



## Legislation Details (With Text)

**File #:** 20-0206      **Version:** 1

**Type:** Bill      **Status:** Passed

**File created:** 2/24/2020      **In control:** Finance & Governance Committee

**On agenda:** 3/23/2020      **Final action:** 3/23/2020

**Title:** A bill for an ordinance making a rescission from General Fund Contingency, making an appropriation in the General Fund, and making a cash transfer to the General Government Special Revenue Fund. Approves a rescission of \$1 million from General Fund Contingency to make a cash transfer to the Risk Management Special Revenue Fund based upon previous year obligations. The Committee approved filing this item at its meeting on 3-3-20.

**Sponsors:**

**Indexes:** Zach Rothmier

**Code sections:**

**Attachments:** 1. BR20 0206 DOF Rescission Risk SRF, 2. CB20-0206 DOF Rescission Risk SRFv1, 3. 20-0206 Filed Bill DOF Rescission Risk SRFv1, 4. 20-0206 - signed, 5. 20-0206

Date	Ver.	Action By	Action	Result
3/27/2020	1	Mayor	signed	
3/24/2020	1	Council President	signed	
3/23/2020	1	City Council	placed upon final consideration and do pass	Pass
3/16/2020	1	City Council	ordered published	
3/3/2020	1	Finance & Governance Committee	approved for filing	

## Finance Item/Grant Request Template

**Date Submitted:** 2-24-20

**Requesting Agency:** Finance  
**Division:**

**Subject Matter Expert Name:**

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

**Item Title & Description:**

*(Do not delete the following instructions)  
These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

### **A bill for an ordinance making a rescission from General Fund**

## **Contingency, making an appropriation in the General Fund, and making a cash transfer to the General Government Special Revenue Fund.**

Approves a rescission of \$1 million from General Fund Contingency to make a cash transfer to the Risk Management Special Revenue Fund based upon previous year obligations. The Committee approved filing this item at its meeting on 3-3-20.

**Affected Council District(s) or citywide?** Citywide

### **Executive Summary with Rationale and Impact:**

*Detailed description of the item and why we are doing it. This can be a separate attachment.*

Supplemental Appropriations from General Fund Contingency:

#### Risk Management Fund

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, General Fund transfers and subrogation claims.

The average annual expenditures for the fund have been approximately \$780,000. However; in 2019 the expenditures totaled \$2,250,000 primarily as a result of an increase in property insurance deductibles and replacement of large vehicles.

Expenditures due in 2019 exceeded previous year average expenditures 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), the total loss of Public Works large vehicles, and building damage due to fire. Total insurable losses the past 3 years have been: 2017 - \$4,130,689; 2018 - \$1,866,210; and 2019 - \$1,003,135. During this time, the City's deductible for hail losses went from \$100,000 per occurrence to \$500,000 per building (with a \$1 million deductible limit).

As a result, the projected cash balance of the Risk Management Fund will not be sufficient to fund \$1.4 million in replacement of totaled police vehicles to be paid from the Risk Management Fund and cover the average cost of annual property damage.

When the revenue from insurance reimbursements and subrogation claims have not covered the obligations of this special revenue fund, the General Fund has covered the variance.

Accounting number 11838-2557100.

**Type (choose one: Grant; Supplemental; Fund Creation; Fund Rescission; Fund Transfer; Appropriation; Other):**

Rescission and Transfer

**Amount:** \$1,000,000

**Budget Year:**

**Fund and Funding Source (Fund/Org/Grant Number, if applicable):**

**Grantor (if applicable):**

**Fund Matching Requirements (if applicable):**

**Fiscal Impact:**