



AGENDA REPORT

Meeting Date: June 22, 2010
Item Number: G-6
To: Honorable Mayor & City Council
From: Jeff Kolin, City Manager
Subject: APPROVAL OF AMENDMENT NO. 2 TO THE AGREEMENT
BETWEEN THE CITY OF BEVERLY HILLS AND RICHARDS,
WATSON & GERSHON, A PROFESSIONAL CORPORATION, FOR
LEGAL SERVICES.
Attachments: 1. Amendment No. 2 to the Agreement

RECOMMENDATION

It is recommended that the City Council approve Amendment No. 2 to the Agreement between the City of Beverly Hills and Richards, Watson & Gershon, a professional corporation, for legal services.

INTRODUCTION

Attached, please find a proposed second amendment to the City's agreement with Richards, Watson & Gershon for legal services. Pursuant to the budget reduction program presented to the City Council, the amendment does not include a cost of living adjustment for Fiscal Year 2010-2011 and, beginning July 1, 2011, a cost of living adjustment will only occur to the extent that there is an increase in the City's general fund revenues. The proposed amendment also extends the term of the agreement to June 30, 2012.

DISCUSSION

On July 10, 2007, the City Council approved an agreement with Richards, Watson & Gershon that provides City Attorney services to the City. On June 16, 2009, the City Council approved Amendment No. 1 to the agreement, which reduced the cost of legal services in connection with the City's overall budget reduction measures. The proposed Amendment No. 2 stipulates that on July 1 of each year, beginning July 1, 2011, the

compensation set forth in Section 2 for General Services and Administrative Staffing shall be increased by the same percentage as the annual percentage increase in the City's general fund revenues, if any, as shown in the City's latest Comprehensive Annual Financial Report, or its successor. In no event, shall any annual increase in compensation for General Services and Administrative Staffing exceed three percent (3%); even if the City's general fund revenues grow by a larger percentage.

FISCAL IMPACT

There is no fiscal impact associated with the proposed amendment during Fiscal Year 2010-2011. There is the potential for a cost of living adjustment for legal services during Fiscal Year 2011-2012, which would be capped at 3%. The City's current monthly legal retainer with Richards, Watson & Gershon is \$92,150. A 3% increase would be an additional \$33,180 annually.



Scott G. Miller, Director
Finance Approval



Jeff Kolin
City Manager

Attachment 1

Amendment No. 2 to the Agreement

AMENDMENT NO. 2 TO THE AGREEMENT BETWEEN THE CITY
OF BEVERLY HILLS AND RICHARDS, WATSON & GERSHON, A
PROFESSIONAL CORPORATION, FOR LEGAL SERVICES

This AMENDMENT NO. 2 (the "Amendment") to the Agreement for legal services between the City of Beverly Hills (the "City") and Richards, Watson & Gershon, a professional corporation ("RWG") is entered into on this 22nd day of June, 2010.

RECITALS

1. On July 10, 2007, the City and RWG entered into Agreement No. 266-07 to provide legal services and discharge the duties of the office of City Attorney (the "Agreement"). The Agreement expires on June 30, 2010.

2. On June 16, 2009, the City and RWG entered into Amendment No. 1 to the Agreement, identified as Agreement No. 230-09, in order to reduce the cost of legal services in connection with the City's overall budget reduction measures.

3. The City wishes to continue to retain RWG to discharge the duties of the office of City Attorney and RWG wishes to continue to discharge the duties of the office of City Attorney.

NOW THEREFORE, the City and RWG agree as follows:

Section 1. Section 3 of the Agreement is hereby amended to extend the term of the agreement by two years and to read as follows:

"Section 3. Term. The term of this Agreement shall commence on July 1, 2007 and shall expire on June 30, 2012."

Section 2. In connection with the City's budget reduction measures for the 2010-2011 fiscal year, the parties agree that the Agreement will not include a cost of living adjustment for

the 2010-2011 fiscal year and, beginning July 1, 2011, a cost of living adjustment will only occur to the extent that there is an increase in the City's general fund revenues. To reflect this agreement, sub-paragraph A shall be added to Section 2 of the Agreement to read as follows:

“A. Cost of Living Adjustment. On July 1 of each year, beginning July 1, 2011, the compensation set forth in Section 2 for General Services and Administrative Staffing shall be increased by the same percentage as the annual percentage increase in the City's general fund revenues, if any, as shown in the City's latest Comprehensive Annual Financial Report (“CAFR”), or its successor. Provided, however, in no event shall any annual increase in compensation for General Services and Administrative Staffing exceed three percent (3%), even if the City's general fund revenues grow by a larger percentage. As an example, on July 1, 2011, the latest CAFR will be the CAFR for the fiscal year ending June 30, 2010 and the annual percentage increase in general fund revenues would be determined by comparing the general fund revenues for the fiscal year ending June 30, 2009 against the general fund revenues for the fiscal year ending June 30, 2010.”

Section 3. Except as otherwise expressly provided in this Amendment, the provisions of the Agreement, as amended by Amendment No. 1, shall remain in full force and effect and continue without interruption.

EXECUTED ON THE DATE FIRST WRITTEN ABOVE:

RICHARDS WATSON AND GERSHON

LAURENCE S. WIENER
President

CITY OF BEVERLY HILLS

JIMMY DELSHAD
Mayor, City of Beverly Hills

ATTEST:

BYRON POPE
City Clerk