



The Chapman Firm PLLC
3410 Far West Boulevard
Suite 210
Austin, Texas 78731
PHONE: 512.872.3840
FAX: 512.879.9033
chapmanfirmtx.com

January 22, 2025

Via e-mail: mfischer@cityofdrippingsprings.com

City of Dripping Springs
c/o Michelle Fischer
P.O. Box 384
Dripping Springs, TX 78620

Re: 2025 Hourly Rate Adjustment Notice

Dear Ms. Fischer:

I am writing to provide you an update about The Chapman Firm PLLC and to address our relationship moving into 2025. As in prior years, this year has provided opportunities to serve many existing and new clients. We extend thanks to you and all our clients for the trust and reliance you place in us to represent you as legal counsel.

In 2024, the Firm experienced unique challenges and a monumental loss to our team. We are very proud to have managed that tragedy and have brought new talent and strength to our firm's already experienced group of legal professionals. Having overcome that challenge, and in review and expectation of need based on market trends, the regional economy and the business environment in which we operate, the Firm expects continued growth in 2025. We look forward to continuing our constant effort to best serve our clients and the construction industry.

As has been the case since the Firm first opened its doors on March 1, 2014, we are committed to providing all of our clients the highest level of service and representation in an efficient and economically reasonable manner. As a small business, the Firm recognizes the economic considerations that drive decisions and activities. We remain cognizant of those considerations both in the way we provide representation to our clients and in the way we operate the Firm, namely how we treat and take care of our work family. Those considerations constitute some of the Firm's core values and are expressed as our Balanced Approach.

As has been the case in recent years, the current economic environment has created challenges. Nationally, wage growth averaged 3.9% in 2024 while core inflation and cost of living increased in the 3% range year-over-year. In addition to ensuring our employees don't lose ground to the market, the Firm continues to experience cost increases for the essential support service upon which we rely to provide service to our clients. Technology, insurance, and real estate costs increase each year. Like other businesses that must evaluate and address these challenges, the Firm reviews and revises its rate structure to ensure that we can continue to take care of our internal obligations.

January 22, 2025

In order to facilitate our high level of service to all, permit growth, and maintain our obligations and commitment to our clients, the Firm has experienced an increase in costs that will be offset by a small rate adjustment in line with the experienced economic factors.

Controlling those costs remains challenging and we strive to find a balance between lean efficiency and robust resources to ensure our service to you remains at a high level. Unlike many other firms, we do not include itemized costs on our invoices to our clients. We feel our rate structure should encompass all overhead and general operating costs. Rather than using additional fees or mark-ups on expenses as a hidden profit center, we absorb virtually all cost into our rates. As a result, the Firm feels that a rate increase for 2025 is necessary.

In accordance with your engagement letter for hourly services with the Firm, this letter serves as a formal notice of adjustment of the Firm's hourly rates for 2025. Attached to this letter you will find a revised rate sheet. Please do not hesitate to contact me if you have any questions or concerns about these new rates.

Also, please keep in mind that the Firm is always willing to discuss alternative fee arrangements such as flat fees, monthly retainers, and contingency or modified contingency agreements. We remain willing and able to structure fees based on your specific needs and any particular matters you bring to us.

Again, thank you for your continued business. Everyone at the Firm genuinely appreciates it. We wish you a successful year.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeffrey S. Chapman', with a stylized flourish at the end.

Jeffrey S. Chapman

JSC:fd
Enclosures

THE CHAPMAN FIRM, PLLC

**2025 FEE SCHEDULE
Reduced Billing Rates**

PARTNERS

Jeffrey S. Chapman	\$465.00
Erik G. Moskowitz	\$435.00
Jerry Negrete	\$400.00
Tiffany N. Leal	\$395.00

SENIOR COUNSEL

Sarah E. Scott	\$375.00
Kerrie Taylor	\$365.00
Kavita Gupta	\$355.00

OTHER

Senior Paralegal	\$190.00
Paralegal	\$150.00