



*City
Council
Report*

Item: 10
Category: NEW BUSINESS
Meeting Date: May 4, 2021

TITLE: Resolution Adjusting City Attorney Compensation (Resolution/Roll Call Vote)

RECOMMENDED ACTION

That the City Council adopt a resolution adjusting the compensation of the City Attorney.

BACKGROUND

The COVID-19 pandemic has resulted in a significant decline of revenue to the City of Campbell. In recognition of the City's budgetary constraints, the City Attorney has voluntarily agreed to a reduction in annual compensation. This reduction is achieved via two adjustments:

1. Eliminating the \$122 per hour surcharge currently added to services falling under the monthly retainer that are performed by attorneys other than the City Attorney; and
2. Adjusting the retainer amount and hourly charges for service outside of the retainer to partially offset the elimination of the surcharge.

DISCUSSION

The proposed adjustments to the City Attorney compensation would result in changes to the monthly retainer charge; and the hourly rates for services outside of the retainer provided by either the City Attorney or Partner, and Associate Attorneys. The table below summarizes the proposed adjustments to rates.

Charges	Current	Proposed	Increase (Decrease)
Monthly Retainer (100 hours +)	\$19,810	\$20,640	\$830
Surcharges	\$122/hour	\$0.00	(\$55,632)*
Hourly Rates for Services Outside of the Retainer			
City Attorney/Partner	\$313/hour	\$350/hour	\$37 per hour
Associates	\$270/hour	\$275/hour	\$5 per hour
Paralegal/Law Clerk	\$150/hour	\$150/hour	----

*Based on an average surcharge over the past five years.

To provide further context, based on an annual average of 1,764 billable hours, the following is an estimate of the annual savings.

Cost Item	Current	Proposed	Increase (Decrease)
Retainer	\$ 237,720	\$ 247,680	\$ 9,960
Benefits	\$ 101,420	\$ 105,350	\$ 3,930
Hourly Charges	\$ 202,500	\$ 158,000	\$ (44,500)
Total	\$ 541,640	\$ 511,030	\$ (30,610)

FISCAL IMPACT

The proposed elimination of the surcharge, without any other adjustments, would result in an approximate ten percent (10%) reduction in annual compensation. However, the slight increases in the retainer and hourly rates charges would partially offset the elimination of the surcharge, resulting in an approximately six percent (6%) reduction in annual compensation. If approved, these savings will be incorporated in the Proposed Budget for FY 2022. And since the agreement would be effective April 1, 2021, approximately $\frac{1}{4}$ of these annual savings would also be realized in FY 2021. Current fiscal year savings were already included in mid-year FY 2021 Budget Adjustments approved by Council on March 16, 2021.

Prepared by:



Andrea Sanders, Deputy City Clerk

Approved by:



Brian Loventhal, City Manager

Attachment:

- a. Resolution - City Attorney Compensation Adjustment