

# CONTINGENT FUND

## Overview

COMMON COUNCIL CONTINGENT FUND			
Year	Appropriation	Expenditure	Expended
2000	5,000,000	5,000,000	100%
2001	5,000,000	5,000,000	100%
2002	5,420,458	5,420,458	100%
2003	5,000,000	5,000,000	100%
2004	5,000,000	5,000,000	100%
2005	5,000,000	5,000,000	100%
2006	5,500,000	5,436,801	98.9%
2007	5,500,000	5,500,000	100%
2008	5,000,000	5,000,000	100%
2009	5,000,000	1,449,764	28.9%
Average			

1. City Contingent Fund spending has been authorized since 1874, when the state legislature enacted a new charter for the City of Milwaukee. Currently, the fund is authorized by section 18-04-4 of the Milwaukee City Charter and state statute. The Contingent Fund provides for unanticipated needs by enabling transfer of funds into existing or new accounts. Other applications of the funds may be for emergency uses or for purposes for which no express provisions are made in the Budget. Unspent funds revert to the Tax Stabilization Fund. Contingent Fund appropriation requires a 3/4 vote of the Common Council.
2. In December 1992, the Common Council adopted Resolution File Number 921360 established criteria and information standards for submittal of all resolutions by City departments and agencies requesting Common Council Contingent Fund appropriations. Any Contingent Fund requests are expected to meet the following criteria to be considered by the Finance and Personnel Committee:

- Emergency Circumstances;
- Obligatory Circumstances; or
- Fiscal Advantage/Compliance with Fiscal Management Principles.

There was no explicit policy of Common Council control over Contingent Fund expenditures prior to adoption of this resolution. The intent of this legislation was to underscore concerns over using the Contingent Fund to initiate new programs or fund non-programmed capital requests outside the budget process.

For purposes of this analysis, Contingent Fund expenditures have been classified as:

**Discretionary** - An expenditure that could be deferred until the following year without significant negative consequences or which should have been foreseen and, consequently, budgeted. Some examples of discretionary expenditures include expenditures for:

- **Consultant services or studies**

- City employee attendance at **conventions and seminars**
- **A new service or program**, or an expanded service or program, outside the budget process
- **Capital improvement projects** not included in that year's budget

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**Non-discretionary** - An expenditure that is required due to the nature of the circumstances that clearly meet the newly established criteria: emergency, obligatory or fiscal advantage or, which if deferred, would result in significant negative consequences.

#### **Non-Discretionary Contingent Fund Expenditures**

For 2009, the Common Council approved **\$1,449,764** in non-discretionary Contingent Fund Expenditures. The following major expenditures were approved for 2009:

- \$850,000 for Walgreen remission of taxes .
- \$107,270.83 remission of taxes for 311 E. Greenfield.

#### **2011 Proposed Fund Appropriation**

The 2011 proposed budget provides \$5,000,000 for the Contingent Fund, the same amount provided in the 2010 Budget.

For 2011, the unpredictability of weather could expose the 2008 Contingent Fund to appropriations for snow and ice control. Contingent Fund expenditures for Snow & Ice Control were needed in 1990, 1993 – 1996, 1999, 2000, 2005, 2007, and 2008.

Based on volatility in recent years, there is also uncertainty regarding the price of energy.