

MF POLICY COMMITTEE MEETING

February 22, 2022

Members Present: Council Member Gardner – Chair, Council Member Murillo, Council Member Zvonek

Others present: Council Member Jurinsky, R. Venegas, L. Perry, T. Velasquez, G. Hays, S. Newman, W. Sommer, C. Dancy, C. Angell, J. Andrews, T. Vaughn, R. Lantz, T. Sherbondy, B. Mendoza Ortega, J. Andrews, C. Tassin, J. Schneebeck, J. Gruber Tanaka, T. Sedmak, R. Allen, N. Wishmeyer, K. Claspell, H. Hernandez, J. Bajorek, B. Langley, S. Jacobsen, D. Hudson, A. Jamison, M. Crawford, J. Ehmann, J. Bunch, S. Leasau, K. Claspell, B. Rulia, C. Angell, J. Johnson, R. Frazier, T. Balani, and B. Langley, D. Sisneros, T. Hoyle

INTRODUCTIONS AND MINUTES

January 25, 2022 minutes were approved.

JANUARY 2022 SALES TAX CHART**Summary of Issue and Discussion**

An update on January Sales Tax was given by Greg Hays. January of 2022 was 9.8 percent higher than January of 2021.

Auto dealers, building materials, and mall anchors were up 22%, almost 20%, and 34% respectively. Eating and drinking went up compared to January, while electronics, computers, and telecom went down. Liquor stores stayed down for the eighth straight month.

Outcome

Information only.

Follow-up Action

No follow-up needed.

RECOGNITION OF JOEL JOHNSON'S SERVICE ON THE AURORA INVESTMENT ADVISORY COMMITTEE**Summary of Issue and Discussion**

Andrew Jamison led the recognition of Joel Johnson's service on the Aurora Investment Advisory Committee.

After a long and storied professional career and nearly two decades of service on the Aurora Investment Advisory Committee, Joel Johnson has announced his retirement in 2022.

This year, Joel is retiring from Moreton Capital Markets. Joel has worked with public entities, corporations, not-for-profits and high net worth individuals throughout Colorado, Wyoming and several high-plains and mid-western states. Joel's prior experience spans 30 years with Wells

Fargo; including three years with Wells Fargo Advisors and 27 years with Wells Fargo Securities as Director, SVP, Regional Manager, and sales professional with the institutional Fixed Income Sales & Trading group. Joel earned a bachelor's degree in economics from the University of Denver.

Joel has volunteered his time on the Investment Advisory Committee since 2004. Over the years Joel contributed countless hours of insight, analysis, and guidance to the IAC. This contribution has translated into immeasurable benefits to the City. Joel provided important feedback and perspective as a member of the investment advisory committee. During market ups and downs and changing investment opportunities, the City benefited from Joel's knowledge and experience. His dedication and willingness to participate are commendable. We all agree that it was a pleasure working with Joel!

Committee Discussion

J. Johnson: Thank you, Andrew, and it's been a pleasure serving with you and the various Council Members that have joined over the years, together with the Committee itself and also my fellow colleagues from industry, it's been quite a ride. I did look back. I found something that evidenced that I started with the Committee in 2004. So, yes, approaching a couple of decades. We visited a lot of issues. I think the city can take great pride in the people who oversee those investments directly and indirectly, such as the Advisory Committee, particularly, that you've been able to maintain one of the highest ratings here in the state consistently. That, of course, goes directly to debt cost and that's something you can take immeasurable pride in as well. So anyway, it was quite a period of time. It looks like it's going to stay in that vein here as things unfold today, but yes, it's time for me to retire. I'm basically backing out of the industry and, as such, I won't have access to the material and day to day input that I would have to be useful to the Committee. My very best wishes to the Committee and the city and its citizens as they move forward.

Council Member Gardner: Well, just real quick thanks, Joel, for your service to the city, and I'm going on to my third year on the Investment Advisory Committee and certainly, the work that takes place at that Committee, ultimately, saves our taxpayers money, which is a good thing. I really appreciate your nearly two decades of service to our city and wish you well in the future. Appreciate it.

J. Johnson: Thank you, Curtis. Appreciate it.

Council Member Gardner: Thanks, Andrew. Appreciate that.

A. Jamison: Thank you.

Outcome

Information only.

Follow-up Action

No follow-up needed.

ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE)

Summary of Issue and Discussion

Ryan Frazier, CEO and Managing Principal of Frazier Global, provides an overview of ESG as it relates to the city's credit rating and financial standing. He discusses that ESG (Environment, Social, and Governance) is the integration of three material risk and opportunity factors that affect a company and investment or government's value creation, financial performance, and cost of capital, and the impacts it has on community. The relevance of ESG issues has become a factor being considered by investors and other stakeholders. He further urges the Committee to raise awareness of the importance of ESG and its financial implications.

Committee Discussion

Council Member Gardner: Thank you, Ryan. Appreciate the presentation. One question I had was the slide at the beginning that was talking about why ESG is a bigger deal, and I think it was GFOA that mentioned that issuers of government securities, there could be an impact on credit ratings. Can you talk a little bit more in detail about that? Is that subjective at this point? Are there certain metrics or what does that look like a little bit more specifically?

R. Frazier: What's happening is because of the investor demand, and it is increasing, it is a steady drumbeat from a lot of the investor community around wanting this information to help them better evaluate the risks, as well as, the opportunities for the companies that they invest in and/or buy debt from. What's happening is, as I mentioned, the S&P Global, the Fitch's, the Moody's, and other credit rating agencies. Are all looking at what are those material risks that could influence or impact a company or a government's ability to repay for instance debt? Because of that you're seeing them use this information to provide evaluations. So, for instance, S&P Global, I highlight them because they're one of the leaders. They're really starting to do more and more evaluations of entities, corporations and governments on their ESG strategy and performance, and they're using this increasingly to help factor into determination of credit worthiness. I'll say this, Curtis, that ESG considerations have not reached a point in the sub-sovereign municipal bond market where they are the determinant factor of your credit rating or your credit worthiness. What I am saying to you is, that we're seeing a steady drumbeat, where it's becoming more and more of a factor. And I think you can expect in the months and years ahead, which you or I will say Terri's team and others will continue to get more and more questions from these credit rating agencies and investors wanting information on how you're performing to mitigate certain risks that have been identified whether it be environmental, whether it be social, Elijah McClain is a good one that comes to mind, those types of social unrest in your communities and how that could affect the reputation of your city, how it could affect the ability of your constituents to support additional bond efforts and ultimately, the long term ability to repay any obligations that you might have.

But, again, that's just the debt market. I want to be clear. There's the whole approach to your investment approach, which we won't get into today, but more and more asset managers, investment groups are also using ESG to screen how they go about selecting investments. And that's something else, a whole other ball of wax so to speak for you all to consider.

Council Member Gardner: All right. Appreciate that. And, certainly, it sounds like Terri's involvement in the leadership of GFOA should help keep us at least apprised and on the right track as these kinds of these efforts proceed. I appreciate that answer. Council Member Murillo, do you have any questions?

Council Member Murillo: Yes. I think I had a similar question to you Council Member Gardner. Is there any more clarity on what's considered are these risks? And then I guess more specifically on what qualifies as sustainable debt because I do think you brought up some really good points Ryan. I'm trying to get a better sense of how concrete moving in this direction looks like at this point.

R. Frazier: Council Member Murillo, so your question is just what constitutes sustainable debt? I want to make sure I understand your question.

Council Member Murillo: Yes, that was like a more pointed question. Are there any criteria that qualify something as sustainable that we're talking about, sustainable debt financing and what that means and is there more clarity definition on the larger concepts that you've talked about in this presentation?

R. Frazier: Yes, there is and there's a ton of stuff in the backup if you decide you really want to dig deep into this in terms of the information. Not just from GFOA, but also the principles for responsible investment the ratings criteria from S&P and other credit rating agencies. There's a lot of information to dig into. You can really go down a lot of rabbit holes with this. But the long and short of it with respect to sustainable related debt, this chart here with respect to whether it be green bonds, or social bonds, or sustainability linked bonds. It's all tied to goals and ultimately how you perform towards those goals. Typically, your interest rate is linked to your performance, so like sustainability linked financing. There's a kind of correlation between your ability to meet those goals and the adjustable interest rate that you pay on that money based on your progress towards those goals. Again, the environmental social governance piece of this is really, as I said at the outset, its sustainability of the journey is how you measure progress. So, once you and others have determined what are the material risk and opportunities because I think it's really important that we understand this is not just about risk. It's also about the opportunities that could be available to you should you be more intentional about your approach on ESG. But once you understand what's material, based on for instance, Aurora vs. Miami-Dade, right? Two different jurisdictions, different issues. Miami is two feet above sea level, Aurora Colorado has an arid climate. So in the Rocky Mountain and the West we have more wildfires out here than hurricanes out east and the sea level rise on the coast is a bigger issue for coastal cities than it is for a city like Aurora. Understanding what the climate related risk are and physical risks associated with climate change, or what are some of the social risks as it relates to your local community as it relates to the workforce of the city, in terms of employee health and safety and labor practices and so forth. What are some of the governance issues? What is your approach as a city, if you will, to addressing these issues? That's a big one, in terms of in your role as a Council Member. Once you understand what's material, what's important, then you're able to put in place the metrics of key performance indicators that says, "Okay, here's where we're at as it relates to some of these important ESG issues, and here's how we're performing towards those." And those can then be used, if you will, as you go out to the sustainable debt market, if you guys were to

choose to go out for sustainability linked financing or some sustainable debt. I believe Terri could probably speak to this. I believe you may already be dabbling to some extent, at least within the Water Department with respect to some of the types of debt that you take on through Aurora Water. But the point is, that this debt market is growing substantially and that presents both an opportunity, since you guys need to go out for debt, but also risk if you're not performing on these things.

Council Member Murillo: Thank you for that and it sounds like it's definitely more of a framework rather just based on our risk assessments as a city. Obviously, there's probably some general principles if you think about sustainability environmental as the larger topic. But it's a framework and a process going in and just going through that process through the city it would allow us to navigate that debt market just depending on our need and how we're addressing that.

R. Frazier: Yes. This chart here Council Member Murillo points back to some of those specific issue areas. So, for each one of these issues or issue area there are specific standards there are specific metrics that many entities are tracking. Take greenhouse gas emissions with the efforts to move towards a net zero and to reduce carbon emissions across the universe or world if you will, global scope one, global scope two and global scope three emissions. How are the city in this particular case performing? In your case it would be scope one, but if you could go all the way to scope three, which is your suppliers for instance. How are you performing? Where are you at in terms of your carbon emissions, right? Here's where you are, but here's where you need to be, and how do you track that progress? And so that's where the metrics and the standards come into place when it comes to your employee health and safety, its huge when it comes to human capital and how are you taking care of your people. There are metrics associated with total recordable injury rates and so forth and being able to set standards and metrics. There's a lot of detailed information tied to each one of these issues, but again, I want to go back to something I said earlier. What's important to understand is not every one of these issues is necessarily going to be relevant or important to the city of Aurora. It's all about understanding through stakeholder engagement and other data, what are those material risks and opportunities and the issues that you ought to make a priority, in order to ensure you're doing the best job you can in your fiduciary responsibility as a governing body to protect the interests of your taxpayers and the city as a whole.

Council Member Murillo: Thank you.

Council Member Gardner: Council Member Zvonek, any questions?

Council Member Zvonek: Yes. I think you touched on this, Ryan. It sounds like there's really not going to be any model governments out there in terms of KPIs because it's all relative to your own city circumstances. Like you said, Miami's environmental issues are going to be much different than the City of Aurora's. But my assumption is that there might be some, maybe on the social and governance side, model cities out there. Secondly, the way in which, are there governments that have put together a package of KPIs that we could look to? I would assume that a lot of the work is actually already being done. Right? We already do things that mitigate different risks in the city, and it's just a matter of intentionally focusing and saying, "This is part of our ESG strategy." Am I right?

R. Frazier: Yes, I think so, and I think Terri can speak to this as the upcoming board chairwoman of GFOA. So, GFOA is certainly a resource that I would recommend the city get to know a little bit better. I recommend you all, as Council Members, get to better understand in terms of what they're doing. I think they're right on the cutting edge, if you will, of really helping governments local governments really understand what those material issues you should be thinking about. Today's conversation is really just awareness. I didn't want to go too deep because if you don't first have awareness, then you start to lose folks. So, a part of what we're doing for instance with another group, as I mentioned, another government agency we are working with, is we're doing what's called a materiality assessment. Companies, corporations do this, investment groups do this. In fact, I have a large asset manager ESG advisory meeting I'm walking into right after this meeting here in Cherry Creek. They all do this. The materiality assessment is where you, Aurora, in this particular case, you go through a process where you determine, with your stakeholders what's most material to you; with respect to what's the most important to your customers, i.e. your constituents, local communities, your employees, your suppliers, your investors and other stakeholders to determine what are those relevant ESG issues that have the most high likelihood of being financially material to your ability to run a well-operating city. Whether it be going out to the debt markets or other operations of the city. And when you have that materiality assessment, that's where you surface those environmental, social, governance issues that you can then begin to put in place the standards and metrics. So, while the GFOA, I think, is a good resource to get you started, ultimately, every entity, whoever you are, it has to be very individualized to you. Because GFOA is a national organization, they're going to give you best practices that can apply to just about any local city, but as I said, even within those range of issues, not all of them are going to be important to Aurora. That's where you have to go through the process of determining, weeding out what's not relevant and what is most important, so that you can focus your efforts with respect to your approach and those metrics that you can track as a city. If you get to that process, I will say Aurora would be very much more sophisticated than a lot of other entities, if you can get to that process at some reasonable time in the future. Does that make sense, Council Member Zvonek?

Council Member Zvonek: Yes, I'm good. Thanks for your time.

Council Member Gardner: Appreciate it, Ryan. Thank you for your presentation.

R. Frazier: Okay. Well, thank you guys for the opportunity to be here again. I really appreciate, one, just you all are showing the leadership as a Committee. Thank you, Mr. Chairman. To at least take some time to better understand what this issue is or what this is about. I promise you this much, and I'll leave you with this, it's not going away, and it's going to be a bigger and bigger issue for everyone on some level. And for those who say it's not, I'll say that, just watch. Thank you so much for having me and for the opportunity to share a little bit about ESG.

Council Member Gardner: Thank you.

Outcome

Information only

Follow-up Action

No follow-up needed.

**AURORA POLICE DEPARTMENT'S CRISIS RESPONSE TEAM - TRISHA BALANI
GOLD AWARD PROPOSAL**Summary of Issue and Discussion

Trisha Balani proposes her Gold Award Project for the Crisis Response Team seeking support from the Council.

The main goal of Trisha Balani's Gold Award proposal will be to work with APD and the city of Aurora to expand the Crisis Response Team (CRT) by hiring at least two additional clinicians (mental health professionals) to be employed and funded by the city.

Council Member Gardner, Council Member Murillo, and Council Member Zvonek support the proposal, and Council Member Gardner agrees with Terri Velasquez's suggestion of it going through a budget hearing instead of to another committee.

Committee Discussion

Council Member Gardner: Thank you, Trisha, for your presentation. Really appreciate it.

Council Member Zvonek: I just want to say thank you for presenting and I guess one clarification. Are you when you say the Crisis Response Team, it sounds to me like you're talking about the mobile response team? Are you talking about the clinician with an officer or the clinician with the medic?

T. Balani: With the officers.

Council Member Zvonek: So that is a critical part. Okay, perfect. Yes, so I agree 100%. I would actually like to see this grow exponentially in size, but I'm not saying that in terms of improving public safety in our city, I would like to see this program funded and expanded. I'm completely supportive of what you're doing and appreciate you bringing this forward. Thank you.

Council Member Gardner: Council Member Murillo, any questions or comments?

Council Member Murillo: No questions. Council Member Zvonek clarified the specific program that you're referring to. I think you did a really great job. I'm excited that you've taken an interest in the outcomes and the data around the fiscal impact. It is a really important way to look at the conversation. I would invite you to get engaged and it sounds like you're already involved in the juvenile justice world, but in general as a youth perhaps an interest in the success of our youth. I would invite you because of your interest today and your great presentation to get involved in our violence prevention team. We just stood up some funding for that as well but continue to stay involved and not necessarily that's the only thing you could do, but I figured I would mention it since you're in high school. In the larger and one other recommendation for you. There's a state advisory board on juvenile justice and delinquency prevention. That might be of interest to you to maybe get involved with as a volunteer and maybe learn some nuance on

the youth side but, there's a lot of connections between youth involvement and then later on some outcomes. So, no question, it was a great presentation and I just wanted to offer those resources to you.

T. Balani: I appreciate that. Thank you.

Council Member Gardner: Yes. Thanks again Trisha for your presentation. I thought it was really good and certainly am supportive of the direction you're trying to go. Today's was more of the budget or the fiscal impact. I don't want to speak for Council Member Zvonek, but I think the Public Safety Committee is going to receive a briefing also on this from the public safety standpoint, so I look forward to that presentation.

T. Velasquez: Council Member Gardner, I just want to clarify. I think what our thought process is, if she would like to present to the Council again, we would recommend going to a budget hearing. We have 2 budget hearings a year. One is coming up in March, so that would be staff's recommendation to go there versus another Policy Committee.

Council Member Gardner: Terri, can you or have someone on your staff communicate with Tricia the details, so she knows how to participate in that budget hearing to make her request. So, thank you again Trisha for the really great presentation and really appreciative of your involvement. I think that's great. So, thank you again and have a good day.

T. Balani: Thank you and you too.

Outcome

The Committee recommended the item is brought forward to a Council meeting in March during a budget hearing.

Follow-up Action

The item will come forward to a Council budget hearing in March.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, APPOINTING DIRECTORS TO THE HILLTOP AT DIA METROPOLITAN DISTRICT NOS. 1-3 BOARD OF DIRECTORS & A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, APPOINTING DIRECTORS TO THE MURPHY CREEK METROPOLITAN DISTRICT NO. 5 BOARD OF DIRECTORS

Summary of Issue and Discussion

Cesarina Dancy provides information on properties, The Hilltop at DIA Metropolitan District Nos. 1-3 and The Murphy Creek Metropolitan District No. 5 and requests for the Council to appoint new Board Members for the two.

The Hilltop at DIA Metropolitan District Nos. 1-3 are requesting that City Council appoint new Board Members to the Board of Directors which is currently vacant. This is due to the resignation of all members of the Board in 2019 prior to appointing successors. As such, the

District is petitioning Council to reconstitute the Board by appointing eligible electors to the Board.

The Murphy Creek Metropolitan District No. 5 is requesting that City Council appoint new Board Members to the Board of Directors which is currently vacant. This is due to a clerical oversight with the qualification documents for the directors not being extended by the deadline set forth. As such, the District is petitioning Council to reconstitute the Board by appointing eligible electors to the Board.

Council Member Gardner proposed to hear the two resolutions together, and along with Council Member Murillo and Council Member Zvonek supported the request and the item moved forward.

Committee Discussion

Council Member Gardner: Council Members any questions. Are you both okay moving this forward?

Council Member Murillo: Yes. No questions at this time.

Council Member Zvonek: I don't have any. Yes.

Council Member Gardner: All right. We'll go ahead and move this forward. Thank you for the presentation. Appreciate it.

C. Dancy: Thank you.

Outcome

The Committee recommended the item move forward to Study Session.

Follow-up Action

Staff will forward the item to March 7th Study Session.

CITY'S PERFORMANCE MANAGEMENT PROGRAM DEVELOPMENT AND OVERVIEW

Summary of Issue and Discussion

Ryan Lantz, along with Brenda Langley, presented an overview of a new performance management program for the Human Resources Department.

Beginning December of 2021, Human Resources began the development of a formal performance management program for the City of Aurora employees. HR will present an overview of the initial development of the city's program knowing that we're in the early stages. The overview will include the foundational principles and processes for the new performance management program and include a timeline of anticipated completion and implementation. Brenda Langley further discusses that the Performance Management Program is planned to be

made more comprehensive through including a performance planning, an initial check-in, a mid-year review, a secondary check-in prior to the annual evaluation.

Committee Discussion

Council Member Gardner: Thanks Brenda and Ryan for the presentation. Appreciate it. Council Member Zvonek, any questions?

Council Member Zvonek: Yes, just comments. Ryan and Brenda, thanks for this. Ryan, I know that it was one of my first meetings I had with you. I talked about some of my concerns around the review process, more with council appointees. I'm happy to see you guys working on this. I mentioned then that I think it would be important, especially from a supervisor's evaluation standpoint, to integrate some sort of a 360 review into that final review that's done at the end of the year, where if you're getting feedback from people who work beneath and kind of laterally to the employees, it's a great tool for supervisors. I've worked in large corporate settings where I supervise people who supervise people, and so getting that feedback from them was very helpful.

And the other point, I think that could be helpful on the front end, Brenda, I think you talked about, on the front end, using kind of their job description as level setting to begin at the beginning of the year, "Hey, these are what we expect of you," and as part of those check-ins. One of the tools that I've seen successful and again, in a number of large organization settings, is developing roles, responsibilities and expectations (RRE). So, RREs where you have the employee say, "What are your various roles and what are your responsibilities under each of those roles, and what are the expectations?" Those really guide those conversations so that the conversation between supervisor and the employee isn't just a, "Hey, you're really good at this," right?

I think it's really common and natural for people to want to give positive feedback to their employees because it's less uncomfortable and it makes both of them feel good, but where if you want to see growth, it's got to be around where their improvements can be. I think that's where having those RREs set in the front end, and then coaching your coaches to do that is critical. But those are the three points I wanted to make as I was doing this, but overall, I think that this is going to be a huge improvement or lead to a huge improvement in overall proficiency of the staff and getting everybody on the same page. So, thanks for doing this.

Council Member Gardner: Council Member Murillo, questions or comments?

Council Member Murillo: I didn't know if there was a response to Council Member Zvonek's comments.

R. Lantz: I just was going to make a comment that its spot on with where we're going in terms of, as you describe, the roles, responsibilities, and expectations. We believe that having a good understanding of the job descriptions, keeping it updated so they have those roles and responsibilities well-defined and then expectations associated with it. So that's definitely what we're trying to emphasize with this new program.

Council Member Zvonek: Well, just one quick, if I could, just to add, one of the things that I think is important with the expectation part is clear decision rights. With some of the complaints, I think that that Council Members get, whether it's people in the from the business world or that are interacting with the city, they say that they don't know who can ultimately make a decision, but I think that clear expectation of who has decision rights on different things is important. To Brenda's point about, at the end of the year, what are some of the rewards? One of the things that's helpful is empowering people with decision rights once they've earned those as part of whether it's an increase in compensation or a new role, but sometimes it's just expanded decision rights.

Council Member Murillo: I'm really excited to see the direction of this. I think it bodes well for everyone when there's clarity and continual kind of conversations around expectations. I'm excited to see this rollout and I'm curious to see how that's going to impact our many different divisions and departments. That's all.

Council Member Gardner: All right. Thanks again, Brenda and Ryan, for the presentation, and look forward to seeing the finished product in a couple of months.

B. Langley: Thank you.

Outcome

Information only.

Follow-up Action

No follow-up needed.

2022 BALLOT QUESTION TO RETAIN PROPERTY TAX OVER TABOR LIMIT

Summary of Issue and Discussion

Terri Velasquez presented the ballot question to retain property tax over TABOR limit.

At the March 2, 2020 Study Session, the City Council directed staff to initiate a ballot question requesting the City be allowed to retain 2020 property taxes collections in excess of the TABOR cap. The ballot question was one of nine revenue enhancement options considered by the Council at the Study Session.

The Property Tax TABOR cap ballot question was presented to the Management and Finance Policy Committee on April 28, 2020 and to Study Session on May 18, 2020. The ballot question was not approved due to the financial impacts of the COVID-19 recession.

At the February 20, 2021 Winter Workshop, Council was presented the effect of TABOR on the city's property tax and Council was asked if a ballot question should be pursued to permanently exempt property tax from TABOR and to retain all revenues in excess of the TABOR cap. The ballot question was not approved to move forward given the ongoing uncertainty of the pandemic.

Committee Discussion

Council Member Gardner: Council Member Murillo, questions or comments?

Council Member Murillo: No, none for me.

Council Member Gardner: Council Member Zvonek?

Council Member Zvonek: Yes. So, I asked this question last time on a different proposal, but I'm going to ask again. This is a pretty significant policy change. We're effectively asking taxpayers to a change in increase the effective rate of their property taxes. Is there an elected official who's carrying this proposal?

T. Velasquez: Not at this time.

Council Member Zvonek: Okay. I don't think it's appropriate to bring forward policy proposals like this without an elected representative carrying it. I know that we're talking about a de-Bruceing, which doesn't change the rate, but it does change the effective rate to taxpayers at a time when people are seeing a 20% increase in their home value. This will end up costing Aurora taxpayers more. It's an effective tax increase and I think that any time we're going to propose a policy like this that there should be some elected official that's bringing it forward. I won't support moving it forward at this time, so I just wanted to state the reasons why. Secondly, I think it's not an appropriate time to do it. I know that you can list to taxpayers' potential things that this tax increase would fund, but again, when taxpayers are paying more for everything in their lives right now, including the cost of housing. It's very unlikely that they're going to support this, and I think we would be wise to not move this forward.

Council Member Gardner: Yes, I have similar concerns as Council Member Zvonek, as far as just what our residents are paying right now. Inflation, I think we've all seen news stories and whatever the significant increase in inflation rates, and despite what some hopeful people might think, I don't think it's transitory. I think it's here to stay because of several different reasons and it's not supply chain related. It's because the Federal Reserve has printed money and we've devalued our currency and that's a whole separate matter but, at this time, I'm not in favor of asking our residents to pay more for their house when there's all these other increases in costs. So, because of that, I'm also not in favor of moving it forward. Council Member Murillo, what were you at?

Council Member Murillo: Yes. I don't think it's inappropriate for staff to bring about matters, especially as the Management Finance Committee related to Management and Finance of the city, so I don't have that philosophical objection. That's not an issue in my opinion to bring that conversation forward. I would be open to having the larger conversation. I hear the concerns that go around timing. I do think that that's important. I'm open to furthering the conversation, not yet determined if I would support or not, but I would be okay with moving it forward, but it sounds like that's probably not going to happen. So that's my comment on the matter.

Council Member Gardner: All right. Appreciate it. So that's one in favor and two oppose, so it sounds like that will not move forward. Thank you, Terri, for the presentation.

T. Velasquez: Thank you.

Outcome

The Committee does not recommend the item move forward to Study Session.

Follow-up Action

Staff will not forward the item to Study Session.

MISCELLANEOUS MATTERS

Summary of Issue and Discussion

Scott Newman made the Committee aware that they will be bringing an item to Executive Session on March 14th that's related to cyber security.

Next meeting tentatively scheduled for Tuesday, March 22 at 1:00 pm WebEx Meeting.

THESE MINUTES WERE APPROVED AS SUBMITTED



3/29/2022

Date