

Reply to Common Council File No. 221522
From DOA-Budget and Management Division

May 2, 2023

Common Council File 221522 contains a resolution appropriating up to \$407,000 from the 2022 Common Council Contingent Fund for closing the 2022 financial books due to unanticipated shortfalls in current-year operating expenses.

This file is introduced to provide appropriation authority for various 2022 budget accounts which had expenditures more than 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 to close the 2022 financial books. A companion file authorizing contingent borrowing will also be needed to close the 2022 financial books.

Several accounts require Contingent Fund transfers:

- The Social Security account requires a transfer of \$216,281. The transfer is required due to increased salary expenditures.
- Police Department's operating expenditures requires a transfer of \$190,719. The transfer is required due to increased IT support costs.

As of 4/28/2022, there is an uncommitted balance of \$407,000 remaining in the 2022 Contingent Fund. This file will transfer the remaining 2022 Contingent Fund to various accounts so that these funds can be used to offset expenditures that exceeded budget appropriations. These expenses have already been incurred, so funding must 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.

RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER 221522

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CONFUND/2022/Closeout/221522sr