

Reply to Common Council File No.071278
From DOA-Budget and Management Division

March 11, 2008

Ref: 07009

Common Council File 071278 contains a resolution rescinding reserved commitments and appropriating funds from the 2007 Common Council Contingent Fund for the purpose of closing the 2007 financial books due to unanticipated shortfalls in current year operating expenses.

This file rescinds the following amounts that approved by the Common Council file 070339 in June, 2007. The purpose of rescinding all of these amounts, even though some funds are re-appropriated to the same accounts, is for clarity.

1. \$1,975,000 reserved for the Police Department account (#0001-3310-R999-006000),
2. \$650,000 reserved for the Department of Public Works Operations Division Account (#0001-5450-R999-006000),
3. \$350,000 reserved for the Department of Public Works Operations Division Account (#0001-5450-R999-006300).

The file then appropriates the following amounts necessary to for closing the 2007 books:

1. \$11,286.04 for Department of Administration salaries. ITMD salaries were greater than anticipated due to lower than projected reimbursable and capital deductions. These deduction amounts have been adjusted in the 2008 budget.
2. \$24,661.01 for Department of Employee Relations Unemployment Compensation Special Purpose Account. This account experience larger than anticipated claims for December, 2007. DER is addressing this situation by utilizing a new Claims Management Provider. This provider has made available better data to analyze and build projections and manage the account.
3. \$18,753.39 for Department of Employee Relations Operating Account due to higher than anticipated usage of the Auxiliary Resource Program and higher costs associated with changes to recruitment and testing for Police Officer recruits.
4. \$99,613.23 for Department of Employee Relations Tuition Reimbursement Special Purpose Account due to an increased number of employees utilizing the program in 2007, including department directed training.
5. \$6,912.99 for the Department of City Development Land Management Special Purpose due to greater than anticipated snow removal costs in 2007 for city owned parcels.
6. \$1,082.55 for the Comptroller Remissions of Taxes Special Purpose Account for greater than budgeted expenditures (0.17% greater than budgeted).
7. \$1,807,741.63 for the Fire Department Salary Account due to greater than anticipated sick leave usage, requiring additional staffing on overtime to ensure staffing needs was met. For 2008, \$1.8 million was added to the Fire Department's salary budget for this purpose.
8. \$81,030.27 for the Fire Department Operating Account for higher than anticipated energy and fuel costs. A higher fuel rate was utilized in the 2008 budget.
9. \$1,647,369.69 for the Police Department Salary Account for costs associated with the 2007 Neighborhood Safety Initiative. The 2008 Police overtime account was increased \$1.3 million to provide the MPD additional resources for 2008 activities. Common Council file 070339 previously reserved \$1.975 million for this purpose.
10. \$143,957.34 for the Police Department Operating Account for higher than anticipated energy and fuel costs. A higher fuel rate was utilized in the 2008 budget.
11. 29,921.87 for the Police Department Equipment Account due to some purchases being accrued back to 2007.

12. \$428,203.50 for Department of Public Works Infrastructure Division Salary Account and \$470,196.66 for the Operating Account for Electrical Services responding to extended periods of outages and Streets and Bridges performing additional street repair activities. The 2008 budget included an additional \$320,000 for increased street maintenance and repair.
13. \$441,476.57 for the Department of Public Works Operations Division Salary Account for expenses related to the larger than anticipated number of snow and ice operations in 2007. The remaining snow and ice related costs will be addressed through Contingent Borrowing.

RECOMMENDATION: ADOPT COMMON COUNCIL FILE 071278.

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DJS:dmr

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