



Denver City Council

Summary Finance & Technology Services Committees

Date: Wednesday, January 18, 2006 1:30 PM Council Conference Room

Finance Committee Members Present: Boigon, Chair; Faatz, Vice-Chair;
Lehmann, MacKenzie,

Technology Committee Members: MacKenzie, Vice-Chair; Boigon, Faatz

Committee Members Absent: Brown, Garcia, Hancock, Wedgeworth
Other Council Present: Johnson

Joint with Technology Services

1. Briefing: Financial System Upgrade Project Briefing

Summary of Discussion

Michael Locatis, Technology Services, discussed the upgrade of the financial system that is currently underway in the City. He explained that the software had not been regularly upgraded every two years as recommended resulting in a more complex upgrade project. Mr. Locatis said the system upgrade is needed to address concerns raised in an audit about security and financial controls. In addition, a new system is necessary to re-establish vendor support for maintenance which had terminated due to the age of the system. Other project goals cited by Mr. Locatis were:

1. Improve user tools and add critical functionality, such as automated creation of W2 and 1099 forms
2. Improve accounting operational efficiencies
3. Version consistency with HR and Payroll systems improves training efficiencies
4. To contain costs which will increase the longer we wait to upgrade our outdated financial system

Mr. Locatis explained that the new system will be accessed by users on the Web instead of being installed on individual computers. This will reduce IT support and maintenance costs and improve user accessibility.

Only two contractors were available to choose from for software for a large City like Denver: Oracle and SAP. Mr. Locatis explained that Oracle was chosen for a variety of reasons, including its greater flexibility and capacity to integrate seamlessly with other Denver technology.

Mr. Locatis explained that the project is governed by a steering committee represented by all City agency users. The group approved the upgrade in mid-2004 and by early 2005 a contract with Oracle was completed. It was decided that the best time to complete the upgrade was March through November of 2005—the critical time period between the conclusion and beginning of year-end financial activities.

Mr. Locatis described problems completing the project on time due to staff turnover, lack of agency report writing expertise, and other issues. This is why agencies are behind in getting their financial reports from the Auditor. Mr. Locatis said that in retrospect they did not do a good job of communicating the timeline to agency customers. Financial report testing and tuning is currently in process and Mr. Locatis predicted it would be completed by January 23, 2006.

Mr. Locatis feels that the Controller's new financial systems user group will be valuable in coordinating training, identifying future system issues, advancing customer capacity on the new system, and learning how to improve implementation of large projects in the future.

Other projects planned for future technology upgrading currently or in the near future are:

- *Public Safety Track*
 - Records Management Systems
 - 9-1-1 Communications Center & OEM Systems
 - Safety Radio Communications Systems
- *3-1-1 Track*
 - Constituent Relationship Management (CRM) System
 - Call Center Multi-Channel Constituent Contact System
- *City-Wide (Enterprise) ERS Track*
 - Financial System
 - Human Resource Management System

2. Program briefing: Revenue Department

Summary of Discussion

Cheryl Cohen-Vader, Revenue, introduced her management team; David Hart, Treasurer, John Ragan, Assessor, Darlene Martinez, Motor Vehicle; and Bettye Enders, Administration. Ms. Cohen-Vader described the Revenue Department as the City's banker with responsibility for investing funds, managing debt, collecting revenues, among other functions.

Primary functions for the three divisions in the Revenue Department were presented as follows:

Treasurer

- Collects, records, and deposits all City taxes and other revenues
- Distributes money required by law
- Manages the City's cash and investments
- Issues all City bonds and manages the City's debt
- Audits for business tax compliance
- Custodian of funds received by City & County

Assessor

- Locates, appraises, and values all taxable real and personal property per state statute
- Appraises all taxable property within the City
- Certifies the total amount of assessed value for each taxing jurisdictions
- Prepares and delivers tax warrants to the Treasurer for collection
- Maintains records of exempt property

Director of Motor Vehicle

- Licenses/titles all motor vehicles, trailers and special mobile machinery within the City and County
- Supports emission control laws
- Certifies fees and tax to the Treasury for distribution
- Asses and levies taxes and fees per state statute

Ms. Martinez mentioned that the state will be upgrading its computer system but that Denver has gotten a commitment from the state not to be included in the first wave of the project. She expects that the conversion will go more smoothly in Denver if it is tested first in some smaller jurisdictions.

Councilwoman Lehman requested that Revenue reconsider its decision to close the Motor Vehicle office in southeast Denver.