

LRB-FISCAL REVIEW SECTION ANALYSIS

FINANCE AND PERSONNEL COMMITTEE

ITEM 12, FILE # 011624

MARCH 20, 2002

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File # 011624 is a substitute resolution appropriating funds from the 2001 Common Council Contingent Fund for the purpose of closing the 2001 financial books due to unanticipated shortfalls in current year operating expenses.

Background

This substitute resolution transfers remaining funds in the year 2001 Common Council Contingent Fund to the Milwaukee Police Department (MPD) operating expenditures account and to the Worker's Compensation Special Purpose Account.

Discussion

1. The 2001 Worker's Compensation Special Purpose Fund was budgeted for \$6,000,000. This fund was augmented by the 2001 Contingent Fund with \$500,000 in September and \$500,000 in December 2001.
2. Expenditures for worker's compensation in 2001 have totaled \$7,092,475 as of March 13, 2002 or 18.2% above the 2001 budgeted amount. This shortfall is due to a 29% increase in worker's compensation expenses in 2001.
3. The 2002 Worker's Compensation SPA is budgeted at \$7,170,000.
4. The 2001 MPD Operating Expenditures account need to be reimbursed \$28,489.65 relative to the payment of lease agreements from November and December of 2001. 2002 funds were used for payment and this file is needed to correctly reflect the expenditure in year 2001.

Fiscal Impact

1. The total amount of this resolution is \$115,495.78. \$87,006.13 is to be transferred to the Worker's Compensation SPA and \$28,489.65 is to be transferred to the MPD Operating Expenditures account.
2. On March 15, 2002, the year 2001 Common Council Contingent Fund had a balance of \$1,602,855. If this transfer is approved, a balance of \$1,487,359 will remain.

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LRB-Fiscal Review Section
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