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January 16, 2024

Via Email:
CityManager@cityofportola.com

City Council
Jon Kennedy, Interim City Manager
City of Portola
35 Third Avenue
Portola, CA 96122

Re: Request for Porter Simon Rate Increase

Council Members:

I am writing to request an increase in my hourly billing rate for City Attorney services from the current rate of \$4,950/mon for services provided under the fixed fee arrangement, from \$250/hr to \$280/hr for services not included within the fixed fee arrangement and increase in rates for litigation services from \$325/hr to \$365/hr. I am requesting that the new rates become effective as of March 1, 2024.

I am very cognizant of the challenging financial environment in which we all operate. While my new rates will represent a 12% increase to my current rates, I have not increased rates since May 2021. Therefore, the average annual increase in my rate over the past three years is 4% per year. During this time, we have experienced some very high inflation and my costs continue to rise. This is only the sixth time since 1997 that I have requested an adjustment in my billing rates.

I believe that my proposed rates are competitive with rates charged for similar services by other law firms in Truckee and northern California and by attorneys with experience similar to that of our attorneys. This will be my 36th year of practicing law. For about the past 33 years, I have focused my practice on representing public agencies. I understand that lawyers with my experience charge rates for general counsel type work similar to or more than my proposed hourly rate of \$280/hr.

Law firms that specialize in providing services to public agencies typically provide “general counsel” services at one hourly rate and charge higher hourly rates for “special services.” We are proposing to charge for litigation services at a higher rate, but not for any other services. Some public agency firms define “special counsel services” very broadly to include litigation, labor and employment related matters, including disciplinary hearings, energy,

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complex CEQA and environmental matters, real estate, land acquisition and disposal, fees and charges (including Prop 218 work), public construction disputes, financing and others matters. Rates for special services often well exceed \$365.00/hr., especially when they are provided by firms that specialize in one area of practice, such as environmental, eminent domain or public financing.

Our proposed rates are discounted and significantly less than the rates we charge to non-public entity clients. My hourly rate for private clients is \$450/hr. The hourly rates for other Porter Simon attorneys providing services to private clients range from \$350 – \$450/hr.

During these many years, I have kept a close eye on the amount and cost of my services and will continue to do so in the future. I truly enjoy working with the City and appreciate your confidence in me and my firm. Thank you.

Sincerely yours,

PORTER SIMON
Professional Corporation



STEVEN C. GROSS

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