

MARCH 14, 2001 AGENDA

ITEM 12, FILE 001559

FINANCE & PERSONNEL COMMITTEE

Hattie E. Billingsley

File No. 001559 is a resolution authorizing an additional \$10,000 appropriation from the Outside Counsel/Expert Witness Fund for the purpose of funding on-going outside counsel Friebert, Finerty and St. John, S.C. in Policemen's Annuity & Benefits Fund v. City of Milwaukee, Case No. 97-CV-0009822.

Background

1. 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. Friebert, Finerty and St. John represent the City in this case. Fuchs, Snow, O'Connell & DeStafanis were retained to represent the Policemen's Annuity & Benefit Fund. Originally, the City won this case but it was appealed by the Policemen's Annuity & Benefit in December of 1998 and is still in the appeal process. Oral arguments were heard in the Court of Appeal recently. The City's outside counsel indicated there is now a possibility that the original decision may be reversed. The City's potential liability in this case was computed previously by the Comptroller's Office. Staff within the comptroller's office was not able to provide the information immediately but they indicate the liability was not overly significant and this information is in their files.
2. The Finance and Personnel Committee will consider a one-time lump sum distribution payment to members of the Policemen's Annuity and Benefit Fund today (File #001459 agenda item 9). **The Council may wish to consider holding the lump-sum payment file until the Policemen's Annuity & Benefit Fund and the City resolve this lawsuit.**

Discussion

1. To date, \$30,000 has been appropriated for outside counsel for representation on behalf of the City. The City Attorney indicated previously they expected additional funding would be needed in this case. According to the City Attorney's staff there is a remaining balance in the appropriation of \$3,470. Currently, the City owes December and January billings totaling \$5,723. The \$10,000 appropriation would cover the difference between the remaining appropriation and the outstanding invoices and fund additional cost, which have occurred in February and March.
2. To date \$26,000 has been appropriated by the Council for expenses to retain Fuchs, Snow, O'Connell & DeStafanis to represent the Policemen's Annuity & Benefits Fund. The City Attorney's staff indicated there is a remaining balance of \$454 in this appropriation. There is a strong possibility the City

Attorney's Office may request additional funds for the Policemen's A&B Fund outside counsel.

Fiscal Impact

1. Adoption of this resolution will bring the total appropriation for Outside Counsel to represent the City in this case to **\$40,000**. The unappropriated balance in the Outside Counsel/Expert Witness Fund is currently \$500,000. Adoption of this file will decrease the unappropriated balance by \$10,000 to \$490,000.

Other Information

1. The Committee will consider two other requests for appropriations from the Outside Counsel/Expert Witness Fund which total an additional \$33,000 today.

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LRB – Fiscal Review
March 9, 2001