

# County Council of Cuyahoga County, Ohio

## Ordinance No. O2014-0021

Sponsored by: <b>Councilmember Miller</b>	<b>An Ordinance</b> amending Chapter 701 of the Cuyahoga County Code by adding Sections 701.06 and 701.07 to establish guidelines for the County's investment policy and financial reporting requirements for Cuyahoga County.
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WHEREAS, Sections 2.03(9) and 2.03(10) of the Cuyahoga County Charter require the County Executive to submit to Council on a biennial basis a proposed operating budget, capital improvements plan, and detailed supporting financial information on revenues and expenditures; and,

WHEREAS, Section 3.09(5) of the Cuyahoga County Charter gives Council the power to adopt and amend the County's biennial operating budget and capital improvements program and to make appropriations for the County; and,

WHEREAS, the County Office of Budget and Management (OBM) within the Fiscal Office manages the County's budgeting process on behalf of the County Executive; and,

WHEREAS, Cuyahoga County adopted a biennial budget process through Ordinance No. O2011-0036 on 9/13/2011 and the power for a biennial operating budget was incorporated into the County Charter by the voters on November 6, 2012; and,

WHEREAS, Executive and Council collaboration on the budget process would be facilitated by a regular pattern of financial reporting.

**NOW, THEREFORE, BE IT ENACTED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:**

**SECTION 1.** The Cuyahoga County Council hereby amends Chapter 701 of the Cuyahoga County Code by adding Sections 701.06 and 701.07 to establish guidelines for the County's investment policy and financial reporting requirements for Cuyahoga County and shall read as follows:

### **Chapter 701**

#### **Section 701.06: Investment Policy**

- (A) The Fiscal Officer shall publish on its website the County's written investment policies, as established and revised by the Investment Advisory Committee.

- (B) The County Treasurer shall conduct an ongoing analysis of the performance of the County's investment portfolio against the County's investment objectives, policies, procedures, and generally recognized performance benchmarks and shall use this analysis to better align the County's investments with the objectives, policies, and procedures and to improve performance against recognized benchmarks, consistent with safety and liquidity. The County Treasurer shall refer any recommendations for investment policy changes resulting from portfolio performance analysis to the Investment Advisory Committee and shall send a copy to County Council.

**Section 701.07: Financial Reporting**

- (A) Not later than March 31st of each year of the year, OBM shall prepare, publish, and submit to Council a public presentation on the budget, which shall include the following:
- (1) An overview of County operations, programs, and finances reflecting prior year results and projections for the current year and one or more future years;
  - (2) A presentation of key financial schedules;
  - (3) A presentation of reserves on General Fund balance, describing each item and the likelihood that funds set aside for each item will actually need to be expended;
  - (4) A detailed description of the budget process;
  - (5) An analysis of County revenues;
  - (6) A description of the various fund types used in budgeting;
  - (7) Prior year results and current year goals on departmental performance measurement;
  - (8) Program budgets for each department, office, or agency;
  - (9) A description of the Capital Improvements Plan;
  - (10) A list of the County's outstanding debt obligations and discussion of the County's debt management plan;
  - (11) The list of outstanding loans made by the County, as provided for in Subsection E of this section.
  - (12) A brief overview of the most important aspects of the Biennial Operating Budget, presented so as to be easily understood and available as a separate document.

The budget presentation made in the second year of the biennium may be a summary of changes to the information required above, rather than a full report.

- (B) Not later than 45 days after the end of each calendar quarter, OBM shall prepare, publish, and submit to Council a quarterly financial report, which shall include the following:
- (1) A presentation of key financial schedules, including reserves on General Fund balance;

- (2) A schedule of expenditures to date compared to budget for all departments, agencies, and other accounts within the General Fund and the Health and Human Services Levy Fund;
  - (3) An update of projected revenues and expenses for the General Fund, the Health and Human Services Levy Fund, and all funds combined;
  - (4) A list of bonds, notes, or other obligations of the County that expired, are new obligations, or were refinanced or restructured during the quarter;
  - (5) A discussion of likely impacts of actual and potential revenue and expenditure variations from the budget plan, including an update of changes, if any, to the presentation of reserves on General Fund balance provided for in Subsection 701.07(A)(3) above.
- (C) OBM shall prepare, publish, and submit to Council a monthly financial report not later than fifteen (15) days after the end of each month, which shall be a brief narrative regarding any of the following that may have occurred during the preceding month:
- (1) Changes to the County's overall revenue and/or expense projections or to any major individual revenue or expense item;
  - (2) Significant changes to the performance of any department or agency relative to its budget;
  - (3) Any significant unexpected revenue or expense obligation;
  - (4) Changes to the projected performance of the County's General Fund and/or Health and Human Services Levy Fund against its reserve target.
- (D) The Fiscal Officer, County Treasurer, and the Investment Advisory Committee shall provide Council a copy of any investment reports generated through its office or committee.
- (E) OBM, in coordination with the Department of Development and other County agencies, as needed, shall maintain and publish annually by March 31st of each year a list of all outstanding loans made by the County, including the amount, interest rate, and term of each loan and the amount of each loan that may be forgivable, if any. OBM shall determine a written process for determining a reasonable and prudent portion of the total loan amount to hold in reserve against nonpayment of loans or the exercise of forgivable loan provisions. This reserve amount shall be reported as a reserve on balance against the General Fund, and it shall be updated at least quarterly with respect to new loans and at least annually with respect to the status of existing loans.
- (F) The county shall use best efforts to ensure timely completion of its work for the county's external audit to enable the external audit to be completed and filed by the next September 30th following each calendar year.
- (G) The Fiscal Officer shall post all reports required to be published under this section on his/her website. Such posting shall be the primary means of


publication, but the Fiscal Officer may provide printed copies as needed. Reports required to be sent to Council may be sent electronically to the Clerk of Council, who shall send them to the members of Council.

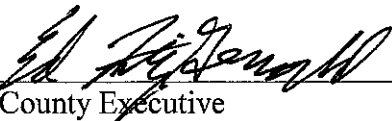
**SECTION 2.** It is found and determined that all formal actions of this Council relating to the adoption of this Ordinance were adopted in an open meeting of the Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

On a motion by Mr. Miller, seconded by Mr. Schron, the foregoing Ordinance was duly enacted.

Yeas: Greenspan, Miller, Brady, Germana, Gallagher, Schron, Conwell, Jones, Hairston and Connally

Nays: None

  
County Council President      10-14-14  
Date

  
County Executive      10/15/14  
Date

  
Clerk of Council      10/14/2014  
Date

First Reading/Referred to Committee: July 22, 2014

Committee(s) Assigned: Finance & Budgeting

Committee Report/Second Reading: September 23, 2014

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