

City of Independence

MEMORANDUM

City Council Office

DATE: April 12th, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Zachary C. Walker, Management Analyst



SUBJECT: City Management Analyst's 2012 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 beginning with my first day of employment with the City on March 30th, 2012 and running through the year's end on December 31st, 2012.

Annual Work Plan Activities

On August 13th, 2012, the Audit and Finance Committee approved the following work plan for the period September 1st, 2012-August 31st, 2013 (listed in order as assigned by Audit and Finance Committee):

1. Review of Fleet Management Practices

- a. **Project Scope:** Review of the cost, quality, and timeliness of repairs at the City's Central Garage as well as the organizational structure and fleet management practices presently utilized citywide.
- b. **Project Status:** Presented for review and discussion by the Audit and Finance Committee at the February 11th, 2013 meeting. Report contained seven findings and twelve recommendations. A follow-up on how these recommendations have been utilized by City staff will be provided in the 2013 Annual Report.

2. 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:** To be presented for review and discussion by the Audit and Finance Committee at the next scheduled meeting.

3. Review of Business Development Licensing and Permitting Process

- a. **Project Scope:** Scope being refined by the Audit and Finance Committee.
- b. **Project Status:** An overview of the process for obtaining a commercial building permit was provided to the City Council at the February 11th, 2013 Study Session. Information from this presentation was used to develop a customer satisfaction survey that was provided to anyone applying for a commercial building permit since July 1st, 2012. The response period concluded April 5th, 2013, and results will be shared with the Audit and

Finance Committee at the next scheduled meeting. This information will assist the Committee in finalizing the scope of the audit.

4. 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 seek to determine if opportunities exist for cross-training between code compliance staff and other municipal enforcement entities.
- b. **Project Status:** To be initiated in Spring 2013.

5. Review of City Communications

- 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:** To be initiated in Summer 2013.

6. Basic Services Index (Health Department)

- a. **Project Scope:** Report reviewing each City department utilizing pre-defined assessment criteria to determine the activities for which City government is the exclusive or most feasible service provider as well as those activities for which alternative methods or resources might exist. The Audit and Finance Committee has assigned the Health Department as the first agency to be reviewed in this process.
- b. **Project Status:** Field work is currently being completed for this report, and it is anticipated that a final report will be presented for review and discussion by the Audit and Finance Committee in June 2013.

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 activities were requested by the City Council and approved for completion by the Audit and Finance Committee:

- **Review of Proposals for Management of the Regional Animal Shelter**
 - **Project Scope:** The purpose of this review was to evaluate two proposals put forward for management of the new regional animal shelter. One proposal provided for operation of the shelter by City staff, while an alternate proposal considered partnering with a non-profit agency for shelter operations. The review sought to determine if each proposal satisfied the City's obligations as outlined in the 2009 Intergovernmental Agreement with Jackson County. Moreover, the review sought to clarify the financial costs to the City in each proposal. Finally, the review benchmarked the level of service provided in each proposal against national guidelines for shelter operations, while also comparing each proposal to the historical average of the existing animal shelter.
 - **Project Status:** The report was finalized and presented for review and discussion by the City Council on May 21st, 2012. It concluded that both proposals allowed the City of Independence to fulfill its management obligations under the terms of the 2009 Intergovernmental Agreement with Jackson County, with the City-managed proposal resulting in lower net

non-revenue supported financial costs. Both proposals also met or exceeded several national guidelines for shelter operations.

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:

- **Public Works Department**
 - Little Blue Parkway-Phase 10
 - 2012 Asphalt Overlay Program
 - Rock Creek Interceptor Improvements-Segment 2
- **Water Pollution Control Department**
 - Wastewater Treatment Plant/Pump Station Improvements-Bidding and Construction Phase Services
 - Wastewater Treatment Plant/Pump Station Improvements-Contract 2
- **Other Contracts/Reports**
 - First Amendment to the Intergovernmental Agreement Between City of Independence and Jackson County for Animal Shelter Operations
 - 2012 City Clerk Records Disposition Report

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 fulfilling these duties, the following proposed utility rate increases were reviewed during the reporting period:

- **Water Department**
 - 2012 Water Utility Proposed Rate Increase

Non-Audit and Review Activities

At the April 2nd, 2012 meeting of the Audit and Finance Committee, the Committee and I agreed that it would be appropriate to begin my tenure with the City by engaging in meetings and attending various functions that would allow me to enhance my knowledge of issues and affairs important to the City of Independence. Internally, the following actions were taken:

- Conducted meetings with the Mayor and each member of the City Council to familiarize myself with the priorities and expectations of each elected official.
- Met with Department Directors and key staff to understand basic functions performed by each agency as well as assess areas that might be appropriate for future audit activities.
- Attended City Council Legislative and Study Sessions to track City affairs.
- Attended bi-monthly Department Director's meeting to assess emerging issues.
- Researched audits and reports conducted by previous City Management Analyst's to identify recent findings and recommendations as well as ascertain which functions have not been subject to recent reviews.

- Attended other City-business related meetings and events:
 - Independence TIF Commission
 - Independence Planning Commission
 - Community Development Public Transit Open Meeting
 - Bicycle Transportation Committee
 - Mayor's Prayer Breakfast
 - Truman Public Service Award Ceremony

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 Membership Luncheons
- Eastern Jackson County Betterment Council Meetings
- Independence Economic Development Council Eggs'n'Issues Meeting
- Independence School District Foundation Meeting
- Independence Chamber of Commerce All-Star Game Preview Event
- Jackson County Inter-Agency Council Annual Awards Event

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.
- Developed 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>
- Participated on an interview committee to review applicants and recommend an individual for the Finance Department's vacant Budget Analyst position.

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:

- ***Independence Chamber of Commerce L.E.A.D. Program***
 - Structured, eight-month program sponsored by the Independence Chamber of Commerce to provide a network of informed leaders with a commitment to the continued growth and development of Independence. Program meets once monthly from October 2012 to May 2013, with half of each session focusing on developing leadership skills and the remaining portion dedicated to a topical overview unique to Independence. Such topics include: non-profit agencies, education, government, public safety, economic development, and tourism/history.
- ***Inter-Governmental Audit Training***
 - Held May 18th, 2012 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.

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.