

Reply to Common Council File No. 081005
From DOA-Budget and Management Division

November 17, 2008

Ref: 08007

Common Council File 081005 contains a resolution authorizing appropriation of \$100,000 from the 2008 Common Council Contingent Fund for expenses related to interest arbitration between the city and the Milwaukee Police Supervisors Organization (MPSO). If approved, the funds will be transferred to the Department of Employee Relations Operating Expenditures account to cover costs incurred for interest arbitration activities.

Interest arbitration expenses are difficult to anticipate and are normally not included in the department's budget allocation. Due to the unpredictable nature of these costs, the department has historically sought contingent funding to cover expenses related to grievance and interest arbitration. Similar requests were made in 1999, 2002, and 2003 for \$300,000, \$60,000, and \$46,895 respectively.

The Department of Employee Relations 2008 Operating Expenditures account was budgeted at \$423,558 and 2008 interest arbitration costs are expected to total \$105,246. The department has already paid some of these costs from its operating account, and the current balance of \$45,302 is insufficient to cover remaining operating expenses and additional arbitration costs.

On November 14, 2008, the Common Council Contingent Fund had a balance of \$1,368,349. Approval of this resolution will leave a balance of \$1,268,349.

**RECOMMENDATION: APPROVE COMMON COUNCIL FILE 081005
AND TRANSFER \$100,000 FROM THE COMMON COUNCIL
CONTINGENT FUND TO THE DEPARTMENT OF EMPLOYEE
RELATIONS OPERATING EXPENDITURES ACCOUNT TO COVER
MPSO INTEREST ARBITRATION COSTS.**



Renee Joos
Budget and Management Special Assistant

RJ:dmr

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