

Reply to Common Council File No. 111213
From DOA-Budget and Management Division

January 11, 2012

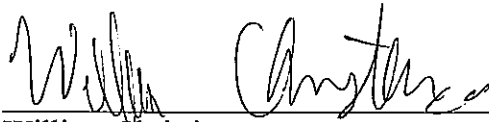
Ref:

Common Council File No. 111213 contains an ordinance to reduce the alley reconstruction recovery rate from 60% to 30% for all projects approved by the Common Council after May 3, 2011. In the adopted 2012 budget, the alley reconstruction recovery rate was reduced from 60% to 30% for all projects approved by the Common Council after January 1, 2012.

This ordinance would lower the recovery rate from 60% to 30% for 7 - 8 alley projects which were approved after May 3, 2011 but were unable to be started in 2011. Reducing the recovery rate for these 7 - 8 projects will require about \$200,000 of city funds to be used to cover the lower cost recovery.

This file requires that \$200,000 of city funding be reallocated to replace \$200,000 of assessable funding in the alley reconstruction program. If this file is adopted, since no additional funding is included, the city would be unable to fund 3 - 4 alley projects currently scheduled for 2012.

**RECOMMENDATION: WE DEFER TO THE COMMITTEE'S JUDGMENT
REGARDING WHETHER THIS POLICY CHANGE SHOULD BE ADOPTED.**



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Budget and Management Analyst Lead

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FINANCE: sr111213.doc