



# Presentation to Budget and Fiscal Affairs Committee

Proposed Revision to the Financial Policies  
**November 09, 2020**

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# Background

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- Basic policies related to City's financial and budgetary policies were adopted by Resolution 88-87
- Adopted by Ordinance 2014-1078
- Amended by Ordinance 2015-0514 to include provisions regarding pay-as-you-go (PAYGO) funding
- Amended by Ordinance 2018-390 to revise and update the financial policies as a result of the two-year review requirement



# Review Requirement

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- Under section B.4. states:

*“ The City’s financial policies shall be reviewed at least every two years by the Mayor or the Mayor’s designee, the results of the review are to be presented to BFA, and any proposed amendments are to be presented to City Council for consideration.”*
- Basis of review for targeted opportunities for improvement:
  - What is not clear or could be written to better reflect the real world?
  - Where is language potentially conflicting or confusing?
  - What and how can we do better?
- Includes commentary from Finance and Economic Development leadership, as well as Controller’s Office.



# Review Requirement

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- This presentation will lay out the proposed changes to the financial policies, in order to provide:
  - Updated information based on approved ordinance and federal requirements changes since the last update,
  - Clarification of the content,
  - Minor corrections that were previously missed.



# Proposed Revisions Highlights

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## **A. *Updating information based on approved ordinance and/or Federal requirement changes***

1. Section E1 & E2 – related to minimum and maximum fund balance requirement on Special Fund.
  - *Proposed changes to clarify the language to be consistent with Ordinance 2019-447 – from 'all special revenue funds' to 'certain special revenue funds'*
2. Section I1 – related to the pension analysis requirement
  - *Proposed changes to require the analysis done "annually" instead of "at least once every five years" - to align and be in compliance with the state law.*
3. Section K6 – related to Single Audit Report (SAR)
  - *Proposed changes to add details on the SAR process that was not previously included – to be in compliance with the Federal requirement (2CRF Part 200) as well as AP 4-1*



# Proposed Revisions Highlights

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## ***B. Clarification of the Content***

1. Section G5 – related comprehensive analysis of City fees and rates
  - *Proposed changes to clarify the language that these fees and rates are performed on “a rotation basis by Finance and/or independent outside third party contractor” - as analysis has been performed in-house.*
2. Section J8 & J9 – related to debt refunding
  - *Proposed changes to clarify that these items exclude special facility debt.*
3. Section J12 – related to underwriter process
  - *Proposed changes to conduct a formal procurement process when selecting underwriters – from ‘annually’ to ‘periodically’. This will promote flexibility for new firms to join the City’s underwriters’ pool by creating an open process*
4. Section K5 – related to year-end soft close
  - *Proposed changes to clarify the language of ‘working days’ instead of ‘calendar days’ and to clarify the accounting transaction definition including in this section.*
  - *Proposed changes to add to the definition of ‘accounting transaction’*



# Proposed Revisions Highlights

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## ***B. Clarification of the Content - Local Economic Development Policies (Section M)***

5. Section M1 – related to priorities
  - *Proposed changes to clarify the language in priority 1 & priority 2 to emphasize in City’s priority for financial incentive programs and resources.*
  
6. Section M2 – related to establishing criteria, guidelines and metrics to evaluate project
  - *Proposed changes to add language that City shall utilize market and business analyses and reports to identify target areas.*



# Next Steps

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- An RCA will be presented for approval



# Questions?