

LRB-FISCAL REVIEW SECTION ANALYSIS

SEPTEMBER 20, 2001 AGENDA

ITEM 15, FILE 010650

FINANCE & PERSONNEL COMMITTEE JAMES CARROLL

File #010650 is a resolution authorizing a settlement in Policeman's Annuity and Benefit Fund (PAB), et al. v. City of Milwaukee, Circuit Case No. 97-CV-009822.

Background

1. The Policemen's Annuity and Benefit Fund filed suit against the City regarding a dispute as to contributions to the PABF funded by the City. Originally, the City won this case, but it was appealed by the PABF. The court of appeals remanded the case to circuit court to determine the City's liability. The City has petitioned the Wisconsin Supreme Court to review the court of appeal's decision. The petition on review is pending.
2. On August 15, 2001, the City and the PABF reached a tentative settlement.
3. The Common Council has authorized the expenditure of \$60,000 from the Outside Witness/Expert Fund for outside counsel to represent the City in this case. Friebert, Finnerty and St. John represent the City.
4. Because PABF members were not eligible to participate in the City's global pension settlement, the City decided to include \$1,395,349 in the 2001 Budget for a one-time lump-sum distribution to the PABF.
5. The resolution (File #001459, Agenda Item 17) authorizing the disbursement of the one-time lump-sum supplement contribution has been held in the Finance and Personnel Committee pending the settlement of the PAB case against the City.

Discussion

1. This resolution (File #010650) provides for the inclusion of an additional \$150,000 in the 2002 Budget as a contribution to the PAB's supplemental payment fund.
2. File #010650 also provides for the disbursement to the PAB of the \$1,395,349 lump-sum payment that is contained in the 2001 Budget.
3. Passage of File #010605 will allow Resolution #001459 (Agenda Item # 17) to be placed on file.

Fiscal Impact

1. Under the terms of settlement, the resolution includes \$150,000 in the 2002 Budget as a contribution to PAB's supplemental payment fund.
2. The resolution authorizes the expenditure of the \$1,395,349 one-time PAB lump-sum payment.

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