

**INTEROFFICE COMMUNICATION
COUNTY OF MILWAUKEE**

DATE: May 23, 2012

TO: Marina Dimitrijevic, Chairwoman, County Board of Supervisors

FROM: Kimberly Walker, Corporation Counsel *KW*
Mark A. Grady, Deputy Corporation Counsel *MAG*

SUBJECT: File No. 11-608; A resolution authorizing and directing the Employee Benefits Workgroup to fully develop a graduated defined contribution pension plan to replace the existing defined benefit plan, and to report back with a final plan for implementation.

This file was referred to our office at your meeting of March 15, 2012. We were asked to provide a written response with respect to the anticipated legal fees required to perform the work set forth in the resolution; that is, "to retain outside legal counsel to advise on the related risks of legal exposure associated with including all current employees as well as new hires in the recommended defined contribution plan." We were also asked whether an RFP process must be utilized for selection of counsel to provide that legal advice.

Outside legal counsel, Foley & Lardner LLP, was previously retained to provide legal advice related to the possibility of capping the backdrop, as requested in the 2011 Adopted County Budget. The legal issue set forth above, related to a defined contribution plan, is largely the same legal issue and involves an analysis of the same legal precedents. Thus, in order to be as efficient as possible to minimize fees, the same legal counsel who performed the backdrop work was contacted about the costs to perform the defined contribution work. An estimate of \$5000.00 in fees was received to update the prior analysis to apply to the defined contribution question. If a different counsel

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were utilized to analyze the issue from “scratch,” it is anticipated that the legal fees would be several times that amount, perhaps as much as \$25,000.00.

These legal costs are only to perform the analysis set forth in the resolution. This estimate does not include the legal fees that would be incurred to actually draft ordinances, implement and oversee the changes in the pension plans. Nor does this estimate include any legal fees that might be incurred in the event of a legal challenge to adoption of the policy change.

Because the amount of fees is \$5000.00, an RFP to select the firm to provide the analysis is not required under §56.30 of the ordinances.