

RULES, ELECTIONS, AND INTERGOVERNMENTAL RELATIONS COMMITTEE
REPORT relative to Office of Finance (Finance) secure cash acceptance operations.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE Finance to disencumber up to \$835,997 from Fiscal Year (FY) 2016-17 encumbered balance within Finance Fund No. 100/39, Account No. 004040, Bank Services Fees; and, AUTHORIZE the Controller to revert the disencumbered amount to the Reserve Fund.
2. REAPPROPRIATE \$835,997 from the Reserve Fund to the Unappropriated Balance Fund No. 100/58 and appropriate therefrom to Finance Fund No. 100/39 as follows:

<u>Account</u>	<u>Title</u>	<u>Amount</u>
001010	Salaries - General	\$564,000
003040	Contractual Services	171,000
006010	Office and Administration	<u>100,997</u>
		Total: \$835,997

3. AUTHORIZE the following 10 resolution authority positions in FY 2017-18 for Finance, subject to position allocation by the Personnel Department and pay grade determination by the City Administrative Officer (CAO):

<u>No.</u>	<u>Class Code</u>	<u>Title</u>
1	1179-3	Tax Compliance Officer III
1	1201	Principal Clerk
4	1229	Customer Service Specialist
4	1514-2	Tax Auditor II

4. INSTRUCT Finance, with the assistance of the Department of General Services, CAO, City Attorney, and Los Angeles Police Department, to report by December 2017 with options to address space issues, cash acceptance facility requirements, and security needs related to both auditing and cash acceptance from the cannabis industry for both the short and long term.
5. INSTRUCT Finance to report by January 2018 with FY 2018-19 budgetary requirements for accepting cannabis industry business tax payments on a quarterly basis.
6. AUTHORIZE Finance to make technical corrections as necessary to implement Mayor and Council intentions.

Fiscal Impact Statement: None submitted by Finance nor the City Attorney. Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of these reports.

Community Impact Statement: None submitted.

(The City Council may recess to Closed Session, pursuant to Government Code Section 54957(a), to confer with its legal counsel relative to matters regarding a security threat to public buildings, facilities, and the public's right to access the buildings and public services.)

SUMMARY

At a special meeting held on September 25, 2017, the Rules, Elections, and Intergovernmental Relations Committee considered various reports from Finance and the City Attorney relative to secure cash acceptance operations in connection with revenue from commercial cannabis activity in the City of Los Angeles.

During the Committee's consideration of this matter, the Committee Chair submitted into the record amendments replacing Recommendation Nos. 1 - 4 in the Finance report dated September 20, 2017, as attached to the Council file.

After further consideration, and after providing an opportunity for public comment, the Committee recommended that Council approve the recommendations in the Finance report dated September 20, 2017 as amended and detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

RULES, ELECTIONS, AND INTERGOVERNMENTAL RELATIONS COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
WESSON:	YES
HUIZAR:	YES
HARRIS-DAWSON:	YES

REW 10/19/17 FILE NOS. 16-0600-S170, 17-0600-S31, 17-0768

-NOT OFFICIAL UNTIL COUNCIL ACTS-