

Reply to Common Council File No. 141673
From DOA-Budget and Management Division

May 4, 2015

Ref: 15006

File Number 141673 contains a substitute resolution authorizing carryover of certain fund balances from 2014 to 2015 in accordance with Section 65.07(1)(p), Wisconsin Statutes.

State statutes permit the carryover of unexpended appropriations from one budget year to the next, up to a maximum of three years following the original appropriation.

Carryover in recent years has been used primarily to provide for (a) budgeted, but uncompleted, projects; (b) planned supplements to program accounts that in effect reduced the level of new appropriations required in the annual budget; and (c) the payment of accrued but unpaid health care benefit and workers compensation expenses. The 2015 carryovers primarily fund budgeted but uncompleted projects, various outstanding commitments and obligations, and supplements to program accounts assumed in the 2015 budget.

Funds that are carried over within departmental accounts must remain within the department in which they were originally appropriated. Appropriations cannot be transferred between departments.

The recommended list of carryovers is included in Exhibit A. The following highlights some items that may be of particular interest to the Committee's review of this file.

- \$13.5 million in the Wages Supplement Fund. This account funds anticipated wage and fringe benefit increases for city employees, including increases resulting from collective bargaining agreements. This funding is needed to provide funding for salary increases, including Police and Fire salary increases when collective bargaining agreements are settled.
- \$2 million in the Police Department salary account to provide approximately 40,000 additional hours of police overtime in 2015. The additional hours will increase labor intensive strategies directed at reducing issues of gun violence, neighborhood disorder, motor vehicle thefts and fatalities, and avoiding longer response times to priority 1 calls. The carryover will allow the Police Department to enhance the deployment of rapid response ShotSpotter units, increase the Hot Spot Crime Reduction Plan, expand efforts to target known and high frequency motor vehicle theft offenders through increased home visits and additional deployments to identify stolen cars in neighborhoods experiencing a high rate of auto thefts, and add additional squads as a force multiplier during peak call volume periods.
- \$65,000 in the Milwaukee Health Department to enhance two areas of critical public health concerns. The recommendations include \$40,000 to expand the Department's health care access capacity, which helps eligible community members enroll in programs such as the Children's Health Insurance Program, Badger Care, and obtain insurance coverage via the Affordable Care Act. Health Care Access serves the health security needs of the community while reducing the

impact of health care costs on families of modest means. The carryover recommendations also include \$25,000 to develop enhanced strategies for increasing the community's participation in immunization programs. Immunization is a proven approach to sustainable, ongoing improvements to the community's health.

- \$500,000 for Worker's Compensation Benefits, a carryover that was anticipated in the 2015 budget. This carryover is intended to ensure that anticipated worker compensation benefit expenditures in 2015 are fully funded.
- \$300,000 for Unemployment Compensation benefits, a carryover that was anticipated in the 2015 budget. This carryover is intended to ensure that anticipated unemployment compensation benefit expenditures in 2015 are fully funded.
- \$212,592 for the Damages and Claims Fund Special Purpose Account, to provide funding for anticipated damages and claims that will be paid in 2015.
- \$190,000 for repairs and improvements at the new Election Commission warehouse and training center facility.
- \$50,000 for unanticipated costs needed to comply with new Voter ID law requirements.
- \$46,000 to fund the Management Trainee program.
- \$1,246,243 for Contribution accounts. This is non-tax levy authority.

The recommendations include a total carryover amount of \$20,305,824, which includes \$1,246,243 for Contribution accounts and \$180,106 for Enterprise Funds. The remainder of the recommended carryover is \$18,879,475 in General Fund levy supported appropriations. Of this amount, 71.5% is for the Wages Supplement Fund for anticipated salary obligations. The total General Fund levy supported carryover is 1.7% of the 2014 adopted levy supported budget.

RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER 141673.



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