

**File No. 10-0225
10-1155
10-1155-S1
10-1155-S2
08-2122
07-1886
07-0465
05-2514**

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your BUDGET AND FINANCE Committee

reports as follows:

BUDGET AND FINANCE COMMITTEE REPORT relative to the City's billing and collection process, and related actions.

Recommendations for Council action, as initiated by Motions (Zine - Garcetti - Hahn - Rosendahl - Parks), (Hahn - Koretz - Garcetti - Zine), and (Koretz - Hahn - Garcetti):

1. INSTRUCT the City Administrative Officer, with the assistance of the Office of Finance and in consultation with the Chief Legislative Analyst to report on potential parameters and probable success of a billing amnesty program, including better ways to utilize the City Intranet for publication of delinquent non-tax debtors.
2. INSTRUCT the Office of Finance to report on the status of the creation of a centralized City billing process; including the anticipated increase in collections from utilization; the amount of time before a debt is referred to a collection agency; the authority which would be needed by the Revenue Manager to act as "Collections Sheriff."
3. INSTRUCT the Los Angeles Police and Fire Departments to report back on the current process of referring delinquent accounts to the Office of Finance with recommendations to expedite the process.
4. REQUEST the City Attorney to report on all legal options to pursue delinquent payments; other related penalties or asset acquisition; parameters under which legal action should be considered; and the amount of time appropriate to allow a collection agency to resolve payment before it is referred to the City Attorney.
5. INSTRUCT the Office of Finance, with the assistance of the City Administrative Officer, the Chief Legislative Analyst, the City Attorney, the Los Angeles Police and Fire Departments, and any other affected department, to report in 45 days with recommendations to structure a centralized billing and collections process and bring forth any ordinances needed for implementation.
6. REQUEST the City Controller to present the findings of her follow-up audit on billings and collections to the Audits and Governmental Efficiency Committee within the next 30 days,

and that the Committee examine the Controller's findings, meet with departmental heads and staff, and determine the necessary steps to take to ensure that we vastly improve our city's collections practices and fiscal status.

7. INSTRUCT the Los Angeles Department of Transportation to provide an update on referring delinquent accounts to contracted collection agencies and reference Council File No. 10-0225 in its response.
8. INSTRUCT the Office of Finance, with the assistance of the City Administrative Officer and the Chief Legislative Analyst to review Phase I and Phase II recommendations of the Macias report, reconcile Council actions to-date with those recommendations and submit revised recommendations within 45 days to the Budget and Finance Committee.
9. INSTRUCT the City Clerk to:
 - a. Close the following Council File Nos. 05-2514, 07-1886, 07-0465 and 08-2122 inasmuch as the recommendations have been adopted through previous Council actions and will now be considered under Council file 10-0225.
 - b. Refer all future reports submitted in response to previously requested report backs under Council File Nos. 05-2514, 07-1886, 07-0465, 08-2122, 10-1155, 10-1155-S1 and 10-1155-S2 to Council File No. 10-0225.
10. INSTRUCT departments to submit all reports requested in the above recommendations to the Budget and Finance Committee within 30 days, unless otherwise noted.

Fiscal Impact Statement: None submitted by the Office of Finance. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: Yes, by Studio City Neighborhood Council.

(Audits and Governmental Efficiency Committee waived consideration of the above matter)

SUMMARY

At its meeting of July 19, 2010, the Budget and Finance Committee considered an Office of Finance report transmitting a report by Macias Consulting Group relative to an assessment of the feasibility of centralizing billing and collections on a citywide basis and several Motions relative to outstanding collections and accounts receivable issues. During Committee discussion, representatives of the CLA, CAO and Macias Consulting Group provided an overview of the various issues pending under several Council files and responded to related questions from Committee members.

After consideration and an opportunity for public comment, the Committee recommended that Council adopt the recommendations reflected above. Recommendation numbers 1 through 4 were initiated by CF 10-1155, Motion (Zine-Garcetti-Hahn-Rosendahl-Parks); recommendation number 5 was initiated by CF 10-1155-S1 Motion (Hahn-Koretz-Garcetti-Zine); and recommendation number 6 was initiated by CF 10-1155-S2; Motion (Koretz-Hahn-Garcetti). This matter is now forwarded to the Council for consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PARKS:	YES
SMITH:	YES
ROSENDAHL:	YES
HUIZAR:	ABSENT
KORETZ:	YES

BW/ep
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-NOT OFFICIAL UNTIL COUNCIL ACTS-