

To: City Council and Mayor  
From: Charter Review Committee  
Subj: City Treasurer ballot recommendation

From the inception of the Charter Review Committee, one of the important issues we were asked to resolve was the discrepancy between the present functions of the City Treasurer's position and the stated requirements in the Charter. As noted below, this situation has existed for many years.

The specific issues revolve around how the tactical functions of the Treasurer were moved into Financial Services causing them to no longer be performed per Charter specifications in Section 11.1 without altering the document. This reviews how the City came to this situation and offers a Charter remedy to rectify it.

In the June 14, 2005 budget discussions for the 2005-2006 fiscal year, Decision Package #44: Assignment of Financial Services and Treasurer's Staffing was brought to the City Council. It recommended moving staff from the City Treasurer to City Financial Services, delineating the down staffing in the Treasurer's office from 7 to 3 employees. It stated that the "Transfer of personnel and their responsibilities is needed from the Treasurer's Office to the Financial Services Department" This action, however, implemented a change of Charter responsibilities from Treasurer to Finance for Section 11.1 items A-F. There was no specific voter action to approve this Charter change.

City Attorney Mike Webb, in response to a question from Council Member Cagle, stated, "The Charter provides that the Assistant and Deputy positions within the Treasurer's office cannot be reassigned by the City Manager or City Council. The Charter provides that the Treasurer supervises assistants, deputies and any other employee assigned to him/her. Webb advised that the court will interfere if the budget eliminates positions that prevent an elected official from carrying out legally mandated duties." (June 14, 2005 regular meeting minutes P. 5)

The change was implemented without voter approval, thus the Treasurer's day-to-day responsibilities did not match those in the Charter.

In 2014, Measure CT was brought before the voters to amend parts of Section 11.1, City Treasurer duties, but the Charter amendment only addressed two areas:

- 1) changing the position from full- to part-time. The preamble eliminated "...shall devote his full time to the duties of the office and shall not engage in private business practice during City business hours..." and
- 2) Item (e) was changed to read "that the Treasurer....and have the authority to audit all moneys collected by the city from any source...."

Measure CT did not address the reassignment of tactical functions that had transpired in the 2005 budget adoption, which essentially changed the roles whereby the Treasurer functions outlined in the Charter were now being performed by the Finance Department.

Several years later, Moss Adams, an independent consulting firm, was hired to review roles and responsibilities for several City departments. In their January 19, 2019 report, delivered to the Budget & Finance Commission in March of that year, Moss Adams identified their concerns over the "informal delegation of duties" from the City Treasurer's office to the City Finance Department.

*"The City Treasurer's duties are largely completed by the Financial Services Department. ...Revenue collection has not been formally delegated to the Financial Services Department in municipal code or city policy. Without formal delegation of authority and responsibility to the Financial Services Department there may be confusion regarding roles and responsibilities, exposing the city to heightened risk." (Moss Adams Roles and Responsibilities Review for Clerk & Treasurer, Page 13)*

Thus, we recommend the following to be presented to the Council regarding proposed changes to 11.1 as well as offering an additional set of recommended requirements for the occupant of the office:

The City Treasurer shall ~~be the custodian of~~ **maintain an autonomous role of oversight for monitoring** of all public funds belonging to or under the control of the City, or of any office, department or agency thereof, and shall have the power and be required to:

~~(a) Receive and have custody of all moneys collected by the City from any source;~~  
Review administration of all monies collected from any source as reconciled by city departments

(b) ~~Deposit~~ **Monitor** all moneys received **from any source** in such depositories as may be designated by resolution of the City Council;

(c) ~~Disburse~~ **Monitor** moneys on demands properly audited and approved in the manner provided for in this Charter or by ordinance of the City of Redondo Beach;

(d) ~~Prepare and submit to the City Clerk~~ **Examine** monthly written reports of all receipts, disbursements and funds balances, copies of which reports ~~shall be~~ **are** filed with the City Manager **from city departments**;

(e) ~~Prepare and submit to the City Manager~~ **Review** monthly reports ~~as to the failure of any department heads, officers and/or employees within the City failing to promptly turn over moneys to the Treasurer as required by~~ **in a manner consistent** with this Charter or by ordinances of said city and have the authority to audit all moneys collected by the City from any source in order to ~~prepare~~ **monitor** these monthly reports;

(f) ~~Collect~~ **Audit collection of** City taxes and license fees

(g) Invest and reinvest funds according to State law; provided, however, that the City Council may adopt investment guidelines by resolution.

The City Treasurer may appoint deputies for whose acts the City Treasurer and the City Treasurer's bond agents are responsible. The deputies shall hold office at the pleasure of the City Treasurer. ~~The effective date of this Charter Amendment shall be April 1, 1983.~~

## ADDITIONAL CONSIDERATION – PROPOSED SEPARATE BALLOT MEASURE

We also recommend the addition of specific eligibility requirements for the City Treasurer which likely should be offered to the voters separately from the above. They are:

The City Treasurer shall have:

- 1) A Bachelor's Degree from an accredited college in accounting, finance, business or public administration and a Designation as a Chartered Financial Advisor (CFA) or Certified Financial Planner (CFP), or
- 2) Four or more years of experience working with governmental accounting, financial markets and investment policies with certification as California Certified Municipal Treasurer, Certified Government Investment Professional, Certified Public Finance Officer or Registered Investment Advisor.

We believe these requirements best fit the responsibilities necessary to perform the above assigned Charter duties.

Note that in our presentation to the Council to forward any recommended Charter changes, we should emphasize that these roles, beyond being modified within the Charter, be delegated more formally by Ordinance or policy to Financial Services as it has been an additional five years now that this recommendation has not been acted upon.

This report was approved by the Committee by a vote of six to one.