



# INDEPENDENCE ★ MISSOURI ★

A GREAT AMERICAN STORY

## Audit and Finance Committee Minutes

April 24, 2024 3:00 PM

Council Chambers - 111 E. Maple Ave.

### CALL TO ORDER

Present: Jared Fears, John Perkins, Heather Wiley, Zach Walker, Jaime Rehmsmeyer, Cindy Gray, Nancy Cooper, Melissa Sill, Andrew Frazier, Kim Osborne, Meagan Borth

Absent: None

### CALL TO ORDER / ROLL CALL

- CM Perkins opened the meeting at 3PM and welcomed CM Wiley and thanked her for joining this Committee to review our finances and give us her input. Thanked staff for attending and as a point of housekeeping, since we need to appoint a new Chairperson, CM Perkins nominated CM Fears to get that fully underway. Seconded by CM Wiley. CM Fears welcomed introductions of those in attendance.

### APPROVAL OF 01/31/2024 MINUTES

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- Councilmember Fears made a motion to approve the minutes of January 31, 2024, meeting, CM Wiley seconded the motion, the vote was Ayes - All. Noes – None. The

minutes were approved.

## **MANAGEMENT ANALYST**

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- Presentation by Andrew Frazier
  - ARCH (Alternative Response to Community Health) Review. Objective: to enable those in governance to basically assess the program in effectiveness, economy and efficiency. Background: launched in October of 2021, entering its pilot phase in 2022 and fully operational by July of 2023. Andrew will get cost savings information requested by CM Perkins. Discussion on enhancing better communication between ARCH and CIT ( in accessing data from previous calls could be beneficial along with simple communication. Sustained and increased funding was discussed. Dispatch was discussed at the request of CM Fears. Zach Walker thanked Andrew for his report, well done, spent a lot of time in the field, helpful analysis as a new program without as extensive of a track record. The recommendation about integration of services is critical. The community doesn't always recognize who is with what department or providing what service, they need the service provided to them at that moment in time so looking for ways to add that layer of efficiency in but also to help make sure we are able to fund this at an adequate level where we can resource share makes a lot of sense-will take time to get there because of some of the current prohibitions that exist comment-some sort of audit that builds off of this and takes a look at dispatching is important and the epicenter of efficiency and cost effectiveness and have a more seamless process opportunity for strengthening
  - Fleet report -report done by former Management Analyst and may be outdated. At request of CM Fears will be forwarded to City Manager for review.
  - New projects for Management Analyst: CM Fears-Rental Ready Program; Business process/how permitting process works/community perception (Chamber may do survey) valuable to look at that process; look at functions in our budget in comparison to other communities/focus funding; public safety dispatch/efficiency opportunities; CM Perkins likes public safety dispatch as higher priority-business licensing smaller businesses, Multiple points of entry and how they come into process, 1<sup>st</sup> priority public safety dispatch, business process flowing into rental ready; comparative analysis with other cities.

## **FINANCE AND ADMINISTRATION ITEMS**

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- Presentation by Melissa Sill
  - Priority Based Budgeting-will be using a lot of the same language Andrew used on the ARCH Program. Rethinking budgeting-"the challenges facing today's leaders require something different from our budget process." Not unique to City

of Independence, Priority Based Budgeting is something that is driving a lot of the innovation in that type of software just because line item budgets don't provide enough detail anymore for both leadership, management and the organization as far as what are we actually accomplishing with our budget dollars. Brief breakdown given on what is done to arrive to program costing and priority costing and priority based budgeting. They start with the line item data that was uploaded by the budget team. Departments then provided a program inventory from those two items, then departments are able to come up with what is called program costing. Able to tell the cost on personnel and non-personnel line items for every program that the city provides to the public or internally. Once Finance has that, they move on to program scoring which is two levels. The first level the department will go through, and they will rate their programs against the City Strategic Plan that is developed by City Council & Mayor and after that they have a review process called peer review in which an independent team goes through and reviews and makes sure departments don't just go through and mark that everything is the highest priority against the strategic plan. It's just a validation process to make sure things are done properly and fairly. At the end all is validated and if anything has moved quartiles (we have quartiles 1-4, 1 being highest priority programs and 4 being our least). Programs that may have changed will be looked at as a result of the peer review process. If they have, Finance can go back to the departments and discuss those and make changes until we arrive at the final scoring. And the last step, Finance can take action. Purpose: makes more compelling budget proposals, ensures programs and services are in alignment with our priorities, provides for optimization of our resources, and then it becomes data backed. Discussion of presentation.

- Presentation by Nancy Cooper on Monthly Financials-overview for March 2024, 9<sup>th</sup> month of fiscal year, at 75% of the year, used as benchmark to look at where revenues and expenditures are compared to budget. Ideally want revenues when comparing to be at least 75% or more and want expenditures to go the other way. Discussion of presentation.

## **NEW BUSINESS**

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- Updated procurement policy for Council consideration reflecting increasing the City Manager approval amount from \$50,000 to \$100,000
- Bringing back departmental budget presentations to Council conversations

## **ADJOURNMENT**

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- With no other comments or objections, CM Fears adjourned the meeting at 4:15PM.

**NEXT MEETING**

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- Wednesday, August 7, 2024, at 3 PM at the IUC.