

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: **October 25, 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: Establishes an Internal Services Fund and authorizes cash transfers

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.)

Establishes the Medical Self Insurance Fund (66100) in the Internal Services Fund Series to administer the City's Medical Self Insurance Program; authorizes an appropriation in the current Medical Self-Insurance Fund (59700) to make a cash transfer to the new Medical Self Insurance Internal Services Fund; and authorizes closing the current Medical Self-Insurance Fund (59700).

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: Kelly Greunke	Name: Rachel Bardin
Email: Kelly.Greunke@denvergov.org	Email: Rachel.Bardin@denvergov.org

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

Starting in 2020, the City converted part of its medical insurance benefits to self-insured through the City's contract with United Healthcare. Ordinance No. 1197, Series of 2019, a companion ordinance to the 2020 Long Bill, established the Medical Self-Insurance fund, 59700, to administer this program. This Fund is set up in the Payroll Clearing Fund Series, 59000, which is included in 50000, the Trust and Agency Fund Series, which is intended to account for assets held by the city and county as trustee or agent for individuals, private organizations and/or governmental units.

Due to feedback from the City's outside auditor and after subsequent review by the Controller's Office and the City Attorney's Office, the City has determined that this program and fund does not meet the definition of holding funds in trust and instead serves an internal services function for City employees. As such, it is better situated in the Internal Services section of the Fund Plan, 60000, which accounts for operations of agencies that provide service to other departments or agencies of the City government on a cost-reimbursement basis.

This bill request establishes a new Internal Services Fund, the Medical Self-Insurance Fund, No. 66100, to administer the City's self-insurance program starting in 2022. Fund 66100 will be appropriated and lapsing. It will be administered by the Personnel Director.

This bill request also authorizes an appropriation of the cash balance in the current Medical Self Insurance Fund, 59700, currently estimated at \$18 million, to make a cash transfer to the new Medical Self-Insurance Fund in the Internal Services Fund. The actual amount of the appropriation and cash transfer will be adjusted to reflect the final cash balance in fund 59700 after year-end close. Fund 59700 will be closed after the balance is transferred to fund 66100. The appropriation in Fund 66100 will be authorized in the 2022 Long Bill.

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: BR21 1287

Date Entered: _____

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

7. **City Council District:**

8. ****For all contracts, fill out and submit accompanying Key Contract Terms worksheet****

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Resolution/Bill Number: BR21 1287

Date Entered: _____