



Finance Committee Summary

Wednesday, November 7, 2007

1:30 p.m.

3rd Floor Council Conference Room

Committee Members Present: Faatz, Chair; Brown, Lehmann

Committee Members Absent: Boigon, Robb

Other Council Present: Garcia, Hancock, Lopez

Agenda:

- 1) Denver Health & Hospital Authority – 2008 Operating Agreement
 - 2) Clerk & Recorder supplemental & Election Day technology problems
 - 3) City Council video equipment purchases
 - 4) Public Education Government Access (PEG) fee allocation
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1) Denver Health & Hospital Authority (DHHA) - 2008 Operating Agreement:

Committee Action

The Committee approved the 2008 Amendment to the Amended and Restated Operating Agreement between the City and Denver Health & Hospital Authority for Core Services (services that the City must purchase from the Authority) and Non-Core Services (services which the City may purchase from the Authority and services provided by the City to the Authority). The amended agreement reflects funding levels from the City to DHHA for services in the amount of \$49,472,588 and the City will receive funds in the amount of \$1,744,055 for City services provided to DHHA. In addition, the agreement adds a reference in Section B-11 confirming funding support in the amount of \$243,519 from the City to construct the new permanent Park Hill Clinic (Dahlia Project).

Committee Discussion

Nancy Severson, Environmental Health, stated there were no substantive changes to the Core Services sections of the agreement (see attachment). The patient care services component is the largest portion of the Core Services budget expenses, Denver CARES added a special unit for veterans, and the clinical and laboratory services have decreased because toxicology is no longer provided by DHHA for Environmental Health. Two changes to Non-Core Services includes the addition of one more employee occupational health and safety clinic and language included in Section B-11 that would appropriate money by the City for construction of the new clinic in Park Hill in the amount of \$243,519. Ms. Severson indicated that the City's commitment for funding of the Park Hill Clinic would need to be approved annually by the agreement and that the first payment would be in the amount of \$150,000.

Councilmember Faatz questioned if DHHA has pursued other health opportunities including marketing the hospital as a health provider. Peg Burnett, DHHA, indicated that DHHA continues to work on options, but the market is costly. They are increasing their marketing to Denver employees and she will have enrollment numbers by Friday. In addition, the Councilwoman noted there has been inquiries as to possible changes in emergency services personnel (paramedics) and wanted to let the public know what DHHA plans. Elbra Wedgeworth, DHHA, reported the hospital has looked at various emergency models, but as no plans on implementing a new system. The emergency system used now will remain.

Councilmember Garcia asked if this agreement was separate than the money's approved by the bond proposal and would any changes come back to Committee for Council approval. Shaun Sullivan stated that any changes to the agreement would come back to Committee for Council approval.

Councilmember Lehmann asked how the hospital was impacted by other hospitals relocating out of Denver. Stephanie Thomas, DHHA, indicated that pediatric areas have shown an increase. Twenty-five percent reported in August and 15% in September. DHHA is preparing to see major changes in 2010 when St. Anthony's is scheduled to relocate. Ms. Severson said the City is looking at short and long term planning and watching closely for medical trends and will be preparing by using a regional approach. Currently, clinics are at capacity.

Ms. Burnett said the hospital was planning on making its payment to the Denver Employees Retirement Board for its employees no later than December 7, 2007.

2) Clerk & Recorder supplemental & Election Day technology problems:

Committee Action

The Committee approved a supplemental in the amount of \$170,000 to the Clerk & Recorder's Office related to expenses associated with on-call staffing needed for foreclosure processing and for a new unbudgeted position added to the office as a result of Charter changes approved in January 2007.¹

Committee Discussion

Stephanie O'Malley, Clerk & Recorder, reported that most of the supplemental request is for on-call staffing required to keep up with foreclosure processing. To date, seven thousand foreclosures have been processed by the agency. She explained that 10 on-calls were added to keep up with the market-driven work and that election workers were separate from the Clerk recording side of the agency. Councilwoman Faatz questioned the need for the higher-level position. Ms. O'Malley explained that a communications/marketing manager position is required to oversee many responsibilities that are required of elections, especially with a presidential election coming next year. It will be critical to have experienced and appropriate personnel responding to different issues, including campaign finance.

¹ Ed Scholz, Budget & Management, provided an updated document reflecting the current contingency reserve amount including the Clerk & Recorder supplemental resulting in a remaining balance of \$6,368,000 (see attachment).

Councilwoman Faatz asked for an explanation as to why the November 6 election results were not posted throughout the election? Ms. O'Malley reported that 146 individuals were working during the election, including full-time employees, judges, and other volunteers. Historically, senior people are predominantly the helpers, but tend to come early and leave before dark. Staff watches voter trends two weeks before the election, and in this case, the trends did not anticipate what happened. On November 6 the Election Division received 22,000 ballots, more ballots than what had been received in the weeks leading up to the election. As a result, more help was needed to augment counting of the ballots. The Election Division cannot start counting ballots until one week before an election. Because of the amount of ballots received in one day, more help was required. Twenty SWAT personnel were brought in to assist with these chores from 10 p.m. until 3:30 a.m. Bringing in personnel on short notice is a problem. At this time staff is evaluating the costs for bringing in this personnel. Since changing the agency structure into Career Service, the office now has to obtain its part-time help from CSA's ASA II (on-call positions) list. The Clerk's Office must wait until the labor-pool is certified by CSA in order to hire help, but this is not helpful when the office must get assistance quickly. In addition, election duties must be segregated and in its current location, there are critical space constraints which are slowing down the election chores. Ms. O'Malley reported that her agency and its equipment must be moved from its current locations to be able to handle the presidential election next year and move its equipment from the 38th and York site because this was also causing inefficiencies.

Molly Rauzi, Director of Technology Services, explained that the web posting problems and lack of information on election returns had nothing to do with the Clerk & Recorder's Office. She apologized to City Council and the public for the technological failure. The root cause has not been determined, but a team was assembled to try to get the file (election information) physically transferred onto the website, unfortunately, the website was failing and would not accept the information, something that has never happened before. The mainframe failed and staff is working diligently to answer why. Ms. O'Malley stressed that election equipment **is not connected** to technological equipment and the software **does not talk/integrate to one another**. Ms. Rauzi explained there are expensive software tools that can be purchased to conduct testing to avoid this type of incident. In this case, staff developed an alternative by writing another application for the system and the Election Office sent out information by fax and email to get the information to the media and public.

Michael Scarpello, Clerk & Recorder - Elections Division, said they are hoping to finish the ballot counting by today. They have approximately 4,000 duplicate ballots. Duplicate ballots are ballots that the equipment have rejected and cannot be read. Staff duplicates the ballot so that scanners could read the information.

Councilmember Faatz asked if results were in regarding referred question 1H (new construction for cultural). Mr. Scarpello noted that early information shows 51% in favor and 48.39% against.

Councilmember Hancock said it was critical that the Clerk & Recorder's Office have sufficient space and personnel for elections. He outlined the following specific issues that need to be addressed for future elections:

- Work with Career Service Authority to assure that temporary help could be hired quickly when the need arises and increase age diversity within hiring;
- Develop an aggressive communications strategy for all types of elections, including preparing for next years polling election.

- Obtain a facility that meets space and equipment needs;
- Assure that appropriate staff is hired to perform the work required of paper balloting or other types of elections.

3) City Council video equipment purchases:

Committee Action

The Committee approved releasing \$551,014.10 in Public Education Government (PEG) access funds to purchase robotic cameras, fiber optic transport system, and control room video/audio equipment for the City Council Chambers, City Council Committee Room, Law Library, and the control room; and for construction consulting services.

Committee Discussion

Darryn Zuehlke, Office of Telecommunications, stated this proposal would keep City Council current with digital equipment needs. A request for proposal was released for a vendor to provide the services. Another ordinance request will follow soon for approval of the contract for these services.

4) PEG fee allocation discussion:

Committee Action

The Committee approved changing the percentages for the I-Net (DIANE) Fund from 50% to 25% and increasing the PEG fee allocation from 50% to 75% stipulated on obtaining the legal opinion regarding these changes and confirmation that an ordinance is not required for Council approval.²

Committee Discussion

Darryn Zuehlke, Office of Telecommunications, said the City began to collect PEG fees in 2003 under the Franchise Agreement. He noted that David Broadwell from the City Attorney's Office stated that an ordinance was not required for this change. This transaction does not impact Qwest and there would be no revenue lost. Councilmember Faatz requested that Mr. Zuehlke get confirmation from the City Attorney's Office regarding a requirement for an ordinance on this issue.

Debra Bartleson
Legislative Services

² Subsequent to the meeting, David Broadwell, City Attorney's Office, affirmed that the Committee of Reference (Finance) could approve the PEG Capital Fund and I-Net Fund split by Committee decision and the action does not require legislative approval.