



CITY OF
ST. CHARLES
ILLINOIS • 1834

AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: 5a

Title:

Recommendation to Approve a New Letter of Engagement with Clark Hill

Presenter:

Jennifer McMahon, Director of Human Resources

Meeting: Government Operations Committee

Date: November 1, 2021

Proposed Cost: \$50,000

Budgeted Amount: \$20,000

Not Budgeted:

Executive Summary *(if not budgeted please explain):*

City Code Section 2.10.030 requires that the Mayor and City Council, with the advice of the City attorney, may, for specific legal actions, appoint additional legal counsel with the duties and compensation specified in the appointment. The firm who has traditionally provided legal counsel, Clark Baird Smith (CBS), for the City was working on a duty-related police pension application. In early June, the attorney working on this case, Yvette Heintzelman, left CBS and launched their own firm. Given the extensive time put into the case, her expertise in this area, and her historical knowledge of the case, staff and the City Attorney recommended remaining with and engaging Heintzelman for this matter until its conclusion. Therefore, City Council approved an engagement letter with Heintzelman Law, LLC in August of 2021. She has now joined the law firm of Clark Hill and has submitted a new engagement letter, on behalf of that firm. The City would be engaging only with Heintzelman for the duration of this matter. There is no increase in the hourly rate.

As mentioned previously, the entire legal budget for Human Resources is \$20,000. During staff budget discussions \$25,000 was proposed for General Legal and \$5,500 for arbitration/negotiations, but this amount was cut to balance the budget. The proposed cost is based on the attorney's rate of \$340 and approximately 150 hours of work, which may include research, document review, subpoena issuance/response, strategy development, meetings, and depositions/cross examinations and related preparation.

Included in the agenda packet is a letter of engagement from Clark Hill.

Attachments *(please list):*

Letter of engagement

Recommendation/Suggested Action *(briefly explain):*

Recommendation to Approve a Letter of Engagement with Clark Hill to provide representation and legal advice for the City of St. Charles in a police pension application matter



Yvette Heintzelman
T (312) 985-5917
F (312) 985-5585
Email: yheintzelman@clarkhill.com

Clark Hill
130 E. Randolph Street, Suite 3900
Chicago, Illinois 60601
T (312) 985-5900
F (312) 985-5999

October 18, 2021

Jennifer McMahon
City of St. Charles
2 East Main Street
St. Charles, Illinois 60174

Re: City of St. Charles Representation

Dear Jenn,

This letter serves to record the terms of our engagement to represent City of St. Charles, with regard to the pension litigation application for duty disability benefits filed by Dawn Churney. We are prepared to provide services beyond this scope after consultation and mutual agreement.

Our fees in this matter are based on hours spent by lawyers and other professionals necessary to produce the work product. Our minimum billing increment is .1 hour. Yvette Heintzelman will be the principal attorney contact in this matter. Yvette Heintzelman's hourly rate is \$340 per hour. Our current associate's rates will be between \$235 and \$300 per hour and paralegals will be billed at \$150 to \$200 per hour. These rates may be adjusted periodically to reflect the experience and expertise of our professionals.

This letter is supplemented by our Standard Terms of Engagement for Legal Services, attached, which are incorporated in this letter and apply to this matter and other matter(s) for which you engage us. If you agree that this letter provides acceptable terms for our engagement in this matter, please sign and return a copy to me.

We look forward to working with you.

Sincerely,

CLARK HILL

/s/ *Yvette Heintzelman*

Yvette Heintzelman

YH:cdw
Attachment

City of St. Charles accepts, and agrees to be bound by, the foregoing.

CITY OF ST. CHARLES

Dates: _____ 2021

STANDARD TERMS OF ENGAGEMENT FOR LEGAL SERVICES

This statement provides the standard terms of our engagement as your lawyers. Unless modified in writing by mutual agreement, these terms will be an integral part of our agreement with you. Therefore, we ask that you review this statement carefully and contact us promptly if you have any questions.

GENERAL RIGHTS AND RESPONSIBILITIES OF CLIENTS OF THE FIRM

A client of the firm has the right to: (A) expect competent representation by the firm; (B) determine the purposes to be served by the legal representation, so long as those purposes are legal and do not violate the firm's obligation to the profession or to the judiciary; (C) be kept reasonably informed about the status of the matter and have the firm respond promptly to reasonable requests for information; and (D) terminate the representation at any time, with or without cause, subject to the obligation for payment of legal services provided and costs incurred by the firm.

A client of the firm has the responsibility to: (A) obey all orders issued by a court or other tribunal concerning your matter; (B) be candid and truthful with the firm and the court or other tribunal; and (C) pay the firm as provided by this agreement and any other agreements regarding payment for legal services and expenses. A client may not: (A) demand that the firm use offensive tactics or treat anyone involved in the legal process with anything but courtesy and consideration; (B) demand any assistance which violates the Rules of Professional Conduct; or (C) pursue or insist upon a course of action which the firm reasonably believes to be illegal, fraudulent, offensive or unwise. The firm may terminate this agreement for reasons permitted under the Rules of Professional Conduct.

OBLIGATIONS OF A LAWYER

All lawyers are required to observe and uphold the law, including applicable court rules; and are governed by Rules of Professional Conduct that pertain to our relationship with a client, with third persons, other professionals and the courts. All of these laws and rules apply to our representation of you, and we welcome your inquiry about them.

WHOM WE REPRESENT

The person or entity whom we represent is the person or entity identified in our engagement letter and does not include any affiliates or related parties of such person or entity, such as parent companies, subsidiaries, sibling entities, and/or other affiliates; or employees, officers, directors, shareholders of a corporation, partners of a partnership, members of an association or limited liability company, and/or other constituents of a named client unless our engagement letter expressly provides otherwise.

THE SCOPE OF OUR WORK

You should have a clear understanding of the legal services we will provide. Any questions that you have should be dealt with promptly.

We will at all times act on your behalf to the best of our ability. Any expressions on our part concerning the outcome of your legal matters are expressions of our best professional judgment, but are not guarantees. Such opinions are necessarily limited by our knowledge of the facts and are based on the state of the law at the time they are expressed. Your obligation to pay our fees as provided in this letter is not in any way contingent upon a result or results in the matter.

Our attorney-client relationship will be considered ended upon the earliest of (a) our completion of services in the matter(s) for which you have engaged us, (b) notification by you to us that you desire to terminate such services, or (c) notification by the firm of termination of our attorney-client relationship.

WHO WILL PROVIDE THE LEGAL SERVICES

Customarily, each client of the firm is served by a principal attorney contact. The principal attorney should be someone in whom you have confidence and with whom you enjoy working. You are free to request a change of principal attorney at any time. Subject to the supervisory role of the principal attorney, your work or parts of it may be performed by other lawyers and paralegals in the firm. Such delegation may be for the purpose of involving lawyers or paralegals with special expertise in a given area or for the purpose of providing services on an efficient and timely basis.

PRESERVATION OF EVIDENCE AND COMMUNICATION PROTOCOL IN LITIGATED MATTERS

All evidence of any nature that is arguably relevant to this matter, including but not limited to documents (whether hard copy or electronic) and other physical evidence, must be preserved. Moreover, scheduled routine destruction of any stored records (whether hard copy or electronic) must be suspended immediately until after this matter is concluded. Failure to do so may result in sanctions by a court or tribunal.

In order to preserve the attorney-client privilege that attaches to our communications, it is important that all future oral communications about this matter occur only in the presence of a Clark Hill attorney. Further, all written communications about the matter should be directed to a Clark Hill attorney. You recognize that, while convenient and sometimes necessary, communications transmitted by internet, mobile and other electronic means may not be entirely secure. Therefore, in communicating by such means you accept the risks that such communications may not be protected by the attorney-client privilege, and we agree that no party will be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any such communications due to any reason beyond that party's reasonable control.

HOW FEES WILL BE SET

Unless our engagement letter provides otherwise, our fees will be charged on an hourly basis, *i.e.*, time expended multiplied by the hourly rates of our lawyers and other professionals. Among the factors we consider in determining the staffing of the matter and the fees charged are:

- The novelty and complexity of the issues presented, and the skill required to perform the legal services;
- The fees customarily charged in the community for similar services and the value of the services to you;
- The amount of money or value of property involved;

- The time constraints imposed by you as our client and other circumstances, such as an emergency closing, the need for injunctive relief from court, or substantial disruption of other office business;
- The experience, reputation and expertise of the lawyers performing the services.

We will keep accurate records of the time we devote to your work, including conferences (both in person and over the telephone), negotiations, factual and legal research and analysis, document preparation and revision, travel on your behalf, and other related matters. We record our time in tenths of an hour.

The hourly rates of our lawyers and other professionals are adjusted periodically to reflect current levels of legal experience, changes in overhead costs and other factors.

We are often requested to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. Whenever possible we will respond to your request by furnishing an estimate based upon our professional judgment, but always with a clear understanding that it is not a maximum or fixed fee quotation. The ultimate cost frequently is more or less than the amount estimated.

RETAINER AND TRUST DEPOSITS

Clients of the firm are commonly asked to deposit a retainer with the firm. Unless otherwise agreed, the retainer deposit will be credited toward your unpaid invoices, if any, at the conclusion of services. While the retainer is on deposit, you grant us a security interest in such funds. At the conclusion of our legal representation or at such time as the deposit is unnecessary or is appropriately reduced, the remaining balance or an appropriate part of it will be returned to you.

Deposits which are received to cover specific items will be disbursed as provided in our agreement with you, and you will be notified from time to time of the amounts applied or withdrawn. Any amount remaining after disbursement will be returned to you.

All trust deposits we receive from you will be placed in a trust account for your benefit. Your deposit will be placed in a pooled account unless you request a segregated account. By law, interest earned on the pooled account is payable to a charitable foundation. Interest earned on a segregated trust account will be added to the deposit for your benefit and will be includable in your taxable income.

EXPENSES

We frequently incur and/or pay on behalf of our clients a variety of expenses arising in connection with legal services. These expenses include charges made by courts, other government agencies, and service vendors. You authorize us to incur such charges on your behalf, and agree to reimburse the firm to the extent we pay these charges on your behalf. You also authorize us to incur on your behalf expenses incidental to the representation, including but not limited to deposition and transcript costs; witness fees; travel expenses; charges of outside experts and consultants; and other legal counsel fees. You agree that you will be solely responsible for such expenses and that the firm will not be responsible for such expenses. We will

usually advance expenses up to \$100, and require that our clients directly pay, or deposit with us funds to pay, expenses exceeding \$100.

The firm does not charge for internal costs of routine copying, telephone, third party charges for research, faxes, secretarial overtime, mailing, and the like. However, the firm does charge for extraordinary expenses of this type, and we will bill you for them at our cost.

FILES AND OTHER MATERIALS

Files generated in the matter will be retained by the firm as required by law, and thereafter may be retained or destroyed, at our discretion. To the extent we retain them, we will provide you reasonable access to matter files in accordance with applicable law, excluding firm files (firm administrative records, time and expense reports, personnel and staffing materials, accounting records, and internal lawyers' work product, e.g., drafts, notes, internal memoranda, legal research, and factual research). Matter files to which you are given access may be reproduced at your request and at your expense. We reserve the right to make and retain copies of all documents generated or received by us in connection with the matter. After our engagement in this matter ends, upon your request and at your expense we will return any property you have entrusted to us, unless there is a balance on your account. If there is a balance on your account, the firm will assert a retaining lien on such property to the extent allowed by law. If you have not requested return of such property within a reasonable time after our engagement in the matter ends, we may retain or destroy such property at our discretion.

TERMINATION

You may terminate our representation at any time, with or without cause, by notifying us. Your termination of our services will not affect your responsibility for payment of legal services rendered and out-of-pocket costs and internal charges incurred before termination and in connection with an orderly transition of the matter.

The Rules of Professional Conduct list several types of conduct or circumstances that require or allow us to withdraw from representing a client, including, for example: persistence in a course of conduct which we reasonably believe to be criminal or fraudulent, insistence upon pursuing an objective which we consider to be repugnant or imprudent, failure of a substantial nature to fulfill an obligation after reasonable warning that it will result in our withdrawal, or other good cause.

BILLING ARRANGEMENTS AND TERMS OF PAYMENT

Our invoices will report the hours and rates for attorneys and other professionals on the matter, and describe the work performed. Unless otherwise provided in our engagement letter, we will provide you with a bill on a monthly basis. Payment is due on receipt. Any balance unpaid after 30 days of the date of the invoice shall accrue interest at the rate of seven percent (7%) per annum. Payments shall be applied first to costs and expenses, then to accrued interest, if any, and then to the unpaid fees.

We will give you notice if your account becomes delinquent, and you agree to bring the account or the retainer deposit current. If the delinquency continues and you do not arrange satisfactory payment terms, we may withdraw from the representation and pursue collection of your account. We may also request permission of any court in which we have filed an

October 18, 2021

Page 5

appearance on your behalf to allow us to withdraw as your counsel, and you agree that non-payment of our fees is a valid basis for our request to so withdraw. To the extent collection of your account becomes necessary, you agree that, in addition to any unpaid balance and interest thereon, we will be entitled to recover all costs and expenses of collection, including reasonable attorney fees.