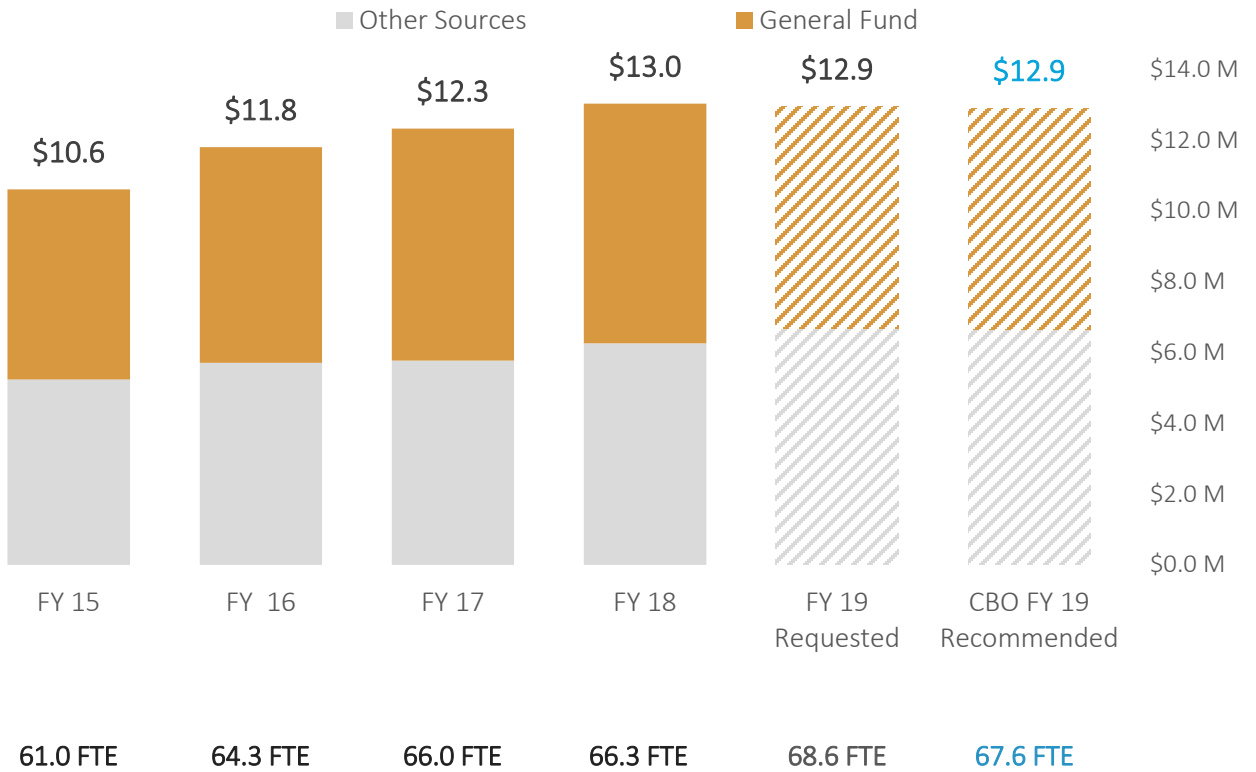




Adopted Budget Resources: 5-Year Lookback



INTRODUCTION

The City Attorney’s office has offered a reduction that would eliminate the Legal Records Request program and reduce 2.0 FTE. In addition, the office requested multiple support staff positions to help handle increased workload directly related to revenue generating activity. The requested budget creates a net increase of 3.00 FTE and \$20,186, or 0.3% in ongoing General Fund resources. As a small, primarily internal service bureau, the City Attorney’s budget is largely composed of personnel costs which account for upwards of 80% of the budget. Further, the value of the service provided by the City Attorney is largely in staff expertise,

which is difficult to replace with technology. That said, the City Attorney has taken steps over the last year to leverage technology and data to increase efficiency. These efforts are discussed further in key issues and decision package analysis below.

KEY ISSUES

Technology

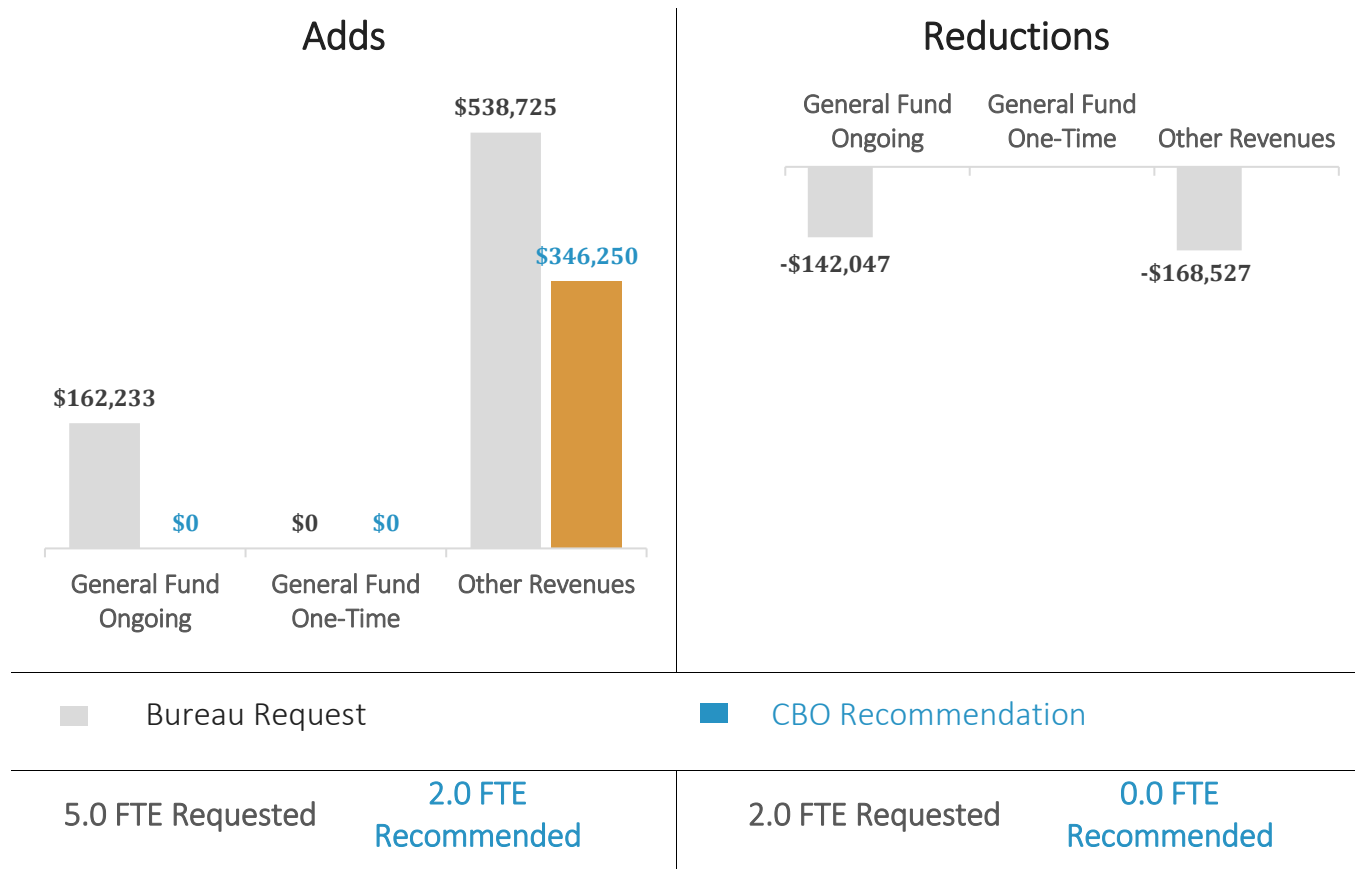
The City Attorney took reductions to materials and services repeatedly over the last decade, reducing their external materials and services budget to cover only basic expenses. This has left them with no budget for larger one-time purchases such as software replacement. During the FY 2017-18 supplemental budget process, the City Attorney requested to carryover General Fund resources to replace two failing software applications. They have successfully replaced their litigation software and are working on replacing the practice management software.

Bureau Performance

The City Attorney has consistently met or exceeded performance targets for the last three years. The requested budget appropriately reflects changes to performance targets based on the impact of funding decisions. The requested budget includes eliminating the Legal Records Management program which would cause the number of training hours provided by City Attorney staff to fall by approximately 25%. The total number of litigation cases is projected to increase 17% if additional revenue collections staff is added.

The City Attorney is making positive changes to performance measures that will provide higher quality data. The number of litigation cases will be broken out into those brought against the City and affirmative litigation. Similarly, the City Attorney will work with CBO to introduce more nuance to the percentage of cases favorably resolved. The measure takes the total count of cases favorably resolved into consideration without addressing type or importance. The City Attorney is also leveraging technology to deliver trainings more efficiently.

DECISION PACKAGE ANALYSIS AND RECOMMENDATIONS



Eliminate Legal Records Management Program

AT_01, (\$310,574), (2.00) FTE

To comply with budget guidance the City Attorney has submitted a 5% reduction to the General Fund portion of the City Attorney’s budget that would eliminate the Legal Records Management Program. The Program started in response to a steady rise in public records requests and a Citywide need to understand the legal obligations of information sharing.

The Legal Records Management Program:

- Provides training to all City employees on public records matters;
- Processes public records requests for elected staff;
- Assists bureaus with complex records requests;
- Manages the City’s public records management software system (GovQA);

- Manages the City's Text-to-Archive system (SMARSH); and
- Represents the City in public records challenges before the district attorney - ultimately reducing City risk exposure.

In addition, the Legal Records Management team also runs a Help Line that is used most often by people from disadvantaged communities such as those who have difficulty using the Public Records Request (PRR) website, including deaf people, older people, limited-English speakers and people who don't have access to a computer. This team also monitors an email address that can be used for non-English public records requests. The City offers the forms in 10 languages which can be sent to this team for a response.

These services are distinct from the Archives and Records Management Division of the Auditor's Office who maintains physical and electronic City records and sets rules around record retention but does not advise City bureau staff on how to respond to public records requests.

If the Legal Records Management Program is eliminated, City risk exposure will likely increase, bureau and Council office workload will increase, and there are negative equity impacts associated with the elimination of the help line managed by the City Attorney. As such, CBO does not recommend this reduction.

CBO Recommendation: \$0, 0.00 FTE

Legal Services to Development Services for Vacant Houses Work

AT_02, \$165,250, 1.00 FTE

This decision package continues an interagency agreement between the Office of the City Attorney and the Bureau of Development Services (BDS) for a Deputy City Attorney position that supports Portland's effort to reduce vacant and abandoned houses by foreclosing on City liens. This position was funded on a one-time basis in FY 2017-18 and this package converts the position to ongoing. To date, the foreclosure and lien recovery work has brought in more than \$737,000 in revenue from the successful foreclosure of ten properties to the City through Development Services and there are an additional nine properties undergoing review for foreclosure. In addition to generating revenue for the City, this position positively effects communities of color. Thus far, 90% of the properties pursued through the foreclosure process were in areas with higher representation of communities of color which then receive the benefits of vacant properties being returned to productive housing stock and reducing problems with squatters, criminal behavior, and unsafe or unhealthy conditions associated with these properties. The City Budget Office recommends this decision package.

CBO Recommendation: \$165,250, 1.00 FTE

Legal Services to Police for Policy Analysis

AT_03, \$181,000, 1.00 FTE

This decision package continues one-time interagency funding between the City Attorney and the Police Bureau for a 1.00 FTE Attorney to perform policy analysis related to the Department of Justice Settlement agreement. The work includes researching relevant legal standards, synthesizing input from internal and external stakeholders, producing documents, ensuring that all necessary policies are drafted in accordance with the settlement with the United States Department of Justice (DOJ) and other legal requirements, and regularly and systematically monitoring legal precedent on law enforcement policies and tactics to update the Police Bureau. As discussed in CBO's FY 2017-18 review of the City Attorney's requested budget, general risk management principles and national best practices inform the decision to include an attorney in the process as there is a large volume of constitutional and statutory laws that apply to police operations. Including an attorney in the process increases efficiency by eliminating an iterative process. The City Budget Office recommends this decision package.

CBO Recommendation: \$181,000, 1.00 FTE

Collections Paralegal and Legal Assistant

AT_04, \$228,122, 2.00 FTE

During the Fall Supplemental Budget process, the City Attorney requested (and received) General Fund resources for 1.00 FTE limited term paralegal to work on revenue collections and noted that they would likely request additional General Fund resources in the FY 2018-19 budget development process. This request changes the previously limited term position to permanent and provides ongoing General Fund resources for the position as well as an additional 1.0 FTE legal assistant.

In CBO's review of the Fall Supplemental Budget request, CBO noted the request highlighted the trade-offs between revenue-generating efforts and other core services within the Office of The City Attorney and emphasized the importance of efficiency in the endeavor. Subsequently, the City Attorney has examined activity related to revenue collections and developed a new strategy to address the backlog and increasing collections workload:

- First, the City Attorney used success rates and time spent to review the cost-effectiveness of the collection efforts and best identify those matters with the best rate of return – establishing criteria that facilitates prioritization;
- Second, the office will realign staffing to ensure there is a team dedicated to revenue collections. As it currently stands, the work is handled by eight people who are otherwise engaged in providing other core services. These

eight people provide a total of 5.0 FTE worth of time toward revenue collections. The City Attorney's Office states that a dedicated staff will provide more opportunity for consistency and the ability to identify additional process improvement. The proposed team would be comprised of five people performing the work of 4.5 FTE;

- Lastly, the office also identified that the composition of the dedicated staff would benefit most from being more heavily weighted with support staff who can provide high-volume, detail-oriented work at a lower cost than additional attorneys.

In addition to the actions proposed by the City Attorney, the new IRS data system (Revenue Bureau) will also increase efficiency in collection.

From 2015-2017, approximately 592 cases totaling \$2.7 million of business license tax revenue has been generated from the work the City Attorney has done. This averages approximately 200 successful cases and just under \$900,000 per year.

There are approximately 136 backlogged cases totaling \$3.9 million that meet the previously mentioned criteria for prioritization and 263 backlogged cases totaling \$1.2 million that do not meet criteria for prioritization but will be pursued in some manner. However, based on previous success rates and information provided by the City Attorney, the projected revenue from collections activity, if business as usual continued, is approximately \$4.5 million.

Without General Fund resources the City Attorney will lose 1.0 FTE paralegal that is currently working on revenue collections and will negatively impact these efforts. However, CBO believes that it is still feasible for the City Attorney to institute most of the suggested improvements within its existing budget. CBO recommends that the City Attorney move forward with the plan to restructure such that there is a dedicated team of people that work on revenue collections; to the extent that there is still additional collections work that would benefit from additional resources, CBO recommends that the City Attorney reprioritize existing activities to assign more staff since the City as a whole benefits from this work.

CBO Recommendation: \$0, 0.00 FTE

Contract Approval Paralegal

AT_05, \$126,586, 1.00 FTE

This decision package adds 1.00 FTE Paralegal position to support the City Attorney in reviewing virtually every contract entered into by the City. Over the last ten years, the number of contracts reviewed in the City has climbed from approximately 5,700 per year to over 10,000. While this growth has slowed, the number of contracts is still increasing. Since 2014, the number of contracts reviewed has grown over 17%. The primary driver for the increased number of contracts that need review is a continued economic expansion which corresponds

to additional contracts for goods and services.

Additional paralegal support would assist the City Attorney in implementing a number of process improvements that are anticipated to yield efficiencies: training videos for contract specialists in bureaus; improved internal communication protocols that ensure that contracts that have already been reviewed and negotiated by a bureau-specific lawyer can be approved by that lawyer – reducing duplicative efforts; building internal capacity among lawyers to provide assistance during peak demand times; cross-training both of the primary attorneys who perform contract reviews on specialized contracts. In addition to direct contract related support, increasing support staff frees attorneys up to provide additional legislative support through advice to City bureaus and elected officials.

While it is clear this request has the potential to improve internal support of City functions, CBO does not recommend additional resources at this time due to funding constraints and this request did not align with the criteria outlined in the Mayor’s budget guidance.

CBO Recommendation: \$0, 0.00 FTE

SUMMARY OF REQUESTS AND RECOMMENDATIONS

Below is a summary of the City Attorney's total budget.

	Adopted FY 2016-17	Request Base (A)	Bureau Decision Packages (B)	CBO Recommended Adjustments (C)	Total Recommended Revised (A+B+C)
Resources					
Charges for Services	\$ 30,000	\$ 100,000	\$ -	\$ -	\$ 100,000
Interagency Revenue	6,224,862	6,232,499	346,250	-	6,578,749
General Fund Discretionary	3,191,303	2,867,083	20,186	(20,186)	2,867,083
General Fund Overhead	3,579,712	3,359,003	23,948	(23,948)	3,359,003
Total Resources	\$13,025,877	\$12,558,585	\$390,384	(\$44,134)	\$12,904,835
Requirements					
Personnel Services	\$ 10,804,807	\$ 11,020,751	\$ 346,633	\$ (23,257)	\$ 11,344,127
External Materials and Services	844,943	496,554	43,751	(20,877)	519,428
Internal Materials and Services	1,376,127	1,041,280	-	-	1,041,280
Total Requirements	\$13,025,877	\$12,558,585	\$390,384	(\$44,134)	\$12,904,835

Approximately half the City Attorney's budget is comprised of General Fund resources, and the other half is through interagency agreements. Upwards of eighty percent of the budget is allocated for personnel services. There have been no large changes to the resource or requirement composition for FY 2018-19.

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

	Bureau Priority	Bureau Requested					CBO 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											
<u>Adds</u>											
AT_02 - Legal Services to BDS for Vacant Houses Wo	01	1.00	0	0	165,250	165,250	1.00	0	0	165,250	165,250
AT_03 - Legal Services to PPB for Policy Analysis	02	1.00	0	0	181,000	181,000	1.00	0	0	181,000	181,000
AT_04 - Collections Paralegal and Legal Assistant	03	2.00	104,336	0	123,786	228,122	0.00	0	0	0	0
AT_05 - Contract Approval Paralegal Support	04	1.00	57,897	0	68,689	126,586	0.00	0	0	0	0
<i>Total Adds</i>		<i>5.00</i>	<i>162,233</i>	<i>0</i>	<i>538,725</i>	<i>700,958</i>	<i>2.00</i>	<i>0</i>	<i>0</i>	<i>346,250</i>	<i>346,250</i>
<u>Reductions</u>											
AT_01 - Eliminate Legal Records Management	01	(2.00)	(142,047)	0	(168,527)	(310,574)	0.00	0	0	0	0
<i>Total Reductions</i>		<i>(2.00)</i>	<i>(142,047)</i>	<i>0</i>	<i>(168,527)</i>	<i>(310,574)</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total Office of the City Attorney		3.00	20,186	0	370,198	390,384	2.00	0	0	346,250	346,250

