

Reply to Common Council File No. 211503
From DOA-Budget and Management Division

April 27, 2022

Ref: 21007

Common Council File 211503 contains a resolution appropriating up to \$3,511,523 from the 2021 Common Council Contingent Fund for the purpose of closing the 2021 financial books due to unanticipated shortfalls in current-year operating expenses.

This file is introduced to provide appropriation authority for various 2021 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 2021 financial books. A companion file authorizing contingent borrowing will also be needed to close the 2021 financial books.

Several accounts require Contingent Fund transfers:

- DPW Operations Division operating expenditures account requires a transfer of \$1,012,687. The transfer is required due to higher than anticipated costs for contracted services and vehicle rental costs during 2021.
- Police Department's operating expenditures requires a transfer of \$2,034,718. The transfer is required due to increased IT support costs, increased costs for fuel and other supplies, and 2020 expenditures lagging into 2021 due to vendor and supply chain issues.
- DPW Infrastructure Division operating expenditures account requires a transfer of \$221,572. The transfer is required due to unexpected and unbudgeted repairs to the roof of the Municipal Services Building resulting from damage sustained in a windstorm.
- DPW Administration Division requires a transfer of \$207,142. The transfer is required due to an increased level of unbudgeted required drug testing and training.

As of 4/8/2022, there is an uncommitted balance of \$3,528,000 remaining in the 2021 Contingent Fund. This file will transfer \$3,511,523 from the 2021 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 2021 Contingent Fund will have a balance of \$16,477.

RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER 211503

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BJR: cei
CONFUND/2021/Closeout/211503sr