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April 22, 2025

Honorable Members of the Los Angeles City Council
c/o Office of the City Clerk
200 North Spring Street, Room 395
Los Angeles, CA 90012

RE: OFFICE OF FINANCE - 2025-26 PROPOSED BUDGET

Dear Honorable Members:

I appreciate the opportunity to provide comments on the Mayor's 2025-26 Fiscal Year Proposed Budget for the Office of Finance. Given the current fiscal reality, I recognize the difficult decisions that both the Mayor and City Council face in putting together a budget that both meets Citywide priorities and maintains strong fiduciary stewardship. The Budget now proposed for your consideration shows just how trying that can be.

I understand what it takes to thrive in challenging fiscal times because my Office is actively navigating that now. As part of the 2024-25 Fiscal Year, Finance has had to absorb the deletion of 33 positions and has been unable to address staffing gaps as employees attrit as a result of retirements or promotions. These reductions resulted in an inability to tackle major revenue-generating operations such as tax discovery, audits, and delinquent account collections. Specifically, this translated to a slowdown in email response times from days to months, an aging LATAX system, and revenue-generating staff across the department being reassigned to perform administrative tasks rather than bringing in tax receipts.

We have also had to contend with underfunding in several accounts for operations that are core and necessary to our revenue-generating activities.



Throughout the current fiscal year, we have cut back where possible, and worked with the Office of the City Administrative Officer to make us whole through ongoing financial status reports to ensure that we continue to collect revenues this year for the City's existing needs. But these problems are not unique – I know that these types of struggles are being felt by every department across the City.

While simply managing on a daily basis has been challenging, Finance was called to action in the wake of the wildfires. We showed that our department is ready to problem solve for City leadership and we offered two programs -- the Business Tax Extension Program and the Business Tax Relief Program. I mobilized staff to implement these programs quickly and efficiently; and we successfully implemented these programs for taxpayers in need. We have provided fact-based data on the impacts of these programs and will continue to do so until these efforts are completed.

Looking at the realities of the 2025-26 budget, the coming fiscal year appears even more difficult. But the Office of Finance stands ready to be part of the solution. At the Council's request, my Office is working on a number of proposals that would increase revenue in future years. More urgently, I'm pleased to present a proposal that would generate millions of dollars of additional revenue in 2025-26 and beyond, and potentially help mitigate planned layoffs. I look forward to discussing our proposals and requests with the Budget and Finance Committee over the weeks to come.

Finance's 2025-26 Proposed Budget

Illustrating the anticipated complexities of the coming fiscal year, the Mayor's 2025-26 Proposed Budget for Finance includes a combination of small targeted investments and drastic reductions. Below is a comparison of our Proposed Budget relative to the current fiscal year.

	2024-25 Adopted Budget	2025-26 Proposed Budget	Percent Change
Salaries (Full-Time) Funding	\$38.95M	\$36.32M	(6.7)%
Overtime Funding	\$346K	\$46K	(86.7)%
As-Needed Salaries Funding	\$396K	\$396K	--
Expense Funding	\$9.79M	\$10.12M	3.3%
TOTAL FUNDING	\$49.48M	\$46.89M	(5.23)%
TOTAL POSITIONS	359	314	(12.5)%

Targeted Investments

Finance is grateful that the Mayor has provided appropriations for current LATAX system maintenance and cloud data storage (Blue Book Item 15 - \$780K) and electronic billing and mail services (Blue Book Item 16 - \$300K) in order to resolve the current underfunding of these necessary operations.

Areas of Immediate Concern

Position Eliminations

The overall reduction of positions to Finance over the current and upcoming fiscal years leaves Finance with fewer positions than the resources provided in decades past, including at the height of the Great Recession.

	2009-10 Adopted Budget	2010-11 Adopted Budget	2023-24 Adopted Budget	2024-25 Adopted Budget	2025-26 Proposed Budget
	Height of the Great Recession		Most Current Fiscal Years and Proposed		
Total Position Authorities	421	391	392	359	314

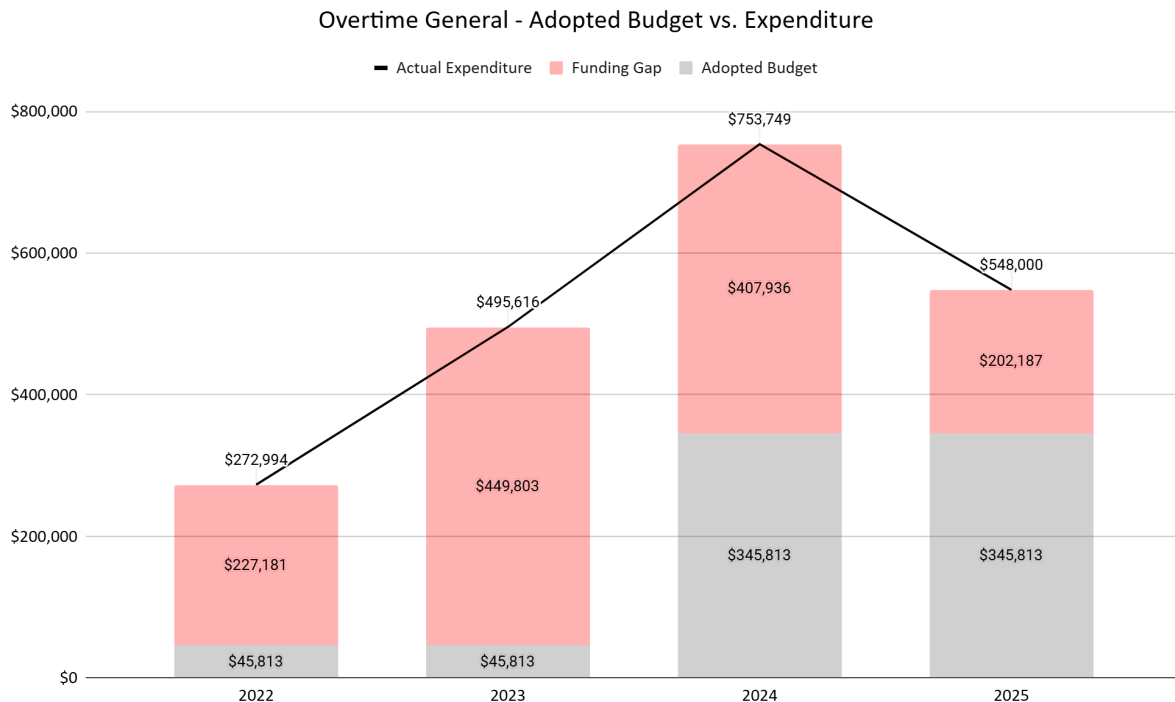
The 2025-26 Proposed Budget includes an incredible loss of 45 vacant position authorities (12.5% of the 2024-25 budget), leaving Finance with near zero vacant positions (1.9% vacancy rate). I am extremely appreciative that the Mayor recognizes the core revenue-generating function of our department and, as presented, the Proposed Budget does not include the deletion of filled positions. However, the decrease in staffing capability and consequent loss of revenue-generating and recovery opportunities must be acknowledged. Additionally, the Proposed Budget includes a nine percent salary savings rate, where position elimination prevents us from meeting full-year payroll obligations due to insufficient vacancies that are historically used to achieve the salary savings rate.

Investments in my department and its staff directly lead to a greater ability to collect on the taxes that are owed to the City. In times of greatest financial uncertainty, we should be investing more in the workforce that bolsters revenues receipts, rather than downsizing. For example the average Tax Compliance Officer collects approximately \$600K to \$800K in annual revenue; the average Tax Auditor generates approximately \$400K annually; and the entire Customer Support Division averages over \$100M in revenue where if broken down by Customer Support Specialist approximates to \$1.5M

each. These three classifications alone comprise 70 percent of Finance's workforce.

Overtime Funding

Due to difficulties in filling our positions, Finance has relied on Overtime funding to address operational needs. However, increases in the costs of salary expenditures, increases in vacancies, deleted authorities, and increases in workload due to the increased number of taxpayers, have all resulted in an underfunded Overtime General account for the past several years. In FY 2024-25, we have limited overtime use to critical needs, such as resolving system glitches and managing tax payments during peak seasons.



As illustrated above, the \$45K appropriation in the Overtime General account is insufficient to meet our needs for FY 2025-26, particularly at the beginning of the fiscal year when we experience our peak permit season. In past years, Finance has requested moving \$300K in funding from our Salaries General Account to Overtime General account in order to meet our peak season needs that occur before the First Financial Status Report of the year. Due to insufficient funding in our Salaries General Account, we must request additional funding in our Overtime General account to meet these needs.

LATAX Transformation Project Implementation

Finance has spoken and reported at length about the unacceptable fragility of our aging LATAX system. This 20+ year-old system serves as the primary tool for managing tax

and permit revenue for over \$3B in annual revenues for the City of Los Angeles.

Increasing risks of system failures, heavy reliance on manual processes, and outdated functionalities are impeding its ability to support the evolving needs of the City's constituents and operations. These challenges include labor-intensive workflows, a cumbersome and limited customer portal, complex back-office operations, and continued dependence on physical mail, all of which leads to inefficiencies and errors. Simply put, the current system is not cost effective and it poses a risk to our City's revenues.

While incremental updates have been made, the system is no longer adequate for modern operational demands and cannot support future technological growth. To address these limitations and enhance operational efficiency, the Office of Finance has begun a multi-year replacement initiative called the LATAX Transformation project. Over the past two years, the Mayor and City Council have approved position authorities and contract funding in order for Finance to pursue the replacement of the current system. In that time, we have spent over \$3M in staff and contract funding and over 670 hours of dedicated work toward this project. An RFP was released on March 27, 2025 to solicit for a project implementation vendor. Proposals are due from prospective vendors in less than one month on May 20, 2025. Finance anticipates a contract to be executed and project implementation to begin during FY 2025-26, at the end of the 2025 calendar year. This timeline is necessary to achieve our goal of having a new system in place before the 2028 Olympics.

The 2025-26 Proposed Budget does not include funding toward the LATAX Transformation Project. This means that the LATAX Transformation Project will be on hold, nullifying the millions of dollars already spent on this project, as well as putting our current revenues at risk by relying on our current troubled system for longer than we should. Finance requests that the City Council approve our revenue-generating proposal, and allocate some of the realized revenue toward this critical project.

Recommended Changes to the Proposed Budget

1. Generate One-Time and Ongoing Revenue

Currently, staff in Finance's Business Tax Discovery Section analyze data from other government entities to identify unregistered businesses, mailing these businesses notices and assessments in an effort to bring them into compliance, an effort that generates millions of dollars in additional one-time and ongoing revenue every year. Finance is proposing a significant expansion of this function. With the addition of 23 new staff in Discovery and Customer Support, this function will be able to bring in at least \$18M in additional revenue this coming fiscal year, with additional one-time and ongoing revenue in future years as well.

See Tax Discovery Expansion details in Attachment 1.

Add General Fund business tax revenue in 2025-26	\$18,000,000
<i>Add one-time revenue in 2025-26</i>	<i>\$18,000,000</i>
<i>Add ongoing revenue in subsequent years</i>	<i>\$10,000,000</i>
Add required resources to Finance's budget as detailed in Attachment 1 in order to realize the increased revenue	\$3,200,000

2. Provide for LATAX Transformation Project Implementation

In order to ensure the safeguarding of \$3 billion in annual tax revenue, Finance requests the following allocations:

Add funding in the Contractual Services Account (3040) for project management consultant services	\$1,800,000
Add funding in the Contractual Services Account (3040) for project implementation	\$8,000,000*

** Due to project implementation beginning in the latter half of the fiscal year, project implementation costs will be less than a full year of estimated costs.*

3. Technical Correction with No Financial Impact

Finance requests a technical correction to an apparent error in the Proposed Budget. This technical change addresses an error in the Revenue Management budget program (3901), has no financial impact, and is administrative in nature.

Add regular authority for one Management Analyst (9184-2), and delete regular authority for one Tax Compliance Officer II (1179-2)	\$0
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4. Changes with Financial Impacts

Finance requests overtime funding to address peak workload needs for permit renewal season which occur prior to the First Financial Status Report of the fiscal year.

Add funding to Overtime General Account (1090)	\$300,000
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5. Correct Inadvertent Deletions for Filled Positions

The 2025-26 Proposed Budget does not include a line item to delete filled positions in the Office of Finance. As part of the line item for the Elimination of Vacant Positions (Blue Book Item 9), a few positions were deleted in error that are currently filled. These positions perform critical functions approved by the Priority Critical Hiring Committee and include employees who reverted to Finance

on protective leave. Finance requests these positions be restored with funding to reflect the intent of the Proposed Budget.

Restore regular authority and funding for one Accountant (1513-0)	\$83,248
Restore regular authority and funding for one Management Analyst (9184-0)	\$115,220
Restore regular authority and funding for one Principal Clerk (1201-0)	\$96,674
Add regular authority and funding for one Tax Compliance Officer III (1179-3) that was filled in lieu of one deleted regular Tax Auditor II (1514-2) position	\$141,554

6. Restore Deletion of Vacant Positions

Three vacant positions in the Revenue Management and Collections Division were eliminated as part of the Elimination of Vacant Positions line item (Blue Book Item 9). Finance requests that these positions be restored with funding, and be expedited through the hiring process in order to pursue delinquent taxes owed to the City. Finance is confident that a total of \$2 million in additional ongoing revenue will be recovered through these positions.

Restore regular authority and funding for two Tax Compliance Officer IIs (1179-2)	\$223,968
Restore regular authority and funding for one Tax Compliance Officer III (1179-3)	\$141,554
Add business tax revenue	\$2,000,000

7. Provide Position Authority without Funding

Certain classifications that are unique to the Office of Finance require long training periods that may also include passing an exam in order to retain employment. Since a significant number of prospective employees regularly do not complete the training program or fail to pass the final exam, Finance requests additional position authorities without funding in order to overfill at the beginning of the hiring process, but keeping costs within funded position authorities.

Add resolution authority without funding for 10 positions of Tax Compliance Officer II (1179-2)	\$0
Add resolution authority without funding for 10 positions of Customer Support Specialist I (1229-1)	\$0

8. Provide Blanket Unfreeze to Hire Vacant Positions

In order for Finance to effectively collect revenue at the levels estimated in the budget and in order to reach the goals in our revenue proposal, it is essential that we have the ability to hire staff when required. Timely hiring ensures we have the

capacity to carry out critical functions that directly support revenue collection. Lengthy approval processes for staffing requests not only hinder our ability to operate efficiently, but also delay the realization of much-needed revenues. Streamlining this process is key to maximizing our department's impact and supporting the City's broader financial goals.

CONCLUSION

My recommendations in this report are bold but achievable, and provide increased ongoing revenue to the General Fund. In total, the recommendations in this letter provide the General Fund with an additional \$20M in reliable, solid revenue in 2025-26 and ongoing revenues of at least \$12M in subsequent fiscal years. Of these revenues, Finance requests approximately \$3.2M in personnel requests, a total of \$500K in overtime funding, \$200K in as-needed staffing, \$400K in printing and mailing funding, and a total of \$9.8M in funding for the LATAX Transformation Project. This means that there will be a balance of \$5.9M in General Fund revenue that can be realized and allocated for other City needs.

This past year has been truly unprecedented in the events and challenges that have unfolded across Los Angeles. As I look ahead, the coming year presents a vital opportunity for the City to demonstrate strength, resilience, and courage. By facing these challenges head-on and making thoughtful, strategic decisions, we have the chance to build a better infrastructure -- both concrete and personnel, enhance public confidence, and move Los Angeles toward a more stable and prosperous future.

Sincerely,



Diana Mangioglu
City Treasurer / Director of Finance

Attachments

Supplemental Budget Proposal Business Tax Discovery - Targeted One-time Expansion

Summary

- Expand the Enforcement Division's Business Tax Discovery Unit to fully utilize data provided by the State, resulting in **more than 55,000 new business tax accounts, additional one time revenue exceeding \$18 million for FY26, with another \$8 million FY27, and more than \$14M in ongoing additional revenue from renewals starting in February 2027.**
- This will be achieved by adding 23 staff to the Enforcement and Customer Support Divisions to process more than 350,000 potential new accounts based on data acquired through agreements with the Franchise Tax Board (FTB), the California Secretary of State (SOS), and the County of Los Angeles.
- Almost 600,000 communications will need to be mailed, and processing the responses and payments will take 16-18 months starting in May 2025, assuming expanded staffing, including part-time assistance, overtime, and a division-wide focus on this effort.
- Without this expansion, Finance will be able to mail only half of the SOS data and only the oldest FTB data. In the current fiscal year, the Discovery Section has mailed 140,000 notices, an effort which has required internal reassignments, overtime, and significant backlogs which impacted tens of thousands of taxpayers citywide.

Background

- The Discovery Unit's basic business practice is to acquire various lists of potential business activity in the City and then match that data with existing accounts in LATAX. Potential businesses which do not match existing accounts in LATAX are then notified by mail that they may need to register for a BTRC, and additionally may owe business tax.
- Due to resource considerations, Finance often filters these lists by various factors such as location and business type, seeking to reduce the volume of the workload while retaining the items most likely to result in new BTRC accounts.
- Right now, Finance has two large databases which are new data and historically deliver good returns and one smaller database with historically high returns: the 2023 FTB data and the 2020-24 Secretary of State data. The 2024 FTB data will be available in December 2025, and will be ready to be worked in the first quarter of calendar year 2026. This data is provided to the City pursuant to AB63, and contains information on tax filers who filed schedules or income types which commonly indicate business activity. The SOS data is purchased by the City (for

\$100) and contains information on businesses which have registered as such with the Secretary of State. Neither database contains any financial information, just identifiers. The County's LUPAMS system is a smaller database which provides data on real estate ownership, but has in the past been a very effective way of identifying owners of rental properties which need to register as businesses.

Proposed Resources

- Twenty-three full time position authorities and related program expenses for a total of \$3.2 million in program costs. While Finance recommends Tax Compliance Officers and Customer Service Specialists for the work below, it is possible that the enforcement and customer support work may be performed by Management Analysts or other Customer Service or Call Center employees who may be facing layoffs or displacements.

Positions

- Add one Tax Compliance Officer (TCO) III (equivalent to a Senior Management Analyst I) – to oversee the entire effort
- Add 12 Tax Compliance Officer (TCO) II (equivalent to a Management Analyst) – the primary staff for processing responses, questions, payments, and new registrations
- Add one Administrative Clerk – Primarily for processing outgoing and incoming mail, as well as ensuring the effort is supplied appropriately
- Add one Customer Service Specialist (CSS) II (or similar Customer Support Supervisor) – supervise the customer support staff associated with the effort
- Add eight Customer Service Specialist (CSS) I (or similar Customer Support Representative) – handles incoming calls, emails, and in-person visitors, including customers responding to discovery notices.
- Provide full-year funding and exemption from Priority Critical Hiring restrictions (\$2.4M/year)

Expenses

- Add \$200,000 annually in As-Needed staffing
- Add \$200,000 annually for Overtime (\$100K one-time, \$100K ongoing)
- Add \$400,000 annually for printing and mailing costs and other supplies

Operational Changes

- In the past, large databases have been processed in two large steps. First, all of the initial letters are mailed. These letters inform the recipient that they may need to register their business activity and request that they contact us to register or demonstrate that they don't need to. After those have been sent and the responses processed, a second batch of notices is sent, this one containing an estimated assessment of tax due. This letter gets a much higher response rate, and generates most of the revenue. However, it all comes at once and is at the end of the process.
- In order to move revenue collection forward and smooth out the incoming workload, under this expanded proposal Finance plans to operate on a two-month cadence, with two months of initial letters followed by two months of assessments on those same accounts. This will ensure a more steady workload of incoming questions, registrations, and payments, smoothing out the peaks and valleys and allowing Finance to maintain reasonable response times through the year.
- Critically, committing the entire Enforcement Division to this effort to maximize revenue generation will also mean operational changes in how the Department handles the annual renewal season. Finance's normal operation shifts to renewals in late January and February each year, with most of the Enforcement Division and a portion of the Audit Division focusing on processing renewals for about six weeks. With Enforcement focusing on discovery, these staff will not be available to help with renewals. Finance will expand the renewals assistance to other divisions where possible to fill the void, but this change will likely impact response times during February.
- Organizationally, Finance is also looking at options for colocation of the new staff in the Enforcement and Customer Support divisions that will be working on two parts of the same workstream in order to eliminate delays in referring cases between the divisions and enhancing understanding and cross-training. This is expected to be an added benefit especially for the CSSs, as familiarity with the work practices of the TCOs will prepare them well for promotional opportunities at that level.

Anticipated Results

- Based on prior experience with these two databases, we expect a combined return of approximately 15% (the percent of records that result in new taxpayer registrations).
- Using these assumptions, we would expect to register more than 55,000 new accounts.

- Using a general average payment of \$2,241 for FTB, \$1,176 for SOS, and \$1,340 for LUPAMS, this would generate approximately \$34 million in tax revenue for delinquent taxes.
- With the existing operation, budget, and staffing, Finance will struggle to process more than about 75,000 of the 350,000 potential accounts, especially given the deletion of funding for positions and overtime in both Enforcement and Customer Support. Assuming no additional vacancies, delays, or challenges, this would likely generate around \$8M.
- The net increase of this proposal, \$27M, would be realized over the next 16 months, starting in May 2025. Breaking this up by fiscal year, we project about \$26M (\$18M net increase) in 2025-26 and \$8M in 2026-27 from the current databases. However, the 2024 FTB data will also be available for mailing in 26-27, which we would anticipate bringing in around \$8M alone for a total of \$16M (\$8M net increase).
- While all of the revenue discussed in the previous bullet would be one-time revenue, this effort would generate more than 55,000 new business tax accounts, most of which would then renew their BTRC and pay business taxes every February for the foreseeable future. This means that there will be new ongoing revenue from these new taxpayers that is estimated to be at least \$14M starting in February 2027.

SUMMARY of Positions by Program

Executive Office (3950)

Page 1

<u>Total Positions</u>	<u>8</u>
Regular	8
Reso	0
Subs	0

Executive Oversight -- Internal Operations

Page 2

- LATAX Transformation Division
- Systems Division
- Accounting Division
- Budget & Admin Division
- Strategic Initiatives

Strategic Initiatives (3950)

Page 2

<u>Total Positions</u>	<u>1</u>
Regular	0
Reso	1
Subs	0

LATAX Transformation Division (3905)

Page 3

<u>Total Positions</u>	<u>4</u>
Regular	0
Reso	4
Subs	0

Programs and Operations

- *Replace outdated LATAX system with a robust system that focuses on three main objectives:*
 - *Streamline, automate, and integrate processes to improve efficiency, reduce errors, and free up staff for high-value tasks*
 - *Enhance taxpayer experience by providing a user-friendly online portal with 24/7 support*
 - *Modernize system performance, resiliency, and security by transitioning to a cloud-based platform with advanced analytics and integration capabilities*
- *Procure a vendor to develop and implement a modern and accessible tax collection and reporting system to reduce barriers to access for taxpayers and residents*
- *Lead Finance staff through the implementation phase of the project, coordinating with other City departments as needed, including ITA, City Attorney, LAPD, CAO, and the Controller*

<u>Contracting Dollars*</u>	<u>\$15.8M/year</u>
LATAX Transformation Project Management Support	\$1.8M/year
LATAX Transformation Project Implementation	\$14M/year

* Items not included in the 2025-26 Proposed Budget, but requested for consideration by City Council for the 2025-26 Adopted Budget.

Systems Division (3905)

Page 4

<u>Total Positions</u>	<u>34</u>
Regular	31
Reso	1
Subs	2

Programs and Operations

- Maintains, supports, and modernizes all mission critical systems like LATAX, applications, and databases used by the Office of Finance, other City's departments, and the City's business taxpayers
- Ensures all Office of Finance users have the hardware and software necessary to work productively in a cyber secured environment, and secure taxpayer and department data from cyber threats
- Ensures all tax and permit correspondences are generated accurately and timely in the LATAX systems, and coordinate with GSD and our contracted mailing partner to send correspondences on time

<u>Contracting Dollars</u>	<u>\$1.73M/year</u>
LATAX maintenance and support	\$1.35M/year
Printing and mailing services	\$300k/year
Cybersecurity software	\$80.1k/year

Accounting Division (3950)

Page 5

<u>Total Positions</u>	<u>15</u>
Regular	15
Reso	0
Subs	0

Programs and Operations

- Performs accounting functions to safeguard over \$154 billion in cash and investment securities
- Performs general accounting functions required for City departments including payroll, accounts receivable, accounts payable, reconciliations, and revenue reconciliation
- Verifies and closes deposits in CashWiz system, and distributes revenues posted from LATAX to FMS4LA on a daily basis
- Reconciles the City's cash balance against the City's contracted banking provider
- Processes payments to contracted vendors and reimbursements to City departments

<u>Contracting Dollars</u>	<u>\$50k/year</u>
Accounting and investment software	\$50k/year

Budget & Admin Division (3950)

Page 6

<u>Total Positions</u>	<u>11</u>
Regular	9
Reso	1
Subs	1

Programs and Operations

- Develops and administers the annual budget department-wide, maintains and monitors position authorities according to the adopted budget, and creates financial reporting for CAO and electeds
- Serves as department contract coordinator, and administers personal services contracts department and City-wide for over 30 complex financial and technical contracts

- *Procures goods and supplies to maintain department operations, and manages all Finance facilities (City Hall - 1st Floor, 2nd Floor, 10th Floor, 12th Floor; City Hall East - P4; Van Nuys City Hall; Industrious Building -- 13th Floor, 14th Floor; West LA Office) including emergency preparedness and business continuity*
- *Strategic initiatives planning and tracking; communications and liaison work with public and elected offices*

<u>Contracting Dollars</u>	<u>\$30k/year</u>
<i>Photocopier lease and rental</i>	<i>\$30k/year</i>

Executive Oversight -- Customer Support and Billings

Page 7

- Customer Support Division
- Revenue Processing & Billing Division

Customer Support Division (3906)

Pages 8-10

<u>Total Positions</u>	<u>69</u>
<i>Regular</i>	<i>62</i>
<i>Reso</i>	<i>7</i>
<i>Subs</i>	<i>0</i>

Programs and Operations

- *Provides frontline customer service to taxpayers, and aids customers via public counters, virtual public counters, email, mail, calls, and online chat to remit tax, permit, and fee payments (including Police, Fire, Tobacco, and Cannabis)*
- *Assists new business owners when registering for business license certificates*
- *Assists customers with Utility Users Tax Exemptions/Lifeline applications, which provide needed adjustments to their utility monthly bills*

<u>Contracting Dollars</u>	<u>\$599k/year</u>
<i>Email management and mass communication services</i>	<i>\$75k/year</i>
<i>Digital queuing system</i>	<i>\$36k/year</i>
<i>Facility security services</i>	<i>\$452k/year</i>
<i>Smart safe services and cash counting machine maintenance</i>	<i>\$36k/year</i>

Revenue Processing & Billing Division (3901)

Page 11

<u>Total Positions</u>	<u>24</u>
<i>Regular</i>	<i>21</i>
<i>Reso</i>	<i>3</i>
<i>Subs</i>	<i>0</i>

Programs and Operations

- *Administers the collection of taxes, including taxes imposed under Measure United to House LA (ULA), which was established to fund affordable housing projects and provide resources to tenants at risk of homelessness*
- *Oversees, manages, and processes lockbox, mailed, and online renewals and bill payments*
- *Processes penalty waivers, refunds, and document imaging*

<u>Contracting Dollars</u>	<u>\$65k/year</u>
<i>Documentary transfer tax enforcement services</i>	<i>\$65k/year</i>

Executive Oversight -- External Operations

Page 12

- Revenue Management and Collections Division
- STAR Division
- Enforcement Division
- Audit Division

Revenue Management & Collections Division (3901)

Page 13

<u>Total Positions</u>	36
Regular	30
Reso	6
Subs	0

Programs and Operations

- Oversees Citywide delinquent debt collection activities and works with City departments to facilitate the collection of outstanding accounts receivables either by in-house collection staff or through administered contracts with third party collection agencies
- Consolidates various data sets and conducts data analyses on collection and revenue data
- Researches and analyzes revenue and tax policies to provide related recommendations and revenue forecasting

<u>Contracting Dollars</u>	<u>\$313k/year</u>
Collections management system and database services	\$205k/year
Court filing and legal subpoena services	\$36k/year
Electronic database services for collections operations	\$72k/year

STAR Division (3909)

Page 14

<u>Total Positions</u>	33
Regular	32
Reso	1
Subs	0

Programs and Operations

- Audit operations for specialized taxes, including cannabis, parking occupancy, transient occupancy, and utilities taxes
- Administers tax appeals process, including first level hearings before an Assessment Review Officer and second level hearings before the Board of Review (BOR)

<u>Contracting Dollars</u>	<u>\$63.6k/year</u>
Communication User's Tax independent audit	\$30k/year
BOR services	\$33.6k/year

Enforcement Division (3909)

Pages 15-17

<u>Total Positions</u>	49
Regular	49
Reso	0
Subs	0

Programs and Operations

- Discovers unregistered businesses operating within City jurisdiction and communicates with those not in compliance to register and pay business license taxes owed to the City

- *Enforces business tax compliance in accordance with the Los Angeles Municipal Code*

<u>Contracting Dollars</u>	<u>\$45.6k/year</u>
<i>Tax discovery services</i>	<i>\$20.6k/year</i>
<i>Sales tax enforcement data services</i>	<i>\$25k/year</i>

Audit Division (3909)

Pages 18-20

<u>Total Positions</u>	<u>56</u>
<i>Regular</i>	<i>51</i>
<i>Reso</i>	<i>5</i>
<i>Subs</i>	<i>0</i>

Programs and Operations

- *Audit operations for business taxes in accordance with the Los Angeles Municipal Code; types of businesses include retail/wholesale, healthcare, online streaming platforms, contractors, legal and accounting services, entertainment industries, design and technology, etc.*
- *Ensures timely assessment of taxes due to the City*

<u>Contracting Dollars</u>	<u>\$620k/year</u>
<i>Audit case management database and system</i>	<i>\$600k/year</i>
<i>Post office box rentals</i>	<i>\$20k/year</i>

Executive Oversight -- Investment and Treasury Services

Page 21

- Investment Division
- Treasury Division

Investment Division (3908)

Page 22

<u>Total Positions</u>	<u>5</u>
<i>Regular</i>	<i>5</i>
<i>Reso</i>	<i>0</i>
<i>Subs</i>	<i>0</i>

Programs and Operations

- *Invests General Pool funds for the City and its proprietaries with a mandate to ensure safety of principal, provide liquidity, and earn a market rate of return*

<u>Contracting Dollars</u>	<u>\$611k/year</u>
<i>Financial advising & reporting for investment administration</i>	<i>\$132k/year</i>
<i>Custody, securities lending, and related services</i>	<i>\$100k/year</i>
<i>Portfolio analytics software and indices</i>	<i>\$209k/year</i>
<i>Financial software and data subscription services</i>	<i>\$170k/year</i>

Treasury Division (3902)

Page 23

<u>Total Positions</u>	<u>17</u>
<i>Regular</i>	<i>17</i>
<i>Reso</i>	<i>0</i>
<i>Subs</i>	<i>0</i>

Programs and Operations

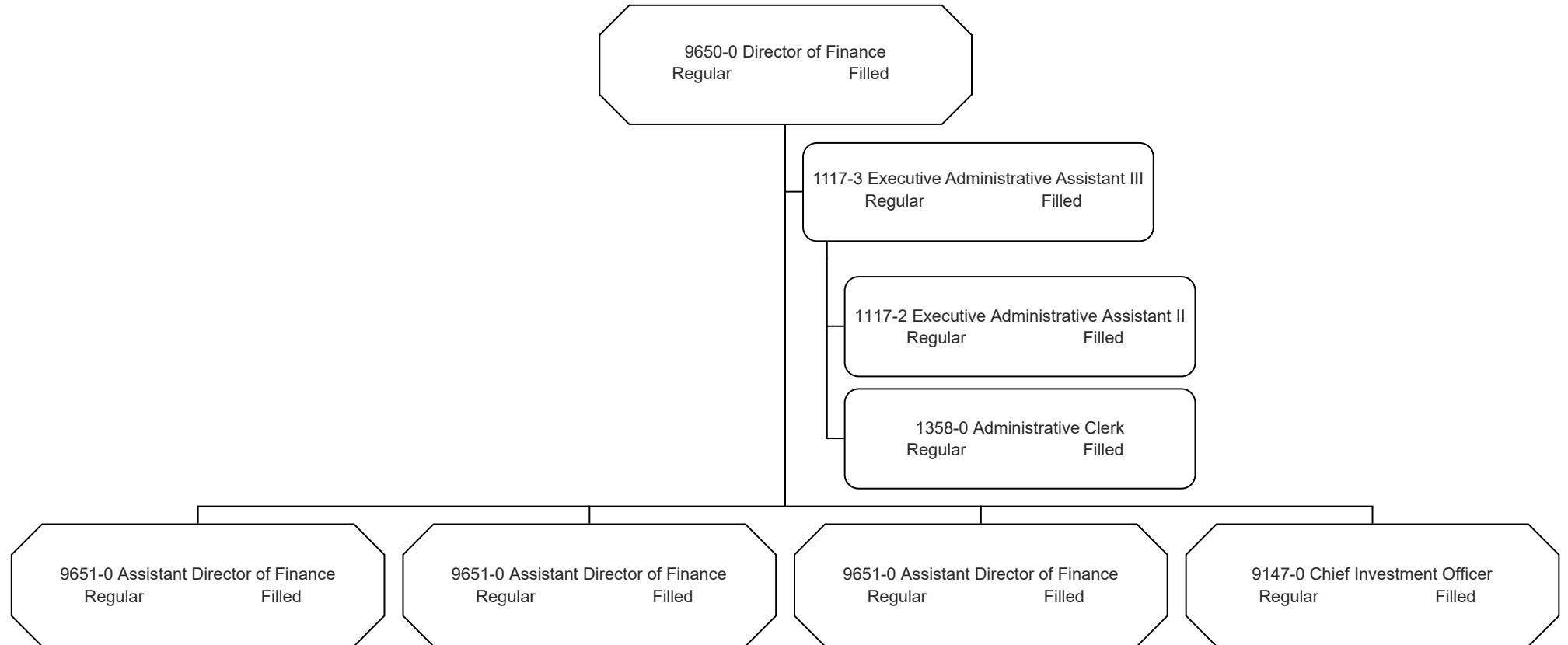
- *Supports the City's daily Cash Flow forecasting and monitors the City's daily cash position*

- *Provides management, implementation, coordination, and oversight of City bank accounts and treasury operations*
- *Maintains banking relationships, oversight of bank fee expenditures, merchant services, and other depository and disbursement services to support City departments' banking needs*
- *Serves as paying agent for General Obligation, Wastewater, and Water & Power system bonds*
- *Administers the payment of principal and interest of Street Improvement Bonds*

<u>Contracting Dollars</u>	<u>\$4.26M/year</u>
<i>Banking services</i>	<i>\$2.0M/year</i>
<i>Credit card and merchant services</i>	<i>\$2.19M/year</i>
<i>Bond admin fees</i>	<i>\$70k/year</i>



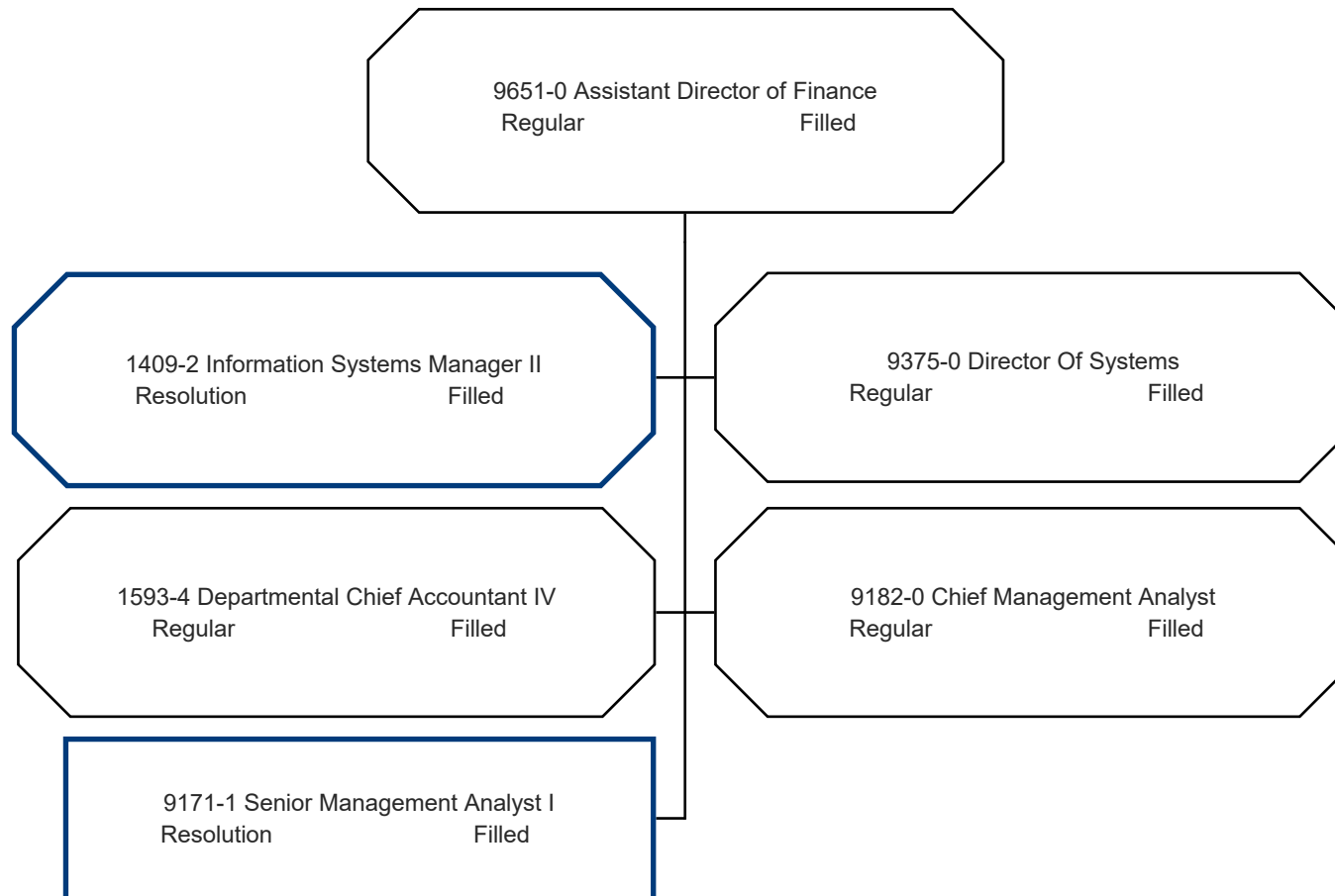
2024-25 ORGANIZATION CHART EXECUTIVE





2024-25 ORGANIZATION CHART

INTERNAL OPERATIONS AND STRATEGIC INITIATIVES



○ Supervisor
○ Assistant

□ Staff
□ Vacant

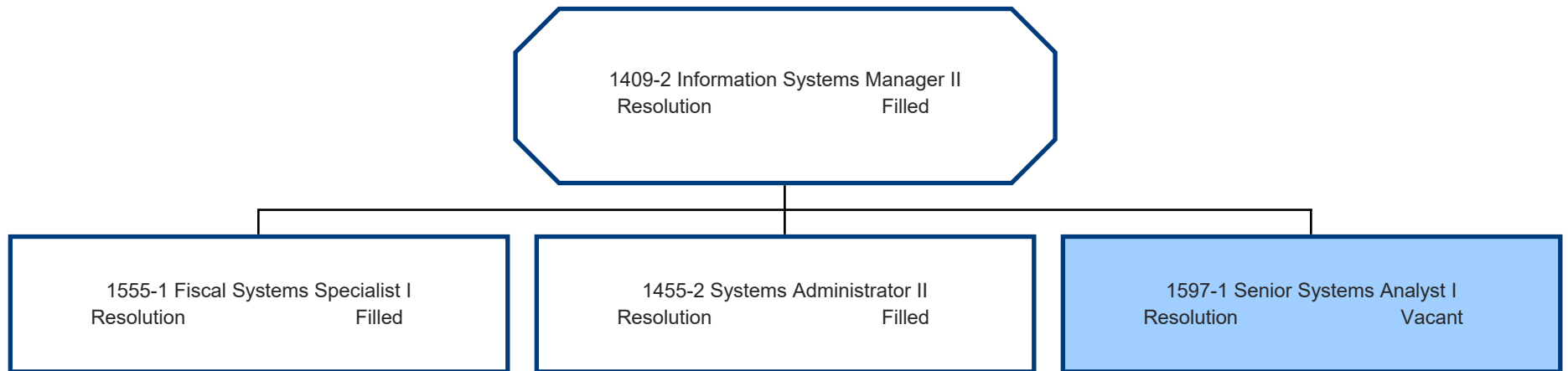
□ In Lieu
■ Substitute

■ 2024-25 New Authority
□ Resolution



2024-25 ORGANIZATION CHART

LATAX TRANSFORMATION DIVISION



○ Supervisor
○ Assistant

□ Staff
□ Vacant

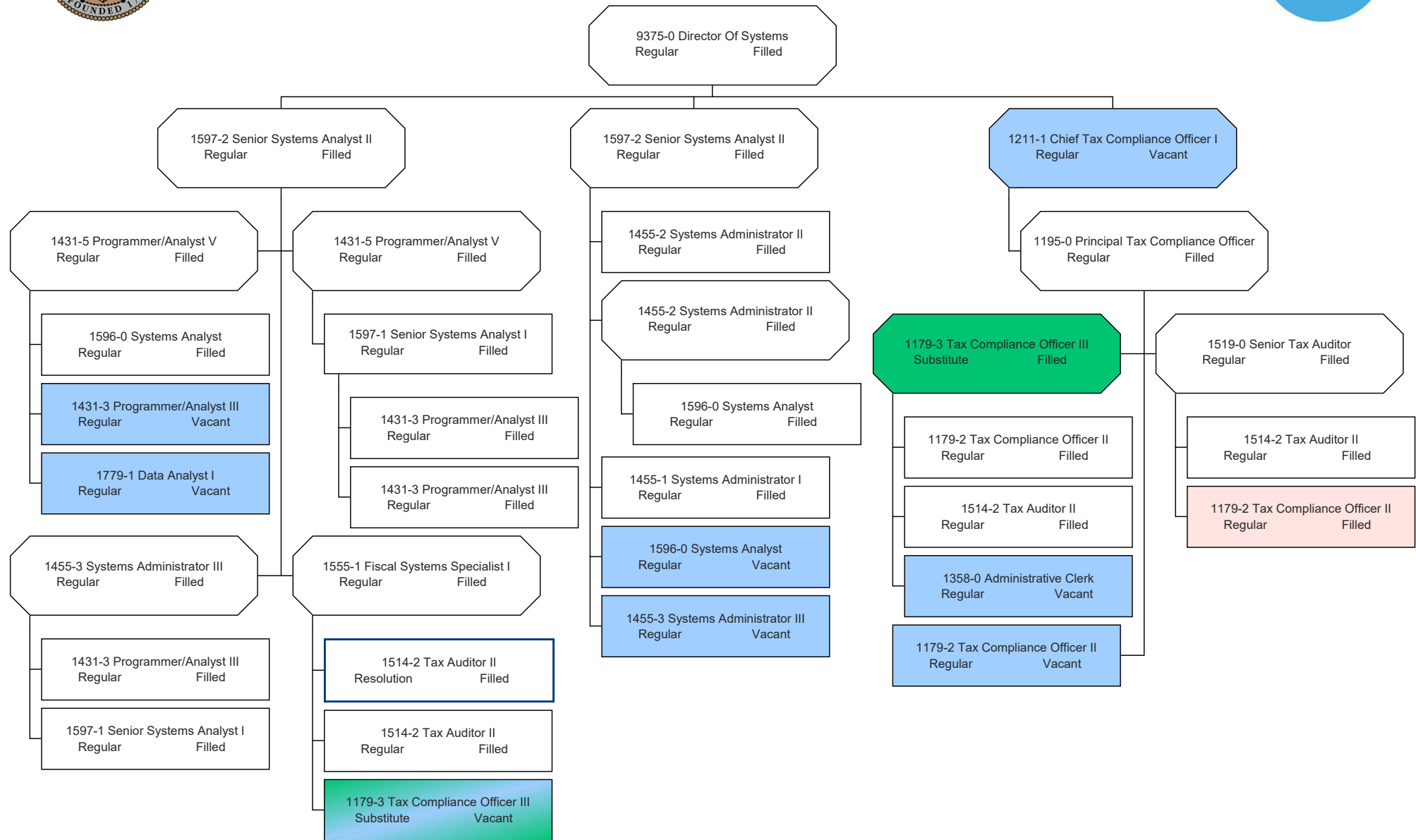
□ In Lieu
■ Substitute

■ 2024-25 New Authority
□ Resolution



2024-25 ORGANIZATION CHART

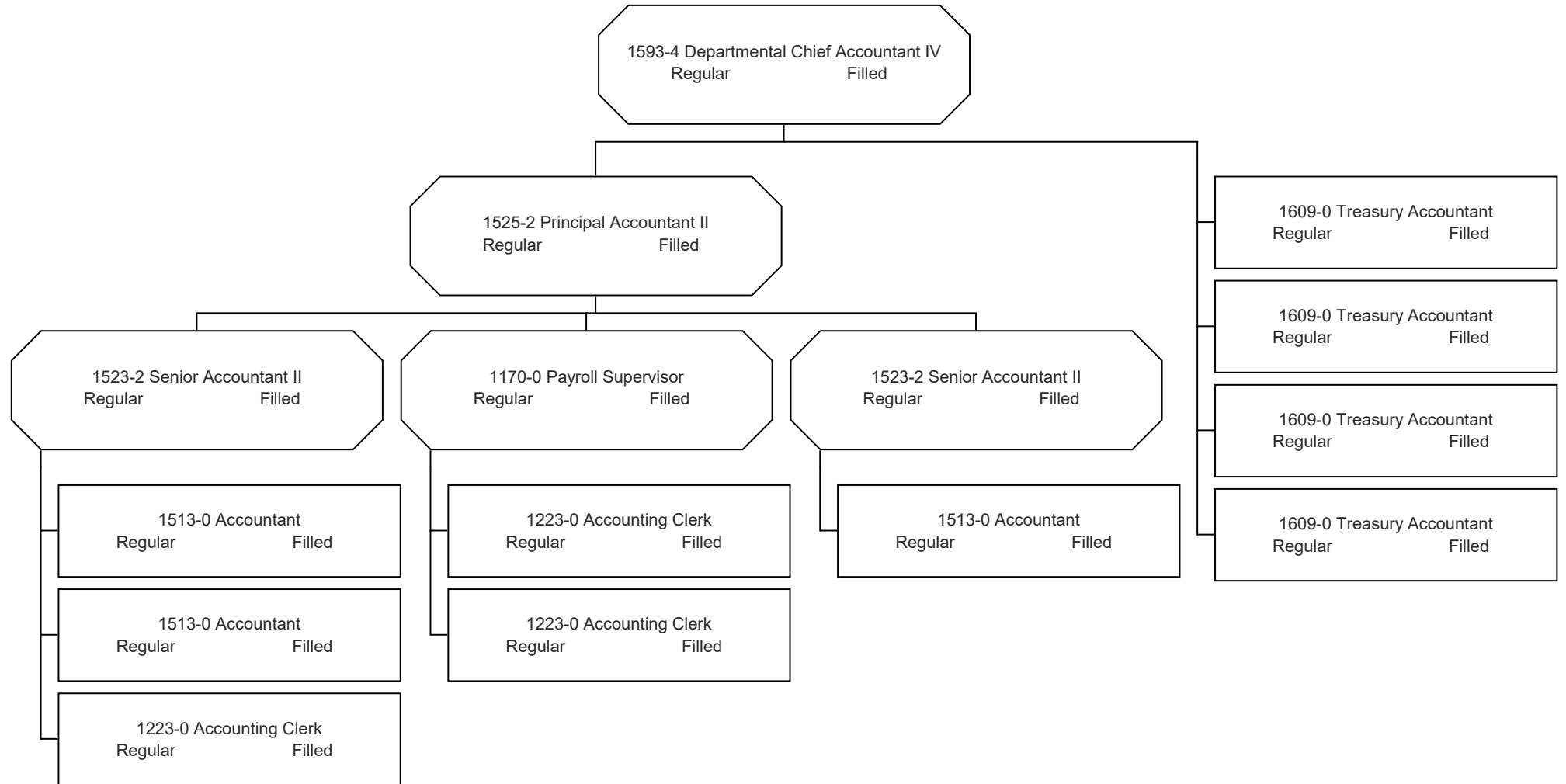
SYSTEMS DIVISION





2024-25 ORGANIZATION CHART

ACCOUNTING DIVISION



○ Supervisor
○ Assistant

□ Staff
□ Vacant

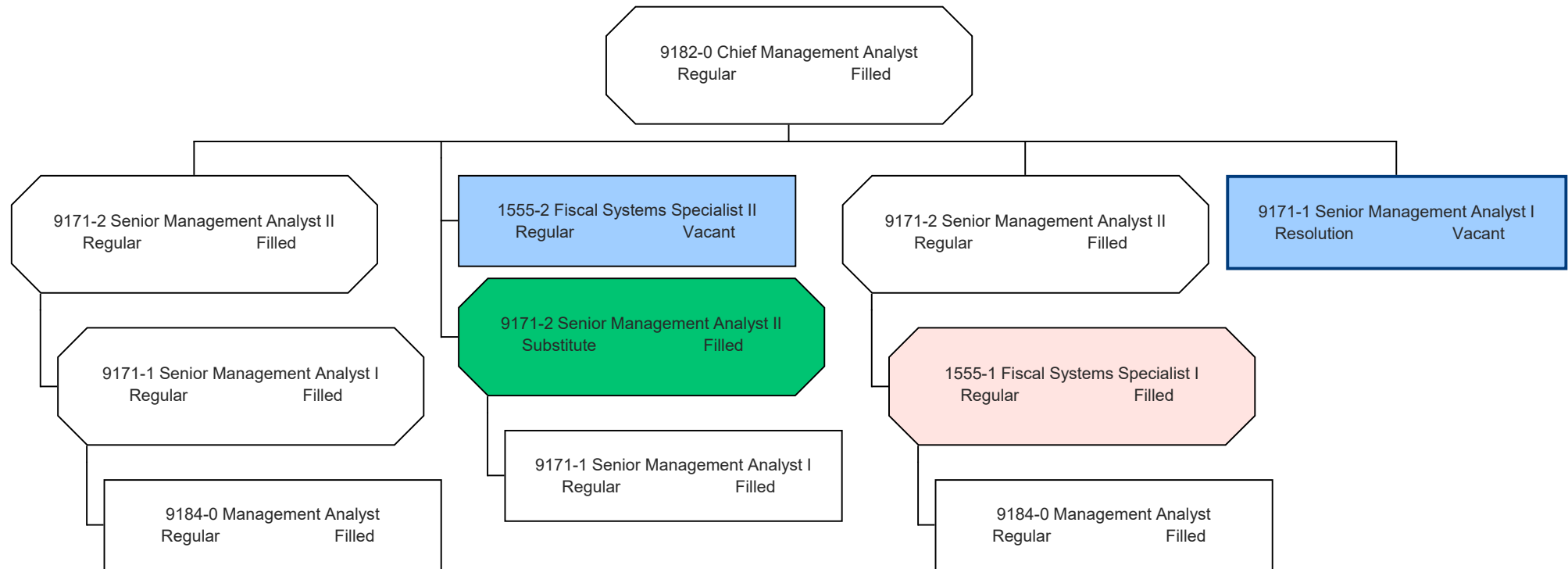
□ In Lieu
■ Substitute

■ 2024-25 New Authority
□ Resolution



2024-25 ORGANIZATION CHART

BUDGET & ADMINISTRATION DIVISION



○ Supervisor
○ Assistant

□ Staff
■ Vacant

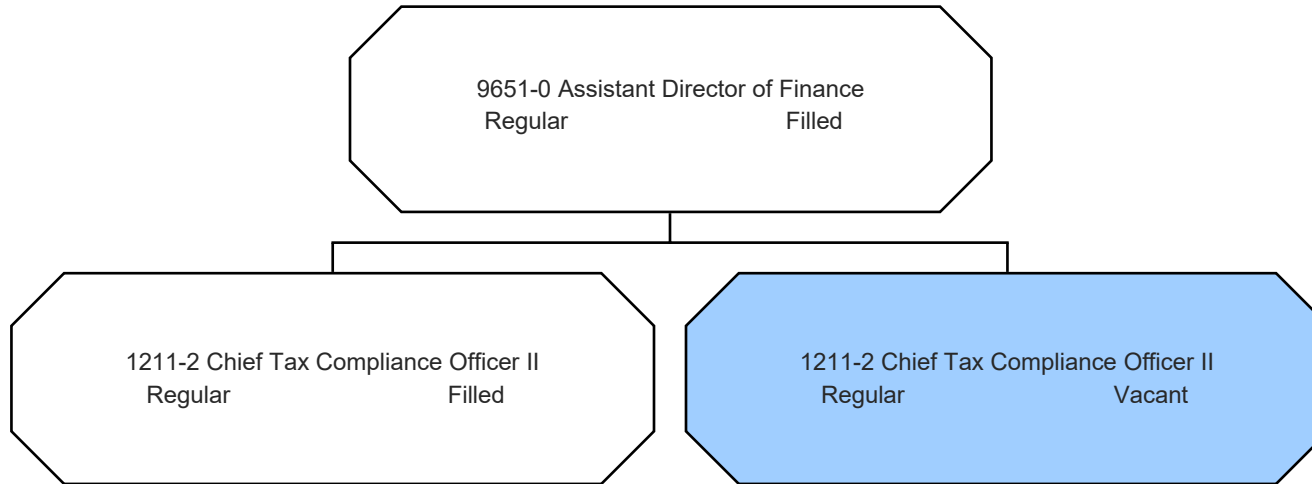
■ In Lieu
■ Substitute

■ 2024-25 New Authority
■ Resolution



2024-25 ORGANIZATION CHART

CUSTOMER SUPPORT AND REVENUE PROCESSING & BILLING



○ Supervisor
○ Assistant

□ Staff
■ Vacant

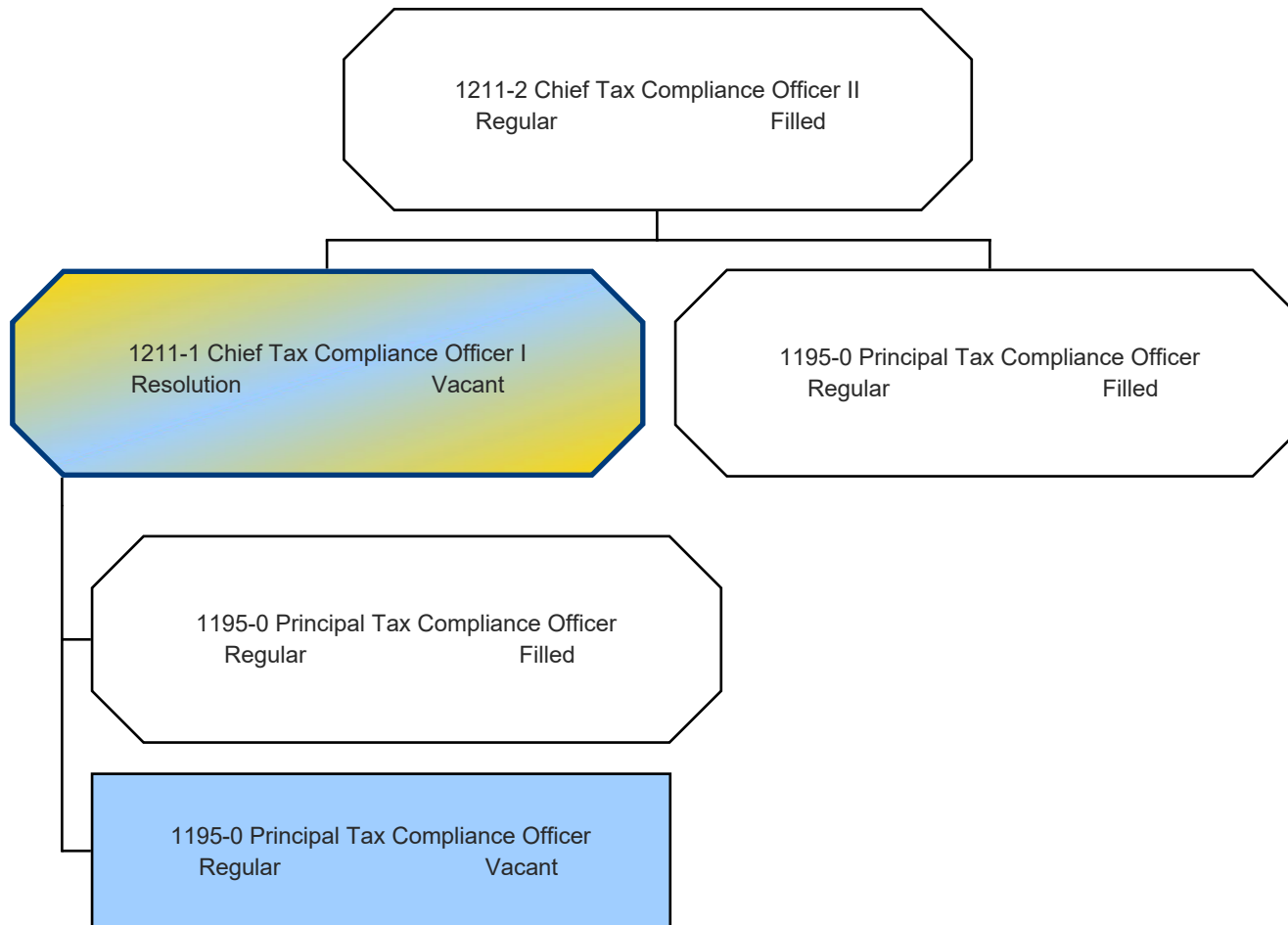
■ In Lieu
■ Substitute

■ 2024-25 New Authority
□ Resolution



2024-25 ORGANIZATION CHART

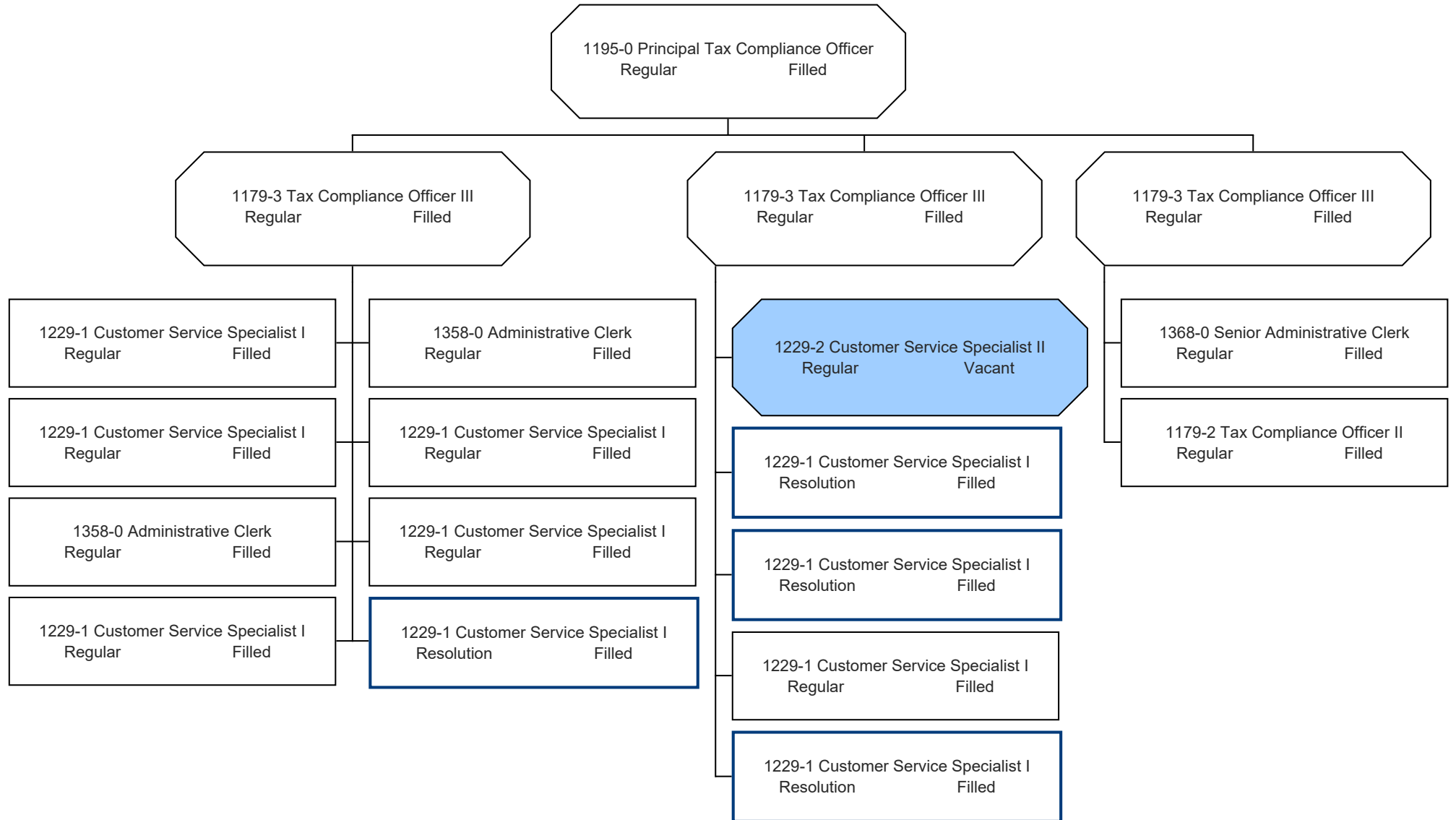
CUSTOMER SUPPORT DIVISION





2024-25 ORGANIZATION CHART

CUSTOMER SUPPORT DIVISION



○ Supervisor
○ Assistant

□ Staff
■ Vacant

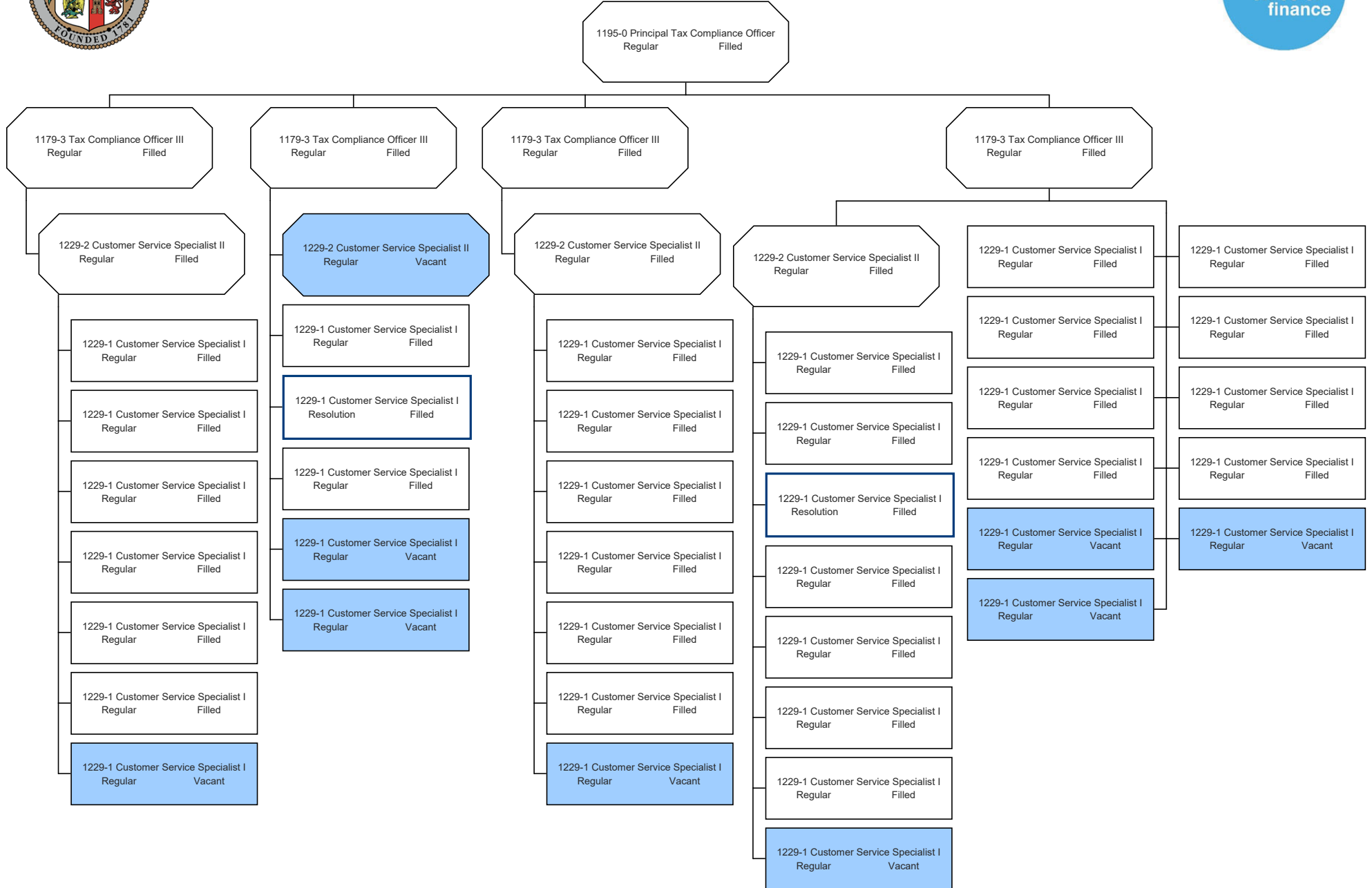
■ In Lieu
■ Substitute

■ 2024-25 New Authority
□ Resolution



2024-25 ORGANIZATION CHART

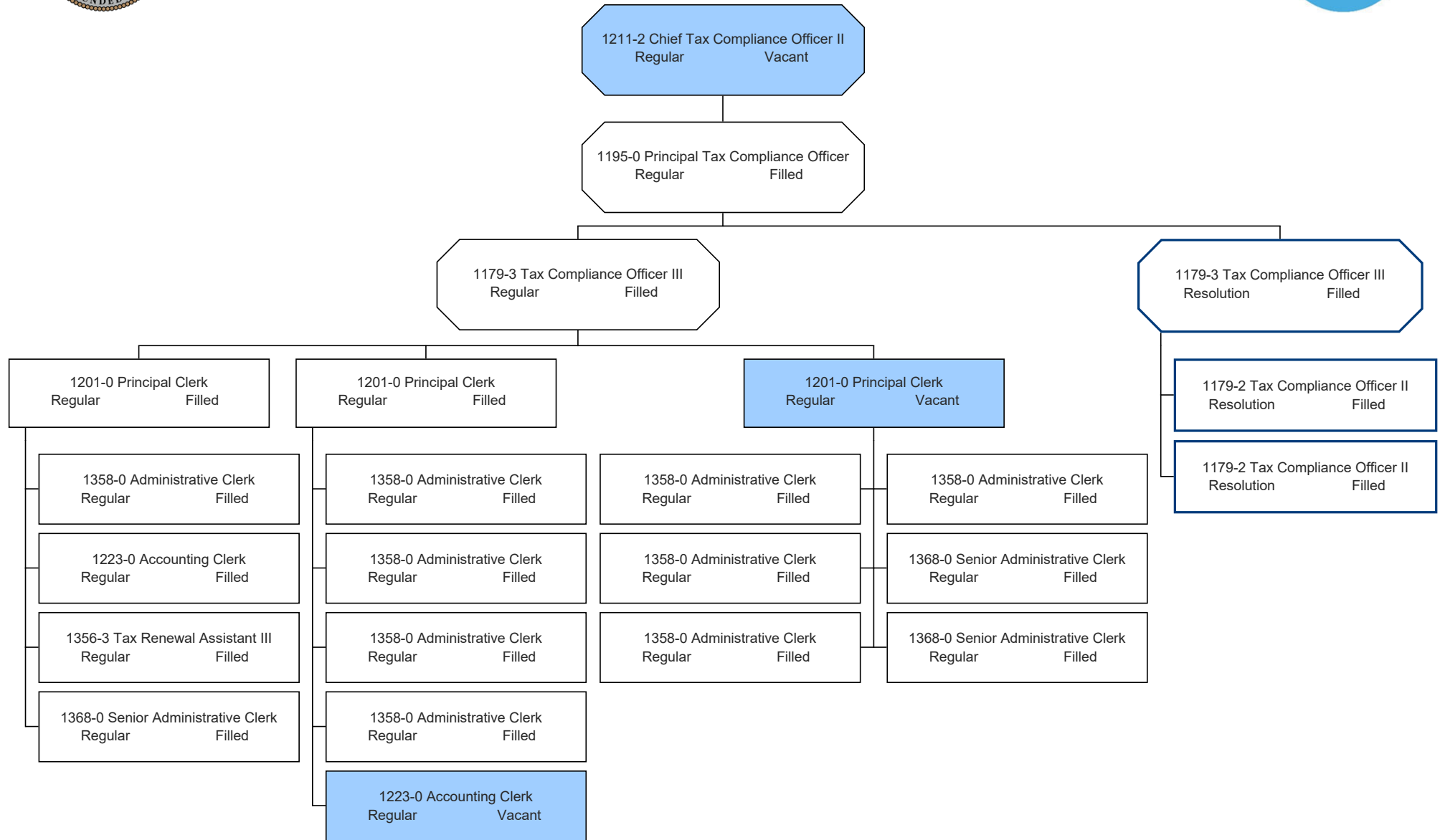
CUSTOMER SUPPORT DIVISION





2024-25 ORGANIZATION CHART

REVENUE PROCESSING & BILLING DIVISION



○ Supervisor
○ Assistant

□ Staff
■ Vacant

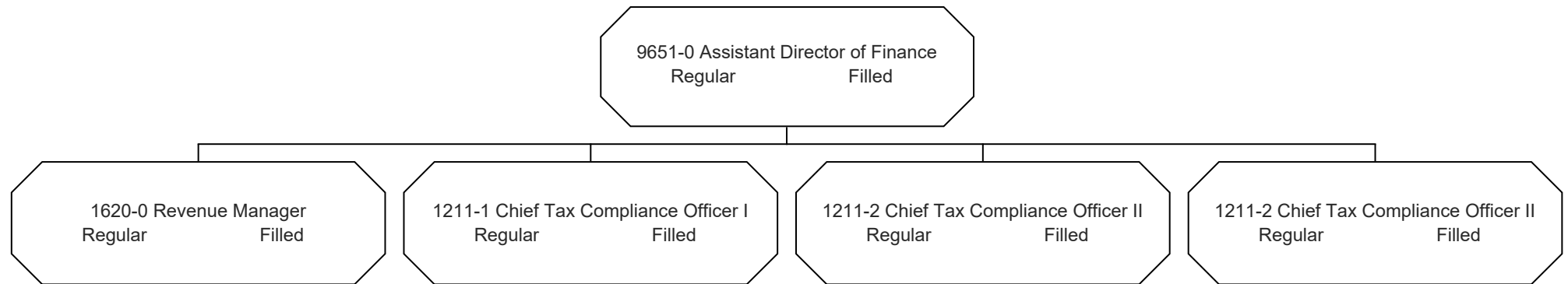
■ In Lieu
■ Substitute

■ 2024-25 New Authority
■ Resolution



2024-25 ORGANIZATION CHART

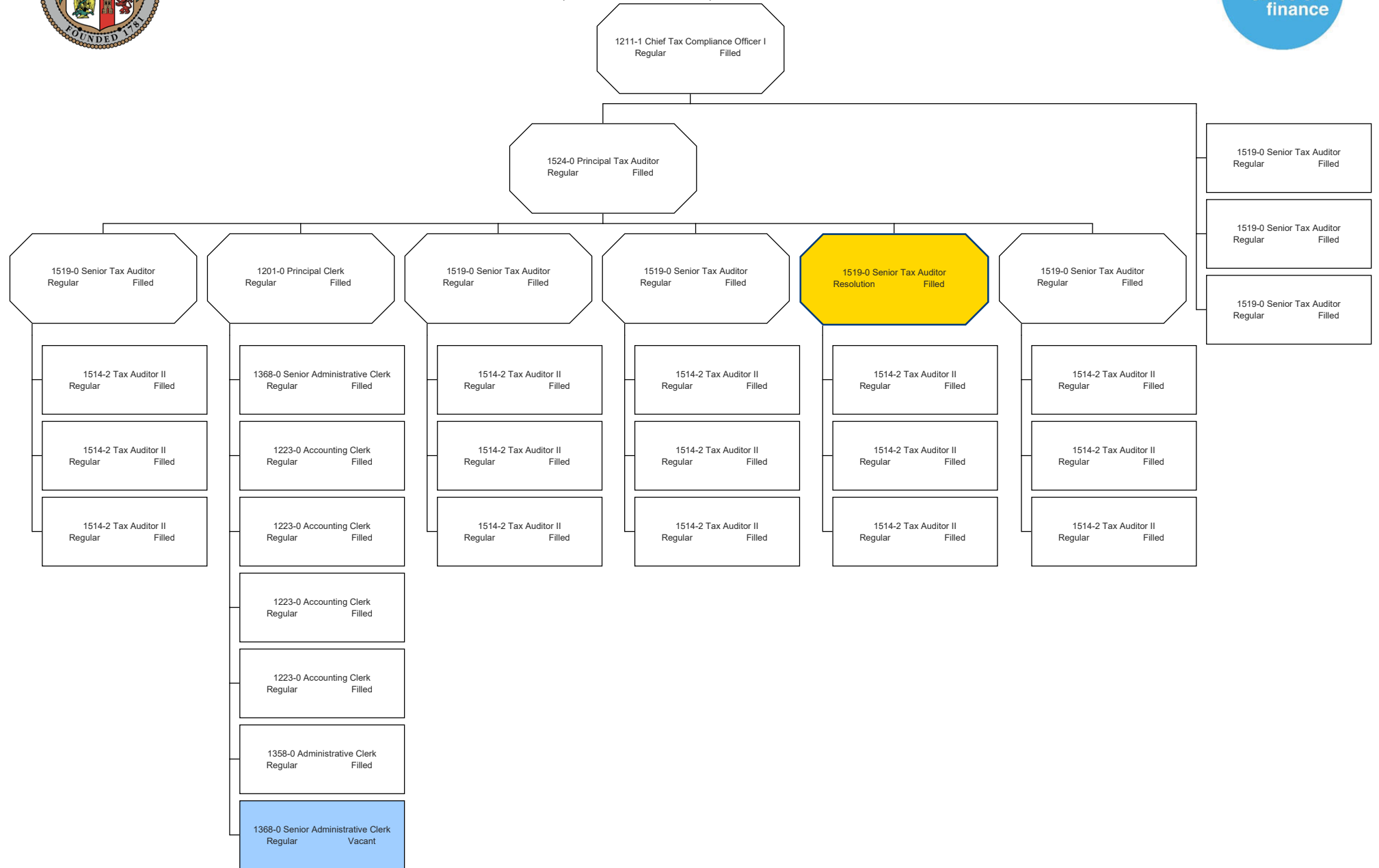
EXTERNAL OPERATIONS





2024-25 ORGANIZATION CHART

SPECIALIZED TAXES, APPEALS, AND RESOURCES DIVISION



○ Supervisor
○ Assistant

□ Staff
■ Vacant

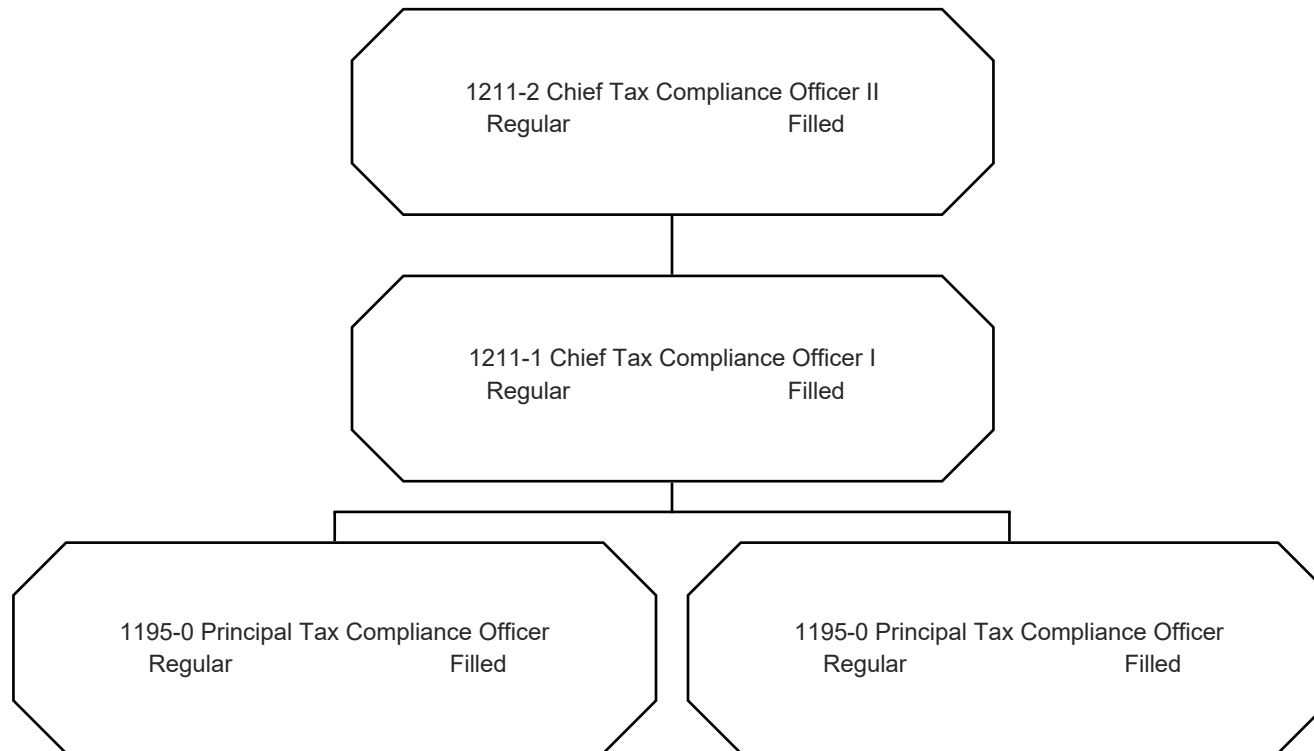
■ In Lieu
■ Substitute

■ 2024-25 New Authority
□ Resolution



2024-25 ORGANIZATION CHART

ENFORCEMENT DIVISION



○ Supervisor
○ Assistant

□ Staff
□ Vacant

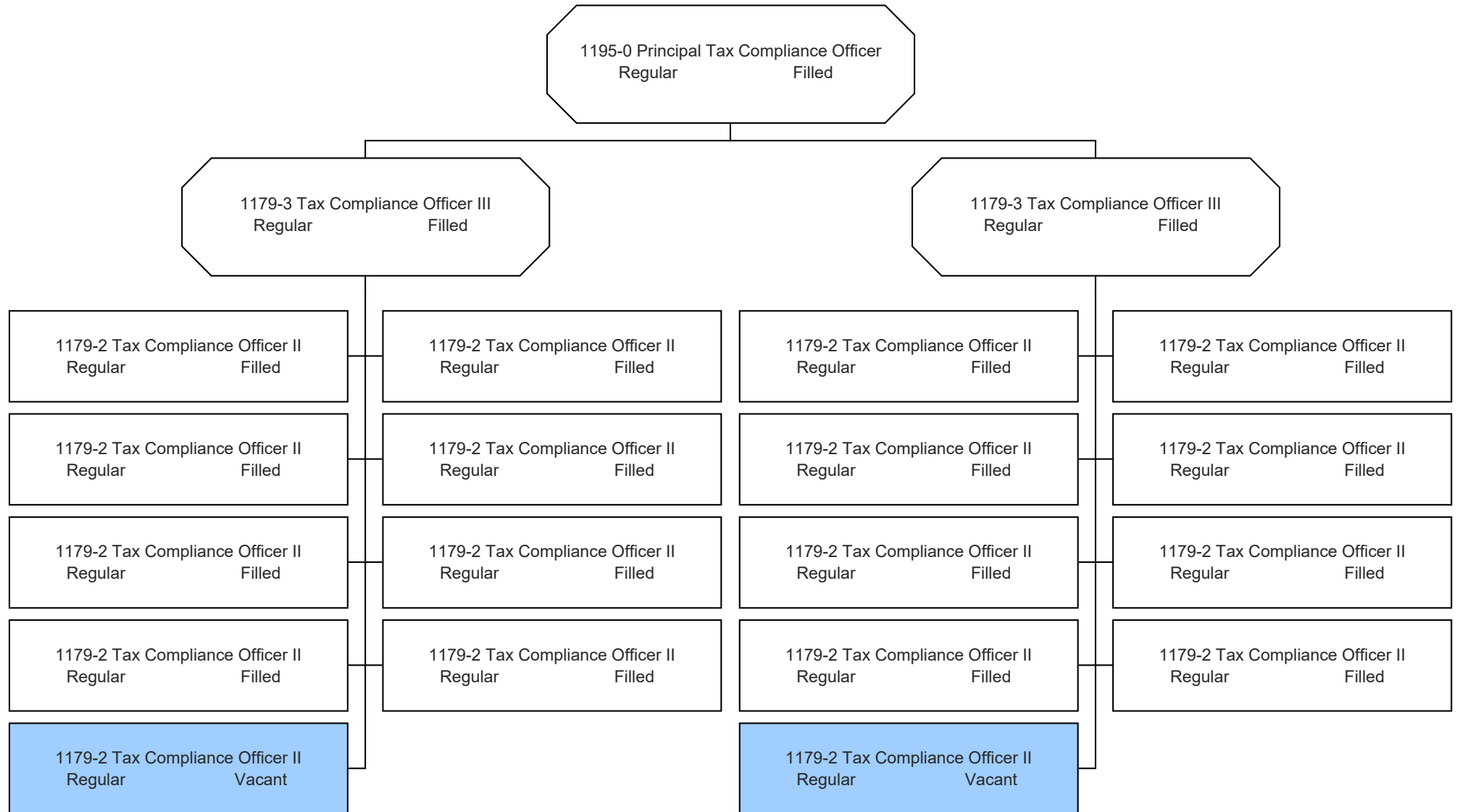
□ In Lieu
■ Substitute

■ 2024-25 New Authority
□ Resolution



2024-25 ORGANIZATION CHART

ENFORCEMENT DIVISION



○ Supervisor
○ Assistant

□ Staff
■ Vacant

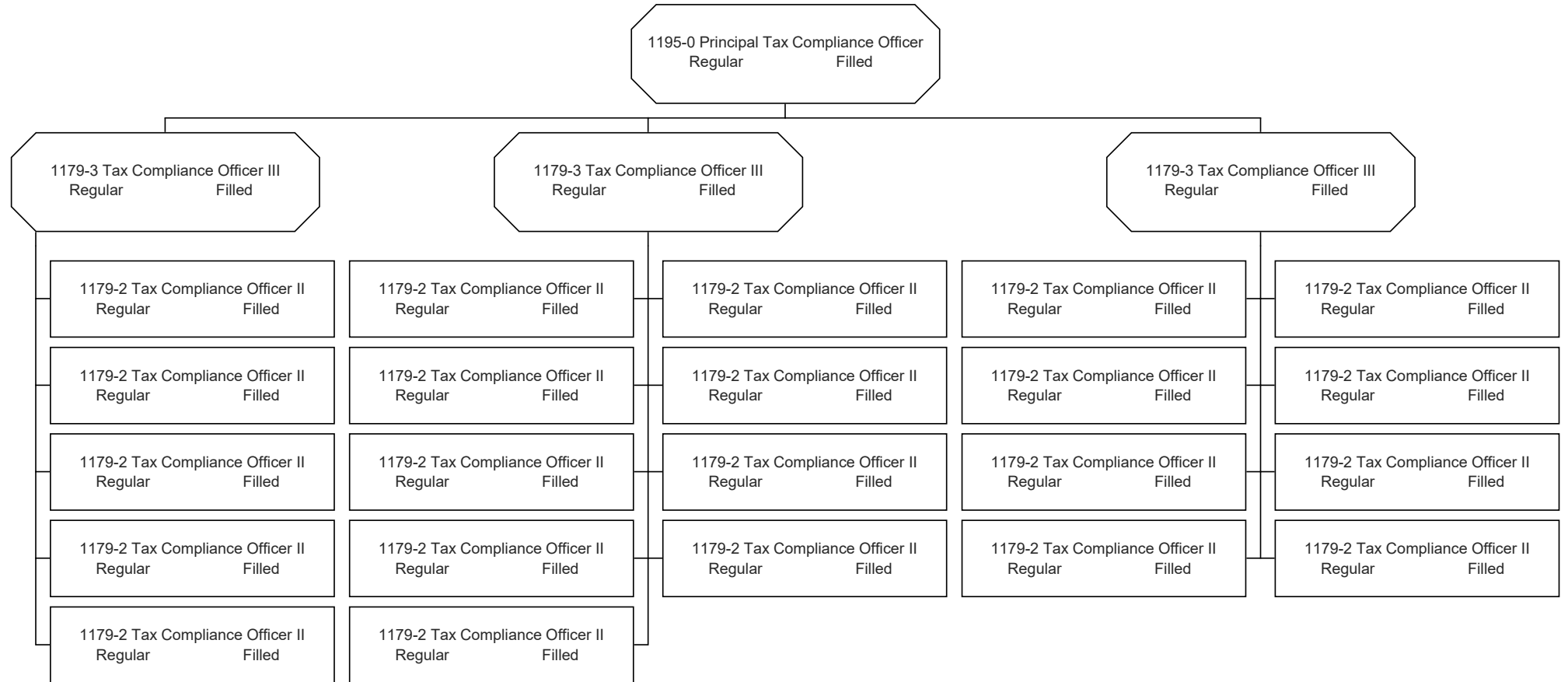
■ In Lieu
■ Substitute

■ 2024-25 New Authority
□ Resolution



2024-25 ORGANIZATION CHART

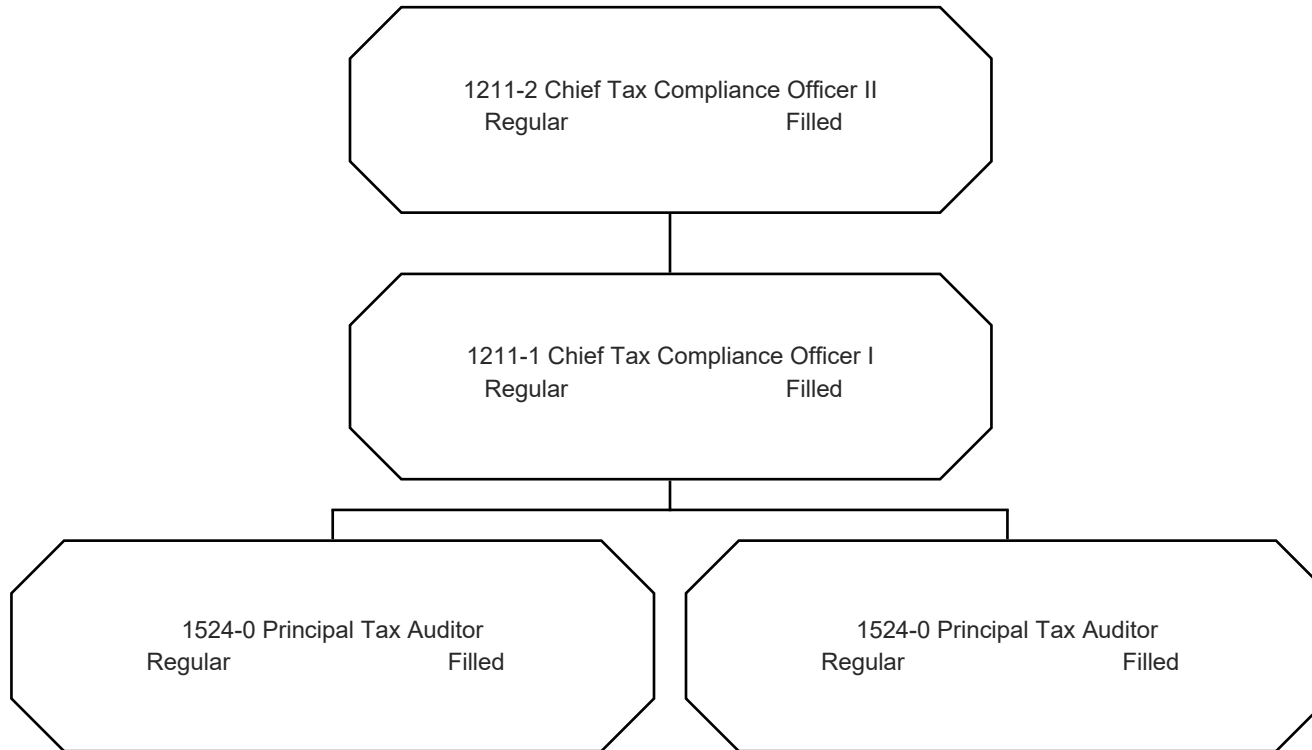
ENFORCEMENT DIVISION





2024-25 ORGANIZATION CHART

AUDIT DIVISION



○ Supervisor
○ Assistant

□ Staff
□ Vacant

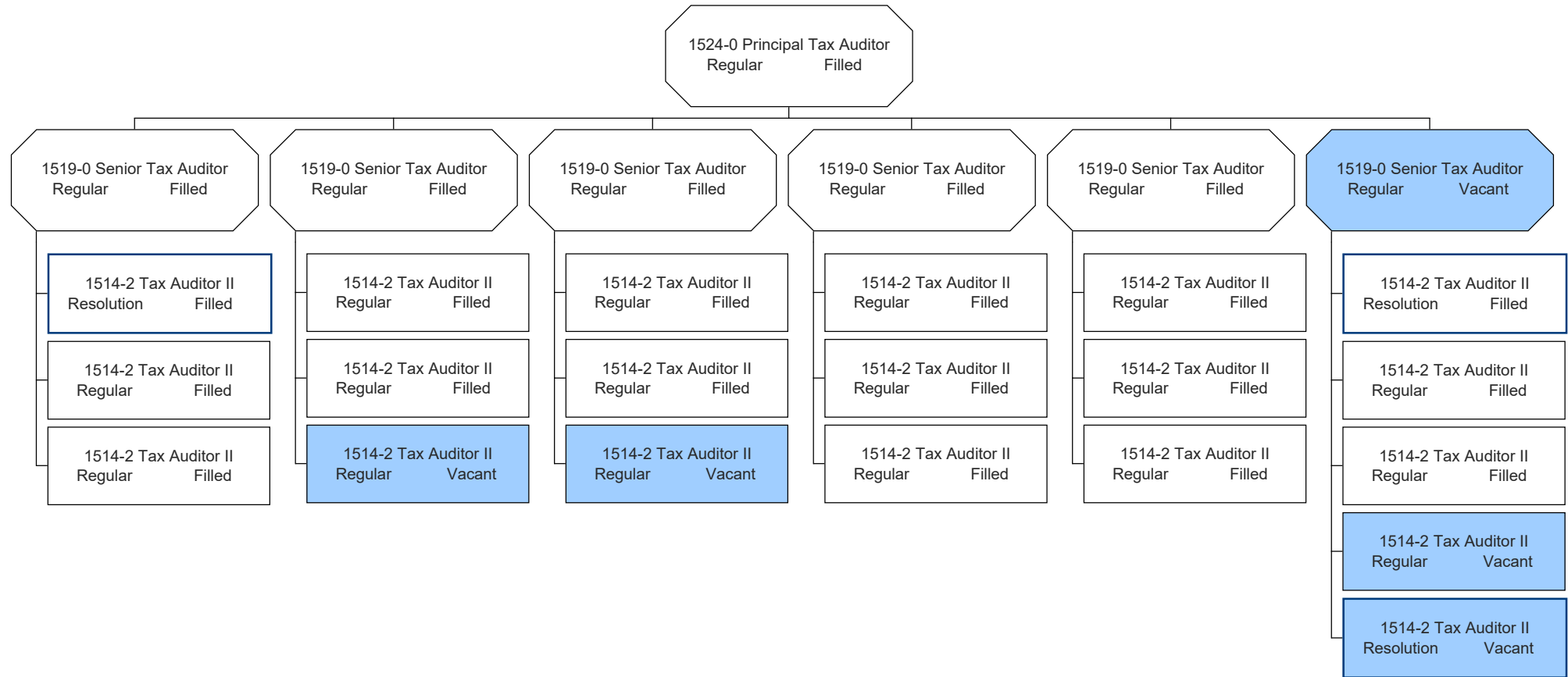
□ In Lieu
■ Substitute

■ 2024-25 New Authority
□ Resolution



2024-25 ORGANIZATION CHART

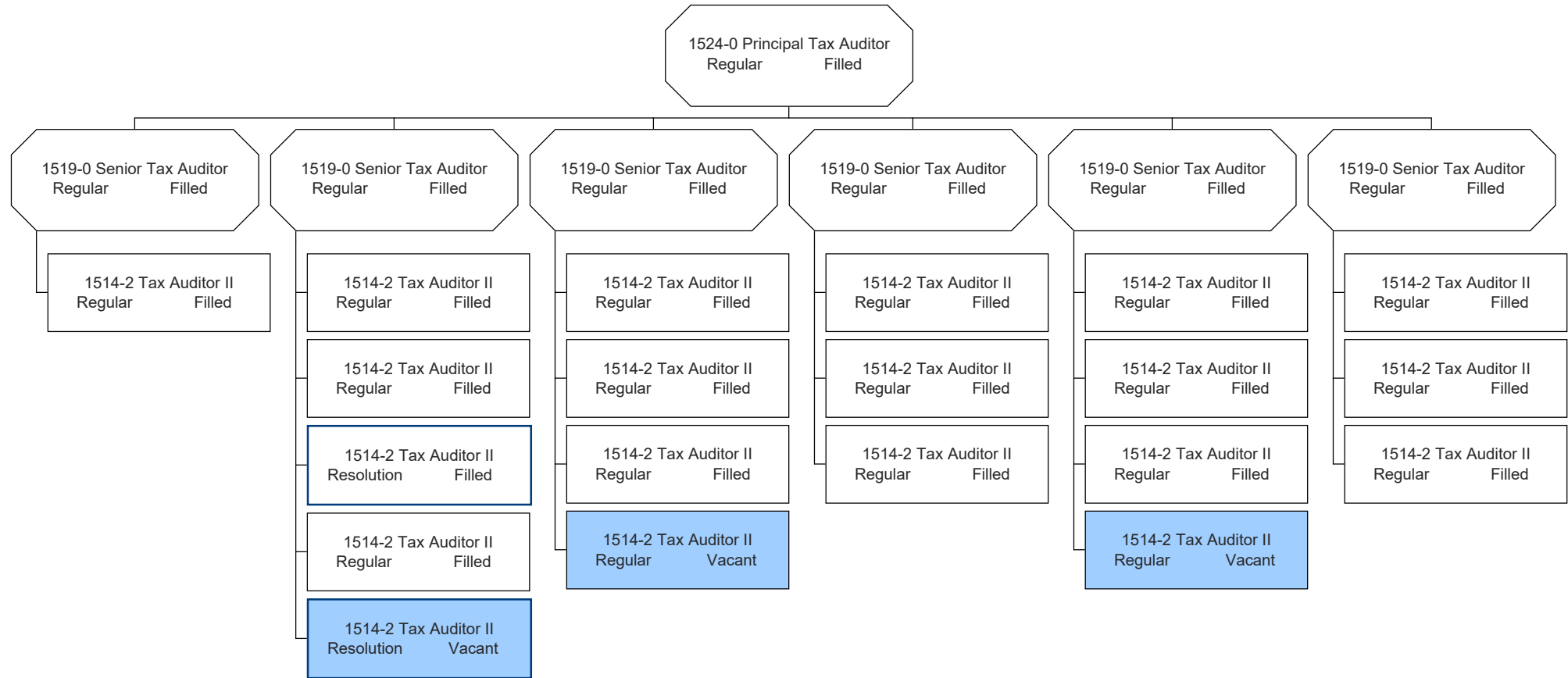
AUDIT DIVISION





2024-25 ORGANIZATION CHART

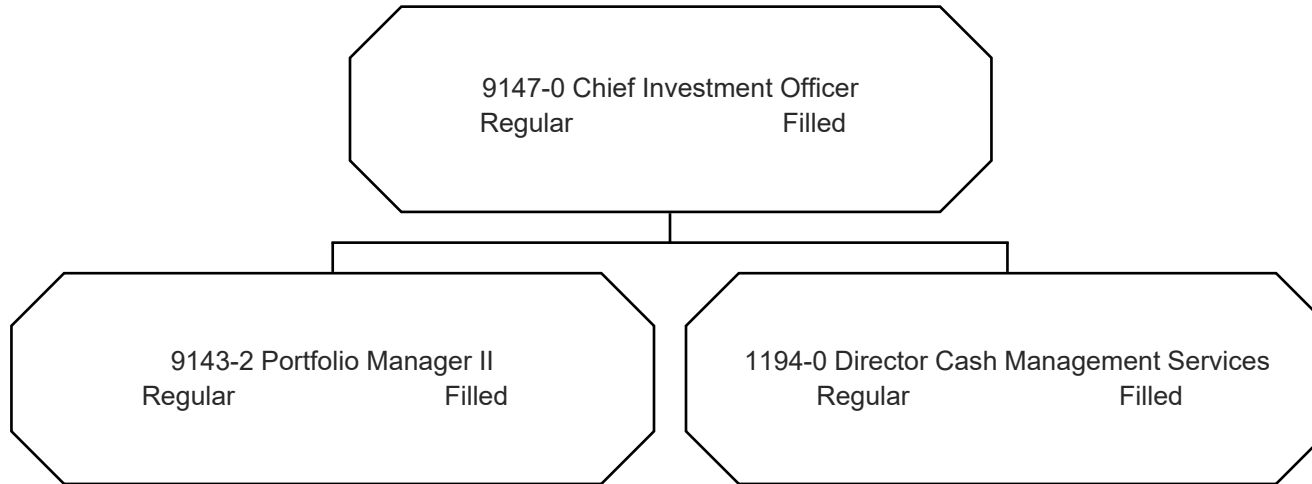
AUDIT DIVISION





2024-25 ORGANIZATION CHART

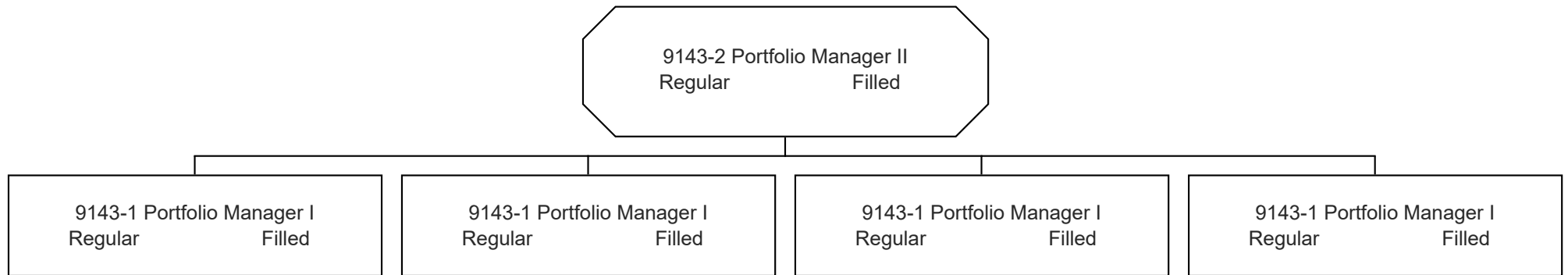
INVESTMENT AND TREASURY SERVICES





2024-25 ORGANIZATION CHART

INVESTMENT DIVISION



○ Supervisor
○ Assistant

□ Staff
□ Vacant

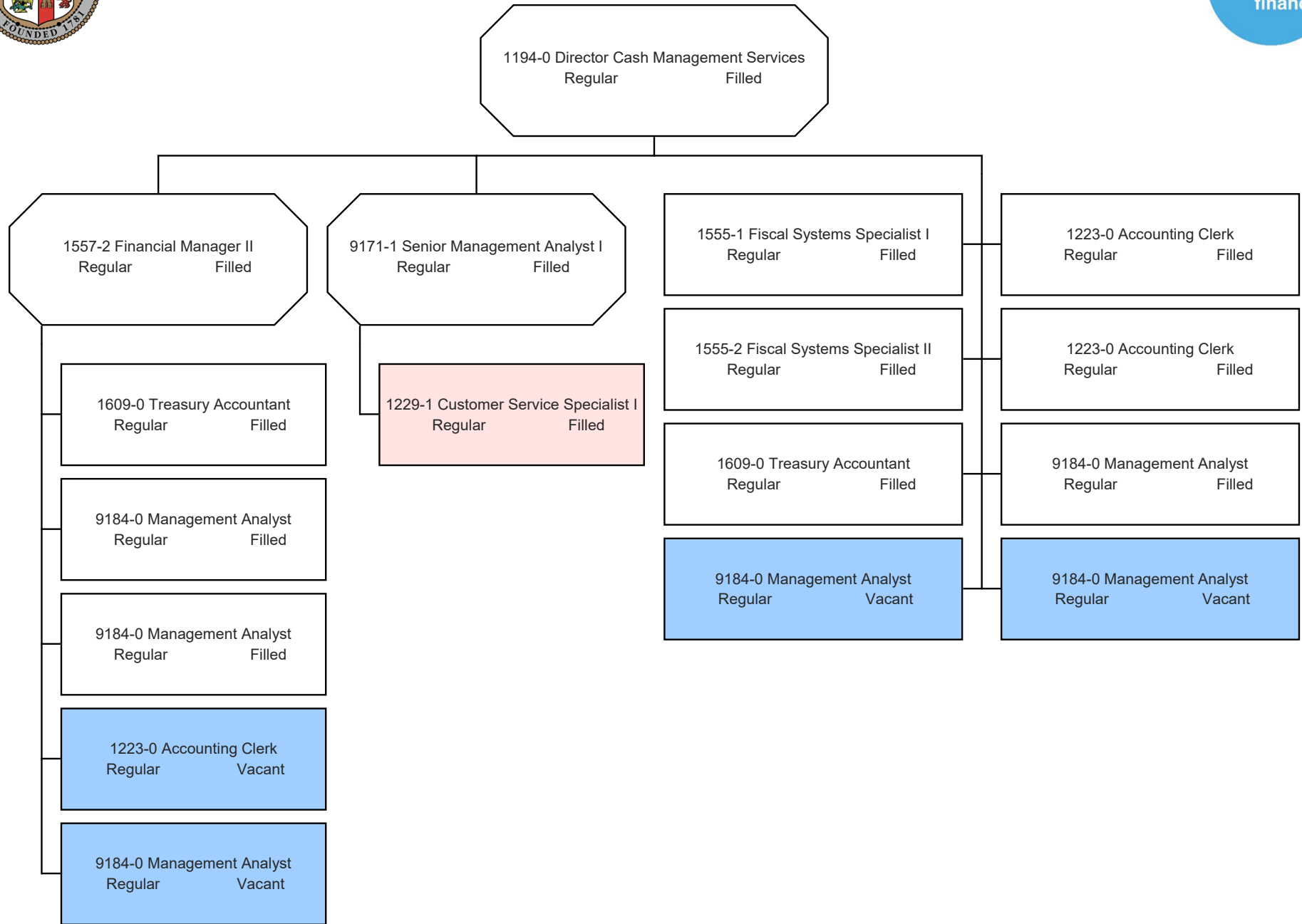
□ In Lieu
■ Substitute

■ 2024-25 New Authority
□ Resolution



2024-25 ORGANIZATION CHART

TREASURY SERVICES DIVISION



○ Supervisor
○ Assistant

□ Staff
□ Vacant

□ In Lieu
■ Substitute

■ 2024-25 New Authority
□ Resolution