

Reply to Common Council File No. 201548
From DOA-Budget and Management Division

April 26, 2021

Ref: 20007

Common Council File 201548 contains a resolution appropriating up to \$2,614,483 from the 2020 Common Council Contingent Fund for the purpose of closing the 2020 financial books due to unanticipated shortfalls in current-year operating expenses.

This file is introduced to provide appropriation authority for various 2020 budget accounts which had expenditures in excess of their budget appropriations. The Contingent Fund is established to provide funding authority for accounts in these circumstances. This file is needed to authorize transfers from the Contingent Fund to the accounts specified in the resolution in order to close the 2020 financial books. A companion file authorizing contingent borrowing will also be needed to close the 2020 financial books.

Several accounts require Contingent Fund transfers:

- DPW Operations Division operating expenditures account requires a transfer of \$2,500,000. The transfer is required to closeout multiyear projects that anticipated reimbursement. However, these project expenses were never recovered and require funding.
- Assessor's salary expenditures requires a transfer of \$95,353. The primary cause is due to large terminal leave payouts that occur when staff retire. There was also greater than anticipated overtime expenditures due to the number of appraisal objections.
- City Attorney's salary expenditures requires a transfer of \$19,130. The primary cause is due to large terminal leave payouts that occur when staff retire.

As of 4/23/2021, there is an uncommitted balance of \$4,675,000 remaining in the 2020 Contingent Fund. This file will transfer \$2,614,483 from the 2020 Contingent Fund to various departments and accounts so that these funds can be used to offset expenditures that exceeded budget appropriations. These expenses have already been incurred, so funding must be provided to offset the expense. If transfers from the Contingent Fund to these accounts are not made, the Common Council will need to authorize Contingent Borrowing to offset these expenses. If the requested Contingent Fund transfers are approved the 2020 Contingent Fund will have a balance of \$2,060,517.

RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER 201548

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BJR: ns
CONFUND/2020/Closeout/2020/201548sr