

**City of Culver City, California  
Agenda Item Report**

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| Meeting Date: 06/07/10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  | Item Number: <u>C-1</u>                                                           |  |
| <b>CITY COUNCIL AGENDA ITEM: FOUR-FIFTHS VOTE REQUIREMENT - Approval of a Budget Amendment to Allocate Funds to the City's Legal Services Account to Cover Non-Budgeted and Unanticipated Costs of Legal Services for Fiscal Year 2009-2010.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |                                                                                   |  |
| Contact Person/Dept.: Heather Baker,<br>Assistant City Attorney                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  | Phone Number: (310) 253-5660                                                      |  |
| Fiscal Impact: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  | General Fund: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |  |
| Public Hearing: <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  | Action Item: <input type="checkbox"/> Attachments: <input type="checkbox"/>       |  |
| Commission Action Required: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  | Date: _____                                                                       |  |
| Public Notification: (E-Mail) Agenda and Meetings – City Council (06/02/10)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                                                                                   |  |
| Department Approval:<br>Carol Schwab (06/01/10)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  | City Attorney Approval:<br>Carol A. Schwab (06/01/10))                            |  |
| Chief Financial Officer Approval:<br>Jeff Muir (by M. Noller) (06/02/10)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  | City Manager Approval:<br>Lamont Ewell (06/02/10)                                 |  |
| <p><b><u>RECOMMENDATION:</u></b></p> <p>Staff recommends the City Council approve a budget amendment to allocate funds to the City's legal services account to cover non-budgeted and unanticipated costs of legal services for the 2009-2010 fiscal year and through the end of the calendar year.</p> <p style="text-align: center;"><b>A BUDGET AMENDMENT REQUIRES A FOUR-FIFTHS VOTE</b></p> <p><b><u>BACKGROUND / DISCUSSION:</u></b></p> <p>In the Fiscal Year 2009-2010 Budget, the City Attorney's Office was allocated approximately \$290,000 to its general legal services account for the purpose of consulting with outside counsel on various matters that may arise during the course of the fiscal year. These matters include, but are not limited to, issues relating to personnel, land use, telecommunications and the First Amendment.</p> <p>In this fiscal year, the City continues to be involved in the unusual circumstance of pursuing litigation, which the City initiated against another party. The City Attorney's Office, in conjunction with outside counsel, has been handling this significant litigation in which the City joined other Petitioners in challenging the County of Los Angeles' adoption of the Baldwin Hills Community Standards District. As acknowledged by the City Council during the 2009-2010 budget hearing, the substantial costs of pursuing this lawsuit were not included in the City Attorney's budget for Fiscal Year 2009-2010.</p> |  |                                                                                   |  |

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In December, 2009 the City Council authorized \$550,000 toward the cost of this litigation. At that time, it was noted that it may be necessary to return to the City Council in the future for additional budget authorization. To date in this fiscal year, the City has exhausted the full amount authorized by the City Council in December, as well as an additional \$112,000 out of its general legal services account. Currently, there is an outstanding balance of \$113,000 for attorneys' fees and costs through April 30, 2010. A budget amendment is requested to cover the outstanding invoices, as well as an additional amount for the estimated costs of this litigation through the end of the calendar year (December 2010).

**FISCAL ANALYSIS:**

A budget amendment in the amount of \$340,000 from General Fund unappropriated reserves is requested for unbudgeted legal services. If approved, these funds will be appropriated in the City Attorney's account 10113100.611300 – Legal Services-Land Use.

**ATTACHMENTS:**

None.

**MOTION:**

That the City Council:

1. Approve a budget amendment appropriating \$340,000 from General Fund unappropriated reserves to the City Attorney's Legal Services Account No. 10113100.611300 to cover the costs of non-budgeted legal services through the end of the calendar year (a budget amendment requires a 4/5ths vote).