

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: March 1, 2021

Please mark one: **Bill Request** or **Resolution Request**

1. Type of Request:

- Contract/Grant Agreement** **Intergovernmental Agreement (IGA)** **Rezoning/Text Amendment**
 Dedication/Vacation **Appropriation/Supplemental** **DRMC Change**
 Other: Cash Transfer

2. Title: (Start with *approves, amends, dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Authorizes a rescission from General Fund Contingency of \$1,150,000 to transfer cash to the Risk Management Special Revenue Fund to support the replacement of City-owned vehicles.

3. Requesting Agency: Department of Finance- Budget and Management Office

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Jessica Skibo and Devron McMillin	Name: Jessica Skibo
Email: Jessica.skibo@denvergov.org and Devron.Mcmillin@denvergov.org	Email: Jessica.Skibo@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

The Risk Management Special Revenue Fund pays deductibles for various insurance programs and also pays total replacement costs where the City is self-insured, such as City-owned vehicles involved in auto accidents. The revenue for this fund has come from insurance reimbursements, subrogation claims, and General Fund transfers when those two sources and the Fund's cash balance cannot cover obligations.

The average annual expenditures for the fund have been approximately \$780,000. However, expenses began to escalate in 2019, when they totaled \$2,778,040 due to an increase in property insurance deductibles (general deductible and special hail deductible), as well as an increase in annual severe storms causing damage to City buildings (hail and wind), and the total loss of Department of Transportation & Infrastructure large vehicles. In 2020, annual expenses are estimated to be about \$2 million, due to structure fire, damage resulting from civil unrest, and totaled vehicles, though the year-end close is not complete.

In 2020, City Council authorized a \$1 million cash transfer from General Fund Contingency to address the rising cost of property damage that could not be supported by the SRF's existing revenue streams or cash balance. During the 2021 budget process, the Department of Finance addressed the increase in ongoing costs by appropriating a transfer in the 2021 budget of \$500,000 from the General Fund to the SRF to supplement existing revenue streams. However, in an effort to address the outstanding 2020 totaled vehicle list and setup the SRF to address incidents as they arise, the Department of Finance has determined that the SRF will require additional funding. Specifically, there is still insufficient capacity to replace vehicles in the Police Department, Fire Department, and Parks and Recreation, while also covering ongoing expenses. This bill request authorizes a cash transfer from General Fund Contingency of \$1,150,000 to ensure all obligations can be supported. 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.

The General Fund Contingency appropriation in 2021 is \$26,095,000. As of this writing, no supplemental appropriations have been

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: BR21 0255

Date Entered: _____

authorized. If this rescission from General Fund Contingency and the cash transfer is approved, the remaining budget in Contingency will be \$24,945,000.

6. City Attorney assigned to this request (if applicable):

7. City Council District:

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