



Financial Analysis: New Deputy City Attorney 1 Position

Finance Department

Budget Engagement Commission
November 29, 2018

BACKGROUND

October 9, 2018:

- City Council voted 7-0 to hire an additional Deputy City Attorney to better manage key livability problems and address workload issues.
- City Council requested fiscal analysis for three funding options to financially support this new position:
 1. General Fund
 2. Revenue Recovery/Operational Savings
 3. Measure Z Fund



PROJECTED FIVE-YEAR COST

Projected Cost of a Deputy City Attorney I position,
Hire Date March 2018

Fiscal Year	Projected Cost
2018/19	\$33,807
2019/20	\$135,412
2020/21	\$145,314
2021/22	\$156,570
2022/23	\$166,661

OPTION 1: GENERAL FUND

- FY 2018-2020 and Five-Year Financial Plan includes \$200,000 of miscellaneous revenue generated by the City Attorney's Office, including recovery of attorney fees.
- The addition of the new position in the General Fund will increase the projected shortfalls, unless funding for certain programs are redirected to pay for the new position.
- An additional appropriation from General Fund reserves could be recommended to fund the new position, subject to City Council approval.

OPTION 2: REVENUE RECOVERY / OPERATIONAL SAVINGS

- Attorney fee recovery: These funds are already allocated to General Fund operating costs and are unavailable to fund the new Deputy City Attorney I position.
- Based on historical trends, the City Attorney’s Office annual operating budget could absorb the first year cost of hiring an additional attorney.
 - If the Department does not recover revenues or realize operational savings, the General Fund will experience issues previously described.

Historical Budget to Actual – City Attorney’s Office

Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Budget	4,026,513	4,290,391	4,606,894	4,772,023	5,753,658
Actual	3,916,217	3,829,379	3,810,034	3,683,329	4,785,758
Under/(Over) Budget	110,296	461,012	796,860	1,088,694	967,900



OPTION 3: MEASURE Z

- Five-Year Spending Plan projects operating surpluses in all years except FY 2019/20.
- Measure Z Funds depend heavily on economic performance.
- The cost of incumbent positions is projected to projected to outpace the increase in annual Measure Z revenue.
- Available funding for other spending priorities will decrease in response to the increase in ongoing personnel costs.

RECOMMENDATION

That the Budget Engagement Commission provide input and feedback on creation of a new Deputy City Attorney I position and various funding options.