



July 19, 2013

CHARLES SAKAI  
CSAKAI@PUBLICLAWGROUP.COM

*VIA E-MAIL & US MAIL*

**CONFIDENTIAL**  
**ATTORNEY/CLIENT PRIVILEGE**

Mike Ogaz  
City Attorney  
455 East Calaveras Blvd.  
Milpitas, CA 95035  
mogaz@ci.milpitas.ca.gov

**Re: Retention of Services**

Dear Mike:

This letter sets forth proposed terms for retention of my firm to provide litigation services defending the City in IAFF v. City of Milpitas litigation, Case No. 113CV248192, and associated legal services.

The Firm will bill the City of Milpitas for professional services at our standard hourly billing rates in effect at the time services are rendered. For 2013, our partner rates are \$285 to \$400.<sup>1</sup> Our associate rates depend on the associate's years of labor and employment experience out of law school and the rates are \$215 to \$285. Non-attorney Human Resources and Labor Relations Consultants rates range from \$160 to \$225. Paralegals are billed at \$105 to \$145 per hour. Billing is done in 1/10s of an hour increments. The agreement has a cap of \$70,000 and the parties understand that once the monetary cap is reached, additional work will not be allowed unless the City extends the agreement.

In addition, the Firm charges separately for certain costs incurred in the representation, as well as for any disbursements to third parties made on a client's behalf. Such costs and disbursements include, for example, the following: travel (at the IRS rate in effect at the time the travel occurs), computer-assisted research, transcription, overnight delivery and messenger services. For major disbursements to third parties, invoices may be sent directly to you for payment. The Firm also bills for time spent traveling on a client's behalf at our normal hourly rates.

We will bill you on a monthly basis for serviced performed and costs incurred. Payment is due within 30 days of the date an invoice is rendered. Past due amounts will be shown on the invoice.

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<sup>1</sup> These rates are reviewed and may be modified every year, generally in January.



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You may terminate our services at any time, subject to any applicable requirements for withdrawal of counsel imposed by a tribunal. The Firm reserves the right to withdraw from the representation for failure of the client to make timely payment of fees, costs, and disbursements in accordance with the fee arrangement described in this letter, or for any other reason permitted by the applicable Rules of Professional Conduct.

Please let me know if you have any questions or comments regarding this letter or any other matter. If the terms are agreeable, please sign below and return the original of this letter to me.

Sincerely,



Charles Sakai

CDS/lr

THE CITY OF MILPITAS AGREES TO THE TERMS SET FORTH ABOVE.

\_\_\_\_\_  
Mike Ogaz  
City Attorney

Dated: \_\_\_\_\_, 2013

City of Milpitas, California

**BUDGET CHANGE FORM**

Type of Change	From		To	
	Account	Amount	Account	Amount
Check one: <input checked="" type="checkbox"/> Budget Appropriation <input type="checkbox"/> Budget Transfer	100-910-4640	\$ 70,000	100-120-4237	\$ 70,000

**Explain the reason for the budget change:**

**Background:** On June 24, 2013, the City was served with a Petition for Writ of Mandate filed in the Superior Court by IAFF Local 1699, (Firefighters Union) claiming reimbursement for 7% deductions the Union had agreed to in a side letter. The Union claims the side letter expired in December of 2012 and that deductions should have ended at year end. The City took the view that the side letter was in effect continuously until replaced by a new MOU which the parties are currently negotiating, and has deducted the 7% through the current date from Firefighter employees.

Currently the City Attorney's Office, staffed with only two attorneys, cannot litigate this matter and simultaneously maintain our current workload. Therefore it will be necessary to have the suit handled by outside counsel. Renne Sloan has advised the City for the past several years on personnel matters and is best positioned to handle the City's defense. That law firm has proposed a budget of \$70,000 to handle the case but is hopeful the cost will be significantly less. We advise Council approval of a \$70,000 contract to be appropriated from the contingency reserve fund.

**Fiscal Impact:** A \$70,000 impact to the contingency reserve fund for this fiscal year.

**Recommendation:** Approve the attached contract with the law firm of Renne Sloan Holtzman Sakai, LLP, in the not-to-exceed amount of \$70,000 and an appropriation from the contingency reserve fund in that amount to fund the contract.

Check if City Council Approval required. Meeting Date: August 6, 2013

Requested by:	Department Head: Mike Ogaz	Date: July 17, 2013
Reviewed by:	Finance Director: <i>M C K...</i>	Date: 7/23/13
Approved by:	City Manager:	Date:
Date approved by City Council, if required:		Confirmed by: