

Reply to Common Council File No. 030774  
From DOA-Budget and Management Division

October 6, 2003

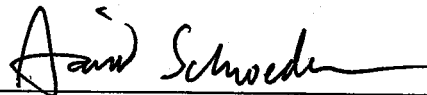
Ref: 03042

File 030774 is a resolution authorizing contingent borrowing for unbudgeted 2003 Milwaukee Police Department (MPD) overtime expenditures. File 030156 contains a communication from the Department of Administration Budget & Management Division, projecting a possible \$9.6 million deficit in the MPD's salary account. The vast majority of this shortfall is attributed to the MPD's overtime expenditures. These projections are based on 20 pay periods of data.

This is a significant issue that the Finance and Personnel Committee must be made aware of through the introduction of this file. It is the intent that this file not be filed until the 2003 books are closed and the exact amount of the shortfall is determined (early 2004). It is difficult to determine the exact amount needed for borrowing at this time. When closing the 2003 books, the city will need to first transfer any funds left in the MPD's other operating accounts and the remaining balance of the Common Council Contingent Fund into the MPD salary account. Funds that were budgeted for the MPA salary settlement will also be transferred from the Wages Supplement Fund.

These actions will exhaust available resources and should lower the amount needed for borrowing. The Budget & Management Division will work with the Common Council and the Comptroller's Office to try and further minimize the amount of funds the City will have to borrow.

**RECOMMENDATION: HOLD TO THE CALL OF THE CHAIR, FILE 030774 WHICH AUTHORIZES CONTINGENT BORROWING FOR UNBUDGETED 2003 MILWAUKEE POLICE DEPARTMENT OVERTIME EXPENDITURES.**



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