

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: GLORIA HURTADO, DEPUTY CITY MANAGER
RHONDA MCKINNON, INTERIM HUMAN RESOURCES
DIRECTOR
SUBJECT: APPROVAL OF AMENDMENT TO PROFESSIONAL SERVICES
AGREEMENT FOR INTERIM CITY ATTORNEY SERVICES WITH
RENNE SLOAN HOLTZMAN SAKAI LLP

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended that the Council, by resolution, approve the First Amendment to Professional Services Agreement with Renne Sloan Holtzman Sakai LLP to increase the compensation under the original agreement.

EXECUTIVE SUMMARY

It is necessary to increase the compensation under the original Professional Services Agreement with Renne Sloan Holtzman Sakai LLP for Interim City Attorney Services while the City conducts a recruitment for the permanent City Attorney position.

BACKGROUND

On June 28, 2016, by Resolution 28813, the City Council entered into a Professional Services Agreement with the law firm of Renne Sloan Holtzman Sakai LLP ("RSHS") to provide interim city attorney services and conduct an assessment of the City Attorney's Office while the City conducts a recruitment for the permanent City Attorney position. The contract set a not to exceed amount of \$200,000. The City Council appointed RSHS attorney Teresa Stricker to the office of Interim City Attorneys effective July 1, 2016.

Ordinance 4068, adopted on July 12, 2016, established the compensation for the law firm of Renne Sloan Holtzman Sakai LLP as Interim City Attorney at \$295 per hour.

PRIOR CITY COUNCIL REVIEW

As outlined in the Background above.

ANALYSIS

The City has negotiated a Professional Services Agreement for Interim City Attorney services with the law firm of Renne Sloan Holtzman Sakai LLP and Council approved the agreement on June 28, 2016. The Agreement designates Teresa Stricker as the Interim City Attorney with work beginning as of July 1, 2016.

The City Charter requires that the compensation for City Attorney be established by ordinance, which was effective on July 12, 2016 with the adoption of Ordinance 4068. Consistent with that ordinance, the current Professional Services Agreement provides for compensation of \$295 per hour for basic City Attorney services. The proposed contract amendment will not change the hourly rate, and therefore no revision to the current ordinance is necessary.

The Agreement further provides for an assessment of the existing City Attorney's Office to include recommendations regarding future operations and improvements, as well as guidance on the recruitment process for a permanent City Attorney. The Professional Services Agreement has a not to exceed amount of \$200,000.

Assuming that the Interim City Attorney worked a full time schedule of 40 hours per week at the contract rate of \$295/hour, the monthly fee owed to the firm for her work would be approximately \$50,000 per month. Due to existing staffing constraints in the City Attorney's Office as well as certain large projects requiring extra legal services beyond day-to-day City Attorney functions, the work required of Ms. Stricker and other RSHS attorneys has far exceeded a standard 40-hour work week. These special projects include:

- Rent and eviction control program: Ms. Stricker and RSHS attorney Michael Roush have spent substantial time in connection with Council's adoption of the rent control moratorium, just cause ordinance, rent stabilization ordinance, rent stabilization capital improvement plan policy, and interpretations of the various ordinances. They continue to devote considerable time providing advice about those ordinances and policies. Assuming the rent stabilization ordinance becomes effective at the end of September as currently scheduled, implementation of that ordinance will require the services of a full time attorney working one-quarter of the time on this project.
- Ballot Measures: Both Ms. Stricker and RSHS attorney Randy Riddle have devoted significant time providing legal advice regarding Measures O and N placed on the November ballot by the Council.
- Referendum Petition Issues: Ms. Stricker and Mr. Riddle continue to provide advice regarding ongoing referendum efforts.
- Department Assessment: RSHS attorney Louise Renne and Ms. Stricker have also devoted considerable effort to assessing the City Attorney's Office as

requested by Council. The resulting assessment report will be completed by the end of September.

- Department Management Improvements: Ms. Stricker devotes considerable time to implement improvements in how the City Attorney's Office operates, including changes in the City's contract approval processes, workload management and staffing, technology enhancements, and conflict management processes.

Invoices from RSHS under the City Attorney contract totaled \$80,981.61 for the month of July, and \$75,903.50 for the month of August, including work done to prepare the Department Assessment for Council. Given continuing demands for City Attorney services, staff anticipates that billings for services rendered in the month of September to be in the same range. Because the Department Assessment work will be completed by the end of September, staff anticipates some reduction in the City Attorney services RSHS will provide starting in October.

The City does not anticipate that the City Attorney position will be filled prior to early 2017 after the new Council has been seated and there has been time for recruitment, interviews and a background check for the permanent City Attorney.

Therefore, the current Professional Services Agreement with Renne Sloan Holtzman Sakai LLP, will need to be amended to add additional compensation in order for the firm to continue to provide Interim City Attorney Services as outlined in the Professional Services Agreement. It is proposed that the compensation be increased (i) by an amount not to exceed \$35,000 to pay for services to be rendered through the month of September 2016, and (ii) by an amount not to exceed \$75,000 per month commencing as of October 2016. The proposed amendment will include an total compensation for all services provide under the Agreement not to exceed \$685,000, which is anticipated to cover all upcoming fees through March 2017.

FISCAL IMPACT

Contracted service fees will be partially offset by department salary savings of City Attorney vacancy.

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 – First Amendment to Professional Services Agreement
- Resolution/Exhibit A (Professional Services Agreement)

CONTACT

Gloria Hurtado, Deputy City Manager