

Reply to Common Council File No. 090967  
From DOA-Budget and Management Division

December 11, 2009

Ref: 09024

Common Council File 090967 contains a resolution that cancels contingent borrowing authorized in Common Council Resolutions 081506, 081610 and 080962 and also rescinds a transfer of \$2.7 million to the debt service fund that was authorized in Common Council Resolution 090333.

The resolution cancels \$78.3 million in contingent borrowing authority. Resolutions 080962 and 081506 provided authority for unanticipated grants that were not received in 2009 and 081610 authorized contingent borrowing for the close out of 2009 books. Because the city increased the Snow and Ice Control Fee in 2009 and will receive the revenue in 2009, the \$2.7 million shortfall in 2008 will not be borrowed for. Instead it will be taken care of through the fund balance in the general fund. This also eliminates the need to transfer the revenues to debt service. The impact to the budget is the same under either approach.

If this file is not adopted, the impact will be a reduction to the amount deposited into the Tax Stabilization Fund for 2009 of \$2.7 million. Without action, it will remain in the debt service fund as excess revenue and not accomplish the initial intent of the Common Council.

**RECOMMENDATION: ADOPT COMMON COUNCIL RESOLUTION 090967 THAT CANCELS THE ISSUANCE OF CONTINGENT BORROWING FOR CERTAIN PURPOSES.**

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