MF POLICY COMMITTEE MEETING
June 27, 2023

Members Present: Council Member Zvonek – Chair, Council Member Jurinsky

Absent: Council Member Bergan

Others present: R. Venegas, T. Velasquez, G. Hays, D. Cesarina, S. Newman, T. McCain, B. Levine, T. Sedmak, N. Wishmeyer, B. Michael, L. Saqib, H. Hernandez, S. Van Buren, K. Claspell, M. Crawford, A. Jamison, D. Hudson, B. Rulia, R. Goggins, G. Rowley, D. Hill, S. Meintzer, R. Lantz, D. Hudson, J. Scott,T. Hoyle, and D. Sisneros

CALL TO ORDER
Council Member Zvonek called the meeting to order.

INTRODUCTIONS AND MINUTES
April 25, 2023 Minutes were approved.

MAY 2023 SALES TAX CHART

Summary of Issue and Discussion

May of 2023 was 4.1 percent higher than May of 2022.

Committee Discussion:
None

FIRST CREEK POWHATON METROPOLITAN DISTRICT NOS. 1-12

Summary of Issue and Discussion

A Service Plan for the First Creek Powhaton Metropolitan District Nos. 1-12 has been submitted for the November 2023 election cycle. The proposed district is located approximately southeast of Gun Club Road and E Colfax Avenue, as well as southeast of E 26th Avenue and Powhaton Road. The district is to serve a 981-acre site, consisting of residential and commercial uses. Expected population is 9,533.

The proposed First Creek Powhaton Metropolitan District Nos. 1-12 and the associated IGA follow the City's approved model.

Committee Discussion:

None

Outcome
The Committee recommended the item move forward to Study Session.

Follow-up Action
Staff will move forward the item to Study Session.

MURPHY CREEK INDUSTRIAL METROPOLITAN DISTRICT

Summary of Issue and Discussion

A Service Plan for the Murphy Creek Industrial Metropolitan District has been submitted for the November 2023 election cycle. The proposed district is located adjacent to E-470, northwest of S Gun Club Road and E Mississippi Avenue. The district is to serve a 70-acre industrial site; no residential is planned for this district.

The proposed Murphy Creek Industrial Metropolitan District and the associated IGA follow the City's approved model.

Committee Discussion:

None

Outcome
The Committee recommended the item move forward to Study Session.

Follow-up Action
Staff will move forward the item to Study Session.

2023 ORDINANCE - IT LEASE PURCHASE AUTHORITY

Summary of Issue and Discussion

Scott Newman, Chief Information Officer presented this item. The Information Technology Department (IT) has the need to procure both tangible and intangible technology assets to support existing city operations, modernize existing capabilities, and develop and deploy new digital services for the community and City departments. Working with the Finance Department, City Legal, and outside bond counsel, it was recommended an ordinance be established to authorize IT to enter such lease purchase agreements on an annual basis. By doing so, the ordinance clearly defines the authority granted to Information Technology to make lease purchases for technology. In addition, the ordinance will satisfy IRS requirements related to the utilization of tax-exempt financing on any equipment paid for, over time, through lease purchase or other borrowing alternatives.

Committee Discussion:

CM Zvonek: Any objection to moving it forward?

CM Jurinsky: No

<u>Outcome</u>
The Committee recommended the item move forward to Study Session.

<u>Follow-up Action</u>
Staff will move forward the item to Study Session.

Q2 2023 - INFORMATION TECHNOLOGY UPDATE

<u>Summary of Issue and Discussion</u>

Scott Newman, Chief Information Officer advised the Committee that this 2nd quarter update would not be dealing with specific IT issues, but to give a recap of the City's cybersecurity posture to Council and also give an update on current status.

Tim McCain, Chief Information Security Officer provided a presentation. He detailed the city's actions following a resolution passed weeks ago to ban specific Chinese companies and several applications due to their connections with the Chinese government. Council had requested a comprehensive program to handle these matters and provide an update on progress and a future roadmap.

He discussed the City's current cybersecurity posture and efforts, which include formalizing an existing third-party risk management program and recruiting more personnel. He mentioned dealing with an extensive portfolio of services and compliance requirements across numerous business units, stressing the importance of getting risk management right.

He explained the risk and liability aspects surrounding third parties conducting business abroad. He specified the risk assessment criteria used during the onboarding process of a vendor or third party. The risk assessment criteria includes the third-party's region, potential ties with problematic entities, and history of violations. These measures were in line with what Council had asked for in the resolution.

He spoke about the organization's approach to third party risk management, security operations, and governance. He expressed satisfaction with the actions taken so far but acknowledged there still a long way to go. He pointed out that they are moving to stronger platforms and continually monitoring their operations. However, the monitoring process wasn't as consistent and automated as IT would like and were looking at new partners and platforms to introduce in Q3 to solve this issue.

He outlined several steps the organization would be taking over the next 6 to 12 months. Working with stakeholders to implement consistent requirements across all contracting vehicles, migrating to a new platform for better integration and reporting, and introducing an enhanced intelligence vendor for real-time monitoring and risk assessment. Other plans included updating the lifecycle management process, expanding employee awareness, building out the engagement

division of the ISO, and moving towards more consistent reporting. He emphasized the importance of each department understanding and accepting their own risk, explaining that the legal, purchasing, risk management, and ISO departments each have their own focus areas. He stressed the importance of the business side in assessing the usefulness and effectiveness of products from vendors and third parties.

The organization had to align its business processes and management (BPMs) in order to cover all bases. He pointed out a shift in strategy, moving from compliance-based to risk-based assessments, explaining that the former wasn't as effective in ensuring good efficacy and resource utilization.

He concluded by inviting questions or concerns from the Committee and expressing his willingness to take their feedback into account.

Committee Discussion:

CM Zvonek: At one point, you said that the resolution was a good start. Is there additional action that you need Council to take or are these things that you have the authorization or the ability to address these other security threats without any action from Council?

T. McCain: Wonderful question. Yes, thank you. At this time, I do not believe Council needs to intervene further. The resolution you gave us was a very good line in the sand. And the additional provisions that you added to help make it more flexible across the whole portfolio was really what we needed to continue to move forward. But I do feel very strongly that as our Council if you understand what we're doing. Then as you start to see the other problems hopefully that can inform you if you want to drive any further resolutions.

CM Zvonek: Okay.

CM Zvonek: Any questions for Tim? I see none. Tim, I think this was very helpful. I appreciate the update both on the resolution and the progress made. Sounds like you are very thorough, and obviously an important topic, so just keep us updated in terms of action taken, but otherwise appreciate the update and thanks for what you are doing.

T. McCain: Yes. Thank you very much for your support. You all have a wonderful day.

Outcome
Information only.

Follow-up Action
No follow-up needed.

MISCELLANEOUS MATTERS FOR CONSIDERATION
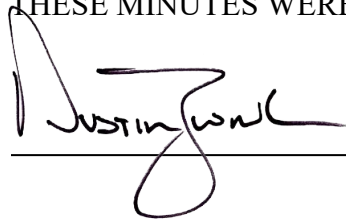
Summary of Issue and Discussion

T. Velasquez mentioned about the City's current credit upgrade from AA to AA+ and acknowledged the staff for all their work. She stated it's the work and effort by Council and staff throughout the organization that makes those upgrades possible, eventually lowering costs for issuance for the City of Aurora.

CM Zvonek inquired on the Old Hire Plans and whether there's been any updates. T. Velasquez stated both Old Hire Plans are not excited about changing the plan structures. And without the support it makes it very challenging to move those items forward. But hopefully we can continue to move forward together, and City staff will continue to support both plans.

The next meeting is tentatively scheduled for Tuesday, July 25, 2023 at 1:00 PM (WebEx)

ADJOURNMENT

THESE MINUTES WERE APPROVED AS SUBMITTED

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8/23/2023

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Date