



**PAPIO-MISSOURI RIVER
NATURAL RESOURCES DISTRICT**
Finding Solutions Today for a Secure Tomorrow.

Legal Counsel Project Report



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Introduction

Papio-Missouri River Natural Resources District (Papio) recently engaged SilverStone Group, a HUB International company (SilverStone Group) to provide an independent cost comparison to determine the estimated annual cost for employing an in-house Legal Counsel vs. the average annual cost for outside Legal Counsel. Our team took the following approach to provide the requested information.

Background Data Collection and Review

SilverStone Group began this project by collecting and reviewing relevant background data. This included:

- Papio's job description template
- List of job responsibilities and work requirements for an in-house Legal Counsel
- Effective date and labor market scope factors for the market analysis
- Employee benefit costs
- Three year history of past legal fees, hours and area of consulting (e.g., eminent domain, employment law, etc.) plus projections for FY 2021

After reviewing this information and receiving answers to our questions, we developed the job description.

Job Description

In order to determine the average annual cost of employing an in-house Legal Counsel, we needed to complete a market analysis to determine market competitive compensation for this role. As such, we needed a job description to complete the market analysis. We used Papio's job description template as a starting point for developing the job description. We populated the job description template with content from Papio as well as any necessary supplemental information from our job description resources. We worked with Papio to review and finalize the Legal Counsel job description, which can be found in Exhibit A. It is important to note that in order to meet Papio's needs, an in-house Legal Counsel would need to have experience and expertise in numerous areas of law including:

- | | |
|--------------------------------|--------------------------------------|
| 1. Constitutional | 8. Public policy |
| 2. Construction and design | 9. Regulatory and government affairs |
| 3. Contracting and procurement | 10. Real estate |
| 4. Eminent domain/condemnation | 11. Tax |
| 5. Employment | 12. Workers' compensation |
| 6. Environmental | |
| 7. Finance | |

Once we finalized the job description, we used that to complete the market analysis.

Market Analysis

A market analysis will assist Papio in being competitive by helping you understand what the going pay rates are in the marketplace. Compensation data were compiled from published third-party compensation resources based on the newly developed job description and the following labor market scope factors:

- Lincoln-Omaha, NE/All Industries/\$80M Revenue/53 Employees

We compiled compensation data from multiple survey sources to provide a representative view of what organizations in the labor market of interest are paying for similar jobs. Data were compiled from the following survey sources based on breakouts closest to the labor market of interest:

1. ADP - ADP Compensation Explorer
2. CompAnalyst - Salary.com's CompAnalyst Market Data
3. Compdata Exec - Compdata Surveys Executive Compensation
4. ERI - Economic Research Institute
5. PayFactors - PayFactors

The market analysis results can be found in Exhibit B. The 50th percentile is generally considered the going market rate. Given that, as well as the numerous areas of law an in-house Legal Counsel would need to have experience and expertise in, it would be reasonable to have to pay at the base pay 50th percentile (i.e., \$245,496) to attract and retain a qualified employee in this role.

Cost Comparison

We used the base pay 50th percentile of \$245,496 when we completed the cost comparison to determine the estimated annual cost for employing an in-house Legal Counsel vs. the average annual cost for outside Legal Counsel. The cost comparison analysis can be found in Exhibit C. Our analysis reveals the following:

- Estimated Annual Cost for In-house Legal Counsel: \$292,522
- Average Annual Cost for Outside Legal Counsel: \$350,408
- Difference: -\$57,886

It is important to remember that in order to meet Papio's needs, an in-house Legal Counsel would need to have experience and expertise in 12 areas of law. This may be difficult to find in one individual. This is evident in the fact that Papio currently retains two law firms in order to meet its current legal needs.

Closing

SilverStone Group's analysis provides in-depth information showing the average annual cost of employing an in-house Legal Counsel vs. the average annual cost for outside Legal Counsel. It is important that decision makers take the following two factors into consideration when determining how to move forward:

1. The cost comparison analysis results.
2. The likelihood of one person having experience and expertise in all 12 areas outlined in the Legal Counsel job description.

Thank you for choosing SilverStone Group to assist you with this project. We believe in taking an integrated, holistic approach to address our clients' organizational and human resource needs. Please let us know if you have any questions about this report or if we may be of any assistance in the future. Thanks!

Exhibit A: Job Description

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PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT

POSITION DESCRIPTION

DATE: January 2021

POSITION TITLE: LEGAL COUNSEL

POSITION DEFINITION/CLASSIFICATION - CONTRACT: Full Time/Salaried

OFFICE LOCATION: Natural Resources Center

SUPERVISOR: General Manager

DESCRIPTION: The Legal Counsel directs all legal matters for Papio-Missouri River Natural Resources District. The Legal Counsel is selected by the District's General Manager and Board of Directors and is directly responsible to the General Manager. The Legal Counsel represents the District in legal proceedings and works closely with the leadership team to minimize risks associated with business operations. The Legal Counsel participates in the development of policies and procedures and conducts legal reviews over applicable documents to ensure compliance. The Legal Counsel is knowledgeable in numerous areas of law including constitutional, construction & design, contracting & procurement, eminent domain/condemnation, employment, environmental, finance; public policy, regulatory and government affairs; real estate, tax and workers' compensation.

SPECIFIC RESPONSIBILITIES:

1. Protects the District's legal interests through ongoing advice, representation and legislation interpretations.
2. Remains informed of new and modified legislation that have the potential to impact business operations.
3. Identifies risks and recommends proactive solutions to the leadership team.
4. Oversees the District's public policy involvement, government affairs and regulatory compliance matters.
5. Represents the District in contacts with local, state and federal agencies and elected officials. Establishes and maintains working relationships with representatives of these and other public and private organizations. Contacts may include the Nebraska Governor, Nebraska Attorney General, City of Omaha, Omaha Business Leaders, Sarpy County and Douglas County.
6. Reviews documents submitted through the District's legal review process. Such documents may be related to, but are not limited to, public contracting, procurement, real estate and eminent domain/condemnation transactions.
7. Reviews and offers counsel on the preparation of tax and public finance activities.
8. Assists in developing and reviewing labor and employment policies and procedures.
9. Leads any necessary internal investigations related to harassment and/or discrimination claims.
10. Provides support for the workers' compensation program and reviews claims.
11. Collaborates with project leadership to ensure appropriate land and environmental regulations are taken into consideration during construction and design efforts.
12. Performs other duties as assigned, including attendance at evening meetings, local, state and national conferences.

WORK REQUIREMENTS:

Education and Experience:

1. A Juris Doctor degree from an accredited law school and a minimum of 10 years of experience is required.

2. Demonstrated knowledge and experience in numerous areas of law including constitutional, construction & design, contracting & procurement, eminent domain/condemnation, employment, environmental, finance; public policy, regulatory and government affairs; real estate, tax and workers' compensation
3. Demonstrated capability to work with a Board of Directors, other elected officials and the General Public on a continuing basis.
4. Demonstrated knowledge of computers and the use of electronic communications.
5. Must have a current driver's license valid in Nebraska. Must be insurable in Nebraska.

Physical:

1. Pre-employment medical exam (including drug testing) and background investigation required.
2. Must be able to lift a minimum of twenty (20 pounds).
3. Must be able to work varied hours when requested to include Subcommittee and Board meetings, other job related meetings as scheduled and emergency operations work as required.



Exhibit B: Market Analysis Results

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Market Analysis Interpretation

Market Analysis Results

The Market Analysis Results show the survey sources, market scope, survey job titles, sample size and the market data that were compiled for the job(s) of interest in your organization. Here's how the data can be interpreted:

- **Base Pay**
 - 25th Percentile: 25% of the market examined in this analysis is paying at or below this number.
 - 50th Percentile: 50% of the market examined in this analysis is paying at or below this number; this is generally considered the going market rate.
 - 75th Percentile: 75% of the market examined in this analysis is paying at or below this number.
- **Annual Bonus:** Annual bonus received. It is important to note that not all companies pay bonuses and not all surveys report bonus information.
- **Total Cash Compensation:** This includes base pay and annual bonuses/incentives received. This number is reported separately in our survey sources and is not just the simple addition of the 50th Percentile and Annual Bonus numbers that are presented in this analysis.

Survey Sources

This page lists the survey sources we included in the market analysis. It also provides a list of all of the states used for regional data, where applicable, and the data effective date of each survey source. All of the data have been aged (using a 3% aging factor) to the effective date listed in the upper left-hand corner of the Market Analysis Results page.

Survey Job Summaries

The Survey Job Summaries contain all of the job summaries we matched your job(s) to in our survey sources. It is important to review these job summaries to ensure they align well with the job(s) in your organization. Please let us know if any job summaries do not represent the job(s) of interest in your organization. In such instances, we can work to find better job matches if they exist. If better job matches cannot be found, we can delete the survey jobs where concerns exist.

Legal Counsel Market Analysis Results

Survey Name	Scope	Survey Job Title	# of Orgs	# of Incs	25th Percentile	Base Pay 50th Percentile	75th Percentile	Annual Bonus	Total Cash Compensation
Effective: 01/01/2021									
Legal Counsel	Lincoln-Omaha, NE/All Industries/\$80M Rev/53 Ees								
ADP	Lincoln, NE/All Industries/All Sizes	Chief Legal Officer	N/A	N/A		226,846			
ADP	Omaha-Council Bluffs, NE-IA/All Industries/All Sizes	Chief Legal Officer	N/A	N/A		258,254			
CompAnalyst	Lincoln, NE/All Industries/\$50M-\$200M Rev	General Counsel	750	750	194,100	237,800	290,600		301,200
CompAnalyst	Lincoln, NE/All Industries/50-100 Ees	General Counsel	750	750	204,700	250,800	306,500		317,700
CompAnalyst	Omaha, NE/All Industries/\$50M-\$200M Rev	General Counsel	750	750	194,800	238,700	291,600		302,300
CompAnalyst	Omaha, NE/All Industries/50-100 Ees	General Counsel	750	750	205,400	251,700	307,600		318,800
Compdata Exec	Omaha-Council Bluffs, NE-IA/All Industries/All Sizes	General Counsel	9	10	209,069	249,170	283,528	127,746	250,581
ERI	Lincoln-Omaha, NE/All Industries/\$80M Rev	Chief Legal Executive	N/A	N/A	195,835	265,587	356,519	105,634	371,221
PayFactors	Lincoln, NE/All Industries/\$50M-\$200M Rev	Legal Executive - General Counsel	N/A	N/A	194,100	245,500	311,000	95,600	345,000
PayFactors	Lincoln, NE/All Industries/50-100 Ees	Legal Executive - General Counsel	N/A	N/A	188,700	238,700	302,400	92,700	335,600
PayFactors	Omaha, NE/All Industries/\$50M-\$200M Rev	Legal Executive - General Counsel	N/A	N/A	193,500	244,800	310,000	95,300	344,000
PayFactors	Omaha, NE/All Industries/50-100 Ees	Legal Executive - General Counsel	N/A	N/A	188,200	238,100	301,600	92,500	334,500
Average					196,840	245,496	306,135	101,580	322,090

Survey Sources

Survey Name	Survey Abbreviation	Geographic Scope	Data Effective Date
ADP Compensation Explorer	ADP	Local	6/30/2020
Salary.com's CompAnalyst Market Data	CompAnalyst	Local	1/1/2021
Compdata Surveys Executive Compensation	Compdata Exec	Local	10/1/2020
Economic Research Institute	ERI	Local	1/1/2021
PayFactors	PayFactors	Local	1/1/2021

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Survey Job Summaries

Legal Counsel

ADP – Chief Legal Officer

Provides legal counsel to the Board of Directors, Chairman of the Board, Chief Executive Officer and other members of senior management. Advises business on law updates, examines legal documentation to ensure legal protection and compliance with regulatory authorities. Develops and leads corporate legal strategies to promote and protect the organization. Provides high level legal advices to avoid ban and lawsuits and minimize legal risks. Ensures legal formalities, such as tax, asset management, lease, and other obligations are fulfilled. Ensures inventions are patented and its right are protected. Establishes strategy, plans, directs and formulates policies, and provides information to be approved by the Board of Directors.

CompAnalyst – General Counsel

Plans and directs all aspects of an organization's legal affairs and ensures all business policies and activities are managed correctly and in compliance with current laws. Reviews changes to law and regulations and advises management about any impact to the business. Provides guidance and counsel to management on business transactions and initiatives. Leads the defense of the organization in lawsuits and the prosecution of lawsuits on behalf of the organization against others. Ensures that all company communications, contracts, documents, filings and press releases undergo a legal review. May engage and coordinate with outside counsel for certain matters. Requires a Juris Doctor degree from an accredited law school. Requires admittance to a state bar. Typically reports to CEO. Top level or C level management. Responsible for the development of functional or business unit strategy for the entire organization. Defines corporate vision and strategy establishes company direction and focus. Executes multiple high impact initiatives to achieve overall corporate goals.

Compdata Exec – General Counsel

Oversees all legal aspects of the organization by providing legal advice, implementing policies and procedures, and ensuring compliance with internal policies and regulatory requirements. Works with outside counsel on all organizational legal matters. Ensures the organization remains compliant with all state, federal, and industry guidelines. Ensures management understands the potential risks associated with current internal policies and procedures. Juris Doctorate with extensive experience and State Bar membership required.

ERI – Chief Legal Executive

Directs, oversees, and controls legal activities and functions to ensure the organization's legal posture is developed and maintained. Establishes legal services required by the organization and ensures that the organization is protected from any legal action. Provides officers and directors with advice and guidance in identifying the critical problems to which the application of legal principals yields the greatest opportunities for minimizing risks and maximizing profits. Works with all departments on developing and modifying policies and procedures to conform to legal requirements. Reviews and controls department budget to support systematically planned programs of legal actions or defenses and to assure optimum deployment of resource within approved budget. Keeps fully informed on all legislation affecting the organization's operations and of all new developments in corporate legal matters, and keeps all levels of management informed of applicable new laws and of the progress and results of court cases. Develops a professionally competent staff of attorneys and legal and paralegal generalists and specialists. Serves as liaison with carefully selected outside legal firms and monitors and evaluates their activities.

PayFactors – Legal Executive - General Counsel

Has ultimate responsibility for all legal functions of the organization and serves as a key member of the executive leadership team. Job Duties: Develops short- and long-term strategies impacting the organization's legal function. Provides legal advice and counsel and represents the organization in legal proceedings. Ensures organizational operations and practices are in compliance with applicable laws and regulations at all times, and recommends changes to organizational policies or procedures with the goal of minimizing risk. Oversees the preparation of legal documents. May coordinate legal efforts with the organization's outside counsel. Experience and Education: Leads and directs the work of other employees and has responsibility for personnel actions including hiring, performance management, and termination. Supervision is often provided through a team of subordinate managers and/or directors. Collaborates with other members of the executive management team to align departmental strategy or direction with the overall goals of the organization. Develops policies, practices, and procedures that have a significant impact on the organization. Typically requires a bachelor's degree and at least 15 years of experience. A JD may be preferred. Reports to: Typically reports to a top executive.

Exhibit C: Cost Comparison

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Cost Comparison

Estimated Annual Cost for In-house Legal Counsel			Annual Amount Paid by District
Base Pay	Hourly Conversion		
Market 50th Percentile	\$118.03		\$245,496.00
Group Insurance - Coverage Type	Monthly Premium	% Paid by District	
Medical - Employee Only	\$889.91	100%	\$10,678.92
Dental - Employee Only	\$42.39	100%	\$508.68
Vision - Employee Only	\$13.00	100%	\$156.00
Life - Employee Only	\$110.47	100%	\$1,325.68
Long-Term Disability - Employee Only	\$28.50	100%	\$342.00
Retirement Plan - Eligible Employees	Employer Contribution		
Retirement Plan - Full-time Employees		6%	\$14,729.76
Mandated Benefits	Rate		
Workers Compensation		0.17%	\$417.34
Social Security		6.20%	\$15,220.75
Medicare		1.45%	\$3,559.69
State Unemployment Tax Act (SUTA Tax)		0.5%	\$45.00
Federal Unemployment Tax Act (FUTA Tax)		0.6%	\$42.00
	Base Pay		\$245,496
	Benefits		\$47,026
	Total		\$292,522

Average Annual Cost for Outside Legal Counsel			
Fiscal Year	Baird Holm, LLP Fees	Husch Blackwell, LLP Fees	Total
FY 2018	\$15,836	\$367,847	\$383,682
FY 2019	\$5,850	\$348,644	\$354,494
FY 2020	\$53,198	\$270,809	\$324,007
FY 2021	Budgeted Legal Fees		\$339,450
	Average		\$350,408

Estimated Annual Cost for In-house Legal Counsel	\$292,522
Average Annual Cost for Outside Legal Counsel	\$350,408
Difference	-\$57,886

P-MRNRD Cost Comparison
Using Family Group Insurance Information

Base Pay	Hourly Conversion	Annual Amount Paid Annually
Market 50th Percentile	\$118.03	\$245,496.00
GROUP INSURANCE	MONTHLY COST	ANNUAL COST
Medical - Family	\$1,749.34	\$20,992.08
Dental - Family	\$127.15	\$1,525.80
Vision - Family	\$26.00	\$312.00
Life - Employee	\$110.47	\$1,325.68
Long-Term Disability	\$28.50	\$342.00
Total Annual Cost		\$24,497.56
Retirement Plan - Eligible Employees	Employer Contribution	
Retirement Plan - Full-time Employees	6%	\$14,729.76
Mandated Benefits	Rate	
Workers Compensation	0.17%	\$417.34
Social Security	6.20%	\$15,220.75
Medicare	1.45%	\$3,559.69
State Unemployment Tax Act (SUTA Tax)	0.5%	\$45.00
Federal Unemployment Tax Act FUTA Tax)	0.6%	\$42.00
Total Mandated Benefits		\$19,284.78
Group Insurance (family), Retirement, Mandated Benefits	Base Pay	\$245,496.00
	Benefits	\$58,512.10
	Total	\$304,008.10
Additional Cost Considerations		
Insurance - \$20 million liability policy		\$24,000.00
State Bar & Association Dues		1,000.00
Legal Subscriptions		2,600.00
	Total Additional Costs	\$27,600.00
Total Annual Cost to the District		\$331,608.10