

Reply to Common Council File No. 011081

From DOA-Budget and Management Division

April 23, 2002

Ref: 02008

This file is an annual "housekeeping" resolution. In accordance with State Law and the City Charter, it provides authority to carryover certain fund balances (from 2001 to 2002) to permit achieving or completing a previously authorized and funded purpose, program, project, or equipment purchase. This procedure has been effectively utilized for years, and should continue to be utilized, in lieu of providing new funding in a future budget(s) for an item which has been previously authorized and funded.

The total amount recommended for carryover into 2002 is \$24,286,891. This is approximately \$13.2 million more than the \$11,061,967 that was approved for carryover into 2001. A comparison of the 2001 and 2002 carryovers are as follows:

	<u>2000-01</u>	<u>2001-02</u>	<u>Difference</u>
General City Funds	\$2,656,343	\$2,591,341	(\$65,002)
Wages Supplement Fund	\$0	\$12,795,463	\$12,795,463
Enterprise Funds	\$6,999,252	\$7,265,874	\$266,622
Retirement Funds	\$773,844	\$1,122,893	\$349,049
Contribution Fund	\$556,204	\$511,320	(\$44,884)
Grant & Aid	\$0	\$0	\$0
Special Ledger Accounts*	\$0	\$0	\$0
Contingent Fund	\$76,324	\$0	(\$76,324)
<b>Total Carryover Recommended:</b>	<b>\$11,061,967</b>	<b>\$24,286,891</b>	<b>\$13,224,924</b>

Carryover requests from city departments and agencies are carefully screened by the Budget and Management Division, and only those which meet specific, well defined, objective criteria are recommended. As part of this process, care was taken to ensure that departments saved the amounts outlined in the 2001 Budget Adjustment Bill.

A significant change from prior years is that capital accounts are not included in this year's carryover resolution. According to the Comptroller's office, it is not administratively necessary to include them in the resolution, due to a change in the FMIS system which assigns the year 0000 to every capital account.

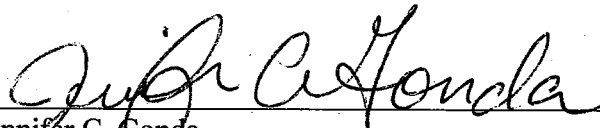
However, capital carryovers are required to adhere to Section 65.07(1)(p) of the Wisconsin Statutes, which states that funds may not be carried over for more than three years from the year of appropriation. The Comptroller's Office and the Debt Commission monitor capital spending to ensure that cash levy funding is spent first and borrowing authorizations lapse after three years. Carryover of \$104,105,238 in borrowing authority from 2001 to 2002 was already approved in Common Council File No. 011070 in December of 2001.

Significant carryovers in the 2001-2002 Carryover Resolution include the following:

**Department of Administration (DOA): \$12,795,463** will be carried over in the **Wages Supplement Fund (01-2110-0001-5174-2001-006000)**. It is anticipated that this amount will be needed for Police and Fire Department wage rate settlements that have yet to be settled.

**DPW – Sewer Maintenance Fund: \$6,530,106** will be carried over in the **Sewer Debt Service Account (0490-6830-0001-R999-2001-006610)** to make debt service payment that was delayed because of a time delay issuing revenue bonds.

**RECOMMENDATION: ADOPT COMMON COUNCIL FILE NO. 011081  
AUTHORIZING THE CARRYOVER OF THE RECOMMENDED ACCOUNTS  
SHOWN IN EXHIBIT A.**



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