

TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING AMENDMENTS TO THE TOWN OF ADDISON FINANCE COMMITTEE BYLAWS REQUIRING QUARTERLY REPORTS TO THE CITY COUNCIL, REQUIRING ATTENDANCE OF THE CITY MANAGER, CLARIFYING THE ROLE OF THE COMMITTEE AS A RECOMMENDING BODY AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Addison Finance Committee (the “Finance Committee”) was created by the City Council in 2015, and

WHEREAS, the City Council desires to amend the Bylaws adopted for the Finance Committee.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. The amended Bylaws for the Finance Committee, attached hereto as **Exhibit A**, are hereby adopted.

Section 2. This Resolution shall take effect upon its passage and approval.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 13th day of September, 2016.

Todd Meier, Mayor

ATTEST:

By: _____
Laura Bell, City Secretary

APPROVED AS TO FORM:

By: _____
Brenda N. McDonald, City Attorney

EXHIBIT A



Finance Committee Bylaws

PURPOSE

To assist the **City Council** in fulfilling its responsibilities pertaining to the Town's finances in accordance with the City Charter, Code of Ordinances, and applicable laws and regulations. The City Council will, at least one time each year, review whether or not the Finance Committee should be continued, with such review to occur at the first meeting in June or as soon thereafter as practicable.

RESPONSIBILITIES

The **Finance** Committee shall serve solely in an advisory capacity to the City Council. Among other matters that may be requested from time to time by the Council, the Finance Committee may review and make recommendations to the City Council regarding the following matters:

- quarterly financial reports prepared by the Town's chief financial officer that have been or are to be provided to the City Council;
- the Town's comprehensive financial annual report, the annual audit of the Town's finances, and the Town auditor's management letter or report on internal control, prior to their presentation and submission to the City Council;
- the long term debt capacity of the Town;
- engagement or re-engagement of one or more independent accounting firms to audit the financial statements for the then-current fiscal year or to provide other audit-related services; and
To
- the adequacy and implementation of any internal audit function.

Review and recommendations regarding the foregoing shall be informed by the financial policies, rules, and regulations of the Town, and by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework as applicable. The Committee shall provide quarterly reports to the City Council of the activities of the Committee.

It is anticipated that a process will be established to allow reporting by Town employees and third-party contractors of suspected financial fraud within the Town, and that such reporting will be made to the City Attorney. The City Attorney will provide a monthly summary to the chair of the Finance Committee of any reports received.

COMPOSITION

The **Finance** Committee will consist of three members of the City Council. It is anticipated that members will be appointed to the Committee at the first regular meeting of the City Council in June of each year or as soon thereafter as practicable. Committee membership will be for a period of one year, subject to the member's removal, resignation, or termination of the member's position as a member of the City Council. Members currently serving on the Finance Committee at the time these guidelines are approved by the City Council shall, subject to their removal, resignation, or termination of the member's position as a member of the City Council, continue to serve as members of the Committee until, and may be reappointed to the Committee at, the first regular meeting in June 2015 or as soon thereafter as practicable.

EXHIBIT A



Finance Committee Bylaws

Each member is to be nominated by the Mayor, and the Council will consider each nomination and vote to approve or disapprove the same. It is the intent of these guidelines that each Committee member be financially literate, with members, if available on the Council, having a demonstrated financial background such as in banking, accounting, and/or finance.

The City Council will make a determination each year as to whether or not the Committee should be continued, which determination shall be made at the first regular meeting of the City Council in June of each year or as soon thereafter as practicable and prior to the Council's annual appointment of Committee members.

The Committee may be terminated or discontinued by the City Council at any time and for any reason or for no reason, at which time the membership of each then-current member shall terminate.

MEETINGS

The **Finance** Committee will meet at least quarterly (each quarterly meeting being a regular meeting), and may convene additional meetings as it deems appropriate. Such meetings will be on dates and at times as approved by all of the member of the Committee. All Committee members are expected to attend each meeting, in person or via tele- or video-conference, but it is understood that a member may miss a meeting for illness or emergency (as reasonably determined by the Committee member), and may otherwise be excused from a meeting **by the Committee**. The City Manager or designee shall be present at all meetings. The Committee may invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.

A quorum of the Committee shall consist of a majority of the entire membership of the Committee. The affirmative vote of a majority of the members of the Committee present at a Committee meeting shall be necessary to make a recommendation to the City Council.