



CITY OF
PORTLAND, OREGON
OFFICE OF THE CITY ATTORNEY

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REQUESTED BUDGET FY 2014-15



CITY ATTORNEY'S OFFICE PORTLAND, OREGON

BUDGET ADVISORY COMMITTEE

HARRY AUERBACH, CHIEF DEPUTY CITY ATTORNEY
CATHERINE RIFFE, CHIEF DEPUTY CITY ATTORNEY
LINDA LAW, DEPUTY CITY ATTORNEY
KERRY TOMPULIS, SR. LEGAL ASSISTANT
KIM SNEATH, OFFICE ADMINISTRATOR
CRYSTINE JIVIDEN, BUSINESS OPERATIONS SUPERVISOR
DIANE SOTSKI, CITIZEN ADVISOR



Office of Mayor Charlie Hales
City of Portland

MEMORANDUM

January 30, 2014

To: City Budget Office
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Steve Novick
Commissioner Dan Saltzman
Auditor LaVonne Griffin-Valade

From: Mayor Charlie Hales

Subject: FY 2014-15 Requested Budget of the City Attorney's Office

Attached for your consideration is the FY 2014-15 budget request for the City Attorney's Office. The City Attorney's Office has one program – Legal Services. The Legal Services program is funded through General Fund overhead, General Fund discretionary and interagency agreements.

Guidance to bureaus this year included developing a stabilization budget. The office is confident it can continue to provide excellent legal services with existing resources. However, the office has also identified a critical need that requires additional resources. The enclosed budget includes two critical needs decision packages for additional legal staff – one attorney and one paralegal. Expected results include minimizing the risks of adverse results that other local entities have recently experienced due to inadequate records management.

The Oregon Public Records law is a pillar of good and open government in Oregon. The City of Portland wholly supports the law's goal of making records readily available to the public to encourage citizen oversight and participation. To meet this goal the City must stay current with the changing methods of record creation, retention and retrieval. This is particularly true as the volume of public records requests has increased dramatically in the past few years. The City also faces increased challenges in managing electronic records in the context of litigation. City employees must be trained on the requirements to preserve electronic records, particularly with the fast evolving methods of communication. The City Attorney's Office strives to keep up with this increasing and ever changing demand. However, the office is not able to proactively advise and train all City bureaus on compliance in this dynamically evolving area with current resources.

Attorneys in the office are currently working at or above capacity and are working extra hours for the City. The office has attempted to absorb the steady increase in records requests and preservation issues with existing resources. Unfortunately, internal realignment only adds enough extra ability to hold the system together. The City needs one attorney and one paralegal that are dedicated to the tasks of keeping abreast of the fast evolving laws, systematically examining the problems and solutions and training and advising City employees.

Thank you for your consideration.



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January 29, 2014

FY-14-15 BUDGET ADVISORY COMMITTEE SUMMARY REPORT

The City Attorney's Office Budget Advisory Committee (BAC) convened on January 23, 2014, at 11:00 a.m. The Committee members present were Harry Auerbach, Catherine Riffe, Linda Law, Crystine Jividen, Kim Sneath, Kerry Tompulis, and citizen advisor, Diane Sotski. Also present was City Budget Office analyst Daniel Trubman.

The group discussed the City budget process and meeting goals, the City Attorney's Office's background, and the services the office provides to the City. The role and goals of the BAC were reviewed and the group concurred they had an understanding of the services the office provides, the budget process and deadlines, and the role of the BAC.

Funding sources were discussed. The City Attorney's Office's budget is comprised of Interagency Agreements and General Fund overhead and discretionary funds. The group reviewed the definitions of expenses and the differences between Personnel Services, External M&S and Internal M&S. The group discussed the increase in electronic legal research costs and the decrease in publications costs. There was consensus that electronic legal research and software use will continue to increase due, in part, to eDiscovery rules and electronic filings enforced by the courts. The group also discussed the previous cuts in legal education and how that can affect attorneys' level of expertise in certain areas, and reporting requirements with the Oregon State Bar.

Attendees engaged in a discussion on the cost of outside counsel hourly rates compared to the office's hourly rate and the reasons outside counsel is hired. The City Attorney's Office manages the outside counsel contracts and the bureaus pay for the outside counsel costs. A goal of the office is to minimize the City's reliance on outside counsel; in-house services are more cost-effective. However, some cases require outside counsel due to conflicts or other reasons.

The group reviewed budget decisions from FY 2009-10 through FY 2013-14 including how the office managed mandatory cuts and the effects on legal education, travel and legal publications. The group discussed the FY 2014-15 budget guidance directing bureaus to develop a stabilization budget, and that no reductions are required. Any decision packages need to be vision critical.

The group discussed the two decision packages the City Attorney's Office is requesting for legal work to support Citywide legal records management issues and agreed they are critical needs. The volume of public records requests has increased dramatically in the past few years and the City faces increased challenges in managing electronic records in the context of litigation. Employees must be trained on the requirements to preserve electronic records, particularly with the fast evolving methods of communication. The City Attorney's Office strives to keep up with this increasing and ever changing demand. However, the office is not able to proactively advise and train all City bureaus on compliance in this dynamically evolving area with current resources.

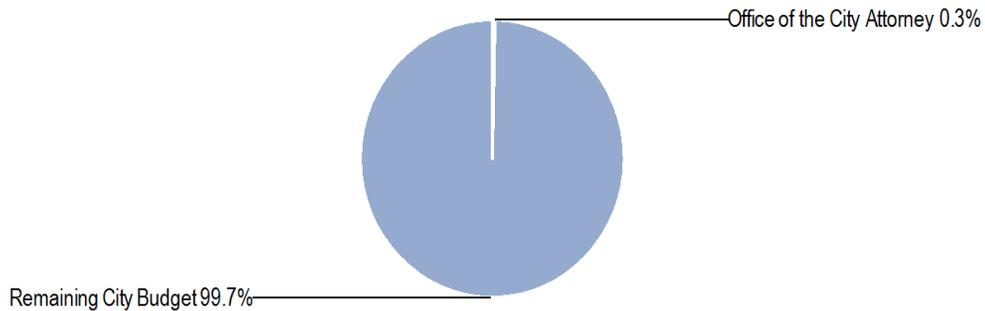
The group closed the meeting and concurred that they understood the office's budget processes, would review the materials submitted and would provide feedback within the requested timeline. The citizen advisor reviewed the materials and followed up with feedback indicating that she thinks the decision packages submitted are essential.

Office of the City Attorney

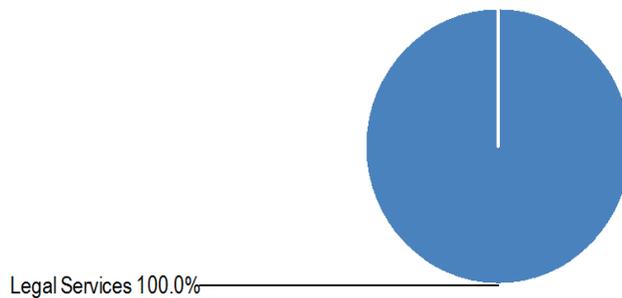
City Support Services Service Area

Mayor Charlie Hales, Commissioner-in-Charge
Tracy Reeve, City Attorney

Percent of City Budget

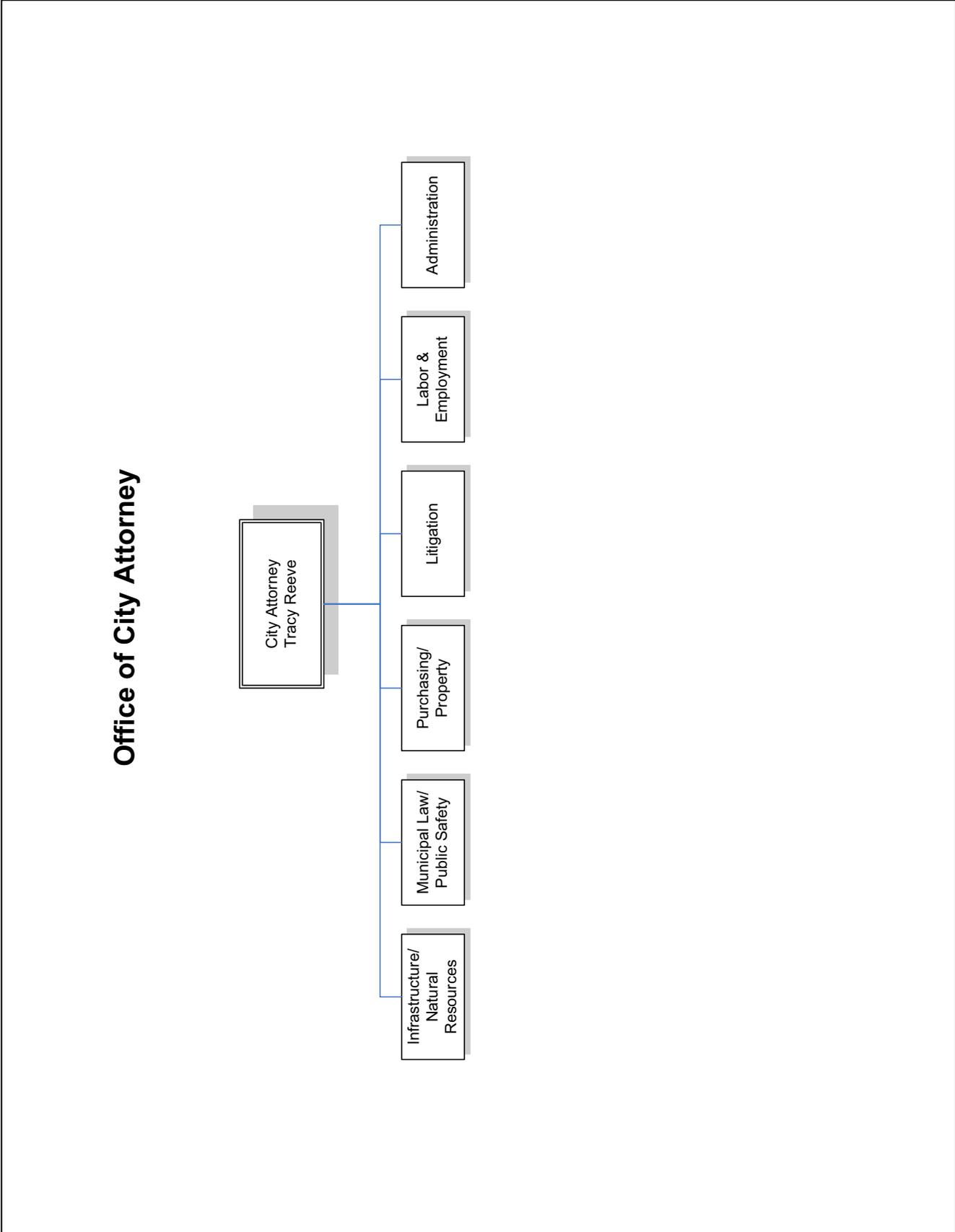


Bureau Programs



Bureau Overview

| Expenditures | Revised FY 2013-14 | Requested FY 2014-15 | Change from Prior Year | Percent Change |
|---------------------------|-------------------------------|---------------------------------|-----------------------------------|---------------------------|
| Operating | 10,258,092 | 10,645,704 | 387,612 | 3.78 |
| Capital | 0 | 0 | 0 | 0.00 |
| Total Requirements | 10,258,092 | 10,645,704 | 387,612 | 3.78 |
| Authorized Positions | 59.35 | 61.35 | 2.00 | 3.37 |



Bureau Summary

Bureau Mission

To help the City achieve its policy goals in the public interest by providing excellent, objective, timely, and economical legal advice and advocacy, unaffected by politics, personalities, or self-interest.

Bureau Overview

The Portland City Attorney's Office is responsible for all of the legal affairs of the City. It represents the City, the Mayor, other elected officials and the City's bureaus and offices in all affirmative and defensive civil litigation, and administrative and quasi-judicial proceedings. Office attorneys draft and review local legislation, procurement contracts, real estate leases, intergovernmental agreements and other documents and legal instruments. The City Attorney's Office also provides legal counsel to City officials on a wide range of issues, such as environmental law; constitutional law; civil rights; employee benefits; proposed legislation; public records requests and legal records management; personnel and labor law issues; tort claims; workers compensation; construction contracts and claims; land use planning; equity, diversity and affirmative action; revenue and taxation; policing; fire, rescue and emergency services; code enforcement; housing; telecommunications, franchises and utilities; and collection of revenues owed to the City. Office attorneys also advise on policy development and program implementation, advocate and negotiate on behalf of the City, and provide training to elected officials, City boards and commissions and City employees in a wide variety of areas.

The City Attorney's Office consists of five legal practice groups. It is staffed with 36 lawyers and 25 support professionals. The office is led by the City Attorney who is appointed by, and serves at the pleasure of, the City Council.

Funding Sources and Uses

Interagency agreements with other bureaus and offices for specialized legal work in specific areas represent about 50% of the total operating budget of the City Attorney's Office. The remainder of the budget is supported by General Fund discretionary revenue and General Fund overhead recovery revenue. Over 86% of the office's costs are for personnel services. The Requested Budget includes 61.35 FTE.

Strategic Direction

The City Attorney's Office has four main goals: 1) to provide the highest level of customer service to its clients through preventative legal advice that is timely, accurate and easy to access; 2) to effectively and vigorously advocate for the City's interests in state and federal courts and otherwise; 3) to support and advance the City's objective of achieving equity in all of its programs, services and activities; and 4) to ensure accountability for its professional performance and effective stewardship of public resources.

Office of the City Attorney

City Support Services Service Area

- Customer Service** The City Attorney's Office actively seeks to impart helpful, accurate and timely preventative legal advice. Clients are encouraged to involve the City Attorney's Office at early levels of decision making, even if a significant legal issue has not yet been identified. City attorneys work with clients to provide solutions-oriented legal services to help achieve City policy objectives. The City Attorney's Office commits to an initial response time goal of one business day on any client inquiry. The City Attorney strongly believes that a billable rate scheme would discourage clients from seeking preventative advice early and often. Clients are regularly surveyed, both formally and informally, to solicit feedback on the quality of legal services provided and how the City Attorney's Office can improve.
- Effective Advocacy** The City Attorney's Office handles cases in state and federal courts and in other proceedings, such as before the Employment Relations Board and the Land Use Board of Appeals. Attorneys evaluate cases to determine how best to protect the City's interests, including through early alternative dispute resolution where the City faces some legal risk, the strategic use of offers of judgment to minimize the risk of adverse outcomes in cases taken to trial, and the vigorous defense or prosecution of cases through pretrial motions, trial and on appeal. The office does not settle claims on a nuisance basis. City attorneys are ready, willing and able to take cases to trial, and work collaboratively when they do so. Because almost all litigation is handled in-house, the office is able to try cases extremely cost-effectively. City attorneys also advocate for the City's interests externally in contract negotiations and otherwise.
- Achieving Equity** As the City's legal counsel, office attorneys work with internal clients to ensure that all Portlanders have access to all of the services, benefits and programs of the City free from discrimination, and that the civil rights of all Portlanders are legally recognized and protected by the City and its contractors and grantees. The City Attorney's Office does this by advising in programmatic areas such as the ADA and Title VI, the sick leave ordinance, fair contracting, hiring practices and implementation of the City's civil rights ordinance, as well as by providing anti-discrimination training on civil rights and related issues to City employees. In addition, the office works to foster a professional atmosphere where diversity is appreciated and valued, and equity is the norm. This is accomplished by seeking to uncover and eliminate individual conscious and unconscious biases through training, education, discussion and honest self-appraisal and through other cultural and diversity activities.
- Ensuring Accountability** Ensuring accountability will be a major focus for the City Attorney's Office in the coming year. The office is committed to making demonstrable progress on the prior three goals and committed to being a steward of public resources. The City Attorney will evaluate office policies and procedures and make improvements as needed so systems are clear, accurate and transparent. The City Attorney will evaluate timekeeping methods and ensure that work schedules fit clients needs for access to accurate, prompt and reliable preventative legal advice. The City Attorney will also continue to actively seek to minimize costs for outside legal counsel as well as overhead and administration expenses.

Minimizing Costs

City legal services are fully centralized in the City Attorney's Office, with the exception of the Portland Development Commission and outside counsel. The City Attorney's Office's rates are significantly lower than outside counsel. The City Attorney's Office hourly rate for FY 2014-15 is \$156 compared to average outside counsel rates of \$284. (Oregon State Bar 2012 Economic Survey). A goal of the City Attorney's Office is to minimize the number of occasions when outside counsel is hired by having sufficient in-house staff available. In summary, it is economically advantageous to use in-house counsel whenever possible.

The City Attorney's Office costs have not grown disproportionately compared to direct service delivery. For example, the office has a small support staff ratio compared to private firms. Additionally, private firms have other overhead costs the City Attorney's Office does not have, such as marketing costs, high partner and associate salaries, bonuses and partner profits.

Preserve Core Services

This office seeks to work with Council to prioritize legal services to ensure that the most important legal services are preserved.

Legal Services

Description Legal Services is the sole budget program in the City Attorney's Office. All personnel provide legal work directly to the City Council and City bureau staff. The Legal Services program allows the City Attorney's Office to represent the City in court litigation, administrative proceedings, appeals, and other judicial processes. This program also provides advice, consultation, and research on issues and questions regarding municipal operations and programs, contract negotiations, and training.

Goals The Legal Services program supports the City's goal of delivering efficient, effective, and accountable municipal services.

Performance The cost for legal services in the City Attorney's Office remains significantly lower than outside legal services. The total number of cases in which the City Attorney's Office has represented the City remains high and the complexity of those cases continues to increase.

Changes to Services and Activities The City Attorney's Office has identified a critical need to focus on legal records issues Citywide. Work would include cooperation with the Auditor's Office and other bureaus to develop, implement and administer Citywide policies and practices to manage electronic and other records in the context of public records requests, litigation, discovery requests, legal holds and subpoenas. Work would also include development of an electronic records preservation plan, systems for managing multi-bureau public records requests and a training protocol for employees. Funding one attorney and one paralegal to focus on these issues will allow the City to work toward proactive compliance rather than face sanctions for failure.

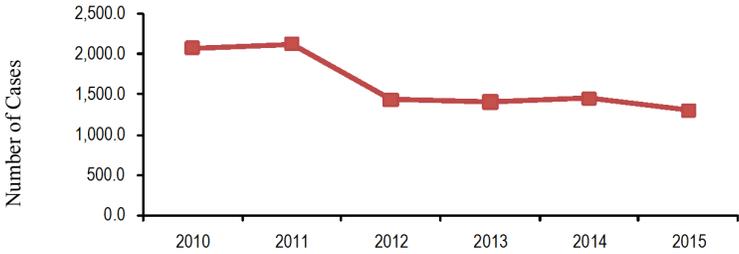
| FTE & Financials | Actual FY 2011-12 | Actual FY 2012-13 | Revised FY 2013-14 | Requested No DP FY 2014-15 | Requested FY 2014-15 |
|---------------------------|----------------------|----------------------|-----------------------|----------------------------------|-------------------------|
| FTE | 58.25 | 58.50 | 59.35 | 59.35 | 61.35 |
| Expenditures | | | | | |
| Legal Services | 9,127,953 | 8,972,417 | 10,258,092 | 10,374,220 | 10,645,704 |
| Total Expenditures | 9,127,953 | 8,972,417 | 10,258,092 | 10,374,220 | 10,645,704 |

| Performance | Actual FY 2011-12 | Actual FY 2012-13 | Yr End Est. FY 2013-14 | Base FY 2014-15 | Target FY 2014-15 |
|--|----------------------|----------------------|---------------------------|--------------------|----------------------|
| Efficiency | | | | | |
| Hourly rate | \$150 | \$141 | \$160 | \$156 | \$155 |
| Workload | | | | | |
| Number of litigation cases | 1,433 | 1,402 | 1,450 | 1,300 | 1,300 |
| Number of contracts reviewed and approved | 8,187 | 8,610 | 7,400 | 8,500 | 8,500 |
| Number of training hours provided by City Attorney staff to other City staff | 323 | 220 | 200 | 140 | 165 |

Performance Measures

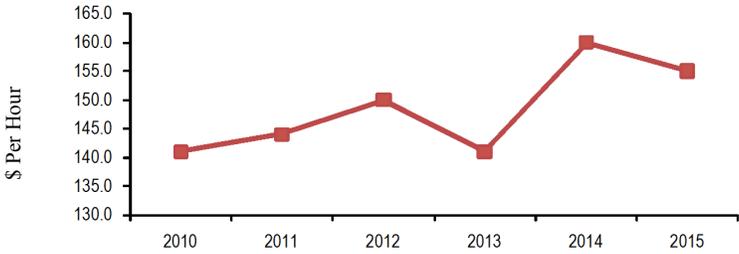
Litigation Cases Handled

Litigation cases handled include pending cases and new cases filed. While there is fluctuation in total numbers of cases, the complexity of cases is consistently increasing. The drop in numbers of cases in 2012 was due to a change in the way collection matters are handled.



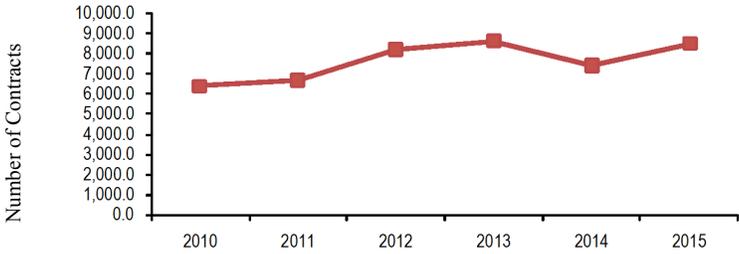
Hourly Rates

The fully loaded hourly rate includes expenses for staff and materials, and is significantly lower than outside counsel rates. For comparison, the average rate for Oregon attorneys according to the most recent Bar survey is \$284 per hour. (Oregon State Bar 2012 Economic Survey)



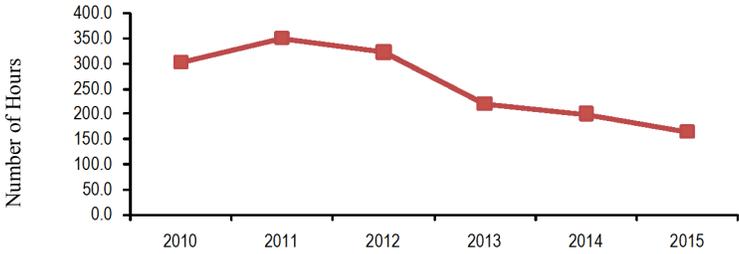
Contracts Reviewed and Approved

Contracts and agreements are reviewed for accuracy, completeness, and legal sufficiency.



Training Hours

City Attorney staff provide Citywide training to assure consistent and coordinated City services and to minimize risks. The recent reduction in training hours was due primarily to the loss of one attorney position.



City Support Services Service Area

| | Actual FY 2011-12 | Actual FY 2012-13 | Revised FY 2013-14 | Requested No DP FY 2014-15 | Requested FY 2014-15 |
|----------------------------------|----------------------|----------------------|-----------------------|-------------------------------|-------------------------|
| Resources | | | | | |
| External Revenues | | | | | |
| Charges for Services | 4,451 | 8,126 | 0 | 6,000 | 6,000 |
| Miscellaneous | 6,365 | 0 | 0 | 0 | 0 |
| Total External Revenues | 10,816 | 8,126 | 0 | 6,000 | 6,000 |
| Internal Revenues | | | | | |
| General Fund Discretionary | 1,260,833 | 1,074,738 | 1,958,268 | 2,407,924 | 2,533,268 |
| General Fund Overhead | 2,806,711 | 2,823,060 | 3,095,418 | 2,807,419 | 2,953,559 |
| Interagency Revenue | 5,049,593 | 5,071,969 | 5,204,406 | 5,152,877 | 5,152,877 |
| Total Internal Revenues | 9,117,137 | 8,969,767 | 10,258,092 | 10,368,220 | 10,639,704 |
| Beginning Fund Balance | 0 | 0 | 0 | 0 | 0 |
| Total Resources | \$9,127,953 | \$8,977,893 | \$10,258,092 | \$10,374,220 | \$10,645,704 |
| Requirements | | | | | |
| Bureau Expenditures | | | | | |
| Personnel Services | 8,003,606 | 7,910,358 | 8,676,258 | 8,776,872 | 9,022,356 |
| External Materials and Services | 384,180 | 328,209 | 720,322 | 736,403 | 752,403 |
| Internal Materials and Services | 740,167 | 739,326 | 861,512 | 860,945 | 870,945 |
| Total Bureau Expenditures | 9,127,953 | 8,977,893 | 10,258,092 | 10,374,220 | 10,645,704 |
| Fund Expenditures | | | | | |
| Total Fund Expenditures | 0 | 0 | 0 | 0 | 0 |
| Ending Fund Balance | 0 | 0 | 0 | 0 | 0 |
| Total Requirements | \$9,127,953 | \$8,977,893 | \$10,258,092 | \$10,374,220 | \$10,645,704 |
| Programs | | | | | |
| Administration & Support | 0 | 5,476 | 0 | 0 | 0 |
| Legal Services | 9,127,953 | 8,972,417 | 10,258,092 | 10,374,220 | 10,645,704 |
| Total Programs | 9,127,953 | \$8,977,893 | \$10,258,092 | \$10,374,220 | \$10,645,704 |

| Class | Title | Salary Range | | Revised FY 2013-14 | | Requested No DP FY 2014-15 | | Requested FY 2014-15 | |
|-------------------------------------|--------------------------------|--------------|---------|-----------------------|------------------|-------------------------------|------------------|-------------------------|------------------|
| | | Minimum | Maximum | No. | Amount | No. | Amount | No. | Amount |
| 30000597 | Attorney, Chief Deputy City | 106,038 | 151,798 | 5.00 | 754,320 | 5.00 | 759,000 | 5.00 | 759,000 |
| 30000418 | Attorney, City | 134,118 | 192,192 | 1.00 | 159,996 | 1.00 | 159,996 | 1.00 | 159,996 |
| 30000595 | Attorney, Deputy City | 89,710 | 121,576 | 15.55 | 1,729,679 | 15.55 | 1,775,785 | 15.55 | 1,775,785 |
| 30000596 | Attorney, Sr Deputy City | 96,366 | 134,597 | 12.70 | 1,686,443 | 12.70 | 1,703,600 | 13.70 | 1,813,604 |
| 30000440 | Business Operations Supervisor | 68,806 | 92,040 | 1.00 | 92,040 | 1.00 | 92,040 | 1.00 | 92,040 |
| 30000600 | Law Office Administrator | 77,584 | 103,355 | 1.00 | 103,356 | 1.00 | 103,356 | 1.00 | 103,356 |
| 30000591 | Legal Assistant | 46,571 | 71,739 | 7.00 | 482,328 | 7.00 | 488,805 | 7.00 | 488,805 |
| 30000829 | Legal Assistant Supervisor | 62,338 | 83,138 | 1.00 | 83,136 | 1.00 | 83,136 | 1.00 | 83,136 |
| 30000592 | Legal Assistant, Sr | 56,534 | 75,338 | 1.80 | 135,600 | 1.80 | 135,600 | 1.80 | 135,600 |
| 30000012 | Office Support Specialist II | 32,552 | 46,758 | 2.00 | 87,222 | 2.00 | 90,384 | 2.00 | 90,384 |
| 30000593 | Paralegal | 56,534 | 75,338 | 5.00 | 324,321 | 5.00 | 334,223 | 6.00 | 402,227 |
| 30000830 | Paralegal Supervisor | 65,478 | 87,422 | 1.00 | 87,420 | 1.00 | 87,420 | 1.00 | 87,420 |
| 30000594 | Paralegal, Sr | 62,338 | 83,138 | 1.90 | 135,075 | 1.90 | 137,543 | 1.90 | 137,543 |
| 30000462 | Program Specialist, Assistant | 46,571 | 71,739 | 1.00 | 51,108 | 1.00 | 52,674 | 1.00 | 52,674 |
| TOTAL FULL-TIME POSITIONS | | | | 56.95 | 5,912,044 | 56.95 | 6,003,562 | 58.95 | 6,181,570 |
| 30000596 | Attorney, Sr Deputy City | 96,366 | 134,597 | 0.80 | 97,260 | 0.80 | 99,916 | 0.80 | 99,916 |
| 30000593 | Paralegal | 56,534 | 75,338 | 0.80 | 49,008 | 0.80 | 51,012 | 0.80 | 51,012 |
| 30000594 | Paralegal, Sr | 62,338 | 83,138 | 0.80 | 66,504 | 0.80 | 66,504 | 0.80 | 66,504 |
| TOTAL PART-TIME POSITIONS | | | | 2.40 | 212,772 | 2.40 | 217,432 | 2.40 | 217,432 |
| TOTAL LIMITED TERM POSITIONS | | | | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| GRAND TOTAL | | | | 59.35 | 6,124,816 | 59.35 | 6,220,994 | 61.35 | 6,399,002 |

Decision Package Summary

Bureau: Office of the City Attorney

Priority: 01

Type: Critical Needs

Decision Package: AT_01 - Legal Records Attorney

Program: Legal Services

| | FY 2014-15 Requested 1 Time DP | FY 2014-15 Requested Ongoing DP | FY 2014-15 Requested Budget | FY 2015-16 Estimated Budget | FY 2016-17 Estimated Budget | FY 2017-18 Estimated Budget | FY 2018-19 Estimated Budget | |
|---------------------------------|--------------------------------------|---------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------|
| EXPENDITURES | | | | | | | | |
| Personnel Services | 0 | 148,380 | 148,380 | 0 | 0 | 0 | 0 | 0 |
| External Materials and Services | 0 | 8,000 | 8,000 | 0 | 0 | 0 | 0 | 0 |
| Internal Materials and Services | 0 | 5,000 | 5,000 | 0 | 0 | 0 | 0 | 0 |
| TOTAL EXPENDITURES | 0 | 161,380 | 161,380 | 0 | 0 | 0 | 0 | 0 |
| REVENUES | | | | | | | | |
| General Fund Discretionary | 0 | 74,509 | 74,509 | 0 | 0 | 0 | 0 | 0 |
| General Fund Overhead | 0 | 86,871 | 86,871 | 0 | 0 | 0 | 0 | 0 |
| TOTAL REVENUES | 0 | 161,380 | 161,380 | 0 | 0 | 0 | 0 | 0 |
| FTE | | | | | | | | |
| Full-Time Positions | 0.00 | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL FTE | 0.00 | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Description:

1.0 FTE Sr. Deputy City Attorney to focus on critical legal records issues citywide. Work would include developing, implementing and administering (in cooperation with the Auditor, BTS and other bureaus) citywide policies and practices to manage electronic and other records in the context of public records requests, discovery requests, legal holds and subpoenas. Work would also include development of an electronic records preservation plan, systems for managing multi-bureau public records requests and a training protocol for employees.

The Oregon Public Records law is a pillar of good and open government in Oregon. The City of Portland wholly supports those goals by making records readily available to the public to encourage citizen oversight and participation. To continue to meet this goal the City must stay current with the changing methods of record creation, retention and retrieval. It is not sufficient to preserve paper copies anymore. Employees must be trained on the requirements to preserve electronic records, particularly with the fast evolving methods of communication such as email, texts, tweets, instant messages, social media, (including evolving social media such as Vine, Snapchat, Sgrouples, Nextdoor, Path, and SoLoMo) and new methods that are being created as this is sentence is being read.

The City Attorney's office strives to keep up with this increasing and ever changing demand. In the last year alone, City attorneys have provided legal advice on approximately 175 records requests. The prior year saw about 80. (This trend is consistent with what other organizations are experiencing and is expected to continue upward.) This does not even account for litigation records issues and ongoing preservation advice. However, to stay current, the City needs an attorney dedicated to continuing education on records and preservation issues. The City also needs to be proactive in developing education and compliance plans for records management. The City Attorney's office is able to meet current requests but not proactively advise and train all City bureaus on compliance in this dynamically evolving area.

Preservation is an imminent and constant problem. Records not preserved can usually not be recovered. Thus, any mistakes being made right now, while employees lack proper training, cannot be fixed in a year or two when funds might be more readily available.

Attorneys in the office are currently working at or above capacity and working extra hours for the City. The Attorney's office has attempted to absorb the steady increase in records requests and preservation issues. Unfortunately, internal realignment only adds enough extra ability to hold the system together like a band aid. The City needs an attorney dedicated to this task who can systematically examine the problems and solutions and train and advise City employees.

Expected Results:

By funding one attorney and one paralegal to focus on citywide legal records issues, including training and compliance, the City Attorney's office hopes and expects to avoid the high profile negative results that other local entities have recently experienced. The City strives to be a leader in good government and would rather invest funds in proactive compliance than pay sanctions for failure.

Decision Package Summary

Bureau: Office of the City Attorney

Priority: 02

Type: Critical Needs

Decision Package: AT_02 - Legal Records Paralegal

Program: Legal Services

| | FY 2014-15 Requested 1 Time DP | FY 2014-15 Requested Ongoing DP | FY 2014-15 Requested Budget | FY 2015-16 Estimated Budget | FY 2016-17 Estimated Budget | FY 2017-18 Estimated Budget | FY 2018-19 Estimated Budget | | |
|---------------------------------|--------------------------------------|---------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------|-------------|
| EXPENDITURES | | | | | | | | | |
| Personnel Services | 0 | 97,104 | 97,104 | 0 | 0 | 0 | 0 | 0 | 0 |
| External Materials and Services | 0 | 8,000 | 8,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Internal Materials and Services | 0 | 5,000 | 5,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL EXPENDITURES | 0 | 110,104 | 110,104 | 0 | 0 | 0 | 0 | 0 | 0 |
| REVENUES | | | | | | | | | |
| Interagency Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| General Fund Discretionary | 0 | 110,104 | 110,104 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL REVENUES | 0 | 110,104 | 110,104 | 0 | 0 | 0 | 0 | 0 | 0 |
| FTE | | | | | | | | | |
| Full-Time Positions | 0.00 | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL FTE | 0.00 | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Description:
 1.0 FTE Paralegal Assistant to focus on critical legal records issues citywide. Work would include supporting a Deputy City Attorney with developing, implementing and administering citywide policies and practices to manage electronic and other records in the context of public records requests, discovery requests, legal holds and subpoenas. Work would include coordinating multi-bureau public records requests, implementing and managing Citywide public records and legal hold software systems, and cooperation with other bureau records managers to help ensure legal compliance and develop best practices.

Expected Results:
 By funding one attorney and one paralegal to focus on citywide legal records issues, including training and compliance, the City Attorney's office hopes and expects to avoid the high profile negative results that other local entities have recently experienced. The City strives to be a leader in good government and would rather invest funds in proactive compliance than pay sanctions for failure.

CITY ATTORNEY'S OFFICE
5-YEAR FINANCIAL PLAN
FY 2015-19
2/3/2014

The City Attorney's Office is an internal service bureau, providing legal assistance, advice and representation to the City Council, City bureaus, boards and commissions, and City employees acting in the scope of their employment. The major programs and innovations of the City's bureaus and commissions all require review and/or assistance from the City Attorney's Office, so that day-to-day work necessarily contributes directly and integrally to furthering all of the City's major goals. Unlike bureaus that develop plans for providing services directly to the public, the City Attorney's Office provides legal services to City officials in response to current needs. While the City Attorney's Office provides routine advice over a broad range of subjects, it is difficult to predict what precise legal services will be required in the future.

Anticipated Legal Needs

Citywide public records legal issues: The office has identified a critical need for 1.0 FTE Sr. Deputy City Attorney and 1.0 FTE Paralegal Assistant to focus on citywide legal records issues, and has requested funds for FY 2014-15. Work would include developing, implementing and administering (in cooperation with the Auditor, BTS and other bureaus) citywide policies and practices to manage electronic and other records in the context of public records requests, discovery requests, legal holds and subpoenas. Work would also include development of an electronic records preservation plan, systems for managing multi-bureau public records requests and a training protocol for employees. The City also needs to be proactive in developing education and compliance plans for records management.

The City Attorney's Office is able to meet current requests but not proactively advise and train all City bureaus on compliance in this dynamically evolving area. Preservation is an imminent and constant problem.

Records not preserved can usually not be recovered. Thus, any mistakes made today, while employees lack proper training, cannot be fixed in a year or two when funds might be more readily available.

By funding one attorney and one paralegal to focus on citywide legal records issues, including training and compliance, the City Attorney's Office hopes and expects to avoid the high profile negative results that other local entities have recently experienced. The City strives to be a leader in good government and would rather invest funds in proactive compliance than pay sanctions for failure.

Superfund: The office continues to represent the City in the Portland Harbor Superfund proceedings and expects this work to continue through FY 2019 and beyond. The office is working closely with the Bureau of Environmental Services and anticipates the need for an additional attorney to do litigation as the process moves forward. There will be extensive and complex legal proceedings with the need for voluminous legal briefing.

Non-Tort litigation fund: The office has seen an increase in non-tort litigation citywide and advocates for the creation of a fund to cover the expenses and risks of such litigation. The City Attorney's Office does not have the budget to cover external litigation expenses. Currently, bureaus are responsible for covering these costs within their current appropriations.

Honors attorney positions: The office is considering the potential benefits of reclassifying one Senior Deputy City Attorney position into two Honors Attorney positions. This will help the office meet additional workload demands in the litigation and land use areas with realigned resources. The office also expects to use this as a tool to recruit diverse recent law school graduates.

Other areas of anticipated increases in legal work are in construction contracting and litigation, energy and sustainability initiatives, Water Bureau LT2 compliance issues, planning initiatives, development issues, labor and employment claims, and BTS contracts.

Potential Areas of Cost Reduction

One of the City Attorney's Office's goals is to pursue aggressive cost controls and expenditure restrictions to decrease costs and promote efficiencies. The office has consistently achieved this goal as evidenced by its significantly lower rates compared to that of outside legal services. In addition, with the unpredictable nature of legal services, office expenditures are monitored regularly to ensure sufficient funds for unexpected needs.

Eighty-six percent of the City Attorney's Office budget is for personnel services. Reductions in personnel services are not feasible without deterioration in the quality and timing of legal services provided and/or additional higher outside counsel costs.

Materials and services expenses, while limited compared to other law offices, have been adequate. Over the past few years, the office has made reductions in out of town travel, education and law library costs. The office will continue to use lower cost in-house and group CLE's when possible, but educational seminars in specialized fields of law may require otherwise. Moreover, a set amount of continuing legal education is required for attorneys to retain their license to practice. Legal publication costs have been reduced due to availability of online resources. The office will continue to monitor external expenses for potential savings.

Strategic planning in the office focuses on methods to improve the efficiency and effectiveness of legal work, and activities that help reduce the City's exposure to risk.

The City Attorney's Office has four main goals: 1) to provide the highest level of customer service to its clients through preventative legal advice that is timely, accurate and easy to access; 2) to effectively and vigorously advocate for the City's interests in state and federal courts and otherwise; 3) to support and advance the City's objective of achieving equity in all of its programs, services and activities; and 4) to ensure accountability for its professional performance and effective stewardship of public resources.

Financial planning in the office consists of (1) maintaining current service levels with adjustments for inflation; (2) working with City officials to anticipate future legal needs; (3) determining potential areas of cost reduction; and (4) prioritizing training of City bureau staff to reduce costs and increase efficiency.

| | Revised FY13-14 | Requested FY14-15 | Projected FY15-16 | Projected FY16-17 | Projected FY17-18 | Projected FY18-19 |
|----------------------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Resources | | | | | | |
| External Revenues | | | | | | |
| Charges for Services | 5,542 | 6,000 | 6,252 | 6,458 | 6,704 | 6,891 |
| Total External Revenues | 5,542 | 6,000 | 6,252 | 6,458 | 6,704 | 6,891 |
| Internal Revenues | | | | | | |
| General Fund Discretionary | 1,952,726 | 2,669,760 | 2,781,890 | 2,873,692 | 2,982,893 | 3,066,414 |
| General Fund Overhead | 3,095,418 | 2,807,419 | 2,925,331 | 3,021,867 | 3,136,697 | 3,224,525 |
| Interagency Revenue | 5,204,406 | 5,152,877 | 5,369,298 | 5,546,485 | 5,757,251 | 5,918,454 |
| Total Internal Revenues | 10,252,550 | 10,630,056 | 11,076,518 | 11,442,043 | 11,876,841 | 12,209,393 |
| Total Resources | 10,258,092 | 10,636,056 | 11,082,770 | 11,448,502 | 11,883,545 | 12,216,284 |
| Requirements | | | | | | |
| Bureau Expenditures | | | | | | |
| Personnel Services | 8,676,258 | 9,018,708 | 9,397,494 | 9,707,611 | 10,076,500 | 10,358,642 |
| External Materials and Services | 717,973 | 746,403 | 777,752 | 803,418 | 833,948 | 857,298 |
| Internal Materials and Services | 863,861 | 870,945 | 907,525 | 937,473 | 973,097 | 1,000,344 |
| Total Bureau Expenditures | 10,258,092 | 10,636,056 | 11,082,770 | 11,448,502 | 11,883,545 | 12,216,284 |
| Total Requirements | 10,258,092 | 10,636,056 | 11,082,770 | 11,448,502 | 11,883,545 | 12,216,284 |
| Programs | | | | | | |
| Legal Services | | | | | | |
| Total Programs | 10,258,092 | 10,636,056 | 11,082,770 | 11,448,502 | 11,883,545 | 12,216,284 |

