

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: GLORIA HURTADO, DEPUTY CITY MANAGER
SUE GALLAGHER, ASSISTANT CITY ATTORNEY
SUBJECT: APPROVAL OF SECOND AMENDMENT TO PROFESSIONAL
SERVICES AGREEMENT FOR INTERIM CITY ATTORNEY
SERVICES WITH RENNE SLOAN HOLTZMAN SAKAI LLP AND
APPROPRIATION OF FUNDS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended that the Council, by resolution, (i) approve the Second Amendment to Professional Services Agreement with Renne Sloan Holtzman Sakai LLP to increase the compensation under the original agreement by \$85,000 for a total contract amount of \$770,000 to provide resources for continued full time Interim City Attorney Services to May 8, 2017, and thereafter to allow for part-time services through June 30, 2017 to complete specialized projects and provide transition assistance under the direction of the new City Attorney and (2) appropriate \$85,000 from the General fund unassigned fund balance to cover the additional contract amount.

EXECUTIVE SUMMARY

It is recommended that the Council appropriate funds from the General Fund unassigned fund balance and increase the compensation limits under the Professional Services Agreement (PSA) and First Amendment to PSA with Renne Sloan Holtzman Sakai LLP for Interim City Attorney Services to allow for continued full time Interim City Attorney Services to May 8, 2017, and thereafter to allow for part-time services through June 30, 2017 to complete specialized projects and provide continuity of services as the City Attorney's Office recruits for a replacement Assistant City Attorney.

BACKGROUND

On June 28, 2016, by Resolution 28813, the City Council entered into a Professional Services Agreement ("PSA") with the law firm of Renne Sloan Holtzman Sakai LLP ("RSHS") to provide interim city attorney services and to conduct an assessment of the City Attorney's Office while the City conducted a recruitment for the permanent City Attorney position. The PSA set a not to exceed amount of \$200,000. The City Council

appointed RSHS attorney Teresa Stricker to the office of Interim City Attorney effective July 1, 2016.

Ordinance 4068, adopted on July 12, 2016, established the compensation for RSHS as Interim City Attorney at \$295 per hour.

On September 27, 2016, by Resolution 28864, the City Council approved the First Amendment to the PSA to increase compensation to RSHS (i) by an amount not to exceed \$35,000 to pay for services rendered through the month of September 2016, and (ii) by an amount not to exceed \$75,000 per month commencing as of October 2016 for a total not to exceed amount of \$685,000. The completion date for services under the PSA is July 1, 2017.

Although the completion date of the PSA is July 1, 2017, the total contract amount of \$685,000 is insufficient to provide for services for the entirety of that contract term. It is anticipated that the funds will be exhausted by late April 2017. The requested increase of \$85,000 will provide for (i) continuation of full time Interim City Attorney services to May 8, 2017 when Sue Gallagher will assume the position of City Attorney, and (ii) part time services through June 30, 2017 to allow for completion of specialized projects and to provide continuity of services as the City Attorney's Office recruits for a replacement Assistant City Attorney. The fiscal year 2016-17 adopted and amended budget does not include this additional contract amount requiring an appropriation from the General Fund unassigned fund balance in an amount of \$85,000.

PRIOR CITY COUNCIL REVIEW

As outlined in the Background above.

ANALYSIS

After a nationwide recruitment process and candidate interviews, the City Council announced on March 28, 2017, that it had voted to appoint Sue Gallagher as the City Attorney. Ms. Gallagher will take over as City Attorney on May 8, 2017 and will simultaneously vacate her current position as Assistant City Attorney within the City Attorney's Office. A recruitment for that vacancy was opened on April 19, 2017. The City Attorney's Office does not anticipate that the Assistant position will be filled before the end of June 2017.

In addition to assuring that the PSA will include sufficient resources for Interim City Attorney services through May 8, 2017, it is recommended that the City continue the services of RSHS on a part time basis through the end of the PSA contract term. The part time services, under the direction of the new City Attorney, will provide for completion of specialized projects and for continuity of legal services while the City Attorney's Office recruits for a replacement Assistant City Attorney.

Currently, the PSA has a balance remaining of \$143,194.32 with billings paid through February 2017. It is anticipated that RSHS's Interim City Attorney services from March 1 through May 8, 2017, will require an additional \$25,000 above that balance.

Subsequently, as outlined above, it is recommended that RSHS provide on-going part-time legal services through June 30, 2017, to allow the firm to complete several on-going specialized projects and to provide additional legal resources as the City Attorney's office recruits for a replacement Assistant City Attorney. For the eight week period, it is anticipated that RSHS services will not exceed \$60,000.

Therefore, it is requested that Council approve a Second Amendment to the existing PSA to increase the compensation limit by \$85,000 and appropriate that amount from the General fund unassigned fund balance for a total contract amount not to exceed \$770,000.

FISCAL IMPACT

Contracted legal fees have been partially offset by department salary savings of the City Attorney vacancy and will be offset by department salary savings of the upcoming Assistant City Attorney vacancy beginning May 8, 2017. Approval of this action will decrease the General Fund unassigned fund balance by \$85,000.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable

ATTACHMENTS

- Attachment 1 – Second Amendment to Professional Services Agreement
- Resolution/Exhibit A (Second Amendment to Professional Services Agreement)

CONTACT

Gloria Hurtado, Deputy City Manager, 707-543-3010
Sue Gallagher, Assistant City Attorney, 707-543-3040