



Legislation Details (With Text)

File #: 21-0255 **Version:** 1
Type: Bill **Status:** Passed
File created: 3/3/2021 **In control:** Finance & Governance Committee
On agenda: 4/5/2021 **Final action:** 4/5/2021
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 from General Fund Contingency of \$1,150,000 to provide a cash transfer to the Risk Management Special Revenue Fund to support the replacement of City-owned total-loss vehicles. The Committee approved filing this item at its meeting on 3-16-21.

Sponsors:

Indexes: Zach Rothmier

Code sections:

Attachments: 1. BR21 0255 DOF Cash Transfer from GF Contingency to Risk Fund, 2. CB21-0255_DOE_Cash Transfer from GF to RMSRF, 3. 21-0255_DOE_Cash Transfer from GF to RMSRF, 4. 21-0255 - signed, 5. 21-0255 A bill for an ordinance making a rescission from General Fund Contingency, making an appropriation in the General Fund, and making a cash transfer

Date	Ver.	Action By	Action	Result
4/6/2021	1	Mayor	signed	
4/5/2021	1	Council President	signed	
4/5/2021	1	City Council	placed upon final consideration and do pass	Pass
3/30/2021	1	City Council	ordered published	
3/16/2021	1	Finance & Governance Committee	approved for filing	

Finance Item/Grant Request Template

Date Submitted: 3-3-21

Requesting Agency: Finance
Division:

Subject Matter Expert Name:

Name: Jessica Skibo

Email: Jessica.Skibo@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 filing, 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 from General Fund Contingency of \$1,150,000 to provide a cash transfer to the Risk Management Special Revenue Fund to support the replacement of City-owned total-loss vehicles. The Committee approved filing this item at its meeting on 3-16-21.

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.

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

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

Amount:

Budget Year:

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

Grantor (if applicable):

Fund Matching Requirements (if applicable):

Fiscal Impact: