

File No. 001775 is a resolution authorizing an additional appropriation of funding from the Outside Counsel/Expert Witness Fund Special Purpose Account for several ongoing cases.

Background

1. The Outside Counsel/Expert Witness Fund Special Purpose Account was created to cover the cost of hiring outside counsel and expert witnesses in major legal cases. Funding for City Attorney expenditure in individual cases is appropriated by resolution.
2. The Police Annuity and Benefit Fund filed suit against the city regarding a dispute as to contributions to the Police A&B fund by the City. Fuchs, Snow, O'Connell & DeStafanis were retained to represent the Policemen's Annuity & Benefit. To date the Council has appropriated \$26,000 for outside counsel to represent the Police Annuity & Benefit Fund. This case was appealed by the Policemen's Annuity & Benefit Fund in December of 1998. On April 17, 2001 the Court of Appeals rendered a decision reversing the Circuit Court and remanding the case back to trial court for further proceedings.
3. File #970637 authorized the City to pay the employer and employee annuity contributions due to the Police A&B Fund for the years 1989 through 1994 (based on a six-year statute of limitations). The contribution amounted to \$15,865 plus interest of \$4,041 which was computed at the rate of 4% annually. Members of the Police A& B Fund are suing for contributions back to January 1969.

Discussion

1. \$26,221 has been expended on this file to date. Currently \$221 is owed to outside counsel for work done on this case. The City Attorney is requesting an additional \$5,000 to cover the outstanding balance on the contract and to provide funds for additional litigation expenses.
2. Friebert, Finerty and St. John represent the City in this particular case. \$40,000 has been appropriated for outside counsel for representation on behalf of the City. Currently there is a remaining balance of \$4,400 from this appropriation.

Fiscal Impact

1. The unappropriated balance in the Outside Counsel/Expert Witness Fund is currently \$457,000. Adoption of this file will decrease the unappropriated balance by \$5,000 to \$452,000.

Other Information

1. At the March 14th meeting the Finance & Personnel Committee held the file authorizing the lump-sum payment approved in the 2001 Budget for the Policemen's Annuity & Benefit Fund members in anticipation of the resolution of this lawsuit.

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