

Date: January 20, 2026

To: Common Council
John Weidl, City Manager

From: Rachelle Blitch, Director of Financial and Administrative Services

Re: Response to Public Comments Regarding Legal Costs

In response to the concern that during the tenure of former City Attorney Wally McDonnell the City spent approximately \$60,000 per year on legal services, whereas the City now has a full-time attorney and an assistant with total costs nearing \$200,000 and raised the question if the staffing increase is justified, what additional work is being performed and whether there has been any job shadowing to understand the workload, the following information is provided.

As background, prior to the tenure of the current City Manager and Finance Director, the City's legal services were structured differently. The former City Attorney was engaged under an arrangement that allowed the operation of a private legal practice while providing legal services to the City for an annual compensation of approximately \$60,000, in addition to eligibility for City-provided benefits. During this same period, municipal prosecution services were performed by the firm. These arrangements were established by prior councils and administrations and are presented solely to provide historical context for the financial analysis that follows.

In reviewing available records, staff were unable to identify documentation indicating that the former City Attorney services arrangement was established through a competitive procurement process, such as a request for proposals (RFP). Following that period, the City conducted a formal RFP process for legal services, selected a private firm, and later experienced that firm's resignation due to workload constraints. After evaluating service continuity, cost structure, and operational capacity, the City elected to transition the City Attorney function to an in-house model.

Response Summary:

- Compared to the \$60,000 figure:** The attorney mentioned retired in 2023. The chart included with this memo shows the total legal expenses from 2019-2024. During the period referenced, the City outsourced legal services at a significantly lower usage level. Many tasks now routinely handled by legal counsel—such as contract review, ordinance updates, development agreements, personnel matters, open records compliance, and ongoing litigation risk management—were either deferred, completed by non-legal staff, or addressed in a limited, reactive manner.
- The City's legal workload has increased substantially.** Since that time, the City has faced more complex development projects, higher public records volume, increased HR and personnel matters, more policy and ordinance updates, and greater demand for legal review in daily operations. Contracted attorneys in recent years have struggled to keep up with the volume—

one even resigning due to workload—which demonstrates the workload is both real and significant (refer to attached memo).

- 3. Having full-time legal staff ensures issues are addressed proactively rather than reactively.**
Modern best practices for municipalities include in-house legal support for risk management, compliance, open meetings laws, ordinance modernization, intergovernmental agreements, economic development negotiations, and daily departmental support. These functions reduce long-term liability and prevent costlier legal problems later.
- 4. The cost difference reflects a shift from minimal service to comprehensive legal support.**
The City is now receiving consistent, timely, and thorough legal guidance rather than limited hourly service. This investment reduces reliance on outside counsel, shortens turnaround times, strengthens internal operations, and reduces the City's exposure to legal risk.

In the fall of 2024, staff reviewed the total cost of legal services after noticing that expenses were significantly exceeding the budget and that response times for legal requests were becoming increasingly delayed. The Finance Department analyzed the cost of hiring a full-time attorney compared to what the City was already spending and determined that, for only a slightly higher cost, the City could secure faster response times and achieve greater long-term cost stability by bringing legal services in-house.

While the cost of retaining an in-house attorney is slightly higher than contracting with a part-time firm, the benefits far outweigh the difference. An in-house attorney delivers predictable budgeting, consistent high-quality legal support, significantly improved efficiency and responsiveness, and a much stronger foundation for the City's long-term operational capacity.

Within one month of starting for the City, the City Attorney received 61 different projects from various city departments to complete and 28 municipal court cases. As of drafting this document, the City Attorney has reviewed and negotiated with 124 defendants in municipal court cases, many with multiple citations. In addition, the City Attorney has assisted with establishing an internal community service program for defendants to give back directly to the City by cleaning up city parks and roads. Projects continue to come in and range from drafting contracts, to drafting ordinance, advising on best practices, personnel matters, and reviewing resolutions. In addition to the municipal court cases, the City Attorney represents or oversees the representation of the City or its staff in circuit court, federal court, and appellate court actions.

As the in-house City Attorney they assist every department within the City. The City and CDA own 144 parcels within the City which accounts for approximately 659.7 acres of land. In addition to the current real estate owned by the City, the City has a number of Development Agreements and loan programs which require drafting documents, may result in the city obtaining additional land, or have other provisions that require ongoing monitoring.

The City Attorney has been involved in questions related to the budget, staffing, open records requests, Fire Department's training facility, contract review, library remodeling, easements, citizen concerns, drafting leases, revising City Ordinances, rental registration project, donation agreements, and a number



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of other topics. While some projects are given higher priority and responded to quickly there are still several projects that take a few weeks to review and complete.

In summary, the increase in legal staffing and associated costs reflects the City's transition from a limited, reactive legal service model to a comprehensive, proactive one that aligns with modern municipal needs. The volume, complexity, and urgency of today's legal demands far exceed what was required or performed during the period when the City spent approximately \$76,000 on wage and benefit costs (CDA expenses are excluded from this total) annually on outsourced services. The work now being completed—spanning municipal court, development agreements, personnel matters, ordinance modernization, open records compliance, contract review, and ongoing litigation support—demonstrates that the current workload is substantial, continuous, and essential to the City's operations.

The decision to bring legal services in-house was based on documented workload pressures, rising costs for contracted services, and the need for timely, consistent legal guidance. The data clearly shows that the City Attorney and legal assistant are providing a level of service, responsiveness, and risk mitigation that was not previously possible under the outsourced model. For these reasons, the staffing increase is both justified and necessary to support the City's long-term stability, compliance, and operational effectiveness.