



**Finance Committee
Council Chambers
100 W California Ave.
Ridgecrest, CA 93555
(3rd Monday each month)**

**AGENDA
Monday, April 20, 2020
Meeting – 5:00 p.m.**

All Committee meetings are closed to public attendance until further notice. Only Committee members and essential staff are allowed to be physically present. Public participation is solely via call in. TO PARTICIPATE, PLEASE CALL: 1-650-479-3208

-Meeting number (access code): 623016164

-Meeting password: dbURUEYU348

In accordance with the Governor's Executive Order N-25-20, Council Members may use teleconferencing to participate in meetings.

Committee Members – Council Member Hayman, Mayor Breedon

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF AGENDA**
- 4. APPROVAL OF MINUTES –March 16, 2020**
- 5. PUBLIC COMMENT (Items Not on the Agenda)**
- 6. DISCUSSION AND OTHER ACTION ITEMS**
 - A. Transient Occupancy Tax Services Audit
 - B. Budget Update
 - a. COVID-19
- 7. COMMITTEE MEMBER COMMENTS**
- 8. SUPPORT STAFF COMMENTS**
- 9. FUTURE AGENDA ITEMS**
- 10. NEXT MEETING May 18 ,2020**
- 11. ADJOURNMENT**



Finance Committee
1st Floor Conference Room Area 'B'
100 W California Ave.
Ridgecrest, CA 93555
(3rd Monday each month)

Minutes
Monday, March 16, 2020
Meeting – 5:00 p.m.

Committee Members – Council Member Hayman, Mayor Breedon

1. **CALL TO ORDER** @1700

2. **ROLL CALL**

Present: Mayor Breedon, Council Member Hayman

Staff: Cheri Freese, Lovette Alligood

3. **APPROVAL OF AGENDA** So moved by Mayor Breedon Seconded by Council Member Hayman

4. **APPROVAL OF MINUTES** –February 20, 2020 So moved by Mayor Breedon Seconded by Council Member Hayman

5. **PUBLIC COMMENT (Items Not on the Agenda)** No Comment

6. **DISCUSSION AND OTHER ACTION ITEMS**

Koff Representative presented an overview

A. Compensation Study Update power-point of the compensation study

B. Business License Compliance Audit Cheri: Reviewed BL Audit- Moving forward

C. Transient Occupancy Tax Services Audit Moved to April 20th meeting

D. CAFR Review Mayor Breedon & Council Member Hayman will review and email Cheri for questions.

7. **COMMITTEE MEMBER COMMENTS** No Comment

8. **SUPPORT STAFF COMMENTS** No Comment

9. **FUTURE AGENDA ITEMS** Detailed 2nd QTR Budget Reports Mayor Breedon & Council Member Hayman will review and email

10. **NEXT MEETING** April 20, 2020

Transient Occupancy Tax Services Audit

Cheri for questions.

11. **ADJOURNMENT** @ 1755

City of Ridgecrest Public Meeting Protocol In Response to Coronavirus (COVID-19)

Until further notice, all City of Ridgecrest Committee meetings will be held in the City Council Chambers to allow for social distancing and are closed to public attendance. Only Committee members and essential staff are allowed to be physically present, and will be seated the recommended distance from each other. Public participation is solely via call-in or via written correspondence. **TO PARTICIPATE**, please call, email, or send mail to the contact info provided below/on the Committee Agenda.

In accordance with the Governor's Executive Order N-25-20, Committee Members may use teleconferencing to participate in meetings.

On March 12, 2020, Governor Newsom issued Executive Order N-25-20, relating to the convening of public meetings in light of the COVID-19 pandemic. At this time, Ridgecrest is continuing to hold City Committee meetings in order to conduct essential business. However, as suggested by the Center for Disease Control, we are temporarily requiring the public to use one of the following alternatives for participating:

- **Call in for public comments / Statements from the Public:**

The public will be allowed to address the Committee during the public comment section of the agenda about subjects within the jurisdiction of the Committee and that do not already appear on the agenda. No action may be taken on off-agenda items unless authorized by law. Questions posed to the Committee may be answered after the meeting or at a future meeting. Dialog or extended discussion between the public and the Committee or staff will be limited in accordance with the Brown Act. The public comment portion of the meeting will be limited to five (5) minutes per speaker. Each person is limited to one comment during public comments. All remarks and questions should be addressed to the Committee as a whole and not to any individual member or staff.

To participate with verbal comments, ***please call in using the contact info provided on the Committee Agenda***. All callers will be able to hear and speak as with a traditional conference call. As redundant as it may be, PLEASE state your name each time you speak during the meeting for the purpose of recording meeting minutes. ***Additionally, please be sure to mute the call when you are not speaking.*** *Please Note: This process will be a learning curve for all, *please be patient.*

- **Submit comments in writing**

We encourage submittal of written comments supporting, opposing, or otherwise commenting on an agenda item, for distribution to the Committee prior to the meeting. Send emails to lalligood@ridgecrest-ca.gov; written correspondence may be sent to via mail to **Lovette Alligood, Finance**, 100 W. California Ave., Ridgecrest, CA 93555. Please specify to which Committee and agenda item your comment relates. All communication, whether it is a formal letter or an online informal email, will be read by the Committee.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in the meeting, please contact **Ricca Charlon at (760) 499-5002**. Requests must be made as early as possible and at least one full business day before the start of the meeting.

Please click on the link below to access the Committee Agendas and Minutes.
<https://ridgecrest-ca.gov/223/Boards-Commissions>

Please note this process is temporary and subject to change due to various circumstances. If you have any questions please contact us.

City of Ridgecrest, CA

TRANSIENT OCCUPANCY TAX SERVICES

March 10, 2020

HdL  Companies

SUBMITTED BY
HdL Companies
120 S. State College Blvd., Suite 200
Brea, CA 92821
hdlcompanies.com

CONTACT
George Bonnin
T: 714-879-5000
E: gbonnin@hdlcompanies.com

Dear Cheri,

Thank you for the opportunity to present this proposal for HdL's Tax and Fee Professional Services:

- Transient Occupancy Tax Services

Please be advised that we maintain a busy implementation schedule throughout the year. Your position in the implementation schedule will be determined when a signed agreement is received.

This proposal is valid until May 31, 2020.

Should you have any questions, please contact me at 888.861.0220 or by email at gbonnin@hdlcompanies.com.

Transient Occupancy Tax Administration Services

Transient Occupancy Tax Services	
Administration (With Audits)	\$800.00/property/month + CPI (Monthly Filers) \$700.00/property/month + CPI (Quarterly Filers)
Audits Only	\$2,000.00/Property

General Scope of Work

Tax Registration Database Management – HdL will transfer the City's existing databases as they relate to TOT into HdL's internal administration tools. HdL will maintain the data and provide reports to the City.

Return Processing – HdL will process TOT filings within 5 days of submission. Accounts will receive all applicable forms necessary to complete the renewal process.

New Account Processing – HdL will process any new TOT registrations for lodging establishments that change hand or newly offered properties.

Payment Posting / Processing – HdL will process all payments made for new and existing lodging providers. Accounts will be updated with payment information and revenues will be remitted to the City net HdL's fees on no less than a monthly basis.

Customer Support Center – HdL will provide lodging providers with multiple support options for registering, filing returns, making payments and for general inquiries. Lodging providers will be able to access one of our tax specialists Monday-Friday 8:00am to 5:00pm Pacific via phone, email, fax, and the online support center.

On-Line Filing & Payment Processing – HdL will provide a website for lodging providers to make payments online.

Compliance Monitoring – HdL will ensure accurate filings of TOT returns by consistently monitoring returns and providing compliance audits as mutually agreed to by the City and HdL.

Annual Reporting – In addition to standard monthly reports, HdL will continue to provide the City with annual analysis reports designed to provide key insights in the lodging provider community and the details on reporting of each lodging provider.

HdL's Transient Occupancy Tax Audit Service employs a business-friendly approach which educates hoteliers in transient occupancy tax regulations and filing procedures, ensures compliance, and maximizes agency revenues. The process incorporates the following:

Ordinance and Filing Procedure Review – Analysis of Transient Occupancy Tax ordinances and agency procedures are conducted to identify possible deficiencies or other administration related issues. Recommendations are made by the audit team for items such as to best practices, form design, and potential ordinance modifications to insure the most effective policies and controls.

Analysis Report – HdL's audit team will obtain and conduct a review of the most recent 36 months of transient occupancy tax filings. In order to verify and augment the data, the audit team will compile a variety of supplemental information on each property, including number of rooms, occupancy rate, physical condition, and business dynamics. Data is then further scrutinized in order to identify unusual or suspicious reporting and/or other variables that indicate cause for further review. Information and findings are documented in the analysis report for review with the Agency.

Analysis Review – Upon completion of the analysis report, meetings are scheduled with the agency to review the results as well as identify and recommend lodging providers who require additional investigation or examination to determine their compliance with the Agency's ordinance.

Audit Notification & Scheduling – Lodging providers selected by HdL and approved by the Agency for an audit are sent a letter and scheduled for a Compliance Analysis Audit. Every effort is made to promote a positive experience for the taxpayer. Lodging providers will be reminded of the documents required for the audit that were discussed in webinars and previous communications. Lodging providers are afforded the opportunity to schedule flexible appointment times by contacting the Business Support Center or visiting our online support center.

Compliance Analysis & Audit – The HdL audit team reviews the books and records of the lodging provider to determine compliance with transient occupancy tax regulations. HdL validates taxable gross rents, exemptions, bank statements, daily/monthly summaries, and other relevant information for determining compliance. Supporting documentation for relevant items such as exemptions will also be documented for accuracy.

Audit & Compliance Report – Upon completion of the audit and analysis, and prior to additional actions, a compliance report is generated and reviewed with the Agency. The report indicates specific results of the reviews and recommended actions. Documentation will be included with the report to assist the Agency and HdL in determining next steps.

Deficiency and Commendation Notification – Upon final review with the Agency, lodging providers that are found to have deficiencies are notified of the findings as well as payment and appeal processes. Appointments are also scheduled to review the findings and educate taxpayers on proper filing procedures designed to prevent future errors and deficiencies. Lodging providers found to be compliant are sent a commendation letter thanking them for their cooperation and compliance.

Invoicing & Collections – Lodging providers found to be underreporting are invoiced through the standard Agency approved collections process identical to the procedures approved for other Programs. Balances are collected and remitted along with supporting documentation to the Agency through approved remittance