

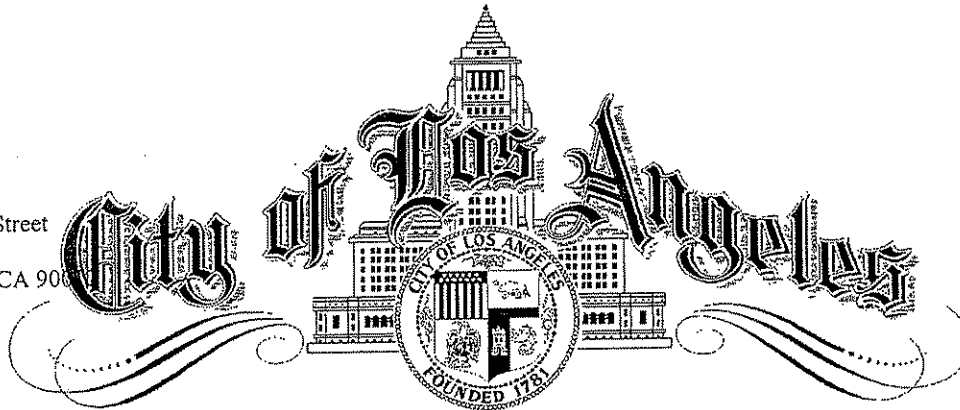
**OFFICE OF THE CITY ATTORNEY  
CITY OF LOS ANGELES**

**Budget Request 2010-11**



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**CARMEN A. TRUTANICH**  
City Attorney

December 18, 2009

Honorable Antonio Villaraigosa  
Mayor, City of Los Angeles  
City Hall, Room 346  
Los Angeles, CA 90012

Dear Mayor <sup>Antonio</sup> ~~Villaraigosa~~:

The City of Los Angeles is obviously in the midst of challenging budgetary times. The unprecedented financial crisis affecting our nation has significantly impacted our region and state. Each City department must therefore strive to allocate and use its limited resources in the most efficient, prudent and economical manner possible.

Since taking office last July, my administration has worked tirelessly to reduce costs and efficiently use our allocated budget and resources. Specifically, in addition to reducing litigation expenses, we are reversing the costly trend of using outside counsel. In doing so, this Office will not only regain greater control and strategic guidance over the direction and outcome of litigation, but, more importantly, also reduce the costs expended and long-term dependency upon outside counsel. For example, since July 2009, this Office has reduced its fees for outside counsel by over \$700,000 compared to the same six-month time period in fiscal year 2008-09.

In addition to significantly reducing the amount of fees spent on outside counsel, our Office has been extraordinarily successful and achieved remarkable results in numerous civil liability matters – saving the City tens of millions of dollars in potential civil damages. To date in the 2009-10 year, attorneys and supporting staff in this Office, including those in our Police Litigation Unit and Employment Litigation Units, have either won or obtained favorable verdicts for the City in 18 out of 19 trial matters, in which the City was potentially liable for over \$75 million in damages. By comparison, during the entire fiscal year 2008-09, this Office obtained 26 wins or favorable verdicts for the City in 36 civil liability trials.

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I intend to continue providing the necessary support to my attorneys and staff in order to maintain this successful trend, while at the same time, directing them to significantly reduce litigation expenses and aggressively negotiate the best settlement terms for the City. When necessary, this Office will vigorously defend the City through the courts in order to avoid liability in unjustified lawsuits where the City is cynically viewed as a "soft touch with a deep pocket." On the other hand, if the City is legally responsible, this Office will attempt to negotiate an appropriate settlement that completely resolves the matter, including addressing any risk management issues and foreclosing any future liability for the City. I firmly believe these goals will be accomplished.

This Office will also continue assisting the City in recovering and collecting funds owed to the City treasury, including business, parking and occupancy taxes. Specifically, since July 1, 2009, attorneys and staff in this Office have successfully recovered \$1,142,167.00 that had not been anticipated in the budget plan. This Office is obviously greatly encouraged by this effort and, as a result, is adding two additional attorneys in order to support this very important collections function. It should be noted that in the Consolidations Section of the budget proposal, we are recommending a more timely referral of delinquent tax cases to this Office so that we can attain an even greater level of success in fiscal year 2010-11.

This Office has worked hard to absorb prior year budget cuts, including a disproportionately large 18% cut for fiscal year 2009-10, and intends to manage the anticipated challenges presented by the Early Retirement Incentive Program. However, additional budget curtailments for next fiscal year would be highly detrimental to the necessary and mandated services described hereinabove, as well as to the other core missions of criminal prosecution and protecting public safety handled by this Office. It is therefore critical that any further reductions be avoided or limited so that this Office can remain effective in achieving its core missions of defending and advising the City, saving and collecting monies, and protecting public safety through criminal prosecution and other enforcement actions.

As such, the Office of the City Attorney has prepared a budget proposal that recognizes the unique role that it plays in both saving and collecting precious funds and resources on behalf of the City. One of this Office's core missions is to defend the City in civil litigation and liability matters. Specifically, this Office is obligated pursuant to the City Charter to represent and defend the City and its various boards and departments in civil lawsuits, which are filed on nearly a daily basis. For example, should the actions of any City department result in bodily injury or private property damage, this Office must represent the City in any resulting civil lawsuit seeking a finding of liability against and potential damage awards from the City. The failure to respond or properly represent the

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City would, on an annual basis, subject the City treasury to tens of millions of dollars in damages and/or costly corrective measures demanded in such lawsuits. The City must therefore adequately fund and maintain the City Attorney's Office in order to satisfy such mandatory litigation defense obligations.

This Office also assists the City in saving resources by providing legal advice on risk management issues, including, but not limited to, such matters involving employment and labor, police use of force, rules of government and ethics, land use and development, contracts and proposed ordinances. A properly staffed City Attorney's Office allows the City to receive comprehensive, thorough, accurate and timely advice on policy or procedural matters that, if made without the benefit of such advice, could result in costly lawsuits, potentially large damage awards or delays in the development or implementation of important and beneficial projects or public policy.

Moreover, this Office is very effective and efficient in recovering and collecting both monies and penalties owed or damages caused to the City through the use of affirmative enforcement actions, including those involving debt and tax collection, subrogation, consumer and environmental protection, and unfair business practices. By maintaining a proper level of staff in the City Attorney's Office, the City will be able to annually collect millions of dollars it could not otherwise receive through the non-enforcement efforts of other City boards and departments.

This Office has therefore prepared a budget request that conforms to the general guidelines you conveyed through a Special Memo of Instruction dated October 27, 2009. In accordance with your guidelines, the City Administrative Officer has further defined our budget submission for fiscal year 2010-11 according to a three-tier arrangement of choices:

- A "no financial change" budget compared to 2009-10 funding level.
- A 10% additional curtailment from the 2009-10 funding level.
- A 20% additional curtailment from the 2009-10 funding level.

Included in our budget request are the various justifications and special need statements for this Office.

You will note in our budget narrative that this administration has emphasized two programs of fiscal reform that not only improve the efficiency of the City Attorney's Office, but create opportunity for the City to save taxpayer funds and to recover monies to which it is entitled.

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I clearly understand the difficult decisions your face in these challenging times and want to assure you of my support and assistance in making such decisions. I also greatly appreciate your consideration of my comments on these matters. Please feel free to contact me if you have any questions.

Sincerely,



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