

DRAFT

**MINUTES OF THE REGULAR MEETING
TOWN COUNCIL FINANCE SUBCOMMITTEE
TOWN OF CHINO VALLEY
TUESDAY, JANUARY 14, 2020
4:00 P.M.**

The Town Council Finance Subcommittee of the Town of Chino Valley convened for a regular meeting in the Council Chambers Conference Room, located at 202 N. State Route 89, Chino Valley, Arizona.

1) CALL TO ORDER

Chair Croft called the meeting to order at 4:03 p.m.

2) ROLL CALL

Present: Darryl Croft, Chair; Cloyce Kelly, Councilmember; Corey Mendoza, Councilmember

Staff Town Manager Cecilia Grittman; Finance Director Joe Duffy; Public Works

Present: Director/Town Engineer Frank Marbury

3) APPROVAL OF MINUTES

- a) Consideration and possible action to approve the November 7, 2017, minutes.

Consideration and possible action to approve the November 7, 2017, minutes.

MOVED by Councilmember Corey Mendoza, seconded by Chair Darryl Croft to accept the minutes from
November 7, 2017.

AYE: Chair Darryl Croft, Councilmember Cloyce Kelly, Councilmember Corey Mendoza

3 - 0 PASSED - Unanimously

4) OLD BUSINESS

5) NEW BUSINESS

- a) Discussion and review regarding Request for Proposals (RFP's) for Financial Audit Services.

Joe Duffy presented the following:

- Audit service RFP's had been advertised.
- It had been five years since it was last put out to bid. Every three years audit services were put out to bid for a three-year contract, with the option for a two-year extension.
- Proposals had been received from several prominent firms with good reputations.
- Mr. Duffy explained that the firm overlooked his position, and he did not want to influence the committee's decision.
- Hienfeld, Meech & Co. had previously been used for a Town rate study.
- Henry Horn had offered audit experience to the Town for the previous five years and Hinton Burdick had offered audit services prior to them.
- The committee had to score the proposals. The committee discussed the scoring and review process.
- The committee would have several weeks to review the proposals before making a recommendation.

b) Discussion and review regarding proposed procurement code changes.

Joe Duffy presented the following:

- The committee reviewed the current procurement code and staff presented other communities procurement codes for comparison.
- The Town had trouble getting bids for smaller projects. The Court patio project was a small project, but had substantial paperwork and requirements for a \$20,000 project. The Town did not receive any bids for the project.
- Staff worked with the Town attorney and developed a shorter form, with all the legal information placed on the Town website. This brought the packet to two pages. The contractor would be agreeing to the Town's terms and conditions when they completed the form. The paperwork would be considered quotes submittals. The Town attorney recommended that the form should be used for all jobs under \$50,000.
- At the time of the form revision process, staff began to also address revisions to the procurement code that could expedite the process. Revisions included allowing the Town Manager and staff to enter certain contracts without Council approval for contracts that had already been specifically budgeted by Council. The process would save time.
- Recommended changes included:
 - The finance director approved all purchase orders up to \$50,000.
 - The amount that department heads could issue purchase orders would drop to \$10,000.
 - Purchase orders from \$10,000 to \$50,000 would be approved by the Town Manager. The \$50,000 was an increase to the existing \$25,000 currently allowed.
 - Council approval would still be required for contingency funds over \$25,000
 - Other communities allowed for change order approvals up to 10% or \$50,000 with anything over that needing Council approval. Staff wanted to discuss this with the Council in further detail and had no recommendation.
 - Contracting authority would allow the Town Manager to sign contracts up to a certain contract amount for Council approved and budgeted projects.
 - Update wording for oral bids to state that anything under \$2,500 could be procured without obtaining any bids.
 - Informal vendor bids over \$10,000 and up to \$50,000 would be provided by the vendor as a formal written bid. This would be through the updated short form that had been developed by staff and attorney.
 - The Town Manager could approve any project contract from \$10,000 to \$50,000.
- Staff reviewed procurement code amounts for other area communities.

Committee members and staff discussed the following:

- Consider keeping the approval amount to \$25,000 for new Town Managers with the option of increasing it after the first year after a relationship of trust was built.
- The other changes would be beneficial to expediting the process.
- Hired staff should be trusted and if proven untrustworthy, they would be fired.
- Give the Town Manager the authority they needed to do the job and be as efficient as possible.
- Committee members agreed to go with the staff recommendations.
- Contracts would continue to come before the Council. The Town would still consider all options to expedite the bidding process, including direct select.
- Smaller upcoming facility projects were briefly discussed by the committee. The projects were being worked into the budget for phased work and brought to Council for approval. It would be a four or five-year plan to completion.
- Committee members agreed staff's recommendations should be forwarded to Council.
- Upcoming Fiscal Year 2021 budget cycle project discussions.

6) ADJOURNMENT

MOVED by Councilmember Cloyce Kelly, seconded by Councilmember Corey Mendoza to adjourn the meeting at 4:35 p.m.

AYE: Chair Darryl Croft, Councilmember Cloyce Kelly, Councilmember Corey Mendoza

3 - 0 PASSED - Unanimously

Submitted: January 23, 2020.

By: *Erin Deskins, Deputy Town Clerk*

Approved: _____, 2020.