



COUNCIL MINUTES

December 2, 2013

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on December 2, 2013 at 5:02 p.m.

COUNCIL PRESENT

Scott Smith
Alex Finter
Christopher Glover
Dennis Kavanaugh
David Luna
Dave Richins
Scott Somers

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Dee Ann Mickelsen

(Mayor Smith excused Councilmember Somers from the beginning of the meeting; he arrived at 5:16 p.m.)

1. Review items on the agenda for the December 2, 2013 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of Interest: None.

Items removed from the consent agenda: None.

2. Hear a presentation and discuss an update on Advantage, the City's integrated information system.

Chief Financial Officer Michael Kennington introduced Budget Director Candace Cannistraro, Finance Director Irma Ashworth and Human Resources Administrator Teri Overbey, who were prepared to assist with the presentation.

Mr. Kennington stated that staff will provide a brief historical overview of Advantage (also known as a module of CityEdge), highlight various enhancements to improve the process, and offer a budget update.

Ms. Cannistraro displayed a Power Point presentation (**See Attachment 1**) and reported that the Advantage project was a transformational change for the City of Mesa, which encompassed the replacement of multiple systems throughout the organization and impacted all employees

and processes. She explained that the old financial system was a decentralized, manual system that contributed to inconsistent and lengthy procedures for data collection and processing. She stated that the updated system is automated, provides for an environment of data analysis rather than data processing, and leverages technology for the City.

Ms. Cannistraro highlighted a document titled "CityEdge Project Timeline," which began in the Summer 2009 and concluded in May 2013. (See Page 3 of Attachment 1)

In response to a question from Councilmember Luna, Ms. Cannistraro clarified that Kronos is the timekeeping system, which "went live" with the Financial Management System in July 2012.

Ms. Ashworth addressed the Council and discussed a number of improvements to the Financial Management System. (See Page 4 of Attachment 1) She noted, for instance, that financial documents are now required in the system before payment occurs. She said that the previous system allowed for overrides. She also pointed out that transaction information is now available the same day online as opposed to the sixth business day of the following month in static reports.

Ms. Cannistraro further reviewed a series of changes to the Budget Management System. (See Page 5 of Attachment 1) She stated that budget availability is checked as documents are entered into the system and reserved as documents are finalized, whereas previous budget reconciliation was done manually. She also remarked that City departments can now move their respective budgets between their areas online and added that contingency requests are routed through workflow for approval.

Ms. Overbey discussed various upgrades to the Human Resources Management System and Employee Self Service System. (See Pages 6 and 7 of Attachment 1) She pointed out that with respect to the Human Resources System, the decentralization of personnel transactions to the department level are now centralized and automated. She said that the system also automatically terminates benefits and sends notifications for terminations. She added that with respect to the Employee Self Service System, employees have the ability to update their address and phone information online, as well as view pay stubs and request to be placed on the Donated Leave Program.

Mr. Kennington indicated that since one of staff's main goals for the new system is continuous process improvement, formal processes have been implemented to solicit departmental feedback. He noted, in addition, that invoices have been decentralized, budget control changes implemented, and outreach conducted. He stated that such outreach efforts include accounting updates on the City's internal website, establishing an Advantage Response Team (A.R.T.) and developing training and reference materials.

In response to a question from Councilmember Richins, Senior Executive Manager Chuck Odom clarified that the Utility Billing System is part of the Customer Information System (CIS). He explained that both systems are integrated with the General Cash Receipting System, but are not a part of the Advantage System.

City Manager Christopher Brady advised that staff would evaluate the manner in which utility bills are printed to ensure that the process is performed in an efficient and cost effective manner.

In response to a question from Mayor Smith, Ms. Ashworth explained that City staff processes approximately 6,000 accounts payable invoices per month.

Responding to a question from Mayor Smith, Business Services Director Ed Quedens stated that the utility billing data feeds into the Financial System. He noted, however, that it is a self-contained specialty system which is separate from the Advantage System.

In response to a series of questions from Mayor Smith, Mr. Kennington verified that the project has been a cultural change and a system change for City staff that has required substantial research and training. He said that user issues can either be software-related or user-related, depending upon the situation, and added that staff has provided numerous educational opportunities for the end users.

Ms. Cannistraro further remarked that the A.R.T. is training users and identifying issues through departmental visits and in-person feedback.

Mayor Smith commented that no matter how well a system is designed and implemented, there may be “quirks” in the system that do not “fit” the realities of day-to-day operations. He stated that he would hope staff would address those issues in the various departments.

Responding to a question from Councilmember Luna, Ms. Cannistraro explained that all City employees who have access to the Advantage System were trained on how to navigate and use it. She stated that an online Learning Center is available for employees, as well as ongoing classes on various topics. She commented, in addition, that training classes and online modules are continually being updated and modified.

Mr. Brady pointed out that the system was configured with in-house personnel who were taken out of their traditional job functions and worked specifically on the “front end” of the project.

Ms. Cannistraro indicated that a peer-to-peer e-mail group of experienced departmental users is available for anyone who has questions or needs additional assistance regarding the system.

Ms. Cannistraro offered a short synopsis of the original 2010 budget and revised budget figures for the Advantage project. (See Page 9 of Attachment 1) She explained that the project is expected to remain within budget. She also remarked that the original budget did not include using existing staff time for the project. She said that employees throughout the organization who had specific education, experience and skill sets were recruited to work on the project. She added that in some cases, it was necessary for departments to back-fill certain positions in order to maintain their daily operations.

In response to a question from Mayor Smith, Ms. Cannistraro advised that the actual hours of employees who worked on the project were tracked. She stated that if an employee’s time was split between his or her normal job duties and the project, such data was also tracked.

Mr. Brady remarked that the obsolescence of the old system was the driving factor in the implementation of the new system. He stated that he would hope the new system will assist staff in making better decisions and obtaining more timely information from an analysis standpoint.

Mayor Smith thanked staff for the presentation.

3. Acknowledge receipt of minutes of various boards and committees.

- 3-a. Museum and Cultural Advisory Board meeting held September 26, 2013.
- 3-b. Transportation Advisory Board meeting held August 20, 2013.
- 3-c. Sustainability and Transportation Committee meeting held October 31, 2013.

It was moved by Councilmember Glover, seconded by Councilmember Kavanaugh, that receipt of the above-listed minutes be acknowledged.

Carried unanimously.

4. Hear reports on meetings and/or conferences attended.

There were no reports on meetings and/or conferences attended.

5. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the meeting schedule is as follows:

Thursday, December 5, 2013, 7:30 a.m. – Study Session

Thursday, December 5, 2013, 7:45 a.m. – Public Safety Committee

Saturday, December 7, 2013, 8:00 a.m. – District 3 Holiday Toy Drive and Pancake Breakfast

6. Adjournment.

Without objection, the Study Session adjourned at 5:35 p.m.

SCOTT SMITH, MAYOR

ATTEST:

DEE ANN MICKELSEN, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 2nd day of December, 2013. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

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(attachment – 1)

Advantage Update - City of Mesa's Integrated Information System

December 2nd, 2013

Transformational Changes

- Financial system was outdated and did not meet the City's needs
- Inconsistent processes existed
- Environment of data analysis needed to take the place of data processing
- Automation of manual processes
- Leverage technology in City processes

CityEdge Project Timeline

- Summer 2009 Industry software review
- 2009-2010 As-is process mapping consultant
- Summer 2010 Request For Proposal Released
- Jan. 2011 Project Kick-off
- Nov. 2011 Performance Budgeting Go-live
- Jul. 2012 Financial System Go-live
Timekeeping Go-live
- May 2013 Human Resource Management Go-live
Payroll Go-live

Then and Now

- Financial Management
 - Financial documents are required in the system before payment occurs. Previous system allowed for overrides.
 - Workflow approval is required on all documents
 - Transaction information available same day on-line rather than the 6th business day of the following month in static reports.
 - Improved accountability, data integrity and compliance with federal laws & regulations.
 - Transaction documentation and notes available on-line. Previous process was manual involving paper documents, physically going to another dept. and/or microfiche research.

Then and Now

- Budget Management
 - Budget availability is checked as documents are entered in system and reserved as documents are finalized. Previous budget reconciliation was done manually.
 - Departments can move budget between their areas on-line. Budget availability is available on-line. Separate budget tracking spreadsheets/databases are no longer needed.
 - Contingency requests are routed through workflow for approval.

Then and Now

- Human Resources
 - Decentralization of Personnel Transactions to the Department level
 - Automated workflow versus paper process
 - Automatically terminates benefits and sends notifications for terminations
 - Automated processes for Terminations, Performance Appraisals, and Benefits that eliminates manual/double entry

Then and Now

- Employee Self Service
 - Update Address and Phone Information
 - Update Emergency Contact Information
 - View paystub online
 - Update W4's (Federal Deductions)
 - Perform "What If...Calculations"
 - Request to be placed on the Donated Leave Program

Continuous Process

- Formal Department Discussion Process is in place to receive feedback
- Modifications to processes and/or system configurations being reviewed
 - Decentralizing Invoices to Departments
 - Budget Control Changes
- Education/Information
 - Accounting Update - Internal Website
 - Advantage Response Team (A.R.T.)
 - Training and Reference Material

Budget Update

The project is expected to remain within budget.

	Original Budget	Revised Estimate
CGI Solution	\$ 14,847,000	\$ 17,790,000
Hardware, Software & Storage	\$ 709,000	\$ 606,000
External Providers & Services	\$ 3,052,000	\$ 2,651,000
Other one-time costs	\$ 390,000	\$ 382,000
Personnel Support Cost	\$ 2,494,000	\$ 2,590,000
Contingency	\$ 3,178,000	\$ 24,019,000
	<u>\$ 24,670,000</u>	<u>\$ 24,019,000</u>
Existing Staff Cost	\$ 6,436,000	\$ 6,661,000
Value of Project	\$ 31,106,000	\$ 30,680,000

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