



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Richard Doyle
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: May 21, 2012

COUNCIL DISTRICT: CITY-WIDE

SUBJECT: ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS FOR FISCAL REFORM PLAN LEGAL SERVICES

RECOMMENDATION

It is recommended that the City Council adopt the following 2011-2012 Appropriation Ordinance amendments in the General Fund:

1. Increase the City-Wide appropriation to the City Attorney's Office for Fiscal Reform Plan Outside Legal Counsel in the amount of \$550,000; and,
2. Decrease the Fiscal Reform Plan Implementation Earmarked Reserve in the amount of \$550,000.

OUTCOME

Appropriation of this funding will allow the City Attorney's Office to amend existing agreements or enter into new agreements with outside counsel to provide legal services on matters related to labor relations and pension reform as part of the City's Fiscal Reform Plan.

BACKGROUND

The City Council in May 2011 approved a Fiscal Reform Plan to achieve savings and/or new revenues to eliminate the General Fund structural deficit, restore services to the January 2011 level, and to open facilities built or under construction within five years.

Significant legal services for labor relations and pension reform are required to support the implementation of the City's Fiscal Reform Plan. Outside counsel is providing legal advice on several labor and employment aspects of the Plan including, but not limited to, matters related to the pension ballot measure, compensation and retirement benefits for future employees, modifications to current employees' compensation and benefits,

interpretation or application of written labor agreements, and litigation involving any of these issues.

ANALYSIS

The Association of Legal Professionals (ALP) represents the attorneys in the Office of the City Attorney, except for the managing attorneys that are in Unit 99. Many of the labor and pension issues in the Fiscal Reform Plan are issues which have been and may continue to be part of the labor negotiations with ALP.

The legal issues referenced above require attorneys with specialized expertise and extensive public sector experience. The City Attorney's Office will be retaining and/or continuing the services of several outside counsel firms for various legal services to support Fiscal Reform Plan implementation. This includes a contract amendment for Renne Sloan Holtzman and Sakai LLP, as recommended separately on the June 5, 2012 City Council Agenda.

Management attorneys in the City Attorney's Office will coordinate and provide legal advice, as appropriate, on many of the labor and pension issues and will also provide oversight services for outside counsel. When appropriate, certain other attorneys may provide legal services on matters where no conflicts of interest exist.

PUBLIC OUTREACH/INTEREST

This memorandum has been posted on the City's website for the June 5, 2012 City Council agenda.

COST SUMMARY/IMPLICATIONS

During the 2011-2012 Mid-Year Budget Review, the City Council approved the establishment of a Fiscal Reform Plan Implementation Reserve for \$2.1 million in the General Fund to fund future ballot measures, polling, studies, and/or potential litigation. Funding for these legal services agreements will come from this reserve.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	2011-2012 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	8325	Fiscal Reform Plan Implementation Reserve	\$2,100,000	N/A	02/14/12, Ord. No. 29036

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PLAN LEGAL SERVICES**

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CEQA

CEQA: Not a Project; File No. PP10-067, Appropriation.



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Budget Director

For questions please contact Richard Doyle, City Attorney at (408) 535-1900.