

David L. Alvord, *Mayor*
Mark Seethaler, *Councilman*
Chuck Newton, *Councilman*
Donald J. Shelton, *Councilman*
Steve Barnes, *Councilman*
Christopher J. Rogers, *Councilman*



PH: 801.254.3742 EMAIL: info@sjc.utah.gov FAX: 801.254.3393

May 7, 2014

Mr. Bob Paxton

VIA U.S. MAIL

RE: GRAMA REQUEST RECEIVED APRIL 24, 2014.

Dear Mr. Paxton:

The following response to your request for public records is based on your numbering in the request with subsections as appropriate. As many of the records you requested are posted on the City's webpage the response below identifies where the record may be found rather than providing the record; pursuant to UCA § 63G-2-201 (8) (v). Where possible, the City has tabbed records that are compiled and identified by tab where the specific record can be found. Further the compilations are generally searchable by key word. Other records, including meeting minutes, ordinances and resolutions, are maintained in a format available to search through search engine that the City has set up.

Where the City's response is that a record is "Granted," the grant of the record is only to the extent that the City still maintains the record, as generally the City retains records for the statutory required period many records relating to your request are no longer retained by the City. The City's retention schedule follows the recommended retention schedule by the state which may be found at <http://archives.utah.gov/recordsmanagement/grs/mungrs-list.html>.

Request	Response	Record
1.a. Exactly what funds were used for the purchase of Mulligans – cash grants, bonds etc. – Would like to see copies if all transactions. Include also the 2004 & 2005 grants, bonds all conditions, interest rates, the party you are paying, amount of down payment, where down payment came from and why a 2004 & 2005 loan.	The request does not identify a record and lacks reasonable specificity under UCA § 63G-2-204. Granted to the extent a record is identified with reasonable specificity.	Minutes of the January 18, 2000 City Council Meeting where the purchase was discussed are provided. Further, records containing the information requested may be online on the City's homepage under the link " <u>Mulligan's History Research Book</u> ". Further, all City Budget and CAFR Reports since 2005 are found on the City's webpage under http://www.sjc.utah.gov/finance.asp

Records of bonds are available for inspection in the City's Finance Department by appointment due to size of the record and cost to copy. Copies of specific pages and or sections will be made once identified.

2. Exactly what funds were used to purchase property north of Mulligans from the Palmers – the 28 acre parcel & the 11 acre parcel and copies of the transactions.

The request does not identify a record and lacks reasonable specificity under UCA § 63G-2-204.

City Budget and CAFR Reports since 2005 are found on the City's webpage under <http://www.sjc.utah.gov/finance.asp>

3. Copy of independent audit – end 2013 after City Manager resigned

Granted to the extent a record is identified with reasonable specificity
Granted.

Record of independent audit attached.

You have the right to appeal any part of the response to your request to the chief administrative officer of the City. A notice of appeal must be submitted within 30 days from the date of your notice of appeal and must include your name, mailing address, daytime telephone number, and explanation of what relief you are seeking. You may also include any supporting information with your notice of appeal. (UCA §§ 63G-2-205 & 63G-2-401). The notice of appeal should be submitted to the following:

ATTN: South Jordan City Manager
1600 W. Towne Center Drive
South Jordan, Utah 84095

Please let me know if you have any questions,

Sincerely,



Anna M. West, CMC
City Recorder

Enclosure

cc: Gary L. Whatcott – Interim City Manager
I. Robert Wall – City Attorney

minimum of 40 hours per week. Balmforth shall be considered an exempt employee for purposes of overtime compensation requirements of the Fair Labor Standards Act. The South Jordan City Council may adjust the compensation of Balmforth from time to time as deemed appropriate. He also asked that full-time employees in section 6 be changed to Department Heads. Councilman Criner seconded the motion. The vote was unanimous in favor, with Councilwoman Wilburn absent.

- E. File #27-17-400-015, Ordinance To Amend The City's Zoning Map From A-5 To R-2.5 For 14.108 Acres Located At Approximately 10830 South 3200 West, Peterson Development (Applicant)

This item was not done, as per the discussion in item IV. C.

- F. Staff Protocol - Councilman Criner

City Administrator Horst said he was directed to prepare a grievance procedure. He said they can adopt it as a policy, and they can bring it back later as they adjust additional administrative actions in the code.

Councilman Criner made a motion to approve the Staff Protocol, as presented. Councilman Sanderson seconded the motion. The vote was unanimous in favor, with Councilwoman Wilburn absent.

G. Palmer Property Purchase

Mayor McMullin said they would have an initial payment up front, and a final payment due on October 1, 2000, as outlined in the agreement.

Councilman Sanderson made a motion to appropriate \$335,633 from the funds acquired from Salt Lake County for the purchase of this property, and a contribution of \$116,447 to be paid for at a later date, as prescribed in the agreement, from the park impact fees and not from the General Fund. Councilman Warne seconded the motion. The vote was 3-1 in favor, with Councilman Criner opposed and Councilwoman Wilburn absent.

Councilman Criner said he feels there are other projects that are a higher priority to him.

VII. INFORMATIONAL ITEMS AND OTHER BUSINESS

A. CALENDARING ITEMS

City Administrator Horst asked that the City Council let him know if there are anymore items that they want on the agenda next week. Councilman Sanderson asked that no voting items be put on the agenda, unless it is an emergency.

CONSULTING REPORT ON THE CITY MANAGER

Sunil Naidu, Director of Finance
City of South Jordan, Utah
1600 West Towne Center Drive
South Jordan, Utah 84095
February 17, 2014

Dear Mr. Naidu:

As requested by management and the City Council of the City of South Jordan, Utah (the City), we have performed the procedures enumerated below as requested by the City. We understand that the reason we have been requested to perform these consulting services is to assist management in evaluating the City Manager position that was vacated, and to provide for a good starting point for the new City Manager. The time period under review is from July 1, 2013 – January 3, 2014, (from the beginning of the current fiscal year through the last day of employment of the departing City Manager).

Our services were performed in accordance with the standards for consulting services established by the American Institute of Certified Public Accountants (AICPA). Among other things, those standards require that we complete our assignments with integrity and objectivity. Consulting services are intended only to assist management in meeting its operational, financial oversight, or other objectives, not to make significant management decisions or to perform other significant management functions directly. In other words, our services were limited to information gathering and communication, advice and recommendations for you and your staff's consideration and possible acceptance and implementation. Determination of the scope of the procedures applied, their sufficiency for management's purpose, and management's conclusion are solely the responsibilities of management of the City. Consequently, we make no representation regarding our work for any purpose other than as set forth in this report.

AREAS UNDER REVIEW

There were essentially two areas we were requested to evaluate relating to the office of City Manager: Payroll and Expenses. Payroll was further divided into actual Payroll received by the City Manager and Payroll he approved for two individuals (for his assistant and for the City judge). Expenses were likewise divided into two general categories: actual Expenses incurred by the City Manager and Expenses he approved. In the section below, we discuss the procedures we performed for each type of transaction under review.

PROCEDURES

General Procedures

- Interviewed the Director of Finance to gain an understanding of the City Manager's responsibilities and the processes by which his payroll is approved and paid , and how the expenses and related budget are managed,
- Read the employment contract of the City Manager,
- Read the entire population of expenditures by classification looking for large or unusual transactions,
- From the expenditures by classification, selected a haphazard sample of items to verify the existence of adequate documentation,
- Evaluated a selection of transactions for reasonableness,
- Traced these transactions to supporting documentation provided by the Director of Finance, and
- Evaluated these transactions for proper payment and recorded amounts in the General Ledger.

City Manager Payroll Received

- Read payroll transactions for the period specified above and selected 3 pay periods for the City Manager related to his regular salary, annual vacation buyback, severance pay, and payroll taxes on severance pay,
- Recalculated salary, vacation buyback and severance pay, and
- Evaluated these transactions in conjunction with the City Manager's employee contract.

City Manager Payroll Approved

- Read payroll transactions for the period specified above and selected four pay periods for the two employees under City Manager approval,
- Recalculated employees' salaries for these four pay periods, and
- Evaluated these transactions in conjunction with each employee's approved hourly rate schedules

City Manager Expenses Incurred and Approved

- Obtained a schedule of expenses incurred directly by the City Manager and also those expenses approved by him, and scanned for unusual or large transactions,
- Selected multiple transactions for detailed examination and traced to supporting documentation,
- Compared transactions to credit card statements, receipts, and contracts, and
- Evaluated transactions for appropriate purpose based on the City Manager's duties and responsibilities

SUMMARY OF RESULTS

Based on the procedures enumerated above, the results are as follows:

- The City Manager's Payroll paid appears to agree with his employment contract,
- The City Manager's approved Payroll appears to be accurately paid according to each employee's approved pay rate schedule,
- The City Manager's approved and incurred Expenses appear reasonable and allowable for this department and in accordance with the approved Budget,
- Payroll and Expenses appear to be properly paid and recorded in the General Ledger, and
- Payroll and Expenses appear to be substantiated by appropriate supporting documentation.

Consequently, we noted no exceptions.

RECOMMENDATIONS

In completing the procedures discussed above, we identified the following potential areas for improvement:

Title of comment	Description
Department Transactions	The City Manager as any other Department Head, requires no prior authorization for department transactions. Uniform Fiscal Procedures Act (10-6-124) gives Department Heads, with the consent of the Budget Officer, the ability to spend at their discretion, their budget adopted by the City Council. We recommend that the Department Heads including the City Manager consult with and seek approval of the Budget Officer on expenditures not initially adopted by the City Council and that the Budget Officer periodically perform random audits to ascertain department expenditures are in line with the department goals as well as the overall City goals.
Verbal Approval Process	Except for the payment of the City Manager's credit card statements, authorization by the City Manager to his executive assistant for ordering goods or services and subsequent payment is on a verbal basis. Minimal documentation exists for the approval of most transactions. To improve internal control over the approval process, we suggest implementing an electronic or written approval process for these transactions.
Budget	The City Manager follows a budget allocated by the City Council. This budget is broken down by account, purpose, or event, however not individually reviewed and approved by anyone other than the City Manager at the initial budget process, unlike other Department budgets. The City Manager just as any other Department has much discretion as to how the department's budget is spent. Minimal authorization is required for transactions once a budget is approved, except for those line items approved by the Council. We recommend that prior to submitting the detailed budget to the Budget Officer, the budget be reviewed and approved by the Mayor at the up-front budget process (e.g. specify the kind of training for a given year, the parameters of the expense, etc.), thus reducing some, but not all, discretion, and tightening the overall budget process. We further recommend that the Budget Officer report and seek approval of the City Council of any requested increase not initially submitted during the budget process prior to amending the City Manager's budget.

LIMITING CONDITIONS

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on either the City's financial statements for compliance with generally accepted accounting principles. Accordingly, we do not express any such opinion or other form of assurance. Had we been engaged to perform additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of senior management of the City, and it should not be used by anyone else for any purposes.

PIERCY BOWLER TAYLOR & KERN

Piercy Bowler Taylor & Kern

February 17, 2014