

<b>LRB – FISCAL REVIEW SECTION ANALYSIS</b>
<b>AUGUST 1, 2001 AGENDA</b>
<b>ITEM 1, FILE 010477</b>
<b>FINANCE &amp; PERSONNEL COMMITTEE</b>
<b>Emma J. Stamps</b>

File No. 010477 is a resolution authorizing an additional appropriation of \$10,000 from the Outside Counsel/Expert Witness Fund Special Purpose Account for the purpose of funding on-going outside counsel Friebert, Finerty & St. John, S.C. in Policemen's Annuity & Benefit Fund v. City of Milwaukee, Case No. 97-CV-0009822.

**Background**

1. The Outside Counsel/Expert Witness Fund, created in the 1995 by Council amendment, covers the cost of hiring expert witnesses and outside counsel in specific major legal cases. Funds are approved on a case by case basis and appropriated to a sub-account under City Attorney expenditure authority by Council resolution. The City Attorney's office tracks costs for each case. This account has a tax levy impact.
2. The Policemen's Annuity and Benefit Fund filed suit against the City regarding a dispute as to contributions to the Police A&B fund by the City. The Outside Counsel/Expert Witness fund was budgeted for \$100,000 for 1998 and received an additional \$245,000 appropriation from contingency funding as of December 7, 1998. Litigation related costs primarily related to pension lawsuits involving various unions and employees, the Police, ERS and the City, including a study of a new pension system for the City were funded from \$195,000 of the \$245,000 appropriation.

**Discussion**

1. The amount needed to fund cases is difficult to predict. However, historical data may be used to identify trends, and along with knowledge of existing and upcoming cases, the account may be budgeted accordingly. The 2001 Budget provides \$500,000, twice the 2000 Budget. The City Attorney's staff indicated this should be sufficient based on the number of on-going cases and the pension litigation which may be coming to a conclusion. Eight of the on-going cases are related to the pension dispute.
2. Forty-percent (\$20,000) of the total (\$50,000) life-to-date appropriations were authorized during 2001. This chart provides a chronological appropriation timeline for the fund:

Period	Appropriation	Committee Action
1998-2000	30,000 (60%)	FN 960765 adopted 1/17/97 - \$10,000
		FN 980717 adopted 9/23/98 - \$5,000
		FN 981209 adopted 12/18/99 - \$15,000
2001	20,000 (40%)	FN 001559 adopted 3/20/01 - \$10,000
		FN 010296 adopted 7/17/01 - \$10,000
<b>Appropriation Grand Total</b>	<b>\$50,000</b>	

3. The City Attorney reports a negative remaining balance of -\$2,082.92 in an account established for the purposes of paying on-going outside counsel Friebert, Finerty & St. John, S.C. in Policemen's Annuity & Benefit fund v. City of Milwaukee, Case No. 97-CV-0009822. The June billing amounts to \$7,299.12. The Department believes that an additional \$10,000 appropriation is necessary at this time.

**Fiscal Impact**

1. Adoption of this resolution will bring the total appropriation for Outside Counsel to represent the City in this case to **\$60,000**. The unappropriated balance in the Outside Counsel/Expert Witness Fund is currently \$480,000. Adoption of this file will decrease the unappropriated balance by \$10,000 to \$470,000.

Cc: Marianne C. Walsh  
Grant Langley  
Laura Engan  
W. Martin Morics  
Anne Bahr  
Bonnie Stahl

Prepared by: Emma J. Stamps  
LRB – Fiscal Review  
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