DEPARTMENT OF FINANCE
PEAK PERFORMANCE 2.0 REVIEW
APRIL 30, 2014

2013 PERFORMANCE REVIEW
2014 INNOVATION PLANNING
• Welcome and introductions
• Performance management and innovation
• Lights on dialogue: takeaways and next steps
Citywide Vision

• We will deliver a world-class city where everyone matters.

Agency Vision

• To provide financial management that mirrors the best practices of the public and private sectors, and maximizes value for citizens.
Mission

To ensure the delivery of effective and efficient City services through sound financial management

Mission Alignment

- **Kids** (indirect impact)
- **Jobs**
- **Safety Net**

Sustainability & Customer Experience (direct impact)
Strategic Plan Overview

Our Mission
To ensure the delivery of effective and efficient City services through sound financial management

Our Vision
To provide financial management that mirrors the best practices of the public and private sectors, and maximizes the value for citizens

Theme 1
Transparency & Accountability

Theme 2
Responsible Resource Management

Theme 3
Financial Sustainability

Theme 4
Excellent Customer Experience
Measuring Mission Level Metrics

- Meets or exceeds standard
- Within 10% of standard
- Not meeting standard
- Trending positively from the last reporting period
- Trending negatively from the last reporting period

A color and direction will be combined to form the following:
### Mission-Level Metrics: 
#### The Financial Position of the CCD

<table>
<thead>
<tr>
<th>Current Measure:</th>
<th>Performance Measure:</th>
<th>Progress:</th>
<th>Standard set by:</th>
<th>Last Measure:</th>
<th>Standard/Goal:</th>
</tr>
</thead>
<tbody>
<tr>
<td>On target</td>
<td>Maintain AAA Bond Rating</td>
<td>🟢</td>
<td>Agency</td>
<td>4Q 2013: AAA</td>
<td>Maintain</td>
</tr>
<tr>
<td>On target</td>
<td>Maintain DIA's A+/A1 Bond Rating</td>
<td>🟢</td>
<td>Agency</td>
<td>4Q 2013: A+/A1</td>
<td>Maintain</td>
</tr>
<tr>
<td>2012: $1,782 billion</td>
<td>Net position (assets and deferred outflows)</td>
<td>🟢</td>
<td>Agency</td>
<td>2011: $1,711 billion</td>
<td>Maintain</td>
</tr>
<tr>
<td>On target FY2014 estimate: 17.5%</td>
<td>% of Undesignated Balance in the General Fund</td>
<td>🟢</td>
<td>Agency &amp; City Council</td>
<td>2013: 21.9%</td>
<td>15%</td>
</tr>
<tr>
<td>Net Direct Debt per Capita – 12/1/2013: $1,425</td>
<td>Debt per capita</td>
<td>🟢</td>
<td>Agency</td>
<td>Net Direct Debt per Capita – 12/1/2012: $1,538</td>
<td>Control per capita debt as a factor for bond rating</td>
</tr>
<tr>
<td>2012: 76.4%</td>
<td>Actuarial funded ratio of Denver Employees Retirement Plan</td>
<td>🔴</td>
<td>Agency</td>
<td>2011: 81.6%</td>
<td>Maintain strong funded ratio</td>
</tr>
<tr>
<td>2013: (0.13%)</td>
<td>Basis points by which return on investment portfolio exceeds benchmark return</td>
<td>🔴</td>
<td>Agency</td>
<td>2012: 0.51%</td>
<td>+6 (2014)</td>
</tr>
</tbody>
</table>
### Mission-Level Metrics: Operational Functions

<table>
<thead>
<tr>
<th>Current Measure:</th>
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<th>Progress:</th>
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<th>Last Measure:</th>
<th>Standard/Goal:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013: $1,323,284</td>
<td>Subrogation recovery</td>
<td>↓</td>
<td>Agency</td>
<td>2012: $1,401,682</td>
<td>$1,400,000 (2014)</td>
</tr>
<tr>
<td>2014 YTD: $187,100 costs avoided</td>
<td>Costs avoided through management of CCD's real estate</td>
<td>↑</td>
<td>Agency</td>
<td>4Q 2013: $152,400 costs avoided</td>
<td>$166,200 (2014)</td>
</tr>
<tr>
<td>Q1 2014: 9.5% vacant</td>
<td>Vacancy rates in CCD buildings</td>
<td>↑</td>
<td>Agency</td>
<td>2013: 12%</td>
<td>11% vacancy</td>
</tr>
<tr>
<td>2013: 1.23% delinquency rate</td>
<td>Timely and accurate collection of sales tax (delinquency rate)</td>
<td>↑</td>
<td>Agency</td>
<td>2012: 1.47%</td>
<td>1.4% (2013)</td>
</tr>
<tr>
<td>2013: 3.53% delinquency rate</td>
<td>Timely and accurate collection of occupational privilege tax (delinquency rate)</td>
<td>↓</td>
<td>Agency</td>
<td>2012: 3.69%</td>
<td>3.5% (2013)</td>
</tr>
<tr>
<td>in development</td>
<td>Sales of residential property verified per day</td>
<td>TBD</td>
<td>Agency</td>
<td>22.8 sales verified per day (2012)</td>
<td>22 Days</td>
</tr>
<tr>
<td>On target</td>
<td>GFOA Award for Excellence for the CAFR</td>
<td>↑</td>
<td>Agency</td>
<td>Achieved</td>
<td>Annually achieve GFOA award</td>
</tr>
<tr>
<td>Published fiscal information on Transparent Denver</td>
<td>Increase fiscal transparency</td>
<td>↑</td>
<td>Auditor and Agency</td>
<td>n/a</td>
<td>Publish additional fiscal information</td>
</tr>
<tr>
<td>Current Measure:</td>
<td>Performance Measure:</td>
<td>Progress:</td>
<td>Last Measure:</td>
<td>Standard set by:</td>
<td>Standard/Goal:</td>
</tr>
<tr>
<td>------------------</td>
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<td>---------------</td>
</tr>
<tr>
<td>Jan/Feb 2014: $56 million</td>
<td>Increase in online payments for agencies that removed convenience fees</td>
<td>↑</td>
<td>Jan/Feb 2013: $24 million</td>
<td>Agency</td>
<td>in development</td>
</tr>
<tr>
<td>March 2014: (00:32:37)</td>
<td>DMV Lobby: average wait time</td>
<td>▼</td>
<td>February 2014: (00:31:05)</td>
<td>Agency</td>
<td>38:00 minute wait time</td>
</tr>
<tr>
<td>March 2014: (00:04:33)</td>
<td>DMV Counter: average service time</td>
<td>▼</td>
<td>February 2014: (00:04:29)</td>
<td>Agency</td>
<td>5 minute average service time</td>
</tr>
<tr>
<td>1005 claims</td>
<td>Reduce number of Workers’ Compensation claims filed through loss prevention and education</td>
<td>▼</td>
<td>2013: 974 claims</td>
<td>Agency</td>
<td>in development</td>
</tr>
<tr>
<td>in development</td>
<td>Employee hours/property tax valuation appeal</td>
<td>TBD</td>
<td>2.35 hours (2013)</td>
<td>Agency</td>
<td>2.00 hours</td>
</tr>
<tr>
<td>Q1 2014: 40%</td>
<td>Increase the % of business taxpayers registered to use online system</td>
<td>↑</td>
<td>2014: 34.32%</td>
<td>Agency</td>
<td>40% (2014)</td>
</tr>
</tbody>
</table>
Opportunity Analysis

I. Strengths to maintain / enhance
- Close to or Exceeding Goal:
  - Facilities Condition Assessment (FCA)
  - Creation of a Special Districts Section
  - DMV convenience fee waiver
  - DMV data mailer
  - Connecting PeopleSoft HR to Financials
  - Social Impact Bonds
  - Employee job preparation and training
  - One-stop tax filing

II. Strong but unlikely for further investment
- Strong ROI Potential:
  - Project between Assessment and TS to allow electronic attachments to property tax valuation appeals
  - Taxpayer education for excise and property tax
  - Queue management in Taxpayer Services
  - Downloading the Multiple Listing Service (MLS) data to allow mismatches with Assessment parcel data to be flagged

III. Low Priority Improvements
- Lower Priority:

IV. Top Innovation Opportunities
- Mission Critical:
Innovation Plan: Completed and In-Progress

Innovate!

- JDIs – Just Do Its
- RIEs – Rapid Improvement Events
- Projects – Larger scope, usu. Multi-agency
- New/Updated Technology
- Strategic Resource Alignments (SRA’s)

Completed:
- Enterprise Cashiering implemented in some city agencies, with new clients coming on each year
- Charter amendment allowed CCD to invest in new asset classes
- RIE*: The Controller’s Office Automated Clearing House initiative increased direct vendor payments & reduced checks
- DMV launched a new website, including a “checklist” for customers that is receiving good feedback
- RIE*: The Controller’s Office journal workflow project reduced processing time of journals from 9 days to 6 days
- The Controller’s office led the implementation of Transparent Denver
- 18 employees trained as Black Belts, 277 trained as Green Belts, 5%/81% of employee base trained

In-Progress or Near-Term:
- A multi-agency group is implementing the Facilities Condition Assessment
- RIE*: Risk is currently working on an event to streamline claims for property damage through inter-agency cooperation
- JDI*: The Controller’s office is planning an event to develop targeted email communications about timesheet and personnel
- JDI*: Payroll plans to develop on-line Kronos training for new hires
- JDI*: This event will improve telephonic response time by Payroll employees
- Treasury is planning a project to standardize tax audit write-up process
- RIE*: Treasury will introduce queue management for Taxpayer Services
- Assessment is working with TS to download Multiple Listing Service (MLS) data to allow mismatches with parcel data to be flagged

* This was a Peak Event facilitated by Peak Academy and/or led by a Peak trained DoF employee
Innovation Tracking

Financial

- Hard/Soft Savings: $101,944 hard savings and $942,687 of soft savings since 2011 from Enterprise Cashiering
- Hard Savings: $24,420 saved in the 2013 ACH vendor payment project
- Hard/Soft Savings: $4,133 hard savings and $29,695 soft savings from the JDI to convert Kronos payroll change requests to an electronic process
- Hard Savings: $58,000 in hard savings from the PS Upgrade and Journal Workflow project
- Revenue: Anticipate additional incremental investment earnings of approx. $1.8M (GF) and $4.5M (DIA) from the new ability of CCD to invest in new asset classes
- Total 2013 DOF identified savings from Peak events = $1,196,947.10
- Total 2013 DOF actualized savings from Peak events = $289,261.19

Service Level Improvements – and Links to the Agency Mission and Themes

- Helping citizens to make payments on-line (excellent customer service)
- Reduction of procedures and hassles for CCD employees (excellent customer service)
- Greater diversity of CCD’s asset classes provides better security for the overall portfolio (Responsible resource management & fiscal sustainability)
- Implementing the Transparent Denver website (transparency and accountability)

Human Development

- JDI & REI events streamline processes to save employee time and allow human resources to be used elsewhere
- 5% of workforce trained as Lean Black Belts; 81% as Green Belts
# Customer Experience Improvement Update

<table>
<thead>
<tr>
<th>Description of CE Project:</th>
<th>Project Status:</th>
<th>Service Level Improvements:</th>
<th>Metric:</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMV license renewals by phone and license plates by mail</td>
<td>Implemented in Oct and Nov 2013</td>
<td>Reduce customer wait-time in DMV lobby and improve customer satisfaction</td>
<td>TBD</td>
</tr>
<tr>
<td>RIE: Taxpayer Service &amp; Tax Collections</td>
<td>Completed Feb 2014</td>
<td>Reduces taxpayers’ wait times</td>
<td>Wait times reduced by 50%</td>
</tr>
<tr>
<td>Assessment partnership with TS to allow attachments to online valuation appeals</td>
<td>Commence later in 2014</td>
<td>Reduce taxpayer frustration, increase appeal processing rates, and decrease paper submissions to save materials.</td>
<td>TBD</td>
</tr>
<tr>
<td>RIE: Queue Management for Taxpayer Services</td>
<td>Commence later in 2014</td>
<td>Decrease wait times and gather better metrics on taxpayers’ choices to interface at the counter, rather than self-service (web/other)</td>
<td>TBD</td>
</tr>
<tr>
<td>RIE: Improved Payroll Telephonic Response Time</td>
<td>Commence later in 2014</td>
<td>Improve customer satisfaction and decrease duplication of effort for staff answering calls</td>
<td>TBD, but estimate a soft savings of $4,423</td>
</tr>
</tbody>
</table>
Current Goal: Continually seek opportunities to make processes paperless.

Paperless Initiatives

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changed Kronos payroll change requests by creating an electronic submission process</td>
<td>Journal workflow reduced hard copies</td>
</tr>
<tr>
<td>• E-filing and E-Pay for Business Taxes</td>
<td>Automated Clearing House (ACH) Initiative replaced 25% of paper checks issued to vendors</td>
</tr>
<tr>
<td>• E-filing for Business Personal Property Declarations</td>
<td>For 2014: Standardize tax audit write-up process to eliminate hard copies; work with TS to allow attachments to property tax appeals</td>
</tr>
<tr>
<td>The “Ouchline” process switched workers’ comp claims reporting from a written report to a call-in system.</td>
<td>For 2014: Standardize tax audit write-up process to eliminate hard copies; work with TS to allow attachments to property tax appeals</td>
</tr>
</tbody>
</table>

Adoption of electronic transmission of copies has:

• Reduced the consumption of materials
• Reduced time and resources to process paperwork
• Streamlined records retention

Future Goal: Provide more vision on the agency plans to support the Mayor’s Sustainability Goals as we proceed into 2015.
Employee Engagement: Strengths, Areas for Improvement

<table>
<thead>
<tr>
<th>DoF Engagement Scores</th>
<th>City-Wide Engagement Scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>2011</td>
</tr>
<tr>
<td>18.3</td>
<td>13.1</td>
</tr>
<tr>
<td>2013</td>
<td>2013</td>
</tr>
<tr>
<td>19.3</td>
<td>15.1</td>
</tr>
<tr>
<td>Difference</td>
<td>Difference</td>
</tr>
<tr>
<td>+1.0</td>
<td>+2.0</td>
</tr>
</tbody>
</table>

**Areas of Strength:**
- Understanding how our work relates to the success of the City
- Interest in the well-being of employees
- Expressing appreciation for a job well-done

**Areas to Improve:**
- Job preparation and training
- Including each workgroup in decisions and issues which affect them
- Understanding how the strategic goals of DoF support the Mayor's Priorities
- Communicating information that affects employees
Employee Engagement: Opportunities for Improvement

**Job Preparation and Training:**
- Develop Employee Handbook
- Cross Training
- Creating training tracks (BMO)
- Optimize City.U (Controller)
- Targeted Training (Treasury)

**Communicating with Employees**
- Director meetings with employees
- DoF Employee Newsletter
- Director brown bag lunches
- Division staff meetings (DMV)

**Recognizing Success & Building Collegiality**
- Quarterly Recognition Awards
- Controller’s Office Club 23
Succession Planning

63 FTE Retirement Eligible by Division (12/31/2015)

- Treasury: 30%
- Assessor: 24%
- Controller: 21%
- DMV: 9%
- Workers' Comp: 6%
- CFO/Real Estate: 5%
- CRCF: 3%
- BMO: 2%

Tactics for Succession Planning

Training
- Divisional cross training
- Documenting procedures and institutional history
- Specialized training tracks and plans

Professional Development
- Demonstrating commitment to professional advancement
- Promoting employees
- Developing managers and agency leadership

Staffing
- Responding to changes in workload by adjusting workgroups and job duties
- Creating a good work/life balance as an agency to retain employees
### Progress on Minority and Women Owned Business

**Current Goal:** Ensure compliance with Executive Order 101 (both previous and current version), and purchasing and construction ordinances.

### Initiatives

- Make internal changes to how we let contracts.
- Advise our internal clients on the processes and requirements for CCD contracts.
- Ensure that DoF contracts or inter-agency contracts include the solicitation for diversity and inclusiveness information, including new contracts for debt issuances and fleet.

### Future Goal:

Provide more vision on the agency plans to support the Mayor’s Diversity and Inclusivity provisions as we proceed into 2015.
Accomplishments & Challenges

- Accomplishment: Voter approval at the 2013 general election of the charter amendments (G-2 questions) allowing the City's Investment officers to acquire the same securities as the State Treasurer
- Accomplishment: The development of a financing plan for the Denver Central Recreation Center
- Accomplishment: Financing the downtown TIF through 2017 – providing $70 million in projects in downtown including the 16th street mall improvements, two-way street conversions, facilities for the homeless, a new DPS school and affordable housing at Denver Union Station
- Accomplishment: 5281 Award was granted to a cross-division and agency group for the Fines and Fees project
- Accomplishment: Controller’s Office received the GFOA award for the 2012 CAFR and the GFOA Popular Annual Financial Reporting Award for the 2012 PAFR
- Accomplishment: Cooperated with and benefitted from Performance Audits, including Fiscal Sustainability: Financial Condition and Transparency (December 2013), and Fiscal Sustainability Debt Management (February 2013)
- Challenge: Replacing old systems and technologies (budget software, People Soft, RMIS, property tax system)
• Next Steps: CFO performance budget kickoff in mid-July

• Innovation update 2014 plan:
  – Transparency and Accountability
  – Responsible Resource Management
  – Financial Sustainability
  – Excellent Customer Service