EL SEGUNDO CITY COUNCIL
MEETING DATE: November 5, 2019
AGENDA STATEMENT
AGENDA HEADING: Presentation

AGENDA DESCRIPTION:
Proposed Ballot Measure for the March 3, 2020 General Municipal Election to convert the elected office of the City Treasurer to an appointed position.

RECOMMENDED COUNCIL ACTION:
Direct staff to bring back this item at the November 19, 2019 City Council meeting to place a proposed ballot measure for the March 3, 2020 General Municipal Election to convert the elected office of the City Treasurer into an appointed position.

FISCAL IMPACT: Ongoing annual savings of $39,000

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>N/A</th>
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<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>N/A</td>
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<tr>
<td>Account Number(s):</td>
<td>N/A</td>
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STRATEGIC PLAN:

<table>
<thead>
<tr>
<th>Goal:</th>
<th>5</th>
<th>Champion Economic Development &amp; Fiscal Sustainability</th>
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<tbody>
<tr>
<td>Objective:</td>
<td>3</td>
<td>The City will maintain a stable, efficient, and transparent financial environment</td>
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ORIGINATED BY: Crista Binder, City Treasurer
REVIEWED BY: Joseph Lillio, Director of Finance
APPROVED BY: Scott Mitnick, City Manager

BACKGROUND AND DISCUSSION:
The City Treasurer has been implementing measures to increase transparency, operational efficiency, reduce costs, and improve the City organization. These efforts have included adopting internal controls for the movement and recording of funds, streamlining banking operations under a central depository, developing the quarterly investment reports, updating the City’s Statement of Investment Policy and assisting with the implementation of new technology to support a variety of business transactions for the City.

To further improve transparency and operational efficiency, as well as reduce costs, the City Treasurer and Finance Director are jointly proposing to convert the part-time elected City Treasurer into a function within the Finance Department. The Finance Department and Office of the Treasurer share many responsibilities which could be further consolidate and organized within one City department streamlining financial activities and reduce costs.

Research conducted by the California Society of Municipal Finance Officers Association of 34 public agencies, indicates that 32% (11 agencies) have an elected treasurer. The remaining 68%
(23) do not have an elected treasurer and out of those only one agency has a full-time treasurer with the others combining the function within the finance or administrative departments.

As it is currently constituted, the part-time elected City Treasurer is tasked with the responsibility of safeguarding the City’s cash, including investing surplus cash and ensuring there is sufficient liquidity to meet current obligations, such as payroll and vendor payments.

Combining the functions of the Finance Department with the Office of the City Treasurer will reduce overlapping duties and clearly place responsibility for managing the City’s cash and investments with a professional, qualified, and experienced department manager.

State law only requires either an appointed or elected City Treasurer position. The qualifications for the elected City Treasurer is to be 18 years of age or older and a resident of the City. As an elected position, there are no minimum knowledge, education, experience, or professional qualification requirements for being City Treasurer. This could potentially put the City’s cash assets at significant risk if someone with little or no qualifications was elected.

As a result, both the current elected City Treasurer and appointed Finance Director jointly recommend that this item be brought back to City Council at its November 19, 2019 regular City Council Meeting for consideration to be placed on the March 3, 2020 General Municipal Election to covert the elected position to an appointed position.

The proposed ballot will include an effective date of the suggested conversion of March 2024, unless the newly elected Treasurer resigns the position prior to that time.