

# REVENUE DIVISION UPDATE

PRESENTED: MARCH 12, 2024



## 30-DAY UPDATE

- Restructuring of Revenue Division.
  - Personnel Changes
  - Realignment of Duties & Responsibilities
- Additional temporary staffing authorized by City Manager. Permanent positions will be requested in FY25 budget from Finance Department.
  - Administrative Assistant
  - Revenue Analyst\*
  - License & Tax Clerks
  - Asst. Finance Director\*
  - Revenue Auditor\*

\* Note: It may be challenging to recruit talent for temporary positions.

## 30-DAY UPDATE

- Reviewing/updating of operational policies and procedures.
  - Implemented changes to processing of mail.
  - Implemented changes to handling of cash.
  - Implemented changes to enforcement notification to Code Enforcement.
- Conducting weekly system improvement/online migration meetings with staff from Information Technology, Inspections and Code, and Finance.
- City Manager and Deputy City Manager employees are assisting with the organization of files.

# 30-DAY UPDATE

**BEFORE**



**AFTER**



# “WHERE WE ARE”

## UPDATED RECAP FROM EXECUTIVE SUMMARY REPORT PRESENTED TO COUNCIL ON 10/31/23

### Active processed licenses to date are as follows:

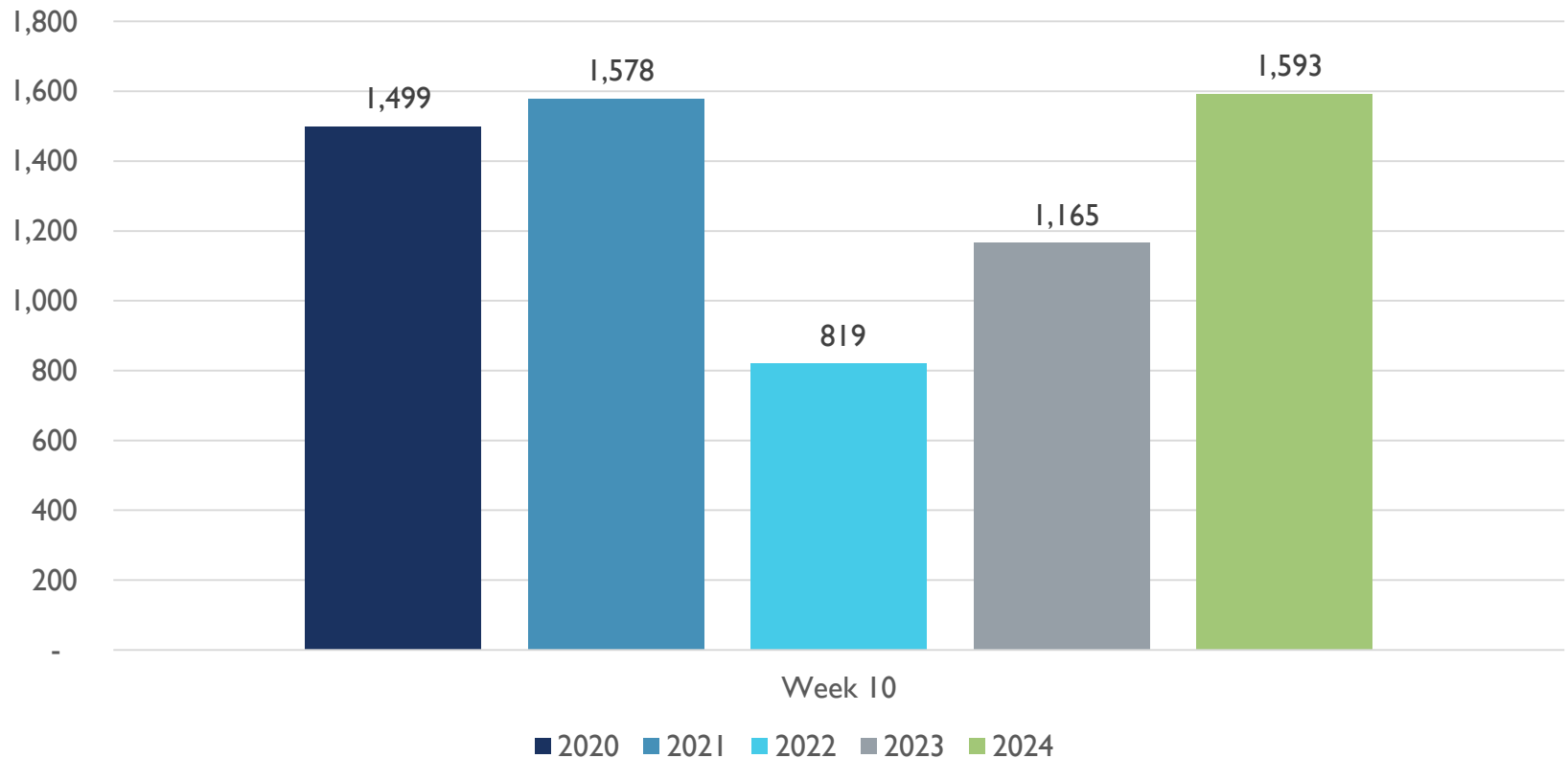
	Oct 2023	Jan 2024	Mar 2024
2020	7,892	7,910	7,912
2021	7,933	7,999	8,006
2022	7,387	7,579	7,626
2023	6,791	7,498	7,575

Of the 3,557 delinquent accounts turned over to Code Enforcement, a summary of list is below:

- Code Enforcement Officer Issued Warning Citations = 1,004
- Closed or Renewed Business or Code Enforcement Officer Verified Out of Business = 2,553
  - 459 Out of County Delinquent Licenses
  - 559 Non-Compliance Resolved
  - 1,535 Confirmed Out of Business by Code Enforcement

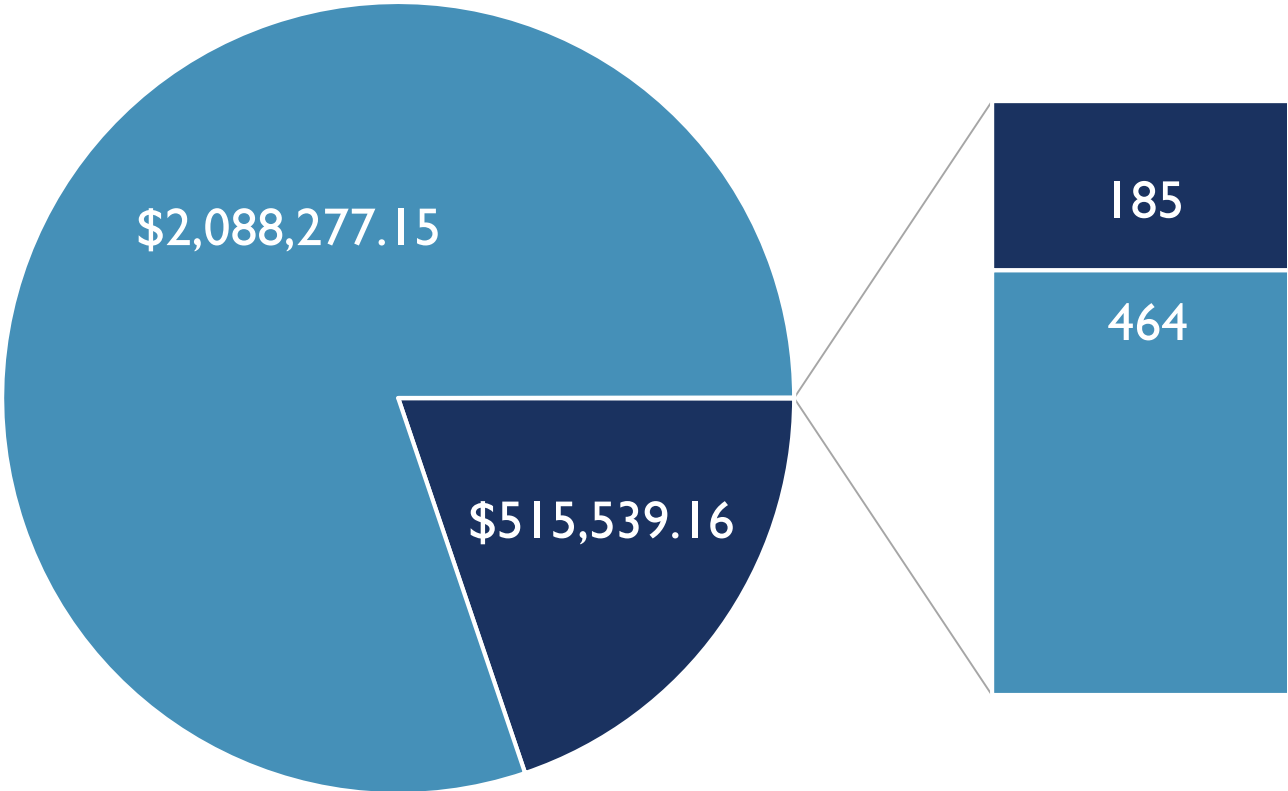
# 30-DAY UPDATE

## Active Licenses Processed



# 30-DAY UPDATE

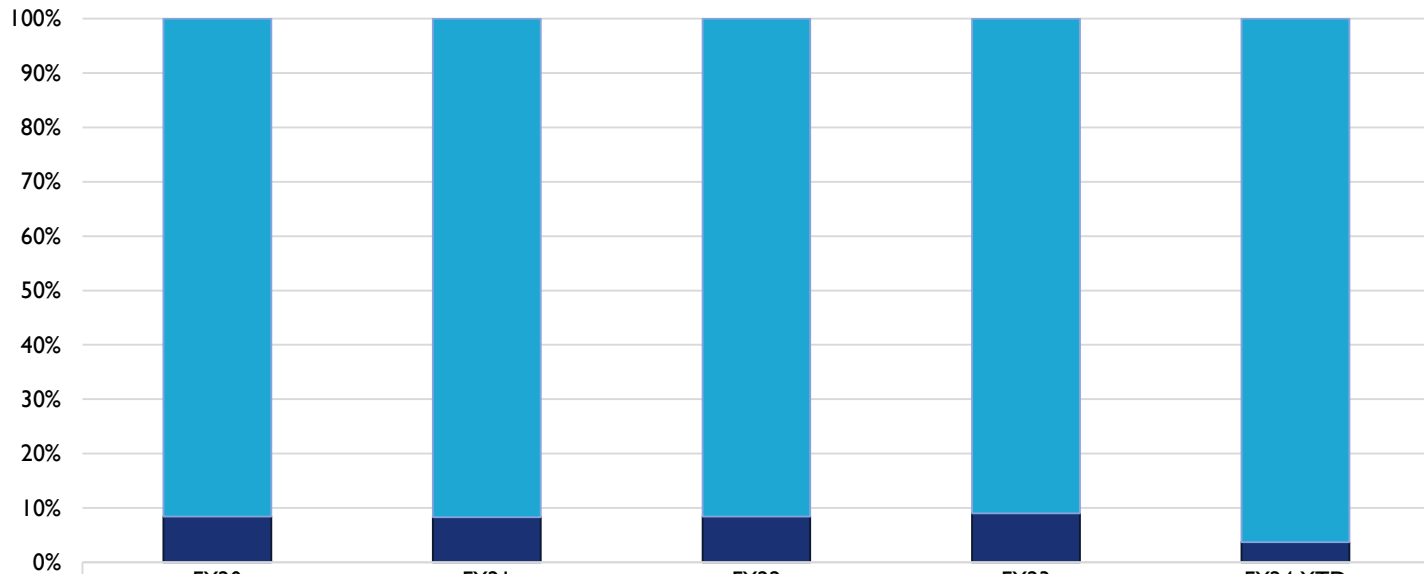
## Lockbox



■ \$ Problems   ■ \$ Pending   ■ # Problems   ■ # Pending

# OCCUPATION TAX REVENUE

Occupation Tax Revenue as a Percentage of General Fund Revenue



	FY20	FY21	FY22	FY23	FY24 YTD
General Fund Revenue	169,037,828	175,854,048	179,127,553	190,500,721	134,088,528
Occ Tax Revenue	15,508,938	15,982,421	16,448,269	18,857,803	5,186,699



# OCCUPATION TAX GAP

Tax gap occurs when taxpayers, intentionally or inadvertently, fail to file a required tax return altogether or on time.

- Points to consider for occupation tax gap analysis:
  - Occupation taxes are a derived income tax based on the economic activity and earnings of a business.
  - The city does not receive third party reporting information for businesses.
  - However, if the assumption is made that the last tax prepayment applied to a business account is indicative of subsequent tax payments then the value of delinquent accounts for 2020 – 2023 is estimated to be \$3.47 million.

## 2024 AND BEYOND

- Finance will continue resolution of license renewals received prior to FY24 through appropriate action with either the issuance of a license, follow-up to a problem letter, or enforcement action by targeted completion date of April/May 2024
- Begin recruitment for new temporary positions.
- Implement online processing for some taxes and permits by the end of second quarter in 2024.
- Implement online license renewals for next occupation tax renewal season.
- Continue review of policies & procedures.
- Continue quarterly progress updates to City Manager, Mayor, and Council.



Questions?