

SYN. NO. _____

AGN. NO.

MOTION BY SUPERVISORS GLORIA MOLINA

October 1, 2002

AND YVONNE BRATHWAITE BURKE

In the last fiscal year, the County spent over \$168 million on lawyers' fees, costs, judgments and settlements. This is an increase of over \$12 million from the previous year. Savings from this enormous amount of money could be used to fund crucial programs for the citizens of this County. Even a 3% reduction could save over \$5 million.

On June 26, 2002, the Board asked County Counsel to develop a plan to improve litigation management of the Department. The motion also delayed approval of County Counsel's budget and the hiring of a second Chief Deputy County Counsel until the Board is satisfied with the proposed improvements. In response, County Counsel recently issued a report setting forth new procedures to improve the management of litigation.

MOTION

Molina	_____
Burke	_____
Knabe	_____
Antonovich	_____
Yaroslavsky	_____

Notwithstanding the improvements set out in the report, it remains unclear how County Counsel's proposed reforms will result in the overall improved management of legal costs. For example, the report does not create any performance measures to help identify whether County Counsel is improving at protecting taxpayer dollars—a concern raised over four years ago by the 1998 Audit Report.

At a private law firm, the managing partner's responsibility is to ensure that the firm is meeting its goals as determined by the "bottom line." The County should adopt this model and establish a "managing partner" whose primary responsibility is to manage and track litigation. Based on his/her experience in the private sector, the "managing partner" can focus on handling litigation in a cost-effective manner.

In addition, the "managing partner," along with County Counsel, the CAO and Auditor-Controller, should review the County's budgeting process and information systems to ensure that all legal costs are captured in one place and all relevant data is collected in a coherent manner, so that legal expenditures can be easily tracked.

I, THEREFORE, MOVE, that:

- (1) The Board approve the hiring of a second Chief Deputy County Counsel, who will act as the Department's "managing partner" over litigation, on the condition that County Counsel works with Human Resources to locate and hire a candidate that possesses sufficient experience from the private sector to institute a "private sector culture" in managing legal costs, and the CAO and Auditor-Controller are part of the selection process;

- (2) The “managing partner” be responsible for managing all in-house and outside legal costs and developing a plan to lower those costs, which should include strengthening performance measures for the evaluation of in-house and outside lawyers. The “managing partner” also will be responsible for managing actual litigation, and developing a plan to ensure that litigation is handled in a cost-effective manner and attorneys perform a vigorous cost-benefit analysis on every case.
- (3) The “managing partner” work with the Risk Manager to analyze cases from each County department, to identify trends and problem areas within each department;
- (4) County Counsel provide to the Board a goal of how much in legal costs can be saved each fiscal year (including this fiscal year), without reducing non-legal County services, and present that goal and an implementation plan to the Board within 4 weeks. Accordingly, the Board will not approve County Counsel’s request that \$3.48 million be added to the Judgments and Damages budget. Instead, this money should remain in Provisional Finances Uses, and County Counsel should report quarterly on how much money it expects to save or absorb, with results verified by the CAO and Auditor-Controller;
- (5) County Counsel, the CAO and the Auditor-Controller realign the County’s budgeting and accounting processes to ensure that all legal costs can be

readily and efficiently tracked.