

Reply to Common Council File No. 030491

From DOA-Budget and Management Division

July 25, 2003

Ref: 03009(5)


Common Council File 030491 contains a resolution authorizing a \$550,000 appropriation from the Common Council Contingent Fund to the City Attorney Collection Contract Special Purpose Account (SPA).

Due to greater than anticipated revenues being collected, primarily from the success of the tax-intercept program, the City Attorney Collection Contract SPA is estimated to be insufficient for 2003. Greater than anticipated revenues collected through the Kohn Law Firm and Professional Placement Services, L.L.C. means the City must pay more than anticipated for these contracts. Failure to pay these contracts would negatively impact the City's ability to collect on accounts owed.

The City Attorney Collection Contract SPA was budgeted at \$1.0 million for 2003, consistent with prior years' expenditures. As of July 28, 2003 the balance in the City Attorney Collection Contract SPA is \$137,396.38.

The Budget Office recommends that the requested funds in this resolution are reserved up to the \$550,000 amount in case the total amount is not expended. This would allow the Council to minimize its impact to the Contingent Fund.

RECOMMENDATION: AMEND THE RESOLUTION TO RESERVE UP TO \$550,000 IN THE COMMON COUNCIL CONTINGENT FUND TO BE TRANSFERRED TO THE CITY ATTORNEY COLLECTION CONTRACT SPECIAL PURPOSE ACCOUNT.



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