

# Staff Summary Report



Council Meeting Date: 04/23/09

Agenda Item Number: \_\_\_\_\_

**SUBJECT:** Request authorization to utilize available General Fund contingency appropriations and fund balance to cover the costs associated with the City of Tempe vs. Singer settlement.

**DOCUMENT NAME:** 20090423fsjh01 LITIGATION SETTLEMENTS (0501-04)

**SUPPORTING DOCS:** No

**COMMENTS:** Total amount of funding requested is \$2,050,000.

**PREPARED BY:** Jerry L. Hart, Financial Services Manager (480) 350-8505.

**REVIEWED BY:** NA

**LEGAL REVIEW BY:** Andrew Ching, City Attorney (480) 350-8575

**FISCAL NOTE:** The Council previously allocated \$1,207,955 of contingency appropriations to fund the costs of the State-mandated reimbursement (\$557,955) and expected vehicle fuel increases (\$650,000). Since then, the State Supreme Court has ruled the reimbursement (reverse revenue-sharing) unconstitutional and fuel prices have significantly declined. Only \$4,329 of the funding set aside for the reimbursement was needed to pay associated legal fees, leaving an available balance of \$553,626. Due to the decline of fuel prices, staff projections indicate that only \$210,000 of the amount set aside for fuel is needed to offset increased fuel costs, leaving an available balance of \$440,000. The total available, unspent contingency appropriations balance is \$993,626. Staff recommends that this balance, along with \$1,056,374 of General Fund fund balance reserves, be utilized to cover the costs of the settlement.

**RECOMMENDATION:** Approve the utilization of available contingency appropriations and fund balance.

**ADDITIONAL INFO:** This settlement formally completes the acquisition of the site on which the Apache Boulevard Police Substation now resides.