

LRB-FISCAL REVIEW SECTION ANALYSIS

FINANCE AND PERSONNEL COMMITTEE

ITEM 10, FILE # 050436

JULY 21, 2005

MARK A. RAMION

File # 050436 is a resolution appropriating \$75,000 from the Common Council Contingent Fund to the Outside Counsel/Expert Witness Fund Special Purpose Account.

Background

1. This resolution will appropriate \$75,000 from the Common Council Contingent Fund to the Outside Counsel/Expert Witness Fund Special Purpose Account for the purpose of retaining experts and outside legal counsel.
2. This SPA supports outside legal services and experts in specific major court cases. Funds are approved case-by-case and appropriated to a sub-account under City Attorney expenditure authority; the City Attorney's Office tracks costs for each case and can transfer unspent funds among cases. The purpose of the fund is to minimize Contingent Fund exposure and large unspent balances in closed cases.
3. Common Council File 030183 placed the expenditure authority for the Outside Counsel/Expert Witness Fund under the City Attorney's Office so that all expenditures for outside counsel and experts are now paid through this fund subject to certain reporting requirements imposed by the Judiciary and Legislation Committee.

Discussion

1. The City Attorney has determined that the existing funding in the Outside Counsel/Expert Witness Fund will not be sufficient to fulfill the legal obligations for the remainder of 2005. The 2005 budget provides \$225,000 for this SPA, a similar amount as budgeted in 2004. Additional funding will be required for this SPA.
2. A significant amount of this year's SPA, 31% or \$70,483, has been paid, as of May 31, 2005 to fulfill legal expenses related to the case of Alexander, et al. v. City of Milwaukee.
3. This account had formerly required large supplements from the Contingent Fund (\$575,000 in 1998, \$329,000 in 1999, and \$610,000 approved by the Council for 2000) related to legal costs associated with the Global Pension Settlement. This is the first occasion of Contingent Fund supplement since 2001.

Fiscal Effect

1. The total amount of this resolution is \$75,000 from the Common Council Contingent Fund.
2. As of July 13, 2005, approximately \$16,959 remains available for expenditures related to the purposes of this SPA with further expenses projected for 2005 related to ongoing litigation for which the City of Milwaukee requires outside legal counsel.

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LRB-Fiscal Review Section
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