



# CITY OF PALO ALTO OFFICE OF THE CITY ATTORNEY

January 27, 2020

The Honorable City Council  
Palo Alto, California

## **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**

### **Recommendation**

The City Attorney recommends that the City Council:

1. Approve and authorize an increase to the legal services agreement with the law firm of Jarvis Fay & Gibson for litigation defense in the case of Staats v. City of Palo Alto, Santa Clara Co. Sup. Ct. Case No. 1-15-CV-284956 (Contract S15159508) by an additional \$125,000 for a total not to exceed amount of \$820,000.
2. Amend (by a 2/3 majority) the Fiscal Year 2020 Budget Appropriation Ordinance for the General Fund by: a) increasing the City Attorney Department appropriation for contractual services by \$125,000; and b) decreasing the General Fund Budget Stabilization Reserve by \$125,000.

### **Discussion**

In April 2015, the City entered into a \$50,000 agreement with Jarvis Fay & Gibson LLP for pre-litigation and initial litigation defense services in a Government Claims Act claim and subsequently- filed civil suit Staats v. City of Palo Alto, Santa Clara Co. Sup. Ct. Case No. 1-15-CV-284956. In November 2016 and March 2018, the City Council authorized amendment of the agreement to add \$325,000 and \$120,000, respectively, for a total of \$495,000. The contract term was also extended to June 30, 2019. In June 2019, City Council authorized amendment of the agreement to add \$200,000 and extend the term to June 30, 2021 to fund continuing defense services in this matter. At the time of that request, the City Attorney informed Council additional funding authority may be needed. Staff now recommends appropriating an additional \$125,000 for a total not to exceed \$820,000 for continuing litigation defense.

### **Resource Impact**

The estimated additional cost for the City's contract for legal services with Jarvis Fay & Gibson LLP exceeds the City Attorney's Department budgeted funds for contractual services. The City

Attorney and Chief Financial Officer recommend that the appropriation to fund needed legal defense services be offset by a reduction in the General Fund Budget Stabilization Reserve (BSR). The BSR will remain at or above the City Council approved target level of 18.5%. This appropriation of additional funds requires a 2/3 super majority (5 votes) under the City's Charter and Municipal Code.

**Environmental Review**

Amendment of a legal services contract is not a project requiring environmental review under the California Environmental Quality Act (CEQA).

Department Head: Molly Stump, City Attorney

