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CITY of NOVI CITY COUNCIL

Agenda Item 4
April 5, 2010

SUBJECT: Consideration of recommendation from Consultant Review Committee to award an extension for General Legal Counsel Services to Secrest, Wardle, Lynch, Hampton, Truex and Morley through December 31, 2010.

SUBMITTING DEPARTMENT: City Manager's Office *PA*

CITY MANAGER APPROVAL: *[Signature]*

BACKGROUND INFORMATION:

The Charter of the City of Novi makes provision for the establishment of a general legal counsel or City Attorney for the City. Secrest Wardle has served in this capacity since October 2000, its initial agreement with the City of Novi having been reviewed by the Consultant Review Committee (CRC) most recently in 2007. At that time, the CRC recommended and the City Council adopted a two-year agreement with Secrest Wardle (agreement attached). City Attorney Schultz, representing the firm, requested a two-year extension holding the hourly billing rate to the fee schedule adopted in 2007:

Partners	\$130/hour
Senior Associates	\$120/hour
Associates	\$110/hour

In keeping with the general practice of the CRC, staff brought the matter of extending the agreement to the CRC for consideration last fall. At that time, the CRC requested that the matter be brought back in spring 2010 for discussion. The CRC convened on this matter on March 22, 2010 and voted unanimously to extend the General Legal Counsel Services to Secrest Wardle through December 31, 2010. The CRC further recommends that the services be re-bid in the fall 2010.

The draft budget for next year estimates General Fund legal fees to be approximately \$350,000 for General Fund legal services and about \$100,000 for legal fees associated with tax tribunal cases.

RECOMMENDED ACTION: Consideration of recommendation from Consultant Review Committee to award an extension for General Legal Counsel Services to Secrest, Wardle, Lynch, Hampton, Truex and Morley through December 31, 2010.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Crawford				
Council Member Fischer				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				

March 18, 2010

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Direct: 248-539-2847
tschultz@secretwardle.com

Pamela W. Antil, Assistant City Manager
City of Novi
45175 W. Ten Mile Road
Novi, MI 48375

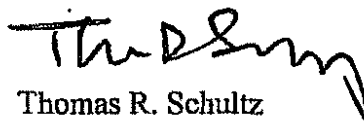
Re: *Contract for Legal Services*

Dear Ms. Antil:

As we discussed, the contract between the City of Novi and our firm for general counsel legal services is due for consideration. I have indicated that we intend to hold our rates at their current levels for the next two years. I would therefore ask that you discuss with the Consultant Review Committee and the City Council a two-year extension of our existing agreement at our current rates.

I look forward to hearing from you. If you have any questions, please call me.

Very truly yours,



Thomas R. Schultz

TRS/jec

cc: Clay J. Pearson, City Manager
William P. Hampton, Esq.

1395226

CONTRACT FOR GENERAL LEGAL COUNSEL SERVICES

AGREEMENT between City of Novi ("Novi") and the law firm of Secrest, Wardle, Lynch, Hampton, Truex and Morley (the "Firm") for the provision of General Legal Counsel services for Novi.

RECITATIONS:

The Charter of the City of Novi makes provision for the establishment of a general legal counsel, or city attorney, for the City.

The Firm has served as the City's general legal counsel since approximately October, 2000, its initial agreement with the City having been reviewed and continued in or around November, 2004.

The Firm submitted a written proposal to Novi, dated April 9, 2007, which is incorporated by this reference, to continue its services to provide general legal counsel to the City.

The Novi City Council determined to continue the Firm's services, on the terms and provisions described below.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

IN GENERAL

Novi retains the Firm to provide General Counsel Services for Novi, which shall include the provision of all legal counsel services, with the exception of: prosecuting traffic violations in the District Court, providing labor and employment law services, and providing bond counsel services. Such General Counsel Services shall be provided in accordance with the terms and provisions of this Agreement. The authority and responsibility for General Counsel Services under this Agreement shall commence on December 1, 2007.

As of the date of this Agreement, services to the City are intended to be provided by a team of attorneys from the Firm's Municipal Law Practice Group. Thomas R. Schultz, a Partner in the Firm and Co-Manager of the Municipal Practice Group, will be the City's business contact person. Mr. Schultz, along with William P. Hampton, will oversee the Firm's general counsel services to the City of Novi and will serve as principal attorney for contact and day-to-day services and advice. Elizabeth M. Kudla, Kristin Bricker Kolb, and Vahan C. Vanerian are proposed as the key attorneys to serve as the principal back-up attorneys. Stephanie Simon-Morita, along with Derk W. Beckerleg, would continue to provide representation on Tax Tribunal matters. Vahan C. Vanerian would be assigned to the District Court for ordinance enforcement purposes.

SERVICES ANTICIPATED TO BE PROVIDED

The services anticipated to be provided by the Firm under this Agreement are the following, among others:

1. Attend meetings of the City Council, Planning Commission and Zoning Board of Appeals, and attend meetings with and on behalf of members of the City Administration as required to undertake the legal business of the City and/or required to provide general legal counseling and consultation.
2. Prepare legal opinions and agreements, prepare codes and ordinances, and amendments of such documents, and proactively make recommendations in the interest of Novi.
3. Assist with City planning.
4. Provide City zoning services.
5. Represent Novi in litigation, including Circuit Court, Court of Appeals, Supreme Court, Federal Court, Tax Tribunal and administrative proceedings; and, monitor litigation in which legal counsel has been assigned by Novi's insurance provider, including review of billings and serving as co-counsel on appropriate cases, as determined by the City Council.
6. Work with the City Administration to enhance the City.
7. Provide environmental law services.
8. Provide services in connection with infrastructure installation and finance (with the exception of bond counsel services).
9. Provide services relative to telecommunications matters.
10. Provide services relative to real estate and condemnation matters.
11. Prepare for and attend monthly meetings of the City Council (or on other periodic basis as the City shall determine appropriate) for the purpose of summarizing and receiving direction from Council on pending litigation.

The services to be provided by the Firm under this Agreement shall not include the prosecution of traffic violations in the District Court, or the provision of labor and employment law services or bond counsel services.

MANAGEMENT AND PROVISION OF SERVICES

The following reflects current staffing by the Firm. The Firm will notify the City of any expected or required changes in personnel.

Meeting Attendance

- City Council: Thomas Schultz
- Planning Commission: Kristin Kolb
- Zoning Board of Appeals: Beth Kudla

Day-to-Day Advice, Calls, and Meetings

This function will be performed by Thomas Schultz, Beth Kudla, and Kristin Kolb. Thomas Schultz, Beth Kudla, and Kristin Kolb, will be available for phone calls and conferences, and for meetings out of the office as requested. In addition, if the City would like an attorney to maintain regular office hours at the City (e.g., specified time at the City each week), Thomas Schultz and Beth Kudla would represent the Firm for this service.

Litigation

As desired by the City, and depending upon the specific subject matter at issue, litigation will be handled by Thomas Schultz, William Hampton, Kristin Kolb, Vahan Vanerian. Mark Roberts, a member of the Firm's Municipal Department, will also be available to handle appropriate

Tax Tribunal

Tax assessment litigation, claims of tax exemptions and challenges to special assessments will be handled by Stephanie Simon-Morita and Derk Beckerleg.

Real Estate and Condemnation

Real Estate and Condemnation will be handled by Thomas Schultz and Beth Kudla, with the assistance of Kristin Kolb and Mark Roberts.

Agreements

Agreements will be reviewed and prepared by Thomas Schultz and Beth Kudla, with the assistance of Kristin Kolb and other attorneys in the Municipal Group (or other Departments, as needed, depending upon the need for particular expertise, e.g., a contract with sensitive environmental aspects may also be reviewed by the Environmental Group of the Firm).

Planning and Zoning

Planning and Zoning matters will be handled by Thomas Schultz, Beth Kudla and Kristin Kolb.

Infrastructure

Infrastructure issues, including sewer, water, drainage, roads, sidewalks, and the like, will be handled by Thomas Schultz and Beth Kudla.

Telecommunications

Telecommunications matters will be headed-up by Gary Dovre with the assistance of Kristin Kolb.

Prosecutions

Code enforcement matters will be handled by Vahan Vanerian.

COMPENSATION AND BUDGET

The Firm shall provide legal services based exclusively upon an hourly rate compensation arrangement. The following rates for legal services shall apply, based upon the classification of attorneys within the Firm:

Partners	\$130.00 per hour
Senior Associates	\$120.00 per hour
Associates	\$110.00 per hour

The partners who may provide services to the City under this Agreement are Thomas Schultz, Derk Beckerleg, Gary Dovre, and William Hampton.

The senior associates who may provide services to the City under this Agreement are Beth Kudla, Kristin Kolb, Stephanie Morita, Van Vanerian, and Mark Roberts.

On the date of this Agreement, the attorneys in the Firm's Municipal Department, and their respective classifications, are as set forth above. Classifications may change within the firm, and in such event notice of same will be given to the City for approval of a change in classification for purposes of this agreement.

Costs for copying, faxing, mileage, phone, computer research and postage for the monthly billing period shall be billed at a flat 2% of the total monthly billing. Other costs

incurred or advanced on behalf of Novi, such as costs for trial transcripts, expert fees, and the like shall be paid or reimbursed by Novi.

A special arrangement applies for matters to be billed under the City Ordinance Code provision for the escrow of fees by applicants for legal reviews prior to City action. The following general rules shall apply to legal reviews understood to be financed by escrowed funds:

- ◆ Unless directed otherwise, the Firm shall not commence work on a matter to be financed by escrowed moneys until the Firm receives a written or electronic notice from the City Manager or City Finance Director, or a person designated by the City Manager or Finance Director, that the escrow moneys have been collected for the respective review.
- ◆ Unless otherwise approved, the Firm shall not be paid an amount in excess of the amount specified in the ordinance or resolution, or the amount estimated by the Firm for the particular review, as applicable for the respective review.

Detailed monthly billing statements shall be provided within 30 days after the period covered in the bill, specifying the attorney performing each service, the date, description and time expended for each service performed, and an itemization of expenses to be reimbursed. Except amounts covered under the 2% category, as specified, above, expenses shall be billed at cost, without an add-on multiplier.

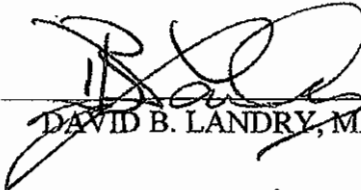
ASSIGNMENT OF WORK AND DURATION OF AGREEMENT

Legal work shall be consistent with the contemplation of the City Charter, and shall be assigned as specified in the proceeding section of this contract, and matters involving the assessment of property taxes may be assigned by the City Assessor. Modifications of this authorization for the assignment of work, and/or any other modifications of the interrelationship of the City and Firm shall be provided by action of the City Council if the modification is initiated by the City, or by the management of the Firm if initiated by the Firm.

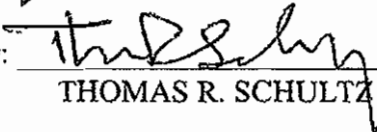
This Agreement shall continue and remain in effect for a period of two (2) years, or until a notice of termination is provided by either the City Council or the Firm. A notice of termination may be given at any time by either the City Council or the Firm, for cause or based upon the sole and exclusive discretion of either the City Council or the Firm, without any cause whatsoever. Unless otherwise mutually

agreed upon, in the event a notice of termination is given by the City Council without cause, the effective date of the termination shall be the day after the expiration of sixty (60) days following the date of the notice of termination.

CITY OF NOVI

By: 
DAVID B. LANDRY, MAYOR

**SECRET, WARDLE, LYNCH,
HAMPTON, TRUEX AND MORLEY**

By: 
THOMAS R. SCHULTZ

Dated: Effective December 1, 2007

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