

ORDINANCE NO.19-02-21-03

AN ORDINANCE OF THE CITY OF CORINTH, TEXAS, AMENDING CHAPTER 33 OF THE CORINTH CODE OF ORDINANCES, ESTABLISHING THE FINANCE AUDIT COMMITTEE, MERGING THE DUTIES, RESPONSIBILITIES, AND MEMBERSHIP OF THE INVESTMENT COMMITTEE WITH THOSE OF THE AUDIT COMMITTEE; ESTABLISHING ITS MEMBERSHIP, PROCEDURES AND TERMS OF OFFICE; AMENDING THE CITY OF CORINTH INVESTMENT POLICY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Corinth is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City Council has determined it is in the best interest of the citizens of Corinth to merge the Investment Committee and the Audit Committee and to include members of the community in furtherance of its goal of providing transparency; and

WHEREAS, to accomplish that goal, the Finance Audit Committee is to be created and regulated as provided herein.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS:

SECTION I.

That Title III of Chapter 33 of the Code of Ordinances of the City of Corinth, Texas, is amended to add a new article, to be entitled "Finance Audit Committee", which article shall hereafter be and read as follows:

"FINANCE AUDIT COMMITTEE"

§ 33.100 CREATION

There is hereby created the Finance Audit Committee as an advisory committee of the City.

§ 33.101 PURPOSE AND DUTIES

The purpose of the Committee is to assist the City Council in fulfilling its oversight responsibilities for the annual audit process, the development of financial policies and procedures, Investment transactions and reports, and the system of internal controls. The Committee shall have the following responsibilities:

- 1) Advise the City Council and management on the selection of the independent auditor.
- 2) Serve as an independent and objective party to monitor the City's financial and compliance reporting process and internal control system.
- 3) Review and appraise the audit efforts of the City's independent auditor.

- 4) Provide an avenue of communication among the independent auditor, financial and senior management, and the City Council.
- 5) Review and provide recommendations on the City's financial, investment, and budgetary policies, reports, and procedures.
- 6) Recommend general investment strategies and monitor results.
- 7) Review investment economic outlook, portfolio diversification, maturity structure, potential risk to the City's funds, authorized brokers and dealers, and the target rate of return on the investment portfolio.
- 8) Adopt the list of authorized brokers and dealers of government securities.

§ 33.102 MEMBERSHIP; TERM OF OFFICE

(A) Membership. The Committee shall be comprised of five (5) members. The Mayor shall serve on the Committee as a permanent member. The other four (4) Committee members shall be nominated and approved by the City Council ("Nonpermanent Committee Member"). Two (2) Nonpermanent Committee Members shall be members of the City Council and two (2) Nonpermanent Committee Members shall be representatives from the community ("Community Representative Members"). The Community Representative Members must be registered voters of the City, who, to the extent possible, shall be finance professionals such as accountants, Certified Public Accountants, auditors or shall have equivalent experience.

(B) Term of Office. The term of each Nonpermanent Committee Member shall be two (2) years, and terms shall be staggered so that two (2) members are appointed in odd numbered years and two (2) members are appointed in even numbered years. To facilitate that process, two (2) members shall be appointed for an initial term of one (1) year and two (2) members shall be appointed for an initial term of two (2) years. The Community Representative Members shall serve no more than two (2) successive terms. If any Nonpermanent Committee Member is appointed to complete the term of another such member in order to fill a vacancy, the partial term shall not be counted as a term for purposes of calculating the two (2) successive term limit for the member filling the vacancy.

§ 33.103 MEETINGS; OFFICERS

The Committee shall hold an organizational meeting in June of each year and shall elect a Chairman and Vice-Chairman from among its voting members before proceeding to any other matters of business. The officers shall serve for one (1) year. The Committee shall meet not less than once per calendar quarter and shall designate the time and place of its meetings.

§ 33.104 VOTING; QUORUM; PROCEDURES

(A) Voting. The City Councilmembers and the Mayor shall be voting members of the Committee. The Community Representative Members shall be non-voting members of the Committee.

(B) Quorum. A majority of the voting members of the Committee shall constitute a quorum for the conduct of business. The members of the Committee shall regularly attend meetings and shall serve without compensation except for reimbursement of authorized expenses attendant to the performance of their duties.

(C) Procedure. The Committee shall utilize and abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth. Newly appointed members shall be installed at the first meeting after their appointments. Minutes shall be kept of the Committee's meetings.

SECTION II.

Section V of the City of Corinth Investment Policy, is amended to read as follows:

V. INVESTMENT COMMITTEE

There shall be an Investment Committee appointed by the City Council with the duties and responsibilities as set forth in Chapter 33 of the City of Corinth Code of Ordinances.

SECTION III.

This Ordinance shall be cumulative of all provisions of all existing ordinances and resolutions and of the Code of Ordinances of the City of Corinth, Texas, as amended, except where the provisions of this ordinance are in direct conflict with the provisions of such existing ordinances, resolutions, and code, in which event the conflicting provisions of such ordinances and Code are hereby repealed.

SECTION IV.

This Ordinance shall take effect on the 21st day of February, 2019.

PASSED AND APPROVED this 21st day of February, 2019.



Bill Heidemann, Mayor

ATTEST:



Kimberly Pence, City Secretary

APPROVED AS TO FORM:



Patrice Williams
City Attorney