

FINANCE & PERSONNEL COMMITTEE
CONTINGENT FUND REQUEST INFORMATION FORM

DEPT.:DER

CONTACT PERSON & PHONE NO: Michal Brady, 286-2317

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.

Please transfer \$800,000 from the Contingent Fund to the HMO SPA account, S140, so the Department of Employee Relations can pay 2010 expenses related to the HMO Account

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 Contingent Fund will be used to pay obligations related to health insurance for City employees and retirees in 2011.

3. Describe the circumstances which prompt the request.

The total cost of health care in 2011, despite transfers and carryover from other health care accounts, will end up in excess of the total 2010 budget.

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

The City is obliged to pay these health care costs.

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

Additional employees transferred into the HMO account in 2010. Their costs, including the claims for drugs, were higher than anticipated.

- 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?

All unexpended departmental funds have been transferred into the account prior to this request.

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

Not applicable

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

The total budget for health care was higher than anticipated. The number of employees was higher than anticipated.

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

The 2011 budget for health care costs is very tight. Some of the funds are based on projected utilization and projected enrollment. If the utilization increases, or the number of employees and retirees increases, there could be changes in the budget. There are no carryovers or transfers from other accounts anticipated in 2011.

8. Has your department made a similar Contingent Fund request in previous years? ☒ YES ☐ NO

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

In 2006 there was a request for Contingent Fund.

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 ☐ NO

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

See above

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?

Not applicable

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?

Not applicable

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

Not applicable

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)