

MANAGEMENT AND FINANCE POLICY COMMITTEE

February 26, 2019

Members Present: Council Member David Gruber – Chair, Council Member Angela Lawson – Vice Chair, and Council Member Charlie Richardson – Member

Others Present: City Manager Twombly, J. Batchelor, N. Freed, M. Wolfe, T. Velasquez, V. Irvin, T. Barrett, R. Allen, H. Hernandez, B. Rulla, C. Dancy, B. Kelly, D. Daufeldt, J. Martin, M. Crawford, S. Newman, T. McCain, A. Morales, J. Hamburg, K. Bailey, S. Ruger, L. Horton, M. Crawford, S. Van Buren, W. Sommer, G. Hays, M. Shannon, J. Scott, C. Burley, S. Johnson, T. Seaver, J. Sanchez-Warren, D. Senn, and T. Hoyle

MINUTES

December 18, 2018 and February 15, 2019 minutes were approved.

CONSENT ITEMS

December of 2018 was 7.8 percent higher than December of 2017. G. Hays stated the year end results for capital use tax revenue was at \$6 million higher than projected, which was great news.

Outcome

The Committee thanked staff.

Follow-up Action

No follow-up needed.

POLICE PENSION UPDATE

Summary of Issue and Discussion

B. Kelly presented an overview of the proposed AP-MPPP (Aurora Police Money Purchase Pension Plan). He stated that members from the AP-MPPP met with City Executives to explore modifications to the current plan to include a hybrid defined contribution/defined benefit plan.

Proposed Changes

- Increase employee and matching employer contributions by 2% each, over 2 years (1% each year):
 - Make the 11% contribution in 2019 permanent
 - 2020: 11% to 12%
 - 2021: 12% to 13%
- 5 Year Financial Impact provided by the Budget Office

Pension Costs	2019	2020	2021	2022	2023	2024
@ 10.5%	6,992,866	7,341,534	7,675,112	8,028,307	8,380,252	8,741,872
@ 12%		8,390,324	8,771,557	9,175,208	9,577,431	9,990,711
@ 13%			9,502,520	9,939,809	10,375,551	10,823,270
10.5% vs 12%		1,048,791	1,096,445	1,146,901	1,197,179	1,248,839
12%-13%			730,963	764,601	798,119	832,559
Total Adjustment		1,048,791	1,827,408	1,911,502	1,995,298	2,081,398

Council Member Gruber asked if the 3% increase was only on the amount that's been added as the result of this decision. T. Velasquez replied, yes. Council Member Gruber said, could you describe how the vote went last year with the ½ percent. B. Kelly said, at the time we needed a yes vote over 65%, I think we came in at 75%. Council Member Gruber asked, so how do you think it will be perceived by the police force for a 3% going into a retirement program. B. Kelly stated, a lot of it would be on marketing and how it's presented, however he was not worried about the Police department passing the vote. He said, my biggest concern is Council and receiving all their votes.

Council Member Lawson said, depending upon raises, these percentage amounts would come out and be put into a retirement fund. B. Kelly replied yes, the percentages would come out of their salary.

Council Member Gruber asked do we have an idea how much money that we're asking to put forward to complete the analysis. T. Velasquez said, questions we asked initially were, can participants go into the hybrid plan and could we amend the plan to allow for this hybrid function. C. Burley answered yes. She said, but as a separate hybrid system plan. Council Member Gruber said, and that would be administered by MPPP. C. Burley said the MPPP defined benefit and the hybrid system plan would more than likely be managed by an expanded MPPP board.

B. Kelly asked does the Committee support moving the Police pension plan proposal forward to a Study Session for a full City Council presentation. The Committee Members said yes.

B. Kelly asked does the Committee support funding the legal costs and actuarial costs for establishing a hybrid and two Committee Members were in support (Council Member Gruber and Council Member Lawson) and one Committee Member was opposed (Council Member Richardson).

Council Member Richardson commented he is in support of FPPA (Fire Police Pension Association).

Council Member Gruber expressed concerns with the FPPA being controlled by the State. The State could make a decision that could result the City having to redirect money to the plan that's not in the City budget, which could create risks to the City. He mentioned also the fact Aurora Police officers are not covered by social security. He felt that within the hybrid plan there needs

to be an additional buffer in place, such as social security life which an officer could buy into but controlled by the City, as opposed to controlled by a state organization.

Outcome

The Committee recommended this item be sent to Study Session.

Follow-up Action

Staff will forward this item to March 25, 2019 Special Study Session.

AURORA SENIOR TRANSPORTATION PILOT PROGRAM 2018 YEAR END REPORT

Summary of Issue and Discussion

Jan Hamburg introduced Jayla Sanchez-Warren the Director of the Area Agency on Aging at Denver Regional Council of Governments (DRCOG). She stated the primary objective of the funding is to improve transportation services for Aurora senior residents residing in Arapahoe and Adams County. DRCOG commenced service in October 2018 with their contracted agency. At 2018 year end, unexpended funds were \$73,148. DRCOG requests to carry forward the unspent amount of \$73,148 in 2018 in their efforts to continue growing the program in 2019.

Council Member Gruber stated in the backup it mentioned that 60 is the earliest age for use of the program. How do we limit people that need the program as opposed to people that are simply eligible? J. Sanchez-Warren replied the 60 age limit is based on the Older Americans Act. We can certainly expand the age range with your funds if that's what you would like.

Council Member Gruber said my concerns is one, make sure the money would be used on the people that really need it and two, make sure it's spread across all six wards of the city. Centrally located is the senior center in Ward 3 and Heather Gardens nearby. Considering the demographics and financials Ward 1 the folks would need it more across the board, but how do we spread it across the city? J. Sanchez-Warren said if Senior Resource Center (SRC) can't provide the service and we have to contract with someone else. We're in the process of developing more contractors in the region. We currently contract with Hop Skip Ride and Metro Taxi. We could expand their program. Council Member Gruber said the City has a company starting and their specific responsibility is to support the elderly communities neighboring the rail stations. J. Sanchez-Warren Right said we could look into contracting with them as well.

Council Member Lawson said looking at your challenges and the average age is 60, and we're thinking of older individuals. Are they using an app? J. Sanchez-Warren said they call the SRC to setup trips. Council Member Lawson said looking demographically and economically how much is a trip. J. Sanchez-Warren said it costs them nothing, though it's been requested to give a donation.

Council Member Gruber suggested that the 2018 year end funds be used to expand the program in 2019. In the fall come back to Management and Finance Policy Committee with recommendations to Council based on the pilot program experience, which Council at that point will make additional recommendations. All the Committee Members were in favor of the recommendation.

Outcome

The Committee recommended this item.

Follow-up Action

Staff will bring recommendations to the Management and Finance Policy Committee to discuss expanding the program.

THE POINT INCLUSION

Summary of Issue and Discussion

The property requested for inclusion was not originally included within the boundaries or the future inclusion area of the Metropolitan District. The property is currently owned by the Aurora Urban Renewal Authority (AURA). In December 2018, AURA completed a petition to include this property within the boundaries of The Point Metropolitan District.

The Point Metropolitan District is requesting inclusion of Key Bank to the existing District.

Outcome

The Committee recommended this item be sent to Study Session and Regular Meeting and dual list the item.

Follow-up Action

Staff will forward this item to March 18, 2019 Study Session and Regular Meeting as dual listed.

COLORADO OPEN RECORDS ACT (CORA) PROPOSED RESOLUTION

Summary of Issue and Discussion

Council Member Richardson provided an overview of the resolution that was brought forward.

Council Member Gruber stated that there’s been ranges where CORA requests come from either individuals or law firms that are interested in querying everything across the City in order to determine whether not a specific violation occurred. The issue is, who’s going to bear the expense. He agreed the City should do its best to determine what can be done to make the costs fair as possible giving the expense the City may occur. On the other side, it needs be fair when the City needs to do a significant amount of research and it costs a significant amount of money for the response. CORA is an unfunded mandate and we would want to make sure the funding matches the level of effort required to fill the request.

After further discussion Council Member Richardson exited the meeting. Council Member Gruber motioned that the item be tabled. Council Member Lawson agreed.

Further discussion ensued. Council Member Lawson said the State asked key words to get information before they would proceed with the request. She asked, is that something Aurora does and was that part free? S. Ruger replied yes. It’s to our benefit to clarify the request as much as we can up front. We never charge for that process, that’s something we don’t consider as part of research. We want to narrow down the scope and make it as simple as possible for the requestor.

S. Ruger talked about procedures and when a request comes into the Clerk’s Office.

1. Citizens, or entities, submit a CORA request online, by fax, or in person.
2. Clerk’s Office staff reviews the request and routes to the appropriate department(s).
3. The Departments give the Clerk’s Office an estimate of the amount of time needed to fulfil the request.
4. The Clerk’s Office puts together a cost estimate based on information provided from the Departments, which is oftentimes \$0.00.
5. If the cost estimate is less than \$100, the request is completed and the requestor is notified. If over \$100, the requestor is provided a cost estimate and must make a 50% deposit to have their request processed further.
6. All requests are responded to within three business days. We extend our response time by up to seven additional for only those that are particularly complex.
7. As appropriate, the City works with the requestor to clarify/narrow down the scope of requests.

Council Member Lawson said I know we have to charge for CORA requests but I’m also looking for affordability too. And people should have access to transparency.

S. Ruger said they were currently working on some things that were above and beyond what’s prescribed in the Resolution to help in the process to make it better. In addition, staff would look at updating the Administrative Policy Memorandum.

Outcome

The item was tabled by Council Member Gruber and Council Member Lawson.

Follow-up Action

Council Member Richardson has requested that this item be forwarded to Study Session.

PROPOSED MARIJUANA TAX REVENUE FUND ORDINANCE

Summary of Issue and Discussion

Greg Hays provided an overview of the proposed ordinance authorizing the continuing appropriation of funds from the Marijuana Tax Revenue Fund for the City of Aurora's Homelessness Program.

Does the Committee support moving the proposed ordinance forward to Study Session and Regular Meeting as a dual listing?

Jason Batchelor said for the record. We will always come to Council as how to spend the funds. You have always given us the guidance and with the safety net services continuing, authorizing the continuing appropriation of funds will create an easier and cleaner way to spend those funds.

Outcome

The Committee recommended this item be sent to Study Session and Regular Meeting as dual listed.

Follow-up Action

Staff will forward this item to March 18, 2019 Study Session and Regular Meeting as dual listed.

DEBT MANUAL

Summary of Issue and Discussion

Item was moved to the Management and Finance Policy Committee meeting on March 26, 2019.

Outcome

The item was moved to the Management and Finance Policy Committee meeting, March 26, 2019.

Follow-up Action

No follow-up needed.

2018 INTERNAL AUDIT ANNUAL REPORT

Summary of Issue and Discussion

Wayne Sommer, Internal Audit Manager, gave a brief overview of the 2018 Annual Progress Report. Internal Audit reached a 94% rate for active and completed audit engagements in 2018. This included six unplanned engagements added during the year. One engagement was rolled over into 2019. Eight of 2019 engagements are expected to be completed in the first Quarter. 78% of outstanding recommendations are either closed or completed.

Committee Member Lawson requested an audit of the House Aurora Partnership (HAP) funding allocations. She wanted to understand how the funds were spent and the program results. W. Sommer stated that he would send the proposed engagement objectives to the Council Member to review.

Outcome

The Committee thanked staff.

Follow-up Action

Staff will send the proposed HAP engagement objectives to Council Member Lawson.

MISCELLANEOUS MATTERS FOR CONSIDERATION

Summary of Issue and Discussion

- The next meeting is on Tuesday, March 26, 2019.

THESE MINUTES WERE APPROVED AS SUBMITTED



David Gruber, Chair of the Management and Finance (M&F) Committee

3/26/2019
Date