



## City Council Agenda Item

**City Council Meeting Date:** October 17, 2023

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Dean Albro, City Manager  
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**SUBJECT:** Adoption of Resolution No. 6610(23) Authorizing Examination of Sales and Use Tax Records by Specified Staff Positions and Contractors

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### **Recommendation:**

Staff recommends the City Council adopt Resolution No. 6610(23) (attached) authorizing certain staff positions and contractors to examine sales and use tax records pursuant to Revenue and Taxation Code Section 7056.

### **Background:**

The City adopted Ordinance No. 369 on March 16, 1948, and Ordinance No. 465 on November 20, 1956. The two ordinances together provided for the consolidation of the City's share of sales and use tax collection by the State of California Board of Equalization (Board) including the City's 1% Bradley-Burns sales tax. Prior to the consolidation, the State of California had a myriad of collection agencies throughout the state.

Resolution No. 6087(17) was adopted on January 3, 2017, and provided for the delivery of confidential information from the Board to authorized City staff and consultants. The City, pursuant to those resolutions, has been using Hinderliter, de Llamas & Associates (the HdL Companies) since 2017 to provide both review and correction services related to misallocations of sales tax receipts, as well as budget projection information based on historical receipts.

### **Discussion:**

Since 2017 and with the adoption of Resolution No. 6087(17), the City has experienced changes in the organization, including new position allocations, deletions, and changes in the process to project sales tax revenue streams. Adoption of Resolution No. 6610(23) will update the list of authorized individuals to include those new positions, along with previously authorized individuals, all who of which are involved in budget projections and budget analysis, to receive the Board information.

**Fiscal Impact:**

There is no fiscal impact to the City in updating the authorization resolution to allow for the distribution of Board information to the City. The City will continue with the evaluation and correction review process provided by the HdL Companies and selected staff positions.

It should be noted, the individuals provided the authority must adhere to the Board's confidentiality requirements. In summary, local officials, who are allowed access to confidential records, must use such information only for the governmental purposes set forth in the resolution and those records are not subject to release in public meetings or other such forums. Confidential records may not be shared with other local officials who have not been authorized by resolution to receive them. To do so would subject the City to monetary fines and penalties and civil penalties to the individuals.

**Conclusion:**

By adopting Resolution No. 6610(23), the City increases its flexibility in reviewing sales tax records by updating positions of the City who have access to the data and to assist with budget projections.

Respectfully submitted,

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Dean Albro, City Manager

Attachment: Resolution No. 6610(23)