



Administration Building
West Hearing Room
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Littleton, CO 80120
303-795-4630
Relay Colorado 711

Kathleen Conti, District 1
Nancy Sharpe, Chair, District 2
Jeff Baker, District 3
Nancy Jackson, District 4
Bill Holen, Chair Pro Tem, District 5

Study Session **September 8, 2020**

The members of the Board of County Commissioners may attend study sessions virtually or in person, but due to social distancing requirements, presenters and the public may only attend virtually. The public may attend the study sessions (listening only) by calling 1-855-436-3656. The Board of County Commissioners may go into executive session during or at the conclusion of the study session as necessary to receive legal advice or discuss other confidential matters.

The Arapahoe County Board of County Commissioners typically holds weekly Study Sessions on Monday and Tuesday. Study Sessions (except for Executive Sessions) are open to the public and items for discussion are included on this agenda. Agendas (except for Executive Sessions agendas) are available through the Commissioners' Office or through the County's web site at www.arapahoegov.com. Please note that the Board may discuss any topic relevant to County business, whether or not the topic has been specifically noticed on this agenda. In particular, the Board typically schedules time each Monday under "Committee Updates" to discuss a wide range of topics. In addition, the Board may alter the times of the meetings throughout the day, or cancel or reschedule noticed meetings. Questions about this agenda? Contact the Commissioners' Office at 303-795-4630 or by e-mail at commissioners@arapahoegov.com

Study Session Topics

10:00 A.M. Calendar And Board Updates

Michelle Halstead, Director, Communication and Administrative Services

11:00 A.M. *Discussion Of Social Security Payroll Tax Deferral

Discussion of the recent Executive Order and related IRS Notice regarding the deferral of Social Security payroll taxes for County employees, and a request for direction on whether or not to implement

Request: Information/Direction

Todd Weaver, Director, Finance

John Christofferson, Deputy County Attorney

Documents:

[BSR PAYROLL TAX DEFERRAL.PDF](#)

11:30 A.M. *Executive Session

Executive Study Session and County Attorney Administrative Meeting [Section 24-6-402 (4)(b)C.R.S.](As required by law, specific agenda topics will be announced in open meeting prior to the commencement of the closed and confidential portion of this session) (WHR)

Ron Carl, County Attorney

Break

3:00 P.M. *District Attorney's Office 2021 Budget Request

Update on the 2020 activities of the Office of the District Attorney and presentation of the 2021 County budget request

Request: Information/Direction

*George Brauchler, District Attorney, 18th Judicial District
Jeff Ulrich, District Attorney's Office, 18th Judicial District
Todd Weaver, Director, Finance
John Christofferson, Deputy County Attorney*

Documents:

[BSR_2021 BUDGET PRESENTATION.PDF](#)
[2021 BUDGET PRESENTATION_PDF.PDF](#)

***To Be Recorded As Required By Law**

Arapahoe County is committed to making its public meetings accessible to persons with disabilities. Assisted listening devices are available. Ask any staff member and we will provide one for you. If you need special accommodations, contact the Commissioners' Office at 303-795-4630 or Relay Colorado 711.

Please contact our office at least 3 days in advance to make arrangements.



ARAPAHOE COUNTY
COLORADO'S FIRST

Board Summary Report

Date: September 1, 2020
To: Board of County Commissioners
From: Todd Weaver, Finance Director
Subject: Discussion of the Social Security Tax Deferral

Request and Recommendation

The purpose of this study session is to provide information to the Board of County Commissioners on the recent Executive Order and related IRS Notice regarding the deferral of Social Security payroll taxes for County employees and receive direction on whether or not to implement.

Based on the information available at the time this Executive Order takes effect, it is the recommendation of staff that the County not implement this deferral due to the requirement that the County collect these deferred taxes from employees early in 2021, the potential financial liability the County would take on if these deferred taxes could not be collected from employees, the large amount of payroll administrative and system work related to implementing this Order, as well as the potential for errors in payroll processing that could occur in comparison to the limited financial benefit to County employees.

Background

Earlier in August, the President issued an Executive Order that permits employers to defer the payment of the Old Age, Survivors, and Disability Insurance (OASDI) taxes, also known as Social Security taxes for employees whose wages are less than \$4,000 bi-weekly. Subsequent guidance from the Internal Revenue Service in the Treasury Department has informed employers that, if they choose to defer withholding Social Security taxes from employees, they are required to collect those deferred taxes between January 1 and April 30, 2021. This guidance was provided late in the day on Friday, August 28th giving employers 1 business day to evaluate the information provided.

It is important to know that this Executive Order is a deferral of the obligation to pay these taxes until 2021 and is not forgiveness or elimination of this tax obligation. Congress has the ability to forgive this deferred obligation, but as of now, there has been no Congressional action to do so and many experts feel this is unlikely.

The responsibility to make sure these deferred taxes are paid in 2021 belongs to the County as the employer and not to individuals. The IRS Notice permits the County to “make arrangements to otherwise collect the applicable taxes from the employee.” If the decision is to implement, the County may want to consider having all employees sign an agreement or acknowledgement that the County will need to withhold or otherwise recoup the additional funds in 2021 for these deferrals.

If implemented, the County would be required to essentially double the amount of Social Security payroll taxes withheld from employee paychecks in January, February, March, and April to make sure these deferred taxes are paid in addition to the taxes owed on those 2021 wages. By way of example, if the amount of Social Security taxes withheld from an employee’s paycheck is \$150, their withholding would decrease and net pay would increase by \$150 for the remainder of 2020. However, in 2021, their Social Security tax withholding would jump from \$0 to \$300 per pay period, or \$150 more than it normally would be. This collection of the tax from 2020 in early 2021 will impact all eligible employees’ take home pay and may cause additional financial hardship for some employees.

In addition, implementation would require significant necessary administrative and system work to implement and comply with the requirements of this Executive Order and the accompanying IRS Notice. If implemented, the amounts deferred from employee paychecks will need to be tracked so that they can be recovered during the first 4 months of 2021. Based on the bi-weekly pay amount of less than \$4,000, about 94% of employees would be eligible for this deferral. If employee bi-weekly wages went above this threshold during one pay period, they would not be eligible. This could cause confusion for employees with fluctuating withholdings from pay period to pay period.

Further, an employee who separates from service prior to the end of April 2021 would have their final paycheck reduced by the amount of the deferred tax liability that remains to ensure that the County is not financially liable for the unpaid Social Security taxes. New processes around these actions would need to be developed in short order. The Order and IRS Notice are silent on whether individual employees can opt out of the Social Security tax deferral if their employer elects to implement it. If that is allowed, further tracking and processes would need to be developed.

Links to Align Arapahoe

Accurate and timely processing of payroll and tax liabilities is not only required by is in keeping with the County’s goal of Fiscal Responsibility and being good stewards of taxpayer funds.

Discussion

The Board of County Commissioners will be asked to consider not implementing the Social Security payroll tax deferral based on the following reasons:

- It is a tax deferral and not forgiveness of the tax.
- As the employer, the County will be responsible for making sure the correct amount of the tax from the remainder of 2020 is paid in full by April 30, 2021.
- Implementing comes with additional administrative work for the County and payroll staff to change/modify processes and software and ensure compliance with the Order, IRS Notice, and legal tax withholding requirements.

- There will be an impact to the vast majority (~94%) of employee paychecks in both 2020 and 2021 that may cause difficulties for employees.
- A number of employees that have reached out with questions for payroll staff have indicated that they would want to opt-out of such a deferral, but current guidance provides no provisions for that.

Alternatives

Based on the Order and the IRS Notice, it is the employer's decision to defer or not defer the Social Security tax withholding for employees.

Fiscal Impact

At present, there is no direct financial impact. However, it will take Finance Department staff time to make sure that implementation of this Order goes smoothly and that new processes for tax withholding for the remainder of 2020 and for the first 4 months of 2021 are developed.

There could potentially be a financial cost to the County for Social Security tax withholdings that are owed by employees that cannot be collected from employees. Per the Order and IRS Notice, it is the responsibility of the employer to remit these withholdings by April 30, 2021. Failure to do so could result in penalties, interest, and other additions to tax beginning to accrue on May 1, 2021.

Reviewed By:

Todd Weaver, Finance Director
John Christofferson, Deputy County Attorney



ARAPAHOE COUNTY
COLORADO'S FIRST

Board Summary Report

Date: September 2, 2020
To: Board of County Commissioners
From: Todd Weaver, Finance Director
Subject: District Attorney's Office 2021 Budget Presentation and Discussion

Request and Recommendation

The purpose of this study session is to receive information from the 18th Judicial District Attorney's Office regarding their 2021 budget request. The information provided will be considered during the County's 2021 budget process and no decision is required on the budget items presented at this time.

Background

The annual budget for the District Attorney's Office is shared among the 4 counties (Arapahoe, Douglas, Elbert, and Lincoln) of the 18th Judicial District and allocated on a population basis. For 2021, the overall budget for the District Attorney's Office is requested at \$25.3 million, or an increase of about \$344,000. This total request before including salary increases that are commensurate with what the counties provide to their employees. Salary adjustments are requested but no specific request or amount was specified. Therefore, the total amount of the budget request will increase once this amount is determined.

For Arapahoe County, the total requested budget for 2021 is \$15.9 million or \$217,000 higher than 2020. Once again this does not include salary adjustments. County Budget Division staff has estimated that if the DA's Office were granted the same merit increase as the County at 2.3%, the total across the Judicial District would be about \$401,000. Arapahoe County's share would be about \$253,000. These estimates would have to be verified with the DA's Office if this were the rate that was chosen.

In total, with the base budget, requested budget package requests, and the estimate of the salary adjustment, the increase for Arapahoe County over 2020 would be about \$470,000 for a total of \$16.2 million.

The District Attorney's Office will provide more detail on their requested budget during the study session.

Discussion

The study session will include a presentation from the District Attorney’s Office following the topics outlined in the attached slides. Any discussion will center around these budgetary topics as well as any questions or issues as determined by the Board of County Commissioners.

Alternatives

This is an informational session on the 2021 budget request from the District Attorney’s Office. Therefore, no decision are alternatives are needed at this time.

Fiscal Impact

At this time there is no immediate fiscal impact. The amount of budget requests and salary adjustment increase that is approved by the collective Boards of County Commissioners will determine the fiscal impact. With current estimates, the total fiscal impact could be a \$470,000 increase to the 2021 budget for a total budget for the Arapahoe County portion of the DA’s Office at \$16.2 million.

Reviewed By:

Todd Weaver, Finance Director
John Christofferson, Deputy County Attorney



2021 Office of the District Attorney Budget

Budget History

Budget: 2013-2020

Year	Amount (\$)
2013	19,023,000
2014	19,023,000
2015	20,383,523
2016	21,591,384
2017	22,262,877
2018	22,669,327
2019	23,887,089
2020	24,912,610
% change (13-20)	31%

DA Office Budget Growth %

District Attorney's Office by Judicial District	2013-2020
20 th (Boulder)	133%
17 th (Adams)	57%
2 nd (Denver)	52%
4 th (El Paso)	49%
19 th (Weld)	46%
8 th (Larimer)	45%
18 th	31%
1 st (Jeffco)	23%

State Office Budget Growth (2013-2020)

Agency	Growth
Alternative Defense Counsel	104%
Public Defender	76%
Judicial	64%
Attorney General	62%
CBI	49%
18 th	31%

DA Salaries

Statutory minimum \$130,000

Judicial District	2020 Salary
1 st (Jeffco)	\$235,278
2 nd (Denver)	\$228,478
17 th (Adams)	\$225,000
8 th (Larimer)	\$216,000
4 th (El Paso)	\$215,000
20 th (Boulder)	\$214,483
18 th	\$210,000

Crime

18th Case Filings 2013-2019

- Felony cases increased by 47%
- Homicides filings increased by 111%
- Misdemeanors decreased by 3.3%

Felony cases growth by year from 2013

2013	2014	2015	2016	2017	2018	2019	Total Increase
3,930	3,975	4,402	4,758	5,282	5,394	5,789	1,859
	1.1%	9.7%	7.5%	9.9%	2.1%	7.3%	47%

Felony Filing Growth (2013-2019)

Judicial District	Percentage Increase
4 th (El Paso)	66%
2 nd (Denver)	56%
18th	47%
1st (Jeffco)	46%
17 th (Adams)	38%

Budget Requests

Merit increase pool

- Merit Increase if county departments are receiving them
 - Prior year differences
 - County financial picture with COVID 19
- Turnover
 - 19 employees through 8/31
 - 10 prosecutors, 3 out of State, 2 other gov't, 5 private

SB 20-217 Enhanced Law Enforcement Integrity

- \$77,986 Storage capacity for body cam requirements.
- 8 LEA will need to add body cams for other officers.
- 12 will implement body cams for the first time
- IT Director is participating on RFP for Aurora

Health insurance

- 5.3% increase \$128,000
- PY 1% decrease to move to self insured plan
- Immature plan year and change in stop loss driving the increase

VALE/VC administration

- \$50,000 one time request to weather 4 year downturn
- 2020 request and reserves are diminished
- Revenues down \$180K from 2017
- Claims increased by 37% from 2017-2019
- Significant claims in 2020 because of increase in homicides

Professional liability insurance

- \$20,000 increase to match 2020 cost
- 2020 request
- Renewals start in September and increases are expected with all entities providing law enforcement per IMA

Vehicle leases

- \$70,000 request, increased \$20,000 from 2020
- Should see a decrease for 2022
- Arapahoe County fleet rating system identified 14 vehicles needing replacement as of 1/1/2019
- Reduced maintenance costs by \$15K

Diversion

- No change in county funding but new funding formula
- Additional funding awarded to cover juvenile assessment requirements from 2019 legislation.
- Change the context of spending for flexibility in additional funding
- Received additional funding past 3 years

Accomplishments of funded units

- Elder Abuse - 2016
- One Place/FJC - 2016
- Human Trafficking - 2016
- Drug Unit (funded through MJ grant participation) - 2018

Elder Abuse

- Referrals up 90% from when the unit was funded.
- Case filings up 30% since 2016
- Created CARES reporting system to save thousands of hours of duplicate work for DHS, LEA and the DA's office.
- Over 50 trainings provided

FJC/One Place

- 2019 establishment of One Place
- Operating expenses and admin support funded by VOCA grant
- Pre-COVID two events per month at two different location
- Served 800 victims and family members in 2020
- Working with 22 community partners

Human Trafficking

- Averaging 22 cases per year since 2016
- Sentenced 17 defendant to a minimum of 250 years in DOC on significant cases
- Two prosecutors have received FBI awards for their work in this area, one prosecutor of the year.
- Over 50 trainings provided

Drug Unit

- Saved Counties \$1.1M through MJ grant participation
- Applied for our funding share of \$4M in forfeitures from drug seizures
- Seized 6,000 pounds of various drugs and over 100,000 MJ plants while indicting 160 defendants
- Prosecutor received 3 awards including Narcotics Prosecutor of the Year. 2 investigators have received similar awards
- Over 40 trainings provided

Other Accomplishments

- 2017 Freedom Award from the DOD
- MADD – 7 Awards
- CDAC – 4 Awards
- COVA – 2 Awards
- Legislation
 - Provided testimony over 35 times by 18 different employees
 - Pella law, 20-088

Future budget items

- CARES Funding
- VAWA Grant
- 2021 MJ Grant
- IT Storage will continue to cost on average \$150K per year
- Planning the 23rd Judicial District split-off
- 2019 legislation on 48 hour appearance