

Reply to Common Council File No.020405

From DOA-Budget and Management Division

July 3, 2002

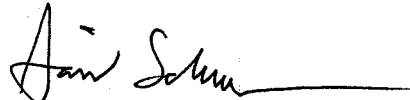
Ref: 02009(13)

Common Council File 020405 contains a resolution authorizing an appropriation of \$800,000 from the Common Council Contingent Fund to the Damages and Claims Fund. The 2002 budget provides \$2,000,000 in the Damages and Claims Fund Special Purpose Account. The balance of the Damages and Claims fund as of July 3, 2002 is \$636,029.48.

Large judgements and settlements that have been approved by the Judiciary and Legislation Committee or submitted to the Council for payment or settlement total approximately \$1.3 million. These judgements and settlements, along with approximately \$200,000 worth of routine claim and lawsuit payments expected for the remaining of the year, will create a deficit in the fund of approximately \$780,000.

Further appropriations may be needed as the City Attorney noted three additional cases that may be settled by the end of 2002. These cases could have a potential liability of \$1.25 million.

RECOMMENDATION: APPROVE THE RESOLUTION AUTHORIZING AN APPROPRIATION OF \$800,000 FROM THE COMMON COUNCIL CONTINGENT FUND TO THE DAMAGES AND CLAIMS FUND.



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DJS:
Finance:020405SR.doc