

MANAGEMENT AND FINANCE POLICY COMMITTEE

October 24, 2023

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

Absent: None

Others present: M. Ardan, C. Argentar, B. Bell, M. Bryant, K. Claspell, M. Crawford,
J. Ehmann, B. Fillinger, G. Hays, H. Hernandez, T. Hoyle, H. Huval,
T. Kemerling, R. Lantz, W. Levine, M. Murphy, S. Newman, L. Perry,
N. Peykov, L. Saqib, T. Sedmak, J. Schneebeck, D. Sisneros, T. Tully,
T. Velasquez, R. Venegas, E. Watson, N. Wishmeyer

APPROVAL OF MINUTES

September 26, 2023 Minutes were approved.

CONSENT ITEMS

3.a. September 2023 Sales Tax Chart

September of 2023 was 0.3 percent higher than September of 2022.

Committee Discussion:

None

GENERAL BUSINESS

4.a - 2023 Fall Supplemental Ordinance

Summary of Issue and Discussion

Jackie Ehmann, Budget Program Manager, went over the supplemental request process briefly and discussed the 2023 fall supplementals. She said that this fall's process included a small number of requests, which were primarily from the Capital Projects Fund. All items with an impact to the Fund balance were projected. The few items that were not projected were technical and were there to appropriate new grant funds or designated revenue, with no impact to any fund balance.

Committee Discussion:

No discussion.

Outcome

The Committee recommended the item move forward to Study Session.

Follow-Up Action:

Staff will move forward the item to Study Session.

4.b Development Review Staff Incentive Program

Summary of Issue and Discussion

Laura Perry, Deputy City Manager, presented the Development Review Staff Performance Incentive. She explained that City Management was directed by City Council to create an incentive program for staff to complete development review approvals on-time, reinforcing Aurora's commitment for development predictability. Employee goal setting and Key Performance Indicator (KPIs) are being developed for staff with roles who support development review, including timely service delivery, quality of reviews, effective communication, and customer service. She also discussed the developments that have already been made, including the streamlining of procedures, improvement of reporting processes, tools, and manuals, better coordination with referral parties, updating technologies used, establishing metrics to measure success, developing surveys for customers, and building a strong culture of performance.

Committee Discussion:

CM Zvonek: Along the lines - as they are developing KPIs for measures – I have had actually a couple members of the community who knew that we were going this route and reached out to me and said, “Why are we incentivizing people to essentially do their jobs?” - which is a fair point, but that is also the way it works. What you incentivize gets done. So I think that, when you are thinking about the above-and-beyond aspect, we want to be at 100% or 98%. Those should be our standard operating numbers for timeliness. I think that the above-and-beyond should almost be more categories throughout each step of the development review process, such as customer focus. Is there an example where someone went above and beyond in order to help a complex issue get through, and there was a satisfactory review from a customer saying, “Hey, this was tough, but they took initiative outside of the bounds of what they would normally do and got us a resolution in a more timely manner.” And the other one would be innovation. I think we should constantly be incentivizing everybody, at every step of the development review process, to look for inefficiencies and waste, to do things more efficiently, and to make sure they are connecting those overarching goals, which are to comply with City Code and getting people through in a timely manner. So when I think of the above-and-beyond, those are two areas that are not specifically defined, but a supervisor could point to it and say, “Not only are they hitting everything in their times, but they also did X, Y, and Z in these two categories.” And I am sure there are others that I am not thinking about. Those are two that I wanted to throw out as examples.

L. Perry: Excellent. Yes. Absolutely. We will incorporate that.

CM Bergan: I am just going to agree with what you said, Councilmember Zvonek.

Outcome:

Information only.

Follow-up Action:

No follow-up needed.

4.c 2024 BID Operating Plans and Budgets**4.c.1 Business Improvement District Parkside at City Centre****4.c.2 Business Improvement District Fitzsimons****4.c.3 Business Improvement District No.1 Painted Prairie****4.c.4 Business Improvement District Havana****4.c.5 Business Improvement District No.2 Painted Prairie****4.c.6 Business Improvement District Tower****4.c.7 Business Improvement District No. 1 Windler****4.c.8 Business Improvement District No. 2 Windler****4.c.9 Business Improvement District Citadel on Colfax****4.c.10 Business Improvement District Porteos****Summary of Issue and Discussion:**

N. Wishmeyer explained that the budgets were being presented because State statute requires that all BIDs file their proposed budgets every year for City Council to review and approve. The Agenda Packet contained resolutions to approve each of the BID budgets for 2024. Resolutions included the operating plan and budget for each BID. The operating plans contained anticipated revenues and expenditures.

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.

4.d 2024 Employee Pay Resolution**Summary of Issue and Discussion:**

Ryan Lantz, Director of Human Resources, introduced Tawny Kemerling, Manager of Compensation and Classification, as the presenter for this item. She presented the updated 2024 Pay Table and Job Classification and explained that the resolution presented was for approval of

these items. She asked if the Committee supported the approval of the resolution, and that it be moved forward to Council.

Committee Discussion:

CM Bergan: Do we make sure that the job descriptions that we have match up to what the departments need? And the reason I bring it up is because we have an issue with a retail specialist area where we have been trying to fill the position for a couple years now. I was told that we went out to recruit, but the description and the pay did not match our needs. I know that was a little off topic, but how do you resolve that?

T. Kemerling: We are actively working to ensure that our job descriptions are up-to-date, and also in line with our classifications, so we do have a practice within our organization to review job descriptions annually as we are going through our annual reviews for our Pay Table.

CM Bergan: In this particular situation, it was under Andrea Amonick's department. When they put the request out to recruit for that position, who puts the classification in? Is that HR?

T. Kemerling: Yes. The Human Resources Department works with the Hiring Manager to ensure that the job description is updated prior to posting the job. Then we use the updated job description to post.

CM Bergan: The Department Head would know what you were posting before it goes out, right?

T. Kemerling: Yes. Our Human Resources Talent Acquisition group works with the Hiring Manager when they are getting ready to post for a position. Typically, they will hold an on-boarding meeting and will work with us to ensure that they've got the right job description and the right classification.

R. Lantz: The Recruiting Team will go ahead and recruit for the position, but, from an HR standpoint, we don't dictate the job descriptions. That is really on the Department to do because obviously they are the experts, and we just try to facilitate what they need.

CM Bergan: So it does not have to fit a particular job category that we have in place? It can be created as a completely new one?

R Lantz: Correct. We are willing to customize exactly what they feel is necessary and then Tawny's team goes through the analysis to make sure we are market competitive with it within the affordability of our budget.

CM Bergan: Okay. I don't know if Laura is still on, but if she could maybe follow up. I don't know what's going on and why we can't fill that for two years.

L. Perry: I will follow up on that position.

Outcome:

The Committee recommended the item move forward to Study Session.

Follow-up Action:

Staff will move forward the item to Study Session.

4.e 2024 Employee Policy BookSummary of Issue and Discussion:

R. Lantz stated his department, in collaboration with the City Attorney's Office, had completed an extensive revision of the City's Employee Policy Book. City code requires the City Manager to notify Council of any policy changes which are then subject to call up by the Council for discussion. The vast majority of the revisions to the Employee Policy Book are alignment with federal and state labor laws, clarity on employee expectations, and alignment for a user-friendly document. Those have been captured in a Summary of Changes document that is included in the M&F Packet, which highlights significant changes or additions to policy. The Summary of Change document also includes a section-by-section explanation of changes to the respective section of the Employee Policy Book.

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.

4.f Purchasing OrdinanceSummary of Issue and Discussion:

Roberto Venegas introduced this item and then Bryn Fillinger, Manager of Purchasing, presented the proposed ordinance to change Article VI of Chapter 2 of the City Code, pertaining to contracts, purchasing, and other related matters. She explained that the updates were being presented to streamline the purchasing process to allow for more timely and efficient delivery of goods, services, and construction. These updates were scheduled to be presented to the Procurement Advisory Committee on October 25, 2023. She gave a synopsis of the current wording of each ordinance being changed and explained the proposed changes to be made.

- Section 2-669. Adequate Funding Required. The Ordinance change changes the signing authority for any funding requests of \$25,000 and above from the Deputy City Manager to the Department Director.
- Section 2-670. Formal Competitive Bidding and Requests for Proposal. The Ordinance change lifts the dollar threshold requiring a formal written bid or negotiated RFP procedure

from \$25,000 to \$50,000. It also lifts the dollar threshold requiring a bid bond from \$25,000 to \$50,000 to align with the proposed change in competitive bidding thresholds.

- Section 2-671. Awards to lowest responsive bidder or most advantageous proposal (best value). The Ordinance change adds Job Order Construction Contracting as a specific category.
- Section 2-672. Authority to Make Awards. The Ordinance change allows for all awards of \$50,000 or more to be reported on Purchasing's Weekly Report to Council, subject to call-up, rather than requiring approval at a formal council meeting.
- Section 2-673. Informal Bidding. The Ordinance change allows Purchasing Managers to establish written and published procedures for solicitations to award purchase orders and contracts for amounts less than \$50,000.
- Section 2-676. Change Orders. The Ordinance change allows all change orders over \$50,000 to be reported on the Weekly Report subject to call up and also to require no reporting of change orders for construction contracts within contingency.
- Section 2-678. Surplus Stock. The Ordinance change increases the threshold for notifying Council of a donation to \$5,000.
- Section 2-680. Mandatory Requirements in City Contracts. The Ordinance change increases the threshold for performance and payment bonds to \$50,000, to align with the proposed increase in thresholds.

Committee Discussion:

CM Bergan: Regarding doing the weekly report rather than going to Council, we get so many emails that I don't know that Council Members are going to pay attention to weekly reports. Everything is on consent, so at least we can see it in our packet and then we can decide to pull it. Most things are never pulled. My question is, I don't know why things would not stay the same?

B. Fillinger: I understand the question. We are trying to make the purchasing process more streamlined and more efficient for the departments. And when an award goes to Council, it can add another month to the award process.

CM Bergan: But from a transparency perspective, the public doesn't see the weekly report.

B. Fillinger: It is available on the website.

CM Bergan: Well, it is available, but nobody is going to look that up.

CM Zvonek: I think you make a good point, but nobody is going to look at our consent agendas either, because, to your point, we just say, "They are all approved." and they go through. They are available through the purchasing link on our website if you are looking for them. As we've seen the costs and the ability to get things moving, I think it makes sense to do it this way for the same reason you think it makes as much sense to come to Council, because it's a rubber stamp, in most cases, and we can look at it. I think it will just be comment. I think we should bring this

up to the rest of our colleagues to say, “We know we get a bunch of emails, but if you are really interested in purchasing items, they are not going to be on our Council Agendas anymore. Instead, you have got to watch for these emails.”

CM Bergan: Well, I guess I still have an issue with it because, when it is on the Council Packet, it at least gives me the opportunity to see it, even though, for the most part, we don’t ever pull one. I know Council Member Jurinsky has pulled a couple of them. I guess I do understand the time frame that is the problem - that it would take – so, I don’t know.

CM Zvonek: What was the threshold again for that?

B Fillinger: To go to the formal Council meeting. The current state is anywhere from \$50,000 to \$2,000,000, if it is a single or sole source, or if we have received less than three bids or proposals through our formal process.

CM Bergan: Bryn, can you go back to that slide that shows how many goes on the weekly report vs. what goes to City Council?

B. Fillinger: Sure. And this is the bar graph?

CM Bergan: Yes. It’s the bar graph.

B. Fillinger: Councilmember Bergan, what we are trying to emphasize here is that a majority of the items currently go on the Weekly Report and very few of the items go directly to the Council Agenda. This minority of the items go to Council because they have been sole-sourced, or for various other exceptions to our procurement process. In general, most items have gone to the Weekly Report and have been available for call-up. This change is expediting the rest of the items to go through the process in a more expeditious manner. This would make everything consistent and available to the public to be reviewed and it would make everything available to Council to be reviewed and pulled up, if there were any specific questions.

CM Bergan: So what goes to Council still? Over \$2 million?

R. Venegas: Over \$50,000

CM Bergan: No, but with the new policy.

B. Fillinger: We are proposing that we do \$50,000.

CM Bergan: I guess my question is - you are talking about the \$50,000 to \$2 million and the exceptions with single source - but I just need to know what we will see on our packets that is different than before.

B. Fillinger: We are proposing that everything goes on the weekly report.

CM Bergan: Right. And you could put \$1.5 million.

B. Fillinger: Yes

CM Bergan: I don't know. I don't like that.

R. Venegas: I just wanted to step back a little bit. This might have been a good conversation, Councilmember Zvonek, when we were doing the Red Tape Committee. When you look at the through line for all these changes, it's because we have contractors and vendors who say it's very difficult to work with government because it takes so long to get things through the process. Some of the items we are proposing are trying to address firms who have to carry weight until they can get a contract all the way through. Not any one contract is the same, but typically a Council approval process adds three to four weeks. There are other items that we have put forward to update signature processes with dollar amounts that have not been adjusted for inflation. We are trying to get more of our processes in line and efficiently in order to be able to get dollars into the community, into projects, into bills, and so forth, and streamlining processes. Now there is a whole menu of changes. There is a lot there – kind of an a la carte menu. We think all of them are within that same theme of trying to be more efficient and getting dollars out into the community. In the case of the issue that you have raised, we could probably play with under a million, a million five, and see, but it's still going to be a very small fraction of the numbers. Anticipating your questions, we also talked about doing different publications of the Weekly Report to make it much more publicly facing, to make it have better positioning on City and Council websites, and to put it in different places so that not only you, but the general public, can see it. If we make the proposed changes, we will work for more visibility, because I agree that, right now, you've got to be within the City to know about the Weekly Report. The general public does not have a feel for that, so we can publicize it differently. We felt that, on the tail end, nobody was pulling these bids out. It's extremely rare, and yet we are adding anywhere between a month and six weeks before a firm can get on board to do the work. And so that is the rationale.

CM Bergan: Well then that is fine. But when it goes on the website, I hope it's not going to be like the development plans that you can't find.

B. Fillinger: I think that we will have to look and have conversations about where a better place might be for those. And, as a quick clarification, awards up to just under \$2 million would go on the Weekly Report if they were competitively solicited and we received three or more proposals.

Outcome:

The Committee recommended the item move forward to Study Session.

Follow-up Action:

Staff will move forward the item to Study Session.

4.g Non-Profit Agreed Upon Procedures Results

Summary of Issue and Discussion:

Nancy Wishmeyer, City Controller, introduced Marcie Ardan, Managing Director at FORVIS, LLP, the City's external auditor. N. Wishmeyer reported that a third-party review of non-profit spending had previously been requested and draft procedures previously approved. FORVIS had

been chosen to do the audit, and their review had been completed. She outlined the nature of the audits performed on payments made to non-profits between January 2020 and December 2022. FORVIS reviewed thirty payments, the most recent 990 Financial Statements, random samples of payments to each of the non-profits, and reimbursement requests. No issues were found, with the exception that three of the non-profits had not given their requested financial data to the auditors. In addition, each of the non-profits were researched on the Federal Audit Clearing House Website. Twenty-two were not found there, meaning either they were not required to have an audit, or they had not completed one as of the date of the auditor's report.

Committee Discussion:

CM Bergan: Did you say that twenty-two were not found?

N. Wishmeyer: That is correct. One of the tests is to look at the Federal Audit Clearing House Website that contains single audit reports from across the nation. If one of the non-profits was required to have a single audit, we wanted to see that they did not have any findings. The auditors looked at that website and determined that twenty-two of the non-profits selected for testing were not on the website. That was either because they were not required to have a single audit, presumably because they were small and did not require a single audit, or they had not completed the audit as of the date of our auditor's report.

CM Bergan: I understand those that were not required, but for those that did not complete it, what happened?

M. Ardan: I can help with her answer. Non-profits who do not receive over \$750,000 of Federal awards are not required to have a single audit, so not every single non-profit would be required to do so if they don't get the required amount of Federal funds. Sometimes it is a strategy for non-profits not to get a large amount of Federal funds. It wasn't unusual that we found this number of non-profits missing from the Website. For the ones that were present on the Website, you could see if they had findings, what the nature of their findings were, and how it would impact the City's funding.

CM Zvonek: One of the things that I think would be helpful, and would make this information actionable for us, would be to have a look at the non-profits that we give to on a recurring basis and use this as a data point. We would not necessarily say that we would reject them if they weren't found on the Clearing House Website. It would be a question of why they are not present. The answer might be simple. I do think that the three that said "no" to providing financials is a little bit of a red flag, at least for me. If it was a one-time grant, and we've already given, there's probably not much we can do at this point except to have this information for the future, but I think that knowing this type of information will be helpful as we consider future grants to non-profits that ask us for resources, particularly the ones we give to on an ongoing basis.

Outcome:

Information only.

Follow-up Action:

No follow-up needed.

4.h Internal Audit Third Quarter Update

Summary of Issue and Discussion:

Michelle Crawford, City Auditor, presented an update on the Third Quarter Internal Audit. She reported that City audit plans would return in November and that audits of Facilities Management, noncompetitive purchase processes, and Police Property and Evidence were currently active. 39% of all engagements had outstanding recommendations.

She reported that audits of City-wide governance practices, IT operational assessments, and Aurora Police Department calls for service response were completed and gave specific information about these audits.

Committee Discussion:

CM Bergan: When would they have to complete that? Is there a timeline?

M. Crawford: So, we assigned recommendations for each of those for all of those areas we gave until September 30, 2024 and I think Scott is going to go into detail on some of those areas for the IT one and some things they have already started, and so that is the targeted date.

CM Bergan: Ok. Thanks.

Outcome:

Information Only.

Follow-up Action:

No follow-up needed.

4.i Q4 2023 - Information Technology Update

Summary of Issue and Discussion:

Scott Newman, Chief Information Officer, presented the Information Technology update. He discussed the specific objectives outlined to address the findings in the audit report, such as strategic vision and plan, organizational structure, communication and collaboration, project management, and department-specific support. He said the IT Department's goal was to be the model of a valued business partner and their mission was to maintain, then improve productivity of city employees. He stated that they formalized and did a weekly standup meeting between supervisors and were starting training on processes, programs, and technology. He noted that they were creating two additional roles, business relationship manager and business success manager. He discussed the transparency portal and project management, and also ServiceNow and ServiceDesk, ticket prioritization, response times, the volume of requests, virtual chat, business engagement, the elimination of technical debt, workload management, and job classification and training.

Committee Discussion:

None.

Outcome:
Information only.

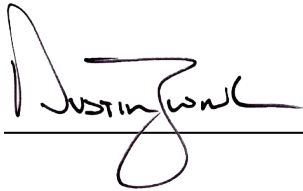
Follow-up Action:
No follow-up needed.

MISCELLANEOUS MATTERS FOR CONSIDERATION

The next meeting is tentatively scheduled for November 28, 2023 at 1:00 PM (WebEx)

ADJOURNMENT

THESE MINUTES WERE APPROVED AS SUBMITTED



11/29/23

Date