



Legal

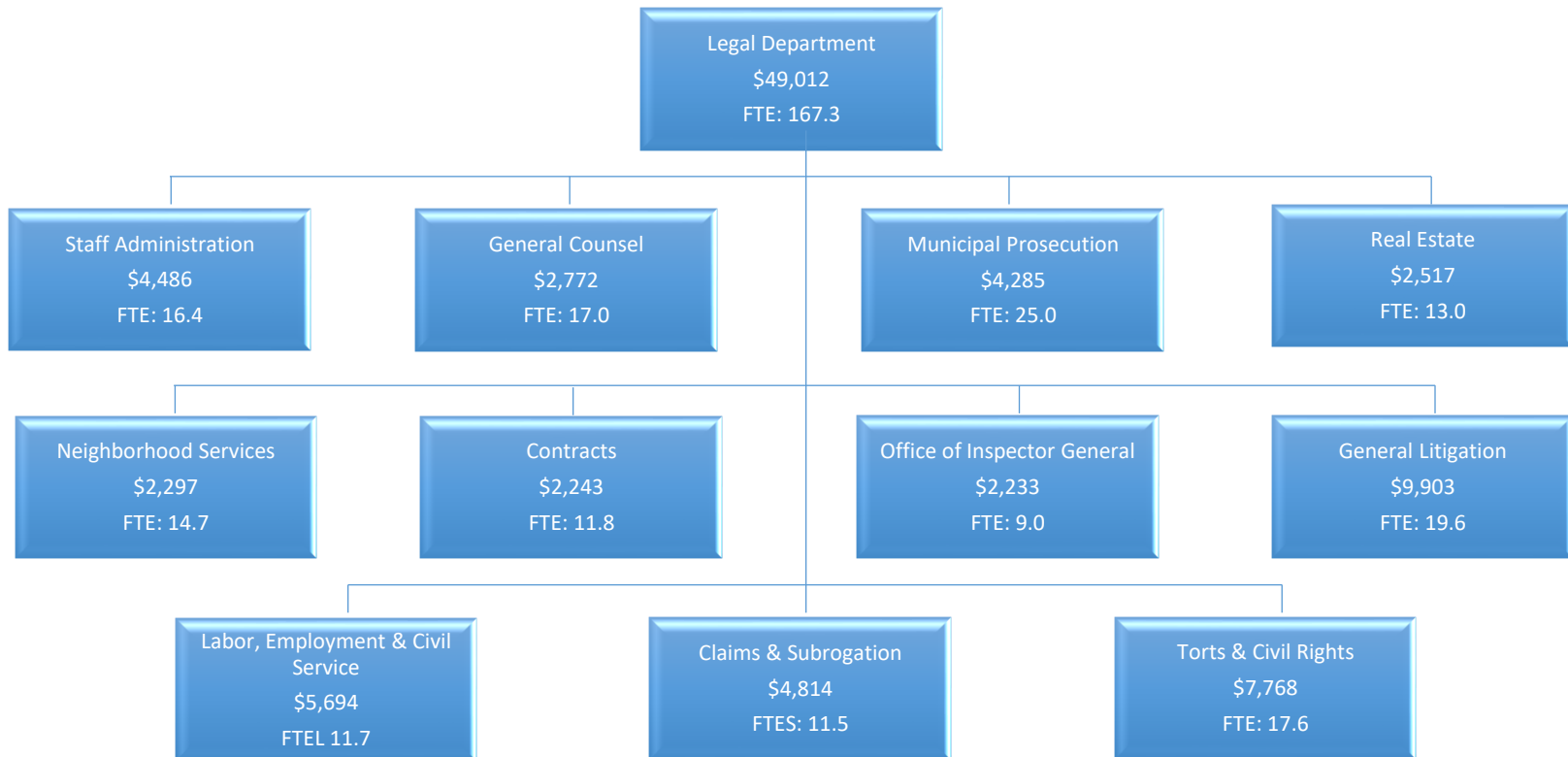
**FY2023 Proposed Budget
Workshop Presentation
May 19, 2022**

Arturo G. Michel

City Attorney

Functional Organizational Chart

(\$ in thousands)



Note: \$ and FTES included are General Fund and Revolving Funds. General Fund 105.9 FTES, \$19,981. Revolving Fund 61.4 FTES, \$29,031. FTES budgeted in other departments are excluded: Other non-Legal Operating Fund 25.0 FTES, \$3,085.



Department Programming

Major Services

The Legal Department provides the highest quality municipal legal services to the City, its elected and appointed official, and its employees.

- Counsel client departments on:
 - Public finance matters
 - Statutory and code enforcement
 - Planning and development issues
 - State, federal and local statutory, regulatory and contract compliance
 - Protection of neighborhoods
 - Procurement laws and insurance requirements for contractors



Department Programming

- Defends/represents the City in litigation involving:
 - Breach of contract, various torts, condemnation, and construction law
 - Civil Service Commission hearings and pre-termination proceedings
 - Federal and state employment related claims and civil rights claims
- Handles tort claims, property subrogation and workers' compensation



Department Programming

Financial or Societal Impact of Service Delivery

- Directly support efforts on Complete Community Initiatives and One Safe Houston Programs.

Anticipated Growth or Reduction in Populations Served

- Anticipated growth in demand for legal services from significant clients including Houston Public Works, Houston Airport System, Housing and Community Development, Houston Police Department, Houston Health Department, and Strategic Procurement.

Revenues by Funds (\$ in thousands)



Fund	FY21 Actual	FY22 Current Budget	FY22 Estimates	FY23 Proposed Budget	Variance FY23 Prop/FY22 Estimates	% Change
General Fund	514	544	421	624	203	48.2%
Property and Casualty Fund	12,921	26,954	26,954	28,639	1,685	6.3%
Total	13,435	27,498	27,375	29,263	1,888	6.9%



FY2023 - Revenues Highlights

- General Fund revenues are primarily comprised of the recapture of salaries of personnel dedicated to specific departments.
- Property and Casualty revenues matched the expenditures in the fund.

Expenditures By Funds (\$ in thousands)



Fund	FY21 Actual	FY22 Current Budget	FY22 Estimates	FY23 Proposed Budget	Variance FY23	
					Proposed Budget/FY22 Current Budget	% Change
General Fund	14,576	17,029	17,029	19,981	2,952	17.3%
Property and Casualty Fund	12,997	26,954	26,954	28,639	1,685	6.3%
Workers' Compensation Fund	191	280	278	393	113	40.4%
Total	27,764	44,263	44,261	49,013	4,750	10.7%

FY2023 Budget Expenditures Net Change (\$ in thousands)



FY2023 General Fund Budget Expenditures Net Change to FY2022 Projected Current Budget		
FY2022 Current Budget		
Operating Budget	\$ 15,965	<i>Notes</i>
FY22 HOPE Adjustment	284	1
Approved PBJ - Additional Staff & Pay Adjustment	93	2
Restricted Accounts	687	3
FY2022 Projected Current Budget	\$ 17,029	
Explanation of FY2023 Incremental Increase/(Decrease)		
Operating Budget Adjustments		
Program Adjustments:		
Department market salary increase	2,455	4
Approved PBJ - Additional Staff & Pay Adjustment	30	2
Personnel transfer to Property and Casualty Fund	(216)	5
Total Operating Budget Changes	\$ 2,269	
% Change from FY22 Operating Budget	14.2%	
Contractual or Mandated Adjustments:		
3% HOPE Pay increases	\$ 479	6
Restricted Accounts	160	3
Health Benefits Active Civilian	44	
Subtotal Contractual/Mandated Increases	\$ 683	
FY2022 Proposed Budget		
Operating and Contractual Adjustments	\$ 2,952	
FY2023 Proposed Budget	\$ 19,981	
% Change from FY22 Current Budget	17.3%	
Notes:		
1. FY2022 3% HOPE increases.		
2. FY2022 partial funding for an additional attorney/pay adjustments and remaining FY2023 increases.		
3. Restricted Budget includes service chargeback accounts for items such fuel, electricity, IT accounts, etc.		
4. Funding for department market salary increases.		
5. Personnel transfer to Property and Casualty Fund to support Torts/Civil Rights.		
6. FY2022 annualized 3% HOPE and FY2023 3% HOPE increases.		



FY2023 - Expenditure Highlights

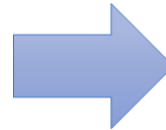
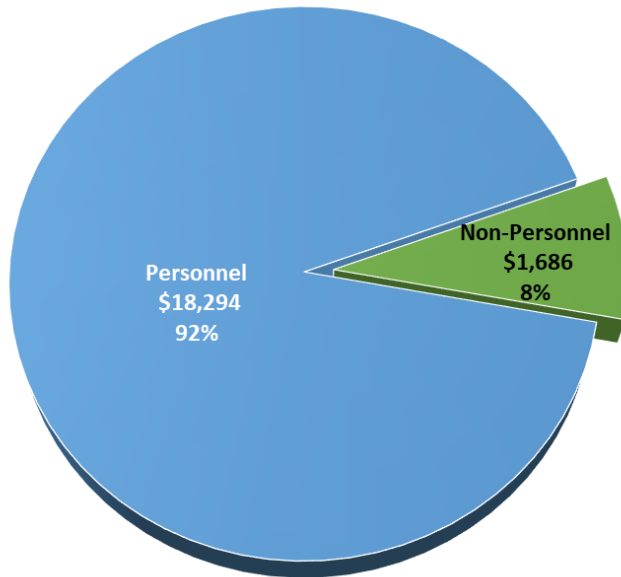
The FY2023 Budget includes:

- Funding for market salary increase for the department. The increases are an effort to bring salaries to the market level average of comparable jurisdictions.
- Funding for health benefits, pension contributions and municipal employees contractual pay increases.
- Maintain funding for outside counsel, litigation support, claims, settlements and judgments.

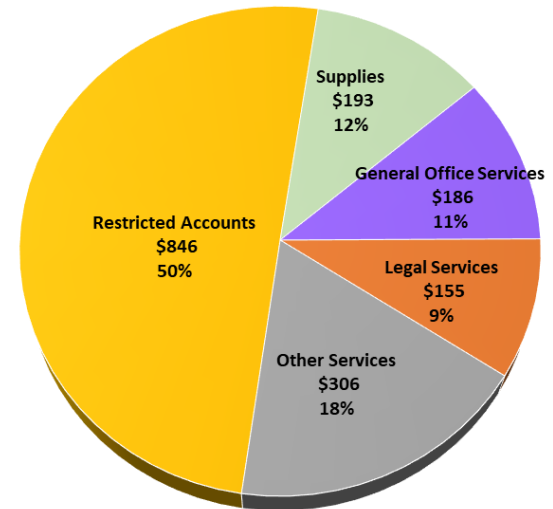
FY2023 Personnel vs Non-Personnel General Fund (\$ in thousands)



FY2023 Proposed Budget
\$19,981

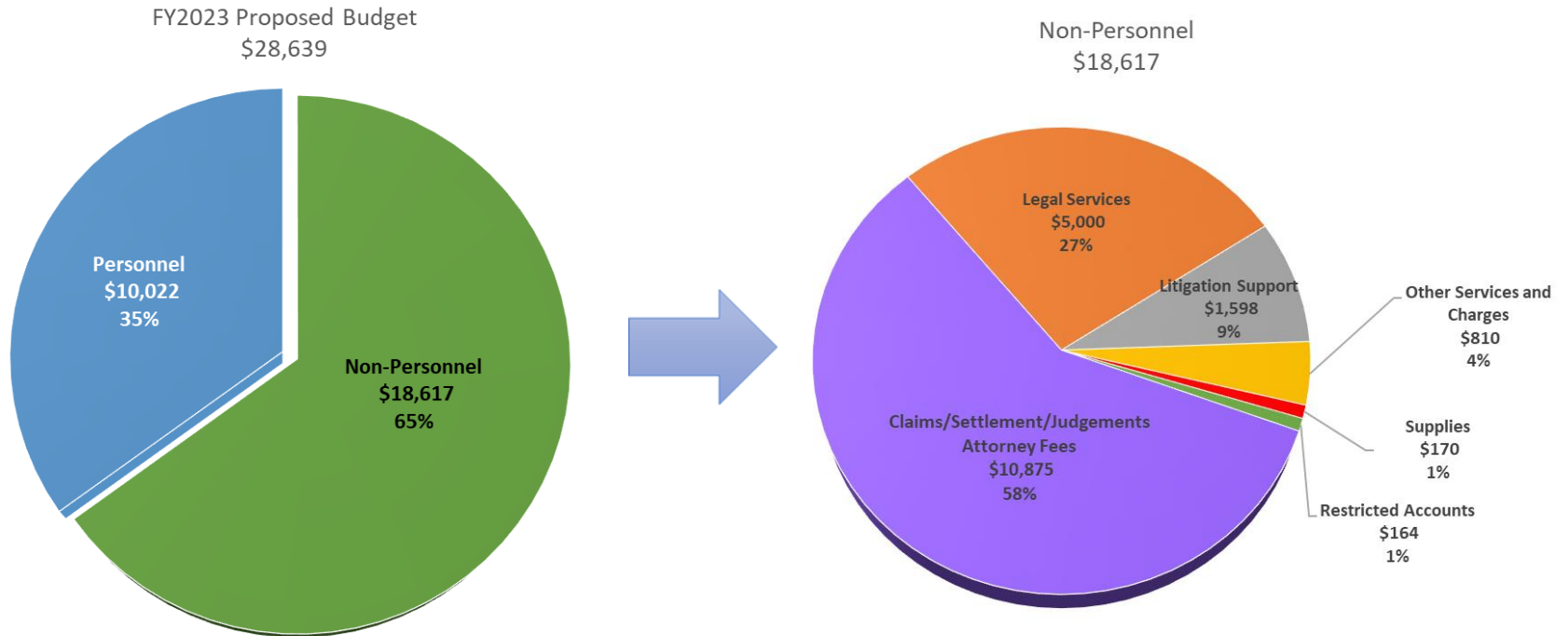


Non-Personnel
\$1,686



Note: Total may reflect slight variances due to rounding.

FY2023 Personnel vs Non-Personnel Property and Casualty Fund (\$ in thousands)

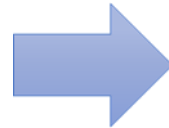
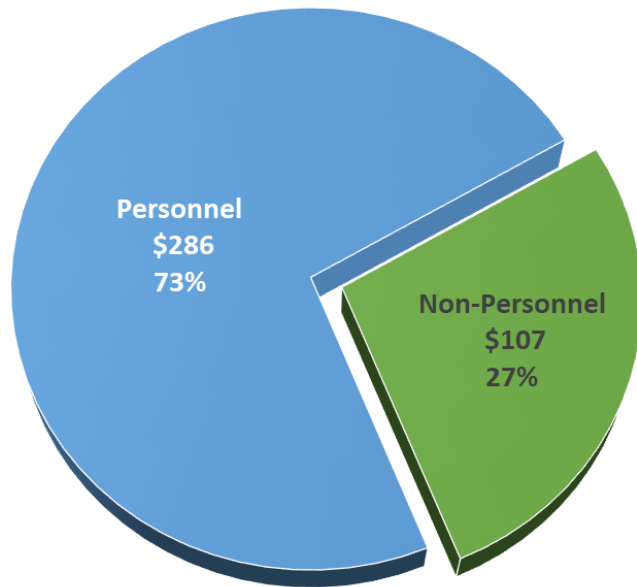


Note: Total may reflect slight variances due to rounding.

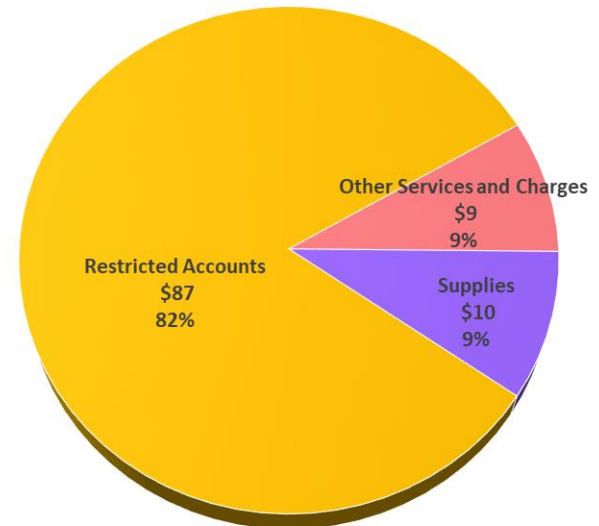
FY2023 Personnel vs Non-Personnel Workers' Compensation Fund (\$ in thousands)



FY2023 Proposed Budget
\$393



Non-Personnel
\$107



Note: Total may reflect slight variances due to rounding.



Questions



Appendix

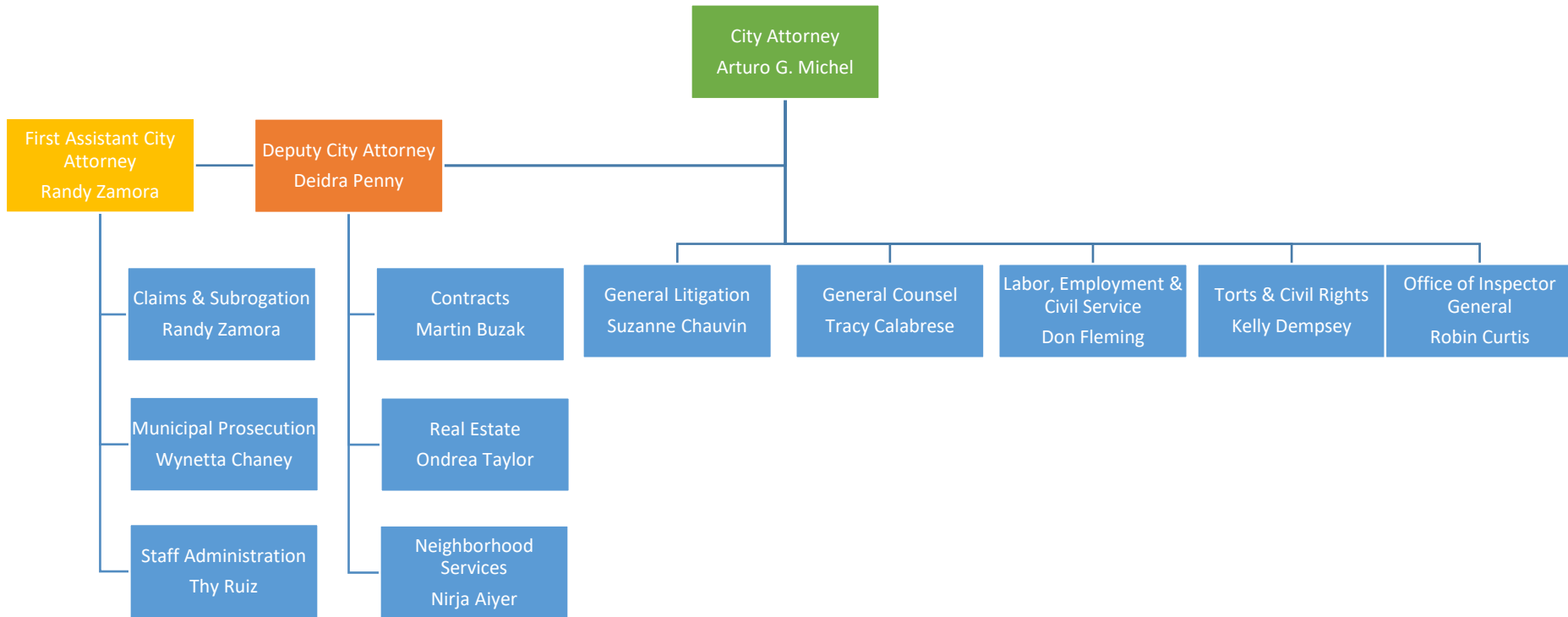


Restricted Account Details

GL Description	Justifications & Cost Drivers
Interfund Application Services	Costs include Microsoft Enterprise licenses, 3-1-1 maintenance support and applications, SAP licenses maintenance and support, various Enterprise Application and Server support personnel, CSMART (MCD Only), eSignature, Project Management, Infor, eDiscovery, Cyber Security Office software and support, HITS Budget support via the Finance Department.
Interfund Insurance Fees	Cost increase for property insurance premium.
Interfund Data Services	Costs associated with software and maintenance support contracts required to maintain city networks, applications, desktop devices, servers, payment card industry security, storage devices, cloud services, telephone systems and network equipment including Phonoscope circuits. Contracts covering Antivirus, Firewall and Network backup systems. Also, the Data Center costs are included in the Data Services restricted account.
Interfund Voice Services	Monthly costs for Voice/Communication Services. The services include: Local landlines, voice/data circuits, long distance, 1-800 numbers, calling cards, language lines, Citywide ISP/Internet Access. The major vendors are ATT, Department of Information Resources (DIR), Verizon and Century Link.
Interfund Voice Labor	Labor costs and parts needed to perform work associated with installation and/or upgrades of telephone systems and cabling. The sole vendor is Selrico.
Interfund EGIS Services	Personnel, software licenses and maintenance costs associated with the city of Houston's Enterprise Geographic Information System (EGIS).
Interfund Wireless	Monthly charges for Verizon Business services and mobile devices including cell phones, air cards and tablets.
Interfund HR Client Services	Include HR operation cost reflecting health benefits and restricted accounts increase.
Interfund KRONOS Service Chargeback	Software license and maintenance costs associated with the city of Houston's Time and Attendance System (KRONOS).



Legal Department Organization Chart

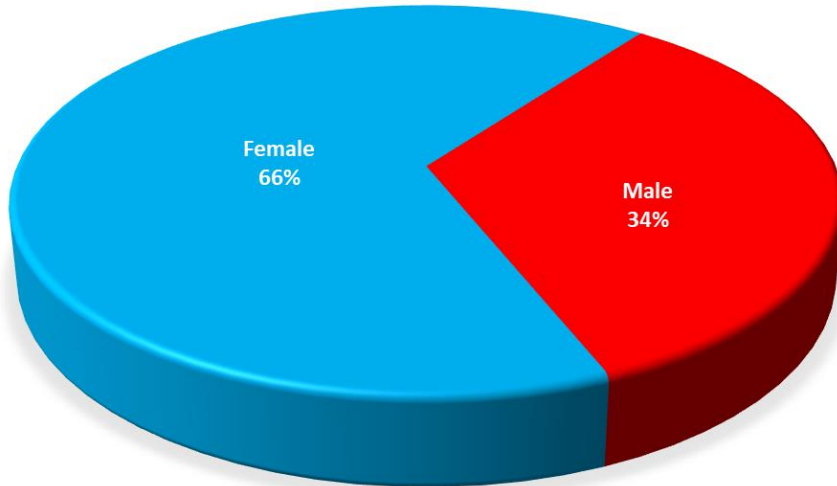


Demographics

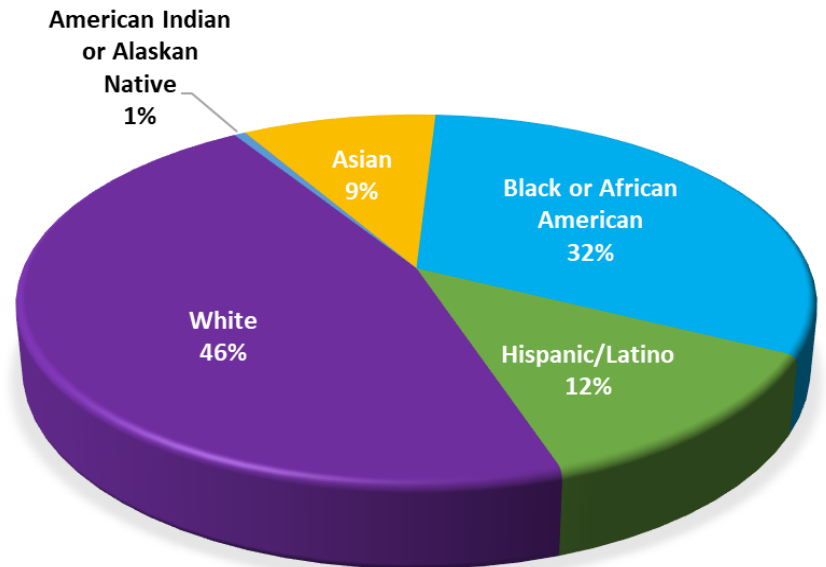
as of April 2022



GENDER



ETHNICITY





Department Accomplishments

General Counsel:

- Drafted multiple One Safe Houston Ordinances
- Drafted a Special District Ordinance and the new Noise Ordinance

Municipal Prosecution:

- Obtained a \$75,000 judgment to reimburse BARC and HHS for costs of boarding and caring for animals seized as part of a cruelly treated animal case
- Prioritized Noise violations

Real Estate:

- Provided counsel for the creation of the Bezos Academy and the City of Houston for the establishment of the tuition-free Bezos Academy Preschool
- Assisted in the establishment of a navigation center in an effort to combat homelessness

Neighborhood Services:

- Addressed 281 instances of dangerous building conditions
- Obtained injunctive relief in 11 Chapter 125 cases against illicit massage businesses with suspected human trafficking, sexually oriented businesses, convenience stores, and bars

Contracts:

- Provided counsel facilitating the delivery of goods and services related to COVID-19 and American Rescue Plan Act

OIG:

- Investigated 300 cases
- Created the Office of Policing Reform and Accountability



Department Accomplishments

General Litigation:

- Resolved a lawsuit over City's drainage ordinance, recovering \$9.5 million and \$950,000 in fees to be paid in future years
- Recovered over \$1.3 million in taxpayer funds paid for fraudulent N95 masks purchased during the height of the pandemic
- Successfully defended against an injunction to stop the seasonal lake lowering program for Lake Conroe
- Successfully defended the City's historic preservation ordinance
- Successfully defended the City's methods for calculating revenue caps and contributions to its drainage and street renewal fund
- Won an appeal affirming a declaration that HB 2846, in which the Texas legislature instructed the City of Houston to transfer its entire interest in the Allens Creek reservoir to the Brazos River Authority, was unconstitutional, void, and unenforceable

Torts and Civil Rights:

- Successfully represented the City and its employees in over 450 tort lawsuits filed in various state courts and in over 40 civil rights lawsuits filed in federal district courts

Labor Employment & Civil Service:

- Negotiated Police and Municipal Employees Union contracts
- Drafted the Prenatal, Parental and Infant Wellness Leave Ordinance
- Successfully concluded Fire Department Title VII litigation and Consent Decree
- Advised on Other Post-Employment Benefits and COVID -19 matters