

Reply to Common Council File No. 170231  
From DOA Budget and Management Division

June 7, 2017

Ref: 17014

Common Council resolution 170231 authorizes the carryover of 2016 Special Purpose Account Wages Supplement Funds (WSF) to 2017. The amount of the carryover is \$680,368.

On April 12, 2017 the Finance and Personnel Committee reviewed numerous fund transfers to cover wages shortages and the carryover of city appropriations from 2016 to 2017. At that time, it was thought that all operating budget transactions had been completed and the WSF had been exhausted of all appropriations. Unknown was the need for correcting a transaction to Police Department salaries that would reduce the use of the WSF by \$680,368. It is not clear why this change was not caught sooner but this is part of the difficulty with estimating wages and closing the city's financial books.

Given the availability of the WSF, we would recommend to carryover these funds into 2017. The 2017 budget for the WSF is \$1.2 million. This is not a sufficient amount to cover expected wage settlement costs in 2017. This carryover plus the \$1.2 million appropriated in 2017 would relieve some of the impact of potential wage settlements.

**RECOMMENDATION: ADOPT COMMON COUNCIL RESOLUTION 170231 THAT AUTHORIZES THE CARROVER OF SPECIAL PURPOSE ACCOUNT WAGES SUPPLEMENT FUND BALANCE FROM 2016 TO 2017.**

  
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Financial Operations Manager

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