

Reply to Common Council File No. 010650

From DOA-Budget and Management Division

September 16, 2001

Ref:01003

Common Council file 010650 contains a resolution authorizing a settlement in Policemen's Annuity and Benefit Fund (PABF), et.al. vs. City of Milwaukee, Circuit Court Case No. 97-CV-009822. The PABF and a number of individual PABF members brought suit against the City regarding certain employer-paid employee contributions dating back to 1969. The resolution of this case proposed by the City Attorney would settle this dispute without further litigation.

Under the terms of the settlement, the City will allocate an additional \$150,000 to the \$1,395,349 allocated in the 2001 budget as part of the Global Pension Settlement. (The 2001 budget contained \$1,395,249 in the Lump-Sum Supplement Contribution account of the Policemen's Pension Fund.)

The \$1.4 million contribution will be paid as soon as practicable, and the \$150,000 will be funded in the 2002 budget and paid after January 1, 2002. Both sums will be paid into the Supplemental Payment Fund (a segregated fund in the PABF) and will be distributed to members at the direction of the retirement board of the Policemen's Annuity and Benefit Fund. In order to effectuate the first phase of the settlement, this resolution transfers the \$1.4 million appropriated in 2001 to the Supplemental Payment Fund.

**RECOMMENDATION: APPROVE COMMON COUNCIL FILE 010650
AUTHORIZING A SETTLEMENT IN THE POLICEMEN'S ANNUITY AND BENEFIT
FUND, ET. AL. VS. THE CITY OF MILWAUKEE.**


Sandra J. Rotar
Budget & Management Team Leader

SJR:sjr

FINANCE: 010650sr.doc