

11-18-10  
Board Mtg  
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## MEMORANDUM

TO: Parker Jordan Metropolitan District Board of Directors

FROM: Dianne D. Miller

DATE: November 18, 2010

RE: Legal Fees

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I understand the Board is concerned about the amount of legal fees billed to the District this year by our firm. I believe that the fees reflect a level of activity for the District which is exceeded only by the 2009 level of activity, and that our firm continues to provide value to the District.

1. Our current billing rates are:

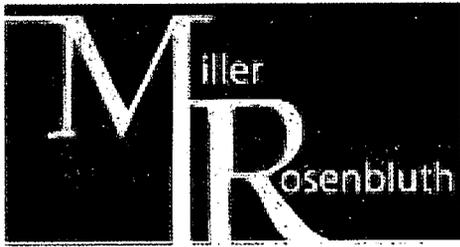
Dianne D. Miller	\$385/hour
Monica Rosenbluth	\$285/hour
Bradley Neiman	\$225/hour
Matthew Ruhland	\$215/hour

My billing rates have not increased since 2007. Mr. Ruhland's billing rate did increase from \$205 to \$215 (a 5% increase) in mid-2010 in recognition of his increased experience as an attorney, but the average hourly rate billed to the District has decreased as described in item #2 below.

2. Our blended rate for 2010 (through October 31, 2010) is \$258.31/hour. Our blended rate for 2009 was \$266.59/hour. This represents a savings of \$8.28/hour to the District from the prior year.

3. Our firm continues to provide two attorneys to the majority of board meetings at the cost of a single attorney. For 2010, that has amounted to 50 hours of unbilled time to the District. Fifty hours of Mr. Ruhland's time is equivalent to a \$10,750.00 discount to the District to-date for 2010. There is further value to the District in having Mr. Ruhland attend the meetings insofar as I am not required to debrief him after board meetings on current legal issues and projects.

4. For 2008, legal fees billed to the general fund were \$52,417. For 2009, legal fees billed to the general fund were \$67,492. For 2010, there have been \$43,498 of legal fees billed through September 30 and there are anticipated to be \$58,000 of legal fees billed through the end of the year. If you divide the amounts billed to the general fund by the number of board meetings, you get a sense of the legal activity generated as a result of the activity level of the District. This is



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obviously not a 1-to-1 correspondence, but it is a fair indicator and more informative than just looking at raw numbers. So, for 2008, the board held 11 meetings, and the amount of legal activity generated per meeting was \$4,765.18. For 2009, there were 14 board meetings, and the amount of legal activity generated per meeting was \$4,820.86. For 2010 (through September 30) there have been 10 meetings generating \$4,349.80 per meeting and the estimate through the end of the year is 12 meetings generating \$4,833 of legal activity per meeting.

2008	\$4,765.18	
2009	\$4,820.86	
2010	\$4,833.00	(estimated through EOY)

The difference between these numbers is statistically insignificant at less than 1-1/2%.

5. The increase in overall legal fees for 2009 and 2010 is a direct result of the extraordinary activities of the District in those two years related to the acquisition of the Fetters' properties, the various IGAs with the City of Centennial and the negotiations with Arapahoe County regarding the PJCOS, and the construction activity and preparation for construction of the stream improvements and related trails and trailheads. The negotiations with the Fetters, the City of Centennial and Arapahoe County have been protracted and included multiple levels of documentation and review. The construction contracts generated this year for the District were unique and were complicated with regard to certain projects by the required coordination with the City of Centennial.

6. Our firm does not markup costs to any client, including the District. Partners do not bill for "supervision," and I remain committed to being personally involved with the representation of the District.

### **Conclusion**

The increase in legal fees in the last two years is a result of the increased activities of the District that required extensive legal representation. Our fees for general matters have not increased, and my billing rate has remained stable for three years, in recognition of the changed economic circumstances of recent years. I have represented Parker Jordan Metropolitan District since 1999 and I believe I have provided personal and competent representation to the District.