

Reply to Common Council File No. 161353
From DOA-Budget and Management Division

January 23, 2017

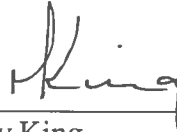
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File 161353 is a resolution authorizing up to \$2,500,000 in 2017 Contingent Borrowing to fund settlement of a litigation claim entitled Iema Lemons v. City of Milwaukee.

The plaintiff filed a claim against the City of Milwaukee in a lawsuit entitled Iema Lemons v. City of Milwaukee, et al., Case No. 13-CV-331 in the United States District Court for the Eastern District of Wisconsin. The city and plaintiff have agreed to a \$2.5 million settlement amount regarding resolution of her claims. The City Attorney recommends agreeing to the settlement. The settlement is not to exceed \$2.5 million.

The \$2.5 million settlement amount exceeds the available balance in the Damages and Claims Fund. The recommendation is to use 2017 Contingent Borrowing to fund the settlement. Use of Contingent Borrowing to fund this settlement is appropriate as it allows the city to resolve this litigation while leaving 2017 Common Council Contingent funds available for other unanticipated expenses that may occur in 2017. The estimated annual debt service cost for this settlement if financed over 10 years is approximately \$280,000, assuming an interest rate of 2.5%.

RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER 161353



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FINANCE:161353sr