



# City of San Leandro

Meeting Date: June 16, 2014

## Staff Report

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**File Number:** 14-237

**Agenda Section:** CONSENT CALENDAR

**Agenda Number:** 8.G.

**TO:** City Council

**FROM:** Chris Zapata  
City Manager

**BY:** Rich Pio Roda  
City Attorney and  
Chris Zapata  
City Manager

**FINANCE REVIEW:** David Baum  
Finance Director

**TITLE:** Staff Report for Amendment of Legal Services Agreement with Meyers Nave

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### SUMMARY AND RECOMMENDATIONS

Staff requests that the City Council consider Meyers Nave's request for an Amendment and one-year extension of its Agreement to provide legal services for the City from July 1, 2014 through June 30, 2015.

### BACKGROUND

The City of San Leandro entered into a Professional Services Agreement with Steven R. Meyers in 1986, to provide contract legal services to the City and its agencies, and to perform the functions, duties and responsibilities of the City Attorney, as set forth in the City's Charter. In 2000, Amendment No. 1 assigned the Professional Services Agreement to Meyers Nave, a professional corporation. Amendment No. 2 and Amendment No. 3 were approved in 2005 and 2008, respectively. The above contracts were structured such that a fixed monthly retainer was provided to Meyers Nave in exchange for the firm's legal services.

In February 2013, the City of San Leandro contracted with Municipal Resource Group, LLC ("MRC") to complete an analysis of the City's legal services agreement framework. As part of this analysis, MRC completed an extensive review of the costs associated with the agreement, as well as a benchmark survey of nine other jurisdictions in Alameda and Contra Costa counties, including the cities of Alameda, Berkeley, Fremont, Hayward, Livermore, Pleasanton, Union City, Pittsburg, and Richmond.

Based upon the results of this analysis, MRC provided three possible options for the City Council's consideration:

- 1) Continue to Contract for City Attorney services
- 2) Implement an In-House City Attorney's Office
- 3) Issue a Request for Proposals for City Attorney Services

The attached MRC report also recommended that if the City Council ultimately proceeded with Option 1, that it should attempt to negotiate into a new agreement that eliminated the flat retainer structure, to be replaced by a fee-for-service arrangement. Based upon the MRC analysis, this structure would simplify the administration of the contract and ultimately reduce costs for the City. This analysis subsequently was presented to the City Council for its consideration on February 19, 2013.

On May 20, 2013, the City Council voted to adopt a new 13-month agreement (attached) with Meyers Nave, to be effective from June 1, 2013 through June 30, 2014. Consistent with the approach outlined in Option 1, the agreement incorporated a fee-for-service cost structure, with annual fees for service not to exceed \$778,700 during the contract period, which included a \$50,000 set-aside for retention by the City Manager of special counsel. This amount became the general city attorney services budget for the City, effectively creating a budget cap of \$778,700 for all general counsel type legal services.

### **Analysis**

The City of San Leandro has now been operating under the new contractual structure for nearly one year, and based upon staff's analysis, the current contract structure has been effective in controlling costs and has generated financial savings as predicted by the MRC analysis. Specifically, to date the City has expended approximately \$479,125 on City Attorney services, and staff's projections indicate that any outstanding expenditures for the remainder of the current fiscal year will remain below the not-to-exceed threshold that was adopted by the City Council as part of the current contract.

### **Fiscal Impacts**

For Fiscal Year 2014-2015, the amended not-to-exceed amount for "city attorney/general counsel services" would be \$783, 200 (exclusive of reimbursable costs) budgeted in the City Attorney division account. This amount includes a \$50,000 set-aside that may be used by the City Manager at his discretion for outside legal assistance, consistent with the existing Agreement. Per the Agreement, this not-to-exceed amount is a "hard cap" that the City has no obligation to increase. These costs incorporate a 2% increase from the prior fiscal year in order to reflect changes in the Consumer Price Index (CPI) for the San Francisco/Oakland/San Jose Bay Area Region over the past year. Additional details are provided in the associated Resolution, to which the draft contract Amendment has been attached.

## **ATTACHMENT**

### **Attachments to Staff Report**

- Legal Services Report from Municipal Resource Group, LLC
- Current Legal Services Agreement

**Attachment to Resolution**

Amendment No. 1 to Legal Services Agreement

**PREPARED BY:** Eric Engelbart, Assistant to the City Manager, City Manager's Office

**CITY OF SAN LEANDRO**  
**LEGAL SERVICES ANALYSIS AND REPORT**

**MUNICIPAL RESOURCE GROUP, LLC**  
**675 HARTZ AVENUE, SUITE 300**  
**DANVILLE, CA 94526**  
**(866) 426-2323**

**FEBRUARY 2013**



**CITY OF SAN LEANDRO**  
**LEGAL SERVICES ANALYSIS AND REPORT**  
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**CITY OF SAN LEANDRO**  
**LEGAL SERVICES ANALYSIS AND REPORT**  
**FEBRUARY 2013**

**I. INTRODUCTION AND BACKGROUND**

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***Scope of the Legal Services Analysis and Report***

The City of San Leandro (“City”) contracts with Meyers Nave Riback Silver & Wilson (“Meyers Nave”) for City Attorney services. A Professional Services Agreement was first entered into by the City and Steven R. Meyers in 1986, which has been amended as an Agreement for City Attorney Legal Services with Meyers Nave (“Agreement”) to reflect changing conditions and services.

Municipal Resource Group LLC (“MRG”) was retained by the City Manager to conduct an analysis and prepare an evaluation of legal service options for the City, including the existing legal services arrangement with Meyers Nave, and to provide an analysis of alternative budget and legal services arrangements. The MRG scope of work and this Analysis and Report include:

- An analysis of the cost of in-house City Attorney and contract legal services. The analysis also includes an identification of the benefits of in-house City Attorney services and contract legal services.
- Review of the existing Agreement, City budget, accounting data, work load data and other information related to the existing legal services arrangement.
- Review of existing City procedures and protocols for requesting legal services from the City Attorney, the City Attorney’s role and other matters related to the provision of legal services.
- Research and analysis of comparable jurisdictions’ data and appropriate benchmarks.
- Research and proposed methods to manage and respond to legal services requests from City staff.

- Provide options to refine the legal services arrangement and Agreement, including City-initiated requests for and utilization of legal services, retainer/basic level of services, special services and other legal services practices.

### ***Background***

The City of San Leandro entered into a Professional Services Agreement with Steven R. Meyers in 1986, to provide contract legal services to the City and its agencies, and to perform the functions, duties and responsibilities of the City Attorney, as set forth in the City's Charter. In 2000, Amendment No. 1 assigned the Professional Services Agreement to Meyers Nave, a professional corporation. Amendment No. 2 and Amendment No. 3 were approved in 2005 and 2008, respectively.

The structure and format of the Agreement, as amended, provide two categories of legal services -- "Basic Legal Services" (hereinafter referred to as "Basic") provided under a fixed monthly retainer, and "Additional Legal Services" (hereinafter referred to as "Additional") provided at per hour rates. This basic structure has not changed from the original 1986 Agreement.

The two categories of legal services can be summarized as follows:

1. Basic legal services include those services that fall within the category of "city attorney/general counsel services". A summary of Basic services includes<sup>1</sup>:
  - Attendance at City Council meetings and upon request, at Planning Commission and other City commissions, board meetings and City Council-created bodies.
  - Review and/or prepare City documents and agreements.
  - Consult with and provide legal advice and opinions to the City Council and staff.
  - Provide guidance and advice on pending legislation.
  - Handle basic real estate transactions and acquisition issues, other than redevelopment activities.

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<sup>1</sup> This Report provides a summary of the terms of the Agreement and is not intended to provide a full description of the Agreement. The Agreement between the City and Meyers Nave should be reviewed for specific and complete terms of the Agreement.

- Research and interpret laws, court decisions and legal authorities on legal matters pertaining to City operations, including routine personnel and labor relations matters.
  - Perform general legal work pertaining to property acquisition, property disposal, public improvements, rights-of-way, easements and public utilities, other than redevelopment and eminent domain matters.
  - Coordinate with City staff on risk management and self-insurance issues.
  - Provide legal guidance on non-cost recovery code enforcement.
  - Coordinate the work of outside counsel.
2. “Services Excluded from Basic Level of Services”, or Additional legal services include: prosecution and defense of litigation, representation at administrative and regulatory hearings, eminent domain proceedings, advice regarding specialized employment issues, personnel disciplinary matters, construction disputes, non-routine or specialized matters such as annexations or municipal financing matters, and all matters where the City recoups its expenses through cost recovery. In addition, the Agreement specifies that Additional legal services include, but are not limited to:
- Non-routine or specialized real estate and land use matters, such as property acquisition and disposition.
  - Complex CEQA matters.
  - Non-routine or specialized matters such as comprehensive update of the general plan or zoning ordinance, annexations, water rights or Williamson Act issues.
  - Municipal finance, tax, fee and assessment issues.
  - Motions seeking discovery of police officer personnel records and hearings involving weapons confiscations.
  - Litigation, eminent domain, arbitration, mediation, administrative hearings and related matters.
  - Cable TV rate regulations and FCC appeals.
  - Labor negotiations, Skelly hearings, disciplinary hearings, similar non-routine personnel matters, and matters leading to such proceedings.
  - Redevelopment services.



- Other legal services excluded from the Basic Level of Services as determined by the City Manager.
- Matters for which the City may recoup its expenses through cost-recovery, such as bond counsel matters, water rights and land use development matters, sewer and solid waste matters, power company and energy matters, assessment district formations and foreclosures, bankruptcy and foreclosures and code enforcement matters subject to lien enforcement.

A fixed monthly retainer of \$28,765 (effective July 1, 2011) is provided for Basic legal services. The monthly retainer is increased annually by a CPI factor.

Additional legal services and litigation services are invoiced at \$210 per hour for attorneys and \$105 per hour for paralegals, with no annual CPI increase provided in the Agreement.

Fees for legal services for which the City is reimbursed by third parties (“cost recovery”) are set forth in the City’s adopted fees schedule and range from \$250 to \$400 per hour depending upon the type of matter and the attorney assigned, and \$125 per hour for paralegals.

The Agreement continues until otherwise amended or terminated. Additional changes to the Agreement to increase rates and clarify the scope of services have been discussed by the City Manager’s Office and Meyers Nave, but have not been implemented.

### ***Legal Services Agreement - Discussion Points***

The current legal services arrangement requires re-evaluation and clarification in various respects.

1. While the Agreement outlines in detail the legal services to be provided under the Basic legal services (those subject to the retainer) and Additional legal services, its language is still open to interpretation.

For example, “baseline real estate transactions” are included under Basic legal services, yet “non-routine or specialized real estate and land use matters, such as property acquisitions and disposition” are excluded from Basic legal services. “Baseline”, “non-routine” and “specialized” are not defined, often requiring discussion

and interpretation as to whether the matter is a Basic or Additional legal service when it is referred to the City Attorney.

Similarly, “routine personnel and labor relations matters” are included under Basic legal services, yet “labor negotiations, Skelly hearings, disciplinary hearings, similar non-routine matters, and *matters leading to such proceedings*” are excluded from Basic legal services (italics added). “Routine” and “non-routine” are not defined, often requiring discussion and interpretation as to whether a matter is a Basic or Additional legal service when referred to the City Attorney. Moreover, a matter may begin as seemingly routine but may become complex and “*lead to such proceedings*” as it becomes non-routine.

City staff and Meyers Nave both acknowledge that in recent years more time has been devoted to determining whether matters are covered under the Basic or Additional legal services. Many factors could contribute to this: Departmental budget reductions, significant turn over in key management positions and staff reductions, and not the least, the growing complexity and “non-routine” nature of legal matters requiring attention.

2. From the City’s perspective, it is understandable that cost control of legal services is important. From Meyers Nave’s perspective, the overall costs and complexity of municipal law/public agency legal services has substantially increased over the years and the Legal Service Agreement’s rates and charges have not kept pace with the economic changes in the legal marketplace for such services.
3. During the past twenty-six years of representation, there have been three Meyers Nave attorneys designated as San Leandro’s City Attorney. The relatively long tenure of individuals assigned to the position, as well as the constancy of the firm’s Agreement with the City provide a “corporate memory” and “historical perspective” on the City’s history, policies, practices and legal issues, which is of value and benefit to the City. For example, in recent years there has been significant turnover among key City staff and department heads that has led to a perception by some that the City Attorney’s Office can be relied upon to opine on non-legal matters, as well as the history and effective practices on other recurring issues that might otherwise be known by more tenured

City staff. The consequence may be some over-use and dependence on legal staff beyond the roles defined in the current Agreement.

4. The City does not have a written procedure or protocol describing circumstances that merit City Attorney involvement, and the preparatory work that City staff should undertake prior to accessing City Attorney assistance (such as drafting resolutions, ordinances, term sheets, etc.).
5. The City Attorney and Meyers Nave attorneys are routinely available by phone and email, the City Attorney or Assistant City Attorney attends department head meetings and some executive team meetings, as required, and are present in City offices for scheduled office-hours during the week. However, there is some concern that attorneys are not always “down the hall” and available at all times for in-person drop-in discussions by City staff.

## II. JURISDICTIONAL BENCHMARK SURVEY

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The purpose of benchmarking comparable jurisdictions is to provide information on City Attorney budgets, staffing levels and responsibilities, to correlate with San Leandro's legal services, and to inform this Report's analysis of in-house legal services. The City has identified seven jurisdictions in Alameda County that are used for comparable labor compensation purposes, including the cities of Alameda, Berkeley, Fremont, Hayward, Livermore, Pleasanton and Union City. The City indicated that these cities should be surveyed for the benchmark City Attorney analysis. In addition, the cities of Pittsburg and Richmond were identified by the City to be included in the analysis.

Appendix A provides detailed statistical data, including population, full time equivalent employees (FTE), General Fund budget, operating fund budgets, City services and City Attorney Office responsibilities in each of the nine cities surveyed.

This Chapter provides a summary of the statistical data for each city. This data is important because population, FTE, City services and City budgets tend to be factors related to the need and demand for legal services.

Generally, the statistical data for the nine benchmark cities exceeds the comparable San Leandro data. For example, the nine benchmark cities' average population (105,367), FTE (657), General Fund budgets (\$106 million) and operating budgets (\$158 million) exceed the San Leandro population (86,053), FTE (406), General Fund budget (\$76 million) and operating budget (\$119 million). These variances need to be taken into consideration when comparing City Attorney budgets and staffing.

There are differences in the services provided among and by the nine benchmark cities, as compared to San Leandro. For example, while San Leandro contracts for Fire services, five of the cities have Fire Departments, two share Fire services through a joint powers agreement, and two do not have Fire Department responsibilities. Berkeley has the greatest array of services, including health and human services, police review and a housing authority, among other services, yet it does not provide the wastewater treatment services that are provided by San Leandro. Union City has the least array of services, and does not provide library, sewer, wastewater treatment, marina or golf services. All of the cities provide Police services in-house; none of the cities contract for Police services.

This Chapter provides a summary description of the services provided by each city, and how those services differ from those provided by San Leandro. The services provided are important as there tends to be a correlation between the breadth of services and the need for legal services.

This Chapter also summarizes the City Attorney services provided in each city. There are differences in the City Attorney Office responsibilities among the nine cities, as compared to San Leandro. While all cities provide general City Attorney services, six City Attorney Offices have direct responsibility for risk management and one City Attorney Office (Alameda) has responsibility for the workers compensation program. Most cities contract with outside counsel for some or all litigation defense work.

Finally, this Chapter summarizes the number of attorneys and support staff in benchmark cities with in-house City Attorney Offices. Two of the benchmark cities, Union City and Pittsburg, contract for City Attorney services (with Meyers Nave).

The benchmark analysis utilizes FY 2012-13 City Attorney Office budgets. Two caveats are offered regarding the benchmark cities' budgets: the responsibilities of City Attorney Offices vary among the benchmark cities, and city budgets vary in the way in which City Attorney Office General Services, litigation, risk management, workers compensation, third party administrators, allowances for claims and judgments, and insurance costs are budgeted. In some of the benchmark cities, all of these costs are included in the City Attorney's Office budget; in other cities, none of these costs are included in the City Attorney's Office budget. In an effort to provide the most relevant comparison, the benchmark analysis has attempted to segregate the basic City Attorney Office General Services/Successor Agency costs from all of these other costs.

The benchmark analysis provides the City Attorney Office General Services / Successor Agency cost per capita for those cities in which the budget segregates these costs from other costs. The benchmark analysis does not include the per capita costs for the other related services, such as tort litigation, workers compensation, claims, insurance premiums and other related costs, because the differences among benchmark cities' budgeting practices makes these per capita comparisons less relevant.

Table II-1 provides a summary of the key benchmark data. It includes population, City budget, FTE, City Attorney Office staff levels, City Attorney Office budgets and General

Services/Successor Agency per capita costs. Appendix B provides additional detailed data on City Attorney services, staffing levels and services in the benchmark cities.

Table II-1: Benchmark Data

City / Population	City Budget (millions)	FTE	City Attorney Office Staff for General Services/Successor Agency	City Attorney FY 2012-13 General Services/Successor Agency Budget	Cost Per Capita
San Leandro 86,503	Gen. Fund: \$ 76 Operations: \$119	406	Contract: City Attorney, Ass't. City Attorney Other attorneys and paraprofessionals as needed	\$903,600	\$10.45
Alameda 74,760	Gen. Fund: \$ 65 Operations: \$143	502	2.7 attorneys 1.0 paralegal 1.7 administrative Outside counsel	\$907,783	\$12.14
Berkeley 114,821	Gen. Fund: \$143 Operations: \$289	1,541	9.0 attorneys/administrative staff Outside counsel	\$3,717,770 <sup>2</sup>	Not comparable
Fremont 217,700	Gen. Fund: \$118 Operations: \$166	840	4.9 attorneys .75 paralegal 1.0 administrative Outside counsel	\$8,739,072 <sup>3</sup>	Not comparable
Hayward 147,113	Gen. Fund: \$122 Operations: \$238	789	4.0 attorneys 1.0 administrative	\$1,026,626	\$ 6.98
Livermore 82,400	Gen. Fund: \$ 72 Operations: \$135	458	4.5 attorneys 1.2 administrative	\$1,209,385	\$14.67
Pleasanton 71,269	Gen. Fund: \$ 87 Operations: \$192	467	3.0 attorneys 1.0 administrative Outside counsel	\$1,289,105	\$18.08
Union City 70,646	Gen. Fund: \$ 40 Operations: \$ 76	322	Contract: City Attorney, Ass't. City Attorney Other attorneys and paraprofessionals as needed	\$450,000	\$ 6.37
Pittsburg 64,706	Gen. Fund: \$ 30 Operations: \$168	226	Contract: City Attorney, Ass't. City Attorney Other attorneys and paraprofessionals as needed	\$426,700	\$ 6.60
Richmond 104,887	Gen. Fund: \$136 Operations: \$159	771	7.0 attorneys 2.0 administrative Outside counsel	\$1,943,047	\$18.52

Source: City budgets; for San Leandro, City Attorney Budget is based on Meyers Nave estimate dated January 15, 2013.

The data for San Leandro and the individual benchmark cities is provided on the following pages in this Report.

<sup>2</sup> Berkeley budget includes risk management, third party administrator and estimated claims costs. Per capita costs that include these amounts are not comparable.

<sup>3</sup> Fremont budget includes risk management, third party administrator and estimated claims costs. Per capita costs that include these amounts are not comparable.

***City of San Leandro***

Population: 86,503  
 Employees: 406  
 General Fund Budget: \$ 76 million  
 Operating Budget: \$119 million

San Leandro services:

- Police, Planning, Public Works, Engineering and Transportation, Library, Parks and Recreation, Sewer, Wastewater Treatment, Marina, Golf, Paratransit, Animal Control, RDA/Successor Agency, CDBG/HOME
- Boards/Commissions: Board of Zoning Adjustments, Planning Commission, Rent Review Board, Personnel and Human Relations Board

Services not provided by San Leandro (provided by (#) of the benchmark cities):

- Fire (5), Water Treatment (3), Electric Utility (2), Airport (2), Health Services (1), Housing Authority (5), Cemetery (1), Police Review (2), Employment Training (1)

San Leandro City Attorney Responsibilities:

- General Counsel, RDA/Successor Agency, Litigation

City Attorney Staff and Budget and Actual Costs:<sup>4</sup>

Services	Staff	FY 2012-13 Estimate	Per capita
General Services/Successor Agency	Contract	\$903,600	\$10.45

Source: Meyers Nave estimate dated January 15, 2013

Services	Staff	FY 2011-12 Actual	Per capita
General Services/Successor Agency	Contract	\$805,614	\$9.31

Source: City of San Leandro

Third party administrator, insurance premiums, allowance for claims settlements and judgments, workers compensation and risk management administration costs are budgeted in other City departments.

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<sup>4</sup> FY 2012/13 Estimate and FY 2011/12 actual costs are for City Attorney Office General Services/Successor Agency services (“Basic” and “Additional” legal services). Litigation and cost recovery fees are identified in Chapter III.

***City of Alameda***

Population: 74,760  
 Employees: 502  
 General Fund Budget: \$ 65 million  
 Operating Budget: \$143 million

Alameda services not provided by San Leandro:

- Fire, Electric Utility, Base Reuse

Services not provided by Alameda (provided by San Leandro):

- Wastewater Treatment, Marina

City Attorney Responsibilities:

- General Counsel, RDA/Successor Agency, Litigation, Risk Management, Workers Compensation Administration

City Attorney Staff and Budget:

Services	Staff (FTE)	FY 2012-13 Budget	Per capita
General Services/Successor Agency	2.7 Attorneys 1.0 Paralegal 1.3 Administrative Outside Counsel	\$907,783	\$12.14
Risk Management/Litigation Workers Compensation	.8 Attorneys 1.0 Risk Manager 1.7 Administrative Outside Counsel	\$2,468,040 <sup>5</sup> \$2,773,929 <sup>6</sup>	
Total Staff	3.5 Attorneys 1.0 Paralegal 1.0 Risk Manager 3.0 Administrative Outside Counsel		

Source: City of Alameda FY 2012-13 Budget

<sup>5</sup> Includes risk management, third party administrator and estimated claims costs. Per capita amount not calculated because the budget includes these costs.

<sup>6</sup> Includes workers compensation administration, third party administrator and estimated claims costs. Per capita amount not calculated because the budget includes these costs.



***City of Berkeley***

Population:	114,821
Employees:	1,541
General Fund Budget:	\$143 million
Operating Budget:	\$289 million

Berkeley services not provided by San Leandro:

- Fire, Health Services, Solid Waste, Housing Authority, Police Review

Services not provided by Berkeley (provided by San Leandro):

- Wastewater Treatment, Golf, Paratransit

City Attorney Responsibilities:

- General Counsel, RDA/Successor Agency, Litigation, Risk Management, Housing Authority

City Attorney Staff and Budget:

<b>Services</b>	<b>Staff (FTE)</b>	<b>FY 2012-13 Budget</b>	<b>Per capita</b>
General Services/Successor Agency	9 Attorneys and Administrative Staff; Outside Counsel	\$3,717,770 <sup>7</sup>	Not comparable
Risk Management/Litigation	3 Attorneys and Administrative Staff; Outside Counsel	Included in above amount	
Total Staff	8.0 Attorneys 1.0 Paralegal 3.0 Administrative Outside Counsel		

Source: City of Berkeley FY 2012-13 Budget

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<sup>7</sup> Includes risk management, third party administrator and estimated claims costs. Per capita amount not calculated because the budget includes these costs.

***City of Fremont***

Population: 217,700  
 Employees: 840  
 General Fund Budget: \$118 million  
 Operating Budget: \$166 million

Fremont services not provided by San Leandro:

- Fire

Services not provided by Fremont (provided by San Leandro):

- Library, Sewer, Wastewater Treatment, Marina, Golf

City Attorney Responsibilities:

- General Counsel, RDA/Successor Agency, Litigation, Risk Management

City Attorney Staff and Budget:

Services	Staff (FTE)	FY 2012-13 Budget	Per capita
General Services/Successor Agency	4.9 Attorneys .75 Paralegal 1.0 Administrative Outside Counsel	\$8,739,072 <sup>8</sup>	Not comparable
Risk Management/Litigation	.1 Attorneys 3.0 Risk Management Outside Counsel	Included in above	
Total Staff	5.0 Attorneys .75 Paralegal 3.0 Risk Management 1.0 Administrative Outside Counsel		

Source: City of Fremont FY 2012-13 Budget

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<sup>8</sup> Includes risk management, third party administrator and estimated claims costs. Per capita amount not calculated because the budget includes these costs.

***City of Hayward***

Population: 147,113  
 Employees: 789  
 General Fund Budget: \$122 million  
 Operating Budget: \$238 million

Hayward services not provided by San Leandro:

- Fire, Water Treatment, Airport, Housing Authority

Services not provided by Hayward (provided by San Leandro):

- Parks and Recreation, Marina

City Attorney Responsibilities:

- General Counsel, RDA/Successor Agency, Litigation, Risk Management, Housing Authority, Rent Control

City Attorney Staff and Budget:

<b>Services</b>	<b>Staff (FTE)</b>	<b>FY 2012-13 Budget</b>	<b>Per capita</b>
General Services/Successor Agency	4.0 Attorneys 1.0 Administrative	\$1,026,626	\$6.98
Risk Management/Litigation	2.0 Attorneys 1.0 Administrative Outside Counsel	\$2,550,581 <sup>9</sup>	
Total Staff	6.0 Attorneys 2.0 Administrative Outside Counsel		

Source: City of Hayward FY 2012-13 Budget

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<sup>9</sup> Includes risk management, third party administrator, insurance premiums and estimated claims costs. Per capita amount not calculated because the budget includes these costs.

***City of Livermore***

Population: 82,400  
 Employees: 458  
 General Fund Budget: \$ 72 million  
 Operating Budget: \$135 million

Livermore services not provided by San Leandro:

- Fire (JPA), Water Treatment, Airport, Housing Authority

Services not provided by Livermore (provided by San Leandro):

- Parks and Recreation, Marina, Paratransit

City Attorney Responsibilities:

- General Counsel, RDA/Successor Agency, Litigation, Risk Management, Workers Compensation Administration, Housing Authority

City Attorney Staff and Budget:

<b>Services</b>	<b>Staff (FTE)</b>	<b>FY 2012-13 Budget</b>	<b>Per capita</b>
General Services/Successor Agency	4.5 Attorneys 1.2 Administrative	\$1,209,385	\$14.67
Risk Management/Litigation Workers Compensation	1.0 Risk Manager 1.3 Administrative Outside Counsel	\$2,853,710 <sup>10</sup>	
Total Staff	4.5 Attorneys 1.0 Risk Manager 2.5 Administrative Outside Counsel		

Source: City of Livermore FY 2012-13 Budget

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<sup>10</sup> Includes risk management, workers compensation administration, third party administrator and estimated claims costs. Per capita amount not calculated because the budget includes these costs.

***City of Pleasanton***

Population: 71,269  
 Employees: 467  
 General Fund Budget: \$ 87 million  
 Operating Budget: \$192 million

Pleasanton services not provided by San Leandro:

- Fire (JPA), Water Treatment, Cemetery

Services not provided by Pleasanton (provided by San Leandro):

- RDA/Successor Agency, Marina

City Attorney Responsibilities:

- General Counsel, Litigation, Risk Management

City Attorney Staff and Budget:

<b>Services</b>	<b>Staff (FTE)</b>	<b>FY 2012-13 Budget</b>	<b>Per capita</b>
General Services	3.0 Attorneys 1.0 Administrative Outside Counsel	\$1,289,105	\$18.08
Risk Management/Litigation Workers Compensation	Included Above Outside Counsel		
Total Staff	3.0 Attorneys 1.0 Administrative Outside Counsel		

Source: City of Pleasanton FY 2012-13 Budget

***City of Union City***

Population: 70,646  
Employees: 322  
General Fund Budget: \$40 million  
Operating Budget: \$76 million

Union City services not provided by San Leandro:

- None

Services not provided by Union City (provided by San Leandro):

- Library, Sewer, Wastewater Treatment, Marina, Golf

City Attorney Responsibilities:

- General Counsel, RDA/Successor Agency, Litigation

City Attorney Staff and Budget:

<b>Services</b>	<b>Staff (FTE)</b>	<b>FY 2012-13 Budget</b>	<b>Per capita</b>
General Services/Successor Agency	Contract	\$450,000	\$6.37

Source: City of Union City FY 2012-13 Budget

***City of Pittsburg***

Population:	64,706
Employees:	226
General Fund Budget:	\$ 30 million
Operating Budget:	\$168 million

Pittsburg services not provided by San Leandro:

- Water Treatment, Electric Utility, Housing Authority

Services not provided by Pittsburg (provided by San Leandro):

- Library, Wastewater Treatment, Paratransit, Animal Control

City Attorney Responsibilities:

- General Counsel, RDA/Successor Agency, Litigation, Housing Authority

City Attorney Staff and Budget:

<b>Services</b>	<b>Staff (FTE)</b>	<b>FY 2012-13 Budget</b>	<b>Per capita</b>
General Services/Successor Agency	Contract	\$426,700	\$6.60

Source: City of Pittsburg FY 2012-13 Budget

***City of Richmond***

Population:	104,887
Employees:	771
General Fund Budget:	\$136 million
Operating Budget:	\$159 million

Richmond services not provided by San Leandro:

- Fire, Port, Animal Control, Housing Authority, Police Review, Employment Training

Services not provided by Richmond (provided by San Leandro):

- Golf

City Attorney Responsibilities:

- General Counsel, RDA/Successor Agency, Litigation, Housing Authority, Police Review

City Attorney Staff and Budget:

<b>Services</b>	<b>Staff (FTE)</b>	<b>FY 2012-13 Budget</b>	<b>Per capita</b>
General Services/Successor Agency	7.0 Attorneys 2.0 Administrative Outside Counsel	\$1,943,047	\$18.52

Source: City of Richmond FY 2012-13 Budget



The benchmark data provides certain insights that may inform this analysis and the City of San Leandro in its review of City Attorney services:

1. The average population, FTE, General Fund budget and operating budgets of the benchmark cities slightly exceeds similar San Leandro data.
2. San Leandro's overall array and complexity of services is comparable to many of the benchmark cities, exceeding two (Fremont and Union City), less than two (Berkeley and Richmond) and comparable to the remaining five cities.
3. Cities with in-house City Attorney staff generally still use outside counsel for specialized services, particularly litigation.
4. Cities with in-house City Attorney staff generally assign risk management responsibilities to the City Attorney Office.
5. Cities with in-house City Attorney staff do not generally assign workers compensation administration to the City Attorney Office, and instead generally assign this responsibility to the Human Resource Department. Alameda and Livermore do assign workers compensation responsibilities to the City Attorney Office, although both cities contract for workers compensation legal services.
6. For those cities where the benchmark survey was able to separately identify the staff attorneys assigned to City Attorney Office General Services, including RDA/Successor Agency services, the number of in-house attorneys ranges from 2.7 FTE (Alameda) to 4.9 FTE (Fremont). Alameda and Fremont supplement the attorney staff with paralegals (1.7 FTE and 1.0 FTE, respectively). Administrative staff ranges from 1.0 FTE to 1.7 FTE.

### III. IN-HOUSE CITY ATTORNEY ANALYSIS

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An analysis of the cost of in-house City Attorney must necessarily be based on several assumptions. This analysis uses the following assumptions:

#### **Staff Levels**

The benchmark analysis identified useful data on the range of attorney and support staff FTE assigned to City Attorney Office General Services (including RDA/Successor Agency services) in the benchmark cities. Table III-1 provides this information.

Table III-1: General City Attorney Services – Full Time Equivalents in Benchmark Cities

<b>Positions</b>	<b>Low</b>	<b>High</b>	<b>Average</b>
Attorneys	2.7	4.9	3.8
Paralegal	.75	1.0	.875
Administrative	1.0	1.7	1.2

Source: City budgets

A second set of data points is the number of hours that Meyers Nave has expended for Basic, Additional and RDA/Successor Agency legal services. Table III-2 provides this data for FY 2011-12.

Table III-2: FY 2011-12 City Attorney Hours

<b>Services</b>	<b>Hours</b>
Basic Level of Services	2,187
Additional Services, not including RDA/Successor Agency	1,431
Sub-Total General Services	3,618
RDA/Successor Agency	777
Total	4,395

Source: Meyers Nave

These hours do not include litigation defense for claims and lawsuits filed against the City. This part of the analysis is focused on City Attorney Office General Services only, and does not include litigation defense hours or costs.

Table III-3 provides information on the number of hours that in-house attorneys may be available for City Attorney Office General Services.

Table III-3: In-House Attorney Effective Hours Available

	<b>City Attorney</b>	<b>Staff Attorney</b>
Work year hours	2,080	2,080
Less: Vacation, sick leave, admin leave, holidays	( 416)	( 416)
Sub-Total	1,664	1,664
Less: "Non-billable" time (training, personnel, meetings, etc.)	( 333)	( 167)
Effective hours available	1,331	1,497

Source: City of San Leandro, MRG

Based on the FY 2011-12 Meyers Nave hours for General City Attorney Services, this workload would require one City Attorney and 2.0 FTE staff attorneys (4,395 workload hours divided by approximately 1,400 available hours per attorney).

Based on both the Meyers Nave workload data and the benchmark data, San Leandro's City Attorney general legal services would likely require the equivalent of one City Attorney and 2.0 FTE staff attorneys.

By way of historical comparison, prior to San Leandro contracting out City Attorney services twenty six years ago, the in-house City Attorney Office included one City Attorney, one Assistant City Attorney, a part time attorney, and two administrative staff. The complexity of legal issues today is unlikely to warrant a smaller staff than the City employed in 1986. Moreover, while redevelopment agencies have been dissolved, the dissolution and subsequent responsibilities of Successor Agencies has created a new demand for legal services, resulting in unanticipated legal services and costs.

Contemplation of an in-house City Attorney Office must also plan and budget for support staff. The benchmark data indicates a minimum of one administrative position would be required, such as a legal secretary, and at least a part-time paralegal.

In summary, based on the benchmark data and the existing contract City Attorney workload, the in-house analysis assumes three attorneys, one clerical staff and .5 FTE paralegal staff. This staff level includes General City Attorney/Successor Agency legal work only; it does not include litigation, risk management or workers compensation services.

***Compensation***

The City of San Leandro does not have classifications or salary ranges for a City Attorney, staff attorneys, legal secretary or paralegal. This analysis uses salary ranges and benefit percentages for comparable positions in the City. An in-house City Attorney salary is most closely correlated with City Manager salary and compensation. The Assistant City

Attorney salary is correlated with the Assistant City Manager/Police Chief positions. The Deputy City Attorney salary range is correlated with Department Heads and Senior Manager positions; the Legal Secretary salary is correlated with the Administrative Specialist II position; and the Paralegal is correlated with the Deputy City Clerk position.

Benefits are calculated at 51.4% of salary, which is the average benefit percentage for General Fund positions in San Leandro. Table III-4 provides the calculated salary, benefit and total personnel costs.

Table III-4: Personnel Costs

<b>Position</b>	<b>Salary</b>	<b>Benefits</b>	<b>Total</b>
City Attorney	\$233,000	\$ 119,762	\$ 352,762
Assistant City Attorney	\$176,256	\$ 90,596	\$ 266,852
Deputy City Attorney	\$159,876	\$ 82,176	\$ 242,052
Legal Secretary	\$ 65,976	\$ 33,912	\$ 99,888
Paralegal (.75 FTE)	\$ 36,366	\$ 18,692	\$ 55,058
<b>Total</b>	<b>\$671,474</b>	<b>\$345,138</b>	<b>\$1,016,612</b>

Source: City of San Leandro, MRG

All salaries in the above analysis are calculated at the “top step” of salary ranges. If salaries were instead calculated at the mid-point of the salary range, personnel costs would be reduced by approximately \$95,000.

If the salary ranges were to be correlated with other City staff positions, the personnel costs would be adjusted accordingly.

***Non-Personnel Costs***

Non-personnel costs for a City Attorney Office include mandatory State Bar dues, recommended practice area section memberships, professional memberships, mandatory continuing legal education, office supplies, subscriptions, conference and travel, law library books and subscriptions, automated legal research (Westlaw or Lexis), computers and software licenses, minor capital outlays and other similar legal office expenses. The average non-personnel cost for the benchmark cities is approximately \$39,000.

This analysis assumes that office space is available in City Hall and that no additional cost would be incurred for utilities or other building services.

A budget for an in-house City Attorney Office would also include contract costs for specialized outside counsel, as is the case in all of the benchmark cities. The need for and cost of outside counsel would depend upon the expertise of the in-house staff and the

nature of any specialized legal issues that may arise. The data from the benchmark cities is not very revealing or relevant to determining the average amount of outside counsel costs among those cities. Although all of the benchmark cities use some outside counsel, the budgeted costs for outside counsel are typically combined with budgets for third party administrators, claims costs and other departmental costs, and these amounts vary widely from City to City. Depending on the type and nature of the specialized services, outside legal counsel hourly rates for public agency services can range from \$200 to \$400 per/hour. In the absence of verifiable data, an estimate of \$50,000 to \$150,000 per year is stated here for the purpose of this analysis

Table III-5 summarizes the projected budget for an in-house City Attorney Office, based on the assumptions and data described in this Chapter.

Table III-5: In-House City Attorney Budget

Personnel costs	\$1,016,000
Non-personnel costs	\$ 39,000
Outside counsel/consultants for specialized legal work and services	\$ 50,000 to \$150,000
Total	\$1,105,000 to \$1,205,000

Source: MRG

The costs in Table III-5 do not include “legacy” costs, such as Other Post Employment Benefit costs for health insurance premiums.

As mentioned above, these costs are for General City Attorney services only. They do not include litigation prosecution and defense costs. The analysis assumes that the City would continue to use outside counsel for most litigation purposes, as is the case in most of the benchmark cities. The budget also does not include risk management services, which are currently included in the San Leandro Finance Department budget, or workers compensation administration, which is included in the Human Resource Department budget.

Transitioning to in-house City Attorney services would also involve certain startup costs, such as recruitment, one-time purchase of equipment and furniture, law office materials, books and supplies, and other start-up expenses. While an actual amount is unknown, the City should consider a one-time cost of at least \$50,000.

It is again noted that most cities with in-house City Attorney services have included risk management in the City Attorney Office, to coordinate claims processing, contractual

issues and safety/risk management training and practices to reduce City risk, and if San Leandro were to use in-house legal services, it should consider a similar consolidation.

***Comparison of In-House City Attorney Office and Contract City Attorney Costs***

As discussed above, the cost of an in-house City Attorney Office is estimated at \$1,105,000 to \$1,205,000, based on the data and assumptions described in this Chapter. For comparison purposes, Table III-6 provides the historical costs for the contract General Services ("Basic" and "Additional" legal services), as well as RDA/Successor Agency costs. Table III-6 does not include litigation or cost-recovery fees.

Table III-6: Historical and estimated legal costs

<b>FISCAL YEAR</b>	<b>BASIC</b>	<b>ADDITIONAL</b>	<b>RDA/SA</b>	<b>TOTAL</b>
2002-03	\$302,184	\$ 29,700	\$ 63,696	\$395,580
2003-04	\$307,176	\$ 51,885	\$ 84,678	\$443,739
2004-05	\$308,328	\$ 41,019	\$131,060	\$480,407
2005-06	\$313,224	\$ 71,256	\$182,183	\$566,663
2006-07	\$314,268	\$ 53,922	\$143,869	\$512,059
2007-08	\$322,128	\$ 70,597	\$161,296	\$554,021
2008-09	\$332,760	\$149,667	\$169,535	\$651,962
2009-10	\$300,084	\$161,425	\$ 87,440	\$548,949
2010-11	\$304,548	\$193,769	\$ 77,776	\$576,093
2011-12	\$345,183	\$293,262	\$167,170	\$805,614
2012-13 Contract Estimate	\$355,538	\$298,062	\$250,000	\$903,600
In-House Attorney Office Estimate				\$1,105,000 to \$1,205,000

Source: City of San Leandro, MRG

Contract City Attorney costs for City Attorney Office General Services were \$805,614 in FY 2011-12, including Basic and Additional special services, such as complex labor/employment and land use matters. These costs have averaged \$627,328 over the past five fiscal years.

Contract City Attorney Office General Service costs are estimated at \$903,600 in FY 2012-13.

The FY 2012-13 contract City Attorney costs will most likely not exceed the estimated cost for an in-house City Attorney Department.

***Litigation and Cost Recovery Legal Fees***

Table III-7 provides the historical litigation and cost recovery legal fees. These fees are in addition to the City Attorney Office General Services noted in Table III-6, and will be incurred in the future under both the contract and in-house City Attorney models.

Table III-7: Historical litigation and cost recovery legal costs

<b>FISCAL YEAR</b>	<b>LITIGATION</b>	<b>COST RECOVERY</b>
2002-03	\$482,175	-
2003-04	\$277,151	\$ 39,763
2004-05	\$344,719	\$ 1,637
2005-06	\$329,424	\$ 4,407
2006-07	\$377,007	\$ 14,267
2007-08	\$619,463	\$ 28,559
2008-09	\$424,421	\$ 52,058
2009-10	\$830,927	\$265,291
2010-11	\$821,556	\$348,739
2011-12	\$225,227	\$ 25,895
2012-13 Contract Estimate	\$450,000	Not budgeted
In-House Estimate	\$450,000	Not estimated

Source: City of San Leandro

Table III-8 summarizes the total historical costs, excluding those services for which the City recovers costs from other parties

Table III-8: Historical and budgeted legal costs

<b>FISCAL YEAR</b>	<b>BASIC</b>	<b>ADDITIONAL</b>	<b>RDA/SA</b>	<b>LITIGATION</b>	<b>TOTAL</b>
2002-03	\$302,184	\$ 29,700	\$ 63,696	\$482,175	\$ 877,755
2003-04	\$307,176	\$ 51,885	\$ 84,678	\$277,151	\$ 720,890
2004-05	\$308,328	\$ 41,019	\$131,060	\$344,719	\$ 825,126
2005-06	\$313,224	\$ 71,256	\$182,183	\$329,424	\$ 896,087
2006-07	\$314,268	\$ 53,922	\$143,869	\$377,007	\$ 889,066
2007-08	\$322,128	\$ 70,597	\$161,296	\$619,463	\$1,173,484
2008-09	\$332,760	\$149,667	\$169,535	\$424,421	\$1,076,383
2009-10	\$300,084	\$161,425	\$ 87,440	\$830,927	\$1,379,876
2010-11	\$304,548	\$193,769	\$ 77,776	\$821,556	\$1,397,649
2011-12	\$345,183	\$293,262	\$167,170	\$225,227	\$1,030,841
2012-13 Contract Estimate	\$355,538	\$298,062	\$250,000	\$450,000	\$1,353,600
In-House Attorney Office Estimate				\$450,000	\$1,555,000 to \$1,655,000

Source: City of San Leandro, MRG

#### **IV. CONTRACT AND IN-HOUSE LEGAL SERVICES: ADVANTAGES AND DISADVANTAGES**

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Opinions may vary with regard to the advantages and disadvantages of contract City Attorney services and in-house City Attorney services. Some that have been cited include:

##### ***Contract City Attorney***

###### **Advantages:**

- Law firms have a larger pool of attorneys and access to specialized legal expertise.
- Costs are controllable to the extent that services may be requested or not requested.
- Law firms may be able to access more specialized training than in-house attorneys.
- If a designated City Attorney is not available, a law firm may be able to substitute with another qualified attorney.
- Law firms can change personnel upon request by the City.
- The City has no responsibility for human resource and payroll functions.
- Law firms have immediate access to additional staff resources when a crisis occurs.
- The City incurs no “legacy” costs such as Other Post Retirement Benefits (“OPEB”).
- Ease of terminating levels of service without severance payment obligations or layoffs.
- Overall costs may be lower than in-house attorneys.

###### **Disadvantages:**

- Attorneys are not always available in person or on-site.
- Attorneys may not be readily available to participate in early “drop-in” discussions regarding a matter that may later become a legal matter.
- The direct cost per hour may be higher than in-house attorneys.
- The City Attorney may not be available to participate fully as a member of an executive team.
- Law firm determines attorneys assigned to assist the designated City Attorney.
- The City Attorney is accountable to the law firm and the City.



### ***In-House City Attorney***

#### Advantages:

- City Attorney Office and staff have office space and are on-site.
- Attorneys may be available to participate in early “drop-in” discussions regarding matters that may later become legal matters.
- The City Attorney can be an active member of the executive team.
- City selects all attorneys and support staff.
- The City Attorney Office may be able to coordinate daily with risk management if the risk management function reports directly to the City Attorney Office.
- City Attorney costs are controlled by budgeted staff levels.
- The City Attorney is accountable to the City/ City Council only.

#### Disadvantages:

- Expertise may be limited based on the candidate recruitment pool and the experience of the incumbent staff members.
- Personnel costs, including vacations and leaves, are incurred regardless of workload.
- Attorney training may be limited by available City resources and the ability of attorneys to be away from the office.
- Limitations on volume of work that can be handled at any one time.
- If a key attorney is absent (vacations / leaves), it may be difficult to access services on a timely basis.
- The City must address in-house City Attorney Office personnel matters.
- The City will incur legacy costs such as OPEB.
- The City must provide adequate office space, confidential file storage and conference room access to support the City Attorney’s Office operations.

## V. OPTIONS FOR LEGAL SERVICES

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There are several legal services options available to the City of San Leandro, discussed in this Chapter.

### ***Option 1: Continue to Contract with Meyers Nave for City Attorney Services:***

Continuing to contract for City Attorney services with Meyers Nave has the following attributes:

- The estimated annual cost of contracting for services is likely to be less than an in-house City Attorney Office.
- The City would not incur additional one-time start-up costs that would be required to establish an in-house City Attorney Office.
- The City would not incur the additional in-house personnel management costs and long-term legacy OPEB costs that would be incurred with an in-house City Attorney Office.
- There would be no potential detrimental impacts of a transition, including the direct and indirect cost of transition, loss of institutional knowledge or loss of experienced staff resources.
- The City has experienced recent executive transitions (new City Manager, Police Chief, Human Resource Manager, Finance Director, Library Director and Interim Community Development Director, as well as the recent resignation of the Public Works Director); additional changes to the City Attorney staffing would further impact key departmental staffing resources.

If the City determines that it is in its best interest to continue to contract with Meyers Nave for legal services, the City should promptly negotiate and enter into a new Legal Services Agreement that considers the following recommendations:

- Eliminate the use of the current retainer and the distinction between “Basic Level of Service” and “Additional Legal Services” and replace it with a fee-for-service arrangement. The existing practice has resulted in complaints that too much City

staff and City Attorney time and cost has been spent discussing whether a service is Basic or Additional.

- Establish a market-based fee schedule and range for general and specialized City Attorney services for the new fee-for-service arrangement.

In addition, the City should implement the following recommendations:

- Evaluate legal costs on a quarterly basis.
- Segregate third party costs that are incurred and paid for by Meyers Nave and passed through to the City, such as court reporters, appraisers, experts, investigators, jury fees and other similar costs. These costs should be segregated in the City budget, City expenditure reports and in Meyers Nave invoices to be able to distinguish Meyers Nave legal fees costs from third party costs.
- Create a “pool” of available law firms for basic tort litigation defense work to maintain competitive rates and access to additional qualified defense counsel.
- Specialized litigation matters, such as land use, environmental, personnel, public contracts, constitutional law, police and civil rights litigation matters should continue to be provided under the new Legal Services Agreement with Meyers Nave.
- Authorize the City Manager, in consultation with the City Attorney and within City Manager administrative and budget authority, to utilize additional outside counsel for specialized services, when in his or her judgment, the best interests of the City would be served.
- Prepare a City Procedure establishing reasonable guidelines as to whom, when and under what circumstance a City staff member may access City Attorney services. Include direction in the City Procedure that the purpose of accessing City Attorney services must be for legal analysis, advice and work product not otherwise obtainable or producible by City staff.
- Provide training to City staff on drafting resolutions, ordinances, agreement term sheets and other documents, to expedite City Attorney work and where practical, to focus City Attorney work on review of staff-drafted documents.

***Option 2: Implement an In-House City Attorney Office:***

An in-house City Attorney office would have the following attributes:

- City would select all of the attorneys and staff assigned to the City Attorney office.
- The City Attorney and all staff would be integrated into the City's daily operations.
- Annual operating costs would likely exceed contract City Attorney costs.
- Additional costs would be incurred for start-up expenses, support services (human resources, accounting, payroll, information technology, etc.) and legacy costs, such as pension and OPEB costs.
- There would be transition impacts, including the loss of the Meyers Nave institutional knowledge and replacement of another key member of the executive management team.
- City Attorney office services would be defined by the skill sets and experience of in-house staff.
- Additional specialized services would continue to be provided by outside counsel.

***Option 3: Issue a Request for Proposals for City Attorney Services***

The City has the option of requesting proposals for City Attorney services from law firms. This option would have the following attributes:

- Costs will be incurred in preparing, issuing and evaluating proposals for services.
- City Attorney contract costs will be unknown until a new contract is executed.
- There will be transition impacts, similar to instituting an in-house City Attorney office, including the loss of institutional knowledge and replacement of another key member of the management team.

	SAN LEANDRO	ALAMEDA	BERKELEY	FREMONT	HAYWARD	LIVERMORE	PLEASANTON	UNION CITY	PITTSBURG	RICHMOND
<b>Statistical Data</b>										
Population	86,053	74,760	114,821	217,700	147,113	82,400	71,269	70,646	64,706	104,887
FTE employees (FY 12/13)	406	502	1,541	840	789	458	467	322	226	771
General Fund Operating Budget	75,829,578	65,305,216	142,900,000	118,382,000	122,445,000	72,113,340	87,300,000	40,320,121	30,785,299	136,188,671
Total Operating Budget	116,043,965	143,148,236	289,100,000	165,758,000	237,548,000	135,469,833	192,700,000	76,063,488	168,432,106	159,423,564
<b>City Services</b>										
Police	City staff	City staff	City staff	City staff	City staff	City staff	City staff	City staff	City staff	City staff
Fire	Contract	City staff	City staff	City staff	City staff	JPA/City staff	JPA/City staff	Contract	No	City staff
Planning	City staff	City staff	City staff	City staff	City staff	City staff	City staff	City staff	City staff	City staff
Public Works	City staff	City staff	City staff	City staff	City staff	City staff	City staff	City staff	City staff	City staff
Library	City staff	City staff	City staff	No	City staff	City staff	City staff	No	No	City staff
Parks and Recreation	City staff	City staff	City staff	City staff	No	No	City staff	City staff	City staff	City staff
Sewer	City staff	City staff	City staff	No	City staff	City staff	City staff	No	City staff	City staff
Wastewater treatment	City staff	No	No	No	City staff	City staff	Contract	No	No	City staff
Water	No	No	No	No	City staff	City staff	City staff	No	City staff	No
Marina/Port	City staff/contract	No	City staff	No	No	No	No	No	City staff	City staff
Golf	Contract	Contract	No	No	No	Contract	City staff	No	City staff	No
Transit/Paratransit	Paratransit	Paratransit	No	Paratransit	Paratransit	No	Paratransit	Contract	No	Paratransit
Electric utility	No	City staff	No	No	No	No	No	No	City staff	No
Airport	No	No	No	No	City staff	City staff	No	No	No	No
Health Services	No	No	City staff	No	No	No	No	No	No	No
Animal Control	Yes	City staff	City staff	City staff	City staff	City staff	City staff	City staff	No	No
Solid waste	Franchise	Franchise	City staff	Franchise	Contract	Franchise	Franchise	Franchise	Franchise	Franchise
RDA/Successor Agency	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Housing Authority	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes
Base reuse	No	Yes	No	No	No	No	No	No	No	No
CDBG/HOME	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Rent control	No	No	Yes	No	Yes	No	No	No	No	No
Cemetery	No	No	No	No	No	No	Yes	No	No	No
Police review	No	No	Yes	No	No	No	No	No	No	Yes
Employment and training	No	No	No	No	No	No	No	No	No	Yes
<b>City Attorney Office Responsibilities</b>										
General services	Contract	City Atty staff	City Atty staff	City Atty staff	City Atty staff	City Atty staff	City Atty staff	Contract	Contract	City Atty staff
Tort litigation	Contract	Staff & contract	City Atty staff	Contract	Staff & contract	Contract	Staff & contract	Contract	Contract	Contract
Risk management	No	City Atty staff	City Atty staff	City Atty staff	City Atty staff	City Atty staff	City Atty staff	No	No	No
RDA/Successor Agency	Contract	City Atty staff	Staff & contract	Contract	City Atty staff	Staff & contract	No	Contract	Contract	City Atty staff
Workers compensation	No	Staff & contract	No	No	No	Staff & contract	No	No	No	No
Rent control	No	No	Separate Counsel	No	City Atty staff	No	No	No	No	No
Police review	No	No	Yes	No	No	No	No	No	No	Yes
Housing Authority	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes

	SAN LEANDRO	ALAMEDA	BERKELEY	FREMONT	HAYWARD	LIVERMORE	PLEASANTON	UNION CITY	PITTSBURG	RICHMOND
<b>City Attorney Office Responsibilities</b>										
General services	Contract	City Atty staff	City Atty staff	City Atty staff	City Atty staff	City Atty staff	City Atty staff	Contract	Contract	City Atty staff
Tort litigation	Contract	Staff & contract	City Atty staff	Contract	Staff & contract	Contract	Staff & contract	Contract	Contract	Contract
Risk management	No	City Atty staff	City Atty staff	City Atty staff	City Atty staff	City Atty staff	City Atty staff	No	No	No
RDA/Successor Agency	Contract	City Atty staff	Staff & contract	Contract	City Atty staff	Staff & contract	No	Contract	Contract	City Atty staff
Workers compensation	No	Staff & contract	No	No	No	Staff & contract	No	No	No	No
Rent control	No	No	Separate Counsel	No	City Atty staff	No	No	No	No	No
Police review	No	No	Yes	No	No	No	No	No	No	Yes
Housing Authority	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes
<b>City Attorney Office Staff</b>										
City Attorney	Contract	1.00	1.00	1.00	1.00	1.00	1.00	Contract	Contract	1.00
Assistant City Attorney		2.50	1.00	1.00	4.00	3.50	2.00			6.00
Deputy City Attorney			6.00	3.00	1.00					
Paralegal		1.00	1.00	0.75						
Risk Management		1.00		3.00		1.00				
Law Office Supervisor/Coordinator		1.00		1.00		1.00				1.00
Legal Secretary/Assistant			3.00		2.00	0.50				1.00
Administrative Assistant		2.00				1.00	1.00			
Total City Attorney staff	-	8.50 (1)	12.00 (2)	9.75 (3)	8.00 (4)	8.00 (5)	4.00	-	-	9.00
<b>City Attorney Budgets</b>										
<b>City Attorney General Services</b>										
Personnel		\$ 839,666	\$ 2,385,450	\$ 2,189,213	\$ 930,566	\$ 1,121,880	\$ 942,413	\$ 450,000		\$ 1,122,965
Contract services	\$ 491,038	\$ 9,825	\$ 1,242,039 (6)	\$ 6,459,180 (6)			\$ 327,500 (6)		\$ 426,770	\$ 398,000
Materials and Supplies		\$ 35,370	\$ 5,790		\$ 45,029	\$ 87,505	\$ 19,192			\$ 41,050
Cost allocation		\$ 22,922	\$ 84,491	\$ 90,679	\$ 51,031					\$ 381,032
	\$ 491,038	\$ 907,783	\$ 3,717,770	\$ 8,739,072	\$ 1,026,626	\$ 1,209,385	\$ 1,289,105	\$ 450,000	\$ 426,770	\$ 1,943,047
<b>Risk Management</b>										
Personnel	Finance Dept.	City Atty	Included above	Included above	City Atty	City Atty	City Atty	HR Dept.	CM Dept.	HR Dept.
Contract services	\$ 450,000	\$ 388,065			\$ 446,175	\$ 299,640				
Materials and Supplies		\$ 2,031,855 (6)			\$ 804,300 (6)	\$ 2,554,070 (6)	\$ 1,000,000 (7)			
Insurance		\$ 30,200			\$ 300					
Cost allocation		\$ 17,920			\$ 945,000					
	\$ 450,000 (8)	\$ 2,468,040			\$ 354,806	\$ 2,853,710	\$ 1,000,000			
<b>Workers Compensation</b>										
Personnel	HR Dept.	City Atty	HR Dept.	HR Dept.	HR Dept.	In Risk Mgmt.	HR Dept.	HR Dept.	HR Dept.	HR Dept.
Contract services		\$ 158,039								
Materials and Supplies		\$ 2,603,805 (6)								
Cost allocation		\$ 4,605								
		\$ 7,480								
		\$ 2,773,929								

**Notes:**  
(1) Alameda: 2.7 attorneys, 1.0 paralegal and 1.3 FTE administrative staff assigned to City Attorney Administration/General Services  
(2) Berkeley: 9.0 FTE attorneys and administrative staff assigned to City Attorney/General Services.  
(3) Fremont: 4.9 attorneys, .75 paralegal and 1.0 FTE administrative staff assigned to City Attorney Administration/General Services.  
(4) Hayward: 4.0 attorneys and 1.0 FTE administrative staff assigned to City Attorney/General Services.  
(5) Livermore: 4.5 attorneys and 1.2 FTE administrative staff assigned to City Attorney/General Services  
(6) Includes outside counsel, third party administrator, excess insurance premiums and/or allowance for claim settlements.  
(7) Includes liability claims, workplace wrongs and workers compensation claims in excess of limits.  
(8) San Leandro: Includes Basic Legal Services only; does not include Additional Legal Services.

AGREEMENT FOR LEGAL SERVICES

This Agreement, made and entered into as of June 1, 2013, by and between the City of San Leandro, California, a Municipal Corporation hereinafter referred to as "City" and Meyers, Nave, Riback, Silver & Wilson, a professional law corporation, hereinafter referred to as "Meyers Nave."

WITNESSETH

Whereas, in 1986 City transitioned from in-house legal services to contract legal services, and retained Meyers Nave to provide contract City Attorney legal services to City; and

Whereas Meyers Nave has continued to provide contract legal services to City to the date of this Agreement by virtue of various contracts and contract amendments; and

Whereas in 2013 City retained Municipal Resources Group (MRG) to undertake a study of the relative costs of in-house and contract city attorney services; and

Whereas upon receipt and discussion of the MRG report at its meeting of February 19, 2013, the City Council elected to continue to rely upon Meyers Nave to provide contract legal services to the City contingent upon the Parties negotiating a new agreement consistent with MRG's recommendations and the City Council's directions; and

Whereas it is the desire of the parties hereto to enter this Agreement and establish the terms and conditions for continued rendition of legal services to City and the compensation therefore; and

Whereas Richard D. Pio Roda is a principal with Meyers Nave and has been selected by the City Council to serve as City's new City Attorney.

NOW THEREFORE, IT IS MUTUALLY AGREED as follows

1. Appointment of City Attorney

City retains Meyers Nave and appoints Richard D. Pio Roda (hereinafter referred to as "Attorney") as City Attorney; Meyers Nave and Attorney agree to faithfully represent the legal interests of City during the term of this Agreement.

## 2. Attorney's Services

2A. The City hires Meyers Nave to provide legal services as City Attorney. As requested by City such duties shall include those legal services as set forth in Section 425 of the San Leandro Charter and as generally understood within the field of municipal law to fall within the category of "city attorney/general counsel services" including but not necessarily limited to, the following:

- a) Regular attendance at City Council, study sessions, closed sessions and all meetings necessary to provide basic legal counsel;
- b) Attendance at Planning Commission meetings, Board of Zoning Adjustments or other City Commission or Board meetings upon the request of the City Council or City Manager to provide legal advice and/or serve as counsel;
- c) Serve as legal counsel to bodies as may be created and represented by or for the City Council, and which meet regularly or periodically or on an as needed basis;
- d) Review and/or preparation of staff reports, ordinances, resolutions, orders, agreements, forms, notices, declarations, certificates, deeds, leases, and other documents required by the City;
- e) Consultation with the City Council and City staff as needed - rendering of legal advice and opinions (both oral and written) concerning legal matters that affect the City including new legislation and court decisions;
- f) Provide legal guidance and advice to the City Council and City Manager regarding what position the City (and associated bodies) and any of its advocates (e.g., lobbyists) should take on matters pending before legislative bodies;
- g) Research and interpret laws, court decisions and other legal authorities in order to prepare legal opinions and to advise the City Council and management staff on legal matters pertaining to City operations, including personnel, Skelly hearings, and labor relations matters except those set forth in Section 2B below;
- h) Perform legal work pertaining to management of public property and improvements, public rights of way and easements, and matters relating to public utilities;
- i) Coordinate with in-house staff on risk management issues, including self-insurance authorities;
- j) Provide legal guidance and advice on code enforcement issues;
- k) Coordinate the work of outside counsel and/or legal consultants as needed and as directed by the City Council and/or City Manager;
- l) Provide on-site legal consultation of at least 35 hours per week, which includes serving as legal counsel at all City Council meetings, and/or as legal counsel to meetings of other City legislative bodies when requested by the City Manager or his designee. The City Attorney will



work with the City Manager to establish a schedule that provides an attorney is available at City Hall five days a week for on-site legal consultation;

- m) Real estate and land use matters, such as property acquisition and disposition, drafting and review of leases, and complex environmental/CEQA matters;
- n) Matters related to comprehensive updates of the City's general plan or zoning ordinance, annexations, water rights, or Williamson Act issues;
- o) Municipal finance, tax, fee and assessment issues;
- p) Motions seeking discovery of police officer personnel records and hearings involving weapons confiscations;
- q) Cable TV rate regulations and FCC appeals;
- r) Successor agency services
- s) Sanitary sewer, stormwater, and matters related to City granted franchises.

This Section 2A does not include litigation or cost recovery for any of the subjects listed above in Section 2A. All litigation and cost recovery shall be billed separately pursuant to Sections 2B and 4 (b) and (c) below.

2B. The City also hires Meyers Nave to represent it in litigation. Litigation as used in this Agreement shall mean all work (1) after a notice or summons has been served; (2) a decision to initiate litigation, or condemn property is approved by the City Council or Successor Agency; (3) preparing for and appearing at administrative hearings or proceedings before other public agencies, hearing officers or regulatory bodies related to: (i) PERB hearings; (ii) fact finding hearings; (iii) mediations and arbitrations; (iv) employee disciplinary hearings; (v) grievance hearings; and (vi) notices of violation. The above definition of litigation does not preclude the City from assigning tort litigation to attorneys from qualified panel firms selected by the City's third party administrator in consultation with the City Attorney and the City's Risk Manager, nor affect the provisions of section 4.h regarding the potential to retain separate legal counsel for any legal assignment(s) that would otherwise be performed by Meyers, Nave.

### 3. Independent Contractor

Meyers Nave declares that it is engaged in an independent business and agrees to perform the services provided for in this Agreement as an independent contractor and not as the agent, servant, or employee of the City. Meyers Nave shall be solely responsible for its own matters relating to payment of employees, including compliance with social security, withholding and all other regulations governing such matters.

4. Compensation.

- a) For all legal services other than those described in (b) and (c) below, City shall compensate Meyers Nave the amount of \$210 per hour for all attorney services whether by Attorney or by other attorneys associated with Meyers Nave and shall compensate Meyers Nave \$135 per hour for all paralegal services;
- b) Attorney, through Meyers Nave, shall be compensated in the amount of \$264 per hour for all litigation services rendered (as defined in section 2B above) whether by Attorney or by other attorneys associated with Meyers Nave;
- c) For all legal services for which the City is reimbursed by third parties (e.g. land use cost recovery), referred to herein as "Cost Recovery Work" Meyers Nave shall be compensated at between \$250 and \$350 per hour depending on the experience level of the Meyers Nave attorney assigned to the project;
- d) City shall separately reimburse Meyers Nave for customary costs and disbursements, including deposition and witness fees, court costs, telephone, photocopying, facsimile charges, computer research on-line fees and messenger services.
- e) Meyers Nave shall keep a record of time spent on all matters in increments of one-tenth (0.1) of an hour. Each task shall be distinctly and completely identified. The billing entry must contain the name or initials of the individual performing the task, the nature of the task, the date it was performed, and the length of time it took. Meyers Nave shall submit all invoices no later than the last day of the month following the month in which services were performed and actual costs incurred;
- f) The rates set forth in a) shall remain in effect for thirteen months from the date of this Agreement or until such time as the Agreement is terminated in accordance with the provisions of paragraph 16.
- g) The total amount charged to the City for services described in Section 2A for the thirteen month period beginning on June 1, 2013 and ending on June 30, 2014 shall not exceed \$778,700.00, exclusive of reimbursable costs. All fees and costs for each litigation case assigned to Meyers Nave under Section 2B shall have a separate budget. Cost Recovery Work charges shall also be separately charged, and not included within the not to exceed amount referred to herein.
- h) The total amount to be charged pursuant to 4.g) shall be reduced up to a maximum of \$50,000 (that is, from \$778,700 to \$728,700) in the event the City Manager, upon consultation with the City Attorney and approval of the City Council, retains separate legal counsel for any legal assignment(s) that would otherwise be performed by Meyers, Nave.

5. No Assignment

This Agreement is entered into by City and Meyers Nave and except as set forth herein the rights and obligations of Attorney may not be assigned or delegated to any other attorney of Meyers Nave without express written consent of the City Council. This Agreement is not assignable.

6. Contract and Performance Review

During the month of April, 2014, Attorney and City Council shall meet to review the performance of Attorney and members or associates of the firm in furnishing the services provided hereunder, and to review the compensation provisions hereof. The parties may agree to changes or amendments hereto including, but not limited to extension of the term of this Agreement and changes in compensation provisions, which changes or amendments shall be evidenced by written amendment hereto.

7. Joint Representation/Of Counsel

Meyers Nave maintains counsel agreements with certain legal specialists who are deemed independent contractors under the applicable provisions of the tax laws. They are not considered employees of the Meyers Nave. In the event that the matter of which you have engaged us to handle requires the use of that such certain specialist, it is necessary that you consent to dual representation by Meyers Nave and the specialist handling your services. The arrangement has no effect whatsoever on the cost of your legal services. It is merely an ethical requirement that we disclose this fact and that you consent. The City is consenting by signing this Agreement.

8. Conflict of Interest

Meyers Nave represents many public agencies in California. Since 1986, Meyers Nave has represented over five hundred public clients, including numerous cities, redevelopment agencies, special districts, counties and other public entities. Meyers Nave is continually growing and is accepting new engagements all the time. As such it is virtually inevitable that Meyers Nave will work on projects from other clients having different governmental or political objectives, beliefs or views from those of the City. This paragraph confirms that the services rendered to City under this Agreement are limited in scope and for the benefit of the City only. In the course of providing a variety of professional services to the public sector, it is possible that Meyers Nave will represent public agency clients that are adverse to City on other matters. To avoid potential problems, Meyers Nave has requested that City agree to expressly waive any actual or potential conflicts that might arise from such representation-so much so that City will not attempt to disqualify Meyers Nave on such matters so that Meyers Nave is free to represent its clients on such matters.

By signing this Agreement, City acknowledges that Meyers Nave has discussed these matters and City confirms that the City does not object to Meyers Nave's representation of clients on matters where their legal, governmental or political objectives and/or positions may be different from or adverse to those of the City. The City also waives any conflicts of interest with respect to Meyers Nave's representation of such clients with differing legal, governmental or political interests. City furthermore confirms that the City will not assert any conflict of interest concerning such representation or attempt to disqualify this firm from representing such clients notwithstanding such adversity. While City may terminate its relationship with Meyers, Nave, City agrees that Meyers Nave nonetheless is free to represent such clients even on those matters that City considers adverse, and thereby City waives any conflict of interest in connection therewith. Such acknowledgments, however, do not permit Meyers Nave to still represent another client in opposing the specific project for which City engages Meyers Nave without City's specific written consent. Meanwhile, Meyers Nave requests that City review this paragraph carefully and Meyers Nave also encourages City to consult legal counsel regarding the effect of this conflict waiver if City wishes to do so.

#### 9. Business License

Meyers Nave shall be responsible for securing and paying for a City business license as required by the City's Municipal Code

#### 10. Insurance

During the term of this engagement, Meyers Nave shall take out and maintain the following insurance:

- General liability and property damage insurance in the minimum amount of \$1,000,000;
- Professional errors and omissions insurance, not below \$2,000,000 per occurrence;
- \$4,000,000 aggregate minimum, which may not be canceled or reduced in required limits of liability unless Meyers Nave provides the City with at least ten days advance written notice.

#### 11. No Guarantee Outcome

Any comments made by us about the potential outcome of matters are expressions of opinion only and are not guarantees or promises about any outcomes or results.

#### 12. Professional Standing

Meyers Nave's lawyers working with the City shall at all times be members in good standing of the State Bar of California, and shall conduct themselves in full

compliance with the standards of Professional Conduct of the State Bar.

13. Nondiscrimination

Meyers Nave shall not discriminate on the basis of race, religion, color, creed, and national origin, and gender, sexual orientation, marital status, age, physical or mental disability, legally protected medical condition, veteran status, or any other basis protected by state or federal laws.

14. Choice of Law

This Agreement together with any and all disputes arising therefrom shall be governed solely by the laws of the State of California.

15. Entire Agreement; Full Understanding; Modifications in Writing

This Agreement contains our entire agreement about our representation. Any modifications or additions to this agreement must be made in writing.

16. Term

This Agreement shall be terminable by City at will and by Attorney upon 30 days' written notice and otherwise it shall terminate on June 30, 2014, unless otherwise extended.

17. Effective Date

This Agreement shall be effective June 1, 2013.

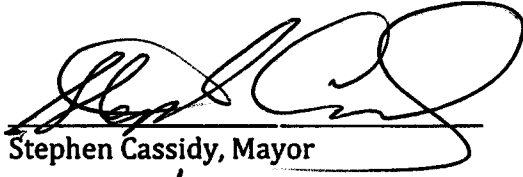
18. Supersession of Prior Agreements

This Agreement shall supersede the Agreement for City Attorney Legal Services dated March 6, 1986 as amended on June 26, 2000, July 18, 2005 and July 1, 2008.

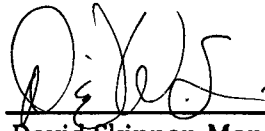
IN WITNESS WHEREOF the parties have executed this Agreement for Legal Services the day and year set forth below.

City of San Leandro

Meyers Nave, Riback, Silver & Wilson



Stephen Cassidy, Mayor



David Skinner, Managing Principal

5/31/13  
Date

6-11-13  
Date

Attest:



City Clerk



John Truxaw  
Special Counsel

2072321.5



# City of San Leandro

Meeting Date: June 16, 2014

## Resolution - Council

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**File Number:** 14-218

**Agenda Section:** CONSENT CALENDAR

**Agenda Number:**

**TO:** City Council

**FROM:** Chris Zapata  
City Manager

**BY:** Rich Pio Roda  
City Attorney and  
Chris Zapata  
City Manager

**FINANCE REVIEW:** David Baum  
Finance Director

**TITLE:** RESOLUTION Approving Amendment No. 1 to Current Agreement for Legal Services with Meyers, Nave, Riback, Silver & Wilson ("Meyers Nave") (extends the existing agreement for one year in an amount not to exceed \$783,200)

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WHEREAS, an Amendment No. 1 to the existing agreement for legal services between the City of San Leandro and Meyers Nave for an amount not to exceed \$783,200, which includes a \$50,000 set aside for the retention of special counsel at the discretion of the City Manager in consultation with the City Attorney, is presented to the City Council; and

WHEREAS, the City Council is familiar with the contents thereof.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE as follows:

That said amendment is hereby approved and execution by the City Manager is hereby authorized.

AMENDMENT No. 1 TO AGREEMENT FOR LEGAL SERVICES BETWEEN THE CITY OF SAN  
LEANDRO AND THE LAW FIRM OF MEYERS NAVE RIBACK SILVER & WILSON

This 1<sup>ST</sup> Amendment ("Amendment") to Agreement for Legal Services ("Agreement") is entered into by and between the City of San Leandro ("City") and Meyers Nave Riback Silver & Wilson to amend that certain Agreement dated effective June 1, 2013. This Amendment in no way alters the terms and conditions of the Agreement except as specifically set forth herein. The effective date for this Amendment shall be July 1, 2014.

AMENDMENTS

Section 1 (Appointment of City Attorney) shall be amended to state as follows: "City retains Meyers Nave and appoints Richard D. Pio Roda (hereinafter referred to as "Attorney") as City Attorney; Jennifer E. Faught and Kristopher Kokotaylo as Assistant City Attorneys; and Jayne W. Williams as Special Assistant to the City Attorney. Meyers Nave and Attorney agree to faithfully represent the legal interests of the City during the term of this Agreement."

Section 4a (Compensation) shall be amended such that for all legal services rendered in FY 2014-2015 other than those described in Sections 4(b) and 4(c) of the Agreement, the City will compensate Meyers Nave in the amount of \$220 per hour for all attorney services whether by Attorney (Richard D. Pio Roda, the City Attorney) or by other attorneys associated with Meyers Nave, and will compensate Meyers Nave \$145 per hour for all paralegal services;

Section 4b: Attorney, through Meyers Nave, shall be compensated in the amount of \$274 per hour for all litigation services (as defined in Section 2B of the Agreement) rendered in FY 2014-2015 whether by Attorney or by other attorneys associated with Meyers Nave. As provided in the current Agreement, it nevertheless bears reiterating that these rates are only applicable if the City selects Meyers Nave to provide litigation services; the City has the discretion to select any other qualified firm to provide litigation services, which it has done for several cases since the current Agreement's execution;

Section 4c: For all legal services for which the City is reimbursed by third parties (e.g. land use cost recovery), referred to in the Agreement as "Cost Recovery Work" Meyers Nave will be compensated in FY 2014-2015 at between \$275 and \$375 per hour depending on the experience level of the Meyers Nave attorney assigned to the project.

Sections 4(f), 4(g), and 4(h) shall be amended to coincide with a 12-month agreement at the new not-to-exceed threshold of \$783,200 (exclusive of reimbursable costs). This amount continues to include a \$50,000 set-aside that may be used at the discretion of the City Manager in consultation with the City Attorney for the retention of separate legal counsel.

Section 16 (Term of Agreement) shall be extended by a term of twelve (12) months, i.e. from July 1, 2014 to June 30, 2015. The agreement shall continue to be terminable by the City at will and by Attorney upon 30 days' written notice.

IN WITNESS WHEREOF, City and Meyers Nave have executed this Amendment as of the Effective Date.



CITY OF SAN LEANDRO:

\_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Date

MEYERS NAVE RIBACK SILVER & WILSON P.C.

\_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Date

2283687.1