



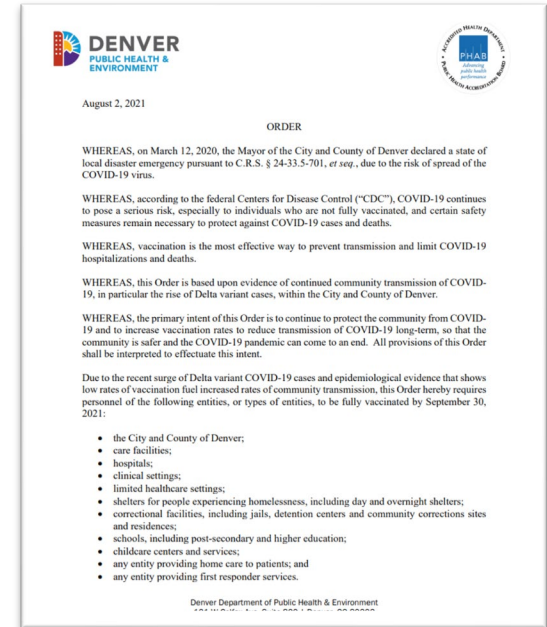
Revised Public Health Order Compliance Payment Proposal

Finance and Governance Committee
Oct. 5, 2021

Background

- Aug. 2, 2021, Public Health Order (PHO) required full vaccination for all city employees by Sept. 30, 2021
- As of Oct. 1, 2021:
 - 98.7% of all uniformed and career service city employees have verified full vaccination status by the Sept. 30 deadline*
 - 652 employees received a medical or religious exemption, 14 exemption requests are in review
- **Proposal:** A one-time \$400 payment for complying with PHO by Sept. 30
- **Source of funds:** General Fund contingency, existing budget authority, reserves in other funds
- **Cost:** Assuming 100% compliance, \$5.7m for all funds

*Numbers do not include employees on extended leave who did not comply by Sept. 30, but must comply upon return, or employees who have given notice but not yet resigned



PHO Compliance Payment Eligibility

Compliance Requirements:

- City employees who uploaded proof of full vaccination status by Sept. 30, 2021
 - \$400 payment on Nov. 26 paycheck
- City employees who uploaded proof of an approved medical or religious exemption to Workday by Sept. 30, 2021 **and who have not been disciplined or had disciplinary proceedings initiated against them for violating their PHO accommodations on or before Dec. 10, 2021**
 - \$400 payment on the Dec. 23 paycheck

Eligibility:

- Full-time, part-time, on-call City and County of Denver employees (uniformed and career service) as of date of payment issuance
- Payment treated as income and subject to taxes, employee contributions for benefits, and other similar withholdings required or authorized by the employee
- Payment treated as salary. Elected officials' salaries cannot change within a term, therefore they are not eligible for the payment

Cost by Fund*

| | Employees | Est. Cost |
|----------------------------------|---------------|---------------------|
| General Fund | 10,420 | \$ 4,168,600 |
| Airport Operations & Maintenance | 1,328 | \$ 531,200 |
| Human Services | 1,271 | \$ 508,400 |
| Golf Enterprise Operations | 323 | \$ 129,200 |
| Wastewater Manage Operations | 290 | \$ 116,000 |
| Environmental Service Operations | 77 | \$ 30,800 |
| Arts and Venues | 71 | \$ 28,400 |
| Other funds (Grants, etc.) | 505 | \$ 202,000 |
| TOTAL | 14,285 | \$ 5,714,000 |

* Amount to be adjusted to reflect final eligibility numbers.

General Fund Supplemental

According to City Charter, the General Fund proposed budget shall include no less than 2% of total estimated expenditures in contingency for unbudgeted expenditures meeting specific criteria including:

- An unexpected event such as a natural disaster or accident;
- Large unappropriated payouts or personnel costs such as retirement payout or midyear salary adjustments that cannot be absorbed by agency appropriation;
- Unfunded mandates as a result of legislation;
- Technical corrections of the original budget;
- Planned one-time expenditures that advance a programmatic or financial outcome.

There are two other ‘reserves’ to be used under natural disaster or economic downturn circumstances. Both must be replenished.

Status of GF Contingency

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|---|---------------------|
| Original 2021 General Fund Contingency | \$26,095,000 |
|---|---------------------|

| | |
|---|------------|
| Ordinances 21-0082, 21-0254 and 21-0255: elected official furlough correction, DenverConnect, Risk Mg't SRF | -1,375,438 |
|---|------------|

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| Ordinances 21-0533 & 21-0222: Long Term Rental & MJ license implementation | -664,750 |
|--|----------|

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|--|----------|
| Ordinance 21-0395:City Council Transfer to SRF | -292,989 |
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|---|---------|
| Ordinance 21-0622: City Council Redistricting resources | -74,000 |
|---|---------|

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| Ordinance 21-0705: STAR and safety community partnerships (HRCP) | -1,300,000 |
|--|------------|

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|---|---------------------|
| Current General Fund Contingency Balance | \$22,387,823 |
|---|---------------------|

| | |
|---------------------|-------------|
| Current: CB 21-1056 | -5,000,000* |
|---------------------|-------------|

| | |
|---|---------------------|
| New General Fund Contingency if All Approved | \$17,387,823 |
|---|---------------------|

* Amount to be adjusted to reflect final eligibility numbers.

Similar Programs

Locally:

- King Soopers: \$200
- UC Health: \$500
- Centura Health: \$500

Nationally:

- Walmart: \$150 to new hires
- Alaska Air: \$200
- Whirlpool: \$1,000

Other Actions:

- Delta Airlines: \$200 monthly health insurance surcharge for unvaccinated
- NYC MTA: Removed \$500k death benefit for unvaccinated

Incentive and Compliance Programs in Other Cities:

- Broward Co., FL: \$500 Payment for vaccinated;
Weekly \$20 penalty and weekly testing for unvaccinated
- Raleigh, NC: \$250 FTE, \$125 PTE, 2 days leave incentive
Must be vaccinated by 12/31/2021
Monthly payments as vaccinations occur
No incentive for exempted
- Washington DC: 8 hours PTO vaccinated incentive
No incentive for exempted
- Phoenix, AZ: \$75 vaccine incentive + \$1,500 drawing (2 employees/week) paid next paycheck after proving vaccinated status
- Hennepin Co, MN: \$50 gift card for those vaccinated

Next Steps (Tent.)

- ~~9/14:~~ ~~FINGOV Committee~~
- 10/5: FINGOV Committee, cont.
- 10/12: Mayor Council
- 10/18: First Reading
- 10/25: Final Reading
- 11/26: Projected date for payments to qualifying vaccinated employees
- 12/23: Projected date for payments to qualifying exempt employees

Requested Council Action

- City requests approval to modify Article II, Chapter 18 of the D.R.M.C. by adding a Division 5 titled “COVID-19 Mandate Bonus Program” for the purpose of providing a one-time \$400 bonus to eligible employees who comply with the Aug. 2, 2021 Public Health Order on or before Sept. 30, 2021, **or who upload proof of an approved exemption by Sept. 30, 2021 and have not been disciplined or had disciplinary proceedings initiated against them for violating their Public Health Order accommodations on or before Dec. 10, 2021**
- City requests approval of a supplemental to appropriate \$5 million from General Fund Contingency for the purpose of making \$400 vaccination bonus payment to eligible city employees
 - Other funds may also require approval to appropriate reserves for one-time payment to eligible employees



Questions?