

City Attorney

2018 Budget Overview
Finance & Personnel Committee
October 6, 2017

Community Goals and Department Objectives

1. Improve the city's fiscal capacity
 - Protect the city's interests in litigation
 - Manage risk so that liabilities do not disrupt finances
2. Support the city's interests and policy initiatives
3. Develop and sustain legal strategies to promote respect for individual civil liberties
4. Sustain safe and healthy neighborhoods
 - Reduce nuisances that detract from neighborhood quality of life

2018 Budget Summary

| | 2017 ADOPTED BUDGET | 2018 PROPOSED BUDGET | DIFFERENCE (amount, %) |
|-------------------------------|------------------------|-------------------------|---------------------------|
| FTEs – O&M | 60.00 | 60.00 | 0 |
| FTEs - Other | 2.00 | 2.00 | 0 |
| | | | |
| Salaries & Wages | \$4,917,245 | 4,683,968 | \$-233,277 (-5.0%) |
| Fringe Benefits | 2,212,760 | 2,154,583 | \$-58,177 (-2.70%) |
| Operating Expenditures | 405,500 | 437,031 | \$31,531 (7.21%) |
| Equipment | 82,000 | 122,000 | \$40,000(32.79%) |
| Special Funds | 0 | 0 | (%) |
| TOTAL | \$7,617,505 | \$7,397,582 | \$-219,923 (-3%) |

Revenues

| | 2017 ADOPTED BUDGET | 2018 PROPOSED BUDGET | DIFFERENCE (amount, %) |
|--------------------------------|--------------------------------|---------------------------------|-----------------------------------|
| Charges for Service | \$878,100 | \$929,700 | \$111,000 (12%) |
| TOTAL | \$878,100 | \$929,700 | \$111,000 (12%) |

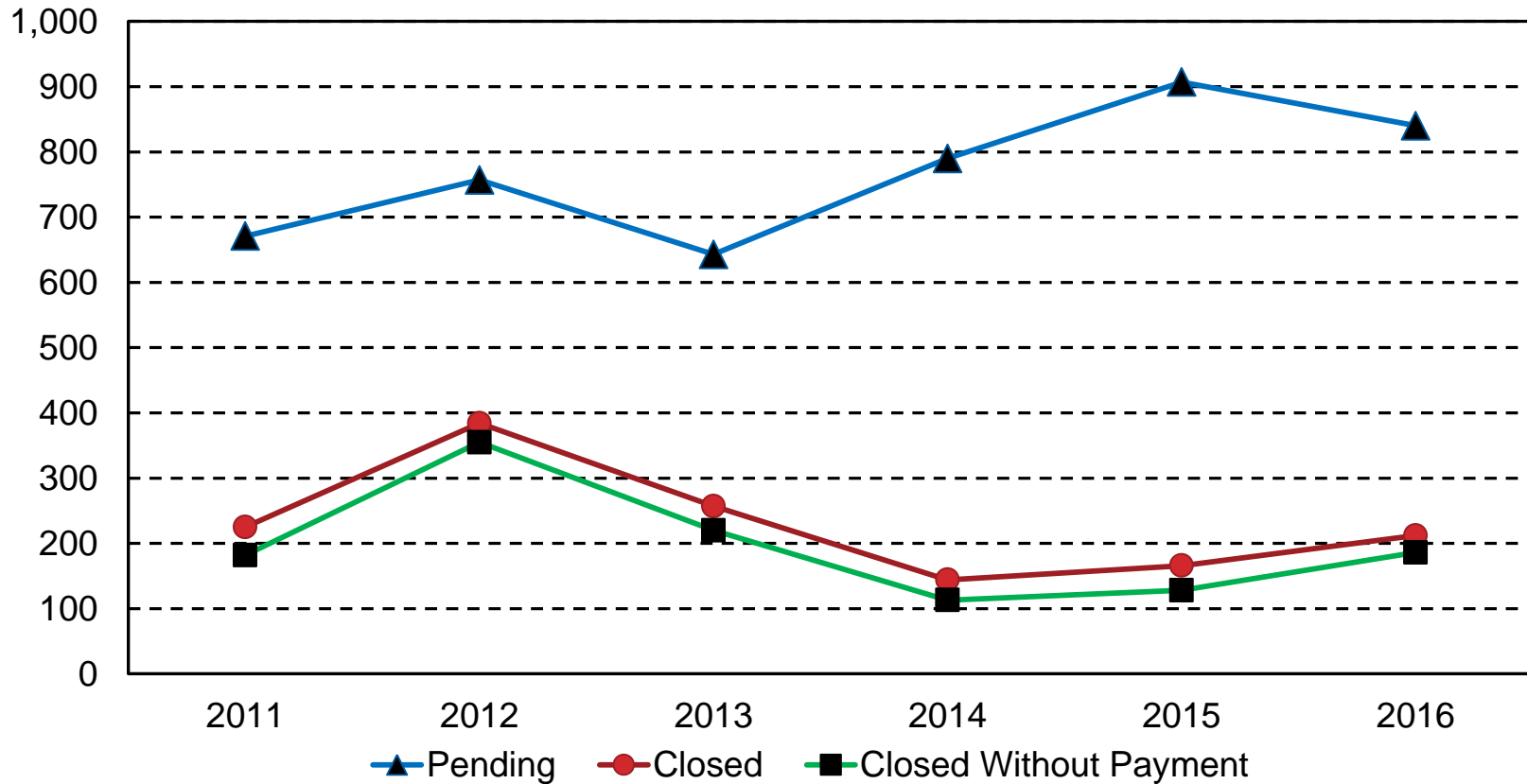
Special Purpose Accounts

| SPECIAL PURPOSE ACCOUNT | 2017 ADOPTED BUDGET | 2018 PROPOSED BUDGET | DIFFERENCE (amount, %) |
|-----------------------------------|---------------------|----------------------|------------------------|
| City Attorney Collection Contract | \$1,125,000 | \$1,125,000 | \$ 0 |
| Damages & Claims Fund | 1,225,000 | 1,225,000 | \$0 |
| Insurance | 655,000 | 685,000 | \$30,000 (4.5%) |
| Outside Counsel-Expert Witness | 850,000 | 850,000 | \$0 |
| Total SPAs | \$3,855,000 | \$3,885,000 | \$30,000 (.08%) |

Budgetary Changes

- ❑ The 2018 Proposed Budget is a approx. 3% decrease from 2017 adopted budget.
 - Salary savings are due to retirement attrition and resulting new hires
 - Continuation of Merit Pay ACA- not to exceed 4% of an eligible ACA's employee's salary and Pay Progression for Non ACA staff
 - Increase to reimbursable for Legal services provided to Pension Plan and Deferred Compensation Plan
 - Increase in Operating expense - MS Assurance software licenses
- ❑ Insurance SPA – Increase reflects actual coverage cost with private insurance
- ❑ 2018 Potential Retirements -17 staff will be eligible:
 - City Attorney
 - 2 Deputy City Attorneys
 - 8 Assistant City Attorneys
 - 6 Administrative Support Staff

Litigation Matters Pending and Closed



| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------------------|------|------|------|------|------|------|
| Cases Pending | 671 | 757 | 643 | 790 | 907 | 840 |
| Cases Closed | 225 | 384 | 257 | 144 | 166 | 212 |
| Closed Without Payment | 182 | 355 | 220 | 113 | 128 | 186 |

Highlights & Accomplishments

- ❑ On September 12, 2017 new Deputy City Attorney appointed:
 - Jan A. Smokowicz

- ❑ Reorganization:
 - Employment, labor & Benefits Section- Deputy Horwitz
 - Real Estate, Education & Housing Section – Deputy Schanning
 - Litigation & Risk Management Section – Deputy Smokowicz
 - Neighborhood Revitalization & Ordinance Enforcement Section – Deputy Stephens

Highlights - Employment, Labor & Benefits Section

- ❑ Draft and review over 500 contracts for various departments
- ❑ Advised City on development of lead service line replacement ordinance
- ❑ Work on special projects:
 - Including Workforce Innovation and Opportunity Act/Employ Milwaukee, Estabrook Dam Removal and ADA Settlement Agreement Compliance

Highlights - Real Estate, Education & Housing Section

- ❑ Assist in creating and amending several TIDs:
 - Welford Sanders Lofts, 4th & Wisconsin, Garfield and North, 15th & North, Park Place and Sherman Phoenix and the amendment of TIDs for Hilton Hotel, Time-Warner, Park East Corridor, Erie & Jefferson Riverwalk and Fifth Ward / First Place
- ❑ Assist in creating the Walker's Point Neighborhood Improvement District
- ❑ Assist on development projects:
 - Including the Couture, the Mitchell Street Library, the Lakefront Gateway, workforce development requirements for Freshwater Plaza, development in West Lawn for HACM, and the Bucks Arena

Highlights - Real Estate, Education & Housing Section

- ❑ Learn It Systems, LLC v. MPS
 - Circuit Court granted MPS' Motion to Dismiss Plaintiff's Petition
- ❑ Spengler v. Flynn
 - Court approved Stipulation and Order dismissing the action without any cost to the City.
- ❑ Hopkins Ave. Office of the Commissioner of Railroads
 - City prevailed in suit regarding railroad spur track removal
- ❑ Provided open meeting training sessions to various city departments

Highlights - Litigation & Risk Management Section

- ❑ Haze v. Kubicek. Eastern District of Wisconsin Decision and Order regarding Equal Protection Clause/14th Amendment case.
- ❑ General Counsel to the Assessor and defense of property tax refund litigation in Circuit Court and Court of Appeals.
- ❑ Request for surplus in Mortgage Foreclosure:
 - 501 cases opened in 2016
 - 398 cases closed in 2016
 - 248 cases opened in 2017 (01/01-10/03/2017)
 - 174 cases closed in 2017 (01/01-10/03/2017)
 - 336 cases pending 2017 (01/01-10/03/2017)
- ❑ Successfully defended assessment challenges with more than \$15 million at stake:
 - Metropolitan Associates, Clear Channel, Marathon Petroleum, Duke Realty, and Wisconsin Lutheran
- ❑ Wisconsin Lutheran High School Conference v. City of Milwaukee. Successfully defended determination that parcel is not tax exempt.
- ❑ Metropolitan Associates v. COM. Court of Appeals order affirming circuit court affirmation of City's assessments.

Highlights - Litigation & Risk Management Section

- ❑ Jones v. Phillips, et. al. Jury verdict in favor of the four officer defendants in an excessive force case
- ❑ Milwaukee Police Association, et al v. City. Seventh Circuit Appeal upheld the requirement that police, fire and emergency personnel live within 15 miles of the City boundary to incumbent employees.
- ❑ Milwaukee Police Association, et al v. City. Seventh Circuit dismissed lawsuit challenging changes to the size and composition of the Annuity and Pension Board and the method of electing three active employee-trustees. Currently under review by the Wisconsin Supreme Court.
- ❑ Brown v. Milwaukee Board of School Directors. Dismissal of claim that MPS failed to provide reasonable accommodation under the Americans with Disabilities Act.
- ❑ Green v. Newport. Seventh Circuit found officer entitled to qualified immunity in a stop and search case, overturning the court below and entering judgment in the officer's favor.
- ❑ Hamilton v. Manney. \$2.3 million dollar settlement of civil rights claim stemming from the police shooting in Red Arrow Park in 2014.
- ❑ Lemons v. City of Milwaukee, et al. \$2.5 million dollar settlement of civil rights claim of regarding 2010 sexual assault by former officer Lademarald Cates.
- ❑ Milwaukee Police Association v. City of Milwaukee. Seventh Circuit rejected the MPA contention that officers discharged by the Chief of Police had a right to continued pay and benefits pending the outcome of the officer's appeals to the Fire and Police Commission.

Highlights - Neighborhood Revitalization & Ordinance Enforcement Section

- ❑ Reclaiming Vacant Properties conference
 - City Attorney instrumental in bringing the the Center for Community Progress' National Reclaiming Vacant Properties Conference to Milwaukee in 2018
- ❑ LLC Landlord litigation
 - City v. Choudry, City v. Rashaed
- ❑ Bawdy House
 - Working with MPD to address escalating prostitution concerns in District 2.
- ❑ Raze Cases
 - Solvay Coke property at 311 E. Greenfield Ave. razed at no cost to the taxpayers

Highlights - Neighborhood Revitalization & Ordinance Enforcement Section

❑ Bankruptcy/Adversarial Proceedings

- Working with a Chapter 13 debtor to abate code violations, renovate, or sell rental properties
- Working with another Chapter 13 debtor that owes \$260,000 in Municipal Court judgments to pay a portion to the City

❑ Food Town

- Worked with federal, state and local authorities to stop sale of synthetic drugs and illegal tobacco at the Food Town Mini Mart
- Building immediately closed and City is seeking to seize and sell the building

Municipal Court/Deferred Prosecution Program

- ❑ Drug and Alcohol Awareness Program (DAAP):
 - Partnered with President Hamilton, the Municipal Court and MATC to create the Drug and Alcohol Awareness Program to help individuals cited for drug-related and underage alcohol-related citations

- ❑ MARTS and Respect 21:
 - Programs for businesses caught selling alcohol and tobacco to minors
 - If a business successfully completes the appropriate program, the underlying citation for the sale to minor is not issued
 - 93 businesses offered enrollment in Respect 21 and 203 businesses offered enrollment in MARTS
 - Programs decrease calls for service for businesses enrolled in the programs

Municipal Court/Deferred Prosecution Program

❑ Municipal Prosecutions

- As of July, 2017 approximately 5,000 cases, including 3,666 pre-trials and 761 trials
- 2016: Over 10,000 municipal court cases, includes 7,006 pre-trials and 1,155 trials

- ## ❑ Section also appears in circuit court for appeals of municipal court convictions and property return hearings.

Potential Budget Constraints/Challenges

- ❑ Law enforcement related claims and tax assessment challenges are costly
 - Costs for pre-trial discovery, depositions, outside counsel, expert witnesses, settlements and judgments

- ❑ Active caseload:
 - 438 cases as of June 30, 2015
 - 432 cases as of June 30, 2016
 - 433 cases as of June 30, 2017

Potential Budget Constraints/Challenges

- ❑ The following cases could potentially impact the City Budget
 - Appealed the denial of qualified immunity in the death in custody case of Derek Williams
 - The Estate of Sylville Smith has filed suit concerning his shooting death in Sherman Park
 - Class action suit filed against the Chief of Police (Collins v. City of Milwaukee) claiming widespread constitutional violations for “stop and frisk” practices and racial disparities. Ongoing draw on the Outside/Expert SPA.
 - Nine strip search/body cavity cases are pending and additional complaints may be filed before the six year limitation period ends