

# Town of Paradise Valley

## Legislation Details (With Text)

File #:   20-162   Version: 1   Name:     Type:   Ordinance   Status:   Agenda Ready     File created:   4/2/2020   In control:   Town Council     On agenda:   4/9/2020   Final action:   Town Council     Title:   Adoption of Ordinance 2020-04 Authorizing Warrants and Electronic Payments   Sponsors:     Indexes:   Code sections:   Attachments:   1. PowerPoint Presentation - Ordinance 2020-04, 2. Ord 2020-04 Amending Chapter 3 Administration for Authorizing Warrants and Electronic Payments     Date   Ver.   Action By   Action   Result     4/9/2020   1   Town Council   Adopted   Pass     TO:   Mayor Bien-Willner and Town Council Members   FROM:   Jill Keimach, Town Manager Douglas Allen, CPA   Jill Keimach, Town Manager Douglas Allen, CPA   Jill Keimach, Town Manager Douglas Allen, CPA												
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Douglas Allen, CPA DATE: April 9, 2020	TO:	Mayor Bien-Willner and Town Council Members										
	FROM:											
DEPARTMENT: Finance	DATE:	April	9, 2020									

#### AGENDA TITLE: Adoption of Ordinance 2020-04 Authorizing Warrants and Electronic Payments

#### **RECOMMENDATION:**

Adopt Ordinance 2020-04 Authorizing Warrants and Electronic Payments; declare that it is necessary for the preservation of public peace, health and safety that the ordinance shall be in full force and effective from and after its passage by the Council; and waive Section VIII(b)(2) of the Town Council Rules of Procedure.

#### SUMMARY STATEMENT: PURPOSE:

The purpose of this recommended Town code amendment is to maintain continuity of operations for paying Town obligations timely and accurately while continuing to adhere to the Town's strong set of internal controls.

#### EFFECTIVE DATE:

If approved, it is recommended to waive the waiting period for Town Ordinances and be effective immediately.

#### BACKGROUND:

Town management has identified various opportunities for enhancing processes and workflows. A common theme is moving from manual processes to secured automated processes. These processes are expected to be more efficient and effective, with stronger quality and internal controls.

One January 23, 2020 Town Council approved amending section 3-8-3 of the Town code by modifying what positions are authorized to sign checks. This change was to maintain continuity of operations with additional process improvements to be considered later in the fiscal year.

Since then, the Town has faced new challenges with the coronavirus and a remote workforce. Consequently, this recommended amendment is needed immediately to ensure continuity of operations.

#### INTERNAL CONTROLS

Internal controls over issuing payments are addressed in the Town code Section 3-8-3 and the Town's procurement procedures.

In addition to the attached redlined code change, staff is proposing a change in the check approvals, requiring one staff and one elected official (Mayor or Vice-Mayor) for all checks approved over \$25,000. Currently, as written, a check could theoretically be approved by a Mayor and a Vice-Mayor without staff (Manager or Chief Financial Officer) approval.

#### QUALITY REVIEW

The Town has requested review of this code amendment and other Financial Management Policy and finance related processes and workflows.

In January and February of 2020, The Town's recent independent auditing firm had reviewed, provided comments, and did not have concerns as long as the Town's internal controls remain in place. A second auditor opinion will be inquired and available by April 9<sup>th</sup>.

#### OTHER MUNICIPALITIES

Management's recommendation aligns with other municipalities. Though not addressed in great detail, the table below was included in previous Council packets in January 2020 with plans to be revisited later in the fiscal year.

The Town's Finance department conducted a survey of local municipalities. 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

	Threshold							
#1		#2	1	#3		#4	#5	Method
City Manager	and	City Clerk	21 S	-		( <b>2</b> )	848	All Checks Electronic
Mayor	or	Treasurer / Chief Financial Officer		12		-	-	All Checks Electronic
Deputy City Manager	and	Chief Financial Officer	100	15		5 <b>7</b> 2		All Checks Electronic
Mayor	and	City Manager	or	Chief Financial Officer		-	( <del>.</del>	All Checks Electronic
Board Chair	and	Clerk of the Board	or	Chief Financial Officer			24	Electronic
Town Manager	or	Mayor	or	Vice Mayor	or	Deputy Town Manager or	Town Clerk	\$25,000 Requires two Electronic
Mayor	and / or	Vice Mayor	if "or" then one of	Town Manager	or	Deputy Town Manager		Greater than \$25,000 Manual Signature
	City Manager Mayor Deputy City Manager Board Chair Town Manager	City Manager and   Mayor or   Deputy City Manager and   Mayor and   Board Chair and   Town Manager or   Mayor and	#1 #2   City and City Clerk   Manager or Treasurer / Chief   Mayor or Chief Financial Officer   Deputy City and Chief Financial Officer   Manager and City Manager   Mayor and City Manager   Board Chair and Clerk of the Board   Town or Mayor   Manager or Mayor	#1 #2   City Manager and City Clerk -   Mayor or Treasurer / Chief Financial Officer -   Deputy City Manager and Chief Financial Officer -   Mayor and City Manager or   Board Chair and Clerk of the Board or   Town Manager or Mayor or   Mayor and Vice Mayor if "or"   Mayor and / or Vice Mayor then	City ManagerandCity Clerk-MayororTreasurer / Chief Financial Officer-Deputy City ManagerandChief Financial Officer-MayorandCity ManagerorChief Financial OfficerMayorandCity ManagerorChief Financial OfficerBoard ChairandClerk of the BoardorChief Financial OfficerTown ManagerorMayororVice MayorMayororMayorif "or" thenTown Manager	#1 #2 #3   City Manager and City Clerk -   Mayor or Treasurer / Chief Financial Officer -   Deputy City Manager and Chief Financial Officer -   Mayor and Chief Financial Officer -   Mayor and City Manager or Chief Financial Officer   Mayor and Clerk of the Board or Chief Financial Officer   Town Manager or Mayor or Vice Mayor or   Mayor and Vice Mayor or Vice Mayor or	#1 #2 #3 #4   City Manager and City Clerk - - -   Mayor or Treasurer / Chief Financial Officer - - -   Deputy City Manager and Chief Financial Officer - - -   Mayor and City Manager or Chief Financial Officer - -   Mayor and City Manager or Chief Financial Officer - -   Board Chair and Clerk of the Board or Chief Financial Officer - -   Town Manager or Mayor or Vice Mayor or Deputy Town Manager -   Mayor and / or Vice Mayor if "or" Town Manager or Deputy Town Manager -	#1#2#3#4#5City ManagerandCity ClerkMayor MayororTreasurer / Chief Financial OfficerDeputy City ManagerandChief Financial OfficerMayor MayorandCity Manager OfficerMayor MayorandCity Manager OfficerorChief Financial OfficerMayor ManagerandCity Manager OfficerorChief Financial OfficerMayor ManagerorCity Manager OfficerorChief Financial OfficerTown ManagerorCity Manager OfficerorChief Financial OfficerTown ManagerorMayor OrorVice Mayor ManagerDeputy Town ManagerMayor / orand / orVice MayororTown Manager Town ManagerDeputy Town Manager

ATTACHMENT(S): 01 Presentation 02 Proposed Code Change