

Reply to Common Council File No. 010672

From DOA-Budget and Management Division

September 16, 2001

Ref: 01009(06)

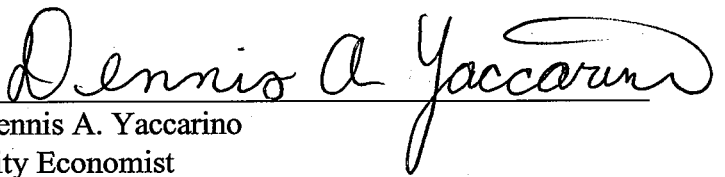
Common Council file 010672 contains a resolution transferring \$1.225 million from the 2001 Common Council contingent fund to the SPA-Worker's Compensation.

Through April of 2001 over half of the amount allocated for worker's compensation. Since April, expenses have total \$1.7 million. It appears that the initial rapid growth in expenses has been replaced with a more normal level of activity. Data at the end of August indicates that total year to date expenses have been \$4.8 million.

Previous year data suggest that worker's compensation costs normally diminish at year-end. Assuming that this annual trend continues, the shortage for worker's compensation could be between \$500,000 and \$900,000. We are recommending that \$500,000 be allocated from the contingent fund now and further monitoring of the fund be performed to determine if a future allocation is necessary.

The initial request by the department of \$1.225 million can be reduced to \$500,000.

**RECOMMENDATION: ADOPT SUBSTITUTE RESOLUTION 010672 HAS TRANSFERS \$500,000 FROM THE 2001 COMMON COUNCIL CONTINGENT FUND TO THE SPA-WORKER'S COMPENSATION FUND.**

  
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