



February 1, 2023

To: Mayor and City Council  
From: Gary Palmer, City Administrator  
Subject: February 06, 2023 Special City Council Meeting Agenda Item  
In accordance with our adopted City of Montgomery Policies and Procedures Manual, consider approval of the emergency procurement process for the City Administrator to pursue professional financial management services from qualified firms/contractors in an amount exceeding \$25,000.

**Issue**

Our Senior Accountant and sole financial management staff member is out on leave indefinitely. We have no in-house backup or financial management consultants to cover the workload. Additionally, we lack the necessary and required written financial procedures needed for adequate continuity of services during an extended unforeseen absence of our financial manager. This unforeseen absence, lack of internal capacity and procedures creates an administrative emergency which if left unresolved, will quickly create internal and external service issues.

**Rules (applicable laws/policies/practices)**

Generally, City of Montgomery Policies and Procedures Manual, Section IX Financial Policies, (page 118)

Specifically, City of Montgomery Policies and Procedures Manual, Section IX Financial Policies, Budget Development, Subsection B(1) Budget Amendments (pages 120-121)

Specifically, City of Montgomery Policies and Procedures Manual, Section IX Financial Policies, Financial Consultants (pages 142-143)

Specifically, City of Montgomery Policies and Procedures Manual, Section IX Financial Policies, General Purchasing Policy, Types of Purchases and Purchases Exceeding \$25,000 (page 149-151)

Specifically, City of Montgomery Policies and Procedures Manual, Section IX Financial Policies, Emergency and Exempt Procedures

**Analysis**

At all times, we should have the internal capacity to absorb the work generated by the absence of a city staff member. As a matter of policy we should also have up to date financial management procedures so we at the least have a written guide to use to continue services.

We neither have the internal capacity or adopted procedures to fall back on in cases such as in the immediate case.

Our policy provides for the retention of professional finance consultants to assist with our finance operations. While we have retained audit services and bond counsel, we have not retained professional on-call services which could be utilized to come in and assist with financial operations. As a best practice in local government management, we should have on-call service contracts for all of our critical services. Long term, we need to address the lack of procedures, on-call contracts, and redundancy issues; however short term we need immediate professional financial assistance. To me, this presents an emergency administrative situation that needs to be resolved as soon as possible.

Our adopted policies provide guidance for retaining emergency professional services. Emergency Defined: *“An emergency situation is commonly described as an unforeseen situation, which adversely and unduly affects the life, health, or convenience of the citizens of the City of Montgomery, or circumstance that would cause a loss to the City (such as, but not limited to, an inordinate amount of down time)”* and *“If an emergency or exempted purchase occasion arises, contact your Division Director, explaining the proposed purchase. The Department Director will then contact the City Administrator, who will in turn seek approval from the City Council if over \$25,000”* (See City of Montgomery Policies and Procedures Manual, Section IX Financial Policies, Emergency and Exempt Procedures). Therefore, City Council approval is required for us to solicit professional services for an amount exceeding \$25,000.

### **Conclusion/Recommendation**

In my professional assessment as your city administrator, we need to immediately retain the services of a professional, experienced finance consulting firm/experienced finance manager contractor under the emergency purchase provisions outlined in City of Montgomery Policies and Procedures Manual, Section IX Financial Policies, Emergency and Exempt Procedures. Upon approval, we will solicit and evaluate service providers with the intent of engaging in contract negotiations with the most qualified firm/contractor. A budget amendment in the amount to cover the services, and resulting draft professional service contract will be back before the City Council for consideration of approval.