

**CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION**

CC: 19C
Amend No. _____

Date Prepared: August 4, 2008

Council Meeting Date: August 26, 2008

TO: Carl Swenson, City Manager
FROM: Brent Mattingly, Finance Director *BDM*
PREPARED BY: Kent Meredith, Financial Services Manager *KM*
SUBJECT: Approve two budget transfers (\$83,000 in FY08 and \$200,000 in FY09) for Legal Fees Associated with the Tolleson Wastewater Treatment Facility Lawsuit

RECOMMENDATION:

That the Mayor and City Council approve budget transfers from the Wastewater Fund Contingency account (No. 2400-2480-570000) to the Wastewater Replacement Fund - Legal Fees account (No. 2470-2590-520001) to pay legal fees associated with the City of Tolleson Wastewater Treatment Facility lawsuit.

SUMMARY:

The City is in the process of resolving legal issues associated with the discontinued use of the City of Tolleson Wastewater Treatment Facility. Staff is estimating that legal and other expenses associated with arbitration could reach \$200,000 in FY09, not including the cost of any final settlement.

Based on a current \$57,150 invoice from American Arbitration Association, and additional estimated expenses, we are recommending that the Mayor and City Council approve a budget transfer from the Wastewater Fund Contingency account (No. 2400-2480-570000) to the Wastewater Replacement Fund - Legal Fees account (No. 2470-2590-520001) in the amount of \$200,000.

In addition to the budget transfer for the current year invoices, staff recommends that the Mayor and City Council approve a budget transfer from the Wastewater Fund Contingency account (No. 2400-2480-570000) to the Wastewater Replacement Fund - Legal Fees account (No. 2470-2590-520001) in the amount of \$83,000 to pay legal expenses incurred in the prior fiscal year.

CITY CLERK USE ONLY:

- Consent Agenda
- Carry Over to Date: _____
- Approved
- Unfinished Business (Date heard previous: _____)
- New Business

ORD. # _____ RES. # _____
LCON# _____ LIC. # _____
Action Date: _____