



# FINANCIAL GOVERNANCE POLICY, TO INCLUDE THE INVESTMENT POLICY, ANNUAL REVIEW

DS-25-003

February 4, 2025

# Background

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- Financial Governance Policy is the comprehensive source for financial policies in the City
  - ▣ Investment Policy is part of the Financial Governance Policy and must be adopted annually in accordance with the Public Funds Investment Act (PFIA)

# Proposed Policy Changes

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Policy Change Location	Policy Change	Reason for Change
Section VIII(C)(1)(2), Water and Sewer Rates	Removed rates and only reference the tiers to which water and sewer rates are billed and added “Most current rates are established in City ordinance, effective October 1 <sup>st</sup> of each year”	The Water & Sewer rates are updated and in effect Oct. 1 <sup>st</sup> of each year, but the Financial Governance Policy isn't updated until Jan./Feb of each year

# Proposed Policy Changes

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Policy Change Location	Policy Change	Reason for Change
Section IX(C), Purchasing	1.Added “or designee” to allow the City Manager to appoint a designee to assist in the approval of contract change orders 2. Removed “The City will move towards centralized purchasing in accordance with a plan to be established by the City Manager”	1.To align with the City’s delegation of signature authority document 2.The City has implemented centralized purchasing with the new ERP system

# Proposed Policy Changes

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Policy Change Location	Policy Change	Reason for Change
Section IX(D), Classification of Operating Expenditures	Removed Support Services, Minor Capital and Professional Services and added “Miscellaneous Services and Charges”	To align with the new Chart of Accounts (COA) that was created using Government Finance Officers Association (GFOA) best practices

# Proposed Policy Changes

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Policy Change Location	Policy Change	Reason for Change
Section XIII(A), Capitalization Threshold	Added “Intangible assets - Subscriptions if they meet a threshold of a \$100,000 or more and are for a term more than two years” and Capitalization thresholds will be applied to individual items and “bulk purchases if they meet a threshold of a \$100,000 or more and their useful life is two years or more”	To align with Governmental Accounting Standards Board (GASB) 96 standards

# Proposed Policy Changes

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Policy Change Location	Policy Change	Reason for Change
Section XVI(B), Investments	Added “The City’s Investment Policy is imbedded within the Financial Governance Policy under section XXIII”	To make reference to the Investment Policy

# Proposed Policy Changes

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Policy Change Location	Policy Change	Reason for Change
Section XVII(A)(2), Computer Data Processing	Removed language that user access levels to the City's financial system is to be implemented by Information Technology Services Dept. (IT) and replaced with language that IT is responsible for creating new users during the initial setup but that both IT and the Finance Dept. can make changes to Security Groups and User Account Access Groups as needed.	To align with the City's new Enterprise resource planning (ERP) system



# Next Steps

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Receive City Council feedback and discuss Financial Governance Policy proposed changes at the February 18<sup>th</sup> City Council meeting