COSTS



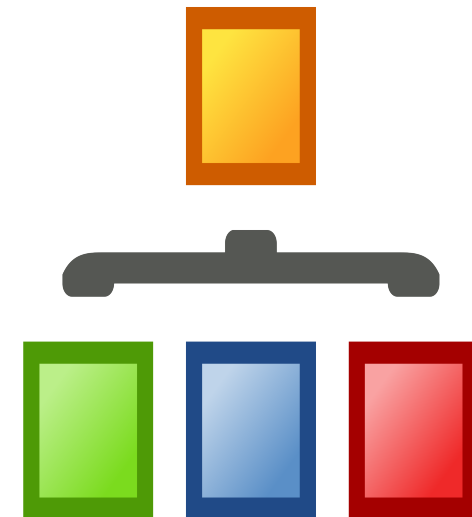
Legislation requires “a cost accounting breakdown of how money in the enterprise fund is being used to cover administrative and overhead costs of the city attributable to the operation of the enterprise fund”

(USC §10-6-135.5)

	Water Fund	Sewer Fund	Solid Waste Fund	Storm Water Fund	Total Allocation % of cost
City Council	15.00%	3.75%	2.50%	3.75%	25.00%
Mayor	10.00%	5.00%	5.00%	5.00%	25.00%
City Recorder (limited)	30.00%	7.50%	10.00%	7.50%	55.00%
Emergency Management	15.00%	3.75%	2.50%	3.75%	25.00%
Administrative Services	17.50%	7.00%	3.50%	7.00%	35.00%
Utility Billing	25.00%	25.00%	25.00%	25.00%	100.00%
City Attorney	15.00%	3.75%	2.50%	3.75%	25.00%
Human Resources	15.00%	3.75%	2.50%	3.75%	25.00%
Public Affairs	15.00%	3.75%	2.50%	3.75%	25.00%
Facilities	20.00%	3.00%	2.50%	3.00%	28.50%
Public Works Administration	10.00%	10.00%	25.00%	10.00%	55.00%
GIS	30.00%	15.00%	5.00%	15.00%	65.00%
Public Utilities Administration	30.00%	20.00%	0.00%	20.00%	70.00%
Non-Departmental (limited)	15.00%	3.75%	2.50%	3.75%	25.00%

ALLOCATED COSTS

	Total Admin & overhead cost	% of utility budget
Water Fund	\$ 3,641,885	9.4%
Sewer Fund	1,368,915	6.2%
Solid Waste Fund	751,594	10.2%
Storm Water Fund	<u>1,346,984</u>	15.3%
	\$ 7,109,378	



PUBLIC COMMENT

City of West Jordan Contact Information:

Customer Service: (801) 569-5000 - Questions regarding your utility bill and general city information.

Public Works: (801) 569-5700 - Water emergencies, streetlight, and road inquiries. Public Works service requests and dumpster rentals are now online.

Website:

WestJordan.Utah.Gov: Dumpster rentals, garbage can repair, service requests, and city information.

Budget Billing:

Equal Pay is currently offered for residential customers once per year. Watch your bill in October for notice of sign-up period.

NOTICE OF PUBLIC HEARING:

The West Jordan City Council will hold a public hearing to receive public comment on a proposed transfer of enterprise funds to the City's general fund on Wednesday, June 5, 2024 at 6:00 p.m. at West Jordan City Hall Council Chambers at 8000 W Redwood Road. This hearing will include budget and accounting information.

Details on how to make comment and/or watch the meetings electronically are available on the City's website on the Agenda page. If you have any questions about participating in this public hearing, please contact the City Council office at 801-569-5017 or alan.anderson@westjordan.utah.gov.

The City is proposing to transfer funds from these utility funds into the City's General Fund to act as the collection of franchise tax as are paid by non-city utilities.

Proposed Transfer Amounts

	Water	Sewer	Storm Water	Streetlight
Transfer to General Fund	\$ 1,353,200	\$ 828,750	\$ 258,000	\$ 66,9000
% of total fund expenditures	3.64%	3.89%	3.03%	4.26%

Copies of the Tentative Budget for Fiscal Year 2025 will be available on the City's website after May 8, 2024 at www.westjordan.utah.gov.

Usage Monitoring and Leak Detection:

It is important to monitor your water consumption for possible leaks in your home. Running toilets, stop and waste valves, and water heaters are the most frequently reported water leaks. These leaks can be expensive. Finding and repairing them quickly will save you money. **Did you know, your sewer bill is based off your winter water usage?** Repairing winter water leaks will save you money all year long!

Discontinuance of Utilities for Nonpayment:

Disconnection of water service and/or retrieval of solid waste containers will occur on any account that has a delinquent balance for more than two (2) consecutive billing periods and totaling one hundred twenty-five dollars (\$125.00) or more. **Service restoration will occur once a \$100 service fee and the account are paid in full.**

CONTACT INFORMATION CHANGES

Email address: _____

Billing address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____

Please note: The name on the billing can only be updated by calling the city.
We are only able to update requests that can clearly be read.



REQUEST FOR COUNCIL ACTION

Action: Need Council to take action

Meeting Date Requested : 06/05/2024

Presenter: Danyce Steck

Deadline of item : 06/30/2024

Applicant:

Department Sponsor: Admin. Services

Agenda Type: BUSINESS ITEMS

Presentation Time: 5 Minutes

(Council may elect to provide more or less time)

1. AGENDA SUBJECT

Consider **Resolution 24-025** authorizing the pick-up of certain public safety and firefighter employee retirement contributions.

2. EXECUTIVE SUMMARY

Beginning July 1, 2024, the rate for the employee's portion of the retirement contribution for the Tier 2 Public Safety & Firefighter retirement benefits has increased from 2.59% to 4.73%. The Council last authorized this pick-up with Resolution 22-030. The IRS and Utah Retirement System require this formal action in order to allow the City's contribution on behalf of the employee to exceed the current approved rate of 2.59%.

A majority of other public safety agencies have authorized similar "pick-up" resolutions which supports this action for purposes of recruitment and retention.

This resolution meets the requirements of the Internal Revenue Service as well as Utah Retirement Systems to allow the City to "pick-up" these retirement contributions.

Legal references:

Beginning July 1 2020, S.B. 129 (2019) & S.B. 56 (2020) provided enhancements to Tier 2 Public Safety & Firefighter retirement benefits. Due to the cost of the plan enhancements, contributions will be made by the employer and the employee. An employer may elect to "pick-up" the employee's portion of the retirement contribution and treat it as an employer contribution.

3. TIME SENSITIVITY / URGENCY

This action must be considered prior to July 1st

4. FISCAL NOTE

FY2025 Budget

of employees affected: 145

Tier II public safety salaries: \$12,121,127

Public safety pick-up contributions @ 2.59% = \$313,937

Public safety pick-up contributions @ 4.73% = \$573,329

Fiscal impact of change: \$259,392

5. PLANNING COMMISSION RECOMMENDATION

N/A

6. STAFF ANALYSIS

N/A

7. MOTION RECOMMENDED

Move to approve Resolution 24-025 authorizing the City to pick-up the employee's contribution for certain Tier 2 Public Safety & Firefighter retirement benefits.

8. MAYOR RECOMMENDATION

Mayor recommends approval of **Resolution No. 24-025** to support the retention and recruitment of critical public safety personnel.

9. PACKET ATTACHMENT(S)

Resolution No. 24-025

10. OTHER INFORMATION

N/A

1 **THE CITY OF WEST JORDAN, UTAH**

2 A Municipal Corporation

3
4 **RESOLUTION NO. 24-025**

5
6 **A RESOLUTION AUTHORIZING PICK-UP OF CERTAIN PUBLIC**
7 **SAFETY AND FIREFIGHTER EMPLOYEE RETIREMENT**
8 **CONTRIBUTIONS.**
9

10 WHEREAS, the City employs employees who are eligible for and participate as members
11 in the New Public Safety and Firefighter Tier II Contributory Retirement Plans administered by the
12 Utah Retirement System; and

13 WHEREAS, in accordance with federal and state law, including Section 414(h)(2) of the
14 Internal Revenue Code, employers may take formal action to pick up required employee
15 contributions, which will be paid by the employer in lieu of employee contributions; and

16 WHEREAS, the City desires to formally pick up a portion of the employee contributions
17 required to be paid under Utah Code Ann. Subsection 49-23-301 (2)(c), as enacted in S.B. 56, Public
18 Safety and Firefighter Tier II Retirement Enhancements (2020 General Session), for all City
19 employees participating in the New Public Safety and Firefighter Tier II Contributory Retirement
20 System; and

21 WHEREAS, on July 27, 2022 the City approved Resolution 22-030 to pick up and pay
22 required employee contributions for all City employees who are members of the New Public Safety
23 and Firefighter Tier II Contributory Retirement System, subject to a maximum of 2.59% of
24 compensation for each employee; and

25 WHEREAS, the City Council is duly authorized to take this formal action on behalf of the
26 City as a participating employer with the Utah Retirement Systems.

27 NOW, THEREFORE, IT IS RESOLVED BY THE CITY COUNCIL OF WEST JORDAN, UTAH:

28 *Section 1.* Beginning July 1, 2024, the City shall pick up and pay required employee
29 contributions for all City employees who are members of the New Public Safety and Firefighter Tier
30 II Contributory Retirement System, subject to a maximum of 4.73% of compensation for each
31 employee.

32 *Section 2.* The pick-up contributions will not be included in the gross income of the
33 employees for tax reporting purposes, that is, for federal or state income tax withholding taxes, until
34 distributed from the Utah Retirements Systems, so that the contributions are treated as employer
35 contributions pursuant to Section 414(h)(2) of the Internal Revenue Code.

36 *Section 3.* The picked-up contributions are a supplement and not a salary reduction to the
37 City employees who are eligible for and participating members in the New Public Safety and
38 Firefighter Tier II Contributory Retirement System.

Section 4. From and after the date of this pick up, a City employee may not have a cash or deferred election right with respect to the designated employee contributions, including that the employees may not be permitted to opt out of the pick-up and may not be entitled to any option of choosing to receive the contributed amounts directly instead of having them paid by the City on behalf of its employees to the Utah Retirement Systems.

Section 5. This Resolution shall take effect on July 1, 2024.
Adopted by the City Council of West Jordan, Utah this 5th day of June, 2024.

CITY OF WEST JORDAN

By: _____
Zach Jacob
Council Chairperson

ATTEST:

Cindy M. Quick, MMC
Council Office Clerk

Voting by the City Council

Council Vice Chairperson Chad Lamb
Council Member Bob Bedore
Council Member Pamela Bloom
Council Member Kent Shelton
Council Member Kayleen Whitelock
Council Chairperson Zach Jacob
Council Member Kelvin Green

"YES"	"NO"
☐	☐
☐	☐
☐	☐
☐	☐
☐	☐
☐	☐
☐	☐



REQUEST FOR COUNCIL ACTION

Action: Provide information to Council

Meeting Date Requested : 06/05/2024

Presenter: Danyce Steck

Deadline of item : 06/30/2024

Applicant:

Department Sponsor: Admin. Services

Agenda Type: BUSINESS ITEMS

Presentation Time: 5 Minutes

(Council may elect to provide more or less time)

1. AGENDA SUBJECT

Presentation of the Annual Fraud Risk Assessment for FY 2024.

2. EXECUTIVE SUMMARY

No action is required, presentation to the governing body is a requirement once a year for state audit compliance.

The FY 2024 Fraud Risk Assessment indicates the City has a very low risk of fraud and has controls in place to mitigate such risk. The City's score is 375 points out of a possible 395 points. The city does not have a formal internal audit function which represents the 20-point difference.

3. TIME SENSITIVITY / URGENCY

The Utah State Auditor requires this Assessment be complete and presented to the governing body before the end of each fiscal year. This presentation represents compliance for fiscal year 2024 which ends on June 30, 2024.

4. FISCAL NOTE

N/A

5. PLANNING COMMISSION RECOMMENDATION

N/A

6. STAFF ANALYSIS

N/A

7. MOTION RECOMMENDED

N/A

8. MAYOR RECOMMENDATION

N/A

9. PACKET ATTACHMENT(S)

Fraud Risk Assessment for FY2024

10. OTHER INFORMATION

Utah State Auditor Alert 2020-01

Beginning in 2020, all local governments will complete the Assessment internally. The Assessment must be completed and presented to the governing board before the end of the 2020 fiscal year. The Chief Administrative Officer and Chief Financial Officer must certify the results of the Assessment. The Assessment must be submitted to the Office of the Utah State Auditor within six months after the end of the fiscal year.

Fraud Risk Assessment

Continued

*Total Points Earned: 375 /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	200
2. Does the entity have governing body adopted written policies in the following areas:		
a. Conflict of interest?	5	5
b. Procurement?	5	5
c. Ethical behavior?	5	5
d. Reporting fraud and abuse?	5	5
e. Travel?	5	5
f. Credit/Purchasing cards (where applicable)?	5	5
g. Personal use of entity assets?	5	5
h. IT and computer security?	5	5
i. Cash receipting and deposits?	5	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	20
a. Do any members of the management team have at least a bachelor's degree in accounting?	10	10
4. Are employees and elected officials required to annually commit in writing to abide by a statement of ethical behavior?	20	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	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	20
7. Does the entity have or promote a fraud hotline?	20	20
8. Does the entity have a formal internal audit function?	0	20
9. Does the entity have a formal audit committee?	20	20

*Entity Name: CITY OF WEST JORDAN

*Completed for Fiscal Year Ending: 06/30/2024 *Completion Date: 06/05/2024

*CAO Name: Korban Lee *CFO Name: Danyce Steck, CPFO

*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?	X			
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?	X			
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".	X			
4. Are all the people who have access to blank checks different from those who are authorized signers?	X			
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?	X			
6. Does someone other than the clerk review periodic reports of all general ledger accounts to identify unauthorized payments recorded in those accounts?	X			
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".	X			
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".	X			
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".	X			
10. Does the person who authorizes payment for goods or services, who is not the clerk, verify the receipt of goods or services?	X			
11. Does someone authorize payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".	X			
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".	X			

* MC = Mitigating Control

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.



MINUTES OF THE CITY OF WEST JORDAN
COMMITTEE OF THE WHOLE
Wednesday, May 15, 2024 – 6:00 pm
Waiting Formal Approval
8000 S Redwood Road, 3rd Floor
West Jordan, UT 84088

1. CALL TO ORDER

COUNCIL: Chair Zach Jacob, Vice Chair Chad Lamb, Bob Bedore, Pamela Bloom, Kelvin Green, Kent Shelton, Kayleen Whitelock

STAFF: Council Office Director Alan Anderson, Community Engagement & Government Affairs Manager Tauni Barker, Mayor Dirk Burton, City Attorney Josh Chandler, Public Works Director Brian Clegg, Budget & Management Analyst Rebecca Condie, Public Services Director Cory Fralick, City Planner / Zoning Administrator Larry Gardner, Assistant City Administrator Paul Jerome, Policy Analyst & Public Liaison Warren Hallmark, City Administrator Korban Lee, Fire Chief Derek Maxfield, Administrative Services Director Danyce Steck, Police Chief Ken Wallentine

2. DISCUSSION TOPICS

a. Fiscal Year 2025 Tentative Budget Discussion

Administrative Services Director Danyce Steck oriented the Council with the following FY 2025 Tentative Budgets:

- The General Fund
- Proposed Property Tax Increase of 3.5%
**Council Member Green moved to direct staff to prepare the appropriate resolution to notify the County of truth in taxation at a rate of 3.5%.
Chair Jacob seconded the motion, which passed by unanimous vote (7-0).**
- Sales Tax Revenue
The Council discussed establishing a policy that would set reserves at a specific percentage of the annual budget, with any additional revenues going to the CIP Fund. Council Member Whitelock expressed concern that the number of City employees was growing much too fast.
- Council Office Budget
Council Office Director Alan Anderson demonstrated modules available with PrimeGov software for additional cost. Council Member Whitelock commented that most features of the Committee Manager Module applied to general administration, and suggested the cost would be more appropriate in the Mayor's Budget. The Council and staff discussed convenience versus cost.

Council Member Bloom did not believe the City needed to pay extra for live closed captioning with the Swagit EASE Module considering the many third-party captioning options available. Council Member Green suggested the transcription feature could be used to prepare meeting minutes and spoke in favor of the live

closed captioning feature. Council Member Whitelock said she would be in favor of adding Swagit EASE if Mr. Anderson truly believed it would make his office more efficient and help the residents. Mr. Anderson said he believed Swagit EASE would help the residents first and help his office second. Four Council Members expressed interest in adding the PrimeGov Swagit EASE (post closed captioning) Module to the budget.

- Justice Court

- City Administration Budget

Council Member Whitelock said she was not in favor of adding a full-time Communications Specialist, a CAO Intern, and \$17,500 for site visits for economic development as proposed in the Tentative Budget. City Administrator Korban Lee described management analyst studies and tasks that would be assigned to a CAO Intern. Council Member Green said he would want to see metrics of expectations and output for the proposed Communications Specialist position. Community Engagement & Government Affairs Manager Tauni Barker spoke of requests from residents for various forms of communication, and said her staff did a great job with the resources available to them but could not increase production without an increase in staffing. Council Member Bloom believed the proposed Communications Specialist position could help the City meet established goals and felt it was a wise choice. Vice Chair Lamb believed staff would not propose adding a Communication Specialist position to the budget without strongly believing the position was needed. Three Council Members expressed support for a Communications Specialist, CAO Intern, and funds for site visits for economic development as proposed in the Tentative Budget.

- Police Department

Police Chief Wallentine answered questions regarding police staffing requests, and listed police staffing request goals: maintain ability to respond to increasing demands for service; meet the challenge of high priority call increases; proactively serve the business community and address economic impact crimes; and provide an additional School Resource Officer with funding partnership from a charter school. Chief Wallentine said he would be happy to discuss the possibility of changing the Code to allow non-sworn officers to issue parking tickets if the Council desired. The Council and staff discussed the benefits and challenges of employing active military personnel in the Police and Fire Departments.

- Fire Department

Council Members expressed interest in discussing the possible addition of a mental health officer in the Fire Department. Fire Chief Maxfield spoke of the importance of cancer screenings for firefighters.

Council Member Green suggested development-based triggers should be established to indicate needed Fire Department expansion. Chief Maxfield answered questions from the Council about emergency vehicles navigating through traffic, and the possibility of providing evening firefighter training programs. A majority of the Council expressed a desire to allocate funds to the budget for additional turnout gear for firefighters as a one-time CIP Fund expense.

- Public Services Department

Responding to a question from Council Member Green about the cemetery, staff noted that the Tentative Budget included funds for the addition of a columbarium, which was a service currently not offered by the cemetery. The Council and staff discussed possible improvements to the rodeo arena, and Council Member Green asked staff to bring back cost estimates for possible inclusion in the FY 2025 Budget. Staff answered questions about funds allocated for the Western Stampede in the FY 2025 Tentative Budget. The Council discussed adding a multi-use events stage to Veterans Memorial Park. Mr. Lee spoke of challenges in planning the Western Stampede each year from the beginning of July when the budget was approved by the Council near the end of June. He suggested the Council review and approve the Western Stampede budgets earlier in the year going forward.

3. ADJOURN

Chair Jacob adjourned the meeting at 9:24 pm.

I certify that the foregoing minutes represent an accurate summary of what occurred at the meeting held on May 15, 2024. This document constitutes the official minutes for the West Jordan Committee of the Whole meeting.

Cindy M. Quick, MMC
Council Office Clerk

Approved this ____ day of ____ 2024