

Reply to Common Council File No. 001381

From DOA-Budget and Management Division

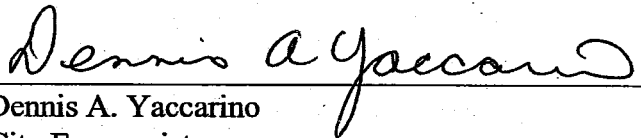
January 30, 2001

Ref: 01042

Common Council file 001381 contains a resolution authorizing the issuance and sale of general obligation short-term promissory notes to cover unanticipated obligations in operating expenses. Unanticipated obligations have occurred in health care, wage settlements and snow and ice control in the Department of Public Works for the fiscal year 2000.

At this time, the exact amount of the obligation is not known. Adoption of this file will create appropriation authority up to \$20 million so that the Comptroller's Office can process payments and determine the full extent of the obligation. It is expected that the shortage will be well under the amount provided in this resolution. Our estimate is between \$10 and \$12 million. This \$10-\$12 million represents an amount only 1.1% to 1.3% above the 2000 budget.

RECOMMENDATION: ADOPT COMMON COUNCIL RESOLUTION 001381 RELATING TO THE ISSUANCE AND SALE OF GENERAL OBLIGATION SHORT-TERM PROMISSORY NOTES TO COVER UNANTICIPATED OBLIGATIONS IN OPERATING EXPENSES.


Dennis A. Yaccarino
City Economist

DY:nmc

FINANCE: 001381sr.doc