



CITY OF  
**PORTLAND, OREGON**  
OFFICE OF THE CITY ATTORNEY

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# REQUESTED BUDGET FY 2013-14



## OFFICE OF CITY ATTORNEY PORTLAND, OREGON

BUDGET ADVISORY COMMITTEE  
JAMES H. VAN DYKE, CITY ATTORNEY  
HARRY AUERBACH, CHIEF DEPUTY CITY ATTORNEY  
CATHERINE RIFFE, CHIEF DEPUTY CITY ATTORNEY  
ROLAND IPARRAGUIRRE, DEPUTY CITY ATTORNEY  
KERRY TOMPULIS, SR. LEGAL ASSISTANT  
KIM SNEATH, OFFICE ADMINISTRATOR  
CRYSTINE JIVIDEN, BUSINESS OPERATIONS SUPERVISOR



Office of Mayor Charlie Hales  
City of Portland

## MEMORANDUM

February 1, 2013

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 2013-14 Requested Budget of the City Attorney's Office

Attached for your consideration is the FY14 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.

The enclosed budget includes a ten percent reduction to General Fund discretionary resources pursuant to Council direction and a request to restore funding.

Because the office has only one program, it is difficult to rank services or programs for elimination. Reducing personnel services is not cost effective because it would result in higher outside counsel costs for the City. Therefore, reductions would be made to all external materials and services budgets including education and law clerks. Reductions to these programs may produce short term savings but result in long term inefficiencies.

The City Attorney's Office supports a wide variety of City programs and actions desired by the Portland Plan. Office attorneys advise on many topics, from enforcing Title VI, to mitigating disparities, training, implementing a disabilities transition plan, Civil Rights Act compliance, and equity plans. In short, the City's goals are the City Attorney's Office's goals. Keeping current on legal trends and education at a relatively small cost has potentially big impacts on the City as a whole.

Law clerk services provide many benefits to the City. Law clerks perform legal research that would otherwise be done by attorneys, allowing attorneys to handle more matters and provide faster responses. A \$20,000 reduction to clerk services eliminates over 1200 hours of work. Additionally, several new law clerks are hired each year which creates opportunities for students with diverse backgrounds.

Because the office handles work generated by the Council, bureaus, employees, and individuals and organizations that bring actions against the City, it is difficult to control the amount of work that will be required. Adequate materials and services funding is necessary to maintain the office's effectiveness.



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January 29, 2013

**FY13-14 BUDGET ADVISORY COMMITTEE SUMMARY REPORT**

The City Attorney's Office Budget Advisory Committee convened on January 8, 2013 at 1:00 p.m. The Committee members are Jim Van Dyke, Harry Auerbach, Catherine Riffe, Linda Law, Roland Iparraguirre, Crystine Jividen, Kim Sneath, and Kerry Tompulis.

The City budget processes and meeting goals were discussed. The group concurred that a primary office goal is consistent services.

The group discussed expenditures in some detail and discussed hourly rate vs. outside counsel rates. The group discussed future outside counsel needs and the fact that in-house attorneys provide services at a significantly lower rate. Specific examples of outside counsel were provided such as Superfund, insurance, environmental.

The group reviewed budget decisions history over the last five years, four of which included cuts. Previous cuts were made to external materials and services including education and travel, office supplies and legal publications. In addition, there was a merit increase freeze and the elimination of one attorney position assigned to the Portland Police Bureau (PPB).

Attendees engaged in discussion of possible areas that may be reviewed for savings. Because the City Attorney's Office only has one program, Legal Services, there is no way to rank programs. The group concurred that the goal would be to reduce external services rather than cut from personnel services. Cuts to personnel services were not recommended because it would result in slower service to the clients, increased risk to the City and would defeat the purpose of reducing costs by increasing outside counsel costs.

Internal services (rent, technology, insurance, etc) do not leave much room for reduction. (It was noted, however, that a cost savings was identified and implemented from last year's BAC meeting which included eliminating unused secondary phone lines.) Suggestions for cost savings included: \$15,000 publications, \$20,000 furniture, \$10,000 out of town travel, possible library services, and office supplies. The group concluded that cutting law clerk costs was not a good idea. The office has under spent its EMS budget for the last three years and it seems an approximate \$150,000 reduction to EMS budget overall could be achieved if necessary.

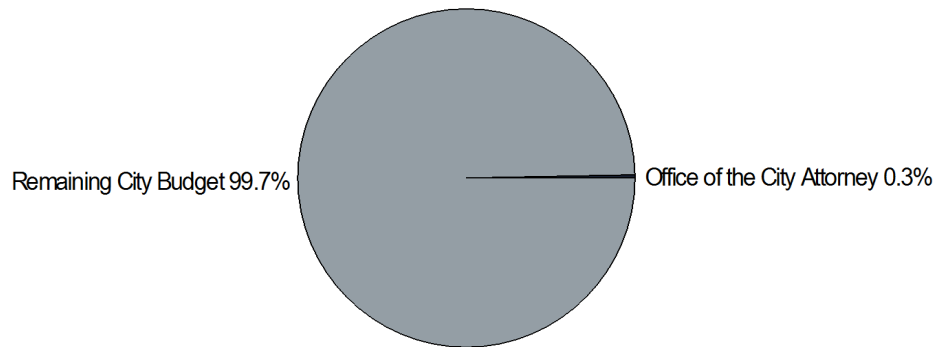
# Office of the City Attorney

City Support Services Service Area

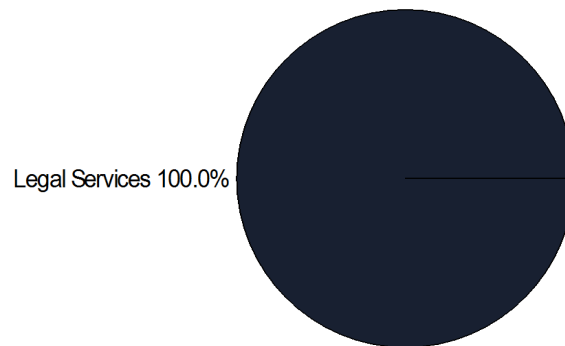
Mayor Charlie Hales, Commissioner-in-Charge

James H. Van Dyke, City Attorney

**Percent of City Budget**

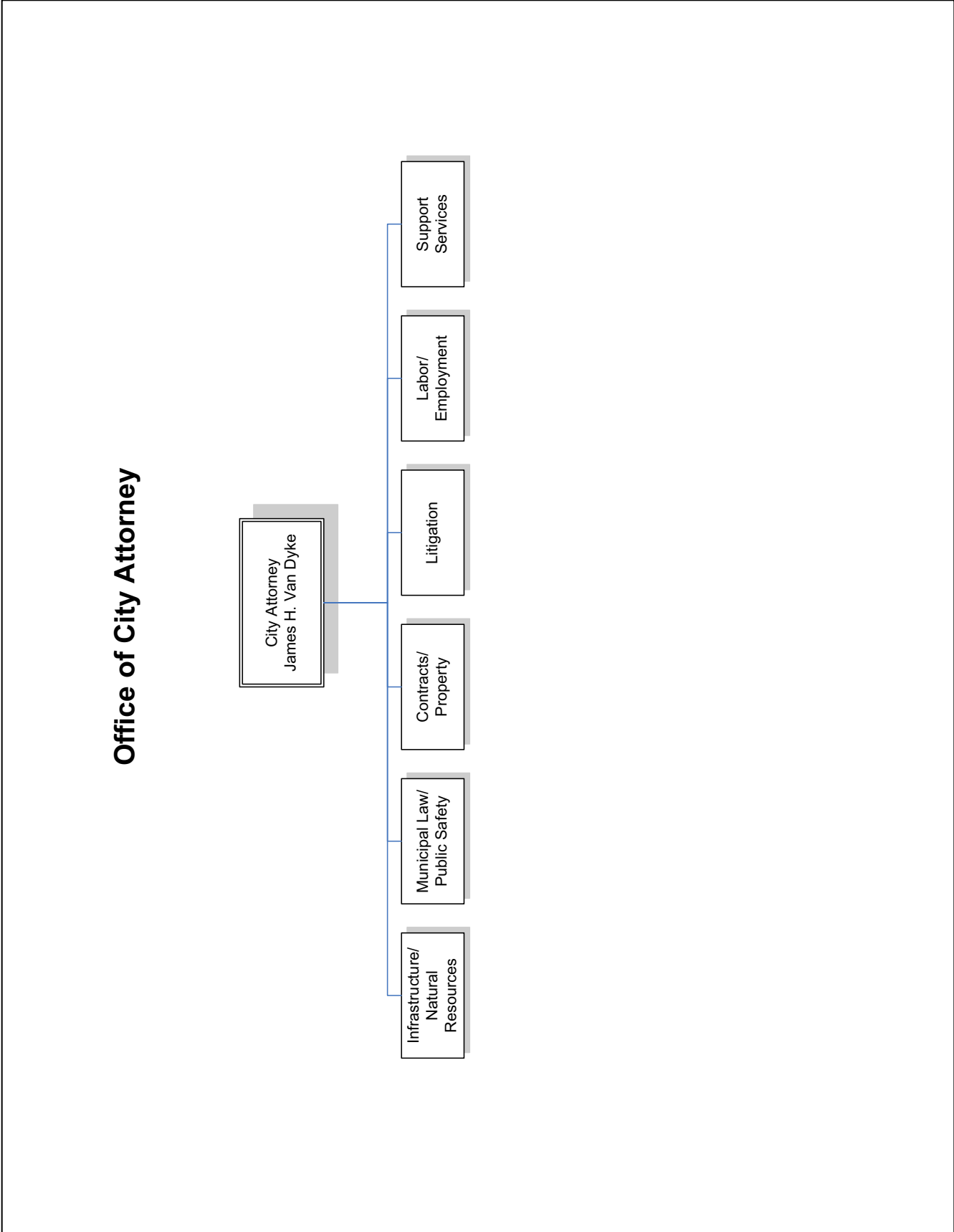


**Bureau Programs**



**Bureau Overview**

| <b>Expenditures</b>       | <b>Revised<br/>FY 2012-13</b> | <b>Requested<br/>FY 2013-14</b> | <b>Change from<br/>Prior Year</b> | <b>Percent<br/>Change</b> |
|---------------------------|-------------------------------|---------------------------------|-----------------------------------|---------------------------|
| Operating                 | 9,509,595                     | 10,275,024                      | 765,429                           | 8.05                      |
| Capital                   | 0                             | 0                               | 0                                 | 0.00                      |
| <b>Total Requirements</b> | <b>9,509,595</b>              | <b>10,275,024</b>               | <b>765,429</b>                    | <b>8.05</b>               |
| Authorized Positions      | 58.50                         | 58.50                           | -0.00                             | -0.00                     |



## 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 City Attorney is appointed by the City Council. The City Attorney provides legal services and programs for the City of Portland. Attorneys and paralegals work with City Council members and their staff to find legally acceptable ways to achieve public objectives.

The office handles work generated by the City Council, City bureaus, employees, and individuals or organizations that bring claims or actions against the City. This work includes defending the City in court, initiating legal actions when appropriate in the public interest, handling other judicial and quasi-judicial matters, negotiating and reviewing contracts, reviewing policies and programs, providing legal advice and counsel, producing formal opinions, and performing any other legal services needed.

Legal obligations are created by the City Code and Charter, state statutes, regulations, administrative requirements, and federal law. In addition, the Oregon State Bar establishes ethical professional requirements that govern lawyers and the work performed for the City and City officials.

The office works on a wide range of subjects, such as constitutional aspects of municipal legislation, personnel and labor law issues, tort claims, workers' compensation, construction contracts and claims, land use litigation and planning, environmental issues, and code enforcement. The office also works on police and public records issues, fire and safety requirements, telecommunications, utilities and license fees, collection of revenues owed to the City, and franchises and contracts. Additional work includes advising, advocating, analyzing, reviewing activities and materials, negotiating agreements, drafting documents and legal instruments, and assisting in policy development and program implementation as requested and needed.

Legal services are affected by decisions made by City government, other governments, and private parties. Legal issues usually originate outside of the direct control of the City Attorney's Office. The office works with Council members and bureau managers to review the legal issues that may be associated with City projects and to assist in the successful completion of these projects.

### Funding Sources and Uses

Interagency agreements with other bureaus and offices for specialized legal work in specific areas represent about 52% of the total operating budget of the City Attorney's Office. The remainder of the budget is supported by General Fund discretionary revenue (17%) and General Fund overhead recovery revenue (31%). Over 86% of the City Attorney's costs are for personnel services. The Requested Budget includes 58.5 FTE.

## Strategic Direction

### Summary

This section provides information on the City Attorney's Office's goals and objectives, specific issues facing the bureau, and a focus on the Mayor's budget priorities.

### Bureau Goals and Objectives

The City Attorney's Office has four main goals: 1) Providing preventive legal advice, which can help City bureaus and officials avoid unnecessary costs at a later date; 2) Effectively representing the City in state and federal courts and other proceedings; 3) Cross-training attorneys; and 4) Reducing costs by minimizing the use of outside counsel.

#### 1. Preventive Legal Advice

The City encourages preventive legal advice. The City Attorney's Office does not use a billable rate scheme so clients are encouraged to call the office even if they are not sure if they have a significant legal issue.

The City Attorney's Office provides some of its preventive legal advice in the form of City-wide and bureau-specific training. Training examples include HR Rule 2.02 (Prohibition against Workplace Harassment, Discrimination and Retaliation), Whistle-blowing, Ethics, Public Records, Public Meetings, Social Media, Litigation Holds, Discipline for Managers and Supervisors, Effective Investigations, Bargaining, Land Use and Elections Law. However, the day-to-day workload of litigation and other matters has made it impossible to do all the preventive work that is warranted. This shortfall may result in lawsuits and legal problems that could have been avoided or mitigated. Adequate staffing is necessary to maintain and increase City-wide preventive legal training efforts.

#### 2. Effectively Representing the City in State and Federal Courts

The City Attorney's Office represents the City when claims are made against it in state and federal courts as well as administrative proceedings. Claims include real property, contract claims and tort cases, such as claims regarding police activity. Effective representation means the City does not settle claims on a nuisance basis. Lessons learned from these proceedings are then used as feedback for preventive legal advice.

#### 3. Cross Training

Several years ago, the office was restructured into practice groups to enhance communication among attorneys handling similar projects and to ensure consistent legal advice. In essence, the office attempted to break down any silos that might arise when attorneys perform work for a single bureau. In addition, the practice group approach permits additional oversight over office activities because each group is assigned to a supervisor.

#### 4. Minimizing Costs by Outside Counsel

City legal services are already fully centralized in the City Attorney's Office, with the exception of PDC and outside counsel. The City Attorney's Office budget has remained steady in recent years, increasing only from the transfer of an attorney from the FPDR budget (1.0 FTE) as well as the PDC budget (1.0 FTE) when Housing Bureau functions were transferred to the City.

The City Attorney's Offices rates are significantly lower than outside counsel for many reasons. The City Attorney's Office hourly rate for FY14 with decision packages is \$164 compared to average outside counsel rates of \$284. (Oregon State Bar 2012 Economic Survey). This gap is even wider than might otherwise appear because the average outside counsel rate of \$284 does not include paralegal costs, which are billed separately and in addition to the cost of the outside counsel. In contrast, the City Attorney's Office hourly rate includes paralegal costs.

Not all outside counsel costs are avoidable. Outside counsel costs may be considered in three different categories. First, some outside counsel costs are unavoidable because legal rules of ethics prohibit our representation of city clients in some cases. Second, some outside counsel costs are unavoidable because the City requires specialized expertise in a particular area that is rarely needed. The third area of outside counsel costs is avoidable. Usually such costs are incurred because the City Attorney's Office lacks sufficient staff to handle a particular large matter or project or because a Bureau has requested that outside counsel be hired. The goal of the City Attorney's Office is to reduce 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.

**Specific Issues  
Facing the Bureau**

Like other bureaus, the City Attorney's Office faces an increasing workload with less resources. Unlike other bureaus, however, the office has only one program: the provision of legal services. Therefore there are no extraneous programs to cut.

As a result, the City Attorney's Office is exploring prioritization of its work so the City's most important legal needs are met. The office plans to identify tasks that can be delayed or deferred. Thereafter, a discussion with Council would be planned to make sure that tasks to be deferred are in alignment with the Council's desires.

**Mayor's Budget  
Priorities**

**1. Minimize Overhead and Administration**

The City Attorney's Office has not incurred costs that have grown disproportionately compared to direct service delivery. For example, the office has a small support staff ratio compared to private firms. The office currently has one legal assistant for every 3.4 attorneys; private firms of comparable size typically have one legal assistant for every two attorneys. Additionally, private firms have other overhead costs the City Attorneys office does not have, such as marketing costs, high partner and associate salaries, bonuses and partner profits.

There are no purely supervisory persons in the City Attorneys office. Except for the City Attorney, all attorneys in the office, including those who supervise others, have full caseloads. For example, the head of the Litigation Group has her own caseload, takes on some of the most difficult and challenging cases, and takes them through trial. Support staff operate in the same way. For example, the paralegal who supervises other paralegals has a full paralegal caseload.

In recent years the office has reduced other expenses by eliminating much of its hard copy library and transitioning almost exclusively to online resources. In addition, the office has a robust in-house educational program to obtain many of the mandatory educational credits needed to preserve attorney bar licenses at a reduced cost. The office intends to keep moving in this direction to minimize overhead and administration.



### **2. Preserve Core Services**

As noted, above, this office seeks to work with Council to prioritize legal services to ensure that the most important legal services are preserved.

### **3. Manage with Performance Metrics**

The City Attorney's Office supports the goals of the Portland Plan by providing legal advice to bureaus and City employees striving to meet those goals. Office attorneys advise on many topics, from enforcing Title VI, to mitigating disparities, training, implementing a disabilities transition plan, Civil Rights Act compliance, and equity plans. In short, the City's goals are the City Attorney's Office's goals.

## 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.

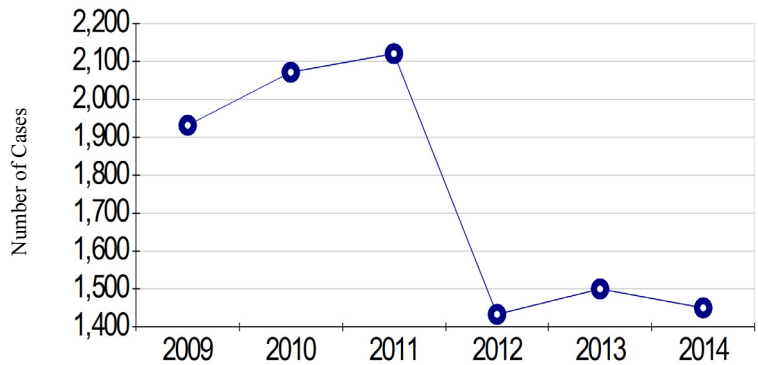
**Changes to Services and Activities**    Although the complexity and number of legal issues continues to increase, there is not an overall change to the activities of the City Attorney's Office.

| FTE & Financials   | Actual<br>FY 2010-11 | Actual<br>FY 2011-12 | Revised<br>FY 2012-13     | Requested No<br>DP<br>FY 2013-14 | Requested<br>FY 2013-14 |
|--|----------------------|----------------------|---------------------------|----------------------------------|-------------------------|
| FTE  | 59.60                | 58.25                | 58.50                     | 58.50                            | 58.50                   |
| <b>Expenditures</b>  |                      |                      |                           |                                  |                         |
| Legal Services   | 8,426,608            | 9,127,953            | 9,509,595                 | 10,077,504                       | 10,275,024              |
| <b>Total Expenditures</b>  | <b>8,426,608</b>     | <b>9,127,953</b>     | <b>9,509,595</b>          | <b>10,077,504</b>                | <b>10,275,024</b>       |
| Performance  | Actual<br>FY 2010-11 | Actual<br>FY 2011-12 | Yr End Est.<br>FY 2012-13 | Base<br>FY 2013-14               | Target<br>FY 2013-14    |
| <b>Efficiency</b>  |                      |                      |                           |                                  |                         |
| Hourly Rate  | \$144                | \$150                | \$160                     | \$161                            | \$164                   |
| <b>Workload</b>  |                      |                      |                           |                                  |                         |
| Litigation Cases   | 2,121                | 1,433                | 1,500                     | 1,450                            | 1,450                   |
| Contracts Review and Approval                                      | 6,668                | 8,187                | 7,200                     | 7,400                            | 7,400                   |
| Training hours provided by City Attorney staff to other City staff | 350                  | 323                  | 200                       | 200                              | 225                     |

## Performance Measures

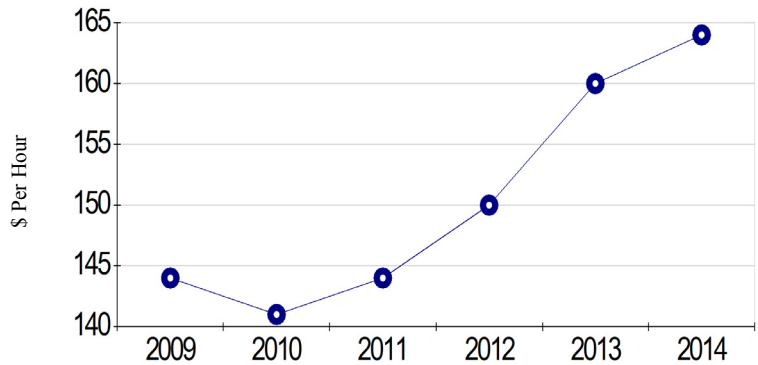
### Litigation Cases Handled

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.



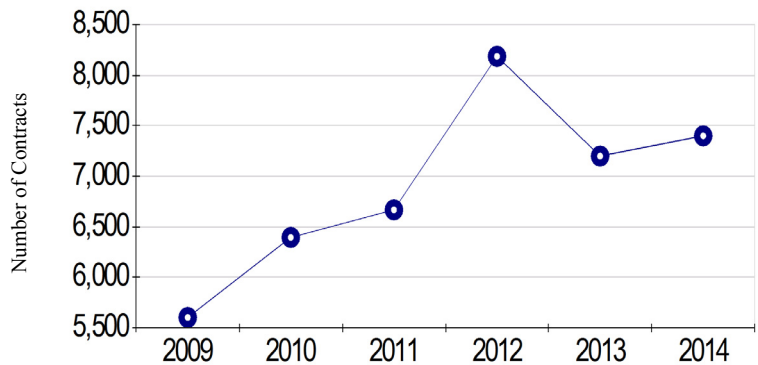
### Hourly Rates

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)



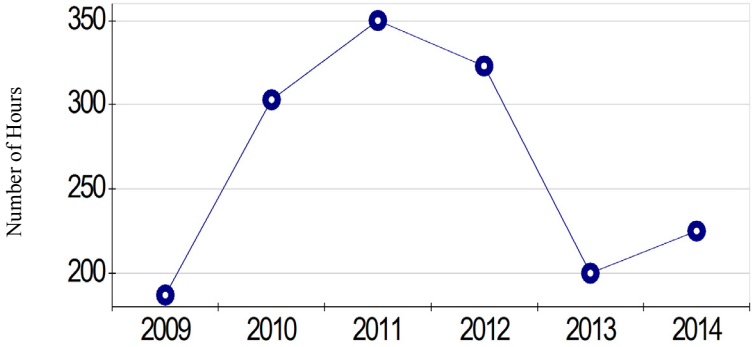
### Contracts Reviewed and Approved

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<br>FY 2010-11 | Actual<br>FY 2011-12 | Revised<br>FY 2012-13 | Requested No DP<br>FY 2013-14 | Requested<br>FY 2013-14 |
|----------------------------------|----------------------|----------------------|-----------------------|-------------------------------|-------------------------|
| <b>Resources</b>                 |                      |                      |                       |                               |                         |
| <b>External Revenues</b>         |                      |                      |                       |                               |                         |
| Charges for Services             | 2,377                | 4,451                | 0                     | 0                             | 0                       |
| Miscellaneous                    | 0                    | 6,365                | 0                     | 0                             | 0                       |
| <b>Total External Revenues</b>   | <b>2,377</b>         | <b>10,816</b>        | <b>0</b>              | <b>0</b>                      | <b>0</b>                |
| <b>Internal Revenues</b>         |                      |                      |                       |                               |                         |
| General Fund Discretionary       | 1,361,207            | 1,260,833            | 1,614,566             | 1,777,680                     | 1,975,200               |
| General Fund Overhead            | 2,539,320            | 2,806,711            | 2,823,060             | 3,095,418                     | 3,095,418               |
| Interagency Revenue              | 4,523,704            | 5,049,593            | 5,071,969             | 5,204,406                     | 5,204,406               |
| <b>Total Internal Revenues</b>   | <b>8,424,231</b>     | <b>9,117,137</b>     | <b>9,509,595</b>      | <b>10,077,504</b>             | <b>10,275,024</b>       |
| Beginning Fund Balance           | 0                    | 0                    | 0                     | 0                             | 0                       |
| <b>Total Resources</b>           | <b>\$8,426,608</b>   | <b>\$9,127,953</b>   | <b>\$9,509,595</b>    | <b>\$10,077,504</b>           | <b>\$10,275,024</b>     |
| <b>Requirements</b>              |                      |                      |                       |                               |                         |
| <b>Bureau Expenditures</b>       |                      |                      |                       |                               |                         |
| Personnel Services               | 7,320,411            | 8,003,606            | 7,990,728             | 8,716,500                     | 8,716,500               |
| External Materials and Services  | 386,043              | 384,180              | 571,341               | 454,959                       | 596,466                 |
| Internal Materials and Services  | 720,154              | 740,167              | 947,526               | 906,045                       | 962,058                 |
| <b>Total Bureau Expenditures</b> | <b>8,426,608</b>     | <b>9,127,953</b>     | <b>9,509,595</b>      | <b>10,077,504</b>             | <b>10,275,024</b>       |
| <b>Fund Expenditures</b>         |                      |                      |                       |                               |                         |
| <b>Total Fund Expenditures</b>   | <b>0</b>             | <b>0</b>             | <b>0</b>              | <b>0</b>                      | <b>0</b>                |
| Ending Fund Balance              | 0                    | 0                    | 0                     | 0                             | 0                       |
| <b>Total Requirements</b>        | <b>\$8,426,608</b>   | <b>\$9,127,953</b>   | <b>\$9,509,595</b>    | <b>\$10,077,504</b>           | <b>\$10,275,024</b>     |
| <b>Programs</b>                  |                      |                      |                       |                               |                         |
| Legal Services                   | 8,426,608            | 9,127,953            | 9,509,595             | 10,077,504                    | 10,275,024              |
| <b>Total Programs</b>            | <b>8,426,608</b>     | <b>\$9,127,953</b>   | <b>\$9,509,595</b>    | <b>\$10,077,504</b>           | <b>\$10,275,024</b>     |

| Class                               | Title                          | Salary Range |         | Revised<br>FY 2012-13 |                  | Requested No DP<br>FY 2013-14 |                  | Requested<br>FY 2013-14 |                  |
|-------------------------------------|--------------------------------|--------------|---------|-----------------------|------------------|-------------------------------|------------------|-------------------------|------------------|
|                                     |                                | Minimum      | Maximum | No.                   | Amount           | No.                           | Amount           | No.                     | Amount           |
| 30000597                            | Attorney, Chief Deputy City    | 102,648      | 146,952 | 4.90                  | 710,724          | 4.90                          | 735,006          | 4.90                    | 735,006          |
| 30000418                            | Attorney, City                 | 129,834      | 186,056 | 1.00                  | 167,424          | 1.00                          | 175,998          | 1.00                    | 175,998          |
| 30000595                            | Attorney, Deputy City          | 86,840       | 117,686 | 15.60                 | 1,662,996        | 15.60                         | 1,740,362        | 15.60                   | 1,740,362        |
| 30000596                            | Attorney, Sr Deputy City       | 93,288       | 130,291 | 11.70                 | 1,492,716        | 11.70                         | 1,546,774        | 11.70                   | 1,546,774        |
| 30000440                            | Business Operations Supervisor | 66,602       | 89,107  | 1.00                  | 89,352           | 1.00                          | 92,052           | 1.00                    | 92,052           |
| 30000600                            | Law Office Administrator       | 75,109       | 100,048 | 1.00                  | 100,332          | 1.00                          | 103,344          | 1.00                    | 103,344          |
| 30000591                            | Legal Assistant                | 45,074       | 69,451  | 7.00                  | 460,920          | 7.00                          | 481,044          | 7.00                    | 481,044          |
| 30000829                            | Legal Assistant Supervisor     | 60,341       | 80,475  | 1.00                  | 79,932           | 1.00                          | 83,136           | 1.00                    | 83,136           |
| 30000592                            | Legal Assistant, Sr            | 54,725       | 72,925  | 2.00                  | 145,632          | 2.00                          | 150,672          | 2.00                    | 150,672          |
| 30000012                            | Office Support Specialist II   | 32,552       | 46,758  | 2.00                  | 75,702           | 2.00                          | 81,678           | 2.00                    | 81,678           |
| 30000593                            | Paralegal                      | 54,725       | 72,925  | 4.00                  | 252,552          | 4.00                          | 265,303          | 4.00                    | 265,303          |
| 30000830                            | Paralegal Supervisor           | 63,378       | 84,635  | 0.90                  | 76,380           | 0.90                          | 78,684           | 0.90                    | 78,684           |
| 30000594                            | Paralegal, Sr                  | 60,341       | 80,475  | 2.00                  | 135,576          | 2.00                          | 141,019          | 2.00                    | 141,019          |
| 30000462                            | Program Specialist, Assistant  | 45,074       | 69,451  | 1.00                  | 49,224           | 1.00                          | 52,269           | 1.00                    | 52,269           |
| <b>TOTAL FULL-TIME POSITIONS</b>    |                                |              |         | <b>55.10</b>          | <b>5,499,462</b> | <b>55.10</b>                  | <b>5,727,341</b> | <b>55.10</b>            | <b>5,727,341</b> |
| 30000595                            | Attorney, Deputy City          | 86,840       | 117,686 | 0.80                  | 94,416           | 0.80                          | 97,260           | 0.80                    | 97,260           |
| 30000593                            | Paralegal                      | 54,725       | 72,925  | 0.80                  | 51,300           | 0.80                          | 54,827           | 0.80                    | 54,827           |
| 30000594                            | Paralegal, Sr                  | 60,341       | 80,475  | 1.80                  | 145,260          | 1.80                          | 149,640          | 1.80                    | 149,640          |
| <b>TOTAL PART-TIME POSITIONS</b>    |                                |              |         | <b>3.40</b>           | <b>290,976</b>   | <b>3.40</b>                   | <b>301,727</b>   | <b>3.40</b>             | <b>301,727</b>   |
| <b>TOTAL LIMITED TERM POSITIONS</b> |                                |              |         | <b>0.00</b>           | <b>0</b>         | <b>0.00</b>                   | <b>0</b>         | <b>0.00</b>             | <b>0</b>         |
| <b>GRAND TOTAL</b>                  |                                |              |         | <b>58.50</b>          | <b>5,790,438</b> | <b>58.50</b>                  | <b>6,029,068</b> | <b>58.50</b>            | <b>6,029,068</b> |



**Decision Package Summary**

**Bureau:** Office of the City Attorney

**Priority:** NA

**Type:** Bureau Adds

**Decision Package:** AT\_01 - OMF IA Add Backs

**Program:** Legal Services

|                                 | FY 2013-14<br>Requested<br>1 Time DP | FY 2013-14<br>Requested<br>Ongoing DP | FY 2013-14<br>Requested<br>Total DP | FY 2014-15<br>Estimated<br>Budget | FY 2015-16<br>Estimated<br>Budget | FY 2016-17<br>Estimated<br>Budget | FY 2017-18<br>Estimated<br>Budget |          |
|---------------------------------|--------------------------------------|---------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|----------|
| <b>EXPENDITURES</b>             |                                      |                                       |                                     |                                   |                                   |                                   |                                   |          |
| Internal Materials and Services | 0                                    | 56,013                                | 56,013                              | 0                                 | 0                                 | 0                                 | 0                                 | 0        |
| <b>TOTAL EXPENDITURES</b>       | <b>0</b>                             | <b>56,013</b>                         | <b>56,013</b>                       | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b> |
| <b>REVENUES</b>                 |                                      |                                       |                                     |                                   |                                   |                                   |                                   |          |
| Interagency Revenue             | 0                                    | 0                                     | 0                                   | 0                                 | 0                                 | 0                                 | 0                                 | 0        |
| General Fund Discretionary      | 0                                    | 56,013                                | 56,013                              | 0                                 | 0                                 | 0                                 | 0                                 | 0        |
| <b>TOTAL REVENUES</b>           | <b>0</b>                             | <b>56,013</b>                         | <b>56,013</b>                       | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b> |

**Description:**

This decision package would restore Internal Materials and Services to 100% of target.

**Expected Results:**

Full funding for internal services would maintain current service levels.



## Decision Package Summary

**Bureau:** Office of the City Attorney

**Priority:** 01

**Type:** Bureau Adds

**Decision Package:** AT\_02 - City Atty Add Back

**Program:**

|                                 | FY 2013-14<br>Requested<br>1 Time DP | FY 2013-14<br>Requested<br>Ongoing DP | FY 2013-14<br>Requested<br>Total DP | FY 2014-15<br>Estimated<br>Budget | FY 2015-16<br>Estimated<br>Budget | FY 2016-17<br>Estimated<br>Budget | FY 2017-18<br>Estimated<br>Budget |
|---------------------------------|--------------------------------------|---------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>EXPENDITURES</b>             |                                      |                                       |                                     |                                   |                                   |                                   |                                   |
| External Materials and Services | 0                                    | 141,507                               | 141,507                             | 0                                 | 0                                 | 0                                 | 0                                 |
| <b>TOTAL EXPENDITURES</b>       | <b>0</b>                             | <b>141,507</b>                        | <b>141,507</b>                      | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          |
| <b>REVENUES</b>                 |                                      |                                       |                                     |                                   |                                   |                                   |                                   |
| General Fund Discretionary      | 0                                    | 141,507                               | 141,507                             | 0                                 | 0                                 | 0                                 | 0                                 |
| <b>TOTAL REVENUES</b>           | <b>0</b>                             | <b>141,507</b>                        | <b>141,507</b>                      | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          |

**Description:**

To be fully funded at the office's General Fund current appropriation level target, the office would need to increase its budget by \$197,520. At 90% of target, reductions would be made to all external materials and services including office supplies, operating supplies, ergonomic furniture, hard-copy legal publications, library services, out of town travel, education, and, as a last resort, law clerks. A reduction in personnel costs would not be cost effective because the City would incur higher outside counsel costs.

**Expected Results:**

Inadequate funding for education is difficult because attorneys are required to attend a certain number of courses over a three year period to maintain their license to practice law. In addition, continuing legal education is necessary to keep attorneys informed about rapidly changing areas of law.

Education programs enable the City to compete effectively with litigants challenging City actions, and to identify and avoid issues that might otherwise not be detected. Valuable programs that could help the City advance its policy objectives would be missed. The office reduced education expenses for FY09, FY10 and FY11 but could not sustain that level for FY12 and FY13. Reducing educational expenses may produce short term gain, but reduces long term efficiency.

Law clerks are law school students who work in the City Attorney's Office for one summer up to two years. Law clerks perform research that would otherwise be done by attorneys, allowing attorneys to handle more matters and provide faster response to requests. Several new law clerks are hired each year which creates opportunities for students with diverse backgrounds.

The City Attorney's Office participates in the Oregon State Bar's affirmative action program to recruit qualified minority applicants and advance the Portland Plan's equity objectives. Loss of law clerk funding would limit this opportunity to increase diversity in the City's workforce. A \$20,000 cut to law clerk services is over 1200 hours of work. This will require attorneys to spend a significant amount of time performing additional research which reduces the number of projects they can address in a timely manner.

The City Attorney's office supports a wide variety of City programs and actions desired by the Portland Plan. Office staff advise on many topics, from enforcing Title VI, to mitigating disparities, training, implementing a disabilities transition plan, Civil Rights Act compliance, and equity plans. In short, the City's goals are the City Attorney's Office's goals. Keeping current on legal trends and education, attending conferences on necessary topics that only are available out of state, and other expenditures at a relatively small cost has potentially big impacts on the City as a whole.

**OFFICE OF CITY ATTORNEY**  
**5-YEAR FINANCIAL PLAN**  
**FY 2014-18**  
**2/1/2013**

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.

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.

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 based on the office's strategic plans; and (4) prioritizing training of City bureau staff to reduce costs and increase efficiency.

**Maintain Current Service Levels**

As demonstrated by the City Attorney's Office's 2010 customer service survey results, the office provides a very high level of service at a very low rate compared to outside legal services, which often can be triple the internal rate. At present we are seeking to maintain current service and staff levels.

The office is experiencing a critical space shortage which will need to be resolved this year.

**Anticipated Legal Needs**

The office continues to represent the City in the Portland Harbor Superfund proceedings and expects this work to continue through FY 2017 and beyond.

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, BTS contracts, and electronic document management issues.

**OFFICE OF CITY ATTORNEY  
5-YEAR FINANCIAL PLAN  
Cont'd**

**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 personal services. Savings may be found over the next five years due to anticipated retirements and rehiring at lower salary levels. Any other reductions in personal 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.

As a last resort, law clerks services could be reduced but that would result in serious inefficiencies. Law clerks are law school students who work in the City Attorney's Office for one summer up to two years. Law clerks perform research that would otherwise be done by attorneys, allowing attorneys to handle more matters and provide faster response to requests. Several new law clerks are hired each year which creates opportunities for students with diverse backgrounds.

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## Customer Service Improvement Status Report

**Bureau:** City Attorney's Office

**Staff Contact:** Kim Sneath

**Phone:** 503-823-4047

**Date:** January 30, 2013

### **Bureau Mission and Goals:**

The City Attorney's Office has very explicit mention of customer service in both its Mission and Goals statements. They also have some specific written customer service expectations in their Work Plan, such as 24-hour response times to legal requests, no automated phone systems, increased front desk coverage and enhanced training for front line staff.

**Customer Service Assessment:** The City Attorney's Office's primary customers/clients are the employees of City bureaus who use their legal services in an official capacity. The City Attorney's Office conducts surveys of its customers every two-three years. The survey is sent online to the Council members, Bureau Directors, all City managers and supervisors, and other City employees identified by staff as frequent clients. Survey results are reviewed by the City Attorney, Office Administrator and Chief Deputy City Attorneys. The City Attorney and Chief Deputy City Attorneys meet with bureau directors and discuss the survey results in person and address concerns and competency development. The next survey is scheduled for March 2013.

**Workforce Development:** The City Attorney's Office values having adequate and competent front desk coverage. Phones are answered in person and all visitors are greeted by a knowledgeable staff member. The office's customer service representative continues to handle all public record requests, written inquiries, phone referrals and media requests to provide consistency in handling all citizen/customer requests. The City Attorney's Office's Practice Management software system continues to be a valuable base of information that is accessible to all office staff. This allows easy and quick accessibility to information and facilitates consistent responses to inquiries.

Hiring processes and performance evaluations contain customer service elements. The annual employee performance evaluation process includes goals for employees to improve customer service. Attorneys are required to identify an item to improve service to their clients in the upcoming year. Employees must also complete one diversity related activity during the year. Employees are encouraged to attend training classes offered by the City and outside vendors. The City Attorney's Office implemented a new recognition process at staff meetings acknowledging contributions of excellence to customers/clients.

The City Attorney's Office has an employee orientation process which includes a checklist and comprehensive training by staff persons to ensure that new employees are well-informed about City policies and office procedures. Recruitment process for all positions includes customer service expectations.