

Analysis By: **Yung Ouyang**

OFFICE OF THE CITY ATTORNEY

All Funds Budget Summary	Adopted FY 2012-13	Request Base FY 2013-14	Decision Pkgs FY 2013-14	Request Total FY 2013-14	Percent Change
Resources					
Interagency Revenue	\$5,071,969	\$5,204,406	\$0	\$5,204,406	2.6%
General Fund Discretionary	1,638,764	1,777,680	197,520	1,975,200	20.5%
General Fund Overhead	2,823,060	3,095,418	0	3,095,418	9.6%
Total Resources	\$9,533,793	\$10,077,504	\$197,520	\$10,275,024	7.8%
Expenditures					
Personnel Services	\$8,004,274	\$8,716,500	\$0	\$8,716,500	8.9%
External Materials and Services	581,993	454,959	141,507	596,466	2.5%
Internal Materials and Services	947,526	906,045	56,013	962,058	1.5%
Total Requirements	\$9,533,793	\$10,077,504	\$197,520	\$10,275,024	7.8%
Total Bureau FTE	58.25	58.50	0.00	58.50	0.4%

Percent Change is the change from FY 2012-13 Adopted Budget to FY 2013-14 Total Requested Budget.

Key Issues

Financial Plan

The Office of the City Attorney notes that while it provides routine legal advice over a broad range of subjects, it is difficult to predict what precise legal services will be required in the future. Hence, its five-year financial plan does not contain numbers but consists of a narrative discussing various issues. The CBO has communicated to the office that their future Requested Budgets will need five-year financial plans that contain forecasted amounts.

The office notes that it provides a high level of service at a low rate compared to outside legal services, which often can be triple the internal rate. Due to the City's agreement with the Department of Justice, the office is adding an additional deputy attorney position. It is otherwise seeking to maintain current service and staff levels. The office anticipates continuing to represent the City regarding the Portland Harbor Superfund proceedings through FY 2016-17 and beyond. In addition, it lists a number of other areas of anticipated increases in legal work. In regards to costs, the Attorney's Office notes that it monitors office expenditures regularly to ensure sufficient funds are available for unexpected needs. Since 86% of its budget is for personnel services, savings may be found over the next five years due to anticipated retirements and rehiring at lower salary levels.

Performance Measures

The office has only four measures, and three of these are workload measures, with only one efficiency measure and no effectiveness measures. The number of litigation cases in FY 2013-14 are expected to be slightly lower than the year-end estimate for the current fiscal year, while the number of contracts reviewed is estimated to be slightly higher than the current year's figure. The hourly rate, the single

efficiency measure used by the office, is estimated to be \$164 if the full 10% is added back to the office's budget, but only about \$161 at the 90% funding level. The year-end rate for this year is estimated to be \$160.

City Hall Space Issues

Since 2006, the Attorney's Office has been experiencing office space issues, and by the following year, the office had already taken many steps to create more space for staff, including reducing cubicle sizes, converting rooms designated for other purposes into offices, etc. The office is even more crowded today, with filing cabinets lining the hallways in City Hall. A study conducted by an outside consultant in 2008 identified four options which all involved the Attorney's Office expanding into the space currently occupied by Government Relations. In FY 2011-12, the office budgeted an additional \$36,000 for rent, but the other City Hall tenants involved did not agree to move. The unspent rent was therefore carried over into the current fiscal year, with the office budgeting an additional \$39,000 for rent. Now that Treasury has vacated the building, OMF Facilities has assured the office that additional space will become available later this fiscal year, and the office is waiting for action to be taken on the matter.

Decision Package Analysis & Recommendations

City Attorney Add Back, AT_02, \$141,507

The following table shows the various external materials and services (EMS) line items that the Attorney's Office is requesting in order to achieve the full 100% current service level of funding from the General Fund (not counting the OMF IAs).

Line Item	Amount
Repairs/Maintenance	18,000
Law clerks	12,520
Office supplies	55,000
Operating supplies	12,000
Education	20,000
Local Travel	3,000
Out of town travel	9,013
Miscellaneous	11,974
Total	141,507

The CBO is not recommending that any part of the request be funded at this time due to the lack of discretionary resources. However, if the City is able to find additional resources in the future, CBO recommends that the line items for law clerks, education, and out-of-town travel be re-funded, amounting to \$41,533, or about 1.7% of the bureau's General Fund discretionary CAL base. Clerks perform research that would otherwise have to be done by attorneys, and this allows the attorneys to handle more complex matters and provide faster response to requests. The office estimates that a \$20,000 reduction to funding for clerks is equivalent to 1,200 hours of work lost.

Furthermore, the funding of education is necessary to achieve lower costs for legal advice for the City. When the attorneys are kept up-to-date on legal matters on a variety of subjects, it reduces the need to consult significantly more expensive outside counsel. The out-of-town travel costs are necessary for the attorneys to acquire training and education, as some of it is provided out-of-state. However, CBO believes that the office should be able to perform at prior year service levels without the funding in the request, since underspending in EMS has averaged about \$138,000 over the last three years. Thus, CBO believes that the office should be able to manage its spending and internally fund the law clerks, education, and out-of-town travel that it needs.

EMS	2010	2011	2012	Average
Budget	414,270.00	510,463.00	628,946.00	517,893.00
Actuals	370,643.96	386,043.04	384,178.94	380,288.65
Under/Over	43,626.04	124,419.96	244,767.06	137,604.35

CBO Recommendation: \$0

OMF IA Add-Backs, \$56,013

As per budget direction, the Office of Management and Finance (OMF) internal service funds were asked to submit 90% of their current service level (CSL) budgets as their base and add packages to restore funding up to 100% of CSL. Bureaus were directed to match the OMF add-back packages with a single decision package. The table below outlines the total requested add-backs by service provider.

OMF Service	Amount
CityFleet	-
Debt Management	-
EBS Services	4,939
Facilities Services	27,113
Printing & Distribution	-
Risk Management	4,242
Technology Services	19,719
Total impact	56,013

In response to add-backs recommended in the OMF budget analysis, the CBO recommends \$2,539 in General Fund discretionary support to fund these packages. A full discussion of all of the OMF packages may be found in the OMF budget analysis.

CBO Recommendation: \$2,539

City of Portland
 Decision Package Recommendations
 (Includes Contingency and Ending Balance)

	Bureau Requested					CBO Analyst Recommendations					
	Bureau Priority	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses
Office of the City Attorney											
<i>Bureau Adds</i>											
AT_02 - City Atty Add Back	01	0.00	141,507	0	0	141,507	0.00	0	0	0	0
AT_01 - OMF IA Add-Backs	NA	0.00	56,013	0	0	56,013	0.00	2,539	0	0	2,539
<i>Total Bureau Adds</i>		<i>0.00</i>	<i>197,520</i>	<i>0</i>	<i>0</i>	<i>197,520</i>	<i>0.00</i>	<i>2,539</i>	<i>0</i>	<i>0</i>	<i>2,539</i>
Total Office of the City Attorney		0.00	197,520	0	0	197,520	0.00	2,539	0	0	2,539