



CITY OF
PORTLAND, OREGON
OFFICE OF THE CITY ATTORNEY

Tracy Reeve, City Attorney
1221 S.W. 4th Avenue, Suite 430
Portland, Oregon 97204
Telephone: (503) 823-4047
Fax: (503) 823-3089

March 27, 2019

INTEROFFICE MEMORANDUM

TO: City Budget Office

FROM: Tracy Reeve
City Attorney

SUBJECT: FY2018-19 Spring Budget Monitoring Process

Attached is the FY2018-19 Spring Budget Monitoring Report for the Office of the City Attorney. The office is expected to spend 96% of its FY 2018-19 budget. The office will have vacancy savings this year and will not require Compensation Set-Aside funds.

The office is requesting three program carryovers: 1) \$300,000 to continue the office's software technology replacement fund, 2) \$108,001 for expenses related to the Portland Harbor Natural Resource Trustees Participation Agreement, and 3) \$131,000 for a limited term contract review paralegal.

The office is also making a technical adjustment to transfer \$25,000 from External Materials and Services to Internal Materials and Services to cover expenses for additional Facilities and Technology services.

Thank you for your consideration.

TPR/ccj
Encls.

AT - Office of the City Attorney

DP Type General Fund Program Carryover

Request Name: 8083 -Technology Fund Carryover

Package Description

This carryover request for \$300,000 will continue the office's technology replacement fund. The office is currently working with a consultant to identify and document its matter management software requirements. The consultant is presently drafting specifications and a request for proposals, which is planned for release in the current fiscal year. The office is planning for software implementation and training expenses in FY19-20.

Service Impacts

The office began a replacement fund a few years ago because it's unlikely the office could pay for software replacement and implementation within its annual budget. With the increasing frequency of technological changes and advances, the need for upgrading and replacing software on a more frequent basis is also increasing. Similar to the hardware replacement fund with BTS, the office benefits from this software replacement fund to help pay for the costs of new software implementation and upgrades as needed. The office currently uses a critical matter management software program that has become obsolete in part due to the City's implementation of Office 365. This system is critical for managing litigation cases, deadlines, legal advice, and other work. It also contains a knowledgebase of all City Attorney legal opinions and advice. Because timeliness is very important to providing good legal advice, the ability to quickly locate pertinent records and data is critical to the office's core mission of providing excellent legal services to the City. Having up-to-date, functioning legal software is a necessity.

Equity Impacts

The City Attorney's Office works to ensure that all Portlanders have access to City services, benefits and programs 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 office advises the City 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, and provides antidiscrimination training on civil rights and related issues to City employees. Office attorneys are trained to incorporate an equity lens into legal advice to help ensure compliance with equity related laws and policies. Having quick and easy access to office records is necessary for attorneys to provide timely legal advice to the City including advice on equity impacts.

CBO Analysis

Budget Detail				
Fund				
Major Object Name	Expense	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/Council Adj	2018-19 SPRING Requested Total
100000 External Materials and Services		-300,000	0	-300,000
	Sum:	-300,000	0	-300,000
Major Object Name	Revenue	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/Council Adj	2018-19 SPRING Requested Total
100000 General Fund Discretionary		-300,000	0	-300,000
	Sum:	-300,000	0	-300,000

AT - Office of the City Attorney

DP Type General Fund Program Carryover

Request Name: 8096 -Portland Harbor Nat Res. Trustees Carryover

Package Description

This carryover request is for \$108,001 for the FY19-20 budget for expenses related to the Portland Harbor Natural Resource Trustees Participation Agreement. City Council authorized the City's participation in funding the Portland Harbor Natural Resource Damage Assessment Plan to resolve liability before a Record of Decision is issued for the Portland Harbor Superfund Site. The Council authorized \$400,000 by Ordinance No. 186810. To date \$291,999 has been spent and the remaining \$108,001 will not be required until next fiscal year.

Service Impacts

NA

Equity Impacts

NA

CBO Analysis

Budget Detail

Fund				
Major Object Name	Expense	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/Council Adj	2018-19 SPRING Requested Total
100000	External Materials and Services	-108,001	0	-108,001
	Sum:	-108,001	0	-108,001

Major Object Name	Revenue	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/Council Adj	2018-19 SPRING Requested Total
100000	General Fund Discretionary	-108,001	0	-108,001
	Sum:	-108,001	0	-108,001

AT - Office of the City Attorney

DP Type General Fund Program Carryover

Request Name: 8120 -Contract Approval Paralegal

Package Description

This carryover request for \$131,000 will continue funding one paralegal to assist with the contract review process improvement project. The City Code requires the City Attorney’s Office to review every City contract. The number of contracts has more than doubled in the last ten years from 5,000 to over 11,000. Moreover, the complexity of many contracts has increased as they involve complicated technology and software purchases. Paralegal support is the most efficient use of resources to handle routine contract reviews. The office has requested ongoing funds for this position in the FY19-20 Budget, however the position has not been recommended. In the event the position is not approved, the office requests carryover funds to continue the project for an additional year. With paralegal support this year, the office has been able to improve contract review turnaround time and make process improvements. However, the office has not yet been able to address the quality of contract submissions coming into the office. With another year of paralegal support, attorneys will have time to continue developing Citywide training to help address this problem. Additionally, the office expects to have unusually high vacancy savings this year due to higher than normal staff turnover. Therefore, the impact to the General Fund should be minimal.

Service Impacts

The office has implemented several internal process improvements including a dedicated email address for contract submittal (streamlined intake), electronic signatures (less printing, signing and scanning), website resources for bureau staff (fewer questions), and developing new SAP reports (quicker routing), all of which reduce attorney time and improve efficiency. Additionally, using a paralegal for routine reviews has been a cost-effective and efficient process improvement. YTD the paralegal has reviewed insurance and other regulatory documents related to over 2,500 City permits, bonding documents, and contract amendments, allowing the attorneys to focus on more complex agreements. Turnaround time on routine contracts is improving and the primary attorney is no longer required to work excessive and unsustainable overtime to keep up with the demand. However, the number of contracts that take more than five days to review has increased from 200 to more than 1,000. Many of these more complex contracts involve complicated technology projects. On the other hand, other contracts submittals are incomplete and/or inaccurate resulting in multiple reviews and inefficient use of attorney time. To address this problem, the attorneys need time to develop and provide Citywide training. The office realigned internal resources to assign an additional attorney to help with complex contract reviews. However, the paralegal is funded with one-time carryover funds and the only other General Fund paralegal position in the office manages the public records program. Realigning resources from that program is not feasible.

With continued paralegal support, the office expects to substantially decrease the turnaround time on many contracts and provide contract submittal training to bureaus to increase the quality of submittals to the office. More accurate and complete submittals will both reduce the number of contract reviews needed and the amount of time required for each review, increasing efficiency even more.

Without this paralegal position, contract review turnaround time will increase dramatically, additional training will not be possible, and the office is at risk of losing highly qualified attorneys to other job opportunities with more reasonable workload demands.

Equity Impacts

Smaller firms generally have a more difficult time absorbing a delay when contracting with the City. Therefore, delays in contracting likely disproportionately impact smaller firms, which is not equitable. The paralegal position devoted to contract reviews can help reduce this inequitable impact.

CBO Analysis

Budget Detail				
Fund				
Major Object Name	Expense	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/Council Adj	2018-19 SPRING Requested Total
100000 Personnel		-131,000	0	-131,000
	Sum:	-131,000	0	-131,000
Major Object Name	Revenue	2018-19 SPRING Adjust - DP Only	2018-19 SPRING CBO/Council Adj	2018-19 SPRING Requested Total
100000 General Fund Discretionary		-131,000	0	-131,000
	Sum:	-131,000	0	-131,000

Business Area Projection Report

Office of the City Attorney

Fund	Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
100	Personnel	11,537,835	7,151,176	11,000,000	95.34%
	External Materials and Services	416,038	214,090	330,000	79.32%
	Internal Materials and Services	1,128,190	730,685	1,120,000	99.27%
	Sum:	13,082,063	8,095,951	12,450,000	95.17%

Fund	Major Object	2018-19 SPRING Requested Total	2019 February Actuals YTD	2018-19 SPRING Projection	% of Projected Actuals to Revised Budget
	Charges for Services	100,000	21,062	50,000	50.00%
	Interagency Revenue	6,560,569	4,373,713	6,560,569	100.00%
	General Fund Discretionary	2,674,068	0	2,092,005	78.23%
	General Fund Overhead	3,747,426	0	3,747,426	100.00%
	Miscellaneous	0	0	0	
	Sum:	13,082,063	4,394,775	12,450,000	95.17%

Revenue Discussion

General Fund and Interagency revenues will be collected as budgeted. The Charges for Services category, which includes legal services to the Police Bureau for civil forfeiture work, public records fees, and miscellaneous litigation awards, were lower than budgeted. These revenues are inconsistent and difficult to predict so a variance is expected.

Revenue Risks

None known at this time.

Expenditure Discussion

The office is expected to spend 96% of budget after program carryovers (91% without program carryovers). The office will have higher than usual vacancy savings due to unexpected staff turnover. Internal and external materials and services expenses are on target and within budget.

Expenditure Risks

None known at this time.