



**MICHAEL N. FEUER**  
CITY ATTORNEY

April 23, 2018

Honorable Members  
Budget and Finance Committee  
City Hall  
Los Angeles, CA 90012  
via Novus

**SUBJECT: 2018-19 PROPOSED BUDGET**

Honorable Members:

Thank you for the opportunity to provide input into the 2018-19 Proposed Budget. With past support from your Council and the Mayor, this office has achieved tremendous progress including closing 1,000 unlawful medical marijuana shops, targeting close to 100 gang and crime ridden properties, tripling the number of Neighborhood Prosecutors, assuming a leadership role in the City's risk management efforts, actively engaging in the defense of City policies, values and funding threatened by Federal policy changes brought by President Trump's administration, and providing timely advice and legal support to City leadership on these issues as well as others such as the new cannabis regulations, homelessness and workplace violence.

While the Proposed Budget includes important resources to continue this work, three areas of concern would slow the progress we have made:

- The Proposed Budget includes six much-needed new Risk Management positions; however, **provides no funding for these positions**. Combined with the proposed **cut of \$1 million** from the City Attorney salary account, we would be unable to fill these critical positions. These positions are essential to building upon the progress we have made analyzing and prioritizing the City's most significant underlying causes of risk and working collaboratively with operating departments to mitigate these risks to enhance the safety of our residents and reduce the City's liability exposure.

- The Proposed Budget **eliminates** an existing attorney position in the Cannabis Advice, Law and Litigation Section (CALLS) and provides **no new staff** for enforcement of illegal cannabis activity. The existing position is currently filled and essential to developing and reviewing cannabis regulations and ordinances, advising the Department of Cannabis Regulation and its commission, and defending the City in cannabis-related litigation. New criminal enforcement staff is needed to: complete the ongoing civil and criminal litigation related to non-compliant Proposition D dispensaries; to initiate criminal and civil enforcement actions against unlicensed cannabis operations; and, to engage in pre-enforcement measures such as issuing cease and desist letters to individuals engaged in unlicensed cannabis activity.
- The Proposed Budget adds **no new staff** for the Administrative Citation Enforcement (ACE) program, despite dramatic increases in workload and revenue since the program's inception. With the growth in the number of departments using ACE, the number of citations issued and reviewed, as well as the dramatic increase in revenue for the City, additional staff is sorely needed.

Finally, as discussed with the Mayor's Office and CAO, litigation expenses associated with defending the City have consistently exceeded the budgeted amount. This increase is caused by many factors including: reduced reliance on outside counsel has generated more litigation-related expenses in-house; rates for expert witnesses have risen; and, the increased need for court-mandated transcription services and the use of e-discovery tools.

We appreciate the opportunity to provide input into the Proposed Budget and your consideration of our concerns. We look forward to our continued collaboration on behalf of the residents of the City. Please feel free to contact me if you have any questions or require additional information.

Sincerely,

  
Leela Kapur  
CHIEF OF STAFF

cc: Honorable Members of the City Council  
Sharon Tso, Chief Legislative Analyst  
Richard J. Llewellyn, Jr., City Administrative Officer