

Memorandum



CITY OF DALLAS

DATE February 14, 2014

TO Chair Rafael Anchia and Members of the Charter Review Commission

SUBJECT Proposed Amendments to the City Charter

Attached please find additional information you requested regarding various proposed City Charter amendments.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "Jeanne Chipperfield".

Jeanne Chipperfield
Chief Financial Officer

Attachment

c: A.C. Gonzalez, City Manager
Warren M. S. Ernst, City Attorney

Ch. III § 19 Change reference to “accounts, records, and transactions” to “annual financial statements” because that is what is actually audited. Require the CPA to be licensed by the State of Texas. Certification of budget estimates is the duty of the city’s internal auditor, not the external independent auditor.

- This amendment is proposed to properly clarify the actual responsibilities of the external auditor and to mirror state law. The original language allowing an auditor to hold a license issued by another state conflicts with State requirements that auditors must be licensed by the State of Texas. Certain duties have been removed from this section since these are not responsibilities of the external auditor.

Ch. III § 20 Clarify that the Chief Financial Officer is responsible for management of the city’s financial assets. Move responsibility for deposit of funds from XI §13 to this section. Require that deposits be made promptly rather than within 24 hours.

- These amendments clarify that the chief financial officer is responsible for the management of the city’s financial assets. The responsibility for the deposit of funds is part of administering the depository services used by the city and should be included in Chapter III, Section 20, rather than being set apart in a separate section (Chapter XI, Section 13), which is no longer needed. Replacing the requirement that deposits be made within 24 hours with the requirement that deposits be made promptly recognizes that such services as daily armored car transport are increasingly costly and may be replaced with more effective means that may be accomplished in a timely manner but not necessarily within a specified number of hours as currently required by the Charter.

Ch. IIIA § 3 Make the City Secretary create her own budget independent from the City Manager. Make the City Secretary responsible for all hiring of employees in the department. Add duty of reviewing appointments to boards and commissions and administering the appointment process.

Ch. VII § 3 Make the City Attorney create his own budget independent from the City Manager. Make the City Attorney responsible for all hiring of employees in the department.

Ch. IX § 3 Have the City Auditor's budget set by City Council separately from the general budget.

- These proposed amendments related to separately setting the budget for these three departments will conflict with the City Manager's responsibility to submit a budget to the City Council. These three departments, like many others, do not generate sufficient revenues to support their operations, and therefore receive appropriations from the City's General Fund, which is primarily tax-supported. All departmental costs are compiled annually to prepare the expenditure budget. All departmental budgets are considered and needs are prioritized in the context of the overall availability of revenues to fund tax-supported city services since the total expenditures cannot exceed revenues. Separating these functions will not allow for the holistic view of the all departments within general fund. Additionally, this amendment may hinder the city manager from keeping the council at all times fully advised as to the financial condition and needs of the city, as required by the Charter Chapter VI, Section 2(8).

Ch. XI § 1 **Change the date for the annual budget estimate to no later than August 15th, rather than the specific date. Delete the reference to uniform forms and add in the format provided by the city manager. Change the comparison from the last two years to the last year.**

- Budget is often proposed before August 15th. This change will conform to current practices.
- Delete reference to uniform forms and add "in the format provided" so that all departments submit their budget requests into the single on-line system utilized by all departments.
- Comparison time frame does not need to be amended.

Ch. XI § 3 **Delete the requirement for a separate schedule of items that were omitted or changed.**

- This section does not need to be amended.

XI §4 **"Unencumbered" is misspelled. Budgets are done per department, not "division or purpose."**

- Other than the spelling mistake, this section does not need to be amended.

Ch. XI § 6 **It is not necessary to notify the City Manager of appropriations. And the reference to the City Secretary is probably incorrect; it would be the Chief Financial Officer who would provide any notice. The final clause regarding multi-year appropriations might be better in XI §3.**

- This section does not need to be amended.

Ch. XI § 8 **Change "City Controller" to "Chief Financial Officer." ~~The Chief Financial Officer does not process claims against the city; that is done by Risk Management.~~ Eliminate personal liability for CFO for the actions of others.**

- The proposed amendment changes the responsible official to the Chief Financial Officer and removes personal liability from the CFO for actions which may have been initiated by others. This amendment does not prevent the city from pursuing legal action against the CFO or any employee allowable or required by state law.

- Ch. XI § 10** Add “grants” to the list of actions, because grants often require the expenditure of funds before reimbursement is requested from the granting agency.
- Clarifies that grants may be utilized on a reimbursement basis.
- Ch. XI § 13** It is not possible to deposit all monies collected by the city within 24 hours. Move responsibility for deposit of funds from XI §13 to III §20. Require that deposits be made promptly rather than within 24 hours.
- See response to Ch. III § 20
- Ch. XVII § 9** Delete this section because it conflicts with other sections that require approval of appropriations by the City Council.
- This section establishes procedures which conflict with other sections of the charter, including Chapter XI, Section 8, “Payment of Obligations,” and City policies adopted for the payment of invoices.
- Ch. XIX § 1** Change the reference to the tax assessor and collector to the chief appraiser of the four appraisal districts of the counties in which the City of Dallas is located. Change the date from July 1st to July 25th. Delete the phrase “or as soon thereafter as practicable.”
- Amend to the “appraisal districts of the counties in which the City of Dallas is located”. Mirrors state law requirements on tax roll certification.
- XXI §3** Is there a conflict between the 10 year maturity in XXI §3 and the 40 year maturity in XXI §8? Delete XXI §3(b), and allow the maturity to be set by the Financial Management Performance Criteria and as approved by city council.
- The 40 year maturity requirement mirrors state law. Additionally, state law requires the publication of 2 notices regarding the issuance of certificates of obligation and a 30 day waiting period between publication of the first notice and the passage of the ordinance authorizing the sale of the certificates. During that time, a petition for voter approval of the sale of the certificates may be submitted. Assuming a valid petition, the city council can call the election, otherwise the sale of the certificates cannot be held.
- Ch. XXII § 1** Delete the phrase “for supplies or equipment,” so that rules for purchase orders will be controlled by AD 4-5 or the city code.
- Amendment allows for efficiencies in the purchase of services for small dollar amounts by being able to issue a purchase order instead of a more time consuming administrative action.