

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: February 1, 2010

CAO File No. 0220-04549-0000

Council File No. 09-2560

Council District: 13<sup>th</sup> District

To: Audits and Governmental Efficiency Committee

From: Miguel A. Santana, City Administrative Officer *MS*

Reference: Motion (Garcetti-Parks) dated October 16, 2009

Subject: **Ad Hoc Commission on Revenue Efficiency**

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### SUMMARY

On December 1, 2009 your committee requested the City Administrative Officer, in consultation with the Chief Legislative Analyst, to report on the referenced motion which would establish a commission to examine the City's methods of revenue collection and other financial practices with a focus on revenue maximization and efficiency. This report addresses the creation of such an advisory body, including the recommended composition, specific areas of focus, and commitment of City staff support.

#### **Ad Hoc Commission on Revenue Efficiency**

The entity would be called the Ad Hoc Commission on Revenue Efficiency (Ad Hoc Commission) and should consist of appointed outside experts knowledgeable about revenue collections and revenue enhancements. The Ad Hoc Commission would consist of seven members: two appointed by the Mayor, two appointed by the Council President and one each appointed by the Controller, the Audits and Governmental Efficiency Committee Chair and the Budget and Finance Committee Chair. Members of the Ad Hoc Commission would not be elected officials, members of other City commissions or City staff.

The Ad Hoc Commission would make recommendations in such areas as revenue collections; tax compliance; accounts receivable collections; new revenues; centralized billing; implementation of the City Controller's audit of City collection practices; and other revenue-related studies.

The Ad Hoc Commission would meet for a duration of six months, to allow for early impacts from recommendations. As a Council-created body, the Ad Hoc Commission must comply with the Brown Act, including public notice requirements and public comment. Staffing assistance would be provided within existing resources by the Office of Finance, with the assistance of the CAO and CLA.

## **RECOMMENDATIONS**

That the Council:

1. Authorize the creation of an Ad Hoc Commission on Revenue Efficiency for a six-month period, consisting of seven members who are experts in the fields of revenue collections and revenue enhancements, with the Mayor and Council President each appointing two members and with the Controller, the Audits and Governmental Efficiency Committee Chair and the Budget and Finance Committee Chair each appointing one member.
2. Direct the Ad Hoc Commission on Revenue Efficiency to evaluate and recommend improvements in the following areas: revenue collections, tax compliance, accounts receivable collections, new revenues, centralized billing, implementation of the City Controller's audit of the City's collection practices and other revenue-related studies.
3. Instruct the Office of Finance, with the assistance of the City Administrative Officer and Chief Legislative Analyst, to provide staffing support to the Ad Hoc Commission on Revenue Efficiency, including compliance with Brown Act requirements, the release of agendas, analysis and presentation of data and other support as needed.

## **FISCAL IMPACT STATEMENT**

Adoption of the above recommendations will not impact the City's budget. Staffing for the Ad Hoc Commission on Revenue Efficiency will be provided by the Office of Finance, City Administrative Officer and Chief Legislative Analyst within existing resources. The fiscal impacts of implementing any recommendations of the Ad Hoc Commission on Revenue Efficiency are unknown.

*MAS:BGF:16090005*