



MEMORANDUM

OVERVIEW

The Charter Revision Work Group plan required this office to review the proposed Charter revisions and provide an overview to the Charter Revision Work Group as to specific proposed Charter amendments that would affect various City departments. Over the course of the past several weeks, we reviewed the proposed Charter amendments, discussed the changes with representatives from each department, and discussed the amendments with the Charter Revision Work Group. This memorandum summarizes the impact of this proposal on the City and the Finance Department.

FINANCE DEPARTMENT ISSUES

The current Charter has finance provisions throughout the Charter and in ordinances. Charter Chapter 5 is entirely devoted to taxation and finance, while Charter Chapter 3 contains provisions regarding the appointment of the finance officer and his/her duties. Additional information about the role of the finance officer or the financial department appears in Charter sections discussing the Park Board, the Board of Estimate, Water Works, and Civil Services, among others. There is also substantial mention of financial matters throughout the Code of Ordinances. In addition, there are a number of special laws that specifically relate to the financial functions of the City. The proposed Charter revision specifically mentions preserving all existing special laws. In brief, the major changes affecting the Finance department are as follows:

I. Removal of Finance Officer to Ordinance

The proposed Charter revision contemplates removing portions of Charter Chapter 3 to ordinance. Specifically, the position of Finance Officer would no longer exist in the Charter, but would instead be

governed by ordinance. According to the Finance Officer, removing the position of Finance Officer to ordinance would have little to no effect on how financial matters are handled in the City. The duties of the Finance Officer are essential to the City, and would be performed no matter what the title of the Finance officer or structure of the Finance Department.

Moving provisions from charter to ordinance will result in how easily provisions may be altered. Where amending a charter provision requires either a 13-0 vote of the City Council or a majority popular vote in favor of the ballot question, amending an ordinance requires only a majority vote of all council members present. Shifting the creation of a Finance Officer to ordinance will mean that the powers of that officer can be much more easily changed, or even eliminated by the City Council.

II. City Funds

The current Charter requires the creation and maintenance of the following City funds: General Fund; Sinking Fund; Current Expense Fund; and Civil Service Fund. The proposed Charter retains many of the same provisions; however, the Finance Department suggests that, save for the creation of the City's sinking fund, matters such as the creation of funds are better suited to ordinance.

III. Payment of City Claims and Obligations

The current Charter authorizes payment for a substantial number of types of claims, including bills for goods, wares and merchandise, tort claims, conciliation court judgments, bills arising out of workers' compensation employee claims, and bills approved by the city purchasing agent. The proposed Charter revision does not appear to contain a similar provision for the payment of such a wide variety of bills and claims and appears to limit the City's ability to pay to "routine claims", specifically, defined as "authorized bills, payroll, and other routine claims upon the City incurred in the ordinary course of business." This language is not as broad as the current Charter, which authorizes payment for a substantial number of types of claims.

IV. Suggested Additional Revisions

The Finance Department has suggested that some additional changes would be helpful in the event the Charter is revised, including the following:

- A. The Budget Director should report to the Finance Officer rather than the City Coordinator as provided in both the current Charter and the proposed Charter revision.
- B. References to the City "Finance Officer", "Comptroller-Treasurer", "Treasurer" and other such references should be consistent throughout the Charter, and should probably be referenced as "Finance Officer".
- C. The requirement in both the current Charter and the proposed Charter revision that the City Council authorize payment of the employee payroll at the Council meeting should be eliminated

because it is antiquated, and is something the Finance Officer should be authorized to do either in the Charter or in the ordinance establishing the Finance Department.

D. Since the City Finance Officer is the Treasurer to the City's independent boards and commissions, as well as to certain retirement funds (old police and fire relief associations), this facts should be referenced in ordinance.

