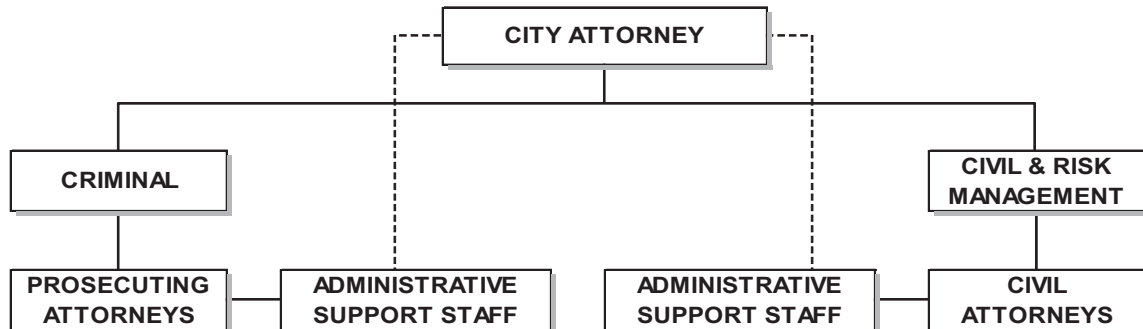
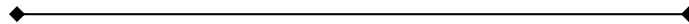


LEGAL DEPARTMENT



Departmental Mission

To serve as a model public service law firm providing superior legal counsel to the Mayor, City Council and departments.



Description of Services

- Provide legal services in support of City goals and objectives.
- Represent the City in federal, state and other proceedings.
- Defend Council, Mayor and City department actions.
- Prosecute misdemeanors and code violations.
- Manage the victim advocacy program.
- Review ordinances, contracts, and other documents.
- Manage risk and claims.

Departmental Budget Summary

Revenues and Other Sources by Type	2007	2008	2009	Change from 2008	
	Actual	Adopted	Budget	Amount	Percent
Revenues					
<i>Intergovernmental</i>	23,434	8,175	6,147	(2,028)	-24.8%
<i>Charges for Services</i>	406,977	254,667	238,813	(15,854)	-6.2%
<i>Fines and Forfeits</i>	74,249	61,735	61,735	-	0.0%
<i>Miscellaneous</i>	2,385,164	1,118,176	1,090,832	(27,344)	-2.4%
<i>Non-Revenues</i>	5,997	8,316	146,025	137,709	1656.0%
Subtotal of Revenues	2,895,821	1,451,069	1,543,552	92,483	6.4%
Other Sources by Fund					
<i>General</i>	(682,484)	1,105,913	1,236,776	130,863	11.8%
<i>Claims Litigation</i>	(72,904)	(92,958)	(149,382)	(56,424)	60.7%
Subtotal Reserve Adjustments	(755,388)	1,012,955	1,087,394	74,439	7.3%
TOTAL ALL SOURCES	2,140,433	2,464,024	2,630,946	166,922	6.8%

Revenues by Group	2007	2008	2009	Change from 2008	
	Actual	Adopted	Budget	Amount	Percent
Revenues					
<i>Legal</i>	242,484	334,884	345,216	10,332	3.1%
<i>Legal Services</i>	1,952,740	325,452	307,570	(17,882)	-5.5%
<i>Claims, Litigation & Insurance</i>	700,597	790,733	890,766	100,033	12.7%
Subtotal of Revenues	2,895,821	1,451,069	1,543,552	92,483	6.4%

Significant Revenue Changes

- The decrease in Charges for Services is related to a decrease in Indirect Cost Allocation Program (ICAP) revenues for the Legal Services Group.
- The decrease in Miscellaneous Revenues reflects a decrease in the amount of interest received in the Claims & Litigation Fund. There is a corresponding increase in Non-Revenues for the payment of principal on a note that is due in December 2009.

Departmental Budget Summary (continued)

Expenditures by Type	2007 Actual	2008 Adopted	2009 Budget	Change from 2008	
				Amount	Percent
<i>Salaries and Benefits</i>	1,080,910	1,215,771	1,263,826	48,055	4.0%
<i>Supplies</i>	30,331	30,309	26,211	(4,098)	-13.5%
<i>Other Services and Charges</i>	678,183	833,378	1,058,154	224,776	27.0%
<i>Interfund Charges</i>	351,009	384,566	282,755	(101,811)	-26.5%
TOTAL EXPENSE	2,140,433	2,464,024	2,630,946	166,922	6.8%

TOTAL PAID STAFF	11.7	12.4	12.4	0.0	0.0%
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Expenditures by Group	2007 Actual	2008 Adopted	2009 Budget	Change from 2008	
				Amount	Percent
<i>Legal Services</i>	1,236,259	1,357,266	1,449,476	92,210	6.8%
<i>Claims, Litigation & Insurance</i>	904,174	1,106,758	1,181,470	74,712	6.8%
TOTAL EXPENSE	2,140,433	2,464,024	2,630,946	166,922	6.8%

Significant Expenditure Changes

- The increase in Other Services and Charges is due to increases in Special Legal Services for ongoing environmental cleanup negotiations and for outside counsel for pending litigation.
- The decrease in Interfund Charges is due to a change in accounting methodology for salary reimbursement within the Claims & Litigation Fund and the legal department.

Departmental Objectives for 2009

1. Provide legal support for Lake Whatcom reservoir water quality protection initiatives as directed by Council and Mayor. (Council Goals 1 and 9)
2. Assist and provide legal support in overall project management of the Waterfront District Redevelopment. (Council Goal 3)
3. Continue to provide legal support to the greenways acquisition and watershed acquisition and maintenance programs. (Council Goals 1 and 9)
4. Provide legal support as needed for Bellingham Public Development Authority.
5. Provide legal review of City's updates to land use plans. (Council Goals 2, 4 and 5)
6. Provide legal services to City departments, the Mayor, and City Council as directed. (ALL Council Goals)

Departmental Objectives for 2008 *with Accomplishments*

No specific non-routine objectives to list for 2008.

Additional Accomplishments:

Assisted Planning & Community Development in Old Town Subarea Plan and NW Recycling Development Agreement.

Negotiated agreement with PSE for cost-sharing for Boulevard Park remediation.

Assisted in formation of Bellingham Public Development Authority.

Assisted in property acquisitions of approximately 50 acres of park land / open space; 12 acres of watershed stream protection, with closing in 2008 pending on 97 acres.

Litigation: City resolved 8 tort lawsuits; 7 with in-house counsel; 1 with outside co-counsel.

Ongoing resolution of significant damage claims.

Provided legal representation on Urban Growth Area issues.

Assisted in settlement of DNR landscape management case.

Provided legal representation on Lake Whatcom Watershed Issues.

Performance/Activity Measures

Legal Department

Legal Department Inputs	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Expenditures shown in hundred thousands							
Department Operating Exp	\$ 1.637	\$ 2.045	\$ 1.726	\$ 2.486	\$ 2.140	\$ 2.464	\$ 2.631
Debt Service, Capital, Interfund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Department Expenditures	\$ 1.637	\$ 2.045	\$ 1.726	\$ 2.486	\$ 2.140	\$ 2.464	\$ 2.631
Total Department FTEs	9.6	9.8	11.0	11.3	11.7	12.4	12.4

Legal Services Group

Legal Services Group Inputs	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Expenditures shown in millions							
Legal Services Group Exp	\$ 0.893	\$ 0.927	\$ 0.994	\$ 1.122	\$ 1.236	\$ 1.357	\$ 1.449

Legal Services Group Workload	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual
Criminal Filings	4,183	4,015	3,552	3,809	4,138	3,860
Filings per Criminal Attorney	new measure in 2006			1,360	1,379	1,287
Cost per hour for Legal Department services	\$ 59	\$ 62	\$ 47	\$ 60	\$ 62	\$ 69
Average hourly rate of outside counsel	\$ 203	\$ 182	\$ 197	\$ 300	\$ 282	\$ 274
Percent of overall budget for outside counsel	new measure in 2006			8%	2%	7%
Attorneys (FTE's)	5.7	5.8	7.0	7.8	7.3	7.8
City employees (FTE's) per Attorney	152.2	143.3	116.1	106.9	122.4	117.5

Actual staff counts for 2008 are not gathered prior to the budget document being published, so budgeted numbers are used.

Outside counsel are normally employed where the services of a specialist are required.

Claims, Litigation and Insurance Group

Claims Litigation & Insurance Group Inputs	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
Expenditures shown in hundred thousands							
Claims Litigation & Ins Grp Exp	\$ 0.743	\$ 1.118	\$ 0.732	\$ 1.365	\$ 0.904	\$ 1.107	\$ 1.181

Claims Litigation & Insurance Workload	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual
Claims filed	93	70	54	46	62	60
Amount paid for claims	\$ 135,646	\$ 506,404	\$ 132,075	\$ 523,740	\$ 105,832	\$ 352,566