

Executive Summary: 2011 City of Milwaukee Proposed Budget

Hearing Date: October 1, 2010

1. The 2011 Proposed Budget for the Office of the City Attorney is \$7,673,922, an increase of 13.1% from the 2010 budgeted amount of \$7,104,963. This increase is attributable to the City's settlement with the Association of Municipal Attorneys, and the resulting pay increase from 2006 levels.
2. The City filed In rem proceedings to foreclose on 508 properties in 2008, 816 properties in 2009 and 979 properties in 2010. The City acquired 184 of these properties upon default judgment in 2008, 398 in 2009 and 480 in 2010. With four in rem files proposed for 2011, consisting of approximately 1,700 properties, along with acquisition rates raising to nearly 50%, the number of properties acquired through default judgment will most likely increase significantly in 2011.
3. The Special Purpose Accounts (SPAs) under the control of the City Attorney's Office remain at the same levels in the Proposed Budget as adopted for 2010, except for the Insurance Fund SPA. The Insurance Fund was budgeted at \$220,504 in 2010 and is budgeted at \$450,000 in the Proposed Budget. This increase represents a return to historic levels after a one-year relief in payments due to state legislation that authorized distribution of surplus funds from the Wisconsin Local Government Property Insurance Fund.
4. The 2011 Proposed Budget does not include the capital request of \$4,804,000 (\$282.59 per SF) to remodel the 8th floor of City Hall to facilitate the return of the City Attorney's offices from their current location on the 7th and 10th floors of the Zeidler Municipal Building. The cost estimate for this project has decreased by \$829,000 from the 2009 request.

Category	2009 Actual	2010 Budget	% Change	2011 Proposed	% Change
Total Expenditures	\$7,480,908	\$6,783,737	-9.3%	\$7,673,922	+13.1%
Positions	65	63	-3.1%	63	no change
FTE's (all)	61.8	58.8	-4.9%	59.05	+0.9%

The stated mission of the Office of the City Attorney is to provide quality legal services and successfully meet clients' needs in accordance with the City Charter and statutory requirements. The office organizes its services in four categories: conducting litigation, providing legal advice to City officials, preparing and reviewing legislation for the Common Council, and prosecuting violations of City laws. The office oversees the collection of claims and delinquent receivables. The office is responsible for drafting all legal documents that are required in the conduct of City business. The office is also responsible for risk management functions.

The 2011 Proposed Budget for the Office of the City Attorney is \$7,673,922, an increase of 13.1% from the 2010 budgeted amount of \$7,104,963. This increase is due to the City's settlement with the Association of Municipal Attorneys, and the resulting pay increase from 2006 levels.

Personnel: The Proposed Budget maintains authorized staffing levels of 63 authorized positions for the City Attorney's Office. Two authorized positions for Assistant City Attorney remain vacant to allow for the unanticipated reappointment of a Deputy City Attorney to his or her former position.

The Proposed Budget for Personnel Cost Adjustment is \$154,033. This amount is approximately \$25,000 less than the amount budgeted for 2010. The Grant and Aids Deduction of \$30,000 budgeted for 2010 remains the same for 2011.

Operations and Equipment: Operating expenditures of \$413,000 are slightly down from the 2010 budget amount of \$449,000. The amount budgeted for equipment in 2011 is \$79,000, which is \$25,000 more than budgeted for 2010. This increase reflects costs associated with file server consolidation. The Department of Administration-Information Technology Management Division (ITMD) does not support the law-related programming of the Office of the City Attorney, which is dependent upon the availability of outside consulting and IT support for certain critical functions including docketing, calendaring and document control systems.

Community Prosecution: Since 2005, the Community Prosecution Unit of the City Attorney's Office has collaborated with community agencies and other City departments to abate nuisance properties, eliminate known drug and gang houses, investigate problem licensed premises, and prosecute prostitution. The Community Prosecution Program continues to operate successfully and with positive support from the neighborhoods served. The 2005 budget provided initial funding to hire two additional Assistant City Attorneys, and three attorneys are currently assigned to community prosecution efforts. The City Attorney's Office reports that it is understood that more could be done, especially in matters of nuisance abatement, if additional attorneys were to be assigned. It should be noted that the District Attorney also provides coordinated support to these efforts.

In addition to resolving problems referred to the Community Prosecutors by numerous sources, the City Attorney's Office also continues activities that were originally begun with several Citywide community prosecution initiatives. The activities of community prosecutors now include the following:

- Nuisance property investigation and abatement
- Drug house abatement
- Gang house abatement
- Licensed premises investigation and prosecution
- Retail drug paraphernalia strategies
- Bankruptcy and foreclosure involving properties
- Police Department training and assistance
- Assistance to the Department of Neighborhood Services in raze cases and other matters

Delinquent Tax Collection Efforts: The City filed in rem proceedings to foreclose on 508 properties in 2008, 816 properties in 2009 and 979 properties in 2010. The City acquired 184 of these properties upon default judgment in 2008, 398 in 2009 and 480 in 2010. With four in rem files proposed for 2011, consisting of approximately 1,700 properties, and considering acquisition rates approaching 50%, the number of properties acquired through default judgment will most likely increase significantly in 2011. The Kohn Law Firm continues to collect delinquent property taxes and accounts receivable under a 5-year contract with the City that was awarded effective January 1, 2007.

Special Purpose Accounts: Special Purpose Accounts (SPAs) are not included in departmental budgets, but expenditure authority over them is typically extended to departments by Common Council resolution following budget adoption. The City Attorney's Office administers five special purpose accounts.

Damages and Claims Account: This account provides for payment of general liability judgments against the City. The Proposed Budget for the Damages and Claims Account remains at \$1,375,000. Approximately \$35,000 to \$55,000 is paid out monthly for routine claims and lawsuit payments. Another \$75,000 is paid annually for uninsured motorist claims.

Insurance Fund: Policy premiums of \$450,000 are required for the Local Government Insurance Fund. The Insurance Fund was budgeted at \$220,504 in 2010, with the 2011 increase representing a return to historic levels after a one-year relief in payments due to state legislation that authorized distribution of surplus funds from the Wisconsin Local Government Property Insurance Fund.

Outside Counsel/Expert Witness Fund: The City Attorney has expenditure authority for the Outside Counsel/Expert Witness Fund Special Purpose Account, advising the Judiciary and Legislation Committee in writing within 48 hours of the hiring of any outside counsel whose compensation is anticipated to exceed \$10,000. The City Attorney submits a written report to the Judiciary and Legislation Committee every other

Special Purpose Accounts	2009 Expenditure	2010 Budget	2011 Proposed
Damages and Claims Fund	\$4,399,201	\$1,375,000	\$1,375,000
Insurance Fund	441,461	229,504	450,000
Outside Counsel/Expert Witness	578,330	430,000	430,000
Collection Contract	821,531	1,000,000	1,000,000
Nuisance Abatement (Receivership) Fund	6,723	25,000	25,000
<i>Total</i>	\$6,247,246	\$3,059,504	\$3,280,000

meeting of expenditures from the Outside Counsel/Expert Witness Fund Special Purpose Account. The reports for 2006 through 2010 can be accessed as attachments to Council Files #051004, #060942, #070993, # 081060 and # 091531.

Nuisance Abatement Fund: The Receivership Fund was renamed the "Nuisance Abatement Fund" in 2008, reflecting the end of servicing the Woodlands receivership project and the actual use of these funds for other nuisance abatement efforts. The amount budgeted for this SPA remains at \$25,000.

Capital Projects

The 2011 Proposed Budget does not include any capital funding for the City Attorney. A request of \$4,804,000 (\$282.59 per SF) was submitted to remodel the 8th floor of City Hall to facilitate the return of the City Attorney's offices from their current location on the 7th and 10th floors of the Zeidler Municipal Building. Mechanical equipment on the 8th floor is also in need of upgrade. It would be most cost effective to replace the mechanicals in conjunction with the type of renovation that the City Attorney is proposing. The cost estimate for the total project has decreased by \$829,000 from the 2009 request. The City may realize some decrease in operating costs primarily through the reduction of energy use; however, these effects have not been quantified.

Although the current offices of the City Attorney are generally adequate, operational efficiencies in the areas of staff supervision, case strategy, mail delivery and reception services may be gained by consolidating their workspaces on one floor. Potential efficiencies have not been quantified.

Issues to Consider

- The operational efficiencies to be gained by consolidating the City Attorney's offices on one floor have not been quantified. Any benefits to consolidating the offices to a single floor, and any benefits to the location of City Hall as opposed to the Municipal Building should be studied and discussed before any decisions are made regarding the capital budget request related to moving the City Attorney's offices.
- City in rem proceedings to foreclose are expected to reach 1,700 properties in 2010, and acquisition rates have raised to nearly 50%. This could increase the number of acquired properties to 800-900 in 2011. Alternatives to in rem action to lower the number of properties acquired could be explored, along with consideration of increasing efforts to sell City-owned residential properties.
- The performance measures described in the Proposed Plan and Executive Budget Summary are largely numbers of documents reviewed or drafted and numbers of cases handled. None of the measures appear to directly address quality of work or successful outcomes. It could benefit the department to review measures used by other City Attorney offices regarding quality assurance and successful outcome evaluation. For instance, it may be advisable to have an independent law firm, or another City's legal office conduct a review or audit.