



DENVER
THE MILE HIGH CITY

2019 Contingency Highlights And General Fund Supplemental Overview

Items: BR19 0874, BR19 0856, BR19 0869

August 27, 2019

According to City Charter:

- "The proposed budget for the general fund shall also include an amount, not less than two percent of the total estimated expenditures set forth in the general fund for the ensuing year, for the payment of any expense, the necessity of which is caused by any casualty, accident or unforeseen contingency, after the passage of the annual appropriation ordinance."

Given the charter language, the City's financial policy states certain criteria must be met to consider unbudgeted expenditures, 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;
- 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.

2019 General Fund Contingency

Starting General Fund Contingency	\$28,684,000
Previously Approved Supplemental Requests	\$370,803 (transfer to City Council Special Revenue Fund)
Remaining General Fund Contingency Balance	\$28,313,197
Percentage of General Fund Contingency Remaining	98.7%

Supplemental Items, Pending Council Action on Aug. 27	\$6,700,000
Pending Supplemental Requests	\$3.7M (BR19 0856) \$1.55M (BR19 0869) \$1.45M (BR19 0874)
Remaining General Fund Contingency Balance Remaining, if supplementals are approved	\$21,613,197
Percentage of General Fund Contingency Remaining, if supplementals are approved	75.3%

The Budget and Management Office requests City Council approval of three action items requiring a General Fund Supplemental:

- **BR19 0874:** Approves a supplemental appropriation of **\$1,450,000** from General Fund Contingency to transfer to the Other Agency Capital Project Fund to provide sufficient budget capacity to fund a settlement in support of the National Western Center Office in Council District 9.
- **BR19 0856:** Approves a supplemental appropriation of **\$3,700,000** from General Fund Contingency to transfer \$3,500,000 to the Strategic Shelter Facilities Fund and \$200,000 to the Denver Human Services Homeless Services Fund to support the purchase and associated costs of furnishing property located at 1901 29th Street, known as the Crossroads shelter, to preserve the City's current shelter needs, in Council District 9.
- **BR19 0869:** Approves a supplemental appropriation of **\$1,550,000** from General Fund Contingency to transfer to the Liability and Claims Special Revenue Fund to provide sufficient budget capacity to fund a legal settlement.