

Reply to Common Council File No. 051123
From DOA-Budget and Management Division

January 8, 2009

Ref: 05009

Common Council File 051123 appropriates up to \$3.2 million from 2005 Common Council Contingent Funds for the purpose of closing the 2005 financial books. It appropriates \$2.3 million to DPW, \$0.5 million to Police and \$0.4 million to Fire. There will be a remaining balance in the contingent fund of roughly \$270,000 after these appropriations.

The major reason for the funding need was the rapidly rising fuel prices that occurred after the adoption of the 2005 budget. Fuel price increases account for \$2.3 million of the \$3.2 million of the shortfall. The remaining \$0.8 million is due to higher than anticipated costs associated with snow and ice removal.

At this time, this is the best estimate of the potential shortfalls in these departments. Timing of the closing of the financial books has required this request for contingent fund appropriations sooner than desired. As bills get paid through January 18th, the shortfall maybe modified.

**RECOMMENDATION: ADOPT COMMON COUNCIL RESOLUTION
051123 APPROPRIATING THE REMAINING 2005 COMMON COUNCIL
CONTINGENT FUND TO COVER OPERATING SHORTFALLS.**

Dennis A. Yaccarino
City Economist

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