

FINANCE & PERSONNEL COMMITTEE
CONTINGENT FUND REQUEST INFORMATION FORM

DEPT.: EMPLOYEE RELATIONS CONTACT PERSON & PHONE NO.: EDWIN REYES/2988

A. REASON FOR REQUEST (Refer to File 921360 for definitions)

- CHECK ONE: EMERGENCY CIRCUMSTANCES
 OBLIGATORY CIRCUMSTANCES
 FISCAL ADVANTAGE/COMPLIANCE WITH FISCAL MANAGEMENT PRINCIPALS

B. SUPPORTING INFORMATION

1. State the action requested, including the dollar amount and specific departmental accounts(s) to which the Contingent Fund appropriation would be made.

This is a request to reserve an amount of \$125,000 in the 2007 Common Council Contingent Fund for the Operating Expenditure Account 006300 0001 1650 0001 R999.

2. State the purpose of the action requested which includes the program, service or activity to be supported by the funding, as well as the objective(s) to be accomplished.

The funding is needed to cover anticipated operating expenses of up to \$125,000 before the end of the fiscal year. These expenses include recruitment costs, professional services for test administration services, court reporter and arbitrator fees for grievance arbitration hearings, equipment maintenance, security services, telephone and data storage and retrieval fees.

3. Describe the circumstances which prompt the request.
Funding for the 2007 operating expenditure account was reduced by 12% from the 06 budget allocation. This reduction stemmed from the separation of the Fire and Police Commission from the Department of Employee Relations and the assumption that operating expenditures associated with FPC responsibilities would be absorbed by the new agency. At the time 2007 allocations were made, 2005 actual operating expenditures were over 7% below the amount budgeted and 2006 operating expenditures were not expected to exceed the budget allocation.

4. What are the consequences of not providing the program, service, or activity which is funded by this request?

DER's ability to recruit, administer examinations, conduct grievance arbitration hearings, and conduct normal business activities would be compromised.

5. Explain why funds authorized in the Budget are insufficient to provide for the program, service, or activity in question.

In December of 2006 and throughout 2007, DER worked with the Police Department to recommend significant changes to the Police Officer recruitment and testing process. We worked with the FPC's consultant, EB Jacobs to conduct a validation study to ensure that the addition of test components (writing exercise and mile and a half run

addition to the Physical Ability Test) were job related and consistent with business necessity and in compliance with the EEOC's Uniform Guidelines on Testing and Selection.

In addition to changes to test components, the FPC approved a recommendation to adopt a perpetual recruitment and testing process for Police Officer. Consequently we have experienced a significant increase in the number of applicants who have been processed through all test components when compared to previous test administration sessions. This has resulted in expenditures of approximately \$83,000 that were not anticipated when projections for 2007 expenditures were made.

Throughout 2007 the department has also incurred in approximately \$20,500 in expenditures associated with contract negotiations and grievance arbitrations with MPA, Local 215, DC 48 and Local 61. These expenditures were not fully anticipated when the 2007 Budget was prepared.

The Department has also incurred an estimated \$35,000 in expenditures from the use of the Auxiliary Resource Program to provide staffing coverage of critical employment functions given a total of seven retirements during the year.

- 5a. Are there any unexpended funds in the departmental control account for which this appropriation is requested, that could be used to fund this request?

No other funding sources are available.

- 5b. What are the consequences of using budgeted operating funds for this request?

There are insufficient budgeted operating funds for this purpose.

6. State why funding was not included in the Budget.

As discussed in questions #3 & 5, funding was requested at what we thought was an appropriate level based on historical data. The magnitude of the changes to the Police Officer recruitment and testing process and the costs associated with those changes were not identified until after the adoption of the 2007 Budget.

7. Will the conditions prompting the request be limited to the current year, or will they continue into the following year?

To the extent that the department will have to engage a consultant for Police or Fire testing related activities, it is feasible that expenditures will be greater than anticipated.

8. Has your department made a similar Contingent Fund request in previous years? YES

*If yes, what is the most recent year the request was made?

2006 for a contingent fund transfer of \$8,007 for operating expenditures.

9. Will this funding be used to implement provisions of a collective bargaining agreement? YES NO

10. Will the funding being requested provide a level of service authorized by the Budget? Yes

*If yes, why can't your department accomplish the authorized service level with the authorized funding level?

The Department was unable to anticipate with any level of certainty the costs associated with changes to the recruitment and testing for Police Officer.

11. Will the requested funding provide a level of service higher than that authorized by the Budget? YES NO

*If yes, why is a higher service level necessary?

*What is the estimated amount of additional service units to be provided if the entire Contingent Fund request is approved?

12. What performance measures and sub-measures are affected by this request, and what are the anticipated changes if the entire Contingent Fund request is approved?

No changes are anticipated.

13. What reductions to performance measures are expected if the request is not approved?

No reductions are anticipated if request is not approved as these are non-discretionary expenses.

14. Is any grant funding associated with the program service, or activity pertaining to the request? YES NO

*If yes, name the grant and current year amount.

15. Will the program, service, or activity affect any electronic data processing system? YES NO

The following questions only apply to Contingent Fund requests which transfer appropriations into capital purpose accounts:

16. Does this request transfer an appropriation into a capital purpose subaccount? YES NO

*If yes, are similar projects planned and funding available in a capital purpose (parent) account for the current year?

17. Why is the project for which Contingent Funds are requested more important than other similar projects?

18. Does this request fund a project outside the normal order of planned projects of a kind which are funded through a capital purpose (parent) account for the current year? YES NO

*If yes, what is the consequence of deferring the lowest priority planned project until next year?

19. Was this project included in the Department's Budget request? YES NO

*If not, why not?

**If you have any questions about the completion of this form, you may call the
Fiscal Research Manager at extension 8686.**

**C. THANK YOU FOR YOUR COOPERATION. PLEASE SEND COPIES OF YOUR RESPONSE
TO:**

Staff Assistant, Finance & Personnel Committee, Room 205, City Hall (6 COPIES)
Special Assistant, Finance & Personnel Committee, Room 205, City Hall (1 COPY)
Fiscal Research Manager, LRB-Common Council, Room B-11, City Hall (2 COPIES)
Budget & Management Director, DOA, Room 307, City Hall (2 COPIES)