



PRESS RELEASE For Immediate Release

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City and County of Denver
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Mayor Hancock Announces Balanced, Sustainable Plan for Denver's Fiscal Future

DENVER – Mayor Michael B. Hancock today announced a balanced four-part package that will help solve the city's structural budget gap and establish a fiscally responsible and sustainable future for Denver.

Joined by members of the City Council and Structural Financial Task Force, the Mayor unveiled a proposal that reflects many of the nearly 30 suggestions recommended by the Task Force earlier this year. The plan calls for efficiency savings, cost reductions, expanding the city's economic base, and enhancing city revenues.

"This is a strong proposal that builds on our culture of cost-savings, grows our economy and establishes a fiscally responsible and sustainable path forward for our city," Mayor Hancock said. "This plan will help us deliver a livable city that is built on a solid financial foundation with good jobs, healthy children, accessible libraries, safe streets and convenient transportation."

"I'm grateful for the sacrifices made by the public and city employees over the past few years, and for the hard work of the Structural Financial Task Force," the Mayor said. "Starting today, we begin to work on the next phase of economic recovery – summoning our Denver spirit to tackle adversity head on, turn our challenges into opportunities and deliver a world-class city where everyone matters."

Over the past four years, the City has closed shortfalls of \$450 million by eliminating 400 positions, cutting library hours, child care and other children's services, imposing furlough days on city employees, requiring employees to pay more for healthcare and pensions, and freezing the hiring of new police officers and firefighters. The city faces another \$94 million gap in 2013.

Former Mayor Guillermo “Bill” Vidal appointed the Task Force in early 2011 to help solve Denver’s chronic budget gap. The Task Force submitted recommendations in January and Mayor Hancock has spent the past few months analyzing the proposals, holding town hall meetings, and soliciting input from civic, business and education leaders.

The package announced today calls for:

- **Achieving Efficiency Savings** by fully implementing Peak Performance, Lean and Strategic Resource Alignment initiatives. The Mayor is moving forward with nine of the Task Force’s efficiency recommendations to streamline services and realize an estimated \$10 million in annual savings.
- **Reducing Costs** by making smart adjustments to employee compensation, including salaries, healthcare and pensions. Mayor Hancock is advancing three of the Task Force’s cost-reduction recommendations, which will save an estimated \$5 million annually, allowing the city to deliver the highest-quality services at the lowest possible cost.
- **Growing the Economy** by enacting three recommendations, including collaborating with business groups to expand the city’s retail sector, ensure high-rises and office buildings stay fully occupied, and facilitate sustainable development of vacant properties around Denver. The Mayor also intends to exempt new equipment purchased by Denver businesses from the Business Personal Property Tax for up to four years.
- **Enhancing Revenues** by asking the City Council to place on the November ballot a measure to permanently lift revenue and spending restrictions imposed by TABOR. This will allow the city to retain about \$44 million a year initially and \$68 million over time – funds the city currently rebates back to the public in the form of temporary property tax credits. The funds will help erase the city’s structural budget gap, restore library hours, eliminate furloughs, hire police and fire recruits, replace aging police and fire vehicles, and repave city streets.

The Mayor is not moving forward at this time with six revenue recommendations from the Task Force, including the imposition of residential trash fees and the creation of a separate library district.

“Cutting permanent expenses through Peak Performance, restoring library hours, not charging people to pick up their trash, and de-Brucing the city’s revenues are all part of a balanced approach to permanently fixing Denver’s structural deficit,” Mayor Hancock said.

“Together, by removing the TABOR restrictions, we can retain funds for investment in our children, jobs, safety and streets. We can restore services to Denver’s kids, eliminate furlough days, replace aging police and fire vehicles, and repave streets that haven’t been

resurfaced in two decades.”

Denver voters approved a temporary, partial de-Brucing in 2005. That same year, voters across Colorado passed Referendum C. Voters in 240 cities and 174 school districts have de-Bruced since TABOR took effect 20 years ago.

Mayor Hancock said he intends to formally submit the proposal to the City Council in July. See attached for a chart of the proposed plan.

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