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# 2021 Budget Bill Requests

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# Summary of General Fund Budget Bill Requests

- 21-0254: Supplemental of \$50k to Human Rights and Community Partnerships to fully-fund DenverConnect and rescission of \$50k from the Executive Director of Safety to Office of the Independent Monitor to fully fund a full-time equivalent supporting the Citizens Oversight Board
- 21-0082: Budget Furlough Restoration for Elected Officials
- 21-0255: Cash Transfer of \$1.15M from General Fund Contingency to the Risk Management Special Revenue Fund for vehicle replacement costs

# Summary of Capital Improvement Program Bill Requests

- 21-0253: CIF Mill restoration and appropriation of \$2,279,317 in the Capital Improvement Program
- 21-0279: Rescinds \$1M from the Welton Parking Garage project and re-appropriates for infrastructure improvements in the Five Points neighborhood

# CB21-0254: Budget Additions in Response to City Council's Requests

- \$50,000 supplemental for Human Rights and Community Partnership to fund a position in the Office of Aging that supports the DenverConnect Initiative and has grant support for a portion of the year.
- \$50,000 rescission from the Executive Director of Safety and re-appropriation in the Office of the Independent Monitor to supplement funding for a part-time position that supports the Citizens Oversight Board, allowing the position to be full-time.

# CB21-0082: Restore Budget Furloughs for Elected Officials

- The 2021 General Fund budget is balanced assuming \$12.8M in furlough savings for all civilian employees.
- These salary reductions were applied across City departments and funds in the 2021 budget; however, while furloughs can be taken by staff supporting elected officials, furloughs cannot be taken by elected officials themselves.
- Policy Considerations:
  - The State Constitution and City Charter do not allow elected officials' salaries to change after they are set in ordinance; therefore, they cannot be reduced for furloughs. Elected officials may support the City's furlough savings program on a voluntary basis by writing a check to the City.
  - The City's Financial Policies indicate that General Fund Contingency may be used for technical corrections in the Budget.

# CB21-0082: Restore Budget Furloughs for Elected Officials (cont.)

	Original Appropriation	Correction for Furloughs	New Appropriation
Mayor's Office	\$1,972,065	\$5,990	\$1,978,055
City Council	6,310,601	42,715	6,353,316
Auditor's Office	10,524,099	5,212	10,529,311
District Attorney's Office	27,666,599	7,369	27,673,968
County Court	26,553,887	108,940	26,662,827
Clerk & Recorder	9,726,915	5,212	9,732,127
<b>TOTAL Supplemental</b>		<b>\$175,438</b>	

# CB21-0255: Cash Transfer to Risk Management Special Revenue Fund

- Risk Management Special Revenue Fund Overview:
  - **Expenses:** Deductibles for various insurance programs & total replacement costs where the City is self-insured, such as City-owned vehicles involved in auto accidents
  - **Revenues:** Insurance reimbursements, subrogation claims, and General Fund transfers when those two sources and the Fund's cash balance cannot cover obligations

# CB21-0255: Cash Transfer to Risk Management Special Revenue Fund (cont.)

Expenditures in the fund have unexpectedly increased since 2019:

- Average annual expenses were previously about \$780k
- 2019 expenses were about \$2.8M due to:
  - An increase in property insurance deductibles (general deductible and special hail deductible)
  - An increase in annual severe storms damage to City buildings
  - Total loss of DOTI large vehicles
- 2020 expenses were about \$1.9M due to:
  - Structure fire
  - Damage resulting from civil unrest
  - Total vehicles



# CB21-0255: Cash Transfer to Risk Management Special Revenue Fund (cont.)

City Council has previously approved additional support to address the unforeseen expenses including:

- 2020: Cash Transfer of \$1M from General Fund Contingency through Ordinance No. 206
- 2021: Budgeted General Fund Transfer of \$500k in the 2021 Long Bill (Annual Appropriation Ordinance, No. 1216)

However, the SRF requires additional support to address the outstanding 2020 totaled vehicle list, which includes vehicles in the Police Department, Fire Department, and Parks and Recreation.

This bill request authorizes a rescission of \$1,150,000 from General Fund Contingency to perform a cash transfer to the Risk Management Special Revenue Fund.

The Budget and Management Office will evaluate the financial position of the Risk Management SRF during the 2022 budget process to determine if an increase to the budgeted General Fund transfer is required in 2022.

# General Fund Supplemental

The City Charter requires that the proposed budget for the General Fund shall include no less than two percent of total estimated expenditures for unbudgeted expenditures that meet criteria that include:

- 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.

# General Fund Contingency

Original 2021 General Fund Contingency	\$26,095,000
CB21-0082: Budget furlough restorations for elected officials	-175,438
CB21-0254: \$50,000 supplemental for HRCP's DenverConnect	-50,000
CB21-0255: Cash Transfer to the Risk Management SRF	-1,150,000
<b><i>Subtotal: Change to GF Contingency for Above Bill Requests</i></b>	<b><i>-1,375,438</i></b>
Pending: \$350,000 supplemental to Excise and Licenses for Marijuana License implementation, offset by \$120,000 in revenue	-230,000
<b><i>TOTAL Change to GF Contingency if All Approved</i></b>	<b><i>-1,605,438</i></b>
<b>New General Fund Contingency if All Approved</b>	<b>\$24,489,563</b>

# CB21-0253: CIF Accredited Mills Restoration and Appropriation

- In non-reassessment years, the City can restore credited property tax mills up to the 2A allowable growth cap.
- In 2020, mills are being restored to generate additional revenue in 2021 across four funds, including the General Fund, Human Services, Affordable Housing, and the Capital Improvement Fund (CIF).
- The associated revenue for all funds except CIF were appropriated in the 2021 Budget Book.
- This bill request appropriates the \$2,279,317 attributed to the CIF portion of the restored credited property tax mills.
- The appropriation will support the commitment to additional street paving supported by ballot measure 2A approved in 2012. This was previously supported by a General Fund transfer, and this action will restore the funding for that commitment.

# CB21-0279: Rescission/Re-Appropriation to Fund Five Points Neighborhood Improvements

- City funds were appropriated for the construction of the Welton Parking Garage to leverage non-City and grant dollars.
- This project is no longer moving forward, and a multi-departmental team has been collaboratively working with businesses and the community on alternative infrastructure projects to serve the Five Points community and local economy.
- This bill request rescinds \$1M from the Welton Parking Garage project and re-appropriates that amount in projects to support pedestrian, vehicle, and placemaking infrastructure projects in the Five Points neighborhood, including along Welton Street.



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# Questions?