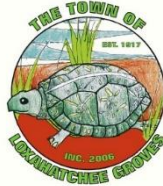


# TOWN OF LOXAHATCHEE GROVES

155 F Road Loxahatchee Groves, FL 33470



## AGENDA ITEM MEMORANDUM

**TO: TOWN COUNCIL, TOWN OF LOXAHATCHEE GROVES**

**FROM: JEFF KURTZ, PROJECT COORDINATOR**

**VIA: FRANCINE L. RAMAGLIA, CPA, AICP, ICMA-CM, TOWN MANAGER**

**DATE: TUESDAY, JULY 1, 2025**

**SUBJECT: CONSIDERATION OF APPROVAL ON *RESOLUTION NO. 2025-50* -  
TOWN LEGAL BUDGET AND DELIVERY OF SERVICES**

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### **Background:**

#### **Situation**

On June 3, 2025, at the last Council meeting, Mr. Torcivia gave the Town, his firm's contractually required 30 day notice, of their resignation as Town Attorney. Mr. Torcivia on behalf of the firm has indicated they would be willing to continue to assist the Town in any way necessary until alternate counsel is selected by the Council and during any period of transition.

For the last several years the Town's legal expenditures have exceeded \$400,000. In fiscal year 2024-2025 the Town budgeted legal services in two-line items \$33,120 for code enforcement legal and \$193,000 for general legal services. The total amount budgeted for legal services was \$226,100. As Council has been previously advised the Town has paid \$233,294.24 for charges from October 1, 2024 through February 28, 2025. Since then, the Town has received invoices for services through May 31, 2025 of another \$103,393.12, from the Town Attorney. The Invoices for those charges are attached. Through 8 months the total amount of charges incurred for legal services this year has been \$336,687.46 which equates approximately \$42,086 per month. These charges do not include approximately \$25,000 in cost recovery fees. The cost recovery charges are billed to development projects and ultimately paid by third parties.

#### **Necessity of a Budget Amendment**

A budget amendment to utilize general fund reserves is necessary to provide for legal services which have already been incurred and to facilitate the provision of services over the last quarter of the fiscal year. The

budget amendment should also recognize the conversion of part time code enforcement supervisor and code compliance officer to the full-time position of community standards director and the addition of a permit clerk. There are sufficient funds in the existing payroll budget to accommodate the mid-year position adjustments.

### **Consideration of in-house counsel to provide legal services**

The Council suggested consideration of moving to an in-house counsel model for the delivery of legal services. During last year's budget discussions there was a proposal to move legal services in house and a budget to implement that was proposed. On an annual basis it would total \$360,000 including a provision for \$54,000 for outside legal services. The primary legal services would be provided by employees employed as the Town Attorney and a paralegal. These would be new full-time positions within the budget. A proposed contract to have Mr. Kurtz be the Town Attorney is attached. The contract is for a three year period of time. It calls for a base salary of \$130,000 for the attorney/employee until October of 2026. The Town Attorney would report directly to the Town Council, as set forth in the Town's Charter.

Under the existing contract with the Torcivia firm the Town pays the firm \$242.05 per hour for attorney time. Therefore, a budget of \$360,000 gets the Town approximately 1500 hours of attorney service. Utilizing the proposed in house model will give the Town more attorney hours, the fulltime services of a paralegal and approximately 200 hours of outside counsel time. There will also be increased efficiency in the communication of legal opinions as issues may be addressed directly verbally in meetings and there will be a consistency of opinion.

The downside to moving in house is that the salaries and benefits paid to the two employees will be a minimum floor for the cost of the services. Additionally, a firm has the potential to put more resources in place for time consuming and complex projects. Those additional services obviously raise the costs as most firms will provide services on an hourly basis.

Another advantage of the in-house model is that cost recovery can still be charged to applicants but the monies received, instead of being a pass through to the outside firm, will be able to offset the costs of the in-house budget. On an annual basis we would estimate the fees recovered to offset legal expenses would be approximately \$30,000. The anticipated net cost of the in-house model would be \$330,000 per year.

If the Town moved to an in-house model most services would be provided by the Town's attorney and paralegal. Use of outside council would primarily be for litigation, including cases not covered by the Town's insurance policy, time consuming and complex development issues (which would probably be subject to cost recovery) and areas where greater subject matter expertise makes it more efficient to use outside counsel. To the extent there were major unexpected issues that arose during the year causing a need for budget amendment, such issues would be addressed as a part of the Attorney's report to Council during the regularly scheduled Council meetings.

### **Amount of Budget Amendment**

Regardless of how the Town Council decides to move forward with the provision of legal services a budget amendment is necessary to pay for the past due legal services and provide services for the remainder of the year. The following represents the extent of the budget amendment necessary if the Council elects to adopt a transition to an in-house model.

1. \$110,600 for charges incurred above the amount budgeted.
2. \$23,000 for anticipated billings during the month of June since the firm gave the Town notice of their resignation

3. \$ 97,700 for last quarter of the year under an in-house model, which includes \$19,000 allocated to outside council. The \$7,000 above the annualized quarter of \$90,000 is to take into consideration acquisition of furniture, equipment and a higher usage of outside counsel during the transition time period. An exhibit showing the components of proposed annual budget and 4<sup>th</sup> quarter FY 25 budget is attached.

The total budget adjustment for legal services is \$231,300. The proposed source of the additional funding is general fund reserves. If the Town Council decides to solicit other firms to continue providing services as the Town has received them historically or solicit other proposals for the in-house and continue the utilization of the Torcivia firm in the interim, the suggested amount of the budget amendment remains the same.

**Recommendation:**

Approval of *Resolution 2025-50* which authorizes the payment of outstanding invoices to Torcivia and approves a budget amendment which includes an increase in the overall legal budget to \$457,000 for fiscal year 2024-25 and authorizes the additional positions to the budget for the Town Attorney and Paralegal as employees of the Town; Approval of Resolution which approves the contract with Jeffrey S. Kurtz, Esq. to be employed as the Town Attorney. Authorize the Manager and Town Attorney to negotiate a transitional services agreement with Torcivia for an amount not to exceed \$25,000. Direct the Town Attorney to solicit engagements with outside council within the budgetary authority and Town Manager's purchasing authority to provide any needed additional legal services.