

REPORT TO THE CITY COUNCIL



DATE: January 15, 2019

TITLE: Agreement for Litigation Legal Services with Stream, Kim, Hicks, Wrage and Alraro

Prepared by: Jennifer Mizrahi, City Attorney

RECOMMENDATION

Authorize the City Manager to execute an Agreement with Stream, Kim, Hicks, Wrage and Alfaro for Legal Litigation Services in an amount not to exceed of \$200,000.

BACKGROUND:

Due to the increase in complex litigation, the City has retained the litigation services of Stream Kim under the City Manager's authority, where the City Manager has authority to approve professional services in an amount of not to exceed \$30,000. The time has come in which Stream Kim is going to exceed the \$30,000 limit for all of the following matters, collectively.

- *Sungrow Consulting v. City of Desert Hot Springs* (Case No. PSC 1800747) case filed in the Riverside County Superior Court;
- *In the Matter of the Administration of D.H.S Drugs, Inc., Profit Sharing Plan* (PRIN1801126) case filed in the Riverside County Superior Court;
- Administrative Hearing matter entitled *City of Desert Hot Springs v. Calson Farms, et al.*;
- *Sierra Club v. City of Desert Hot Springs* (Case No. RIC 1821985) case filed in the Riverside County Superior Court; and
- *Garcia, et al. v. City of Desert Hot Springs* (Case No. PSC1807458) case filed in the Riverside County Superior Court.

Therefore, Staff is seeking Council approval to enter into a legal services agreement with Stream Kim for the City's defense in all of the above matters for an amount not to exceed \$200,000.

FISCAL IMPACT:

Currently there is not sufficient funding budgeted for 2018-2019 and 2019-2020 to cover the additional \$200,000 in legal litigation fees being requested. Based on discussion with the City Attorney, the Finance Department will increase the litigation line (001-4114-4315) in the amount of \$125,000 using existing fund balance on hand for the 2018-2019 budget cycle and increase the litigation line item by \$75,000 for the 2019-2020 budget cycle.

EXHIBIT:

- 1) Agreement for Litigation Legal Services with Stream, Kim, Hicks, Wrage and Alfaro