



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 23, 2026

FROM: CITY ATTORNEY'S OFFICE WARDS: ALL

SUBJECT: APPROVE AN INCREASE TO THE COLANTUONO, HIGHSMITH & WHATLEY BUDGET IN AN AMOUNT NOT TO EXCEED \$60,600 FOR A REVISED TOTAL BUDGET OF \$560,000; APPROVE A BUDGET IN THE AMOUNT OF \$500,000 FOR THE LAW FIRM OF GREINES, MARTIN, STEIN & RICHLAND LLP

ISSUE:

To consider approval of (1) an increase to the legal budget for Colantuono, Highsmith and Whatley in an amount not to exceed \$60,600 for a revised total budget of \$560,000 for the Simpson v. City of Riverside trial and (2) the legal budget for Greines, Martin, Stein & Richland LLP in the not to exceed amount of \$500,000 for specialized appellate legal services in the Simpson v. City of Riverside appeal.

RECOMMENDATION:

That the City Council:

1. Approve an increase the legal budget for the law firm of Colantuono, Highsmith & Whatley in an amount not to exceed \$60,600 for a revised total budget of \$560,000 for the Simpson v. City of Riverside trial;
2. Approve the budget for Greines, Martin, Stein & Richland LLP in the not to exceed amount of \$500,000 for specialized appellate legal services in the Simpson v. City of Riverside appeal; and
3. With five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation in the amount of \$560,600 in the General Fund, City Attorney Outside Legal Services account for both budgets.

DISCUSSION:

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."

The City Council has previously approved the retention of Colantuono, Highsmith & Whatley and that firm has executed an Attorney Services Agreement with the City of Riverside for the

provision of legal services. The City Council has previously approved budgets for this law firm and the City Attorney's Office is now seeking an increase to an existing budget in an amount not to exceed \$60,600.

The City Council has previously approved the retention of Greines, Martin, Stein & Richland LLP and that firm has executed an Attorney Services Agreement with the City of Riverside for the provision of legal services. The City Attorney's Office is now seeking approval of a budget in an amount not to exceed \$500,000.

On December 19, 2019, a class action lawsuit entitled *Simpson v. City of Riverside* was filed against the City alleging that the City is overcharging customers for water utility service in violation of Article XIID, Section 6 of the California Constitution, on the grounds that the City is transferring 11.5% of water utility revenues to the City's general fund. The transfer, also known as the "General Fund Transfer", was approved by voters on June 4, 2013, as a general tax. The plaintiff is seeking refunds for all customers for monies collected in violation and also that the court set aside the voter's 2013 approval of the General Fund Transfer. The trial was bifurcated into two phases, liability and damages. The trial has now concluded, with judgment entered against the City. The case will now proceed to appeal.

The initial budget approved by the City Council in 2019 for the *Simpson v. City of Riverside* lawsuit was \$253,000.00, which was based upon the expectation of one hearing on the merits. The budget was increased on July 16, 2024 by an additional \$40,000, to reflect additional discovery. An additional increase to the budget in the amount of \$99,400 was approved on October 8, 2024, to compensate for the hearing (on liability but not damages), extensive discovery, the hearing on damages, and potential further hearings based upon the trial court's decision after the September 4, 2024 hearing. Additional hearings are now required regarding attorneys' fees and the final judgment. On June 10, 2025, an additional increase to the budget in the amount of \$24,000 was authorized due to briefing of new cases recently issued related to refunds, and post-hearing briefing on actual remedy and attorneys' fees. On October 21, 2025, an additional increase to the budget in the amount of \$83,000 was approved due to further briefing and expert fees to address issues raised by the trial court. An additional increase to the budget in the amount of \$60,600 is now needed due to additional briefings and hearings requested by the trial court.

The City will be represented on appeal by the law firm of Greines, Martin, Stein & Richland LLP, who has represented the City in other appeals. Approval is requested in the not to exceed amount of \$500,000 for specialized appellate legal services for this appeal.

FISCAL IMPACT:

The approval of the increase to the budget for the law firm of Colantuono, Highsmith & Whatley is in an amount not to exceed \$60,600 and is for specialized legal assistance. Upon Council approval, a supplemental appropriation will be recorded in the amount of \$60,600 from available General Fund reserves to the General Fund, City Attorney Outside Legal Services Account No. 1300000-421100. There are sufficient General Fund reserves to accommodate the supplemental appropriation.

The approval of the budget for the law firm of Greines, Martin, Stein & Richland LLP is in an amount not to exceed \$500,000 and is for specialized legal assistance. Upon Council approval,

a supplemental appropriation will be recorded in the amount of \$500,000 from available General Fund reserves to the General Fund, City Attorney Outside Legal Services Account No. 1300000-421100. There are sufficient General Fund reserves to accommodate the supplemental appropriation.

Prepared by: Susan D. Wilson, Assistant City Attorney
Certified as to
availability of funds: Julie Nemes, Interim Finance Director
Approved by: Edward Enriquez, Assistant City Manager/Chief Financial Officer/City
Treasurer
Approved as to form: Rebecca McKee-Reinbold, Interim City Attorney