

Ordinance No. _____

ORDINANCE:

To amend Chapter 2, of the Rockville City Code entitled “Administration” by adding a new Division 2. entitled “Financial Advisory Board” so as to establish a Financial Advisory Board for the City and to set forth, among other things, its composition, membership requirements and duties and responsibilities

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF ROCKVILLE, that Chapter 2 of the Rockville City Code entitled “Administration” be amended by adding a new Division 2. entitled “Financial Advisory Board” to read as follows:

DIVISION 2. FINANCIAL ADVISORY BOARD

Section 2-236. Created.

There is hereby created a Financial Advisory Board

Section. 2-237. Purpose.

The purpose of the Financial Advisory Board is to advise the Mayor and Council regarding financial matters, including the reviewing of current financial policies, procedures, and documents relating to City finances and making recommendations to the Mayor and Council

Section. 2-238. Structure and Qualifications.

- (a) Composition: The Financial Advisory Board shall consist of five members, appointed by the Mayor and Council.
- (b) Term: The Board members shall serve three-year terms. Notwithstanding the foregoing, the initial terms of two members appointed shall be for one year or until their respective successors are appointed and confirmed, so that the terms of two members shall be staggered with respect to the terms of the other three members.
- (c) Chairperson. The Board shall elect its own chairperson from among its appointed members. The chairperson shall serve for a term of one (1) year and is eligible for reelection.

- (d) **Qualifications.** The Board shall consist of at least three residents of the City and any two others who, in the opinion of the Mayor and Council can demonstrate a stakeholder position, ideally with at least one member from the Rockville business community. One member shall be a certified public accountant licensed to practice or retired, at least one other member shall have experience with financial matters related to larger employers or governmental agencies. All members shall demonstrate experience directly in, or related to finance or accounting. Board members will be able to read and understand governmental financial statements sufficiently to be able to recognize inconsistencies and report on variances that require explanation and reporting to the Mayor and Council.

Section 2-239. Meetings.

The Board shall meet at least quarterly at City Hall. The Board may meet more frequently as needed by the Mayor and Council for special assignments or projects. Depending on the topic under review, there may be additional sub-committee time commitment necessary.

Section 2-240. Staffing.

The Board will be staffed by a member of the City's Finance Department.

Section 2-241. Duties and Responsibilities.

- (a) The Board shall provide minutes of its meetings as well as related reports in support of its duties as enumerated below. The format of any reports shall be decided by the Board. The Board may also be provided time to orally present to the Mayor and Council. All members of the Board shall familiarize themselves with the financial affairs of the City.
- (b) Review and evaluate the financial consequences of any program or proposal, as may be requested by the Mayor and Council. The Board may be asked to analyze, research, and assess alternatives, consult with the Finance Department, and make appropriate recommendations to the Mayor and Council.
- (c) Annually review the City's Comprehensive Annual Financial Report (CAFR), the Single Audit Report, and all other reports issued by the auditors and published in final form. The review should encompass and include any management letters and audit findings, as appropriate.
- (d) Annually review the City's Financial Management Policies published in the City's budget document to evaluate whether those policies are appropriate.
- (e) Annually review the City's investment policy to evaluate whether that policy is appropriate.
- (f) Review the City's cash and investment report when published.
- (g) Review the City's quarterly financial reports to assess whether spending and revenue collection are tracking with adopted and amended budgets, analyzing variances, and to highlight problem areas, if any.
- (h) Annually provide comments and recommendations, as appropriate, regarding the next fiscal year's Operating and Capital budgets.

- (i) Review and report on such matters as bonding requests, the practices and/or policies of other jurisdictions, or any other matter as may be requested by the Mayor and Council.

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I hereby certify that the foregoing is a true and correct copy of an ordinance adopted by the Mayor and Council at its meeting of

Douglass Barber, City Clerk