



Legislation Details (With Text)

File #: 2019-139 **Version:** 1 **Name:**
Type: Consent **Status:** Agenda Ready
File created: 2/6/2019 **In control:** City Council
On agenda: 2/7/2019 **Final action:**
Title: FISCAL REPORT ON CITY ATTORNEY SERVICES FOR FISCAL YEAR 2016-2017 AND FISCAL YEAR 2017-2018 (CITY COUNCIL)
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Thursday, February 07, 2019

Consent

SUBJECT:

FISCAL REPORT ON CITY ATTORNEY SERVICES FOR FISCAL YEAR 2016-2017 AND FISCAL YEAR 2017-2018 (CITY COUNCIL)

I. SUMMARY

This item is on the agenda at the request of Councilwoman Davis-Holmes. She has requested an accounting of the impacts on the City's General Fund due to the City Attorney's services for the last fiscal year. This report provides information for the last 2 fiscal years.

In Fiscal Year 2017-2018, the City Attorney's impact to the general fund was at \$2,100,000. The City had budgeted \$3,000,000 for City Attorney's costs to the general fund. The City Attorney's office came in under budget by close to \$1,000,000. In the previous fiscal year, Fiscal Year 2016-2017, the City budgeted \$2,600,000 for City Attorney. The actual costs to the General Fund for Fiscal Year 2016-2017 were \$2,290,000. The City Attorney's office again came in under budget by over \$300,000.

II. RECOMMENDATION

Receive and File.

III. ALTERNATIVES

None.IV. BACKGROUND

Aleshire & Wynder, LLP (A&W) has provided the City with deeply discounted rates for years given the volume of work and the fact that A&W provides full legal services for the City. This report provides information for the last 2 fiscal years.

In Fiscal Year 2017-2018, the City Attorney's impact to the general fund was at \$2,100,000. The City had budgeted \$3,000,000 for City Attorney's costs to the general fund. The City Attorney's office came in under budget by close to \$1,000,000. In the previous fiscal year, Fiscal Year 2016-2017, the City budgeted \$2,600,000 for City Attorney. The actual costs to the General Fund for Fiscal Year 2016-2017 were \$2,290,000. The City Attorney's office again came in under budget by over \$300,000.

By comparison, the City of Compton, which has a similar population to Carson, was at an actual cost \$7,174,220 for Fiscal Year 2014-2015 and an adopted budget of \$8,385,354 for Fiscal Year 2016-2017, and they went over budget.

A&W provides legal services for the City of Carson, with Sunny Soltani serving as the City Attorney. The City is currently involved in numerous active litigation cases and has over \$500 million in ongoing economic development.

A&W took over in Carson from a major downtown law firm in 2003. Over the first three years the City's attorney costs declined by 30% when compared to the previous law firm, and are still today \$1 million per year less than the annual costs of the former City Attorney firm.

In 2014, as the City was exploring changing legal counsel, A&W voluntarily compared its cost of legal services over the previous 10-years they served as legal counsel and compared those costs with the firm they replaced. Even with the passage of more than ten years, their legal services costs to the City of Carson were still 32% below that of the firm they replaced ten years earlier. As a result of these savings, in 2015 the City Council asked A&W to also take over the code enforcement work being done by another law firm that focused almost exclusively on code enforcement. The first end-of-year analysis showed that A&W saved the City approximately \$70,000 annually in code enforcement when compared to the previous firm.

V. FISCAL IMPACT

Not applicable.

VI. EXHIBITS

None.

Prepared by: John S. Raymond, Acting City Manager