



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 6, 2022

FROM: CITY ATTORNEY'S OFFICE WARDS: ALL

SUBJECT: APPROVE A BUDGET INCREASE WITH THE LAW FIRM OF GREINES, MARTIN, STEIN & RICHLAND IN THE AMOUNT OF \$40,000 FOR SPECIALIZED APPELLATE LEGAL SERVICES IN THE MATTER OF RIVERSIDERS AGAINST INCREASED TAXES VERSUS CITY OF RIVERSIDE AND APPROVE THE INITIAL BUDGET WITH THE LAW FIRM OF GREINES, MARTIN, STEIN & RICHLAND IN THE AMOUNT OF \$175,000 FOR SPECIALIZED APPELLATE LEGAL SERVICES IN THE MATTER OF CITY OF RIVERSIDE VS JURUPA COMMUNITY SERVICES DISTRICT.

ISSUE:

Whether to approve (1) an \$40,000 increase to the budget with the law firm of Greines, Martin, Stein & Richland for the appeal in the lawsuit of Riversiders Against Increased Taxes v. City of Riverside and (2) a budget in the not to exceed amount of \$175,000 for specialized appellate legal services to defend against the appeal in City of Riverside v. Jurupa Community Services District, et. al.

RECOMMENDATION:

That the City Council:

1. Approve an increase in the budget for Greines, Martin, Stein & Richland LLP in the not to exceed amount of \$40,000, for a total budget amount not to exceed \$150,000, for specialized appellate legal services for the appeal in Riversiders Against Increased Taxes v. City of Riverside; and
2. Approve the budget for Greines, Martin, Stein & Richland LLP in the not to exceed amount of \$175,000 for specialized appellate legal services to defend against the appeal in City of Riverside v. Jurupa Community Services District, et. al.

BACKGROUND

City Charter section 702, "Eligibility, powers and duties of City Attorney," provides, in part, that "the City Council shall have control of all legal business and proceedings and may employ other

attorneys to take charge of any litigation or matter or to assist the City Attorney therein.”

DISCUSSION:

The law firm of Greines, Martin, Stein & Richland LLP provides specialized appellate legal services.

On May 17, 2022, the City Council approved a budget for Greines, Martin, Stein & Richland LLP in the not to exceed amount of \$110,000 for specialized appellate legal services in the *Riversiders Against Increased Taxes v. City of Riverside* appeal. This budget was based upon the costs to prepare the administrative record, then brief and argue the appeal. This budget was exceeded due to additional time incurred to prepare the administrative record and to successfully oppose a petition by plaintiffs for a writ of supersedeas to extend for the duration of this appeal the trial court’s preliminary injunction preventing the City from certifying the election results. An increase in an amount not to exceed \$40,000 is requested.

On July 8, 2021, in the case entitled *City of Riverside v. Jurupa Community Services District et al.*, after a lengthy trial, the trial court issued judgment in favor of the City and against Rubidoux Community Services District (“CSD”) in the amount of \$21,099,675.00, plus interest. The City had sued the CSD for contribution to the costs to rehabilitate the City’s sewer treatment plant. The CSD has since appealed that judgment. The City seeks approval for a budget for Greines, Martin, Stein & Richland LLP in the not to exceed amount of \$175,000 for specialized appellate legal services in the *City of Riverside v. Jurupa Community Services District et al.* appeal. The budget for trial counsel, Burke, Williams, and Sorensen, still has a balance of \$532,909.35 in legal fees and a balance of \$503,273.48 in costs. The fees and costs for the Greines, Martin, Stein & Richland LLP budget can be transferred from the Burke, Williams, and Sorensen budget, and therefore no new monies are required to fund the costs of appeal.

STRATEGIC PLAN ALIGNMENT: The retention of experienced outside counsel to provide legal advice supports all priorities of the City of Riverside’s *Envision Riverside 2025 Strategic Plan*, as such advice is provided to all departments of the City, the City Council, Boards and Commissions.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Riverside is transparent and makes decisions based on sound policy, inclusive community engagement, involvement of City Boards & Commissions, and timely and reliable information. Use of outside counsel that specialize in specific areas of the law supports and aids the making of such decisions.
2. **Equity** – Use of outside counsel that specialize in specific areas of the law benefits the entire community by ensuring that such efforts comply with all aspects of the law.
3. **Fiscal Responsibility** – The City Attorney’s Office is expending funds in a careful and judicious manner balanced against the need for specialized legal counsel when the circumstances warrant.
4. **Innovation** – The retention of specialized legal counsel to provide specialized legal

advice supports City innovation efforts by ensuring that such efforts comply with all aspects of the law.

5. **Sustainability & Resiliency** – The retention of specialized legal counsel to provide specialized legal advice supports City goals of sustainability and resiliency by ensuring that such efforts comply with all aspects of the law.

FISCAL IMPACT:

The increase in the budget for Greines, Martin, Stein & Richland LLP (RAIT appeal) will have a financial impact of \$40,000, and funds will come from the Liability Trust Fund – Outside Legal Fees Account 1310000-421100.

The budget for Greines, Martin, Stein & Richland LLP (CSD appeal) will have a financial impact of \$175,000, however, funds will come from the Burke, Williams, and Sorensen budget, and therefore no new monies are required to fund the fees and costs of appeal. Legal fees in the amount of \$170,000 will come from the Public Works Outside Legal Fees Account 4125000-421100, and Costs in the amount of \$5,000 will come from the Public Works Legal Fees Account 4125000-428200.

Prepared by: Phaedra A. Norton, City Attorney
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer