File No. <u>180805</u>

Committee Item No.3Board Item No./3

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST				
Committee:	Rules Committee	Date December 3, 2018		
Board of Su	pervisors Meeting	Date 12/11/18		
	d Motion Resolution Ordinance Legislative Digest Budget and Legislative Analyst Youth Commission Report Introduction Form Department/Agency Cover Letter Memorandum of Understanding Grant Information Form Grant Budget Subcontract Budget Contract/Agreement Form 126 - Ethics Commission Award Letter Application Form 700 Vacancy Notice Information Sheet	Report r and/or Report		
OTHER	Public Correspondence (Use back side if additional spa	ce is needed)		

AMENDED IN COMMITTEE 11/28/18 ORDINANCE NO

FILE NO. 180805

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[Police Code - Agreements Between Cannabis Businesses and Labor Organizations for Hiring Graduates of Apprenticeship and Pre Apprenticeship ProgramsApprentice-Hiring Requirements for Cannabis Businesses]

Ordinance amending the Police Code to require Cannabis Businesses, when entering into a City-mandated Labor Peace Agreement or collective bargaining agreement, to also agree that 35% of new hires shall be graduates of State approved apprenticeship programs or of City-certified pre-apprenticeship programs, if a relevant program of either type exists to ensure that 35% of new hires shall be registered apprentices enrolled in State-approved apprenticeship programs that have a memorandum of understanding (MOU) with one or more City-certified pre-apprenticeship programs, if a relevant State-approved apprenticeship program has such an MOU.

NOTE: Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in <u>single-underline italics Times New Roman font</u>. Deletions to Codes are in <u>strikethrough italics Times New Roman font</u>. Board amendment additions are in <u>double-underlined Arial font</u>. Board amendment deletions are in <u>strikethrough Arial font</u>. Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The Police Code is hereby amended by revising Sections 1609 and 1618,

to read as follows:

SEC. 1609. PERMIT APPLICATIONS.

Page 1

(b) Information Required of All Applicants for Cannabis Business Permits. The application form for all Cannabis Business Permit Applicants shall require the Applicant to provide the following information and documentation:

(12) For Applicants with 10 or more employees, each Applicant must agree that, as a condition of any permit awarded under this Article 16, the Applicant will enter into, and abide by the terms of, either of the following prior to the award of such a permit:

(A) A Labor Peace Agreement; or,

(B) A collective bargaining agreement with a Bona Fide Labor

Organization.

To encourage the existence of a stable, well-trained workforce in the cannabis industry, as part of any Labor Peace Agreement or collective bargaining agreement made pursuant to this subsection (b)(12), the Cannabis Business shall agree that 35% of its new hires shall be graduates of apprenticeship programs approved by the State or of pre-apprenticeship programs certified by the City, if, for the type of Cannabis Business in question (as set forth in Section 1607) there exists a relevant State approved apprenticeship program or City certified pre-apprenticeship program, and if graduates of any such apprenticeship or pre-apprenticeship program are seeking employment in sufficient numbers to satisfy 35% of the Cannabis Business's new hiring needs. The Labor Peace Agreement or collective bargaining agreement shall further provide that, if graduates of any such apprenticeship or pre-apprenticeship program are not seeking employment in sufficient numbers to satisfy 35% of the Cannabis Business's new hiring needs, then the Cannabis Business shall further such graduates to the extent feasible.

For purposes of this subsection, the Office of Economic and Workforce Development shall have the power to establish standards governing pre-apprenticeship programs, and shall

be responsible for certifying, on behalf of the City, pre-apprenticeship programs that meet those standards. To facilitate compliance with this subsection, the Office of Economic and Workforce Development shall maintain and publicize a list of State approved apprenticeship programs and City certified pre-apprenticeship programs relevant to Cannabis Businesses. This list shall specify types of Cannabis Businesses (as set forth in Section 1607) to which each such program is relevant.

SEC. 1618. ELIGIBILITY AND OPERATING STANDARDS APPLICABLE TO ALL CANNABIS BUSINESSES.

(ff) Every Cannabis Business shall ensure that at least 50% of all Business Work Hours are performed by Local Residents, *provided, however, that until December 31, 2018, unless* <u>one of the following exceptions applies:</u>

(1) Cannabis Businesses that previously held a Medical Cannabis Dispensary permit under Article 33 of the Health Code shall ensure that at least 35% of all Business Work Hours are performed by Local Residents. *This exception shall expire by operation of law on January 1, 2019.*

(2) If a Cannabis Business, pursuant to Section 1609(b)(12), enters into and abides by a Labor Peace Agreement or collective bargaining agreement requiring that 35% of its new hires be graduates of any relevant apprenticeship programs certified by the State or of any relevant pre-apprenticeship programs certified by the City, and if the Cannabis Business can show that at least 35% of employees hired after the effective date of the Labor Peace Agreement or collective bargaining agreement have been graduates of such apprenticeship or

pre-apprenticeship programs, then that Cannabis Business shall be exempt from the requirements of this subsection (ff).

(3) If a Cannabis Business, pursuant to Section 1609(b)(12), enters into and abides by a Labor Peace Agreement or collective bargaining agreement requiring that 35% of its new hires be graduates of any relevant apprenticeship programs certified by the State or of any relevant pre-apprenticeship programs certified by the City, and if the Cannabis Business can show that graduates of any such apprenticeship or pre-apprenticeship program are not seeking employment in sufficient numbers to satisfy 35% of the Cannabis Business's new hiring needs, that Cannabis Business shall be exempt from the requirements of this subsection (ff), if the Cannabis Business can further show that it has hired such graduates to the extent feasible.

(2) If a Cannabis Business is subject to, and complies with, the hiring requirement imposed by subsection (gg), that Cannabis Business shall be exempt from the requirements of this subsection (ff).

Business Work Hours performed by residents of states other than California shall not be considered in calculation of the number of Business Work Hours to which *this requirement appliesthe requirements of this subsection (ff) apply*. The Director of the Office of Cannabis may approve a time-limited waiver or reduction of *this requirement the requirements of this subsection*, upon a showing by the Cannabis Business that it was unable to locate a sufficient number of qualified Local Residents.

(gg) To encourage the existence of a stable, well-trained workforce in the cannabis industry, each Cannabis Business shall comply with the following hiring requirement:

(1) Each Cannabis Business shall ensure that 35% of its new hires shall be registered apprentices enrolled in a relevant apprenticeship program approved by the State

that has a memorandum of understanding with one or more pre-apprenticeship programs certified by the City, if: (A) There exists a State-approved apprenticeship program that is relevant to the type (as set forth in Section 1607) of Cannabis Business in question; (B) The State-approved apprenticeship program described in subsection (qq)(1)(A) has a memorandum of understanding with one or more City-certified. pre-apprenticeship programs; and Sufficient numbers of registered apprentices enrolled in a State-(C)approved apprenticeship program described in subsections (gg)(1)(A)–(B) are available to satisfy 35% of the Cannabis Business's new hiring needs. If registered apprentices enrolled in a State-approved apprenticeship (2)program described in subsections (gg)(1)(A)-(B) are not available in sufficient numbers to satisfy 35% of the Cannabis Business's new hiring needs, the Cannabis Business shall hire such registered apprentices to the extent feasible. (3)If no State-approved apprenticeship program is relevant to a particular type (as set forth in Section 1607) of Cannabis Business, or if no relevant State-approved apprenticeship program has a memorandum of understanding with any City-certified preapprenticeship program, that type of Cannabis Business shall not be subject to any hiring requirement under this subsection (gg). To facilitate compliance with this subsection (gg), the Office of Economic (4) and Workforce Development (OEWD) shall maintain and publicize a list of State-approved apprenticeship programs that have a memorandum of understanding with one or more Citycertified pre-apprenticeship programs. This list shall specify types (as set forth in Section 1607) of Cannabis Businesses to which each such State-approved apprenticeship program is relevant, as determined by OEWD.

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(5) For purposes of this subsection (gg), OEWD shall establish standards governing certification of pre-apprenticeship programs, and shall be responsible for certifying, on behalf of the City, pre-apprenticeship programs that meet those standards. The standards established by OEWD shall ensure that any pre-apprenticeship program certified by the City under this subsection operates in partnership with one or more community-based organizations.

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Section 2. Prospective Application Only. This ordinance shall apply only to Labor Peace Agreements or collective bargaining agreements entered into or modified after the effective date of this ordinance. This ordinance shall not be construed to require the parties to any existing Labor Peace Agreement or collective bargaining agreement to modify that agreement, unless and until the parties otherwise wish to negotiate a modification of that agreement.

Section 32. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

Section 4<u>3</u>. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney .3 By: MATTHEW LEE Deputy City Attorney 6. n:\legana\as2018\1800588\01321198.docx Supervisor Safaí BOARD OF SUPERVISORS

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LEGISLATIVE DIGEST (Revised 11/28/18)

[Police Code - Agreements Between Cannabis Businesses and Labor Organizations for Hiring Graduates of Apprenticeship and Pre Apprenticeship Programs<u>Apprentice-Hiring</u> <u>Requirements for Cannabis Businesses</u>]

Ordinance amending the Police Code to require Cannabis Businesses, when entering into a City-mandated Labor Peace Agreement or collective bargaining agreement, to also agree that 35% of new hires shall be graduates of State-approved apprenticeship programs or of City-certified pre-apprenticeship programs, if a relevant program of either type exists. to ensure that 35% of new hires shall be registered apprentices enrolled in State-approved apprenticeship programs that have a memorandum of understanding (MOU) with one or more City-certified pre-apprenticeship programs, if a relevant State-approved apprenticeship program has such an MOU.

Existing Law

Article 16 of the City's Police Code sets forth comprehensive regulations governing commercial cannabis activity in the City. Under Article 16, businesses must obtain a permit from the City to engage in commercial cannabis activity. Among other things, Article 16 requires cannabis-business-permit applicants with 10 or more employees to enter into, and abide by the terms of; either a labor peace agreement (as defined in Article 16) or a collective bargaining agreement.

Article 16 also generally requires cannabis businesses to ensure that at least 50% of all business work hours be performed by local residents.

Amendments to Current Law

This version of the ordinance reflects amendments to be introduced in the November 28, 2018 meeting of the Rules Committee. As originally introduced, this ordinance would have required a cannabis business to agree, as part of any labor peace agreement or collective bargaining agreement made pursuant to Article 16, that 35% of its new hires would be graduates of apprenticeship programs approved by the State or pre-apprenticeship programs certified by the City, if a relevant program of either type existed. The ordinance (as originally introduced) would have further provided that, if graduates of such programs were not seeking employment in sufficient numbers to satisfy 35% of the cannabis business's new hiring needs, then the cannabis business would be required to hire such graduates to the extent feasible.

The November 28, 2018 Rules Committee amendments modify this apprentice-hiring requirement. Consistent with those amendments, the ordinance would require cannabis businesses to ensure that 35% of their new hires are registered apprentices enrolled in State-approved apprenticeship programs that have a memorandum of understanding (MOU) with one or more City-certified pre-apprenticeship programs, if a relevant State-approved apprenticeship program has such an MOU. Unlike the version of the ordinance originally introduced, the ordinance would not tie this requirement to a labor peace agreement or collective bargaining agreement.

Under the amended ordinance, if no State-approved apprenticeship program is relevant to a particular type of cannabis business (as set forth in Police Code Section 1607—for example, cultivation, manufacturing, or retail), or if no relevant State-approved apprenticeship program has an MOU with any City-certified pre-apprenticeship program, that type of cannabis business would not be subject to the ordinance's new apprentice-hiring requirement. If a type of cannabis business is subject to the ordinance's new apprentice-hiring requirement, but qualifying registered apprentices are not available in sufficient numbers to satisfy 35% of a cannabis business's new hiring needs, the cannabis business would be required to hire such registered apprentices to the extent feasible.

The Office of Economic and Workforce Development (OEWD) would be responsible for certifying pre-apprenticeship programs on behalf of the City. OEWD would also be responsible for maintaining and publicizing a list of State-approved apprenticeship programs that have an MOU with one or more City-certified pre-apprenticeship programs. The list would specify the type of cannabis business (as set forth in Police Code Section 1607) to which each such State-approved apprenticeship program is relevant.

If a cannabis business was subject to, and complied with, the ordinance's new apprenticehiring requirement, that cannabis business would be exempt from the local-hire requirement in Police Code Section 1618(ff).

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CITY AND COUNTY OF SAN FRANCISCO LONDON BREED, MAYOR

OFFICE OF SMALL BUSINESS REGINA DICK-ENDRIZZI, DIRECTOR

November 28, 2018

Ms. Angela Calvillo, Clerk of the Board City Hall Room 244 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

RE: BOS File No. 180805 - Police Code - Agreements Between Cannabis Businesses and Labor Organizations - Hiring Graduates of Apprenticeship and Pre-Apprenticeship Programs

Small Business Commission Recommendation to the Board of Supervisors: Recommendation of Approval in amending or substituting the legislation with these conditions:

- 1. Decouple the hiring requirements from State-approved apprenticeship or City-certified preapprenticeship programs from the Labor Peace Agreement requirements.
- 2. The pre-apprenticeship and apprenticeship relationship is an "and' not an "or".
- 3. Include a condition in the legislation that mandates San Francisco Community-Based Organization (CBO) participation in the programs.

This motion passed 5 to 0, with 1 recusal and 1 absence.

Dear Ms. Calvillo,

On Monday, October 22, 2018 the Small Business Commission (SBC) BOS File No. 180805 - Police Code - Agreements Between Cannabis Businesses and Labor Organizations - Hiring Graduates of Apprenticeship and Pre-Apprenticeship Programs. Suhagey Sandoval, aide to Supervisor Ahsha Safai provided the SBC with presentation and noted there would be substantive changes to the legislation that would 1) decouple the hiring requirements from State-approved apprenticeship or City-certified pre-apprenticeship programs from the Labor Peace Agreement requirements; 2) having the pre-apprenticeship and apprentices enrolled in a state-approved apprenticeship program" not "graduates of a state-approved apprenticeship program,"; and 4) how the Office of Cannabis or Workforce will account for the hiring requirement should either programs not be established or not enough individuals to hire from the program.

Josh Arce, Director of Workforce, Office of Economic and Workforce Development provided a good overview on how the City plans to work with State approved apprenticeship programs and develop a City-approved pre-apprenticeship program. The SBC also received a presentation on what a CityGrow program would be constructed.

The SBC stated confidence in San Francisco establishing a CityGrow program, based up the success of the CityBuild program. In the discussion the SBC did stressed the importance of mandating San Francisco Community-Based Organization (CBO)ⁱ participation in the programs. Mandating that participation will help ensure the San Francisco equity workforce the Board of Supervisors is targeting with the mandatory hiring requirements for this industry will be achieved.

OFFICE OF SMALL BUSINESS

SMALL BUSINESS COMMISSION

DR. CARLTON B. GOODLETT PLACE, ROOM 110, SAN FRANCISCO, CALIFORNIA 94102-4681
(415) 554-6408

The SBC was not afforded the ability to see a written copy of such amendments at the time of presentation as they were still with the City Attorney. As of today's date, November 28, 2018, I have received confirmation that the SBC recommendations are included in the substituted legislations and therefore the conditions of the SBC's recommendation for approval have been met.

Please feel free to contact me should you have any questions.

Sincerely,

cc;

Juplick hidrongs

Regina Dick-Endrizzi Director, Office of Small Business

Ahsha Safai, Member, Board of Supervisors, Kanishka Karunaratne Cheng, Mayor's Liaison to the Board of Supervisors Andres Power, Policy Director, Office of Mayor London Breed Nicole Elliot, Director, Office of Cannabis Josh Arce, Director of Workforce, Office of Economic and Workforce Development Lisa Pagan, Office of Economic and Workforce Development Alisa Somera, Clerk of the Rules Committee

ⁱ According to 20 U.S.C.A § 7801(6), the term "community-based organization" means "a public or private nonprofit organization of demonstrated effectiveness that:

(B) provides educational or related services to individuals in the community."

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⁽A) is representative of a community or significant segments of a community; and

BOARD of SUPERVISORS



City Hall 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco 94102-4689 Tel. No. 554-5184 Fax No. 554-5163 TDD/TTY No. 554-5227

MEMORANDUM

TO:

C:

William Scott, Police Chief Nicole Elliott, Director, Office of Cannabis Joaquin Torres, Director, Office of Economic and Workforce Development

FROM: John Carroll, Assistant Clerk, Public Safety and Neighborhood Services Committee, Board of Supervisors

DATE: August 3, 2018

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following proposed legislation, introduced by Supervisor Safaí on July 31, 2018:

File No. 180805

Ordinance amending the Police Code to require Cannabis Businesses, when entering into a City-mandated Labor Peace Agreement or collective bargaining agreement, to also agree that 35% of new hires shall be graduates of Stateapproved apprenticeship programs or of City-certified pre-apprenticeship programs, if a relevant program of either type exists.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

Rowena Carr, Police Department Asja Steeves, Police Department Ray Law, Office of Cannabis J'Wel Vaughan, Office of Economic and Workforce Development Ken Rich, Office of Economic and Workforce Development Lisa Pagan, Office of Economic and Workforce Development

BOARD of SUPERVISORS



City Hall 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco 94102-4689 Tel. No. 554-5184 Fax No. 554-5163 TDD/TTY No. 554-5227

MEMORANDUM

TO: Regina Dick-Endrizzi, Director Small Business Commission, City Hall, Room 448

FROM: John Carroll, Assistant Clerk, Public Safety and Neighborhood Services Committee, Board of Supervisors

DATE: August 3, 2018

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS Public Safety and Neighborhood Services Committee

The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 180805

Ordinance amending the Police Code to require Cannabis Businesses, when entering into a City-mandated Labor Peace Agreement or collective bargaining agreement, to also agree that 35% of new hires shall be graduates of Stateapproved apprenticeship programs or of City-certified pre-apprenticeship programs, if a relevant program of either type exists.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date:

No Comment

Recommendation Attached

Chairperson, Small Business Commission

President, District 10 BOARD of SUPERVISORS



City Hall 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco, CA 94102-4689

Tel. No. 554-7670 Fax No. 554-7674 TDD/TTY No. 544-5227

Malia Cohen

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PRESIDENTIAL ACTION	
Date: October 29, 2018	
To: Angela Calvillo, Clerk of the Board of Supervisors	BOA
Madam Clerk, Pursuant to Board Rules, I am hereby:	ARD OF S
Waiving 30-Day Rule (Board Rule No. 3.23)	N N N
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(Primary Sponsor)	os o x v
Itansferring (Board Rule No 3.3)	
File No. 180805 Safai	·
(Primary Sponsor) Title. First Source Hiring for Cannabis Apprenticeship	•
From: Public Safety & Neighborhood Services Committee	
To: Rules Committee	
Assigning Temporary Committee Appointment (Board Rule No. 3.1)	
Supervisor	
Replacing Supervisor	
For: Meetin (Committee)	g
Malia Cohen, President	

Board of Supervisors

Print Form

Introduction Form

Introduction Form	RECEIVED
By a Member of the Board of Supervisors or Mayor	SANFRANCISCO
I hereby submit the following item for introduction (select only one):	Anne stamp31 PM 1:56 or meeting date Ar
1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendmen	t).
2. Request for next printed agenda Without Reference to Committee.	
3. Request for hearing on a subject matter at Committee.	
4. Request for letter beginning :"Supervisor	inquiries"
5. City Attorney Request.	·
6. Call File No. from Committee.	
7. Budget Analyst request (attached written motion).	
8. Substitute Legislation File No.	
9. Reactivate File No.	· · ·
10. Topic submitted for Mayoral Appearance before the BOS on	
Please check the appropriate boxes. The proposed legislation should be forwarded to the foll	owing:
Small Business Commission Youth Commission Ethics Co	ommission
Planning Commission Building Inspection Commiss	sion
Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative	ative Form.
Sponsor(s):	
Supervisor Ahsha Safai	1
Subject:	L
Police Code - Agreements Between Cannabis Businesses and Labor Organizations for Hiring Apprenticeship and Pre-Apprenticeship Programs	Graduates of
The text is listed:	•
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Signature of Sponsoring Supervisor:	A A A A
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City Hall 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco 94102-4689 Tel. No. 554-5184 Fax No. 554-5163 TDD/TTY No. 554-5227

MEMORANDUM

RULES COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Ahsha Safai, Chair Rules Committee

FROM: Victor Young, Assistant Clerk V

DATE: December 4, 2018

BOARD of SUPERVISORS

SUBJECT: COMMITTEE REPORT, BOARD MEETING Tuesday, December 4, 2018

The following file should be presented as a **COMMITTEE REPORT** at the Board Meeting on Tuesday, December 4, 2018. This item was acted upon at the Rules Committee Meeting on Monday, December 3, 2018, at 10:00 a.m., by the votes indicated.

Item No. 25 File No. 180805

Police Code - Apprentice Hiring Requirements for Cannabis Businesses

Ordinance amending the Police Code to require Cannabis Businesses to ensure that 35% of new hires shall be registered apprentices enrolled in State-approved apprenticeship programs that have a memorandum of understanding (MOU) with one or more City-certified pre-apprenticeship programs, if a relevant State-approved apprenticeship program has such an MOU.

RECOMMENDED AS A COMMITTEE REPORT

Vote: Supervisor Ahsha Safai - Aye Supervisor Norman Yee - Excused Supervisor Catherine Stefani - Aye Supervisor Rafael Mandelman - Aye

Board of Supervisors Angela Calvillo, Clerk of the Board Alisa Somera, Legislative Deputy Director Jon Givner, Deputy City Attorney

C: