

OFFICE OF THE CITY ATTORNEY

Report to the Audit Committee

May 16, 2013

Today's Discussion

- Office of the City Attorney Overview
- FY 2013-14 Budget Drivers Summary
- City Services
 - Headcount, Salary & Benefits
- Outside Services
 - Outside Counsel, Other Legal Expenses
- Conclusion

Office of the City Attorney Overview: Harbor Division

- The City Attorney, Carmen Trutanich, is the elected official who represents the City of Los Angeles in all criminal and civil legal matters under the Charter.
- The Harbor Division is a division of the Civil Branch of the City Attorney, and provides general legal counsel to the Board of Harbor Commissioners, Harbor Department staff, the Alameda Corridor Transportation Authority and the ICTF Joint Powers Authority.

Office of the City Attorney Overview: Mission & Role

- Our mission is to provide the highest quality legal services, on a timely and cost-effective basis, to support our clients' strategic goals and projects, defend the City from claims and litigation, and ensure compliance with laws.
- Our in-house attorney staff does all "core business" work, we use outside counsel only for specialized expertise or workload in excess of capacity or time constraints
- By Charter, our Office approves all contracts as to form and legality.

Office of the City Attorney Overview: Harbor Division Legal Services

- Prepare and approve as to form, all tariffs, orders, ordinances, contracts, real estate permits, leases, orders resetting compensation
- Review requests for proposals & bid specifications, advise on bid protests
- Legal advice on preparation of and litigation defense of Environmental Impact Reports under CEQA/NEPA
- Legal advice on Tidelands issues, Federal Maritime Commission and Shipping Act
- Legal advice on Municipal law compliance, including Ethics Laws, Brown Act, CA Public Records Act
- Coordinate outside counsel on bonds and financing
- Claims under the Government Claims Act and all litigation and, including: contract disputes, environmental matters including CEQA/EIRs, civil police liability cases for Port police, tenant evictions, collection of delinquent accounts, maritime and shipping disputes, accidents/personal injuries, workers compensation, federal preemption.
- Labor and employment matters including union grievances and contract negotiations, wrongful termination and discrimination lawsuits
- Advise on compliance with federal, state, city laws and regulations

FY 2013-14 Budget Summary

OPERATING BUDGET: \$5,591,491 (- \$580,000 CIP)

- City Services \$4,484,605: City Attorney salaries & benefits*
- Outside Services \$1,577,691: Legal fees and services*
- Other Operating Expenses \$70,395: law library, bar memberships, cell phones
- Materials and Supplies \$16,000: office supplies, fax machine
- Travel \$13,400: non-local legal conferences, local parking
- Salaries and Benefits \$9,000: Mandatory continuing legal education
- Marketing and Public Relations \$400: Business meals

* PRIMARY DRIVERS OF BUDGET – DETAIL IN FOLLOWING SLIDES

Primary Budget Drivers: City Services

- City Attorney Staff Salaries and Benefits

• Harbor City Atty Staff ¹	\$3,049,813
• CAP 33 Rate from CAO	\$1,309,895
• Downtown City Atty Staff ²	\$70,500
• CAP 33 Rate from CAO	<u>\$54,397</u>
	\$4,484,605

¹ Harbor Total Full Time – 22 : 14 Attorneys, 8 Non-Attorney Staff

² Downtown Total Part Time - 8: 5 Attorneys, 3 Outside Counsel Oversight

City Services Expense – Furloughs

- Actual City Services Expense has been approximately 10% lower than Budget, from 2009-2013 due to furloughs
- Summary of furloughs 2009-2013 (annual hours)
 - 2009-10: GC-208; Atty-59.5; EAA-208; Secty-59.5
 - 2010-11: GC-208; Atty-208; EAA-80; Secty-208
 - 2011-12: GC-104; Atty-288; EAA-208; Secty-0
 - 2012-13: GC-56; Atty-272; EAA-40; Secty-0
- CAO report indicates no furloughs in FY 2013-14

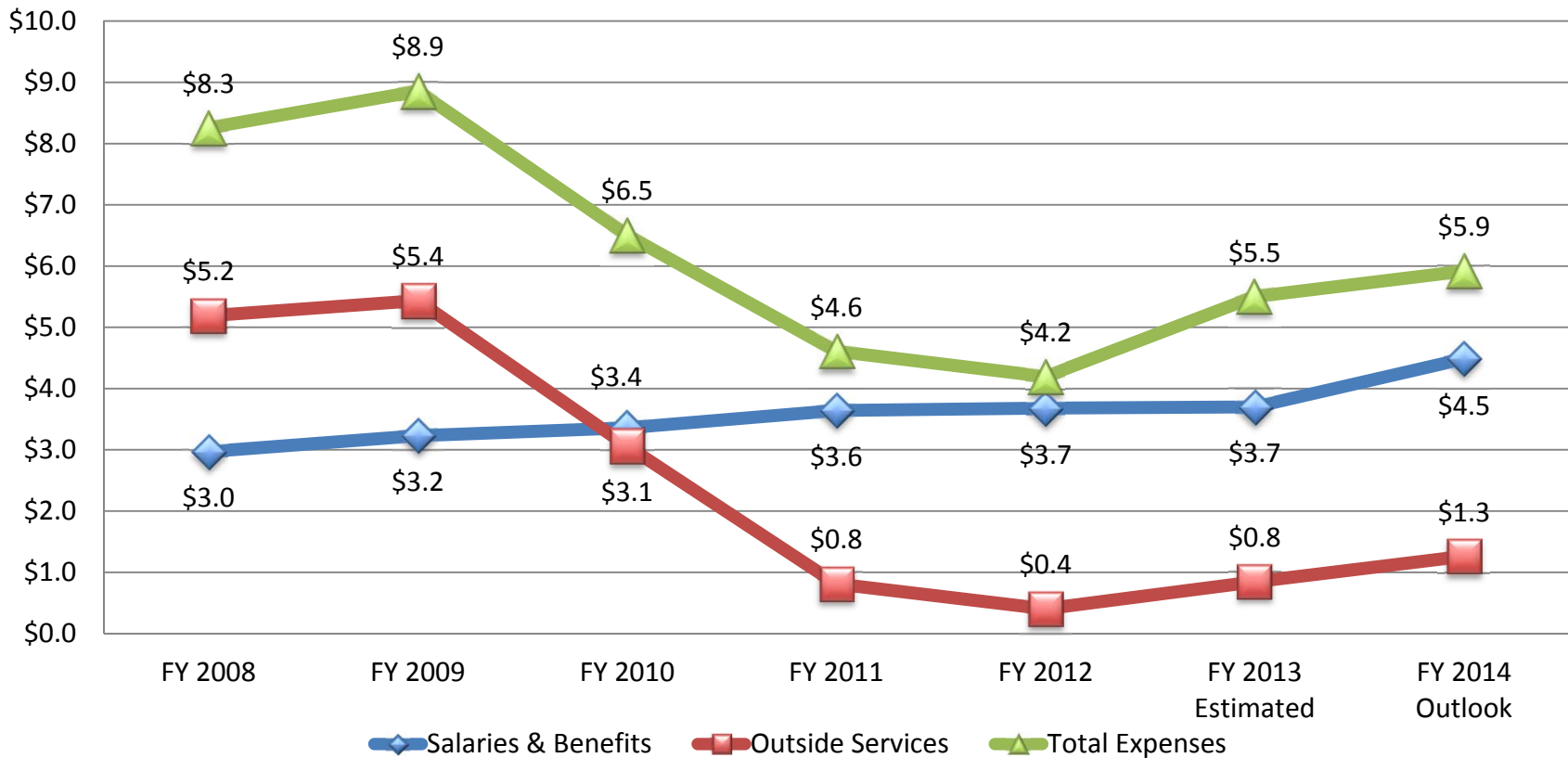
Primary Budget Drivers: Outside Services

- Outside Services \$1,577,691
 - Legal Fees and Services \$1,388,191: Outside Counsel
 - Litigation \$416,137 (Kinder Morgan, Remediation Insurance Recovery, Lit. Support)
 - CEQA \$877,054 (SCIG, YTI, Pier 500, MOTEMS, General Advice)
 - Bond Counsel \$95,000 (On-call disclosure/compliance advice)
 - Miscellaneous Professional Services - \$150,000: Court reporters, experts
 - Computer Services Software of \$39,500: Lexis Nexis

City Attorney Total Expenses Breakdown*

FY 2008 – FY 2014

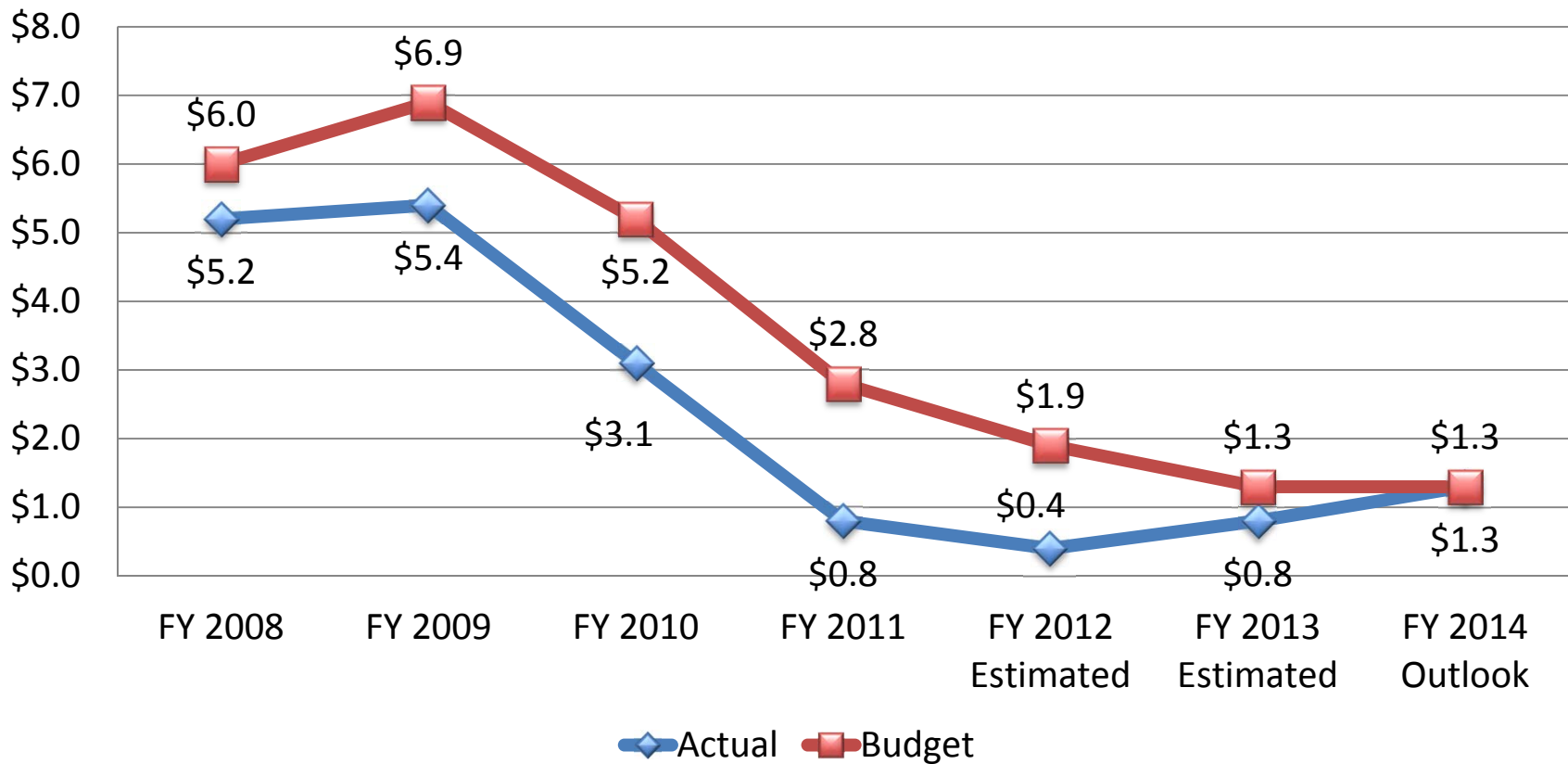
Total Expenses in Millions of \$



* Total Expenses include Salaries & Benefits, Outside Services, and other direct and indirect expenses ranging from 1-3% of total. Salaries & Benefits based on billings and estimates from City Attorney.

City Attorney Outside Services – Actual* vs. Budget FY 2008 – FY 2014

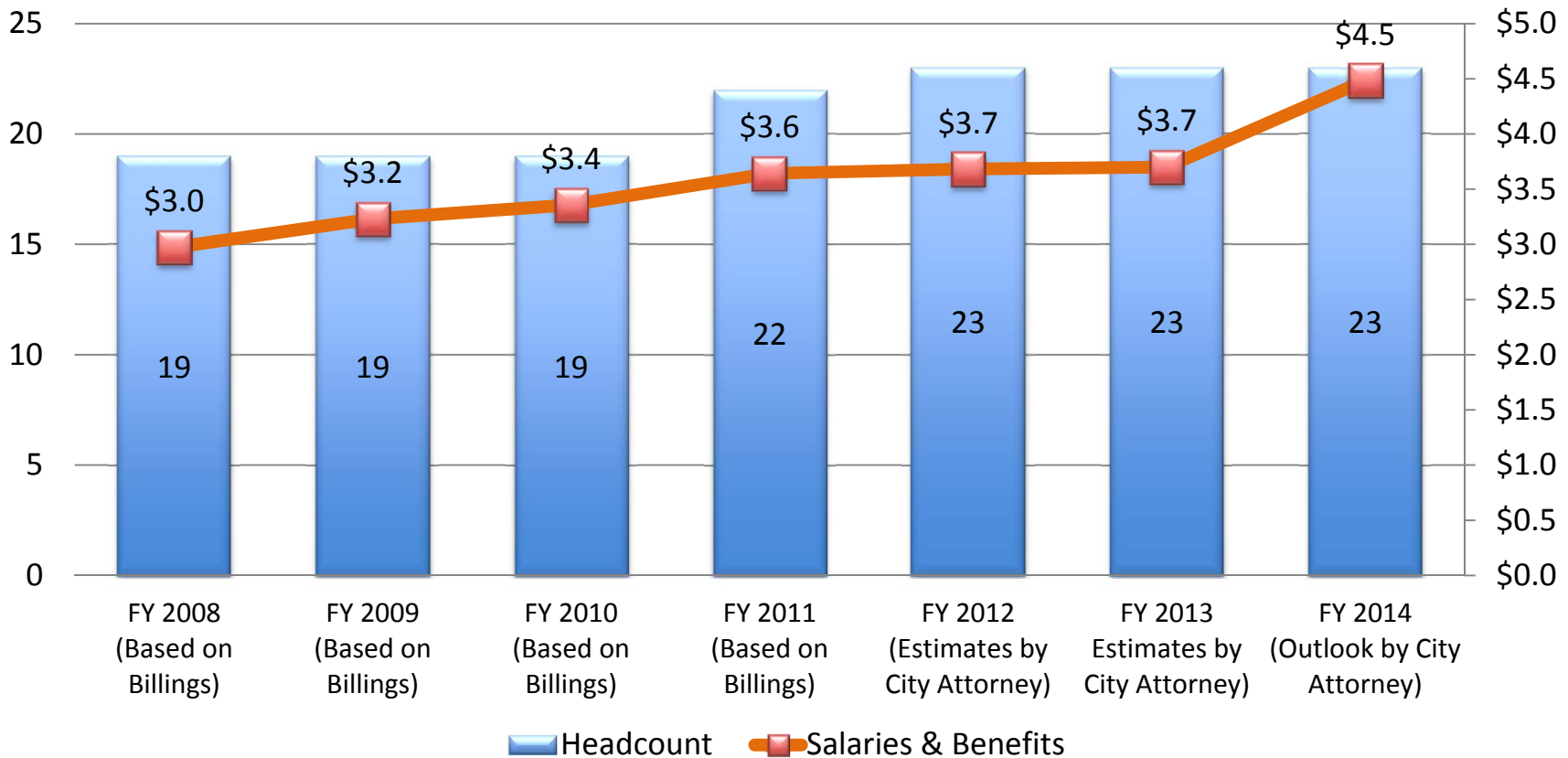
In Millions of \$



*FY 08–FY 11 actuals based on billings; FY 12–FY 14 based on City Attorney estimates.

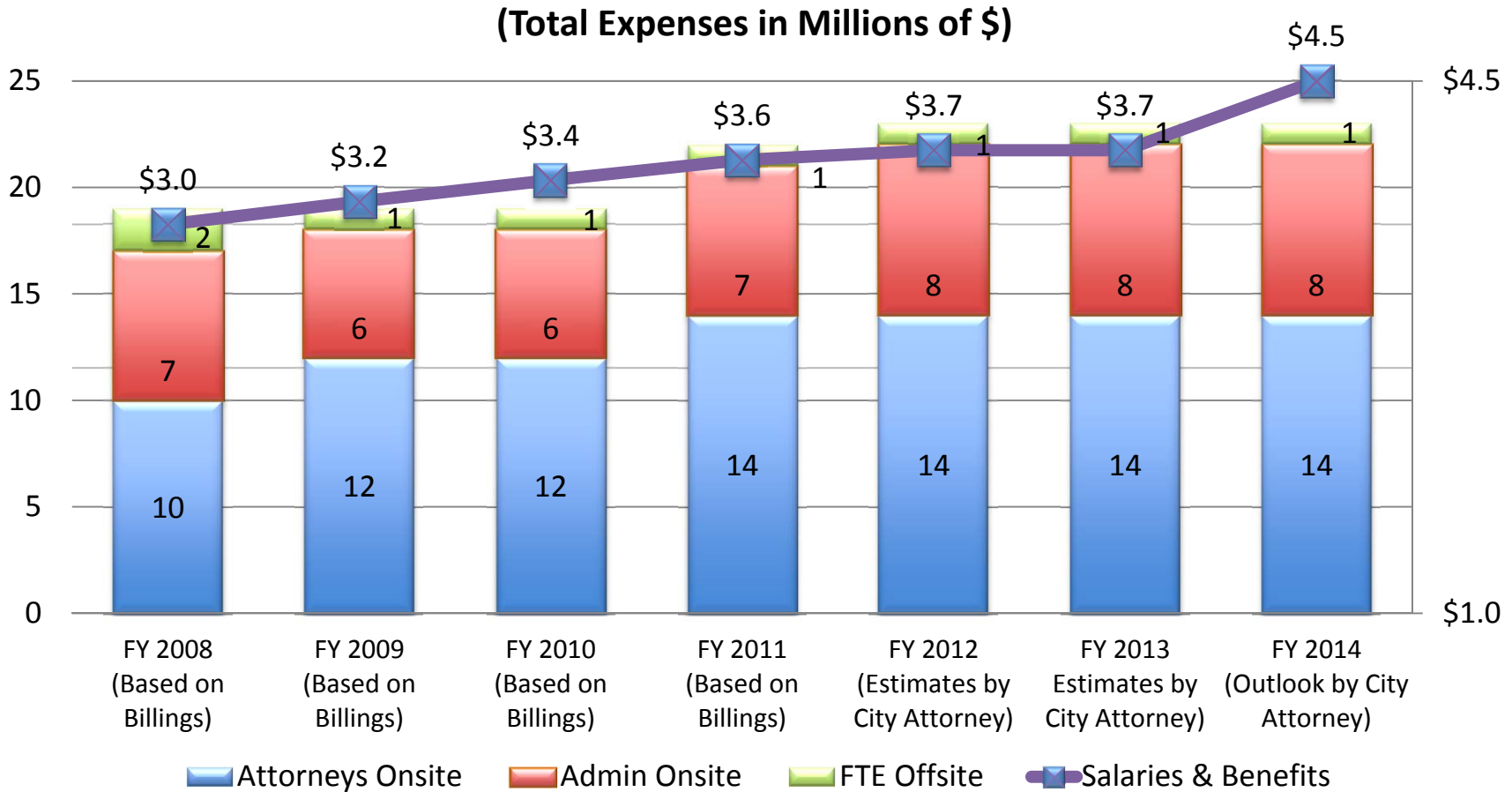
City Attorney Actual Headcount and Expenses* FY 2008 – FY 2014

(Total Expenses in Millions of \$)



* Headcount is estimated FTE on-site and off-site City Attorney and Administrative staff.

City Attorney Actual Headcount and Expenses* FY 2008 – FY 2014

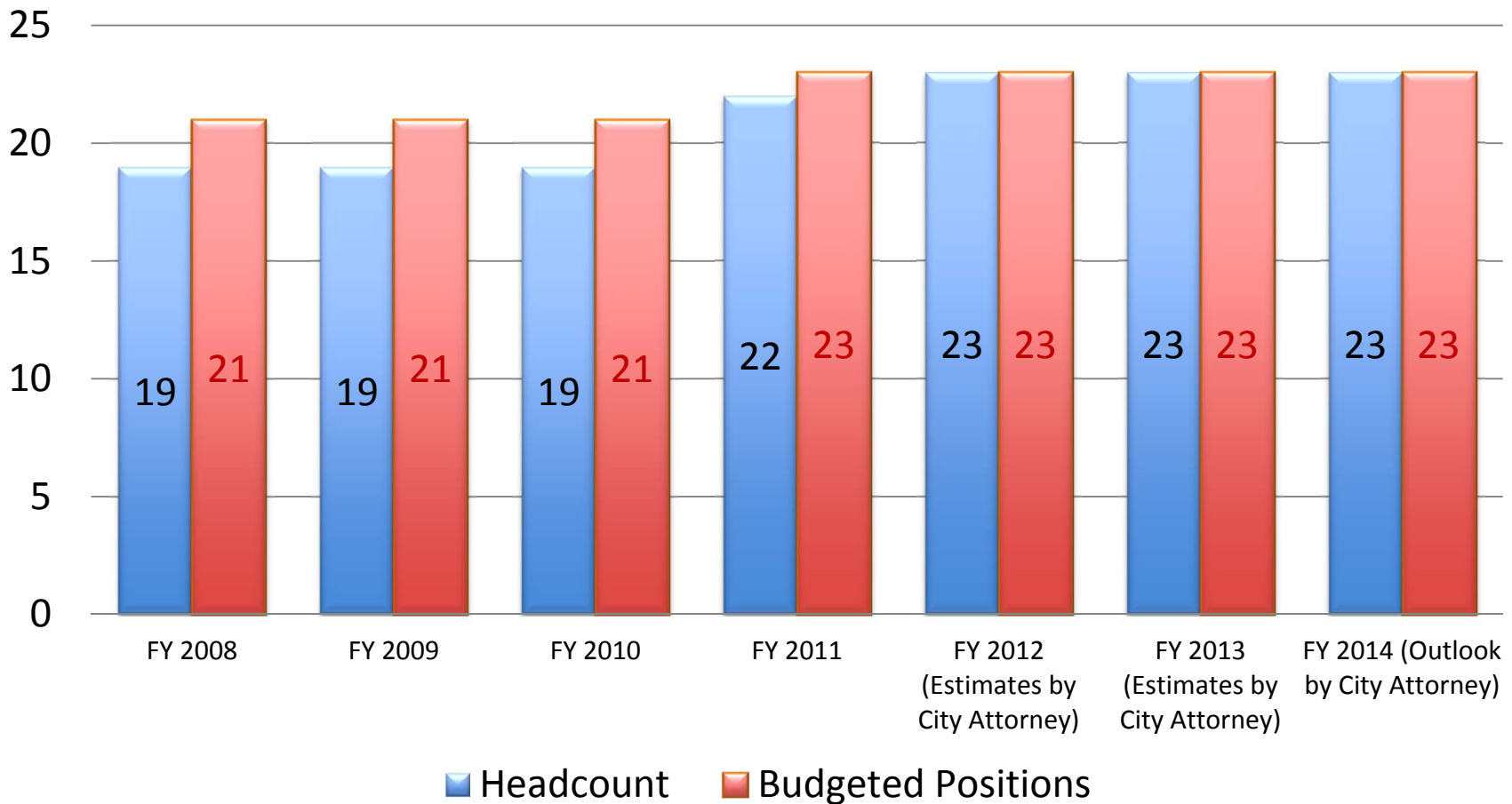


* Headcount is estimated FTE on-site and off-site City Attorney and Administrative staff.

City Attorney

Actual Headcount* vs. Budgeted Positions

FY 2008 – FY 2014



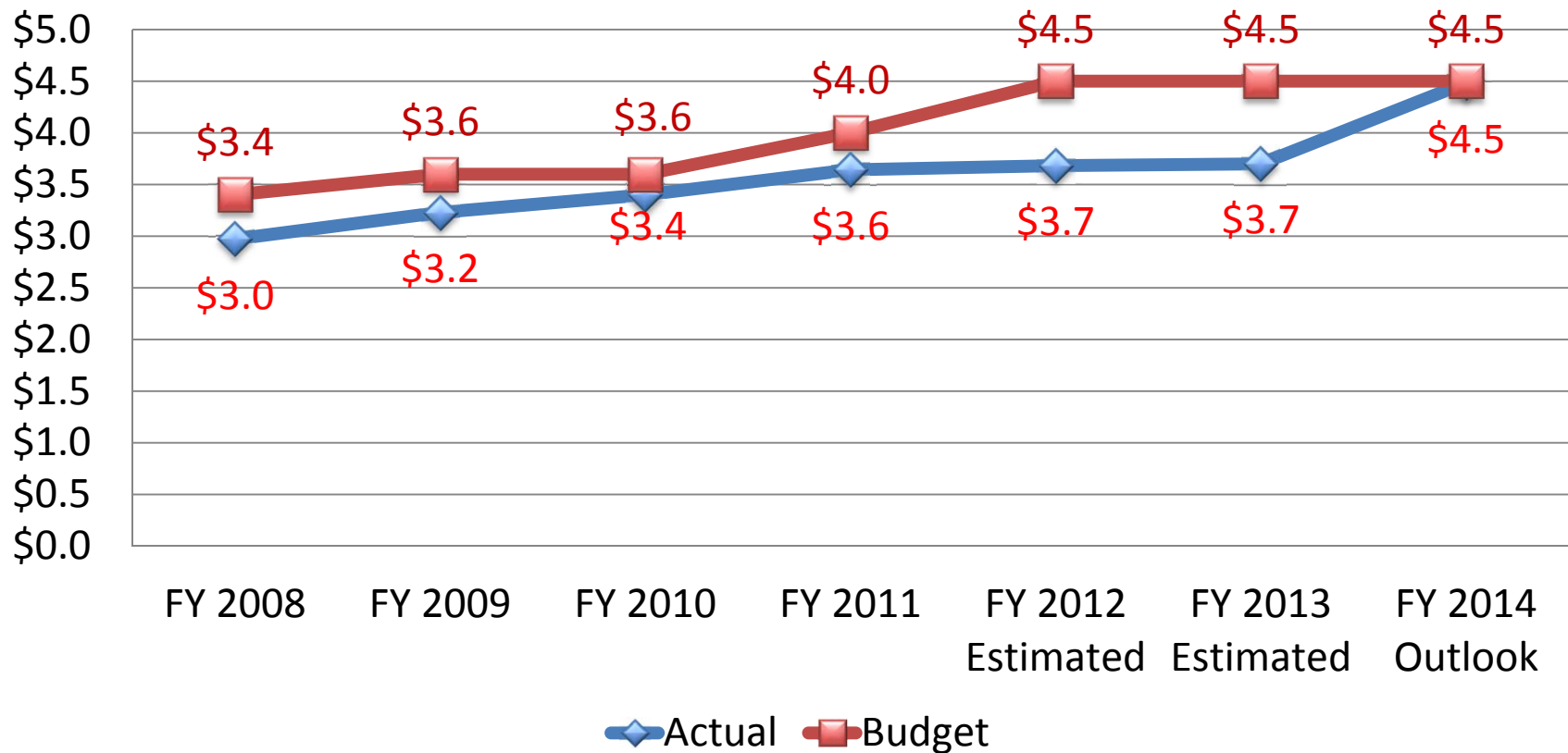
*Headcount is estimated FTE on-site and off-site City Attorney and Administrative staff based on billings and City Attorney estimates.

City Attorney Hourly Rates

Position Title	No.	Hourly Rate
Assistant City Attorney	1	\$100.77
Assistant City Attorney	2	\$98.21
Assistant City Attorney	1	\$90.61
Deputy City Attorney IV	3	\$89.51
Deputy City Attorney IV	2	\$87.17
Deputy City Attorney III	1	\$78.04
Deputy City Attorney III	1	\$76.00
Deputy City Attorney III	1	\$68.04
Deputy City Attorney II	1	\$64.13
Deputy City Attorney II	1	\$61.17

City Attorney Salaries & Benefits – Actual* vs. Budget FY 2008 – FY 2014

In Millions of \$



*FY 08–FY 11 actuals based on billings; Reduced actual expenses due to vacancies & furloughs.

Conclusion

- Main Budget Drivers are City Services and Outside Counsel
- Since 2008 City Services increased 23% while Outside Counsel declined 77% due to City Attorney staff handling most work in-house and timing of some matters.
- City Services expense lower 2009-2013 due to furloughs. Recent CAO report does not indicate furloughs in FY 2013-14, which will cause FY 2013-14 City Services expense to rise.