



City Council Agenda Item

City Council Meeting Date: December 7, 2021

TO: Jim Throop, City Manager

FROM: Dean Albro, Management Services Director
d_albro@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No. 6465(21) Authorizing Examination of Sales or Transactions and Use Tax Records by City's Contractor HdL

Recommendation:

Staff recommends the City Council adopt Resolution No. 6465(21) authorizing Hinderliter, de Llamas and Associates (HdL) to examine the City's sales or transactions and use tax records pursuant to City's contract with HdL to manage those records (Attachment 1).

Background:

In 1959 the City contracted with the State Board of Equalization (now known as the California Department of Tax and Fee Administration [Department]) to collect its sales or transactions and use taxes.¹

On March 3, 2020, a Consolidated General Election was held and conducted in the City and the voters of the City were asked to consider Measure I2020 establishing a temporary 1% sales tax in the City. On April 21, 2020, the results of that election were declared and the tax was approved.² On that same date, the City Council authorized the Department to collect that tax.³

On April 13, 1990, the City entered a contract with HdL for continuous monitoring of the collection of taxes for the benefit of the City. On October 29, 2021, the City Manager under his contract authority, entered into an additional contract with HdL to implement a similar tax management program concerning the Measure I2020 taxes (Attachment 2).

¹ See Resolution No. 1084 and Ordinance No. 560 both adopted on 11/17/59. See also Ordinance No. 562 adopted on 11/24/59.

² See Ordinance No. 1672(19) and Resolution No. 6314(20).

³ See Resolution No. 6315(20).

Discussion:

In order to perform their duties in the contract with the City, HdL requires access to the Department's records. As a result of their request for such access, the Department has provided a template for the attached Resolution, which is required before access to the records will be granted by the Department to HdL.

Fiscal Impact:

There is no direct fiscal impact for the adoption of Resolution No. 6465(21) other than the costs of the contract with HdL. However, not providing the required resolution so HdL can access the Department's records on behalf of the City, could have a negative fiscal impact as there would be no ongoing monitoring of the taxes being collected on the City's behalf by the Department.

Conclusion:

Adoption of Resolution No. 6465(21) is a requirement of the Department in order for the City's contractor, HdL, to perform its work in assisting the City with ensuring taxes are correctly collected on its behalf by the Department.

Respectfully submitted,

Dean Albro, Management Services Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager

Attachments: 1) Resolution No. 6465(21)
2) Professional Services Agreement with HdL