



STAFF REPORT

11/12/2024

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: CARLO TOMAINO
CITY MANAGER**

**SUBJECT: FIRST AMENDMENT TO THE CONTRACT SERVICES AGREEMENT FOR CITY
ATTORNEY LEGAL SERVICES WITH BEST, BEST, & KRIEGER ATTORNEYS AT
LAW**

Summary:

The City contracts for legal services with a municipal law firm called Best, Best, and Krieger (BB&K). The City Council recently completed its annual review of the City Attorney's performance and found that BB&K continues providing excellent service to the City Council and staff. Considering its high level of service and to ensure uninterrupted legal services, the City Council directed staff to negotiate an amendment to the existing City Attorney Legal Services. The proposed First Amendment would continue the term of the agreement until otherwise terminated by the City Council, adjust hourly rates by \$10 per hour starting July 1, 2025, and again on July 1, 2026, and cap future annual cost of living adjustments at 2.5% per year.

Staff concluded that the terms of the proposed amendment are reasonable and within the market for legal services. The City's ongoing revenues support the adjustment to the proposed rates. Staff recommends that the City Council approve the proposed First Amendment and authorize the Mayor to sign the agreement in the form presented based on the City Attorney's continued excellent performance.

Strategic Plan Goal(s):

- Goal No. 1 Financial Stability: Ensure the City's long-term financial stability and resilience.
- Goal No. 2 Community Safety: Maintaining community safety by supporting public safety services and increasing emergency preparedness.
- Goal No. 3 Economic Development: Improve the local economy, support local businesses, and create a vibrant downtown core.
- Goal No. 4 Infrastructure: Maintain and Improve the City's physical infrastructure, waste system,

and recreational spaces.

Goal No. 5 High-Functioning Government: Strengthen internal communication, recruitment, retention, systems, and processes to increase the effectiveness and efficiency of City services.

Recommendation:

Approve the proposed First Amendment to the City's Professional Services Agreement for City Attorney Legal Services.

Fiscal Impact:

There is no fiscal impact associated with the Fiscal Year 2024-2025 Operating Budget. The proposed rate adjustment would not take effect until July 1, 2025. Notwithstanding costs associated with potential unanticipated litigation, the estimated fiscal impact to the City for these services is approximately \$35,000 annually. Staff will ensure future fiscal year budgets account for the proposed rate increase outlined in the First Amendment.

Background and Analysis:

The City and BB&K entered into a professional services agreement for City Attorney Legal Services on June 22, 2021. BB&K is a well-established and highly reputable law firm specializing in municipal law and has over 250 attorneys in 19 practice areas. Given BB&K's extensive practice, the City benefits from the firm's broad legal expertise at a cost that remains affordable to a small community such as Signal Hill. The City relies extensively on the City Attorney's Office to ensure compliance with local, state, and federal laws corresponding to a wide range of circumstances. Additionally, the City Attorney is also the chief legal advisor to the City Council on a variety of legal matters.

As part of its due diligence, the City Council reviews the City Attorney's performance on an annual basis. This year, the City Council discussed the City Attorney's accomplishments and affirmed its strong desire to retain BB&K. The City Council directed staff to negotiate an amendment to the existing professional services agreement with BB&K; staff is now returning to the City Council with the proposed First Amendment which includes the following updated terms:

Term: The First Amendment would continue the agreement in full force and effect until terminated by the City Council. The City may terminate the agreement with or without cause with a 30-day notice.

Rates: The rates for the General Counsel Legal Services, Advanced Records Public Records, and the Special Legal Counsel services would increase by \$10 per hour on July 1, 2025, and again on July 1, 2026, coinciding with the start of each fiscal year. The proposed change affects Attorneys, Paralegals, Clerks, Litigation Analysis, and Municipal Analysts hourly rates.

Cost of Living Adjustment: The proposed annual cost of living increase would be capped at 2.5% based on the Consumer Price Index for the Los Angeles-Long Beach-Anaheim area.

Based on BB&K's continued excellent performance, staff recommend that the City Council approve the proposed First Amendment to the City's Professional Services Agreement for City Attorney Legal

11/12/2024

Services and authorize the Mayor to sign the agreement.

Reviewed for Fiscal Impact:

Sharon del Rosario

Attachment:

- A. First Amendment with Best, Best, & Krieger for City Attorney Legal Services
- B. 2021 Best, Best, Best & Krieger Agreement