

LRB – RESEARCH AND ANALYSIS SECTION ANALYSIS

MARCH 12, 2008 AGENDA

ITEM 10 FILE 071278

FINANCE & PERSONNEL COMMITTEE

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File #071278 is a substitute resolution rescinding reserved commitments and appropriating funds from the 2007 Common Council Contingent Fund for the purpose of closing the 2007 financial books due to unanticipated shortfalls in current year operating expenses.

Background

1. The 2007 Budget provided \$5.5 million for the 2007 Common Council Contingent Fund.
2. The Common Council has approved the following expenditures from the 2007 Common Council Contingent Fund:
 - File #070132- \$28,000 for graffiti surveillance cameras
 - File #070713- \$100,000 for Outside Counsel/Expert Witness SPA
 - File #071143- \$125,000 for DER Operating Expenditures
 - File #070950- \$30,000 for Tuition Reimbursement SPA
3. The Common Council has approved reserving the following amounts in the 2007 Common Council Contingent Fund:
 - File #070241- \$25,000 for a Group Life Consultant
 - File #070339- \$1,975,000 for Police Department, primarily NSI Overtime
 - File #070339- \$1,000,000 for DPW snow and ice control operations
4. As of March 7, 2008, reserves and transfers from the 2007 Common Council Contingent Fund totaled \$3,283,000, leaving a fund balance of \$2,217,000.

Discussion

1. This resolution rescinds File #070339 that reserved in the 2007 Common Council Contingent fund \$1,975,000 for Police Department, primarily for NSI Overtime, and \$1,000,000 for DPW snow and ice control operations.
2. This resolution authorizes the following transfers from the 2007 Contingent fund (all amounts are up to):
 - \$1,647,369.69 to Police Salaries – tied to summer NSI, which was reserved before salaries actually came in a little lower than projected last June.
 - \$143,957.34 to Police Operating – police, as with other departments, experienced larger than anticipated energy/fuel bills (mostly unleaded gasoline, utilities for district stations).

- \$29,921.87 to Police Equipment – The Comptroller is accruing some purchase orders back to 2007, DOA is working with them on liquidating some related encumbrances; if able to, this amount will either decrease or not be needed entirely.
- \$1,807,741.63 to Fire salaries – sick leave usage higher than budgeted/anticipated. Fire, as other direct service departments, the Fire Department must fill in employees that are sick with others, usually on overtime (this item was discussed during the 2008 budget hearing for fire)
- \$81,030.27 to Fire Operating – due to higher than anticipated energy and fuel costs (diesel)
- \$441,476.57 to DPW Operation Division Salaries– Additional costs associated with 2007 snow and ice control operations, remaining salary and operating costs for this will be in the contingent borrowing file. Most up to date figures available show DPW spent \$10.8 million total for snow and ice in 2007. DPW also experienced higher than anticipated fuel costs, about \$700,000 in 2007.
- \$428,203.50 to DPW Infrastructure Salaries – additional salaries tied to electrical services for response to extended periods of outages, and streets and bridges for additional street maintenance/repair activities.
- \$470,196.66 to DPW Infrastructure Operating – additional costs for supplies tied to the activities listed above for salaries.
- \$99,613.23 to DER Tuition Reimbursement SPA – a larger than anticipated number of employees utilized this program in 2007, including department directed training.
- \$11,286.to DOA Salaries, ITMD was not able to charge what was expected for reimbursables, also some capital.
- \$24,661.01 to DER Unemployment Comp SPA – larger December claims than expected raised unemployment compensation over budget, DER now has a new claims management provider that can provide better data to analyze and build projections. DOA expects better projections in future.
- \$18,753.39 to DER Operating – DER experienced higher than anticipated usable of the auxiliary resource program, also higher than anticipated costs associated with changes to recruitment/additional testing for police recruits.
- \$6,912.to DCD Land Management SPA – higher costs due to heavy snow totals. DCD is responsible for clearing the snow (along with grass cutting, other) at these city owned parcels.
- \$1,082.55 to the Remissions of Taxes SPA – Greater than anticipated/budgeted (0.17% over budget).

Fiscal Impact

This resolution authorizes the transfer of a total of \$5,212,209.74 from the 2007 Common Council Contingent Fund. With the adoption of this resolution, it is anticipated that the entire funding (\$5.5 million) provided for in the 2007 Common Council Contingent Fund will be depleted.

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