

## ORDINANCE 2017- 24

### AN ORDINANCE ADOPTING DEPRECIATION FUND POLICIES AND PROCEDURES TO ACCURATELY TRACK CAPITAL ASSETS IN THE CITY AND TO HELP WITH THE SCHEDULING OF THE REPLACEMENT OF ASSETS AS THE WEAR OUT

**WHEREAS;** North Ogden City desires to track and plan for the repair and replacement of certain capital assets; and

**WHEREAS;** North Ogden City owns and maintains a complex network of utilities and physical infrastructure; and

**WHEREAS;** The City Finance Department has the responsibility to track assets in the City; and

**WHEREAS;** The Department Heads are responsible for insuring their department functions appropriately, plans, and operates within budget constraints ; and

**WHEREAS;** The City Council wants to provide for some assurance that future Council Members will know the current state of the built infrastructure within the City; and

**NOW THEREFORE, BE IT ORDAINED** by the North Ogden City Council that the North Ogden City creates a new chapter in Title 3 Revenue and Finance entitled 3-4: Asset Budgeting Information.

#### **SECTION 1:**

#### **3-4: ASSET BUDGETING INFORMATION**

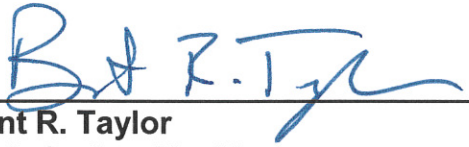
- A. Department Head Asset Records: Each Department Head shall establish and maintain a list of current assets in a database or spreadsheet including the following required information about each asset
  1. Installation or original service date; and
  2. Life expectancy; and
  3. Cost to repair or replace.
- B. Finance Department Asset Information Review: Each department asset list will be reviewed annually for completeness and accuracy by the Finance Director. The Finance Director shall present the results of this review to the City Council prior to adopting the tentative budget each year. The Finance Director will also present to the City Council the reason why this information is important for budget considerations.

- C. Depreciation Calculations: The Finance Director will calculate the amount of depreciation for the current fiscal year plus the amounts for the next three years. This information will be presented to the City Council during the annual budget planning meetings.
- D. Depreciation Funds: Funds identified by the City Council to repair and replace city assets shall be set aside and only used for this purpose.
- E. Fund Balance Information: The Finance Director will provide to the City Council during the budgeting process; prior year fund balances, current year fund balances and expected next fiscal year fund balances based on anticipated budget approvals. This information shall be presented at a City Council meeting prior to the meeting where the tentative budget is accepted.
- F. Protection of Depreciation Funds: All funds which have been reserved for the replacement of assets which are at the end of their expected life may not be spent, encumbered, or otherwise used towards any other expense except for the purpose for which they were originally reserved unless:
  - 1. The City Council holds a public hearing in accordance with State Code related to the transfer of balances between funds; and
  - 2. The five voting members of the City Council unanimously approve the expenditure of depreciation funds.

**SECTION 3:** This ordinance shall take effect upon adoption.

**PASSED and ADOPTED this 21<sup>st</sup> day of November 2017.**

**North Ogden City:**

  
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**Brent R. Taylor**  
**North Ogden City Mayor**

**CITY COUNCIL VOTE AS RECORDED:**

	<b>Aye</b>	<b>Nay</b>
<b>Council Member Satterthwaite:</b>	<u>  X  </u>	___
<b>Council Member Stoker:</b>	<u>  X  </u>	___
<b>Council Member Swanson:</b>	___	___
<b>Council Member Turner:</b>	<u>  X  </u>	___
<b>Council Member Urry:</b>	___	___
<b>(In event of a tie vote of the Council):</b>		
<b>Mayor Taylor</b>	___	___

**ATTEST:**



S. Annette Spendlove  
S. Annette Spendlove, MMC  
City Recorder