

Michael B. Hancock
Mayor



City and County of Denver

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October 30, 2020

Dear members of City Council:

In advance of the council meeting on Monday, I have asked my team to identify alternatives for the following council-initiated requests from your letter of October 10. It is my hope that these changes are received as a gesture of good faith between the executive and legislative branches of city government. I have asked the Department of Finance to identify the following funding options:

- **Transportation management association memberships:** DOTI will utilize 2020 budget savings to fund these memberships totaling \$220,000.
- **Digital inclusion:** \$300,000 of funds in the city's Coronavirus Emergency Response Special Revenue Fund will be set aside for these initiatives.
- **Citizen Oversight Board:** Funded from a vacant position from the Executive Director of Safety. The administration will initiate an ordinance to shift the appropriation to the Office of the Independent Monitor following budget passage.
- **Office of Aging grant position:** The Administration will initiate an ordinance to use contingency to fund the balance of the position for 2021, contingent upon the completion of the legislative process.
- **Eviction legal defense and prevention:** due to the increased risk of eviction caused by the economic impacts of the COVID-19 pandemic, \$1,000,000 in funds from the city's Coronavirus Emergency Response Special Revenue Fund will be set aside to support residents facing eviction.
- **Parks restrooms:** Parks will identify \$365,000 of Parks 2A funds needed to ensure restrooms are open and operational for their full 2021 season, as well as to provide portable facilities in parks without permanent restrooms and where plumbing cannot be operated during winter months.
- **Rental registry program:** Consistent with my letter of October 14, 2020, I will support a supplemental appropriation of \$391,800 after the completion of a thorough community process and the passage of enabling legislation.

In my letter to City Council two weeks ago, an additional \$395,000 was Identified to bring the total funding of the STAR program to \$1.4 million of city funds. I am committed to the Support Team Assistance Response (STAR) program and its sustainable growth. The STAR Expansion Work Group just initiated their work to evaluate and make an evidence-based recommendation on the expansion of the program and that group should be allowed to complete that work so limited resources are not stranded in a program that cannot deploy them. Additionally, DDPHE is underway with a behavioral health strategic plan to ensure all city and state efforts around behavioral health are integrated and functioning together for the benefit of our residents. Once the pilot program is complete and the operational and financial investments for the program have been determined, I support advancing a supplemental funds for the program from the City's contingency fund. DDPHE will continue to pursue a 50% match of funds from the Caring for Denver program that derives its funds from a 2018 voter approved sales tax to achieve a total investment of \$2.8m in STAR for 2021.

I will not support any amendments that further cut agency budgets, specifically, those that would compromise the funds of the police department. The proposed 2021 budget contains agency reduction proposals totaling \$154 million dollars. I must stress that reducing investments in public safety will not produce better safety outcomes for Denver's community. We have an opportunity to continue investments in alternative policing programs while continuing our commitment to transform our safety organizations. As Mayor, it is my primary duty to provide for the safety and wellbeing of the people that live, work and visit Denver. As such, I will reject any proposal that will compromise Denver's ability to maintain the safety of our community.

Denver's economic and financial condition remains precarious. Increased COVID cases may lead to further public health restrictions and if cases cannot be reduced, more restrictive public health orders may be needed. These restrictions could lead to even more economic impacts for the city. Therefore, it is important to maintain our financial reserves. The 2020 budget is forecast to use \$95 million of reserves due to revenue losses and to avoid more painful service cuts and impacts to our employees. The 2021 budget also includes other financial work that needs to be done. The budget requires collective bargaining agreement savings or further budget reductions in order to be balanced. To date, council has not provided a path to achieve savings from collective bargaining agreement negotiations, even though we have found that both the fire and police unions have willingly offered savings that would significantly benefit the city's financial position next year. I would like to thank both unions' willingness to share in the sacrifice to avoid more painful service cuts.

I understand City Council may be considering increasing the City Council 2021 budget by \$700,000 through an amendment that would use reserve funds. Other than furloughs, the City Council budget has been spared any programmatic reductions in 2021. If this action were taken by City Council it would be an affront to the sacrifices made by city employees, city agencies and the residents of Denver who are experiencing service cuts. I will reject any measure that uses reserve funds or requires further agency budget cuts to increase the City Council budget.

I need to share with you that City Council's action last year on community corrections, last week's flip flop on a rational and temporary deployment of Fair Election Fund dollars, and the rejection of the collective bargaining agreement with the police union have ended up costing the city money at a time we can ill-afford it. As elected officials we obviously may agree to disagree and amiably so, but while disagreement is healthy, dysfunction is not. Collaboration between the executive and legislative branches of Denver's city government has always produced the best outcomes for our residents. Although we do not always agree, and these days it seems much less often we do, I do still firmly believe that all of us are motivated to do the best for our city and the people we are elected to serve. It is important that we do not ourselves engage in or encourage others to delegitimize reasonable policy positions, but instead, work together to find consensus. This will take concessions from all of us. It is my hope that these budget proposals are received by City Council as an effort on my part to find consensus that serves the best interest of the residents of Denver.

Respectfully,

A handwritten signature in black ink, appearing to read "M. Hancock", with a long horizontal line extending to the right.

Michael B. Hancock
Mayor