

## **Overview of the Coronavirus Emergency Response Special Revenue Fund**

### **Executive Summary:**

The Department of Finance is submitting a bill request to the City Council that would create the Coronavirus Emergency Response Special Revenue Fund and transfer \$10M from General Fund Contingency to the new SRF.

### **Background:**

The novel coronavirus (COVID-19) is now a global pandemic impacting people and economies worldwide. A State of Emergency has been declared at the national, state, and local level. The City and County of Denver's EOC is fully activated and is collaborating with City departments to implement a robust response, which will necessitate unbudgeted expenses citywide. This bill request attempts to make these emergency resources available. Currently, agencies are using existing appropriation to purchase coronavirus services and equipment.

### **The proposed Coronavirus Emergency Response Special Revenue Fund:**

The Department of Finance wishes to create the Coronavirus Emergency Response Special Revenue Fund in the General Government Series to track, monitor, and report General Fund spending on the City and County of Denver's coronavirus response. Expenditures would be all those needed to address the pandemic and could include

- services and supplies, such as personal protective equipment or deep cleaning,
- personnel services such as overtime
- capital equipment expenditures, such as beds or medical equipment
- transfers to capital project funds, such as purchase of facilities

All expenditures are subject to standard City Council approval procedures authorized in the Denver City Charter, meaning contracts and purchase orders valued at \$500,000 or more would require Council approval through a resolution.

Revenues to the fund will include General Fund transfers and other sources of revenue.

When the fund is no longer needed, it will be closed at the discretion of the expending authority, the Chief Financial Officer. The balance of this fund shall be swept and transferred to the General Fund.

### **The proposed Transfer to the new SRF from General Fund Contingency:**

This bill request also approves a \$10 million rescission from General Fund Contingency to make a cash transfer to the new SRF. The City annually appropriates contingency of two percent of operating expenditures in the General Fund for such emergencies. While the full cost of the City's response is not and cannot be known at this time, transferring \$10 million out of contingency to make available for the response will ensure that the City is prepared to spend in the near-term. The parameters of the SRF are such that unused balances will be transferred back to the General Fund when they are no longer needed, which ensures the City does not strand needed funds.

General Fund Contingency in 2020 is budgeted at \$29.2 million. To date, no supplemental appropriations have been approved. However, CB20-0206 to rescind \$1 million from contingency to make a transfer to the Risk Management SRF is on second reading on Monday, March 23<sup>rd</sup>. If approved, \$28.2 million will remain in contingency. If this request is also approved, \$18.2 million will remain.