



Finance Committee Summary

Wednesday, July 2, 2008

1:30 p.m.

3rd Floor Council Conference Room

Committee Members Present: Faatz, Chair; Boigon, Vice-Chair; Brown, Lehmann, Robb
Other Council Present: Garcia

Agenda:

- 1) Budget discussions: District Attorney's Office, Dept. of Safety, Technology Services
- 2) Treasury Division - tax software contract

Councilmember Faatz reiterated that the following budget discussions are designed to help the public understand the City process for developing annual budgets and are in no way meant to micro manage any City agency's budget process. She welcomed Mitch Morrissey, District Attorney, to the meeting to discuss the differences between the District Attorney's budget process and the City's budget process. Agency representatives were asked to discuss the following questions:

Discussion questions:

- a) **What is your current budget and what amount does 2.8% represent to your budget?**
- b) **To meet the Mayor's requested 2.8% budget increase, what top three strategies and/or reductions is your agency considering to close the funding gap?**
- c) **If additional funding becomes available, what three expansion areas are your top priorities?**
- d) **How do your "belt-tightening" strategies and expansion goals correlate with the City Council's top five goals and priorities (Graffiti, Neighborhoods, Economic Development, Mobility, and Children & Families)?**

District Attorney's Office:

Mitch Morrissey, District Attorney, stated that the District Attorney's Office (DA) is an independent agency of the City whose mission is to prosecute misdemeanor, juvenile, and felony cases in County, Juvenile, and District Courts. He explained that he is an elected state official for Denver's Second Judicial District, as required by State Statute. Because of their relationship to the State and the City, the DA's Office was not asked to reduce its budget by the 2.8% and is exempt from the City process. As a professional courtesy, he and his staff work directly with the Mayor's Office and they work together to be included in the City's budget process. He noted that the agency has already been operating by a 2% reduction in operations. The DA's budget is \$17.5 million and the agency is supported by various federal grants, Victim Assistance Municipal Surcharge (Victim Assistance and Law Enforcement - VALE), and the Victim Assistance State Surcharge. Most recently, the agency received a Cold Case DNA federal grant which the agency shared with the Denver Police Department. Mr. Morrissey indicated that they have increased their 2008-2009 budgets by 6%, which would represent a budget in 2009 at \$18.5 million. He explained that the state gave Denver three

new district courts to cover and that meant increasing attorney staff, so they are anticipating a supplemental. The increase would also include an additional investigator position.

Questions:

- 1) How many attorneys are employed with the DA's Office and do their salaries compare to other jurisdictions? (Brown) Eighty are currently employed. Last year, City Council approved the Pay Survey salary increases for attorneys and that was appreciated. Denver's pay is comparable to other jurisdictions performing felony work. (Morrissey)
- 2) What programs would you enhance, if you could fund them more? (Faatz) More funding into the Gang Unit - this unit has worked hard and it has paid off by increased federal indictments; County Court - need more attorneys to handle multiple cases, in 2008 alone the case load for courts has increased by 14%; Economic Crime Unit - need more investigators (consumer fraud and financial exploitation), especially at the front end of the work, but need more senior and experienced personnel. (Morrissey)
- 3) You mentioned at a recent meeting, problems with unlicensed drivers, explain the challenges? (Faatz) Every year 8,000 to 9,000 people drive without appropriate licensure and insurance. The figures show that in 2008, there are approximately 22,000 people non-compliant, and still driving. These figures are higher than the DUI cases, but the police department is concentrating on those cases. The DA is attempting to get individuals on the road with appropriate licensing, but these violations are considered major traffic offenses and repeated offenses require jail time. (Morrissey and Chuck Lepley, District Attorney's Office)
- 4) Is the funding for the Drug Court Unit sufficient? (Garcia) Donations and commitment from the state is ongoing. This court will graduate 90 people which represent a 30% success rate, but will hold off in stating its impact until there is sufficient data to back up its success rate. Hopefully, the program will be able to show no one going back into the system and that it would show a correlation to lower crime rates. OMNI is in place to track the data and the data/figures should be available in mid August. (Morrissey and Regina Huerter, Crime & Prevention Commission)
- 5) Why have misdemeanor cases increased and do you have a problem with attracting and recruiting attorneys? (Lehmann) The higher caseloads could be attributed to increased law enforcement. The office has not incurred problems with recruiting attorneys and they attempt to hire based on diversity to be representative of the entire community. (Morrissey) The Councilwoman suggested they recruit at Colorado University and Denver University if they are seeking candidate pools that represent diversity.
- 6) How do the DA's goals correlate to City Council goals? (Faatz) Practically all goals are related. DA responsibilities and goals include public safety for neighborhoods and families, including initiatives to deter graffiti. (Lepley)

Department of Safety:

Mel Thompson, Dept. of Safety, reported that the Safety Department has a large budget than other agency budgets combined. Safety personnel represent 87% of the budget and approximately \$400 million out of the General Fund; which is broken down as follows: Police (\$174 million), Fire (\$98 million), Sheriff's (\$86 million) and other safety agencies (\$57 million). The budget includes personnel for: 1,147 officers, 760 sheriffs, 916 firefighters, and 660 civilians. The gap and/or maintaining the 2.8% means an \$11 million reduction. The agency is looking at one-time reductions and on-going efficiencies, in addition to coordinating with the Mayor's goals to reach the reduction amount. Salaries and command pay are set based on the collective bargaining agreements and recently the approved salaries begin at 4%, which will be challenging to the budget and means that the department will need to evaluate reductions in staffing. The evaluation includes looking at type of work and determining if civilian personnel can perform the work instead of non-civilian or contractor

personnel; and determining the best use of over-time versus on-call assignments. Mr. Thompson explained that there was no finite way to determine if overtime or on-call assignments were less expensive to pay for because it depends on the type of service that is being performed, for example, the Sheriff's Department has spent approximately \$5 million on overtime, but it might be less expensive to hire additional sheriffs. He added that the Police Department has over authorized strength, but the department does not want to eliminate any cadet classes as it had in 2003, but will not finalize any decisions, yet.

Questions:

- 1) Is there a difference between on-call and being called to an event? (Robb) The bargaining agreements address pay. (Thompson)
- 2) How does the Dept. of Safety create revenue? (Robb) The department generates revenue from photo radar and for other services provided (parades, Bronco and Rockies games, etc.). The Fire Dept. generates revenues for fees (inspections), not fines. The goal for the Fire Dept. is to recover costs for services not to generate revenue. The agency is currently conducting a cost analysis and should be finalizing the study soon. Part of what is being looked at is billing for other expenses in addition to personnel costs. (Thompson) Councilmember Robb cautioned that charging additional fees to small businesses for fire inspections could negatively impact them.
- 3) How would fees be priced out – indirect or direct costs? (Boigon) The dept. utilizes the PRM system – a cost allocation program. At this point, the dept. is analyzing this information.
- 4) If funding were available, what areas would be expanded? (Faatz) The dept. is working with the deputy chiefs for police and fire and the Undersheriff, but if there were funding available (Thompson):
 - Police: very little expansion is expected due to over-authorized strength, gang unit and support positions for the scientists and property units would be increased, in addition to technology support.
 - Fire: the DNC funding has allowed the dept. to increase its equipment needs not on the replacement program, but additional funding could be allocated to increased equipment and enhanced servicing for fire vehicles/trucks.
 - Sheriff: funding for gang initiatives in the jail to deter individuals being released to return, the division does a great job at providing meals efficiently.
- 5) The Justice Center is scheduled to open in 2010, are the costs and savings still on target? (Garcia) The center will be staffed with current staffing, and at this time, transportation costs could change, but gas is a problem now. (Thompson) Councilmember Garcia requested an update on the Justice Center budget.
- 6) Have you asked for additional technological/systems training? (Faatz) The Dept. of Safety is operating on a Records/Information Management System and is working with key personnel to make it easier for officers in the field. The data collection and entry in the system is assisting officers who have computers in vehicles to obtain current information. The training for officers is based on National Best Practices. (Molly Rauzi, Technology Services)
- 7) There were complaints by officers that some of their work involved unnecessary duplication of reports. Has this issue been addressed? (Faatz) That problem is being addressed by Chief Lamb, but someone will follow up with that issue. (Rauzi)

Mr. Thompson noted that the Dept. of Safety goals aligned with City Council goals which include a large focus on graffiti coordination – abatement, enforcement, and prevention. Regina Huerter, Crime & Prevention Commission, commented that the Commission has implemented a comprehensive gang model to address graffiti and gang problems. Councilmember Faatz questioned if there were costs associated with the problems. Amber Callendar, Mayor's Office, said she didn't have the figures

today, but would provide the information later. Councilmember Lehmann noted that some of the problems are attributed to surrounding counties who do not have the same type of legislation prohibiting open purchase of materials. Ms. Huerter noted this was an issue, and that the City of Lakewood was looking into drafting an ordinance now, but she wasn't sure about the City of Glendale. The Councilwoman suggested that the Commission look to the Chambers for assistance. Councilmember Robb noted that a meeting is scheduled for the Council of the Whole in August for a briefing on graffiti. Ms. Huerter indicated that a recent state house bill failed that would establish a regional graffiti task force, but there is discussion about modifying the legislation and re-filing the bill to address enforcement.

Councilmember Garcia asked how the budget directives were going to impact the Commission. Mr. Thompson stated that the Crime Prevention Commission (CPC) was also exempted from the reductions. The CPC's budget for 2008 is \$2.9 million and the budget for 2009 is \$3.5 million. The legislation that created the CPC is silent on its budget and funding after 2009.

Technology Services:

Molly Rauzi, Technology Services (IT), explained that the organization is considered an internal servicing division in support of all City agencies. Its two-layered approach includes service management (customers) and investment portfolio to support customers with staff and equipment. The 2008 IT budget is \$36.2 million and 2.8% of that amount equals approximately \$1 million in reductions. Personnel represent 65% of the budget. In order to close the budget gap, she is working closely with Budget & Management to see where they can reduce in areas of supplies and other services provided by IT. Ms. Rauzi outlined larger initiatives the agency is working on including announcement of a seventh communications tower to provide more comprehensive coverage for police radios.

- Identified funding for the seventh communications tower effective this year which involves a coordinated system for enhanced coverage in Denver – and the agency will continue to work on the inoperability systems;
- 311 data services;
- Replacement of the City's sales tax system – three year investment;
- City Council's legislative business software – scheduled for November 1 kickoff;
- Performance Management System – for Auditor's Office;
- New KRONOS Time and Attendance System; and
- HR upgrades.

Ms. Rauzi stated they are working with Community, Planning & Development/Neighborhood Inspection Services (CPD/NIS) to determine how field inspectors can use technology (handheld devices) in the field. They hope to conduct a business analysis to determine how the various components can be integrated together. CRM is the system currently being evaluated to see if NIS could log into CRM to retrieve core data and then move to analyze the technology required. At this point, the agencies are not sure of what hardware or software would be needed.

IT priorities are aligned with City Council, explained Ms. Rauzi. Graffiti, mobility (maps), Channel 8, and other services support information to the public for safety, mobility, and neighborhood enhancements. The goal is to make decisions based on "business intelligence" (actual information). Councilmember Garcia questioned if the Office of Telecommunications will move under the IT budget? Yes, if approved by Council, stated Ms. Rauzi. Councilmember Robb asked if IT was part of the Strategic Transportation Planning (STP). Yes, after the initial planning is finalized, stated Ms. Rauzi.

2) Tax software contract:

Committee Discussion

Molly Rauzi, IT, explained that the upgraded tax system project was approved in the 2008 budget. There are no actions required by Council today, explained Ms. Rauzi. The Dept. of Treasury and IT Services wanted to provide information about where they are at in the request for proposal (RFP) process. The RFP responses were due in May and negotiations will begin in July with the hope of selecting a vendor by the end of July (see attachment). There will be multiple contracts, explained Bob Gibson, Dept. of Finance. The City still needs to determine how much to borrow and what the financing structure will be and this needs to be done by 2009, stated Mr. Gibson. The City would contract with the bank, not the vendor(s). Ms. Rauzi indicated that a team is working together to make decisions on what the system should look like and to look at various ways people can pay their taxes.

Councilmember Faatz asked Beth Machann and Steve Ellington, from the Dept. of Finance to outline why this is a good plan to change systems:

- The current system is unstable;
- Making revisions by backtracking or re-entering data is difficult and a new system would provide timely reports;
- Proposed system would be user-friendly and would interface with PeopleSoft, so integration is simple;
- New system is more efficient and has more capabilities – making changes to penalty rate will no longer take 18 months; and
- More of the information can be on the internet (modernization).