



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Richard Doyle

SUBJECT: SEE BELOW

DATE: June 18, 2020

**SUBJECT: ACTIONS RELATED TO AMENDMENTS TO AGREEMENTS 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 amendments to agreements for legal services relating to implementation of Measure F, the Alternative Pension Reform Settlement Framework approved by the voters at election in November 2016, as follows:

- (a) An eighth amendment to the continuation agreement with Renne Public Law Group, LLP (formerly Renne Sloan Holtzman & Sakai LLP) (RPLG) for legal services in connection with labor relations matters, extending the term through June 30, 2021 and increasing the amount of compensation by \$50,000, for a total amount not to exceed \$2,045,000;
- (b) An eleventh amendment to the agreement with Hanson Bridgett LLP (Hanson Bridgett) for legal services in connection with the City's retirement plans and other benefit plans and programs, extending the term through June 30, 2021 with no increase in the amount of compensation; and
- (c) An eleventh amendment to the agreement with Ice Miller LLP (Ice Miller) for legal services in connection with retiree health and dental benefits and related tax issues, extending the term through June 30, 2021 with no increase in the amount of compensation.

OUTCOME

Execution of the amendments to the agreements with RPLG, Hanson Bridgett, and Ice Miller will allow these law firms 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.

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.

Renne Public Law Group, LLP (formerly Renne Sloan Holtzman & Sakai LLP)

On July 21, 2011, the City Attorney executed an agreement with the law firm of Renne Sloan Holtzman & Sakai LLP for a term ending December 31, 2013, in a total amount not to exceed \$250,000, to provide legal services for a wide array of labor relations and employment matters. Under this agreement, RPLG represents the City in litigation relating to pension reform. This agreement has been amended and continued since that time to increase the total compensation and to extend the term. The current total compensation under this contract is \$1,995,000, with the term expiring on June 30, 2020. The recommended action asks to increase the contract amount by \$50,000, for a total amount not to exceed \$2,045,000, and extend the term through June 30, 2021. Effective March 1, 2018, Renne Sloan Holtzman & Sakai LLP split into two firms, Renne Public Law Group, LLP and Sloan Sakai Yeung & Wong LLP. On June 28, 2018, the City entered into a Consent to Assignment, Assumption Agreement and Release to assign the rights and obligations of Renne Sloan Holtzman & Sakai LLP under this agreement to Renne Public Law Group, LLP.

Hanson Bridgett LLP

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 \$555,000, with the term expiring on June 30, 2020. The recommended action asks to extend the term through June 30, 2021 with no increase in the amount of total compensation.

Ice Miller LLP

On May 4, 2011, the City Attorney executed an agreement with the law firm of Ice Miller for a term ending June 30, 2012, in a total amount not to exceed \$50,000, to provide

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legal services relating to the establishment of an Other Post-Employment Benefits (OPEB) 115 trust, and to provide advice relating to that trust. This agreement has been amended since that time to expand the scope of services to include federal tax legal advice, to increase the total compensation, and to extend the term. The current total compensation under this contract is \$500,000, with the term expiring on June 30, 2020. The recommended action asks to extend the term through June 30, 2021 with no increase in the amount of total compensation.

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 which 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 Request for Qualifications process include RPLG for labor and related issues, Hanson Bridgett for retirement plan issues, and Ice Miller for tax-related issues including the establishment of the revised Retirement Health Care Administration.

RPLG is currently providing legal services to the City during negotiations with the bargaining units and with an arbitration proceeding. RPLG's continued participation is essential for continuity and successful completion of pending labor relations matters. As a result of the agreement between the City and the bargaining groups and the approval of Measure F by City voters in 2016, additional compensation for services is required for Hanson Bridgett's continued assistance to modify the City's Municipal Code to implement the Settlement Framework. Ice Miller's continued assistance is required in assessing federal tax implications/consequences for a variety of City retirement proposals, including those contemplated in the Settlement Framework.

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CONCLUSION

To ensure the continued delivery of legal services in support of the Alternative Pension Reform Settlement Framework, staff recommends extending the term of the agreements with Renne Public Law Group, LLP, Ice Miller, LLP, and Hanson Bridgett, LLP for one additional year through June 30, 2021, and increasing the maximum amount of compensation for Renne Public Law Group, LLP by \$50,000.

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 June 30, 2020 City Council Agenda.

COORDINATION

This memorandum has been coordinated with the City Manager’s Budget Office.

COST SUMMARY/IMPLICATIONS

1. Amount of Recommendation for RPLG contract:	\$50,000
Original Agreement – July 21, 2011	\$250,000
First Amendment – June 22, 2012	\$300,000
Continuation Agreement – February 4, 2014	\$425,000
Amendment to Continuation – September 15, 2014	\$220,000
2nd Amendment to Continuation – June 25, 2015	\$250,000
3rd Amendment to Continuation – May 16, 2016	\$200,000
4th Amendment to Continuation – January 4, 2017	\$50,000
5th Amendment to Continuation – June 23, 2017	\$100,000
6th Amendment to Continuation – July 11, 2018	\$50,000
7th Amendment to Continuation – June 27, 2019	
(FY 2018-2019)	\$53,000
(FY 2019-2020)	\$97,000
Proposed 8th Amendment to Continuation	\$50,000
TOTAL	<u>\$2,045,000</u>

Amount of Recommendation for Hanson Bridgett contract: \$0

Original Agreement – May 21, 2012	\$50,000
First Amendment – October 2, 2012	\$100,000
Second Amendment – May 31, 2013	\$0
Third Amendment – March 5, 2014	\$100,000
Fourth Amendment – January 9, 2015	\$0
Fifth Amendment – June 16, 2015	\$0
Sixth Amendment – May 6, 2016	\$100,000
Seventh Amendment – January 20, 2017	\$100,000
Eighth Amendment – March 15, 2017	\$0
Ninth Amendment – June 27, 2018	\$15,000
Tenth Amendment – June 27, 2019	\$90,000
Proposed Eleventh Amendment	\$0
TOTAL	\$555,000

Amount of Recommendation for Ice Miller contract: \$0

Original Agreement – May 4, 2011	\$50,000
First Amendment – April 4, 2012	\$0
Second Amendment – May 22, 2012	\$50,000
Third Amendment – January 31, 2013	\$50,000
Fourth Amendment – June 12, 2013	\$100,000
Fifth Amendment – June 3, 2014	\$0
Sixth Amendment – June 30, 2015	\$50,000
Seventh Amendment – May 6, 2016	\$100,000
Eighth Amendment – January 13, 2017	\$100,000
Ninth Amendment – June 29, 2018	\$0
Tenth Amendment – June 27, 2019	\$0
Proposed Eleventh Amendment	\$0
TOTAL	\$500,000

2. Source of Funding: The amendment of the contract will be funded by the Office of the City Attorney’s Non-Personal/Equipment appropriation in the General Fund.

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contracts recommended as part of this memorandum.

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Fund #	Appn. #	Appn. Name	Current Appn.	Amount for Contract	2020-2021 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
001	0442	Non-Personal/ Equipment	\$1,554,498	\$50,000	VIII-20	N/A

* The 2020-2021 Proposed Operating Budget was approved by the City Council on June 16, 2020 and is scheduled for formal adoption on June 23, 2020.

CEQA

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

RICHARD DOYLE
City Attorney

By 
[Richard Doyle \(Jun 18, 2020 14:50 PDT\)](#)
RICHARD DOYLE
City Attorney

For questions please contact Richard Doyle, City Attorney, at (408) 535-1900.