

Financial Planning recommendations are subject to revision based on new information that becomes available during the budget process, either from the budget forums, meetings with Commissioners, or the Council budget work sessions.

FINANCIAL PLANNING DIVISION ANALYSIS FY 2012-13 Budget

Office of the City Attorney

Analysis by: Bob Tomlinson

I. Overview

Budget Summary	Revised FY 2010-11	Revised FY 2011-12	Request Base FY 2012-13	Request Total FY 2012-13	Percent Change
Resources					
Interagency Revenue	\$4,523,704	\$5,049,593	\$5,262,365	\$5,262,365	4.2%
General Fund Discretionary	1,781,135	1,722,115	1,804,180	1,659,846	-3.6%
General Fund Overhead	2,539,320	2,806,711	2,823,060	2,823,060	0.6%
Total Resources	\$8,844,159	\$9,578,419	\$9,889,605	\$9,745,271	1.7%
Expenditures					
Personnel Services	\$7,602,124	\$8,049,019	\$8,311,471	\$8,311,471	3.3%
External Materials and Services	510,463	751,946	777,964	633,630	-15.7%
Internal Materials and Services	731,572	777,454	800,170	800,170	2.9%
Total Requirements	\$8,844,159	\$9,578,419	\$9,889,605	\$9,745,271	1.7%
Total Bureau FTE	59.60	58.25	58.25	58.25	0.0%

Percent Change is the change from FY 2011-12 Revised Budget to FY 2012-13 Total Requested Budget.

II. Key Issues

Interagency Revenues versus Overhead Funding

Interagency (IA) revenues are 54.0% of the City Attorney's FY 2012-13 Requested Base Budget. However, the bureau is also in the General Fund Overhead (GFOH) Model and this raises the question of the best approach to funding the bureau. Increased/decreased service levels should be captured in the GFOH Model and funded with GFOH revenues. This is especially true with 84% of the bureau's budget in Personnel Services. For example, the Revenue Bureau is requesting a cut in its interagency with the City Attorney's Office in FY 2012-13 of 0.5 FTE. BES needed additional work in FY 2012-13 and agreed to increase its IA by the same amount of 0.5 FTE. Under the IA approach the 0.5 FTE would have been cut if BES had not needed the additional work whereas under the GFOH approach the position could be funded and work on other unassigned issues. FPD recommends that the issue of interagency revenues versus overhead funding for the City Attorney Office should be reviewed this summer.

City Hall Space Planning

The Public Finance and Treasury division of Office of Management and Finance (OMF) has moved out of City Hall and into the Portland Building. This opens up space in City Hall for the Office of the City Attorney and could also involve relocating the Auditor's Audit Services division and the Office of Government Relations. OMF Facilities currently has \$151,000 budgeted to reconfigure the vacated space in City Hall. The City Attorney's Office has not included any funding in FY 2012-13 for moving costs but has included an additional \$38,931 for rent of new space. FPD recommends that any moving and reconfiguration costs in City Hall be limited to the \$151,000 currently budgeted for it.

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

	Bureau Priority	Bureau Requested					FPD Analyst Recommendations				
		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>Reductions</i>											
AT_01 - 4% Reduction	01	0.00	(72,167)	0	0	(72,167)	0.00	(72,167)	0	0	(72,167)
AT_02 - 6% Reduction	02	0.00	(36,084)	0	0	(36,084)	0.00	(36,084)	0	0	(36,084)
AT_03 - 8% Reduction	03	0.00	(36,083)	0	0	(36,083)	0.00	0	0	0	0
<i>Total Reductions</i>		<i>0.00</i>	<i>(144,334)</i>	<i>0</i>	<i>0</i>	<i>(144,334)</i>	<i>0.00</i>	<i>(108,251)</i>	<i>0</i>	<i>0</i>	<i>(108,251)</i>
Total Office of the City Attorney		0.00	(144,334)	0	0	(144,334)	0.00	(108,251)	0	0	(108,251)
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Summary by Decision Package Type											
<i>Total Reductions</i>		<i>0.00</i>	<i>(144,334)</i>	<i>0</i>	<i>0</i>	<i>(144,334)</i>	<i>0.00</i>	<i>(108,251)</i>	<i>0</i>	<i>0</i>	<i>(108,251)</i>
<i>Total Unfunded Ongoing</i>		<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Total Bureau Adds</i>		<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Total Realignments</i>		<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Grand Total		0.00	(144,334)	0	0	(144,334)	0.00	(108,251)	0	0	(108,251)

III. Decision Package Analysis & Recommendations

Reduction Packages

4% Reduction/AT_01, (\$72,167), Bureau Priority #1

This is the City Attorney's package to reduce its ongoing General Fund allocation by 4%. The cuts would be taken in external materials and services and include reductions in travel, education, office supplies, and miscellaneous expenses. This reduction will impact the continuing legal education that is required to maintain a license to practice law. The bureau is already providing in-house education to capture these savings. FPD recommends taking this reduction because it will have minimal impact on the bureau.

FPD Recommendation: (\$72,167)

6% Reduction/AT_02, (\$36,084), Bureau Priority #2

This 2% reduction package combined with the 4% reduction package above results in a 6% total reduction of (\$108,251). The cuts would be taken in external materials and services and include reductions in legal publications and miscellaneous expenses. Reducing expenses in legal publications may reduce attorney efficiency. Reducing external services will require legal support staff to perform non-legal work, which also reduces efficiency. FPD recommends taking this reduction due to the limited availability of General Fund resources.

FPD Recommendation: (\$36,084)

8% Reduction/AT_03, (\$36,083), Bureau Priority #3

This 2% reduction package combined with the 4% and 2% reduction packages above results in an 8% total reduction of (\$144,344). The cuts would be taken in external materials and services and include additional reductions in legal publications, membership dues, subscriptions, and law clerk services. Additional reductions to legal publications and reducing law clerk services (the \$10,000 cut is approximately 625 hours of law clerk services) will require attorneys to spend a significant amount of time performing additional research which reduces efficiency. This would affect the timeliness of legal work and could create additional risk for the City. Requiring individual attorneys to absorb expenses for required memberships is effectively a decrease in salary and could result in loss of quality legal staff. FPD does not recommend taking this reduction because the bureau supports essential city services and this reduction would increase legal risk for the City.

FPD Recommendation: \$0

V. Performance and Accountability

Program Summary Template

The bureau has one program to provide legal services for all City bureaus and offices, City Council, and the City Auditor. It tracks four workload measures related to the number of litigation cases handled, hourly rates, contracts reviewed, and the number of training hours completed.

Service Improvements

As demonstrated by the City Attorney's Office's 2010 customer service survey results, the office provides a high level of service at a low hourly rate compared to outside legal services, which often can be triple the internal rate. An office goal is to continue to maintain current service and staff levels.

The City Attorney is in its third year of the reorganization into practice groups. The purpose of the practice groups is to take advantage of the expertise of attorneys in the office and provide opportunities for sharing knowledge. Attorneys are now giving more timely responses by providing additional support through information sharing and cross training. Practice groups continue to develop ways to improve timeliness, including providing additional feedback to clients and requesting feedback from clients.