



# Agenda Item

## City Council

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Item #: 3.5.

1/12/2021

File #: 20-355

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**TO:** Honorable Mayor and Members of the City Council

**THRU:** Rick Otto, City Manager

**FROM:** Gary A. Sheatz, City Attorney

### 1. SUBJECT

First Amendment to Attorney Services Agreement with Woodruff, Spradlin & Smart, to provide legal services related to litigation defense in the matter of *George and Kalliopi Metsovas, et al. v. City of Orange*.

### 2. SUMMARY

The City currently has an agreement with Woodruff, Spradlin & Smart, to provide legal services in the matter of *George and Kalliopi Metsovas, et al. v. City of Orange*, for an amount not to exceed \$20,000, which will soon be expended. The proposed First Amendment will increase the not to exceed amount by \$100,000, to a total amount not to exceed \$120,000, without City Council authorization.

### 3. RECOMMENDED ACTION

1. Approve a First Amendment to Attorney Services Agreement with Woodruff, Spradlin & Smart, in the amount of \$100,000 and authorize the Mayor and City Clerk to execute on behalf of the City.
2. Authorize the appropriation of \$100,000 from the Self Insurance - Liability Fund unreserved fund balance to expenditure account number 740.0301.51600.00000, Self-Insurance - Liability Fund - Legal Services.

### 4. FISCAL IMPACT

The total expenditure for this amendment is \$100,000 and will be funded through Self Insurance - Liability Fund (740).

### 5. STRATEGIC PLAN GOALS

- Goal 2: Be a fiscally healthy community
- a. Expend fiscal resources responsibly.

### 6. DISCUSSION AND BACKGROUND

The City has retained the law firm of Woodruff, Spradlin & Smart, to provide legal services with respect to litigation defense in the matter of *George and Kalliopi Metsovas, et al. v. City of Orange*.

While the City Attorney's Office handles most litigation matters, the City does contract with outside counsel when the specialized expertise, complexity or burden on staff time requires such. This case

involves multiple parties and allegations of inverse condemnation, nuisance, breach of contract and breach of implied covenant of good faith and fair dealing resulting from an intersection widening project. Litigation of this type is complex, paper intensive, and is extremely time consuming for our in-house legal staff, which is why outside counsel has been retained.

The First Amendment to the Agreement, increasing the not to exceed amount, is necessary to carry out an appropriate defense in this case.

## **7. ATTACHMENTS**

- First Amendment to Attorney Services Agreement