

November 18, 2013

Ref: 13010

File Number 130995 contains a substitute ordinance relating to the expenditure authority of the Department of City Development.

This ordinance provides that neither the Department of City Development nor any employee of the department may expend \$100,000 or more for the purchase of any good or service, or otherwise disburse \$100,000 or more, without Common Council approval.

Section 18-06-12 of the City Charter provides that the adoption of the budget shall be authority for the expenditure by a department for the purposes therein provided and of the amounts assigned to the department. Section 18-06-13 provides for a specific process through which the Common Council may suspend expenditure authority. It is unclear whether this ordinance is compatible with the two aforementioned Charter provisions.

It appears this ordinance would not apply to the department's wages and salaries accounts, since those funds are disbursed by the Comptroller.

It is unclear whether this proposal would apply to grant funds such as CDBG and HOME which are subject to processes that comply with non-local regulations as well as Common Council action.

Project plans including expenditures for Tax Incremental Finance Districts are subject to distinct Common Council approval actions and serve as the basis for contractual obligations. Presumably this ordinance would not supersede those actions and obligations.

Common Council action is required for the expenditure of funds from the department's Development Fund capital account. The Facade Grant capital account, Brownfield Program capital account, and the Neighborhood Commercial Street Improvement Fund capital account projects are also routinely made subject to Common Council approval.

The Council has subjected the department's accounts related to implementation of the Strong Neighborhoods Investment Plan to a distinct resolution which will be introduced at the November 26 Council meeting.

It appears the primary impact of this ordinance would be on the department's operating expense and special fund accounts, which make up a combined total of \$263,950 in the 2014 adopted budget.

In any event, without a clear rationale for imposing this restriction, the proposed ordinance does not appear to serve a practical purpose. The means already exist for the Common Council to restrict the authority of a department to expend budgeted funds, if the need arises.

**RECOMMENDATION: PLACE COMMON COUNCIL FILE NUMBER 130995
ON FILE.**



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Budget and Management Director