

Reply to Common Council File No. 151103  
From DOA-Budget and Management Division

December 4, 2015

Ref: 15007

Common Council File 151103 contains a substitute resolution that reserves and authorizes the expenditure of up to \$1,008,150.41 from the 2015 Common Council Contingent Fund to pay refunds and settlements associated with remission of taxes.

Assessed values that are changed as a result of Board of Review decisions or litigation may result in a refund of property taxes. As a result of decisions and settlements in 2015, the city is obligated to make payments totaling \$1,008,150.41 by January 31, 2016. The amount includes refunds on residential properties, as well as settlements resulting from litigation associated with commercial properties.

The resolution authorizes payments up to \$1,008,150.41 to be paid using 2015 contingent borrowing. Payments for such claims are normally made from the Remission of Taxes. However, the 2015 allocation from the special purpose account has been fully expended and the obligated amount exceeds the 2016 allocation.

Authorizing the use of the 2015 contingent fund for this purpose would allow the city to meet current obligations and leave the 2016 allocation for tax remissions available for expenses that may occur in 2016. The refund and settlement amounts are eligible for reimbursement from other taxing jurisdictions through chargebacks, estimated to result in approximately 65% of the amounts being reimbursed.

If this resolution is approved, the balance of the 2015 Common Council Contingent Fund would be \$1,800,628.77

**RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER 151103**

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