



General Government & Finance Committee Summary Minutes

Wednesday, June 15, 2011 10:30 AM City & County Building, Room 391

Members Present: Faatz, Lehmann, Robb

Members Absent: Boigon, Brown

**Other Council
Present:**

Committee Staff: Debra Bartleson

Bill Requests

BR11-0416 **Creates a special revenue fund for the Denver Art Museum Hamilton Building Rehab / Improvements that will be funded by monies received - \$15 million - from a settlement for this purpose.**

Gretchen Hollrah, Budget and Management; Sam Dykstra, City Attorney's Office

Jack Finlaw, Mayor's Office; Rich Rutledge, Denver Art Museum; Leslie Thomas, Public Works; Gretchen Hollrah, Budget & Management; and Sam Dykstra, City Attorney's Office explained that the \$15 million settlement/agreement is from M.A. Mortenson Company and project insurers to address future needs of the Hamilton Building regarding capital improvements, including roof repairs. Mr. Finlaw added that the primary issues involved the roof and walls of the museum. M.A. Mortenson and insurers conducted studies to evaluate water evaporation issues; the studies were inconclusive. The City felt that putting together a fund to address the issues would be the best alternative long-term at no cost to the taxpayer. The collective worth of the entire agreement is \$32 million (including the \$17 million that has already been spent to address issues with the building's roof). The City owns the building, stated Mr. Finlaw.

A motion offered by Councilmember Robb, duly seconded by Councilmember Faatz,

to file a bill to approve creation of a special revenue fund for the Denver Art Museum Hamilton Building Rehab/Improvements, carried by the following vote:

AYES: Faatz, Lehmann, Robb(3)

NAYS: (None)

ABSENT: Boigon, Brown(2)

ABSTAIN: (None)

Presentations

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2011 General Session - legislative report

Jenifer Brandeberry and Julie McKenna, Brandeberry~McKenna Public Affairs; Tanya Kelly-Bowry, TKB Consulting

Jenifer Brandeberry, Julie McKenna, Brandeberry~McKenna Public Affairs, and Tanya Kelly-Bowry, TKB Consulting, highlighted prominent bills lobbied on behalf of the City during the 2011 General Session as follows (see attachment for detailed analysis):

HB11-1115: Retainage in construction contracts. This bill was highly controversial, and if passed with initial language, would have authorized final payment in any phase of construction to contractors who have completed their work. Many entities - water districts, education districts, and other municipalities - worked collectively to amend the legislation and it passed with requirements to withhold from a contractor 5% to ensure that work is satisfactorily completed. Hopefully, issues have been resolved and the construction community will not attempt another retainage bill next session. David Broadwell, City Attorney, stated that no cost estimate has been done for impacts. He indicated that the new requirements need to unfold to determine the costs.

HB11-1003: Denver opposed this bill related to ID verification for voting. It was postponed indefinitely. The bill removed several forms of identification that do not have a photograph of the individual from the list of acceptable forms of ID.

HB 1219: A bill supported by Denver's Clerk & Recorder O'Malley. The bill enacts the Uniform Military and Overseas Voters Act and specifies to overseas voters the types of elections the bill applies.

Various Business Personal Property Tax (BPPT) bills were opposed. Impacts and opposition by Denver were based on how the bills were structured. Mr. Broadwell indicated that collectively BPPT bills were expected to impact Denver in the amount of \$40 million in lost revenue. Ms. Brandeberry noted that most of the proposals did not have consensus and the bills couldn't pass because of large fiscal impacts. Denver supported SB11-119 which streamlines the appeals process for commercial real property valuation and HB11-1031 which authorizes Creative Districts that promote cultural industries.

Transportation bills opposed by Denver include SB11-55 which impacted Denver International Airport and SB11-65. SB 65 involves the ongoing debate with the PUC and adding more cabs to downtown and the airport. Mr. Broadwell said the Mayor has sent letters to the PUC regarding the City's position on limiting access. Councilmember Faatz questioned what standard the PUC was using to make its determination and asked for the recent written standard. Mr. Broadwell said at one time the standard included a "certificate of necessity", but the standard has changed. He will provide the information. Both bills were postponed indefinitely.

Various bills that passed and were supported by Denver include: HB11-1275 Truck Idling, HB 11-1023 Foreclosure, and SB11-256 Penalties for Graffiti. SB 258 Kitchens for Local Farming failed, but is of interest to Denver and will come back. Ms. McKenna said these entities are engaging with local health centers to address and resolve issues related to public health concerns.

HB11-1116: This was another bill that infringed on local control for trash services, it was postponed indefinitely. This bill required local governments to obtain voter approval prior to providing, contracting to provide or requiring residents of a local government to pay fees for waste services. This will be flagged in the future for like legislation.

Councilmember Robb asked about HB11-1199 Fee Installation for Solar Energy Panels. Ms. McKenna said the legislation passed 3 years ago with a sunset, the fees are local prerogative, generally, and fees must be \$500 or below for residential plan review and \$1000 or below for non-residential. Denver currently charges \$50 and the legislation did not create a fiscal impact to Denver, as it did for other municipalities. Mr. Broadwell didn't know if Colorado Municipal League got a requested veto on this issue, but he will check into it. The Councilwoman asked who the entertainment district bill (SB11-273) was for. Mr. Broadwell said the bill was drafted for the City of Glendale and the approvals are similar to what Denver does for its neighborhood art walks. Councilmember Robb asked if the permit allows an individual to walk with alcohol. Mr. Broadwell said he will check into the permit criteria. The Councilwoman requested an update on this bill from Excise & Licenses.

Ms. Kelly-Bowry said the 2011/2012 budget was very different and difficult this year, and many new representatives, including the Governor were transitioned into their new roles and the financial decisions that needed to happen. The "ugly list" was unveiled and the Governor and Legislature agreed to maintain a 4% reserve. The total reduction for the 2010/2011 budget was \$268.6 million, and Denver was able to prevent a \$1.4 million reduction to child welfare.

Other successful financial recoups include mitigating reductions to K-12 from \$332 million to \$250 million, protecting the Read to Achieve dollars for Denver Public Schools, maintaining the cigarette tax dollars for General Fund operating revenue, and restoring the FPPA funding in the amount of \$5 million and \$10 million in subsequent years.

Ms. Kelly-Bowry informed the Committee that the June revenue forecast will be out next Monday and they are anticipating another \$300-400 million shortfall next budget cycle due to continuing housing market struggles and higher unemployment. Councilmember Robb asked if casinos' decision to keep some of their money is impacting educational institutions, and is there a forecast regarding what impacts the Colorado Historical Society will take in grant opportunities. Ms. Kelly-Bowry said the budget kept a 5% reduction, but the Governor is working with partnerships to maintain funding on key issues.

Ms. Kelly-Bowry mentioned that a TABOR lawsuit was filed and she explained that the various pieces of legislation such as TABOR, Amendment 23, and the Gallagher Amendment require constitutional amendments and limits the Legislature from making budget changes easily. The entire Legislature is committed to looking at budget resolutions. Councilmember Faatz said TABOR is a revenue limiting approach, but she asked how Amendment 23 would be protected (K-12 funding). Ms. Kelly-Bowry said Amendment 23 incorporates a 1% timeout in the legislation, and requires a 2/3 vote for fiscal emergency.

The Committee members thanked the Denver lobbyists for a successful legislative year.