Dear Mayor and Council Members:

On behalf of City Manager Ed Shikada (and City Attorney Molly Stump, in light of the topics), please find below the staff responses to inquiries made by Council Member Tanaka in regard to the January 27, 2020 Council Meeting agenda.

- **Item 8**: Authorization to Amend the Existing Legal Service Agreement With the Law Firm of Colantuono, Highsmith & Whatley, PC (Contract S17167696) to Increase the Contract Amount by an Additional $125,000 Bringing the new Not-to-Exceed Amount of the Contract to $295,000; to Increase the Term by one Year; and to Approve a Budget Amendment in the General Fund

- **Item 10**: Authorization to Amend the Existing Agreement for Litigation Defense Services With the Law Firm of Jarvis, Fay & Gibson (Contract S15159508) to Increase the Contract Amount by an Additional $125,000 for a Total Not-to-Exceed Amount of $820,000; and to Approve a Budget Amendment in the General Fund

**Item 8: Authorization to Amend the Existing Legal Service Agreement With the Law Firm of Colantuono, Highsmith & Whatley, PC (Contract S17167696) to Increase the Contract Amount by an Additional $125,000 Bringing the new Not-to-Exceed Amount of the Contract to $295,000; to Increase the Term by one Year; and to Approve a Budget Amendment in the General Fund**

1. There is no explanation as to why these funds are necessary besides “an additional $125,000 is needed to fund the City’s defense in the litigation.” Why are these additional funds needed? The content of attorney work is confidential under the attorney-client privilege. Council has been advised in a confidential forum.

2. What is the impact of removing funds from the general fund budget stabilization reserve? The BSR will remain above the City Council approved target - 18.5% of the FY 2020 Adopted Budget expenses in the General Fund. The BSR is currently at approximately 19% of General Fund expenses.

**Item 10: Authorization to Amend the Existing Agreement for Litigation Defense Services With the Law Firm of Jarvis, Fay & Gibson (Contract S15159508) to Increase**
the Contract Amount by an Additional $125,000 for a Total Not-to-Exceed Amount of $820,000; and to Approve a Budget Amendment in the General Fund

1. What exactly is the money in this contract going to be used for if the request is authorized by the Council? More details are needed than what is contained within the staff report.
   The content of attorney work is confidential under the attorney-client privilege. Council has been advised in a confidential forum.

2. This contract has already been extended once. In the two contracts prior to the current contract, why was additional money requested (specifically)?
   See response to number 1, above.

3. Why was the project extended to June 30, 2019 and then again to June 30, 2021?
   See response to number 1, above.

4. Is it risky to take money out of the Budget Stabilization Reserve to fund the litigation efforts of this firm?
   The BSR will remain above the City Council approved target - 18.5% of the FY 2020 Adopted Budget expenses in the General Fund. The BSR is currently at approximately 19% of General Fund expenses.

5. Is the $695,000 that has been given to the firm been used up completely?
   To date, $670,000 of the $695,000 has been expended.

Thank you.

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