



925 S. Main Street
Lebanon, Oregon 97355

TEL: 541.258.4905
www.lebanonoregon.gov

MEMORANDUM

City Manager's Office

Date: May 13, 2026

To: Mayor Jackola and City Council
From: Ron Whitlatch, City Manager
Subject: Approval of Updated City Attorney Agreement

Background

The attached redline version of the City Attorney Agreement reflects several updates and clarifications to the City's existing contract with Morley Thomas Law, LLC. The most significant change is the extension of the contract term. The prior agreement covered the period from May 1, 2023 through June 30, 2026, and the updated agreement establishes a new three-year term running from July 1, 2026 through June 30, 2029.

The agreement continues to designate John E. Kennedy as City Attorney with primary responsibility for services, while clarifying procedures for coverage during absences. Specifically, the contract now provides more detail regarding continuity of service if the City Attorney is unavailable for more than two business days, including designation of backup counsel.

Within the scope of services, the revisions primarily clarify expectations rather than substantially change duties. The agreement continues to provide for legal services under a monthly retainer, including attendance at Council and Planning Commission meetings, provision of legal advice, document preparation, prosecution in Municipal Court, and general support to City staff. Language has been refined to better define when attendance at additional meetings is required and to emphasize consistency with Oregon professional standards.

The provisions addressing work outside of the retainer have been updated to increase the hourly rate from \$200 to \$250 per hour. The agreement also reinforces that such work must be approved in advance in writing by the City Manager or designee. Additional clarification is included regarding prior approval for outside counsel and related expenses.

Compensation under the retainer has been adjusted to reflect annual increases over the three-year term. The monthly fee will be \$17,000 in the first year, \$17,500 in the second year, and \$18,500 in the third year, with future increases tied to the City's CPI adjustment for administration. The revisions also clarify the distinction between incidental and non-incidental

costs and establish a requirement for advance approval of non-incidental expenses exceeding \$100.

Termination provisions remain largely the same but have been clarified for readability, confirming that either party may terminate the agreement with ninety days' written notice for any reason, or with fourteen days' notice in the event of breach or professional conduct violations.

Finally, the agreement continues to include an annual review process to allow the City Council to evaluate performance, with cooperation from both legal counsel and City administration. These updates are intended to clarify expectations, ensure continuity of legal services, and align compensation with current market conditions while maintaining the overall structure of the existing agreement. Staff recommends Council approval of the updated agreement.

Motion

I move to approve the City Attorney Agreement between the City of Lebanon and Morley Thomas Law, LLC for the term of July 1, 2026 through June 30, 2029, and authorize the Mayor to execute the agreement.