

**TRANSCRIPTION EXCERPT:  
Jan. 10, 2008 Sultan City Council Meeting**

**RE: Additional budget concerns/constraints re cost of attorneys**

*Transcription of G.R.I.T. Audio File "080110\_Council\_H-1b\_Municipal-Attny-Contract\_Kenyon-Disend.mp3 – To listen to this audio, visit [http://www.ittakesgrit.org//Audio\\_Council\\_080110](http://www.ittakesgrit.org//Audio_Council_080110)*

**C/M Steve Slawson** I thought maybe we sho—with the recent events of Rick's retirement, and we'll be paying his salary for six months, and bringing on a fourth attorney, a fourth firm, I was really concerned about our budget being able to handle this. I know we're splitting basically... [pause]...the attorney's duties basically in half, but what about the possible litigation of the Walsler case or, uh, [the] Pepperell case? That may still come up. Where is that going to fall and how are we going to pay for this—this, you know – and we still have to hire also a short-term planner, a long-term planner, maybe another director for finance, and we didn't really throw this kind of a budget out there, so I'm really concerned about that we need to take a real serious look at this as soon as possible.

**City Admin. Knight** I know. And as you and I talked earlier this afternoon, and there are several options if the council wants to come back and—and look at its budget and determine whether or not the assumptions that you made when you put together the 2008 budget are still valid assumptions, or whether or not those assumptions need to be reevaluated and the budget adjusted. And so, you know, one option would be to—to have a subcommittee take a look at where we're at with our budget and our budget assumptions – and we are going to be talking about the subcommittee meetings [unintelligible] in the meeting – and that might be an opportunity to discuss when to bring that back for subcommittee discussion. The other time you might want to bring that back and—and revisit our assumptions would be during the council retreat [unintelligible] plan for February. And in reviewing the calendar for February, perhaps the 9<sup>th</sup> might sense, but that's a little bit off-task for the subject at hand which is whether or not you want to authorize the mayor to sign the contract, or negotiate the contract is what the recommendation is, since there's no specific contract or scope of work in front of you.

**C/M Dale Doornek** I guess my biggest question is right now is how—how will we manage all of this – and you may have answered some of it already – but how will that debt be [unintelligible], our ability?

**City Admin. Knight** That's an excellent question, and I guess what I would need is some more details about when you state the word "manage," what—what exactly do you mean by "how will we manage"?

**C/M Dale Doornek** How – let's say for the--the budget we'll forget [unintelligible] it all upset. You know, that there's an "X" amount of money that is available, and how is that going to be manages (sic) to...where it's going, and who's getting it and such?

**City Admin. Knight** That's an excellent –

**C/M Dale Doornek** That's the question that I have.

**City Admin. Knight** That is an excellent question, and the way that I'd like to see the planning set up, not just for the firm of Kenyon Disend, but all of our attorney firms, is to have all of the legal matters that we have working on in a monthly period be divided by department so you could see where your legal expenses are by department, and then within that division you would further divide it down to specific legal matters. So if there are long-term legal issues, you would want to create a new account code for those at the firm itself and the firm would track those. So then the question comes up, "How much did we spend on – to resolve 'X'?" You would have that information available. As far as how you'd manage the budget itself, that's a much more difficult question because unfortunately, legal issues are oftentimes things over which we have very little control. We can control them by being proactive rather than being reactive, to think ahead and make sure that since we're not going to be appealed and therefore it's going to cost the city considerable money. But at the end of the day sometimes, you know, the city is—is called to task or sued, and we have to prepare a legal response to that, and we don't have any control. So I think

the best thing to do, as Councilmember Slawson suggested, and that's to take a look at the assumptions that we built our 2008 budget on, and determine whether or not those assumptions still are valid. And if not, then I think that we're going to have to come back and make some budget amendments and say, "It looks like perhaps we're going to have more legal expenses than the *[unintelligible]* last year," and make a budget amendment if necessary. I wish I had a more concrete answer for you. I—I'm afraid, given the...given the fact that we don't have control in many cases, it's difficult for me to give a straight answer.

**C/M Dale Doornek** There probably is a lot of unknowns there.

**City Admin. Knight** Exactly. I think "unknowns," that's a good word for how much that *[unintelligible]*.

**C/M Steve Slawson** And I'd like to say one thing. Public Works has taken the brunt of most of this and helped everything going on. And they can't give anymore. So we really need to take a good look at it now and say, "Hey, where can we cut and make everybody even here?" Because we did cut pretty hard this last year. We all went—we spent a lot of time reading through these things here. I think we need to jump on it as soon as possible.

**City Admin. Knight** I think the other thing to keep in mind, too, is the recommendation that the Blue Ribbon Citizen Advisory Panel gave to the council back in December, you know, the last meeting in December, and that was to take a look at what are your revenue options you have. And so I think that *[unintelligible]* should be on the table if we come back and take another look. Again, that's somewhat off the subject although I do realize that there's a close connection between the conversation that we're having, and this issue.

**C/M Kristina Blair** What would...the things that I see happen from time-to-time in council, it becomes a cart-before-the-horse so to speak to some—to some degree, where we're—we're....limiting—we—we have current contracts—or I should say current expired contracts *[short laugh]*, where we're going to take an attorney's firm and we're going to limit their scope, we're going to bring on another attorney firm. And we don't know what the cost is because we previously had negotiated a flat fee and I understand in your proposal also, it had a rating down the road after creating a baseline [for] a flat fee. But it also leaves this huge unknown. And when we come back to look at budgeting, sure we can look at it in January or February, but moving to a different firm of course creates a big unknown. I do appreciate in the contract that they don't charge for mileage, considering they're coming from Issaquah *[short laugh]*, uh, and—and....and that brings economies of scale in a larger firm that—that could be advantageous for the city. It just always puts us in a different position, you know, approving the contract and yet not knowing really how that's going to affect the budget because we're actually adding one, we're not taking any away, per se. One thing I would like to talk about, though, along the same lines, is...keeping on the firm that we'll be addressing in our next action item, is primarily the function in the budgeting line item for the police department, isn't that correct?

**City Admin. Knight** That's correct.

**C/M Kristina Blair** Okay. And would you remind me what our line-item budget is for expenditures for legal expenses in the police department?

**City Admin. Knight** I'm afraid I can't answer that question for you. I'll have to get back to you on that.

**C/M Kristina Blair** Okay. So that doesn't directly impact the \$85,000 that we are budgeting for the municipal lawyer?

**City Admin. Knight** For the municipal one. Keep in mind, too, that the inline impact police department budget, the role that Weed, Graafstra and Benson is playing is limited, and that really the key role or the major role is with Rafe Schwimmer's firm. Rafe Schwimmer's the lead attorney on those issues, and Weed, Graafstra and Benson's playing secondary, just because they've been involved for so long.

**C/M Kristina Blair** And is there any reason to continue them in that capacity when Mitch Schwimmer is the lead?

**City Admin. Knight** I – it really –

**C/M Kristina Blair** Or shall we address that in the next action item?

**City Admin. Knight** We can address that in the next action [item] or I'd be happy to answer it now. I think it really depends on the outcome of the hearing that was held today. *[G.R.I.T. NOTE: Re Carole Pepperell's civil service appeal in County Superior Court, which lasted several days.]* And we won't know that until probably the first part of February.

**C/M Kristina Blair** So are we premature, then, in considering the contract?

**City Admin. Knight** No. No, no, no because we have expenses that are going to be coming in our direction as a result of it. What I don't know is what the overall....impact is, the bottom line, what the bottom line might be, because there's still to many unknowns. So there are expenses, I just don't know where they're going to end.

**C/M Kristina Blair** Thank you.

**City Admin. Knight** You're welcome.

**C/M Dale Doornek** Well I....call for the Question.

**Mayor Eslick** Call for the Question. Do we want single votes or individual votes, or -- ?

**C/M Steve Slawson** It's up to you, Mayor.

**Male** I believe *[unintelligible]*.

**Mayor Eslick** Oh, okay. Everyone in favor of the contract, say "aye." *[verbal ayes]* Opposed?

**C/M Steve Slawson** Nay. And because I have concerns.

*[End]*