



# City of Culver City

## Staff Report

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Item #: A-4.

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**(1) Receive Reports from the Government Efficiency Ad Hoc Subcommittee; (2) Receive Reports from the Business License Review Ad Hoc Subcommittee; (3) Discuss Report Recommendations and Determine Next Steps; and (4) Provide Direction to Staff, If Deemed Appropriate**

**Meeting Date:** November 10, 2021

**Contact Person/Dept:** Erica McAdoo/Finance Department

**Phone Number:** (310) 253-5865

**Fiscal Impact:** Yes  No

**General Fund:** Yes  No

**Public Hearing:**  **Action Item:**  **Attachments:**

**Public Notification:** (E-Mail) Meetings and Agendas - Finance Advisory Committee (11/04/2021)

**Department Approval:** Onyx Jones, Chief Financial Officer (11/04/2021)

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### **RECOMMENDATION**

Staff recommends that the Finance Advisory Committee (FAC) (1) receive reports from the Government Efficiency Ad Hoc Subcommittee; (2) receive reports from the Business License Review Ad Hoc Subcommittee; (3) discuss reports' recommendations and determine next steps; and (4) provide direction to Staff, if deemed appropriate.

### **BACKGROUND/DISCUSSION**

Based on the proposed Fiscal Year 2022 FAC Work Plan, the following FAC Ad Hoc Subcommittees were created and will offer reports for discussion, recommendations, and next steps to provide direction to Staff, if deemed necessary:

- Government Efficiency Ad Hoc Subcommittee
  - Members: Diga Jacobsen, Griffing
  - Purpose: This ad hoc subcommittee was established to research and implement a City Innovation Award Program to encourage Employees, Departments or Committee/Advisory Commission members to contribute towards increased efficiency,

improved quality of life for Culver City residents, reduced costs and/or generated revenue, or demonstrated distinguished performance based on department goals/outcome measures. The ad hoc subcommittee has developed a process, application, initial timeline, and secured funding via the approved Fiscal Year 2021/2022 Adopted Budget.

- Report: The subcommittee met on October 25, members Griffing, Quinn and Lachman present and Jacobsen excused.

The subcommittee reviewed and updated the questionnaire and discussed coordination for types of awards. It was agreed that the subcommittee would wait until the nominations come in, but it would be preferred to have at least one award that focused on savings and another on environmental and carbon reduction impacts.

The subcommittee will meet again to finalize the questionnaire and communication in the coming next two weeks and will confer with the City Manager's office about sending out a cover letter.

- **Business License Review Ad Hoc Subcommittee**

- Members: Jones, Lachman, Lachoff, Menthe
- Purpose: This ad hoc subcommittee was established to investigate and recommend revisions to the Business License Ordinance and research best practices of other municipalities regarding business license payment and penalties. The FAC has included this activity as a proposed FY2021/2022 Work Plan Item, pending City Council approval and direction.
- Report: The committee met on November 4, members Lachman, Lakoff and Menthe present, Jones absent.

The subcommittee agreed that maintaining an exemption for the first \$100,000 in revenue was a good idea and should be retained to assist small businesses.

The subcommittee also reviewed the last proposal and looked at the rates of other cities with comparable industries such as West Hollywood, Beverly Hills and Los Angeles to re-examine the proposed three level tax structure (\$1/thousand for retail \$4/thousand for professions and brokers and \$2/thousand for all other industries including movie studios, tech companies and consultants.

Looking at the competitive advantages with other cities, the subcommittee re-examined the rates based on rates of \$1.25 to \$1.44 for studios and tech companies from these other cities, the subcommittee decided to re-examine the rates in the middle tier and explore dividing into two rates that are competitive but above the rates from Los Angeles and West Hollywood.

However, the subcommittee noted that the revenue data is from early 2019, and will be significantly out of date by any 2022 ballot measure. With updated revenue figures for 2020 or as much of 2021 as possible, we will be able to make realistic projections including the city's current post-pandemic business mix. The framework from early 2020 will be the basis for the committee's work in general, but we will want review to ensure that rates are competitive with Los Angeles, West Hollywood, among other cities.

## **ATTACHMENTS**

None

## **MOTION**

That the FAC:

1. Receive Reports from the Government Efficiency Ad Hoc Subcommittee; and
2. Receive Reports from the Business License Review Ad Hoc Subcommittee; and
3. Discuss Report Recommendations and Determine Next Steps; and
4. Provide Direction to Staff, If Deemed Appropriate