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HUGH A. KNAPP
(1921 - 2007)
ROBERT W. O'DELL
(1924 - 1998)

MEMORANDUM

TO: Mayor Scott Higgins
FROM: Shawn R. MacPherson *SM*
DATE: September 26, 2017
RE: Professional Services Contract

We are asking that our Professional Services Contract be amended to increase both our basic monthly compensation, and the hourly rates for extra legal services. When Roger became City Attorney in 1981, the presumptive model used for establishing compensation from the City was that our office would render 40 hours of legal services per month. Of the total hours, 20 were allocated to civil matters, and 20 were allocated to municipal court.

The current Professional Services Contract became effective January 1, 2014. For 2014, the compensation rate was \$8,750.00 per month. Effective January 1, 2015, the monthly compensation increased to \$9,000.00 per month, and this rate has continued to date. In addition, the hourly compensation for extra legal services related to civil litigation and other matters was set at \$195.00 per hour, and the rate for municipal court appeals was established at \$175.00 per hour.

In actuality, our office spends an excess of 40 hours per month on municipal court matters. The civil side fluctuates from month to month, but averages 20 hours over the course of longer periods, particularly related to the growth of the City and the need for planning matters. Since the contract was last adopted, our office has continued to provide representation at all planning commission and City Council meetings, and most recently has been requested to attend all LEOFF I disability board meetings. The increase on the criminal side is primarily attributable to the growth of the City from a population of 6,000 in 1981 to over 22,000 today. At our current base compensation of \$9,000.00 per month, we are providing 60 hours of legal services, which translates into a rate of \$150.00 per hour.

Ideally, we would like to achieve an hourly rate of \$170.00 for municipal court work, and \$195.00 for civil legal services. This is a substantial discount of our regular hourly rates for other clients (\$55.00 per hour discount for David Schultz on municipal court matters, and \$50.00 per hour discount for civil services rendered by myself). There is value to us to having a regular client such as the City, which in our minds justifies a reduced hourly rate for the City. Using the reduced hourly rates of \$170.00 for 40 hours of municipal court work, and \$195.00 per hour for 20 hours of civil legal services, our monthly base compensation would be \$10,700.00, or an increase of \$2,700.00 per month.

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We are proposing that the base compensation for 2018 be raised to \$9,500.00 per month, and that for 2019 it be raised 3%, with a 3% increase each year thereafter.

We are also requesting that the hourly rates for extra legal services for 2018 be raised to \$195.00 per hour for municipal court appeals, and \$215.00 per hour for additional civil legal services. For 2019 and thereafter, we are proposing that the hourly rate be raised 2% per year, rounded down to the nearest dollar. Additional legal services are essentially representing the City in legal proceedings in Superior Court, the Court of Appeals, the Supreme Court, Federal Court and administrative agencies of the municipal, state and federal government. That would include matters such as condemnation cases, and defense of the City in land use matters, personnel matters, and other claims brought against the City that are not covered by the City's insurer or are subject to a tort claim notice.

The effective date of the Professional Services Contract would be January 1, 2018. Thank you, and please let me know if you have any questions.