



**DENVER**  
THE MILE HIGH CITY

# DEPARTMENT OF FINANCE

## 2021 Budget

*Ensure the efficient and effective delivery of City services through strong financial management and excellent customer service.*

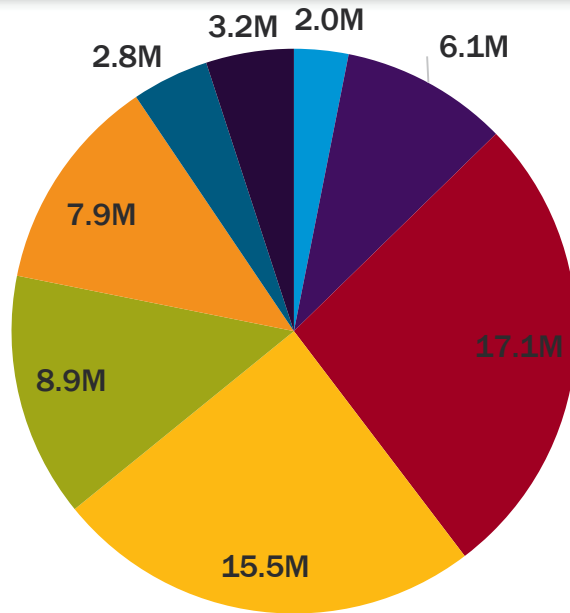


## Divisional General Fund Operating

- Office of the Chief Financial Officer
- Assessment Division
- Treasury Division
- Cash, Risk & Capital Funding
- Controller's Office
- Division of Real Estate
- Budget & Management
- Capital Planning & Programming

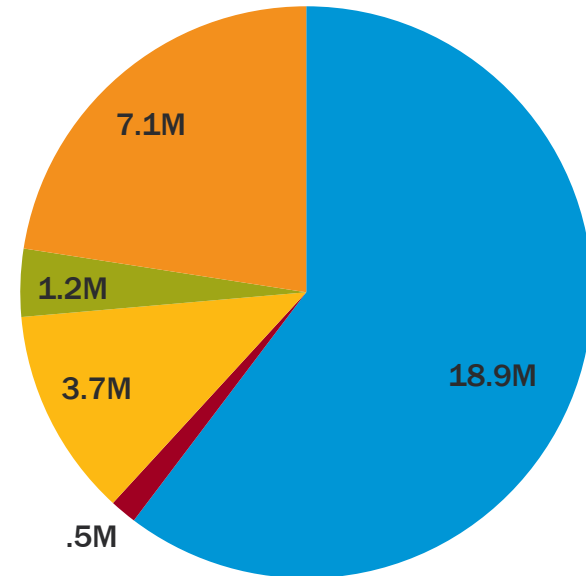
## Transfers/Special Appropriations

- Certificate of Participation (COP) payments
- Downtown Historic District
- Hotel Tax Increment
- Special DERP Payments
- Unemployment Comp Insurance
- Worker's Compensation
- Contingency Fund



**Operating Budget - \$63.4M**

- Office of the CFO
- Assessment
- Treasury
- Cash, Risk & Capital Funding
- Controller's Office
- Real Estate
- Budget & Management
- Capital Planning & Programming



**Transfers/Special Appropriations - \$59.7M**

- Certificate of Participation (COP) payments
- Downtown Historic District
- Hotel Tax Increment
- Special DERP Payments
- Unemployment Comp Insurance
- Worker's Compensation

# ORGANIZATIONAL DETAILS

## Assessment

- Locates, appraises and records all of Denver's properties

## Cash, Risk & Capital Funding

- Oversees the City's banking services, including cash handling and investment of city funds, debt issuance, Workers' Compensation insurance program, and management of the City's risk and exposure to loss

## Budget & Management

- **Budget Office** prepares and oversees the implementation of the City's annual budget
- **Peak Academy** provides training and coaching for employees at all levels to improve the way government works

## Office of the CFO

- Unifies the City's Financial Functions

## Controller

- Responsible for citywide payroll, accounts payable, general accounting, financial reporting and fiscal rules and policies

## Capital Planning & Programming

- Oversees capital financial planning, budgeting, policies and procedures; proposal prioritization and strategic capital planning efforts

## Treasury

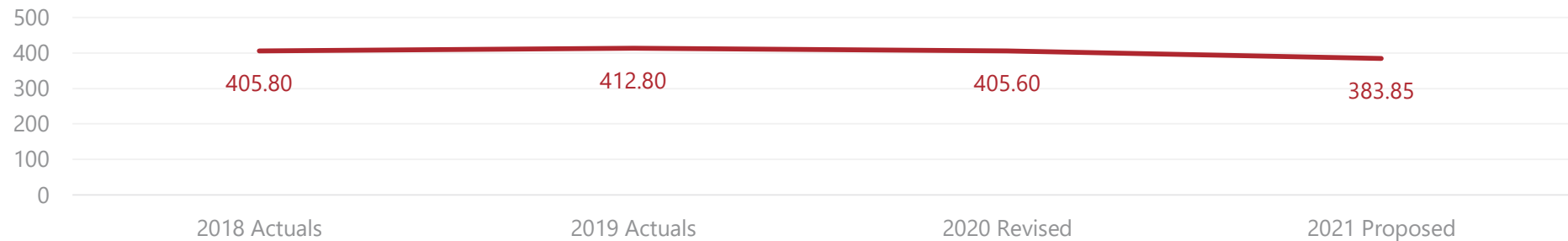
- **Tax Compliance**  
Section collects, records, and deposits all city taxes and enforces tax compliance
- **Denver Motor Vehicle**  
registers and titles vehicles and to collect, record, and deposit all taxes and fees for vehicles

## Real Estate

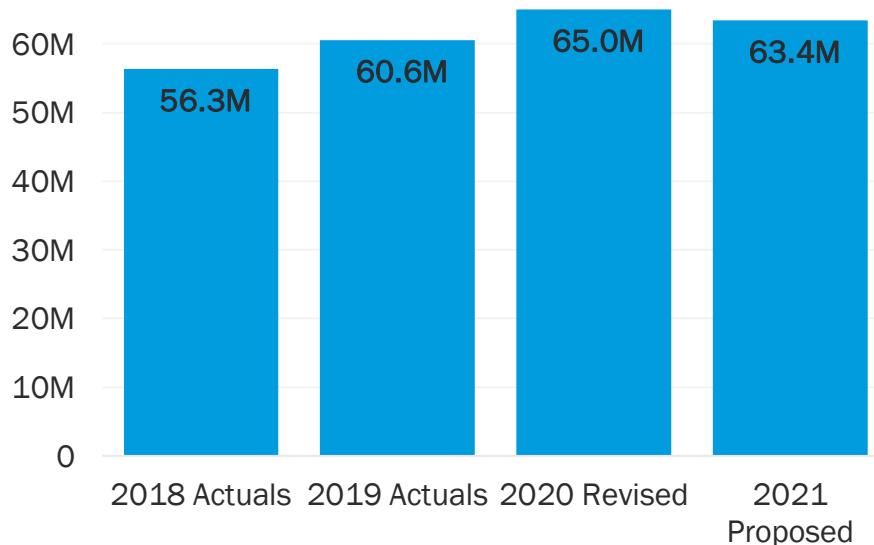
- Asset management for the City's real estate portfolio

# DOF General Fund Operating Expenditures & FTEs

Total FTE

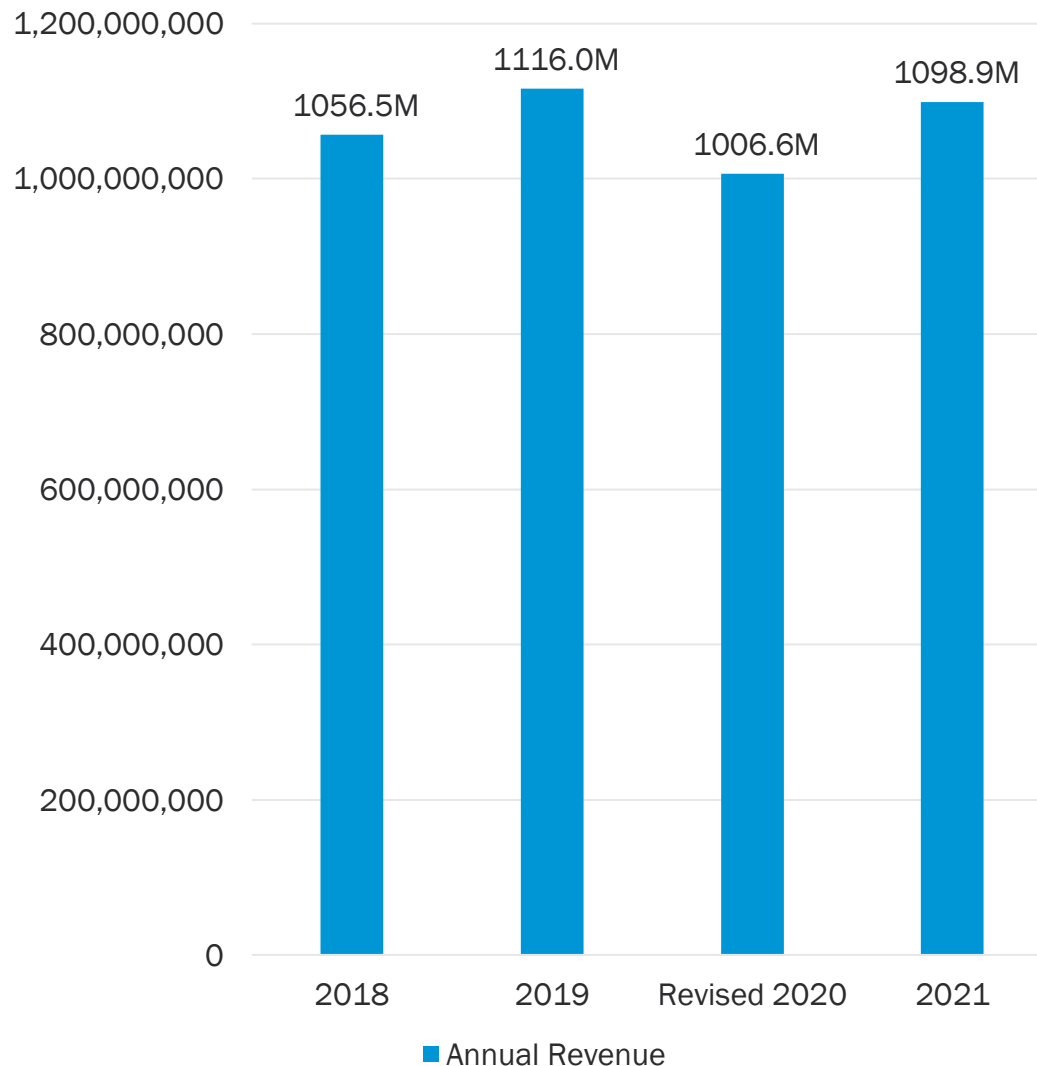


Total Expenses



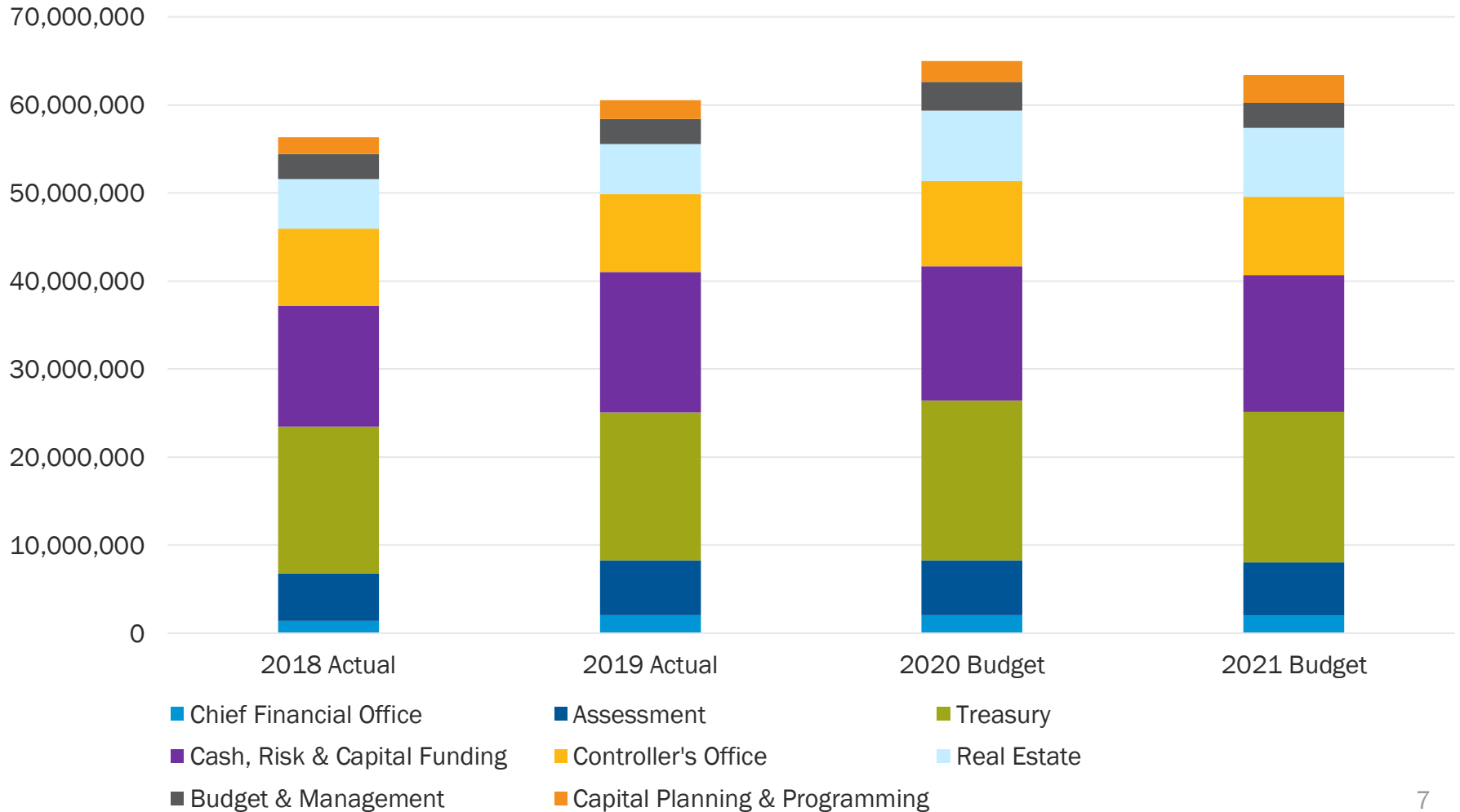
- Reflects \$5.55m in restricted budget in 2020 and almost 22 fewer FTEs.
- Includes mandatory citywide increases
  - \$1.45m insurance premiums
  - \$2m ADA Professional Services
  - \$205k lease increases

# YOY DOF General Fund Revenue Change

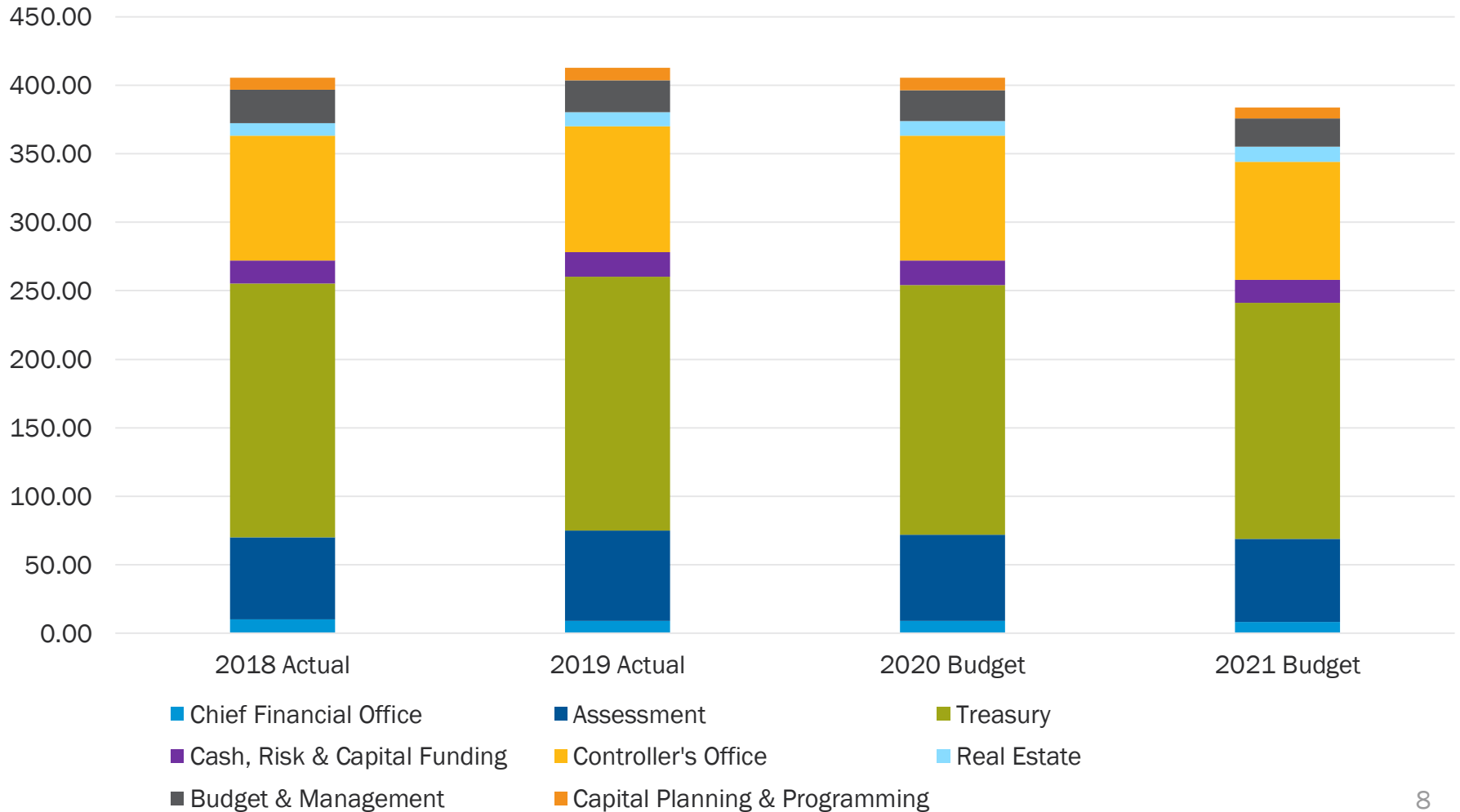


- DOF houses the City's tax revenues
- Revenue projections assume recovery from a significantly impacted 2020 revised revenue forecast

# YOY Divisional Budget Change



# YOY Divisional FTE Change





# Budget Methodology

- Maintain service levels, specifically customer services
- Limit impact to current employees
  - Freeze nearly all vacant positions starting in March 2020
  - Look inward to all discretionary services and supplies accounts across the eight divisions
- 2021 new revenue options to preserve city services
  - Implement credit card service fees for online and over the counter transactions

## DOF SERVICE FOCUS

- Preserving DOF Services
- Financial Transparency
- Financial Integrity
- Fiscal Monitoring and Flexibility



Shared  
Resources &  
Responsibilities



Maximizing  
Technology for  
Employee's &  
Resident's



Instrumental  
in Citywide  
Acceleration  
Plan

## Equity Framework used in Operating Budget

- Budget Team completed Equity Budget Framework training and ADA document accessibility training
- Agencies received training and one- on-one coaching on addressing equity questions regarding budget submissions
- Office of Social Equity and Innovation (OSEI) team representatives participated in all CFO and Mayor Budget meetings to provide guidance and feedback on equity impacts
- OSEI worked with agencies to develop mitigation strategies to avoid or reduce the impact of budget reductions on historically marginalized communities of color, First Nations/Indigenous people, and under-resourced communities.

## Equity Framework used in Capital Budget

- The Capital Planning and Programming team closely collaborated with the Office of Social Equity and Innovation (OSEI) to define an equity framework specific to capital projects.
- The equity framework is applied at three levels of decision-making in the Capital Improvement Plan (CIP) — planning, programming, and implementation — to create more equitable infrastructure outcomes.
- The CIP prioritizes capital projects that serve historically-marginalized communities of color, First Nations/Indigenous, and under-resourced communities or are in areas with less access to opportunity.

## 2020 Actions:

### Federal CARES Act Funding

Allocation of \$127 million of Coronavirus Relief Funds to support community and emergency needs due to COVID-19. Programs support public health, economic and housing stability, sheltering, emergency food needs, and services targeting hard to reach populations. Allocations based on eligibility, emergency need, program readiness, as well as priorities identified by Council.

### Denver Motor Vehicle Registration Enforcement Waiver

Working with DOTI and DPD, the DMV implemented a waiver of enforcement for expired license plates and registrations from April 1 through August 31, 2020 to provide Denver residents additional time to complete title and registration activities following the closure of the DMV due to COVID-19.

The DMV also waived late registration fees through August 31 to provide more flexibility for Denver residents during the pandemic.

# DOF Equity Framework- Peak Academy/OSEI Partnership

## Peak Academy:

- Added OSEI framework into every applicable Peak course and module
- The Peak Academy team cross trained to co-teach the OSEI course (Peak will start teaching this course with OSEI in 2021)
- Peak Academy is assisting OSEI in implementation of a framework for employees to identify and make changes to government processes post course, much like the certification requirement for Peak courses. OSEI trainees will soon have equity innovations and those will be tracked in a database (like Peak)
- Peak Academy built the OSEI dashboard
- Peak Academy co-hosted the OSEI book club and developed the content

# DOF Equity Framework: Social Impact Bonds

- Investing \$2.9 million to continue the work of the Supportive Housing Social Impact Bonds (SIB) program in 2021
  - Program has helped more than 422 people exit the streets and criminal justice system through supportive housing since 2016, with most successfully remaining in housing
  - Original SIB program contract ends in 2020 and city will continue the investment in 2021 through the General Fund
  - Full report on program outcomes will be available in mid-2021
- Awaiting a decision on status of Denver's Social Impact Partnerships to Pay for Results Act (SIPPRA) application to US Treasury for new program to support housing and health intervention outcomes



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# Treasury Division



# Programmatic Tax Compliance Reductions

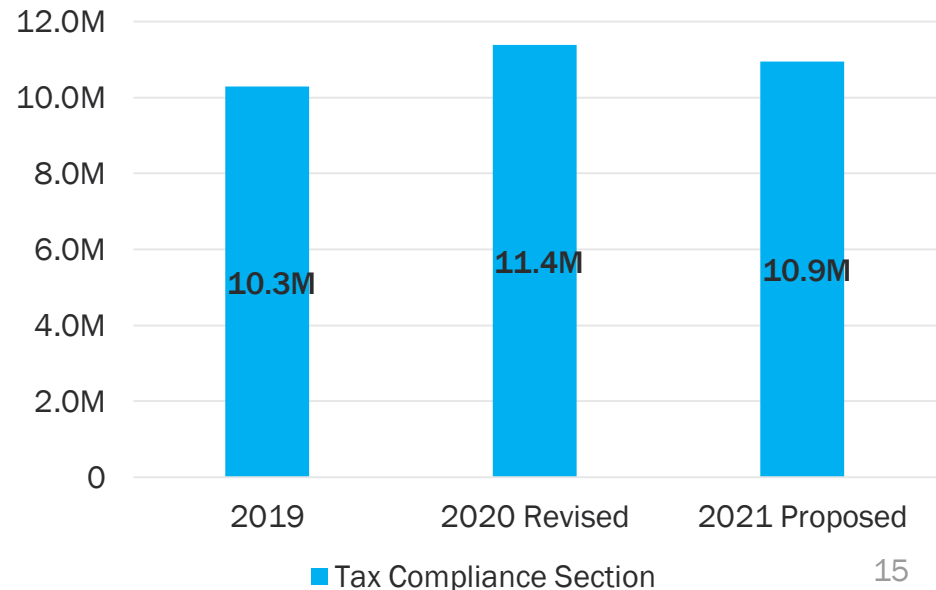
| Personnel Expenditures | FTE      | Services & Supplies |
|------------------------|----------|---------------------|
| -\$688,500             | -7.0 FTE | -\$317,500          |

A decrease in personnel services to freeze the following vacant positions: one Finance Manager; one Tax Compliance Supervisor; one Lead Tax Auditor; one Staff Tax Auditor; two Tax Technicians, and one Senior Management Analyst due to SIP and proactive freeze of vacant positions. Also a reduction in discretionary travel, dues, license and office supplies.

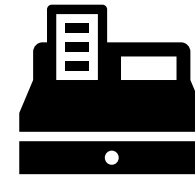
## Mitigating Actions to Deliver Service:

- Realign responsibilities across teams
- Temporary measures implemented in 2020 to support Denver residents through the pandemic:
- Deferment of sales and use tax, OPT and property taxes.

These measures provided financial flexibility to Denver residents and at-risk businesses as well as a grace period to get back into compliance.



## Tax Compliance



| 2019                | 2020                                |
|---------------------|-------------------------------------|
| 52,418 Transactions | 35,041 Transactions (ytd 08/31)     |
| Phone 36,258        | Phone 27,195                        |
| Walk-in 16,160      | Walk-in 7,846 (closed for 2 months) |

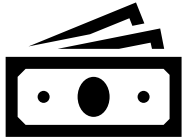
The city waived the 15% penalty for late payment for sales, use, occupational privilege, and seat (facility development admissions) taxes for February, March and April tax returns.



# COVID Response: Tax Compliance Services



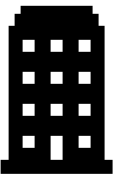
The City took full advantage of the state-granted authority to waive interest for late payment of property taxes for March 20 through April 30, and again from June 16 through Oct. 1, 2020



**10,207** property owners have taken advantage of the interest waiver, with **\$657,868** of interest waived, as of Sept. 17



Businesses were required file their sales/use tax return and remit the tax funds within 30 days of the due date



**5,670** businesses took advantage of the opportunity to file returns 30 days late and the city waived **\$1,413,357** of penalties associated with this program

# Programmatic DMV Reductions

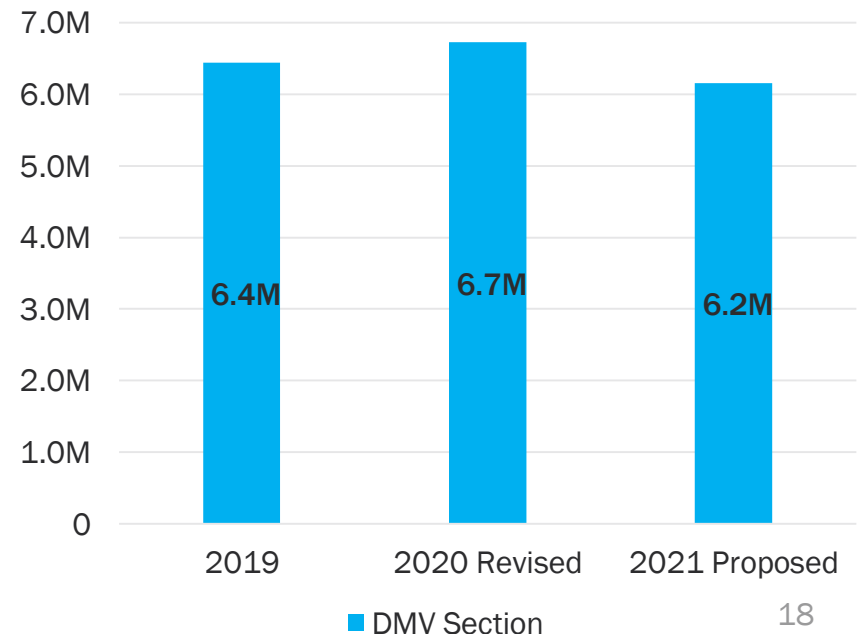
| Personnel Expenditures | FTE      | Services & Supplies |
|------------------------|----------|---------------------|
| -\$186,800             | -3.0 FTE | -\$190,000          |

A decrease in personnel services to freeze three Motor Vehicle Technicians positions and temporarily reduce overtime in the Motor Vehicle unit. The responsibilities of these positions will be absorbed by existing staff. Also, a reduction in discretionary travel, dues, license and office supplies.

## Mitigating Actions to Deliver Service:

- Increased online and mail-in support
- Temporary measures implemented in 2020 to support Denver residents through the pandemic
- Requested suspension of enforcement for expired license plate tags while DMV closed

These measures reduced the risk Denver residents would be out of compliance and incur financial penalties



**2019** – 845,595 transactions

**2020 (ytd thru 09/17)** – 479,483 transactions

**Denver Motor Vehicle branches** closed March 16 due to the pandemic and resumed processing mail/online transactions May 4. Branches reopened to the public June 29:

- **83,827** walk in customers served June 29 – Sept. 17
  - **average 1,524** customers/day
- **184,431** transactions completed June 29 – Sept. 17 via mail, online, walk-in and phone
- **6,650 average** number of calls per month June 29 through Aug. 31
  - **average 309** calls/day (managed by 4 MV Tech's)

# COVID Response: DMV Services



Denver Motor Vehicle transacted our backlog of transactions faster than any other DMV in the region



DMV employees, in coordination with public health officials, crafted guidelines to safely reopen to the public on June 29



DMV staff took additional precautions and measures throughout the summer to protect patrons and co-workers from excessive heat



DOTI and DPD suspended enforcement of expired license plates and registrations from April 1 through August 31 to allow the DMV team time to work through the backlog

The city, in conjunction with the State Dept. of Revenue, waived late registration fees through August 31, providing flexibility for both Denver residents and the DMV team in dealing with the pandemic



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# **Cash, Risk and Capital Funding (CRCF) Division**



# Programmatic Cash & Investments Budget Changes

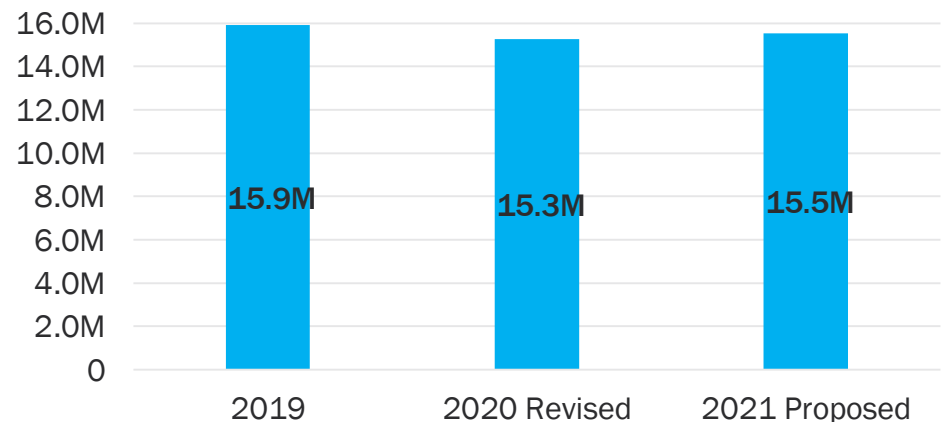
## Key Budget Changes

| Description                                     | Financial Change |
|---|------------------|
| Mandatory Insurance Premium Increase            | \$1,452,200      |
| Bank Charge & Fees                              | (\$700,000)      |
| Financial Advisory Services & Event Consultants | (\$474,500)      |
| Finance Director Retirement                     | (\$229,800)      |
| Training & Travel                               | (\$30,000)       |

## Key Impacts

- More residents paid 2020 taxes online and used payment lockboxes and alternate drop boxes when city offices closed due to pandemic
- Online payments:  
June 2019 - **35%** | June 2020 - **41%**
- Proactive monitoring and management of city's **\$5.3 billion** investment portfolio to meet emergency spending needs and mitigate exposure to weakening investment credits

## CRCF Division Budget



# Payment Card Service Fee's Revenue

## Key Budget Changes

| Description         | Financial Change |
|---------------------|------------------|
| Increase in Revenue | \$3,291,000      |

## Key Impacts

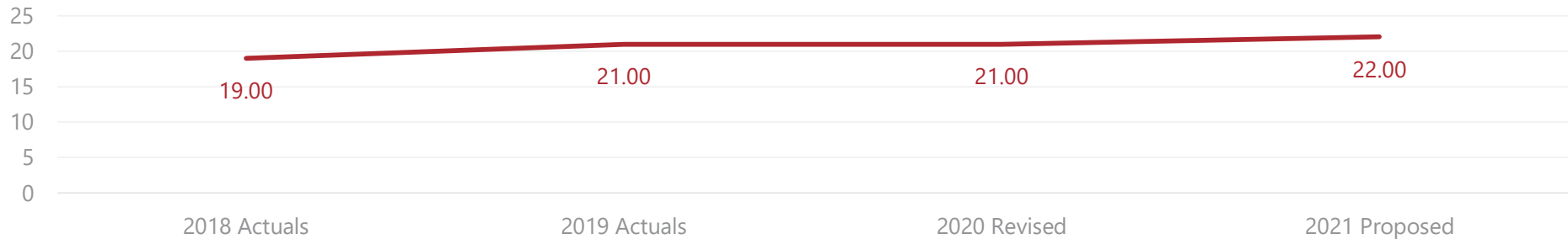
In 2021, CRCF is implementing a new payment system, expanding online payments and improving the customer experience both online and in person

|                            | Projected Fees<br>1st Quarter | Projected Fees<br>2nd Quarter | Projected Fees<br>3rd Quarter | Projected Fees<br>4th Quarter | Total<br>Projected Fees |
|----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------|
| Motor Vehicle Payments     | 459,964                       | 473,720                       | 500,856                       | 482,627                       | 1,917,167               |
| ECS Online Payments        | -                             | -                             | 652,448                       | 603,228                       | 1,255,676               |
| ECS Point-of-Sale Payments | -                             | -                             | -                             | 118,221                       | 118,221                 |
|                            | 459,964                       | 473,720                       | 1,153,304                     | 1,204,076                     | 3,291,064               |

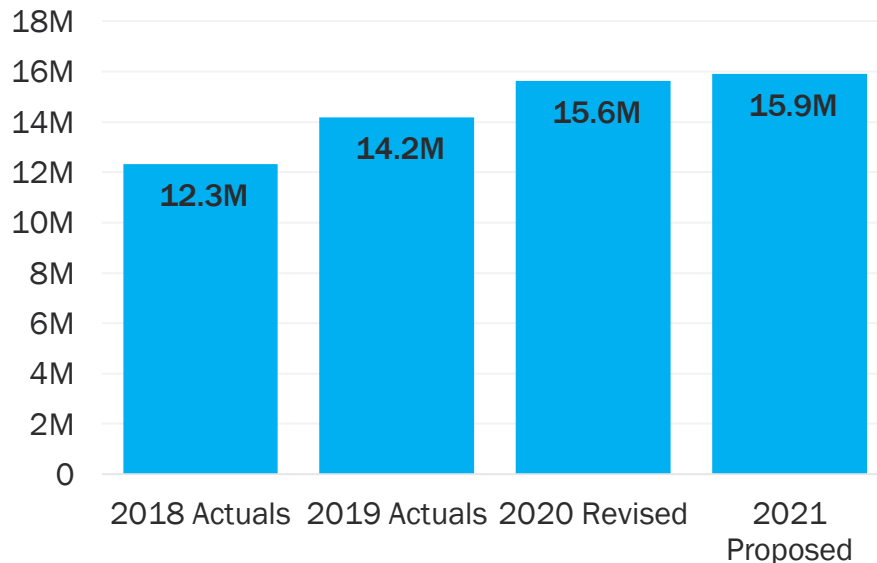
# Worker's Compensation Fund & FTE Changes

24

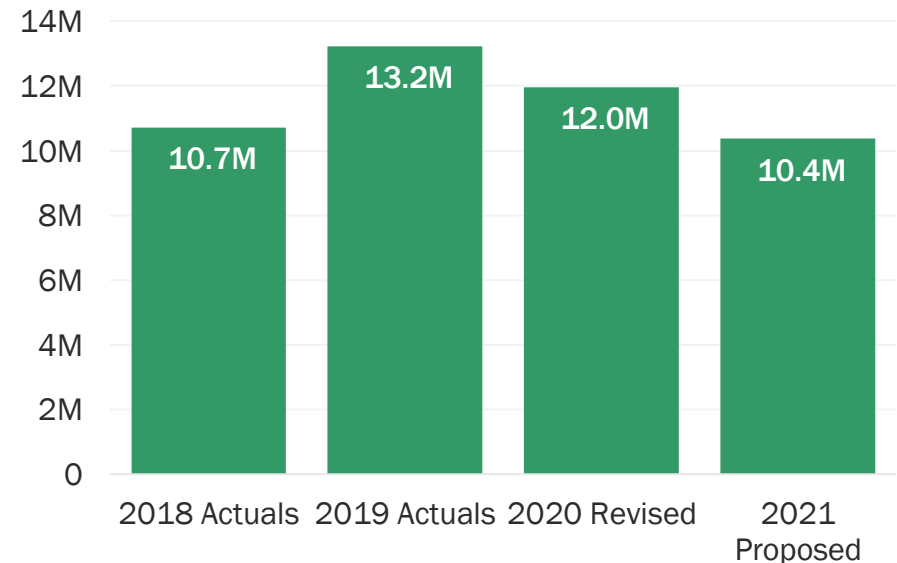
## Total FTE



## Total Expenses



## Total Revenue





# Programmatic Worker's Comp & Risk Team Reductions

## Key Budget Changes

| Description           | Financial Change |
|-----------------------|------------------|
| Reduction in Billings | -\$1,582,000     |

## Key Impacts

2020 - projecting **50%** increase in Worker's Compensation claims vs. 2019

- **815** Ouchline calls related to COVID ytd

2021 - claims are expected to moderate from 2020 levels

| Description   | 2020   | 2021   |
|---|--------|--------|
| Estimated Workers' Compensation claim payments        | \$8.0M | \$8.5M |
| Estimated incurred as a % of payroll                  | 12%    | 11.5%  |
| Estimated outstanding Workers' Compensation liability | \$29M  | \$32M  |
| Estimated Property and Liability insurance premiums   | \$3.8M | \$4.2M |



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# Controller's Office

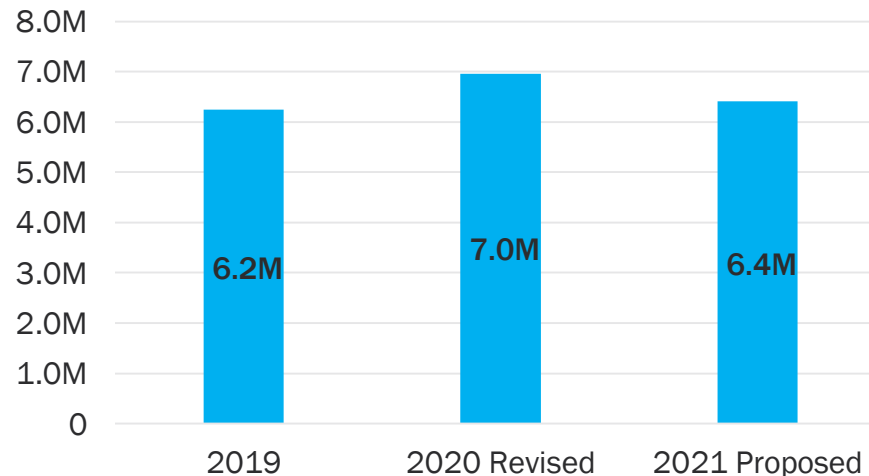


# Programmatic Accounting Team Reductions

| Personnel Expenditures | FTE      | Services & Supplies |
|------------------------|----------|---------------------|
| -\$404,600             | -5.0 FTE | -\$72,300           |

A net decrease in personnel services to freeze the following vacant positions: one Marketing and Communication Professional II, one Associate Accountant, and three Accounting Technician II. The responsibilities of these positions will be absorbed by existing staff. Also, a reduction in discretionary travel, dues, license and office supplies.

Accounting & Financial Teams  
Budget



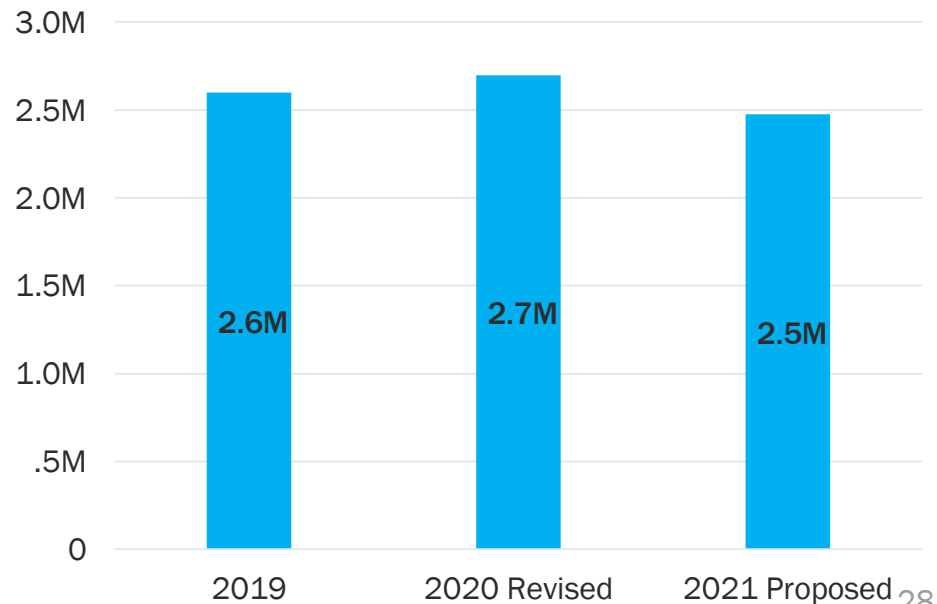
# Programmatic Payroll Team Reductions

| Personnel Expenditures | FTE   | Services & Supplies |
|------------------------|-------|---------------------|
| \$0                    | 0 FTE | -\$25,000           |

A continuation of a 2020 reduction by freezing one payroll associate. Also a reduction in discretionary travel, dues, license and office supplies.

Payroll will continue to oversee the furlough program, including the proposed tiered system in 2021

Payroll Team Budget





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# Assessment Division



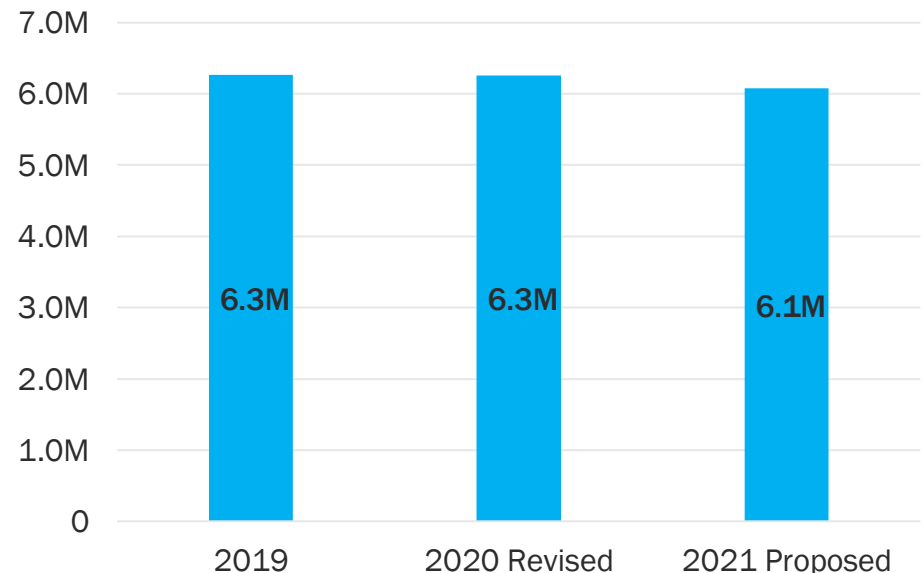
# Programmatic Assessment Division Reductions

| Personnel Expenditures | FTE      | Services & Supplies |
|------------------------|----------|---------------------|
| -\$170,800             | -2.0 FTE | -\$35,000           |

Freezes one Personal Property Appraiser II, abolishes a vacant limited position ending in 2020, and eliminates on-call budget. Also, a reduction in discretionary travel, dues, license and office supplies.

- Assessment verified **35,000** sales transactions in 2020 in preparation of the 2021 revaluation
- In 2021, will send **225,000** notices of biennial real property revaluation and **15,000** business personal property notices
- Due to the pandemic, Assessment estimates as many as **20,000** appeals from property owners, a **30-60% increase** from what is typical
- Assessment responds to approximately **45,000** customer inquiries each year
- **MITIGATION:** Staffing should remain sufficient to both perform the bi-annual reassessment and complete the implementation of the replacement property tax system

Assessment Division Budget






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# Division of Real Estate



- All facilities posted online
- All facilities posted as a layer in DenverGIS
- Parks and Facilities also listed by asset


**DENVER**  
THE MILE HIGH CITY

Neighborhood Business Visiting Government Online Services Directory


Search

**Department of Finance**

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## City Property Reports

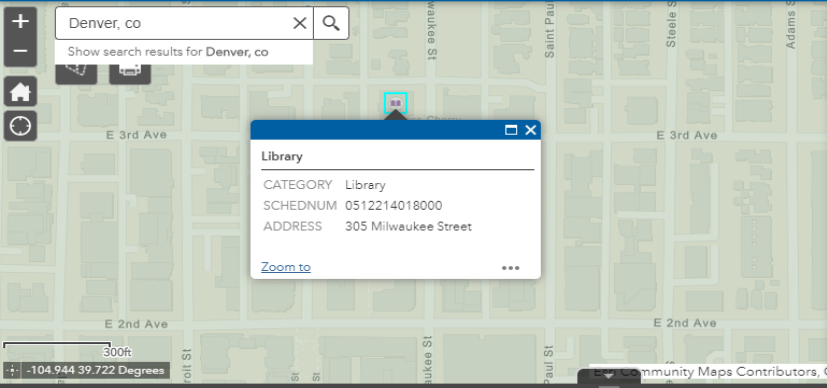
### City-Owned Properties - By Council District


**DENVER**  
TECHNOLOGY SERVICES

**City Properties**

Denver, co

Show search results for Denver, co



**Library**  
 CATEGORY Library  
 SCHEDNUM 0512214018000  
 ADDRESS 305 Milwaukee Street  
[Zoom to](#)

**Layer List**

**Layers**

- ☐ Assisted Living Facility
- ☒ City Council Districts
- ☒ City Facilities
- ☐ City of Denver Vacant Land
- ☐ Care Facilities - Community Corrections
- ☐ DHA Properties
- ☐ DPS Parcels

City Council Districts City Facilities

Options Filter by map extent Zoom to Clear selection Refresh

| CATEGORY | SCHEDNUM      | ADDRESS_LINE1        |
|----------|---------------|----------------------|
| Library  | 0512214018000 | 305 Milwaukee Street |



All City owned vacant property available on the Real Estate site by parcel to [denvergov.org/realestate](https://denvergov.org/realestate)

City and County of Denver Owned Vacant Land

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| Denver Owned Vacant Parcels |       |           |          |               |            |             |             |                         |
|-----------------------------|-------|-----------|----------|---------------|------------|-------------|-------------|-------------------------|
| PARCEL KEY                  | CLASS | TOTL SQFT | ZONE     | STREET NUMBER | STREET DIR | STREET NAME | STREET TYPE | OWNER                   |
| 02223-13-026-000            | 10    | 1         | I-A      | 4201          | N          | DELAWARE    | ST          | CITY & COUNTY OF DENVER |
| 04362-07-027-000            | 099   | 3         | S-SU-F   | 2801          | S          | INGALLS     | WAY         | CITY & COUNTY OF DENVER |
| 02214-38-014-000            | 099   | 4         | U-TU-C   | 3900          | N          | NAVAJO      | ST          | CITY & COUNTY OF DENVER |
| 05095-07-028-000            | 099   | 4         | I-MX-3   | 1500          | W          | BAYAUD      | AVE         | CITY & COUNTY OF DENVER |
| 05203-05-055-000            | 099   | 6         | S-MX-3   | 1701          | S          | FEDERAL     | BLVD        | CITY & COUNTY OF DENVER |
| 06063-15-040-000            | 099   | 6         | PUD-G    | 770           | N          | COLORADO    | BLVD        | CITY & COUNTY OF DENVER |
| 05122-32-044-000            | 099   | 7         | C-CCN-12 | 155           | N          | STEELE      | ST          | CITY & COUNTY OF DENVER |
| 02213-44-003-000            | 099   | 9         | U-TU-C   | 1800          | W          | 39TH        | AVE         | CITY & COUNTY OF DENVER |
| 06063-00-033-000            | 099   | 10        | C-MU-10  | 4094          | E          | 11TH        | AVE         | CITY & COUNTY OF DENVER |
| 02282-21-029-000            | 099   | 11        | U-TU-B   | 2000          | W          | 35TH        | AVE         | CITY & COUNTY OF DENVER |
| 05012-13-044-000            | 099   | 11        | G-MU-3   | 1300          | N          | JOSEPHINE   | ST          | CITY & COUNTY OF DENVER |
| 06063-00-034-000            | 099   | 11        | C-MU-10  | 4096          | E          | 11TH        | AVE         | CITY & COUNTY OF DENVER |
| 02293-30-036-000            | 099   | 12        | G-MX-3   | 2601          | N          | FEDERAL     | BLVD        | CITY & COUNTY OF DENVER |
| 05081-03-031-000            | 099   | 12        | I-A      | 700           | N          | FEDERAL     | BLVD        | CITY & COUNTY OF DENVER |
| 05084-06-031-000            | 099   | 12        | E-RH-2.5 | 100           | N          | DECATUR     | ST          | CITY & COUNTY OF DENVER |
| 06063-00-035-000            | 099   | 12        | C-MU-10  | 4098          | E          | 11TH        | AVE         | CITY & COUNTY OF DENVER |
| 01234-00-076-000            | 099   | 13        | I-B      | 3895          | N          | PEORIA      | ST          | CITY & COUNTY OF DENVER |
| 02214-45-028-000            | 099   | 13        | B-2      | 1231          | W          | 38TH        | AVE         | CITY & COUNTY OF DENVER |
| 02322-36-020-000            | 099   | 13        | G-MX-3   | 2001          | N          | FEDERAL     | BLVD        | CITY & COUNTY OF DENVER |
| 05095-06-011-000            | 099   | 15        | I-B      | 1600          | W          | ARCHER      | PL          | CITY & COUNTY OF DENVER |
| 05204-06-056-000            | 099   | 15        | E-MX-3   | 2995          | W          | JEWELL      | AVE         | CITY & COUNTY OF DENVER |
| 02266-23-011-000            | 099   | 17        | U-SU-B1  | 2601          | N          | GAYLORD     | ST          | CITY & COUNTY OF DENVER |
| 02321-34-020-000            | 099   | 18        | C-MX-5   | 2022          | N          | BRYANT      | ST          | CITY & COUNTY OF DENVER |
| 02353-05-037-000            | 099   | 20        | U-MX-3   | 2101          | N          | DOWNING     | ST          | CITY & COUNTY OF DENVER |
| 05061-22-042-000            | 010   | 20        | G-MU-3   | 1295          | N          | QUITMAN     | ST          | CITY & COUNTY OF DENVER |
| 05095-00-018-000            | 099   | 20        | I-B      | 1801          | W          | IRVINGTON   | PL          | CITY & COUNTY OF DENVER |
| 01153-02-012-000            | 099   | 22        | I-A      | 9165          | E          | NORTHFIELD  | BLVD        | CITY & COUNTY OF DENVER |
| 02321-07-059-000            | 099   | 22        | G-MS-3   | 2922          | W          | 26TH        | AVE         | CITY & COUNTY OF DENVER |
| 05061-04-025-000            | 099   | 24        | U-MS-5   | 3900          | W          | COLFAX      | AVE         | CITY & COUNTY OF DENVER |
| 05174-09-024-000            | 099   | 24        | E-MX-3   | 800           | S          | FEDERAL     | BLVD        | CITY & COUNTY OF DENVER |
| 05321-03-045-000            | 099   | 24        | PUD      | 2700          | S          | FEDERAL     | BLVD        | CITY & COUNTY OF DENVER |
| 02321-34-023-000            | 099   | 25        | C-MX-5   | 2006          | N          | BRYANT      | ST          | CITY & COUNTY OF DENVER |
| 02355-14-033-000            | 099   | 25        | C-MX-5   | 1781          | N          | YORK        | ST          | CITY & COUNTY OF DENVER |
| 05111-11-020-000            | 099   | 25        | U-SU-C   | 401           | N          | GILPIN      | ST          | CITY & COUNTY OF DENVER |
| 05221-08-052-000            | 099   | 26        | R-MU-30  | 1188          | S          | BROADWAY    | ST          | CITY & COUNTY OF DENVER |
| 02222-00-059-000            | 099   | 27        | I-B      | 400           | W          | 48TH        | AVE         | CITY & COUNTY OF DENVER |
| 05084-12-040-000            | 099   | 27        | E-MX-3   | 138           | N          | FEDERAL     | BLVD        | CITY & COUNTY OF DENVER |
| 05095-08-011-000            | 099   | 29        | I-B      | 100           | S          | PECOS       | ST          | CITY & COUNTY OF DENVER |
| 02263-17-008-000            | 099   | 30        | C-MX-3   | 3301          | N          | DOWNING     | ST          | CITY & COUNTY OF DENVER |
| 05086-32-033-000            | 099   | 32        | B-4      | 203           | N          | FEDERAL     | BLVD        | CITY & COUNTY OF DENVER |
| 02263-17-011-000            | 099   | 33        | C-MX-3   | 3305          | N          | DOWNING     | ST          | CITY & COUNTY OF DENVER |

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## 2020 Master Planning Underway

- County and District Courts including supporting agencies (completed)
- Civic Center Core updated plan
- Roslyn Campus Master Plan – assessment of Safety and DOTI uses (completed)

## Completed Master Plans

- Public Works (now DOTI) Citywide Master Plan (2019)
- Webb Building Space Planning (2019)
- 3 Year Shelter Plan (2018)
- 303 W. Colfax Programming Study (2018)
- 303 W. Colfax Facility Assessment (2108)
- Civic Center Core (2010)

## Real Estate Committee (Fall 2019)

# City-Owned Space Efficiencies

- Identify opportunities to consolidate and configure city-owned office space to accommodate occupants vacating leased space upon expiration in 2023 - 2028
  - Short Term: Develop and implement best practices for space standards and occupancy guidelines for City owned office buildings post COVID 19 workplace (i.e. work from home and employee social distancing)
  - Long Term: Work with agencies to understand work options (working remotely, in person and hybrid) as they relate to space planning (i.e. hoteling stations vs. dedicated work stations)
- The 2022 budget and future budget years will require funds for furniture systems, technology improvements, programming, and related move costs
- Budget dollars, consistent with the Court Master Plan, are required for continued build out of courts and their supporting agencies in CCB and Lindsey-Flanigan

# Programmatic

## Division of Real Estate Reductions

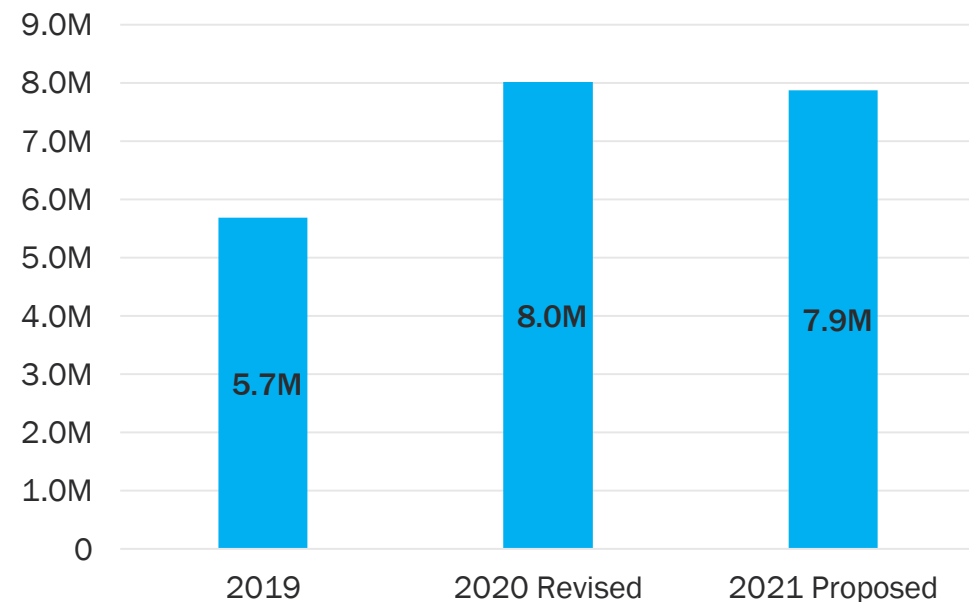
| Personnel Expenditures | FTE | Services & Supplies |
|------------------------|-----|---------------------|
| 0                      | N/A | -\$118,300          |

An increase in services and supplies in mandatory lease payments of \$205,000.

Also a reduction in discretionary travel, dues, license and office supplies.

- Partnered with General Services and agencies to procure and install safety glass and other measures to protect city employees and customers from exposure to COVID-19
- Expand outreach efforts to agency heads and leaders to understand their respective plans for the post-2020 COVID-19 workplace, embracing a combination of consolidation, hoteling and working remotely to gauge how these changes impact future space requirements

Real Estate Division Budget





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# Budget & Management Office

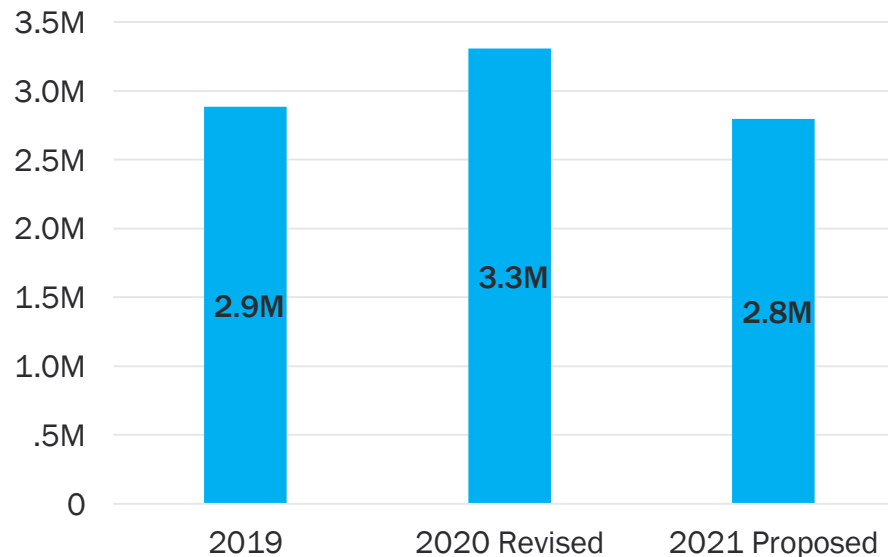


# Programmatic Budget Office & Peak Team Reductions

| Personnel Expenditures | FTE       | Services & Supplies |
|------------------------|-----------|---------------------|
| -\$170,600             | -1.75 FTE | -\$331,000          |

A net decrease due moving one FTE from three quarter time to full time and offsetting the increase by freezing a Senior Budget Analyst and a Continuous Improvement Specialist. The responsibilities of these positions will be absorbed by existing staff. Also, a reduction in discretionary travel, dues, license and office supplies.

Budget & Management Budget





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# Capital Planning and Programming





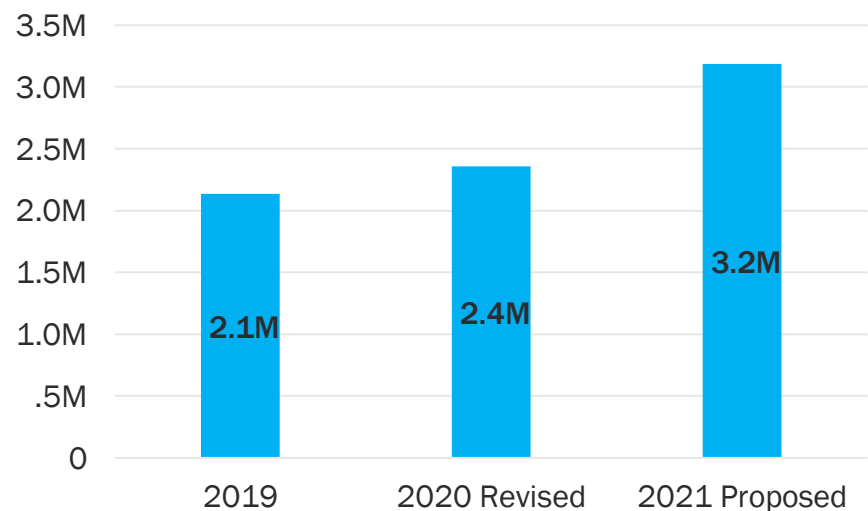
# Programmatic CPP Reductions

| Personnel Expenditures | FTE       | Services & Supplies |
|------------------------|-----------|---------------------|
| -\$125,500             | -1.00 FTE | -\$850,000          |

A decrease in personnel services by freezing one vacant Project Manager II and a net reduction associated with swapping of positions with HOST resulting in an unlimited Financial Analyst Specialist budgeted for 6 months in 2021. The responsibilities of these positions will be absorbed by existing staff. Also, a reduction in professional services, travel, dues, license and office supplies.

- \$2m in citywide professional services to ensure ADA compliance set aside in CPP

CPP Budget





# GO BOND Position Charging

| Expenditures | FTE | Duration  |
|--------------|-----|-----------|
| -\$304,000   | N/A | Temporary |

A temporary reduction in personnel due to charging the salary portion of positions for time spent supporting the delivery of GO Bond projects to the Elevate Denver Bond program for 2021. There are no impacts to planned projects as a result of this financial action.

- Legally, bond proceeds can only be spent on costs associated with the delivery and management of the capital program for which it was generated
- Accelerating bond and CIP programs to support economy and jobs
  - Double the Return: \$2 million in economic activity is generated by every \$1 million in capital investment
  - Proven Successful: During Great Recession, Better Denver bond program was a major driver of economic activity

## Amount in Each Control



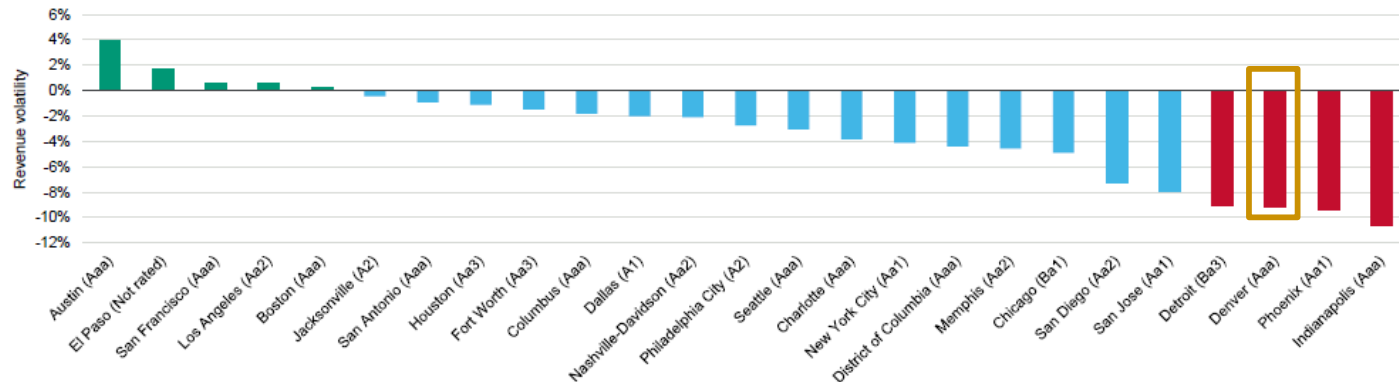
# Other Appropriations

| Title   | 2020         | 2021         | Description   |
|---|--------------|--------------|---|
| Downtown Historic District Tax Rebate                         | \$300,000    | \$0          | Reduction in the rebate of property taxes imposed on certain qualifying structures.   |
| Hotel Tax Increment / Denver Urban Renewal Authority (DURA)   | \$1,834,000  | \$475,000    | Reduction of the 1% Lodgers' Tax increment to DURA to fund the redevelopment and expansion of the Colorado Convention Center              |
| DPS-Stapleton Mill Levy Payment                               | \$2,001,600  | \$2,242,600  | Increase of the city retained tax revenue to Denver Public Schools (DPS)  |
| Workers' Compensation Billings                                | \$8,650,732  | \$7,068,387  | Reduction of the centralized payment from the General Fund to the Workers' Compensation Internal Service Fund (ISF) for premiums          |
| Unemployment Comp Insurance                                   | \$600,000    | \$1,200,000  | Reimburses the State of Colorado for unemployment benefits paid by the State to former General Fund employees                             |
| Special Payments- Denver Employment Retirement Program (DERP) | 0            | \$3,700,000  | Payment to DERP, which is necessary to offset the unfunded liability that is the result of the retirement Special Incentive Program (SIP) |
| General Fund Contingency                                      | \$16,061,272 | \$26,095,000 | Charter requires the proposed budget for the General Fund shall include an amount no less than 2% of the total estimated expenditures     |
| Annual Rental Payments  | \$21,125,645 | \$18,899,009 | Decrease in Certificates of Participation (COPs) and other lease purchase payments that are paid by General Fund                          |

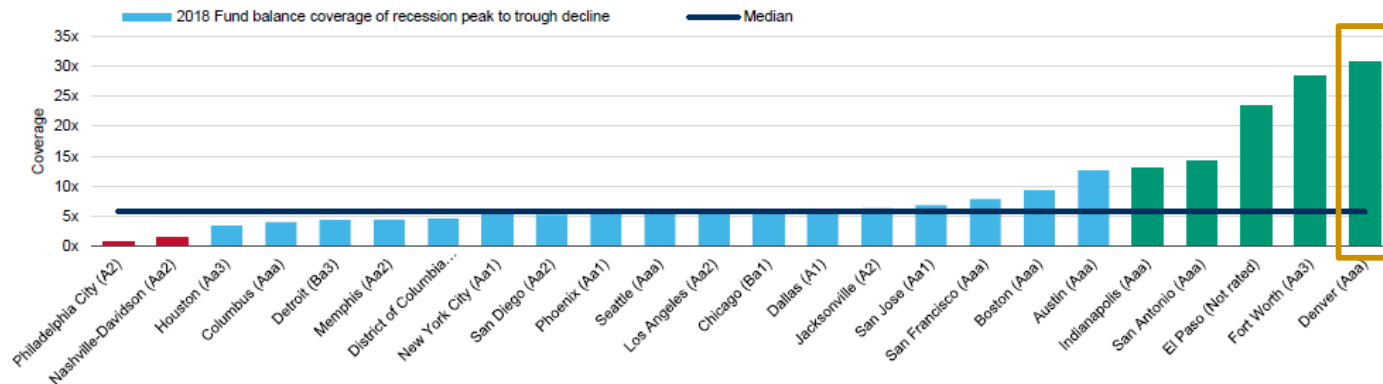
# Debt and Capital Funding

## In Denver, careful management of reserves over time positioned it well heading into the pandemic

- A Moody's survey of the 25 largest cities by population shows most are unlikely to undergo a sudden and unexpected drop in revenue of more than 5% in a recession, based on their largest one-year decline in the prior downturn, regardless of revenue mix
  - The median largest 1-year decline was 2.7% between 2007-2011; 5 cities had no decline at all



- Current reserves will cover the fund balance decline that occurred over a 4-year period during the last recession in all but one instance, with median coverage of nearly 6x



# Denver is the only city or county to hold AAA General Obligation bond ratings from all three rating agencies

## MOODY'S

**Rating/Outlook**  
Aaa/Stable

**Last Review**  
October 2019

**Primary Analysts**  
Grayson Nichols, Denise Rappmund

### Strengths:

- Regional economic center with large tax base and stabilizing institutions
- Sound financial management practices and healthy reserves
- Strong taxable value and sales tax growth in recent years
- Moderate unfunded pension liability and manageable fixed cost burden
- Proven ability to make necessary operating adjustments to address budget shortfalls and match recurring revenues and expenditures

### Concerns:

- Reliance on economically sensitive revenues
- Above average but manageable debt levels
- Moderate exposure to variable rate debt

### Noteworthy:

- Factors that could lead to a downgrade include: deterioration of financial reserve position; economic contraction measured by a trend of actual value declines; or substantial growth in pension burden and/or significant underfunding of annual pension costs

## S&P Global

**Rating/Outlook**  
AAA/Stable

**Last Review**  
November 2019

**Primary Analysts**  
Jane Ridley, Alyssa Farrell

### Strengths:

- One of the fastest growing cities in the US
- Very strong economy, with access to a broad and diverse MSA
- Very strong management, with strong financial policies and practices
- Strong budgetary performance
- Very strong liquidity and budget flexibility

### Concerns:

- **Weak debt and contingent liability profile, with debt service carrying charges at 9.4% of expenditures and net direct debt that is 84.3% of total governmental fund revenue**

### Noteworthy:

- **Rating could decline if the city develops a structural imbalance that goes unaddressed, or starts to otherwise deteriorate financially given the pressures of rapid growth**
- **Further, should the debt and pension burden begin to place additional pressure on Denver's operations or flexibility, the rating could be lowered**

## FitchRatings

**Rating/Outlook**  
AAA/Stable

**Last Review**  
May 2020

**Primary Analysts**  
Jose Acosta, Rebecca Moses

### Strengths:

- Post pandemic revenue growth prospects remain strong
- Ample revenue raising flexibility
- Moderate carrying costs and long-term liability burden
- Demonstrated superior financial resiliency during economic downturns
- City funds pensions at or above actuarially determined levels
- Young population and highly educated workforce

### Concerns:

- Rising cost of living could start to dampen future in-migration

### Noteworthy:

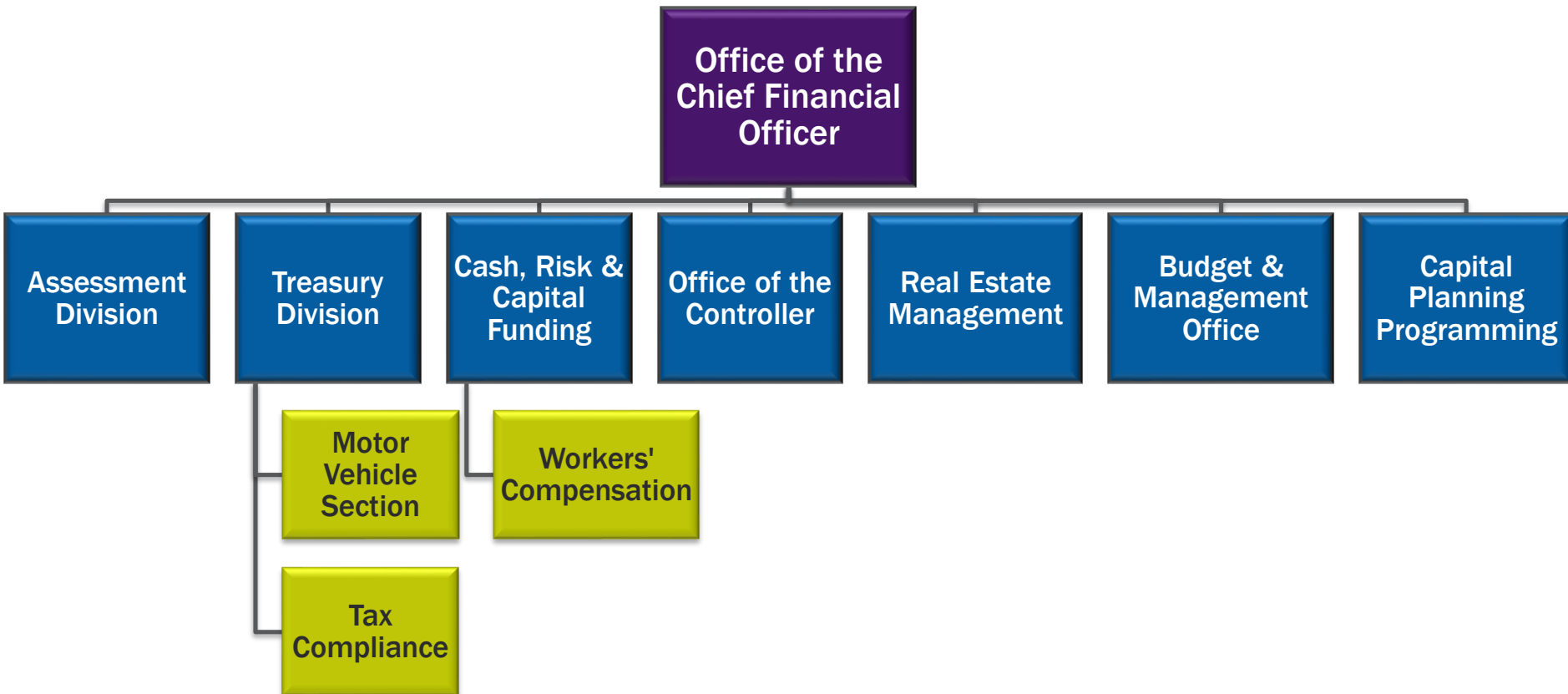
- Factors that could pressure the rating: failure of the city's resource base to keep pace with growth in the long-term liability burden, which is dominated by overlapping debt; or, a slower and/or weaker recovery from the current economic contraction that materially shrinks growth in operating revenues and diminishes reserves



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# Appendix



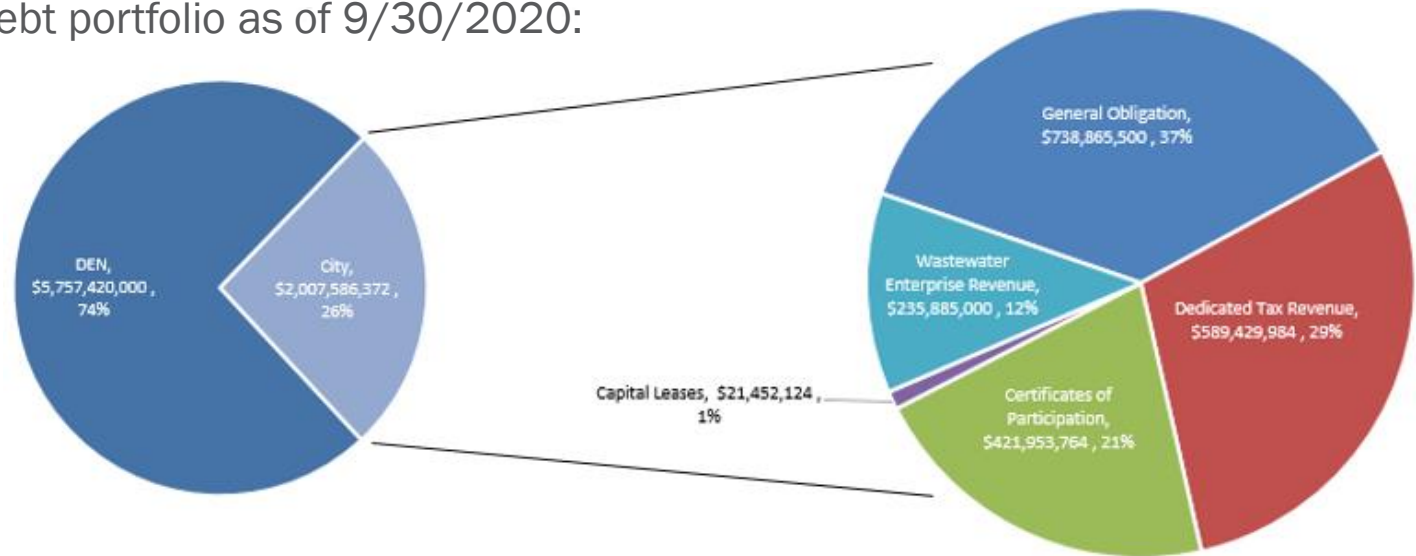


# Debt and Capital Management

## Existing Debt Snapshot

\$7.765\* billion total debt portfolio as of 9/30/2020:

\*Does not include special district & other conduit financings



### Debt and Other Financial Obligations Portfolio Credit Ratings

|   | Moody's | S&P | Fitch |
|---|---------|-----|-------|
| General Obligation                            | Aaa     | AAA | AAA   |
| Certificates of Participation (1)(2)          | Aa1     | AA+ | AA+   |
| Capital Leases                                | NR      | NR  | NR    |
| Dedicated Tax Revenue                         | Aa3     | AA- | AA    |
| Golf Enterprise                               | Baa2    | NR  | NR    |
| Wastewater Revenue                            | Aa1     | AAA | AAA   |
| Airport System Senior Lien Revenue Bonds      | A1      | A+  | AA-   |
| Airport System Subordinate Lien Revenue Bonds | A2      | A   | A+    |

(1) Series 2012A, 2013A, and 2018A rated Aa2 by Moody's

(2) Series 2017A private placement, not rated