

## **REQUEST FOR COUNCIL ACTION**

**SUBJECT:** Discussion and possible action regarding an amendment to the City Code Title 3, Chapter 8, Section 3-8-1B-11, regarding supplementary fund balance to 25% maximum, and declaration of the balance for use for emergency as authorized in State Law

**BACKGROUND:**

Historically, the supplementary fund balance has been set by State law at 18% a maximum of the General Fund Budget. The State passed legislation allowing the supplementary fund balance to be set at 25%. This fund balance has been designated use is clearly stated in State Law and the City of West Jordan Code to be used to cover immediately required funds to pay General Fund Budget expenditures, and use in a City Council declared emergency. It has been asked by the Mayor that he know the current balance of the supplementary fund, and the process of the Council to access funds. It is the responsibility of the governing body to have policy set in place in the event of a declared emergency.

**Utah State Code:**

**10-6-129. Emergency expenditures.**

(1) If the governing body of a city determines that an emergency exists, such as widespread damage from fire, flood, or earthquake, and that the emergency necessitates the expenditure of money in excess of the budget of the general fund, the governing body may by resolution amend the budget and authorize such expenditures and incur such deficits in the fund balance of the general fund as may be reasonably necessary to meet the emergency.

Councilmember Haaga recommended amending the 2009 West Jordan Code based on the criteria listed:

- The Utah State Legislature amended the State Statue to allow the General Fund supplementary amount maximum balance from 18% to 25%.
- West Jordan Code has this amount at 18%
- Mayor Rolfe, an elected official of the City, has asked for confirmation of the actual Supplementary Fund Balance to date, and a process in the event of an emergency, how the City Council can access these funds allowed by State law.

**COUNCIL MEMBER HAAGA’S RECOMMENDATION:**

Councilmember Haaga recommends amending the 2009 West Jordan Code, Title 3, Chapter 8, Section 3-8-1B-11, as listed below:

1. Make a text amendment to City Code Chapter 3-8-1B-11 to 25% maximum in the General Fund Supplementary Fund Balance.
2. Direct the City Manager and Finance Manager to supply evidence of the current Supplementary fund balance, with documentation such as bank statements and Utah State Treasury deposits in the West Jordan City account.
3. Direct the City Manager and Finance Manager to developer a policy that the City Council can approve in the case of an emergency and a process for the City Council to authorize the use of funds allowed by State law.

**MOTION RECOMMENDED:**

"I move to direct staff to make the amendments as addressed in the report, and bring an ordinance for formal approval at a future Council meeting."

**ROLL CALL**