

**CITY OF MARYSVILLE AGENDA BILL**

**EXECUTIVE SUMMARY FOR ACTION**

**CITY COUNCIL MEETING DATE: 11/25/13**

<b>AGENDA ITEM:</b> Professional Services Agreement between City of Marysville and Weed, Graafstra and Benson, Inc., P.S.	
<b>PREPARED BY:</b> Gloria Hirashima, Chief Administrative Officer	<b>DIRECTOR APPROVAL:</b>
<b>DEPARTMENT:</b> Executive	
<b>ATTACHMENTS:</b> Letters and Proposed Agreement	
<b>BUDGET CODE:</b>	<b>AMOUNT:</b>

**SUMMARY:**

The proposed agreement proposes an amendment to the professional services agreement between the City and Weed, Graafstra and Benson, Inc., P.S. which would be effective in January 2014. The proposed Amendment establishes new rates. The firm provided advance notice of the anticipated rate increase a year ago. The current City Attorney Retainer agreement runs through calendar years 2013-2015. All other aspects of the agreement would remain unchanged. Marysville has utilized the services of Weed, Graafstra and Benson, Inc., P.S. or a related partnership for over 30 years.

<b>RECOMMENDED ACTION:</b>
Staff recommends that City Council approve the proposed Amendment to the City Attorney Retainer agreement with Weed, Graafstra and Benson, Inc., P.S.

LAW OFFICES OF  
**WEED, GRAAFSTRA and BENSON, INC., P.S.**

RECEIVED

OCT 25 2013

George E. Benson  
Cheryl L. Beyer  
Grant K. Weed



Thom H. Graafstra, Of Counsel

21 Avenue A  
Snohomish, WA 98290

CITY OF MARYSVILLE  
EXECUTIVE DEPARTMENT

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October 23, 2013

Gloria Hirashima  
Chief Administrative Officer  
City of Marysville  
1049 State Avenue  
Marysville, WA 98270

Re: Amendment to City Attorney Retainer Agreement 2013-2015

Dear Gloria:

In November last year we wrote regarding our intent to adjust rates in January, 2014. A copy of my November 12, 2012 letter explaining the adjustment is enclosed.

Also enclosed please find duplicate originals of our proposed Amendment to City Attorney Retainer Agreement for calendar years 2013-2015. The rates we plan to charge for all regular municipal clients as of January, 2014 are as follows:

Retainer for first 40 hours - \$7,000.00. (previously \$6,400.00)

For all hours in excess of 40 - \$185.00/hr. (previously \$170.00/hr)

For Paralegal - \$140.00/hr. (previously \$130.00)

For litigation - \$195.00/hr. (previously \$180.00)

We believe these rates continue to be well below the rates charged in the region by comparably experienced outside municipal legal counsel.

If you are comfortable with the enclosed agreement amendment, I would ask that it be placed on the Council agenda for action in November or December. If you have questions or concerns, please be sure to contact me.

Thanks to you, staff and the City Council for your continued confidence and support. I greatly value the long standing working relationship we have had over the years with the City.

Page 2

Very truly yours,



GRANT K. WEED  
City Attorney

GKW/kkl

Enclosures

cc: Sandy Langdon, Finance Director/City Clerk

LAW OFFICES OF  
**WEED, GRAAFSTRA and BENSON, INC., P.S.**

George E. Benson  
Cheryl L. Beyer  
Grant K. Weed

**WGB**  
*Municipal Attorneys*

Thom H. Graafstra, Of Counsel

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November 12, 2012

Dear Valued Municipal Client:

As you probably know, our law firm has specialized in providing municipal law services for cities, towns and special purpose districts since the 1960's. We are one of the few firms in the Pacific Northwest that emphasize this area of practice. Because of our longstanding attorney-client relationship and the regular and ongoing need for legal services by municipal clients, we have been able to drastically reduce and discount our legal fees for municipal clients. By way of example, the private sector rate per hour in and around Snohomish County averages about \$250 per hour. Through 2012 our firm charges a basic retainer rate which equates to \$160 per hour. We have maintained that rate over the past two or three years.

Due to the circumstances described below, we want to give early notice of our intent to adjust rates commencing January 1, 2014. While we are significantly impacted by the factors described below, we have decided to maintain the current rates for calendar year 2013.

A. Statewide Municipal Rates. Based upon the 2012 AWC salary data for cities and towns who contract for outside legal services, there are about 122 cities which secure legal services with outside firms such as ours. The average hourly rate for those outside firms which charge by the hour is \$175. In the Puget Sound area the rate is higher. As stated above, the hourly rate charged by our firm has been \$160. We are well under market.

B. Experience. Our law firm specializes in municipal law. Every attorney who works on matters for your city or town has not less than 20 years of municipal law experience. The two most senior lawyers in the law firm, Grant Weed and Thom Graafstra each have in excess of 30 years of municipal experience. There is no other municipal law firm in the region that offers the same level of experience by every single lawyer who works on your legal matters.

C. Escalation of Fixed Costs. While our firm has maintained the same hourly rate over the last two or three years, fixed costs of the firm over which we have little or no control have increased significantly over the same period of time. The following are some examples:

1. Employee Health Insurance. 20% increase – 2011. 22% increase in 2012. Significant additional increase anticipated in 2013.
2. Malpractice Insurance. 20% increase between 2010 and 2012.

November 13, 2012

Page 2

3. B&O Tax increase of 3% per month – State of Washington.
4. Office Rent Increase of 4% between 2011 and 2012.

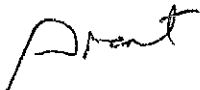
D. Employee Compensation. Our employee salaries and pay has been frozen with no increase since 2010.

We fully recognize that during the difficult economic times over the last few years our municipal clients, and especially the staff who are employed by such clients have been called upon to make significant sacrifices due to declining revenues. I hope you can see that during these times we have made our own sacrifices and have made every effort to keep our fees as low and reasonable as good business judgment will dictate.

On a regional basis our municipal law firm rates are less than any competitor in the Puget Sound area and yet we pride ourselves in providing the most efficient and cost effective services that are available. We think it is important to provide the information contained in this letter to our municipal clients in order that you can assess the value that we hope we bring to the local government table.

We will look forward to continuing to serve the needs of your city or town. I welcome any questions or input you may have concerning this letter. Most of all, thank you for your continued trust in our law firm. We truly value the longstanding relationship we have with you as a client.

Very truly yours,



Grant K. Weed, President

GKW/kkp

/gkw/l.municipal clients.110912

## AMENDMENT TO CITY ATTORNEY RETAINER AGREEMENT

The City of Marysville ("City") and the law firm of Weed, Graafstra and Benson, Inc., P.S. ("City Attorney") hereby agree to amend Section III of the Agreement between the parties dated December 10, 2012 as follows:

### I - COMPENSATION

A. Basic Retainer: The CITY shall pay the CITY ATTORNEY a retainer in the amount of ~~\$6,400.00~~ \$7,000.00 per month, which retainer shall be compensation for up to 40 hours of work per month for the following legal services:

1. To oversee and supervise the prosecution function for the CITY in municipal court.
2. To attend the three regularly scheduled meetings of the City Council per month.
3. To provide legal advice to the Mayor, Councilpersons, Chief Administrative Officer and administrative heads of the various departments of the CITY under the direction of the Chief Administrative Officer.
4. To prepare such ordinances, resolutions, and instruments as the Mayor, City Council and Chief Administrative Officer may direct, to render legal advice on all civil and criminal matters, and to prepare or review such correspondence, contracts, easements, and instruments as may be necessary and appropriate.

B. Additional Services: The CITY shall pay the CITY ATTORNEY for the following additional or special legal services at the rate of ~~\$170.00~~ \$185.00 per hour, or, if said services are performed by a paralegal in the CITY ATTORNEY's office the same shall be compensated at the rate of ~~\$130.00~~ \$140.00 per hour:

1. Time in excess of basic retainer. Any and all hours expended on legal services referred to in paragraph A above (Basic Retainer) in excess of 40 hours per month.

2. Extra meetings. Attendance, at the request of the Mayor or Chief Administrative Officer, at evening meetings of CITY boards, commissions or committees, except for regular City Council meetings held three times a month.

3. Local Improvement Districts. All legal services performed in connection with the formation and financing of any LID or ULID (although it is understood that the primary responsibility for this type of legal work will fall under the exceptions referred to in paragraph V below).

C. Litigation. The CITY shall pay the CITY ATTORNEY for all superior and appellate court litigation and all administrative hearings of a quasi-judicial nature, except those conducted by the CITY itself, at the rate of ~~\$180.00~~\$195.00 per hour.

D. Time Records. In order to determine appropriate compensation, the CITY ATTORNEY shall maintain accurate time records, copies of which shall be made available to the CITY.

E. Time for Payment. The CITY shall pay all compensation provided herein to the CITY ATTORNEY on a monthly basis, and within two weeks of the date on which each billing statement is received.

F. Rate Adjustments. The rates set forth in this Section III may be adjusted by mutual agreement of the parties for calendar years 2014 and 2015. The City Attorney shall give notice of intent to adjust rates on or before September 1.

Except as amended herein, all other provisions of the Agreement between the parties dated December 10, 2012 shall remain in full force and effect, unchanged.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

WEED, GRAAFSTRA  
AND BENSON, INC., P.S.

By   
GRANT K. WEED, President

CITY OF MARYSVILLE

By \_\_\_\_\_  
JON NEHRING, MAYOR

ATTEST:

By \_\_\_\_\_  
APRIL O'BRIEN, DEPUTY CITY CLERK