

Reply to Common Council File No. 001288

From DOA-Budget and Management Division

February 20, 2001

Ref: 01042

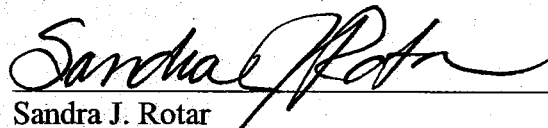
Common Council file 001288 contains a substitute resolution appropriating funds from the 2000 Common Council Contingent Fund for the purpose of closing the 2000 financial books due to unanticipated shortfalls in current year operating expenditures.

This resolution transfers remaining funds in the 2000 Common Council Contingent Fund, on an as needed basis, for unanticipated shortfalls in the Special Purpose Account - Wages Supplement Fund (WSF). The resolution also specifies that if the entire balance of the Contingent Fund is not needed for salary purposes, any remaining funding is to be transferred to the Department of Public Works-Sanitation Division's Operating Expenditures account.

The City annually appropriates funds into the WSF to fund anticipated salary and fringe benefit costs due to labor settlements. The 1999 and 2000 WSF estimated that salary settlements for the 1999-2000 labor contracts would be 2.5% in 1999 and 2.5% in 2000. However, actual wage settlements were above budgeted parameters: 3.0% for 1999 and 3.25% for 2000 for most bargaining units, and 3.25% for 1998-2000 for Police and Fire personnel. Based on current salary account balances and expected intradepartmental fund transfers, the actual WSF shortage is estimated to total \$2.0 - \$1.8 million.

Any Contingent Funds not transferred to the Wages Supplement Fund, will be transferred to the DPW-Sanitation Division Operating Expenditures account to fund an unanticipated shortfall in that account due to higher than average snowfall in December 2000.

RECOMMENDATION: APPROVE COMMON COUNCIL FILE 001288 WHICH APPROPRIATES FUNDS FROM THE 2000 CONTINGENT FUND TO THE WAGES SUPPLEMENT FUND AND THE DEPARTMENT OF SANITATION DIVISION OPERATING EXPENDITURES ACCOUNT.



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