

City of Independence

MEMORANDUM

City Council Office

DATE: April 17th, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Zachary C. Walker, Management Analyst

SUBJECT: City Management Analyst's 2014 Annual Report



Section 1.43.007 (F) of the Independence City Code requires the City Management Analyst to provide an annual report to the City Council at least 75 days before the beginning of each fiscal year detailing activities and the result of audits completed since the last annual report. As such, I am providing you with this memorandum that summarizes my activities for the period April 2014-March 2015.

Annual Work Plan Activities

The Audit and Finance Committee approved the following work plan for the Management Analyst (listed in order as assigned by Audit and Finance Committee):

1. Review of Business Development Licensing and Permitting Process

- a. **Project Scope:** Report designed to address questions regarding the experiences of new and existing businesses seeking licensing and permitting services from the City. Key focus areas included inter-departmental coordination in the licensing and permitting process, the customer service experience, and staff communication, both internally and with customers.
- b. **Project Status:** Final report presented to and accepted by the Audit and Finance Committee at December 17th, 2013 committee meeting. The report contained the following findings and recommendations:
 - **Finding:** The Process Lacks a Dedicated Point of Entry and Contains Multiple Departments That Need Improved Coordination.
 - **Recommendation:** Management should designate a staff liaison to serve as the official point of entry for those seeking business-related assistance.
 - **Staff Update:** This item has been completed. Following the retirement of a staff member in the Community Development Department, Management opted to reclassify this position by adding job duties and responsibilities that would meet the intent of this recommendation. The newly-created Economic Development Projects Coordinator position was filled in 2014 and has been serving as an initial contact in the development process since that time.
 - **Finding:** The Process Contains Regulations and Steps That Are Not Well Communicated.
 - **Recommendation:** Management should finalize development of a comprehensive business resource guide outlining general process steps and requirements. This guide should be placed

prominently in the business portal on the City's website and should also be placed at the automated business centers and service counters in City facilities.

- **Staff Update:** This item has been completed. As part of the outreach efforts of the newly-created Economic Development Projects Coordinator position, several informational and educational items have been developed to help familiarize the public with the development process. Chief among these is the "Guide to Starting a Business" manual that has been made available online and at the Permit and Licensing Service Counter in City Hall.
- **Recommendation:** As the administrator of the plan review and permit inspection process, Community Development staff should determine which departments need to be involved with which project types and continue to condense the number of permit types and revise permit application forms, thereby eliminating the number of steps required in the process and increasing the rate of first-time project approvals.
 - **Staff Update:** This item has been completed. The number of permit types has been consolidated significantly through the implementation of the new CityWorks software program. There are now only 8 case types and approximately 60 subtypes of permits, making the permitting process much more efficient and understandable. Moreover, all Public Works permit activities have been added to the CityWorks system and can be administered by the Community Development staff, eliminating the need to route customers to multiple locations. Finally, the new Economic Development Projects Coordinator referenced above has developed a "Permitting Process Flowchart" that illustrates the review process for the general public and helps alleviate confusion about which department is responsible for certain permitting activities.
- **Recommendation:** Management should create a video for inclusion in the business portal on the City's website to illustrate the general steps in the licensing and permitting process, including promoting the pre-application review meeting.
 - **Staff Update:** This item has been discussed but has not yet been completed. The City hired a new Public Information Officer in late 2014, and this item is being developed with the assistance of the new PIO.
- **Recommendation:** Departments involved in the licensing and permitting process should identify a staff person to serve as the point of contact in order to improve inter-departmental communication and accountability.
 - **Staff Update:** This item has been completed. The newly-created Economic Development Projects Coordinator is serving as the primary point of contact for inter-departmental communications. Furthermore, the new CityWorks software system is allowing for greater

internal dialogue and enhanced efficiencies by routing applications through a singular review system.

- **Finding:** Confusion Early in the Process Negatively Impacts Customer Service Satisfaction
 - **Recommendation:** The Community Development Department should act upon staff's idea to develop a situational guide or list of frequently asked questions to ensure they are thoroughly assessing the customer's project.
 - **Staff Update:** This item is being developed by staff but has not yet been completed. Staff is awaiting final implementation of the new CityWorks software and will develop the FAQ guide to reflect the capabilities of this new program.
 - **Recommendation:** Management should finalize plans to provide a citywide customer service training to ensure a business friendly culture is promoted among City staff.
 - **Staff Update:** This item has not yet been completed. Management provides a significant amount of monthly and quarterly training opportunities for City staff related to a wide range of topics, many of which are scheduled far in advance. Appropriate and meaningful customer service training opportunities are still being researched.

- **Finding:** Technology Utilized in the Licensing and Permitting Process is Antiquated.
 - **Recommendation:** The City should migrate to a new software system and away from aging legacy systems to allow for integration of information between departments.
 - **Staff Update:** This item is in progress but has not yet been completed. The City is in the midst of a mass migration from a number of old legacy software programs to the new, singular "CityWorks" application. It is anticipated that the Permitting, Licensing, and Land aspect of CityWorks will be operational by Fall 2015.
 - **Recommendation:** Management should encourage the development of "apps" for smart devices to allow for additional project management capabilities by customers.
 - **Staff Update:** This item is in progress but has not yet been completed. These "apps" will be developed and made available to the public once CityWorks implementation is completed in September 2015.

- **Finding:** The licensing and permitting process lacks well-defined performance measures.
 - **Recommendation:** City departments responsible for administering licensing and permitting functions should set goals related to the quality and timeliness of work and should develop performance measures to monitor progress.
 - **Staff Update:** This item has not yet been completed. The implementation of CityWorks will allow for enhanced tracking of several industry-standard performance

metrics, many of which were not able to be tracked with the old legacy software programs.

2. Review of Nuisance and Property Code Enforcement

- a. **Project Scope:** Report on the identification, documentation, and resolution of nuisance and property code violations, including timeliness of inspection and resolution activities, enforcement procedures, and the recidivism rate among those cited for offenses. The report will also sought to determine if opportunities exist for cross-training between code compliance staff and other municipal enforcement entities.
- b. **Project Status:** Final report presented to and accepted by the Audit and Finance Committee at April 14th, 2014 committee meeting. The report contained the following findings and recommendations:
 - **Finding:** The response time for initial inspection of code violation complaints approximates the national average, but could be improved.
 - **Recommendation:** Management should examine and consider utilization of seasonal workers to help address peak investigation periods.
 - **Staff Update:** This item has been evaluated and is being implemented on an ongoing basis. One seasonal employee has been added to help with administrative tasks and field inspections. This has helped prevent additional duties being added to the responsibilities of the full-time staff members and has helped maintain departmental efficiencies.
 - **Recommendation:** The Property Maintenance Division should develop a report that compares the number of first-time offenders to repeat offenders among substantiated cases in order to further target the City's response while monitoring the effectiveness of current practices in reducing repeat offenses.
 - **Staff Update:** This item has not yet been completed. The City is in the process of implementing a new code enforcement software program that will allow for greater analytical capabilities that are not as readily available within the current software system.
 - **Recommendation:** Management should coordinate a meeting with the Property Maintenance Division and the Presiding Judge to review and determine ongoing use of the sentencing recommendation form as well as the pre-court inspection in order to ensure appropriate information is available to render a decision while helping further improve the Division's initial response time.
 - **Staff Update:** Following the issuance of this report, a meeting was held with staff from the City Manager's Office, the Presiding Judge, the Prosecuting Attorney, and members of the Audit and Finance Committee. At that meeting, it was determined that the sentencing recommendation form continues to be an integral piece of the Municipal Court's consideration of property maintenance violation cases. The Presiding Judge indicated that he would continue to review this form regularly and utilize it accordingly. Furthermore, it was decided that the pre-court inspection would be utilized at the discretion of the Property Maintenance Division. The Division has continued to conduct an initial pre-court

inspection, but has discontinued the practice of conducting additional pre-court inspections if a case is continued. The Property Maintenance Division has reported an increase in the number of cases being adjudicated and increased efficiencies in time management as a result of this dialogue with the Presiding Judge.

- **Finding:** The City has uncollected special assessments for abatement activities.
 - **Recommendation:** The City should look for opportunities to increase funding for proactive programs such as the Neighborhood Code Compliance Program that help citizens achieve voluntary compliance in order to avoid costly and prolonged abatement activities if City revenues increase in the future.
 - **Staff Update:** This item has not been implemented. The level and type of code enforcement activity is a policy decision and requires funding not available at this time. The Finance Department has conducted a five-year longitudinal study and determined that the majority of special assessments are being collected which includes abatement cost and administrative fees, helping offset program costs. Moreover, a new contractor has been hired to perform abatements and is billing the City at a lower overall cost, helping to ensure funds are available to perform additional abatements.
 - **Recommendation:** The Property Maintenance Division should list potential costs to the property owner/occupant if corrections are not made in an effort to increase voluntary compliance.
 - **Staff Update:** This item has been completed. Articles have been published in the CityScene newsletter emphasizing the code enforcement process and requirements. Moreover, staff has worked in concert with the new Public Information Officer to promote property owner responsibilities through social media outlets such as Facebook and Twitter.
- **Finding:** Property owner responsibilities under the Property Maintenance Code should be clarified.
 - **Recommendation:** City departments should document and publicize code enforcement responsibilities in order to improve accountability, avoid confusion, and reduce the number of cases being referred to other departments.
 - **Staff Update:** This item is in progress. Implementation of the new CityWorks software for Code Enforcement will adapt the current operating procedures significantly. As such, comprehensive changes have not been made to existing practices in light of these impending adaptations.
 - **Recommendation:** The Property Maintenance Code should be reviewed for proposed revisions to be provided to the City Council in order to keep pace with national standards while promoting greater awareness of property maintenance responsibilities among citizens.

- **Staff Update:** This item is being monitored. There have been no new updates to the national standards that would merit a change to the Property Maintenance Code.
- **Finding:** Enforcement actions by the Municipal Court against violators could be strengthened.
 - **Recommendation:** The current fine structure for property maintenance violations should be reviewed to provide greater latitude in sentencing by establishing a fine range for each offense.
 - **Staff Update:** This item is being monitored but has not yet been implemented. Legislation was passed by the Missouri General Assembly last year that would have allowed a maximum fine of \$1,000 to be levied against property maintenance violators, but this legislation was vetoed by the Governor. Minimum amounts have not been adjusted at this time, but data from the previous fiscal year shows these cases are being adjudicated on a more regular basis. This item will continue to be closely tracked and discussions will continue regarding fine levels.
- **Finding:** The Property Maintenance Division's Administrative Policies and Procedures Manual has not been revised to include important adaptations.
 - **Recommendation:** The Property Maintenance Division's Administrative Policies and Procedures Manual should be reviewed and updated to address evolving operational practices.
 - **Staff Update:** This item has been completed. All items with the Administrative Policies and Procedures Manual have been updated, and four new items have been added. Additional items will be added as needed.

3. **Budget Constraint Analysis**

- a. **Project Scope:** Report on the various constraints imposed upon the City's annual budget, the percentage of funds restricted by each category, and the percent of the City's budget that can be considered "discretionary".
- b. **Project Status:** Final report presented to and accepted by the Audit and Finance Committee at the September 24th, 2014 committee meeting. The report demonstrated that, much like a family budget, resources are difficult to shift from one purpose to another. Similarly, the City's budget restricts many resources that can only be used for specific purposes. The report identified nine categories that restrict the use of funds within the City's budget: Enterprise Activities (66.5% of the City's budget), Debt and Lease Payments (1% of the City's budget), State Law and Charter Requirements (7.1% of the City's budget), Voter-Approved Allocations (6% of the City's budget), Grant Programs (0.9% of the City's budget), Dedicated Program Revenue (1% of the City's budget), Programs Approved by Ordinance or Resolution (3.2% of the City's budget), and Fixed Costs (12.7% of the City's budget). The remaining allocation is considered discretionary resources (5.2% of the City's budget), and represent those resources that are more easily reallocated from one purpose to another on an annual basis.

4. **Review of City Manager's Office**

- a. **Project Scope:** Report reviewing the mechanisms currently used by the City to contact and inform citizens, the methods by which citizens presently communicate with the City, and the identification of best practices for providing and receiving communications with citizens.

- b. **Project Status:** This report was presented to the Audit and Finance Committee at the December 12th, 2014 meeting. The report detailed the duties, responsibilities, and division of labor within the Office of the City Manager.

5. Collection and Remittal of Local Sales Tax

- a. **Project Scope:** Audit designed to review collection and remittal of the City's various local sales taxes as authorized by Missouri State Statute and City Ordinance, including determining what controls are in place to ensure that all tax revenues due to the City of Independence are being collected, how frequently are these tax records audited, and whether opportunities exist to increase the reliability of proper sales tax remittance to the City of Independence.
- b. **Project Status:** This report is scheduled to be presented at the next regular meeting of the Audit and Finance Committee.

6. Public Records Request

- a. **Project Scope:** Audit designed to review the request for information process as authorized by Missouri Stat Statute, including determining how many public records requests are received annually, the time to fulfill public record requests, what steps are required to access public records, the associated costs, and whether opportunities exist to increase the efficiency by which public records requests are fulfilled.
- b. **Project Status:** Project initiated, conducting fieldwork.

7. Transient Guest Tax

- a. **Project Scope:** Audit designed to review the collection and remittal of the City's Transient Guest Tax as authorized by Missouri State Statute and City Ordinance, including determining what controls are in place to ensure that all transient guest taxes due to the City of Independence are being collected, how frequently are these tax records audited, and whether or not opportunities exist to increase the reliability of proper transient guest tax disbursement to the City of Independence?
- b. **Project Status:** Project initiated, conducting fieldwork.

Additional Audit and Review Activities

In addition to the audits and reviews assigned as part of the Management Analyst's annual work plan, the following reports or special projects were requested by the City Council and approved for completion by the Audit and Finance Committee:

1. Power and Light Audit Activities

- a. **Project Scope:** This report was prepared in response to City Council questions about the level and nature of external oversight and regulatory services of the Independence Power and Light Department.
- b. **Project Status:** A summary of findings and recommendations was presented to the Mayor and City Council along with City Management on May 21st, 2014. The report found that IPL operates in a heavily regulated and frequently audited environment, covering all facets from financial and accounting standards, service reliability, physical and cyber security, liability issues, environmental compliance, adequacy of infrastructure, and competitive wholesale pricing. The report identified seven different oversight agencies that complete nine separate reviews of IPL operations.

2. Emergency Purchase Orders

- a. **Project Scope:** Project examining the policies and procedures for issuing emergency purchase orders for the City of Independence and researching the policies and procedures utilized by other municipalities.
- b. **Project Status:** A summary of findings and recommendations was presented to the Mayor and City Council along with City Management on May 21st, 2014. The report contained the following findings and recommendations:

- **Finding:** The City’s Purchasing Manual, including guidelines for emergency purchases, is similar to those found in other communities but has fewer guidelines and prohibitions for the emergency purchasing process than some others.
 - **Recommendation:** Amend Section 8.06.006 of the City Code to state that emergency purchases should only be sought when “essential to public life, health, welfare, and safety of the City.”

- **Finding:** In reviewing the City of Independence’s emergency purchase orders over the past five years, the analysis shows that many of these meet the appropriate criteria. Some, however, potentially could have been avoided with better forecasting or planning by departments.
 - **Recommendation:** Amend the Purchasing Manual to reflect revised guidelines for issuing emergency purchase orders and express the stated intent of when emergency purchase orders are appropriate.

- **Finding:** The City’s Purchasing Division has previously accommodated emergency purchase order requests in order to avoid delaying departmental operations, but they might be able to play a stronger role in monitoring and enforcing the standards for emergency purchase orders.
 - **Recommendation:** Amend the City Code and Purchasing Manual to increase emergency purchase orders requiring City Council notification to \$50,000 from \$25,000 to be consistent with other procurement standards.

3. Performance Dashboard Project

- a. **Project Scope:** Development of a program to identify the key measures for each department, set targets, and track and report performance quarterly. The intent of the program is to better allow the City Council and City management to make data-driven decisions, to allow for enhanced storytelling and better context of City services, and to highlight City activities and performance for the community.
- b. **Project Status:** Project initiated. After receiving presentations of similar programs being employed in other cities at several conference events, a meeting was conducted with representatives from the City of Kansas City, Missouri to identify key points and features of a performance measurement program. Meetings were held with City departments to identify key performance metrics, and staff from Technology Services were utilized to develop an in-house dashboard program that will be accessible to the public via the City website. Updates have been provided at two City Council Study Sessions and through other organized meetings with City staff. The program will launch with the start of the Fiscal Year 2015-16 Annual Budget on July 1st, 2015.

Contract and Rate Increase Reviews

Section 1.43.007 (D) of the Independence City Code states that “The Management Analyst shall audit all proposed City contracts anticipated to cost in excess of Two Million Dollars (\$2,000,000.00) or scheduled to be in effect for more than twelve months and anticipated to cost in excess of Five Hundred Thousand Dollars (\$500,000.00) prior to the proposed contracts being submitted to the City Council.” This review is to consider, among other things, whether all parties have adhered to proper procedures in the bidding process. In fulfilling these duties, the following contracts were reviewed during the reporting period:

- **City Clerk**
 - 2014 Records Disposition Report
- **Public Works Department**
 - Sugar Creek Interceptor Improvements Project 4

- 2014 Asphalt Street Overlay Program
- **Water Pollution Control Department**
 - United States Geological Survey Joint Funding Agreement

Additionally, Section 1.43.007 (E) of the Independence City Code requires that “the Management Analyst shall audit all proposed utility rate increases for any of the City operated utilities (Power & Light, Water, and Water Pollution Control Departments) prior to any action being taken by the City Council on the proposed rate increases.” In 2014, no such rate increases were proposed.

Non-Audit and Review Activities

As part of my ongoing efforts to enhance my knowledge of issues and affairs important to the City of Independence, the following actions were taken:

- Attended City Council Legislative and Study Sessions to track City affairs.
- Attended Special Budget Study Sessions reviewing the submitted Fiscal Year 2014-15 Annual Operating Budget.
- Attended departmental budget reviews with the City Manager for development of the Fiscal Year 2015-16 Annual Operating Budget.
- Attended bi-monthly Department Director’s meeting to assess emerging issues.
- Attended other City-business related meetings and events:
 - Mayor’s Prayer Hour
 - Mayor’s Christmas Concert
 - Mayor’s State of the City Address
 - Truman Public Service Award Ceremony
 - Fairmount Health Clinic Grand Opening
 - Mt. Washington School Apartments Grand Opening
 - McCoy Park Inclusive Play and Ability Field Grand Opening
- Served on a City of Independence snow removal crew to develop baseline knowledge of operations. Participation consisted of four 12-hour shifts.
- Attended tour with the Mayor and City Council of two underground industrial parks within Independence.
- Met one-on-one with the Mayor and City Councilmembers on a regular basis to provide project updates, identify key priorities, and address questions.

Externally, I attended the following meetings and functions in which the City of Independence was a stakeholder:

- Independence Chamber of Commerce Legislative Briefings
- Independence Chamber of Commerce Monthly Membership Luncheons
- Independence Chamber of Commerce awards, recognition, and networking events
- Independence Economic Development Council Eggs’n’Issues Meeting
- Independence Economic Development Council Business Award Luncheon
- Independence Economic Development Council networking events
- Independence Economic Development Council Quarterly Investors Luncheons
- Eastern Jackson County Betterment Council Meetings
- Eastern Jackson County Development Alliance networking events
- Eastern Jackson County Municipal Challenge
- Greater Kansas City Chamber of Commerce Global Cities Initiative Steering Committee
- Kansas City/Jackson County ICMA 2016 Annual Conference Planning Committee
- Kansas City Area Development Council Annual Meeting
- Kansas City Business Journal Impact Awards Program (Independence Health Department/Technology Services Department was an award recipient)
- Mid-America Regional Council Regional Assembly Luncheon
- Mid-America Regional Council Quarterly Managers Roundtable

- Missouri Chamber of Commerce “Missouri 2020” strategic plan presentation
- ReThink Independence Annual Meeting

The following services were also provided during the reporting period:

- Prepared monthly reports for the Mayor and City Council detailing progress on assigned projects and other activities.
- Maintained a City Management Analyst website to provide public access to all audits, reports, contract and rate increase reviews, and other activities. The web page may be accessed via the City Council website or by navigating directly to the following link: <http://www.ci.independence.mo.us/citycouncil/MgtAnalyst.aspx>
- Served on interview committees to review applicants and recommend candidates for various management positions.
- Presented the City’s legislative priorities to the Independence Chamber of Commerce Public Policy Committee.

Research services and technical support were provided regarding the following items:

- Planning, implementation, and administration for the 2015 NAIA Division I Women’s Basketball National Championship.
- Planning, implementation, and administration for the 2015 National Collegiate Roller Hockey Association National Championship Tournament.
- Rental Ready Inspection Program.
- Modifying Domestic Violence Shelter Revenues from Municipal Court Cases.
- Stone Canyon Community Improvement District funding history.
- Non-Residential Design Standards.
- Fire Prevention Standards.
- Missouri General Assembly Veto Session Legislation.
- Staff Study Session presentation on economic development opportunities and corresponding exploration of opportunities.
- Annual Santa-Cali-Gon Festival.
- Exploration of potential partnership opportunities for employee health and well-being through site visit to Cancer Treatment Centers of America facility in Tulsa, Oklahoma.
- Providing data and historical information as needed for the Public Safety Services Review Committee.
- Answering questions and providing analytical support to various City departments regarding fiscal practices of the City’s Central Garage.
- Independence Chamber of Commerce Budget and Finance Committee (member).

The following community and professional service activities were performed and service organizations were attended:

- Mentor for the Independence School District’s “Inspire” program
- Budget Counseling for residents of Hillcrest Transitional Housing
- Missouri Read-In Day at Bingham Middle School
- The Rotary Club of Independence
- Independence Chamber of Commerce L.E.A.D. Steering Committee
- ICMA Advisory Board on Graduate Education

Professional Development Activities

To further develop and refine my knowledge, skills, and abilities, I participated in the following professional development activities during the reporting period:

- ***Transforming Local Government Annual Conference***
 - Annual conference of the Alliance for Innovation held over four days in April 2014 in Denver, Colorado. This conference is billed as “the premier thinking

conference for local government” and presents innovative approaches being utilized by peer cities to solve common challenges faced by local governments.

- ***Inter-Governmental Audit Training***
 - Held June 18th, 2014 in Lawrence, Kansas, this free training offered a highly-interactive program in which participants worked in small groups on a series of training exercises focused on developing audit findings and reports. Through discussion of the various decisions associated with the execution and reporting phases of an audit, participants applied their auditing skills while exchanging practices and professional experiences with colleagues. 6.5 Continuing Professional Education were awarded for this training.
- ***Emerging Leaders Academy***
 - Professional development program sponsored by the University of Kansas Public Management Center and designed to gain knowledge and skills in leadership, organizational dynamics, communication, and career planning. The program met ten times over five months, concluding in January 2014.
- ***100th Annual ICMA Conference***
 - Annual conference of the International City/County Manager’s Association held over four days in September 2014 in Charlotte, North Carolina. The conference provided ample networking opportunities as well as a diversity of programming options to learn about emerging trends and ongoing issues through daily keynote sessions, educational and Solutions Track sessions, roundtable discussions, ICMA University workshops and forums, field demonstrations, and numerous demonstrations of technology applications.
- ***Economic Development Essentials for Public Officials***
 - Held in September 2014 in Independence, this training was sponsored by the Eastern Jackson County Development Alliance and provided valuable information on economic development and its programs to city officials and EDC board members that want to have a better understanding of how all the moving parts of state and city economic development fit together. Several experts from across the state spoke on a range of topics, including strategies and funding of economic development, business site development, business retention and expansion, and marketing for economic development.
- ***Alliance for Innovation Ambassador Forum***
 - Held October 30th, 2014 in Independence, this one-day forum focused on four key areas: Organizational Design (Focusing on organizational transformation, cultural changes, performance excellence, and human resource innovation, preparing the workforce of the future), Open and Transparent Government (Utilizing both technology and communication strategies around big data and open data), Collaboration (Partnerships, regionalism, shared services as well as new and innovative approaches to citizen engagement, including engaging around demographic changes and underserved populations impacting communities in the future), and Resiliency (Steps to take now to strengthen future community resiliency economically, emotionally, and environmentally).
- ***Professional Development and Networking Meetings***
 - Met with peers from across the region and the State of Missouri to further grow my professional knowledge, refine my understanding of key issues, and strengthen key relationships on behalf of the City of Independence.

If you should have any questions about this annual report or the activities detailed therein, please do not hesitate to contact me. I look forward to the continued opportunity to be of service to you.