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Memorandum

To: Rick Stephens, President
Kat Rohlf, Vice President
Robb Etnyre, General Manager
From: Best Best & Krieger LLP
Date: August 8, 2024
Re: Potential Rate Options

We appreciate you considering a rate adjustment for BB&K. As we discussed, our rates have generally not been increased since 2017. During this time, inflation (using the index utilized for TTAD's cost of living adjustment) has increased by 31.5%.¹ While we had discussed potentially updating our agreement and rates with Mr. Smith, we decided not to move forward with the request with Mr. Bullock's and Mr. Smith's departures. We wanted to focus on the General Manager recruitment.

Enclosed is a draft legal services agreement with the proposed rate adjustments. This agreement would transition to a more traditional rate structure for public agency clients where BB&K charges different rates based on the type of work performed. Currently, we charge a rate per timekeeper. As examples, my rate is \$275 per hour. Stacey Sheston who handles our labor work is \$310. Jeff Wilson who assists with hanger evictions is \$310. Brent Collinson's rate is \$250.

The proposed rates are:

- General Counsel: All Attorney - \$285, Paralegal - \$180
- ARC (Public Records): All timekeepers - \$225
- Special Counsel: All Attorney - \$325, Paralegal - \$190 (includes litigation, CEQA, labor and employment advice, and other specified types of matters)

¹ This was calculated using the May 2017-May 2024 All Urban Consumers CPI Indices for Pacific Cities (West – Size Class A).

- Complex Counsel: All Attorney - \$425, Pension Consultant - \$270, Paralegal - \$190 (generally only retirement benefits matters)
- Future Adjustments: The above rates would increase by cost of living each year starting July 1, 2025. Annual adjustments would be capped at 5%.