



Legislation Details (With Text)

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Title: Discussion on Amending Town code to Clarify Offices and Transaction Approvals
15 Minutes

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Attachments: 1. 01_Presentation - Proposed Chapter 3 Amendments January 2020, 2. 02_Proposed 2020-01 Amend Chapter 3 Administration January 2020, 3. 03_Adopted 2018-12 Amend Chapter 3 Administration May 2018

Date	Ver.	Action By	Action	Result
1/9/2020	1	Town Council	Received and Filed	

TO: Mayor Bien-Willner and Town Council Members

FROM: Jill Keimach, Town Manager
Douglas Allen, CPA

DATE: January 9, 2020

DEPARTMENT: Finance

AGENDA TITLE:
Discussion on amending Town code to clarify offices and transaction approvals

SUMMARY STATEMENT:
REQUESTED ACTION

Council’s direction for possible code amendments for consideration on January 23rd. The amendments are intended to align Town code with organizational structure changes and maintain an adequate number of available check signers for continuity of operations.

PURPOSE

The purpose of the proposed code amendments is to align Town code with recent organizational structure changes by to establishing the office of Chief Information Officer and maintain an adequate number of check signers for continuity of operations.

In December 2019, the Town’s Organization structure was modified. Table 1 below shows some of the impacted functions and the department responsible for providing those services. Changes in the Town’s organization structure and code are not necessarily always synonymous; autonomous changes do occur.

Table 1: Changes in department structures

Function / Service	Per Budget Documents - at Selected Dates				
	30-Jun-2009	09-Jul-2009	11-Jun-2015	31-May-2018	09-Jan-2020
Finance	Management Services Department	Finance Department	Department of Administration and Government Affairs	Division Reporting to the Town Manager	Finance Department
Information Technology	Management Services Department	Finance Department	Department of Administration and Government Affairs	Division Reporting to Deputy Town Manager	Information Technology Department
Town Clerk	Management Services Department	Finance Department	Town Manager's Office	Town Manager's Office	Town Manager's Office
Post Office	Management Services Department	Finance Department	Community Development	Community Development	Town Manager's Office
Alarm Support	Management Services Department	Finance Department	Department of Administration and Government Affairs	Police Department	Police Department
Engineering	Engineering Department	Community Development Department	Public Works Department	Engineering Department	Community Development Department

TOWN OFFICES

Section 3-1-2 of the Town Code establishes offices in the Town government. Below are the proposed changes for Council’s consideration. The proposed change is to remove the Deputy Town Manager and add the Chief Information Officer. This would be the first inclusion of the Chief Information Officer as an office. Table 2 below show changes to the Town offices section of Town Code since 2009.

Section 3-1-2 Additional Offices 446 614 623

The Council or Manager may create and remove from time to time such other offices as deemed necessary and that are not provided for in this Code or State statute. The duties of the offices of ~~Deputy Town Manager~~, Police Chief, Chief Financial Officer, Public Works Director, Community Development Director, Town Engineer, Town Clerk, Town Zoning Administrator and **Chief Information Officer** shall be performed by person(s) appointed or designated by the Town Manager.

Table 2: Town offices

Code at 30-Jun-2009	Code Changes Effective			Proposed 09-Jan-2020
	09-Jul-2009	11-Jun-2015	31-May-2018	
3-1-2: Additional Offices				
-	-	-	Deputy Town Manager	-
Police Chief	Police Chief	Police Chief	Police Chief	Police Chief
Management Services Director	Budget and Finance Director	Director of Administration and Government Affairs	Chief Financial Officer	Chief Financial Officer
Public Works Director	Public Works Director	Public Works Director	Public Works Director	Public Works Director
Planning and Building Director	Community Development Director	Community Development Director	Community Development Director	Community Development Director
Town Engineer	Town Engineer	Town Engineer	Town Engineer	Town Engineer
Town Clerk	Town Clerk	Town Clerk	Town Clerk	Town Clerk
Zoning Administrator	Zoning Administrator	Zoning Administrator	Zoning Administrator	Zoning Administrator
-	-	-	-	Chief Information Officer

AUTHORITY TO SIGN CHECKS

Section 3-2-6(N)(1)(2) of the Town Code authorizes specific positions to sign Town checks. Below are the proposed amendments for Council’s consideration. The proposed change reverts back to the Chief Financial Officer (“CFO”) being an authorized check signer and helps ensure adequate check signers are available when needed.

Table 3 below shows that various titles for the position serving as the Director responsible for the Finance Department have been an authorized check signer. In May 2018, the Chief Financial Officer replaced the Director of Administration and Government Affairs in all sections of Town code except for check signing. The Deputy Town Manager was authorized for check signing.

1. For any amount that is twenty-five thousand dollars (\$25,000) or less, any combination of the Town Manager, **Chief Financial Officer** ~~Deputy Town Manager~~, Mayor, Vice Mayor, or Town Clerk are authorized to sign and countersign.
2. For any amount greater than twenty-five thousand dollars (\$25,000), checks shall be signed by the Mayor and Vice Mayor, or by one of them with countersignature by either the Town Manager or the ~~Deputy Town Manager~~ **Chief Financial Officer**.

Table 3: Authority to sign checks

Code at 30-Jun-2009	Code Changes Effective			Proposed 09-Jan-2020
	09-Jul-2009	11-Jun-2015	31-May-2018	
3-2-6 (N1): Powers & Duties; Authority to Sign Checks; \$25,000 or less				
Town Manager	Town Manager	Town Manager	Town Manager	Town Manager
Mayor	Mayor	Mayor	Mayor	Mayor
Vice Mayor	Vice Mayor	Vice Mayor	Vice Mayor	Vice Mayor
Management Services Director	Budget and Finance Director	Director of Administration and Government Affairs	Deputy Town Manager	Chief Financial Officer
Town Clerk	Town Clerk	Town Clerk	Town Clerk	Town Clerk
3-2-6 (N2): Powers & Duties; Authority to Sign Checks; greater than \$25,000				
Mayor	Mayor	Mayor	Mayor	Mayor
Vice Mayor	Vice Mayor	Vice Mayor	Vice Mayor	Vice Mayor
Town Manager	Town Manager	Town Manager	Town Manager	Town Manager
Management Services Director	Budget and Finance Director	Director of Administration and Government Affairs	Deputy Town Manager	Chief Financial Officer

The attached file titled “03 Adopted 2018-12 Amend Chapter 3 Administration May 2018” is a highlighted red-line version of code amendments adopted May 2018.

INTERNAL CONTROLS

Internal controls for procurement are in Town Code Section 3-8-3 and the Town’s administrative procurement procedures. The Town’s auditors had validated this proposed code amendment would not create an internal control concern.

OTHER MUNICIPALITIES

Table 4 summarizes the results of a survey conducted by the Town’s Finance department. The common theme of respondents was:

- Limited check signers;
- Same signers for all thresholds;
- Use of electronic signatures; and
- Emphasis on their strong internal controls.

Table 4: Survey respondents

Municipality	Authorized Check Signers					Threshold Method				
	#1	#2	#3	#4	#5					
Phoenix	City Manager	and	City Clerk	-	-	-	-	-	-	All Checks Electronic
Scottsdale	Mayor	or	Treasurer / Chief Financial Officer	-	-	-	-	-	-	All Checks Electronic
Tempe	Deputy City Manager	and	Chief Financial Officer	-	-	-	-	-	-	All Checks Electronic
Buckeye	Mayor	and	City Manager	or	Chief Financial Officer	-	-	-	-	All Checks Electronic
Yuma (County)	Board Chair	and	Clerk of the Board	or	Chief Financial Officer	-	-	-	-	All Checks Electronic
Paradise Valley	Town Manager	or	Mayor	or	Vice Mayor	or	Deputy Town Manager	or	Town Clerk	\$25,000 Requires two Electronic
Paradise Valley	Mayor	and / or	Vice Mayor	if "or" then one of	Town Manager	or	Deputy Town Manager	-	-	Greater than \$25,000 Manual Signature
Most municipalities emphasize their strong internal controls										

REQUESTED ACTION

Council's direction for possible code amendments for consideration on January 23rd. The amendments are intended to align Town code with organizational structure changes and maintain an adequate number of available check signers for continuity of operations.

FUTURE CONSIDERATION

As part of a broader initiative to examine the Town's financial processes and internal controls, staff may bring other options for checks and other financial transactions for Council's consideration later in the year.

DOCUMENTS

Documents provided with the agenda item include the presentation slides, proposed code amendments for Council's consideration and direction, and a highlighted red-line version of code amendments adopted in May 2018.

ATTACHMENT(S):

- 01_Presentation - Proposed Chapter 3 Amendments January 2020
- 02_Proposed 2020-01 Amend Chapter 3 Administration January 2020
- 03_Adopted 2018-12 Amend Chapter 3 Administration May 2018