

June 19, 2002

To the Honorable
The Common Council of the
City of Milwaukee
City Hall – Room 205

Dear Council Members:

Re: Resolution authorizing an appropriation of \$800,000 from the Common Council
Contingent Fund to the Damages & Claims Fund

Enclosed please find a resolution authorizing an appropriation of \$800,000 from the Common Council Contingent Fund to the Damages & Claims Fund. This resolution is necessary to cover a shortage in the Damages & Claims Fund. Budgeted funds will be insufficient because large judgments and settlements have been approved by the Judiciary and Legislation Committee or have been submitted for approval.

The Judiciary and Legislation Committee has approved settlements of following cases:

Clarence Thurman, III et al. v. COM, et al. (wrongful death) \$150,000.

Jackson v. COM, et al. (wrongful death) \$257,500.

The following cases have been submitted to the Common Council for settlement or payment of the judgment:

Gustafson et al. v. Jones, et al. (First Amendment violation) \$696,000 (judgment).

Debraska et al. v. COM (Fair Labor Standards Act case) \$220,000 (settlement of attorney's fee claim).

Estate of Daniels v. COM (employment discrimination) \$85,000 (settlement).

In addition, \$200,000 worth of routine claim and lawsuit payments will be expended from the Damages & Claims Fund for the remainder of the year.

As of June 12, 2002, there was \$829,927 in the Damages & Claims Fund. Payment of the above items and routine claims and lawsuits for the remainder of the year will create a deficit of approximately \$778,573. We ask that \$800,000 be transferred from the Contingent Fund to the Damages & Claims Fund to allow for payment of these claims.

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Although this transfer will take care of immediate needs, we do not believe it will be sufficient to meet all needs for the remainder of the year. The following additional matters might become due sometime before the end of the year:

Indian Council for the Elderly v. COM (housing discrimination) \$579,000. The Common Council previously approved a consent decree entered into by the City and the federal government. The consent decree obligated the City to make certain improvements to property necessary to allow the Indian Council for the Elderly to construct its building (installing a city street and related public improvements). At the time the consent decree was entered into, DPW estimated the costs to be somewhat less than \$579,000; and \$279,000 was appropriated from Damages & Claim Fund by the Common Council. Of the appropriated amount, little has been draw out to date. DPW has informed us that the cost of public improvements has increased. We estimate that the total cost, including public improvements, is \$579,000—an increase of \$300,000. We expect that construction will be commenced and a substantial portion of the funds will be withdrawn during the 2002 construction season.

Oconomowoc Residential Programs Inc. v. COM (housing discrimination) \$700,000. This case is on appeal. If the decision is against the City—as it was in the lower court—the City will owe the full amount. We expect a decision before the end of the year.

Wranovsky v. COM (property damage/personal injury) \$250,000. This case stems from an automobile accident involving severe injuries. If the case is decided against the City, we expect to be held liable for the full amount permitted under Wisconsin law governing motor vehicle cases against municipalities.

Very truly yours,

GRANT F. LANGLEY
City Attorney

GFL:lmb
enclosure
c: Laura Engan, Budget Director
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