



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Nora Frimann

SUBJECT: SEE BELOW

DATE: September 8, 2022

**SUBJECT: AMENDMENT TO AGREEMENT WITH HANSON BRIDGETT LLP FOR
LEGAL SERVICES RELATING TO IMPLEMENTATION OF THE
ALTERNATIVE PENSION REFORM SETTLEMENT FRAMEWORK**

RECOMMENDATION

Adopt a resolution authorizing the City Attorney to negotiate and execute a Fourteenth Amendment with Hanson Bridgett LLP for legal services in connection with the City's retirement plans and other benefit plans and programs to increase the hourly rates under the agreement, with no increase in total compensation.

OUTCOME

The proposed amendment to the agreement with Hanson Bridgett LLP (Hanson Bridgett) will allow this law firm to continue to provide legal services related to employment, labor and implementation of the Alternative Pension Reform Settlement Framework agreed to by the bargaining groups and City voters. The proposed revised hourly rates are consistent with the City's other agreements with Hanson Bridgett.

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. In June 2012, San José voters approved Measure B, modifying City retirement plans and retiree healthcare plans in accordance with the Fiscal Reform Plan. In November 2016, San José voters approved Measure F, an Alternative Pension Reform Settlement Framework agreed to by the City and employee bargaining groups, superseding the modifications made by Measure B.

On May 21, 2012, the City Attorney executed an agreement with the law firm of Hanson Bridgett for a term ending June 30, 2013, in a total amount not to exceed \$50,000, to provide legal services relating to the City's retirement plans. This agreement has been amended since that time to expand the scope of services to include other City benefit plans and programs, to increase the total compensation, and to extend the term. The current total compensation under this contract is \$719,000, with the term expiring on June 30, 2023.

Hanson Bridgett has requested an increase in the hourly rates under the agreement to bring the rates in line with the hourly rates in the City's other agreements with the firm.

ANALYSIS

The Association of Legal Professionals (ALP) represents the attorneys and other legal professionals 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 Alternative Pension Reform Settlement are issues that have been and may continue to be part of the labor negotiations with ALP. Additionally, because ALP and Unit 99 attorneys are part of the City's retirement plan, the City is required to use outside counsel.

The legal issues referenced above require attorneys with specialized expertise and extensive public sector experience.

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.

The City Attorney's Office released three Requests for Qualifications (RFQ) in 2009-2011 to develop a pool of law firms that could provide advisory counsel and legal services on labor relations matters for all employee units in the City of San José. Law firms selected as a result of this RFQ process include Hanson Bridgett for retirement plan issues.

CONCLUSION

To ensure the continued delivery of legal services in support of the Alternative Pension Reform Settlement Framework, staff recommends amending the agreement with Hanson Bridgett to revise the hourly rates under the agreement, with no increase in the maximum amount of compensation.

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CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's website as part of the September 20, 2022 City Council Agenda.

CEQA

Not a Project; File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

NORA FRIMANN
City Attorney

By: /s/ Kevin Fisher
KEVIN FISHER
Assistant City Attorney

For questions, please contact Kevin Fisher, Assistant City Attorney, at (408) 535-1900.