

Reply to Common Council File No. 151573
From DOA-Budget and Management Division

March 29, 2016

Ref: 16007

Common Council File 151573 contains a resolution appropriating up to \$598,543.74 from the 2015 Common Council Contingent Fund for the purpose of closing the 2015 financial books due to unanticipated shortfalls in current-year operating expenses.

This file is introduced to provide appropriation authority for various 2015 budget accounts which had expenditures in excess of their budget appropriations. The Contingent Fund is established to provide funding authority for accounts in these circumstances. This file is needed to authorize transfers from the Contingent Fund to the accounts specified in the resolution in order to close the 2015 financial books.

Several accounts require Contingent Fund transfers:

- Election Commission Equipment Account requires a transfer of \$500,000. The Election Commission purchased a building from the Water Works and payment to the Water Works is required to properly account for the exchange of assets between the General Fund and the Water Works Fund.
- Department of Administration Operating Expenditures Account requires a transfer of \$74,085.30 to expense obsolete inventory.
- Mayor's Office Operating Expenditure Account requires a transfer of \$17,191.94 to cover reimbursable billings.
- Collection Contract Special Purpose Account requires a transfer of \$7,266.50. This account funds contracts with private collection companies for the collection of outstanding city receivables and overdue Municipal Court judgments.

As of 3/28/2016, there is an uncommitted balance of \$1,800,628.77 remaining in the 2015 Contingent Fund. This file will transfer \$598,543.74 from the 2015 Contingent Fund to various departments and accounts so that these funds can be used to offset expenditures that exceeded budget appropriations. These expenses have already been incurred, so funding has to be provided to offset the expense. If transfers from the Contingent Fund to these accounts are not made, the Common Council will need to authorize Contingent Borrowing to offset these expenses. If the requested Contingent Fund transfers are approved, \$1,202,085.03 will remain in the 2015 Contingent Fund. If not utilized for other purposes, this uncommitted balance will lapse to the Tax Stabilization Fund.

RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER 151573



Eric C. Pearson
Budget and Policy Manager

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