

Reply to Common Council File No. 060279
From DOA-Budget and Management Division

January 8, 2009

Ref: 06006

Common Council File 060279 contains a resolution transferring \$160,000 from the 2006 Common Council Contingent Fund to the Unemployment Compensation Special Purpose Account.

This account, funded at \$780,000 in 2006, has experienced greater than anticipated costs from January to May of this year and has expended 96 percent of budgeted funds. It appears that part of the increase in expenditures is due to an extended layoff period between 2005 and 2006 and a greater number of individuals who were laid off during this time period. Costs appear to be returning to more normal levels at this time; however, an earlier layoff period at the end of this year or an increase in the number of layoffs could drive costs to exceed budgeted amounts.

Due to the uncertainty of the final year end expenditures for this account, the resolution is amended to reserve an additional \$160,000 in the event the first contingent fund transfer is not sufficient to meet increased costs.

RECOMMENDATION: AMEND COMMON COUNCIL FILE 060279 TRANSFERRING \$160,000 FROM THE COMMON COUNCIL CONTINGENT FUND TO THE UNEMPLOYMENT COMPENSATION SPECIAL PURPOSE ACCOUNT AND RESERVE AN EXTRA \$160,000 IN THE EVENT THAT ADDITIONAL FUNDING IS WARRANTED.

Renee L. Joos
Budget and Management Analyst

RLJ:dmr

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