

**LRB – FISCAL REVIEW SECTION ANALYSIS**  
**JULY 11, 2001 AGENDA** **ITEM 9, FILE 010296**  
**FINANCE & PERSONNEL COMMITTEE** **Emma J. Stamps**

File No. 010296 is a resolution authorizing an additional appropriation of \$10,000 from the Outside Counsel/Expert Witness Fund Special Purpose Account for the purpose of funding on-going outside counsel Friebert, Finerty & St. John, S.C. in Policemen's Annuity & Benefit Fund v. City of Milwaukee, Case No. 97-CV-0009822.

**Background**

1. The Outside Counsel/Expert Witness Fund, created in the 1995 by Council amendment, covers the cost of hiring expert witnesses and outside counsel in specific major legal cases. Funds are approved on a case by case basis and appropriated to a sub-account under City Attorney expenditure authority by Council resolution. The City Attorney's office tracks costs for each case. This account has a tax levy impact.
2. 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. The Outside Counsel/Expert Witness fund was budgeted for \$100,000 for 1998 and received an additional \$245,000 appropriation from contingency funding as of December 7, 1998. Litigation related costs primarily related to pension lawsuits involving various unions and employees, the Police, ERS and the City, including a study of a new pension system for the City are funded from \$195,000 of the \$245,000 appropriation.

**Discussion**

1. The amount need to fund cases is difficult to predict. However, historical data may be used to identify trends, and along with knowledge of existing and upcoming cases, the account may be budgeted accordingly.
2. The 2001 Budget provides \$500,000, double the 2000 Budget. The City Attorney's staff indicated this should be sufficient based on the number of on-going cases and the pension litigation which may be coming to a conclusion. Eight of the on-going cases are related to the pension dispute. Year-to-date Outside Counsel/Expert Witness Fund appropriations total \$10,000 as referenced by FN 001159 adopted on March 30, 2001. The primary expenditures have been for pension-related cases which are still on going.
3. There is a remaining balance of \$2,836.72 in an account established for the purposes of paying on-going outside counsel Friebert, finerty & St. John, S.C. in Policemen's Annuity & Benefit fund v. City of Milwaukee, Case No. 97-CV-0009822. The May billing amounts to \$7,020.52. An additional funding in the amount of \$10,000 is necessary to cover the total outstanding \$9,857.24 expenditure.

**Fiscal Impact**

1. Adoption of this resolution will bring the total appropriation for Outside Counsel to represent the City in this case to **\$50,000**. The unappropriated balance in the Outside Counsel/Expert Witness Fund is currently \$490,000. Adoption of this file will decrease the unappropriated balance by \$10,000 to \$480,000.

**Other Information**

1. The Committee will consider request for an appropriation from the City Attorney's Damages & Claims Fund today listed as item #10 file 010297. That matter is related to the City Attorney but not to the on-going lawsuit expense in Item #9, File 010296. The Damages & Claims Fund is used for expenses related to the settlement of litigated cases and judgments due against the City.

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