

**MANAGEMENT AND FINANCE POLICY COMMITTEE
VIA TELECONFERENCE**

Members Present: Council Member David Gruber – Chair, Council Member Marcano – Vice Chair, Council Member Gardner – Member

Others Present: Council Member Hiltz, T. Velasquez, G. Hays, H. Hernandez, J. Ehmann, K. Claspell and T. Hoyle

INTRODUCTIONS AND MINUTES

February 25, 2020 minutes were approved.

CONSENT ITEMS

January sales tax of 2020 was 11 percent higher than December of 2019.

Council Member (CM) Gardner stated Council was given that COVID shutdown revenue impact was approximately \$4 million a month. Have you done any further analysis or estimates of what might be coming? G. Hays stated Budget has been looking into Shelter in Place and that loss of revenue is between \$8 million to \$12 million a month. T. Velasquez said we might be able to apply for federal grants with FEMA and other federal aid. CM Gardner said that there’s talk at the federal level about Congress back filling budgets for municipalities. I hope it happens and we can take advantage of that. T. Velasquez said staff is already tracking costs and employees time related to COVID, so we are prepared for applying for federal funds.

CM Marcano said with the \$8-million to \$12-million figure, does that loss factor in the potential recession on top of closures? G. Hays replied no.

Outcome

The Committee thanked staff.

Follow-up Action

No follow-up needed.

2019/2020 SPRING SUPPLEMENTAL

Summary of Issue and Discussion

T. Velasquez communicated the 2019 related supplemental is only to be approved that the 2020 supplemental is on hold due to the uncertainty with COVID. The 2020 supplemental will be brought back at a future date depending upon the financial scenarios.

2019 Supplemental Amendments

One-time appropriation increases in the General Fund total **\$11.5 million**, with \$218,400 in revenue offsets. Significant items include:

- A **\$9.5 million** transfer of additional revenue to the Capital Projects Fund (CPF). This item was included in the 2019 projection, although the transfer amount is \$2.2 million higher.
- The appropriation of **\$583,000** for Police overtime costs, primarily associated with protests and events that occurred over the last half of the year. The 2019 projection indicated supplemental appropriation would be required, although the actual need is higher.
- The appropriation of **\$510,000** for Fire fleet repair and preventative maintenance costs in excess of budget. This item was included in the 2019 projection.
- A **\$508,000** transfer of funds from the General Fund to assist balancing in the Fleet Management Fund. This item was included in the 2019 projection, although the balancing need was higher.

Significant supplemental items in other funds include:

- The appropriation of capital grant awards totaling **\$2.7 million** in the Gifts and Grants Fund for the purchase of open space property to create additional buffer near Buckley Air Force Base.
- The appropriation of **\$2.5 million** in the Designated Revenues Fund for Destination Marketing Improvement Fee collections and the associated pass-through to Visit Aurora.
- Appropriations totaling **\$1.5 million** in the Development Review Fund
 - \$500,000 for personnel costs incurred in response to development related workload.
 - \$673,500 for contracted services such as roof inspections and review services.
 - \$326,500 for equipment and credit card fees
- The appropriation of **\$647,300** in the Fleet Management Fund for increased vehicle repairs and fuel costs, predominately associated with higher Fire apparatus repairs.
- The appropriation of **\$515,000** in the Capital Projects Fund to pass-through funds to the metro district for several parks and trails projects.
- The appropriation of **\$429,700** in the E-911 Fund for Public Safety Communications overtime costs to address service demands despite numerous position vacancies. The 2019 projection indicated supplemental appropriation would be required, although the actual need is higher.

CM Marcano stated that he like to see an itemized breakdown of overtime related to the 2019 Police supplemental. T. Velasquez said it can be provided before it moves forward to Study Session.

As a follow up, Budget provided the following information on the breakdown of overtime related to the 2019 Police supplemental.

The 2019 Police overtime overage of \$583,026 can be attributed to the following major events, other untracked smaller events, and general overtime expenditures associated with staffing shortages.

Event	Amount
Bomb Cyclone	\$ 41,000
Beth Chapman Funeral	25,000
Homicide Event	25,000
ICE Facility Protest July	26,000
ICE Facility Protest September	233,000
Subtotal	\$ 350,000
Other	233,026
Total	\$ 583,026

Outcome

The Committee recommended that this item be forward to Study Session.

Follow-up Action

Staff will forward this item to Study Session, April 2020.

CITIZENS' ADVISORY BUDGET COMMITTEE (CABC) OVERVIEW

Summary of Issue and Discussion

Leanne Wheeler, Chair gave a brief review.

- Infrastructure (Transportation)
- Housing (Homelessness)
- Revenue/Capital Generation
- Public Safety (Police & Fire compensation, numbers/retention, youth violence, etc.)
- Venues

CM Gardner asked, did you get a chance to look at what was presented to Council at the Winter Workshop the list of revenue diversification options and some ideals for generating additional revenue that was talked about at CABC? L. Wheeler replied yes, we were anticipating giving a presentation, but things went sideways, and the meeting was moved to offline. We expect that work product and forming the work we do. CM Gardner said I do encourage you to pass onto to the other CABC members that they might want to start reaching out some point to their council appointee to talk about budget priorities going forward. I would encourage us all to start thinking

about that sooner rather than later. We could be looking at making some really tough decisions and CABC obviously plays a role in that being the citizens budget committee.

Outcome

The Committee thanked staff.

Follow-up Action

No follow up is necessary as this item was informational only.

MISCELLANEOUS MATTERS FOR CONSIDERATION

Discussed were Finance actions for COVID.

- LEED School of Business – update revenue forecast model
- Have conversations with executive team
- Consider delaying Capital Projects
- Potential use of Reserves
- Grant funds for operations
- Restrict travel
- Consider fleet purchases
- Consider delaying Consulting Services

Summary of Issue and Discussion

- The next meeting is on Tuesday, April 28, 2020 at 1:00 PM (WebEx).

THESE MINUTES WERE APPROVED AS SUBMITTED



David Gruber, Chair of the Management & Finance (M&F) Committee

6/9/2020
Date