



Office of the Comptroller
May 21, 2009

W. Martin Morics, C.P.A.
Comptroller

Michael J. Daun
Deputy Comptroller

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Special Deputy Comptroller

Craig D. Kammholz
Special Deputy Comptroller

Members of the Finance
& Personnel Committee
City Hall, Room 205
200 E. Wells Street
Milwaukee, WI 53202

RE: Parking Fund Fringe Benefit Shortfall

Dear Committee Members:

During the May 20, 2009 Finance and Personnel Committee Meeting, you requested additional information regarding File 90064, which involved the transfer of funds to address a fringe benefit shortfall in the Parking Fund.

The Finance & Personnel Committee approved transfers totaling approximately \$354,000 to the Parking Fund fringe benefit account at the May 20th and March 20th meetings. Of this amount, \$223,000 was related to an accrual for OPEB. The remaining \$131,000 was the difference between what was budgeted in 2008 for fringe benefits using the rate established by this office, and actual fringe benefit expenditures.

Beginning in 2007 the City was required to record Other Post Employment Benefit (OPEB) expenses for retiree healthcare for its enterprise funds, including the Parking Fund. The 2008 rates for fringe benefits established by our office for budgeting purposes did not yet reflect this change. As a result, all enterprise funds required additional appropriation authority for 2008 OPEB accruals. Please note the accruals for OPEB have no impact on the cash positions of the funds because the expenditure is recorded with a related liability.

If you have additional questions, please feel free to contact Toni Biscobing at 2315.

Very truly yours,

W. Martin Morics
Comptroller

WMM:CDK:TB

CC: Mr. Mark Nicolini, Director DOA – Budget and Management Division
Marianne Walsh, Legislative Reference Bureau