



## STAFF REPORT

---

**MEETING DATE:** April 9, 2025

**PRESENTER:** John Jansons, City Manager

**SUBJECT:** Contract with Lozano and Smith LLP for Legal Services (JAJ)

**RECOMMENDATION:** Council by motion adopt resolution approving the agreement for legal services with Lozano Smith relating to employment matters and authorize City Manager to execute the agreement.

### EXECUTIVE SUMMARY:

The City is a member of Employment Risk Management Authority (ERMA) for employment practices liability coverage. ERMA utilizes a few attorney firms in California that specialize in public sector employment. Lozano Smith is one of those firms, and ERMA has appointed Lozano Smith to provide legal services to the City on numerous matters. ERMA appointed attorneys work in conjunction with the City Attorney.

### DISCUSSION:

ERMA provides liability coverage for wrongful employment practices (discrimination, harassment, retaliation, or wrongful termination). Wrongful employment practices claims are submitted to ERMA, and ERMA decides whether to accept the claim based on the Memorandum of Coverage. Claims accepted by ERMA are then referred to an ERMA approved attorney. At this time, ERMA has assigned Lozano Smith to represent the City in one on-going case.

The City's Self-Insured Retention (SIR) amount is \$25,000. This means that for any claims accepted by ERMA, the City is responsible for the cost up to \$25,000. ERMA's liability coverage will cover any cost over \$25,000. A valid contract with the legal provider, in this case Lozano Smith, is required to be compliant with ERMA requirements and ensure coverage for wrongful employment practices claims.

For efficiency purposes, at times there are related issues not covered by ERMA and the City Manager and City Attorney may determine to have the ERMA-assigned attorney from Lozano Smith handle the matter.

The proposed resolution (**Attachment 'A'**) will approve the agreement with Lozano Smith and authorize the City Manager to execute the agreement. **Attachment 'B'** to this report is the agreement including Scope of Services and Fee Schedule.

**ALTERNATIVES:**

To not approve the agreement with Lozano Smith in which case any wrongful employment practices claims will need to be handled by another firm authorized by ERMA. It is noted that ERMA will not pay for legal costs of firms not on ERMA's authorized list.

**FISCAL IMPACT:**

The fiscal impact is dependent upon each particular claim. However, the maximum amount would be \$25,000 based on the City's SIR.

**ATTACHMENTS:**

- A. Resolution
- B. Agreement including Scope of Services and Fee Schedule

**RESOLUTION NO. 25-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN APPROVING  
THE AGREEMENT FOR LEGAL SERVICES WITH LOZANO SMITH FOR LEGAL SERVICES  
RELATING TO EMPLOYMENT MATTERS AND AUTHORIZE THE CITY MANAGER TO EXECUTE  
THE AGREEMENT**

WHEREAS, the City is a member of the Employment Risk Management Authority (ERMA) for employment practices liability coverage; and

WHEREAS, ERMA provides liability coverage for wrongful employment practices (discrimination, harassment, retaliation, or wrongful termination); and

WHEREAS, claims accepted by ERMA are then referred to an ERMA approved attorney and ERMA has assigned Lozano Smith to represent the City in one on-going case; and

WHEREAS, Kerman City Council finds it in the best interest of the City to have a valid contract with the legal provider, Lozano Smith, and it is required to be compliant with ERMA requirements and ensure coverage for wrongful employment practices claims and related employment matters.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Kerman as follows:

1. The foregoing recitals are true and correct and incorporated by reference.
2. The City Council approves the Agreement for Legal Services with Lozano Smith for legal services relating to wrongful employment practices.
3. The City Council authorizes the City Manager to execute the Agreement.
4. This resolution is effective upon adoption.

The foregoing resolution was adopted by the City Council of the City of Kerman at a regular meeting held on the 9<sup>th</sup> day of April 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby approved.

---

Maria Pacheco  
Mayor

ATTEST:

---

Josie Camacho  
City Clerk