

**CITY OF OAKLAND**  
**AGENDA REPORT**

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2010 APR 29 PM 7:54

**TO:** Office of the City Administrator  
**ATTN:** Dan Lindheim  
**FROM:** Finance and Management Agency  
**DATE:** May 11, 2010

**Re:** Adopt A Resolution Amending Resolution No. 65866 C.M.S., Authorizing And To Update and Expand The List Of Designated City Officials To Include The City Administrator, Director Of Community And Economic Development Agency, Budget Director, Principal Financial Analyst, Financial Analyst, Finance Director, Revenue And Tax Administrator, City Administrator Analyst, Revenue Audit Supervisor, Revenue Operations Supervisor, Revenue Collection Supervisor, Tax Auditor III, Tax Auditor II, Tax Enforcement Officer II, Tax Representative II, Collection Officer, And Revenue Assistant And A Consultant Authority To Examine Sale And Use Tax Records For The City Of Oakland From The Board Of Equalization Pursuant To Government Code Section 7056

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**SUMMARY**

This report presents amendments to Resolution No. 65866 C.M.S., to address updating and expanding the list of authorized City positions to receive and review sales and use tax records for the City of Oakland (City) from the Board of Equalization (BOE).

The current resolution with the BOE allows only the City Manager, Director of Economic Development and Employment, and the Director of Finance to review sales and use tax records in behalf of the City. Two of the three position titles no longer exist. This places limitations on who can receive and review sales and use tax records for the City.

It is staff's recommendation to update and expand the list to include the City Administrator (title change only), Director of Community and Economic Development Agency (title change), Budget Director, Principal Financial Analyst, Financial Analyst, Finance Director (title change), Revenue and Tax Administrator, City Administrator Analyst, Revenue Audit Supervisor, Revenue Operations Supervisor, Revenue Collection Supervisor, Tax Auditor III, Tax Auditor II, Tax Enforcement Officer II, Tax Representative II, Collection Officer, and Revenue Assistant.

**FISCAL IMPACT**

There is no fiscal impact.

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Finance and Management Committee  
May 11, 2010

## **BACKGROUND**

In 1988, Resolution No. 65866 C.M.S. was approved authorizing only the City Manager, Director of Economic Development and Employment, and Director of Finance to receive and review sales and use tax records for the City from the BOE.

The resolution also authorizes the Consulting firm Hinderliter, de Llamas & Associates to receive and review sales and use tax records in behalf of the City.

## **DISCUSSION**

The Revenue Division is currently in the process of implementing its new Revenue Collection Strategic Plan which includes detecting, correcting and monitoring sales and use tax revenues. Therefore, in order to achieve these goals and objectives it will be necessary for the City to modify Section 2 and Section 3 of the resolution to include the staff positions noted in the report.

However, it may be necessary to revisit Section 3 of the resolution should the City in the future wish to expand its revenue enhancement strategies for a Business Cooperation Program or to address sales and use tax overpayments utilizing other consultants.

## **KEY ISSUES AND IMPACTS**

It is important to ensure continued collection and receipt of tax revenues. Therefore, it is recommended that these additional positions be included in the resolution.

## **SUSTAINABLE OPPORTUNITIES**

Economic: By modifying this resolution it is anticipated to have some economic benefit by staff taking additional efforts in preventing, detecting and correcting sales and use tax records.

Environmental: There are no environmental opportunities resulting from the recommended changes to the Resolution.

Social Equity: This modification will assist staff in ensuring that all taxpayers selling or consuming tangible personal property are properly in compliance with sales and use tax laws.

## **DISABILITY AND SENIOR CITIZEN ACCESS**

There are no impacts on disability and senior access from the recommended changes to the Resolution.

**RECOMMENDATION AND RATIOALE**

Staff recommends City Council approval of the proposed changes amending Resolution No. 65866 C.M.S to update and expand the list of authorized city officials and the City's Consultant to ensure proper access to examine sales and use tax records pursuant to Government Code 7056.

The position titles to be authorized are: the City Administrator (title change only), Director of Community and Economic Development Agency (title change), Budget Director, Principal Financial Analyst, Financial Analyst, Finance Director (title change), Revenue and Tax Administrator, City Administrator Analyst, Revenue Audit Supervisor, Revenue Operations Supervisor, Revenue Collection Supervisor, Tax Auditor II, Tax Enforcement Officer II, Tax Representative II, Collection Officer, and Revenue Assistant.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends City Council approval of the proposed changes amending Resolution 65866 C.M.S to expand the list of authorized city officials and the City's Consultant to ensure proper access to examine sales and use tax records pursuant to Government Code 7056.

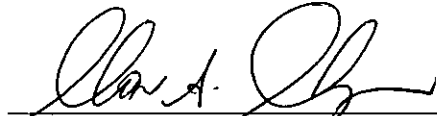
Respectfully submitted,



Joseph T. Yew, Jr.  
Director, Finance and Management Agency

Prepared by:  
David McPherson, Revenue and Tax Administrator

APPROVED AND FORWARDED TO THE  
FINANCE AND MANAGEMENT COMMITTEE:



Office of the City Administrator

Item: \_\_\_\_\_  
Finance and Management Committee  
May 11, 2010

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# OAKLAND CITY COUNCIL



City Attorney

RESOLUTION NO. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

ADOPT A RESOLUTION AMENDING RESOLUTION NO. 65866 C.M.S., AUTHORIZING AND TO UPDATE AND EXPAND THE LIST OF DESIGNATED CITY OFFICIALS TO INCLUDE THE CITY ADMINISTRATOR, DIRECTOR OF COMMUNITY AND ECONOMIC DEVELOPMENT AGENCY, BUDGET DIRECTOR, PRINCIPAL FINANCIAL ANALYST, FINANCIAL ANALYST, FINANCE DIRECTOR, REVENUE AND TAX ADMINISTRATOR, CITY ADMINISTRATOR ANALYST, REVENUE AUDIT SUPERVISOR, REVENUE OPERATIONS SUPERVISOR, REVENUE COLLECTION SUPERVISOR, TAX AUDITOR III, TAX AUDITOR II, TAX ENFORCEMENT OFFICER II, TAX REPRESENTATIVE II, COLLECTION OFFICER, AND REVENUE ASSISTANT AND A CONSULTANT AUTHORITY TO EXAMINE SALE AND USE TAX RECORDS FOR THE CITY OF OAKLAND FROM THE BOARD OF EQUALIZATION PURSUANT TO GOVERNMENT CODE SECTION 7056

**WHEREAS**, pursuant to Oakland Municipal Code Title 5, Chapter 5.04, Section 5.04.150, the City of Oakland entered into a contract with the State Board of Equalization to perform all functions related to the administration and collection of local sales and use taxes; and

**WHEREAS**, the City Council of the City of Oakland deems it desirable and necessary for authorized representatives of the City to examine confidential sales and use tax records of the State Board of Equalization pertaining to sales and use taxes collected by the Board for the City pursuant to that contract; and

**WHEREAS**, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board records, and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales and use tax records of the Board; now, therefore, be it

**RESOLVED**, that the City Council of the City of Oakland hereby finds, determines, declares and resolves as follows:

**Section 1.** The City Administrator, Director of Community and Economic Development Agency, Budget Director, Principal Financial Analyst, Financial Analyst, Finance Director, Revenue and Tax Administrator, City Administrator Analyst, Revenue Audit Supervisor, Revenue Operations Supervisor, Revenue Collection Supervisor, Tax Auditor III, Tax Auditor II, Tax Enforcement Officer II, Tax Representative II, Collection Officer, Revenue Assistant (all authorized position titles) of the City designated in writing by the Finance Director (position title allowed to designate) to the State Board of Equalization (hereafter referred to as Board), is/are hereby appointed to represent the City with authority to examine sales and use tax records of the Board pertaining to sales and use taxes collected for the City by the Board pursuant to the

contract between the City and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales and use taxes by the Board pursuant to that contract.

**Section 2.** The City Administrator, Director of Community and Economic Development Agency, Budget Director, Principal Financial Analyst, Financial Analyst, Finance Director, Revenue and Tax Administrator, City Administrator Analyst, Revenue Audit Supervisor, Revenue Operations Supervisor, Revenue Collection Supervisor, Tax Auditor III, Tax Auditor II, Tax Enforcement Officer II, Tax Representative II, Collection Officer, and Revenue Assistant (all authorized position titles) or other officer or employee of the City designated in writing by the Finance Director to the Board, is/are hereby appointed to represent the City with authority to examine those sales and use tax records of the Board, for purposes related to the following governmental functions of the City:

- (a) Revenue audits and compliance review
- (b) Economic development programs
- (c) Budget forecasting
- (d) And other sales and use tax related issues

The information obtained by examination of Board records shall be used only for those governmental functions of the City listed above.

**Section 3.** The HDL Companies is hereby designated to examine the sales and use tax records of the Board pertaining to sales and use taxes collected for the City by the Board. The person or entity designated by this section meets all of the following conditions:

- a) has an existing contract with the City to examine those sales and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales and use tax records only to the officer or employee authorized under Section I (\*or section 2) of this resolution to examine the information.
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract; and
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales and use tax records, after that contract has expired.

The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales and use taxes by the Board pursuant to the contract between the City and the Board (\*and for purposes relating to the governmental functions of the City listed in section 2 of this resolution); and be it

**FURTHER RESOLVED**, that this resolution supersedes all prior resolutions of the City Council of the City adopted pursuant to subdivision (b) of Revenue and Taxation Code December 13, 1988 Section 7056; and be it

**FURTHER RESOLVED**, that this Resolution shall take effect immediately upon its passage.

**IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_\_\_\_**

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSENTENTION -

ATTEST: \_\_\_\_\_  
La Tonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

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