



**ADMINISTRATION
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July 5, 2006

Honorable Judge Rodney Melville
Superior Court
312-M East Cook Street
Santa Maria, CA 93455-5165

Santa Barbara County Grand Jury
Attention: Foreman
1100 Anacapa Street
Santa Barbara, CA 93121

Dear Judge Melville,

The purpose of this letter is to respond the Santa Barbara Grand Jury Report for 2005-2006. This response was presented to the Guadalupe City Council on July 11, 2006. The actions set forth below have been put in place

Response to Findings and Recommendations:

1. LEGAL SERVICES FOR MUNICIPALITIES:

The City Attorney for the city of Guadalupe is Randy Risner. Legal fees include advice related to the City and the Redevelopment Agency. Costs related to developments in the city are reimbursable under development agreements and, therefore, the revenue from the developers offset the actual cost to the city. The Santa Maria Valley Water Conservation District’s water litigation has been a high cost to the city but we are seeing a reduction over time. The expenditures for legal fees are controllable if the city places an hour “cap” on time worked.

2. COSTLY LEGAL SERVICES:

Litigation costs are higher per hour than advisory services. The expenditures for city-related legal fees are of concern to the City Council and litigation costs appear to be the major factor driving costs up. Sound legal advice should be a function of decreased litigation.

3. CONFIDENTIAL BILLS:

The city complied with public records requirements when submitting bills to the Grand Jury.

4. INFORMED CONSENT:

Conflicts of interest should be disclosed. Attorneys should act in the best interest of the municipality they serve.

5. RETAINERS:

The city uses a standard contract for all consultants including the city attorney.

6. NEGOTIATION OF TERMS:

The Council negotiates the terms of the agreement during closed session and again when the contract is approved in open session.

7. LEGAL FEE BUDGETS:

The Council should be made aware of legal fees exceeding budgeted amounts during mid-year budget review. It is difficult to place restrictions on legal fees that are warranted.

8. SELECTION PROCESS:

The RFP process is performed and Council interviews candidates in closed session. A background check is performed prior to approving a contract. The current City Attorney went through two RFP's.

9. HIRING PROCESS:

The Council negotiates the terms of the agreement during closed session and again when the contract is approved in open session

10. SPECIAL COUNSEL:

Special counsel is generally a recommendation of the city attorney. This should be considered and factored into the budget as needed.

11. PAYMENT REVIEW:

The City Administrator reviews the legal bills. Copies are submitted to Council with the agenda's warrant listing for approval. City Attorney does not charge for mileage.

CONCLUSION:

Legal fees should be kept in check at all times. The City respects the Grand Jury's recommendations and we hope this response demonstrates our desire to keep the best interest of the public in mind always. Please accept our sincere thanks and appreciation.

Sincerely,

Carolyn Galloway-Cooper, CPA
City Administrator

Enclosures

c: file

File: wp/grand jury response to report dated 5 16 2006