

Reply to Common Council File No. 160291
From DOA-Budget and Management Division

June 28, 2016

Ref: 16007

File 160291 contains a resolution appropriating up to \$968,331.75 from the 2016 Common Council Contingent Fund for payment of judgment, interest and court-mediated settlement of attorney's fees, costs and expenses regarding litigation entitled Six Star Holdings, LLC and Ferol, LLC v. City of Milwaukee.

The above referenced matter pertains to the judgement and associated settlement agreement that resulted from the Common Council's denial of various license applications. The plaintiffs challenged the city's actions in Court and ultimately have prevailed. The City Attorney has indicated there is not a reasonable likelihood of success for continued appeal, and therefore has recommended that the Common Council approve these payments.

The 2016 Common Council Contingent Fund is a legal and appropriate funding source for payment of this settlement. These payments are operating expenses and cash is the most appropriate form of finance. The Budget and Management Division projects that the remaining \$4,031,668 balance in the Contingent Fund, following adoption of this resolution, will be adequate to manage any other operating budget problems that could materialize during 2016.

The amount of \$968,331.75 is projected to cover the city's entire financial exposure in this matter.

If this resolution is adopted, \$4,031,668 will remain unexpended in the 2016 Common Council Contingent Fund.

RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER 160291



Mark Nicolini
Budget and Management Director

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