

RESOLUTION NO. 2017-5

AMENDING THE FEE SCHEDULE FOR OUTSIDE LEGAL COUNSEL BY THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY AND RATIFYING THE RETENTION OF EMERGENCY OUTSIDE LEGAL COUNSEL AT A RATE OF \$350.00/HOUR

WHEREAS, the Authority must periodically retain the services of outside counsel to handle various legal matters; and

WHEREAS, Section 284.03(i) of the Code of Rules and Regulations of the Greater Cleveland Regional Transit Authority sets the Authority's fee schedule for outside legal counsel and establishes a maximum rate of \$325.00/hour; and

WHEREAS, Section 284.03(e) of the Code of Rules and Regulations provides for retaining outside legal counsel in emergency situations and particularly for waiving the requirements of the fee schedule, provided that (1) the CEO, General Manager/Secretary-Treasurer obtain the prior consent of the President of the Board of Trustees and (2) such action is presented to the Board of Trustees for ratification at its next regularly scheduled meeting; and

WHEREAS, the CEO, General Manager/Secretary-Treasurer obtained the prior consent of the President of the Board of Trustees for the negotiated fee of \$350.00/hour for the retention of emergency outside legal counsel; and

WHEREAS, the CEO, General Manager/Secretary-Treasurer hereby presents this action to the Board of Trustees for ratification; and

WHEREAS, Section 284.03(i)(3) of the Code of Rules and Regulations of the Greater Cleveland Regional Transit Authority provides that the fee schedule will be reviewed every three years and updated when deemed necessary; and

WHEREAS, the fee schedule was last amended in 2014 pursuant to Resolution 2014-074; and

WHEREAS, the Authority has determined that the fee schedule for outside counsel should be amended to reflect current competitive rates; and

WHEREAS, the Board of Trustees has determined that such amendment to the fee schedule is in the best interest of the Authority.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the action of retaining emergency outside legal counsel at a rate of \$350.00/hour is hereby ratified.

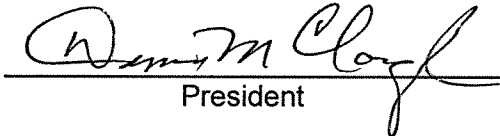
Section 2. That Section 284.03(i) of the Code of Rules and Regulations of the Greater Cleveland Regional Transit Authority is hereby amended to read as follows:

(1) The maximum rate paid for outside legal counsel will be three hundred fifty dollars (\$350.00) per hour (i.e. for partners).

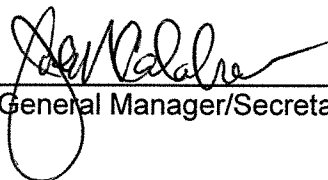
- (2) Less senior members of the outside legal firm will be paid appropriate hourly rates below that of a partner of the firm.
- (3) This subsection will be reviewed every three years and updated when deemed necessary.

Section 3. That this resolution shall become effective immediately upon its adoption.

Adopted: January 24, 2017



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

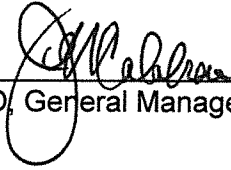
TITLE/DESCRIPTION: AMENDING THE FEE SCHEDULE FOR OUTSIDE LEGAL COUNSEL BY THE GCRTA AND RATIFYING THE RETENTION OF EMERGENCY OUTSIDE LEGAL COUNSEL AT A RATE OF \$350.00/HOUR	Resolution No.: 2017-5
	Date: January 19, 2017
	Initiator: Legal Affairs
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 **PURPOSE/SCOPE:** This action will amend the fee rate schedule of outside legal counsel retained by the Authority and ratify the CEO, General Manager/Secretary-Treasurer's action in retaining emergency outside legal counsel at a rate of \$350.00/hr.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority is periodically required to employ outside legal counsel when, for example, a particular area of expertise may not exist within the Authority's legal staff, or due to conflicts of interest or workload demands. Section 284.03(e) of the Codified Rules and Regulations of the Greater Cleveland Regional Transit Authority provides for the CEO, General Manager/Secretary-Treasurer to retain legal counsel in emergency situations. In accordance with this policy, the CEO, General Manager/Secretary-Treasurer has retained outside legal counsel and is now presenting that action for ratification.
- Section 284.03(i) of the Codified Rules and Regulations of the Greater Cleveland Regional Transit Authority provides for the fee schedule for outside legal counsel to be reviewed every three years and updated when deemed necessary. The Authority last updated its fee schedule for outside legal counsel in 2014, pursuant to Resolution 2014-074. Authority staff has conducted a survey and determined that an increase is warranted. The CEO, General Manager/Secretary-Treasurer is proposing increasing the maximum rate for outside legal counsel from \$325.00/hour to \$350.00/hour.
- 3.0 **PROCUREMENT BACKGROUND:** On January 12, 2017, the CEO, General Manager/Secretary-Treasurer retained emergency outside legal counsel. Section 284.03(e) of the Authority's Code of Rules and Regulations states that in an emergency situation requiring outside legal counsel to serve the best interests of the Authority, the CEO, General Manager/Secretary-Treasurer may waive the requirements of the schedule of fee charges, if necessary, provided he obtains prior concurrence of the President of the Board of Trustees. This approval was received and by board policy, shall be presented to the Board of Trustees for ratification at its next regularly scheduled meeting. Emergency situations in this context are defined as a legal situation demanding immediate retention of outside legal counsel.
- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** Does not apply.
- 5.0 **POLICY IMPACT:** None.
- 6.0 **ECONOMIC IMPACT:** The cost of outside legal counsel is generally determined by the frequency, scope, and nature of the legal matters for which outside counsel is employed. Ratifying the decision to retain emergency outside legal counsel at the rate of \$350.00/hour and approving the increased fee schedule proposed by this resolution will result in higher rates paid to outside counsel employed by the Authority; however, these rates are more competitive and

will allow the Authority to secure the services of the most competent outside legal counsel when it becomes necessary to do so.

- 7.0 ALTERNATIVES: The Board may choose not to ratify the action of retaining emergency outside legal counsel at \$350.00/hour. The impact of not ratifying this action would be to leave the Authority without the services of this firm on a matter of imminent potential litigation. With respect to the proposed increase in the fee schedule the alternatives include: (1) amend the fee schedule for outside counsel as proposed herein; (2) adopt an alternative fee schedule; (3) retain the current fee schedule adopted in 2014.
- 8.0 RECOMMENDATION: It is recommended that the Board of Trustees ratify the action of retaining emergency outside legal counsel at \$350.00/hour and adopt the amended fee schedule as proposed. This action will allow the Authority to implement the current policy for the employment of outside counsel that is more consistent with today's standards while insuring proper Board oversight and good internal controls.
- 9.0 ATTACHMENTS: None.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



CEO, General Manager/Secretary-Treasurer