

Agenda Item: 6.

MEMORANDUM

TO: Finance, Expenditures and Legal Subcommittee

FROM: John Winkler, General Manager

SUBJECT: General Legal Expenses – over 110% of budget

DATE: January 5, 2015

The budget account 01-01-000-4392 is the District General and Administrative Legal Fee's budget. It covers all legal fees not associated with a specific project and general in nature to the operation of the District.

As of 12/31/14 the total expenditure from this budget is \$52,741.00 of a budgeted amount of \$45,000 which is 117% of the budget.

Please refer to the attached spreadsheet which illustrates the expenditures in this budget category. Several items of note which, when combined, consumed a considerable amount of legal resources (i.e. Board of Equalization issue, ongoing lawsuits, policy reviews etc.) In addition, since the District had no prior billing experience with another firm besides Mr. Paul Peters, it was somewhat difficult to anticipate what this fiscal year's legal fees would be.

The District, in conjunction with Husch Blackwell, will be conducting its mutually agreed upon six (6) month review of District wide legal billings and fees paid to determine where resources are being expended and strategies to initiate savings.

If account 01-01-000-4392 should exceed \$90,000 prior to the end of the 2015 fiscal year, management will bring it back to the FEL Subcommittee for further approval.

Management recommends that the Subcommittee recommend to the Board that Account 01-01-000-4392 – General and Administrative Legal Fees be allowed to exceed 110% of the budgeted amount of \$45,000.

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PMRNRD - G&A Attorney fees - 01-01-000-4392
 FY2015 to date

7/3/2014	2144705	NRD vs Japp	43.00
7/3/2014	2144706	Admin & Board Matters	1,419.00
7/7/2014	2144882	General Counsel	874.50
7/7/2014	2144773	General	196.50
8/11/2014	2154899	General Counsel	1,757.00
8/11/2014	2154905	NRD vs Japp	4,244.80
8/11/2014	2154903	Admin & Board Matters	2,711.00
9/9/2014	2162479	Board of Equalization	882.00
9/9/2014	2162475	Admin & Board Matters	2,768.50
9/9/2014	2162476	NRD vs Japp	1,853.14
9/9/2014	2162466	General Counsel	2,260.50
10/7/2014	2170611	Admin & Board Matters	4,230.00
10/7/2014	2170617	Board of Equalization	464.00
10/7/2014	2170625	Audit letters	500.00
10/7/2014	2170608	NRD vs Japp	2,524.39
10/7/2014	2170874	General Counsel	3,705.48
11/7/2014	2179303	General Counsel	1,443.00
11/7/2014	2179304	General/admin	6,540.69
11/7/2014	2179304	General/admin- Japp	5,654.50
12/4/2014	2188290	General/admin	7,839.86
12/4/2014	2188290	General/admin- Japp	829.50

account total	<u><u>52,741.36</u></u>
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General	24,617.53
Admin/Board	11,128.50
Audit	500.00
Board of Equalization	1,346.00
Japp	<u>15,149.33</u>
total	<u><u>52,741.36</u></u>

FY15 budget	45,000.00
	117%