

Reply to Common Council File No. 010297

From DOA-Budget and Management Division

July 2, 2001

Ref: 01009 (04)

Common Council File 010297 is a resolution authorizing a \$500,000 appropriation from the Common Council Contingent Fund to the Damages & Claims Fund.

For 2001, the account has expended \$1,953,089, or \$453,089 more than what was originally budgeted (\$1,500,000). The fund was supplemented with carry over funding of \$460,886, thus making the current remaining balance \$7,797.

	Budgeted	Spent	Difference
1997	1,900,000	1,201,768	698,232
*1998	1,900,000	1,383,434	516,566
1999	1,900,000	1,186,349	713,651
2000	1,900,000	1,439,114	460,886
**2001	1,500,000	1,953,089	(453,089)

* An additional \$7.6 million was paid through an investment in the Public Debt Amortization Fund

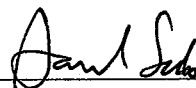
**Through June 20, 2001

While the City Attorney tries to adequately predict funding for this account, it is impossible to know what will be the coming year's legal commitments. Factors that impact the fund's expenditures include the number of claims filed, timing and size of judgements, and success in the appeals process. Other events that could influence the fund's expenditures are flooding and snow storms.

Individual large judgements also greatly impact the fund. So far in 2001, the City of Milwaukee has paid out significant judgements to Dillingham Construction (\$725,413) and the Indian Council of the Elderly (\$310,000).

The fiscal impact of this file is the transfer of \$500,000 from the Common Council Contingent Fund to the Damages & Claims special purpose account.

RECOMMENDATION: APPROVE COMMON COUNCIL FILE 010297 WHICH AUTHORIZES THE TRANFER OF \$500,000 FROM THE COMMON COUNCIL CONTINGENT FUND TO THE DAMAGES & CLAIMS FUND.



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