

## LRB-FISCAL REVIEW SECTION ANALYSIS

FINANCE AND PERSONNEL COMMITTEE

ITEM 8, FILE # 021579

FEBRUARY 26, 2003

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File # 021579 is a substitute resolution appropriating funds from the 2002 Common Council Contingent Fund for the purpose of closing the 2002 financial books due to unanticipated shortfalls in current year operating expenses.

### Background

This substitute resolution transfers all remaining funds in the year 2002 Common Council Contingent Fund to various City of Milwaukee 2002 department accounts.

### Discussion

1. Due to higher than anticipated expenditures, the following 2002 accounts have a shortfall and are in need of funds *up to the requested amount* in order to close the 2002 financial books:
  - City Attorney's Office Operations - \$24,000
  - Worker's Compensation SPA - \$55,000
  - Employee Relations Operations - \$800
  - Assessor's Office - \$200
  - Library Reciprocal Borrowing (MCFLS) - \$1,000,000  
(This expense is due to the accrual of the 2002 payment, unanticipated in the 2002 and 2003 budgets).
  - City Attorney's Office Equipment Purchases - \$9,000
2. Furthermore, remaining funds (approximately \$1.1-\$1.4 million) in the 2002 Contingent Fund are requested in this resolution for transfer to the 2002 Milwaukee Police Department Salary account in order to accommodate the shortfall in the MPD Salary account.

### Fiscal Impact

1. The total amount of this resolution is (up to) \$1.089 million to be transferred from the 2002 Common Council Contingent Fund to the designated 2002 department accounts.
2. On February 21, 2003 the year 2002 Common Council Contingent Fund had a balance of \$2,475,379. Upon approval of this request and in light of the deficit in the 2002 Milwaukee Police Department Salary Account (approximately \$5.9

million) relative to overtime expenditures, the 2002 Common Council Contingent Fund budgeted for \$5,420,458, will be 100% expended.

3. The average yearly expenditure of the Contingent Fund, since 1997, is 75%. 1999 was the last budget year that the Contingent Fund was 100% expended.

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