

To: **Mayor and City Council**
From: **Ryan Schroeder, City Manager**
Date: **July 8, 2019**

Approval of Legal Services Contract

BACKGROUND INFORMATION:

The LeVander law firm has represented the City of West St. Paul for the past twenty-four years. The current 3-year legal services agreement expires December 31, 2019. Enclosed is a proposed 5-year agreement for both civil and criminal services. If approved, this agreement would terminate on December 31, 2024 or upon 60 days written notice by the City.

There are a few changes from the existing agreement. While the retainer remains constant at \$2,250/month through the contract term, hourly services for general legal would increase from \$135/hour to \$140. Proposed is a new category of fees for non-insurance represented litigation (condemnation) of \$165/hour with paralegal services at \$100, as opposed to \$95 for civil and \$90 for criminal paralegal work. Criminal prosecution is currently capped at \$220,000 in 2019. That cap would increase by 2% in each year of this succeeding contract. In 2018, criminal prosecution fees were significantly below this cap at \$185,764 (civil was significantly over budget).

The 2018 budget for the legal services cost center was \$330,000. We ended the year at \$335,452. Legal services in 2019 are budgeted at \$357,000. For Q1 2019 we ran 17% above budget but do not anticipate continuation of that pace. The draft 2020 budget is proposed at \$367,000.

We compared fees within the neighboring communities of Inver Grove Heights, South St. Paul, and Cottage Grove. Inver Grove Heights has a lower general legal rate but does not have a retainer within their contract. Within their prosecution contract, which runs to 2024, their rates and fee caps are very similar to that proposed here. Cottage Grove has a contract expiring in 2021 for general legal (criminal is through a small local firm) with rates slightly above that which is proposed here. South St. Paul rates are lower as is the retainer. Mendota Heights is currently undergoing a legal services selection process.

Over the past ten years, the City has contracted with four different legal firms for specialty HR services. Within the most recent contracts (2015-2016), rates were at \$150/hour. The Kennedy & Graven contract from September 2014 included rates for shareholders/associates for 2015 at \$210/\$180 for specialty acquisitions.

STAFF RECOMMENDATION:

By motion, authorize the renewal of the Legal Services Agreement with LeVander, Gillen & Miller as enclosed.