

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Matthew J. Fertal From: Economic Development
Dept: City Manager
Subject: AMENDMENT TO THE AGREEMENT WITH MUNICIPAL REVENUE ADVISORS, INCORPORATED, AND AUTHORIZATION FOR EXAMINATION OF SALES AND USE TAX RECORDS Date: February 28, 2012

OBJECTIVE

The purpose of this report is to request that the City Council of the City of Garden Grove approve Amendment No. 1 to the Agreement with Municipal Revenue Advisors, Inc.; and adopt the attached Resolution authorizing the examination of sales and use tax records by Municipal Revenue Advisors, Incorporated.

BACKGROUND/DISCUSSION

On April 12, 2011, the City entered into a consultant services agreement with Municipal Revenue Advisors (MRA) to provide audit and revenue review services in connection with the collection of sales and use tax.

In order to be in compliance with the State Board of Equalization requirements regarding authorized representatives' examination of sales and use tax records, and to streamline the transfer of sales and use tax data to MRA for their analysis in conjunction with the work being performed pursuant to the consultant services agreement between the City and MRA, it is requested that the City Council approve Amendment No. 1 to the Agreement with MRA (Attachment 1); and adopt a Resolution (Attachment 2) authorizing MRA to examine the City's sales and use tax data. The amendment only addresses meeting the State's requirements and does not change the price or terms of the agreement.

FISCAL IMPACT

Not applicable.

RECOMMENDATION

It is recommended that the City Council:

- Approve the attached Amendment No. 1 to the Consultant Services Agreement by and between the City of Garden Grove and Municipal Revenue Advisors, Incorporated;


- Authorize the City Manger to execute the agreement on behalf of the City, and make minor modifications as necessary; and
- Adopt the attached Resolution authorizing the examination of Sales and Use Tax Records by Municipal Revenue Advisors, Incorporated.



JIM DELLALONGA
Senior Project Manager/Department Administrative Officer

Attachment 1: Amendment No. 1
Attachment 2: Resolution

Recommended for Approval



Matthew Fertal
City Manager

Amendment No. 1

CONSULTANT SERVICES AGREEMENT
Municipal Revenue Advisors, Inc

This **AMENDMENT NO. 1 TO CONSULTANT SERVICES AGREEMENT** (“Amendment”) is made and entered into as of February 28, 2012, by and between the **CITY OF GARDEN GROVE**, a public body, corporate and politic (“CITY”), and **MUNICIPAL REVENUE ADVISORS, INCORPORATED**, a California corporation (“CONSULTANT”).

RECITALS

WHEREAS, CITY and CONSULTANT have entered into a Consultant Services Agreement dated April 12, 2011 (“Agreement”); and

WHEREAS, CITY and CONSULTANT wish to amend said Agreement to meet State Board of Equalization requirements.

NOW, THEREFORE, in consideration of the covenants and promises contained herein, the CITY and CONSULTANT agree as follows:

Said Agreement is hereby amended to add Section 10 below:

10. SALES AND USE TAX INFORMATION

(a) Consultant shall examine State Board of Equalization sales tax records and use tax records in connection with its performance under this agreement.

(b) Consultant shall disclose information contained in, or derived from, such sales tax or transactions and use tax records only to an officer or employee of the City who is authorized by resolution to examine the information.

(c) Consultant shall not perform any consulting services for a retailer during the term of the contract.

(d) Consultant shall not retain the information contained in, or derived from, those sales or transactions and use tax records, after this agreement has expired.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first set forth above.

CITY:

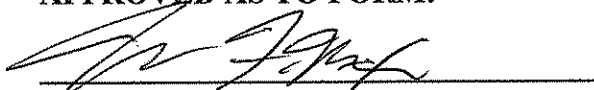
CITY OF GARDEN GROVE, a public body, corporate and politic

By:

ATTEST:

City Clerk

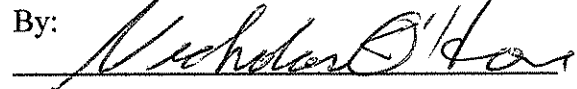
APPROVED AS TO FORM:



City Attorney

CONSULTANT:

MUNICIPAL REVENUE ADVISORS INCORPORATED, a California corporation

By: 

Title: President

Date: 2/21/2012

If CONSULTANT is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, a Statement of Partnership must be submitted to CITY.

CORPORATE RESOLUTION
Amendment No. 1

Resolved, that the Corporation enter into a Contract with the City of Garden Grove for the general purposes as specified in the Contract and Amendment No. 1 and all the terms and conditions as are set forth in an agreement between the parties as annexed hereto.

Resolved, that Nicholas OHare, President is authorized to execute the Agreement.

The undersigned hereby certifies that she is the duly elected and qualified Secretary and the custodian of the books and records of Municipal Revenue Advisors, Inc., a corporation duly formed pursuant to the laws of the State of California and that the foregoing is a true record of a resolution adopted at a meeting of the President, Incorporator and Secretary and that said meeting was held in accordance with the state law and the Bylaws of the above named Corporation on Tuesday February21, 2012, and that said resolution is now in full force and effect without modification or rescission.

IN WITNESS WHEREOF, I have executed this Resolution as Secretary and have hereunto affixed my Signature as Secretary of Municipal Revenue Advisors, Inc.

Secretary
Cynthia O'Hare
Cynthia O'Hare

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE,
CALIFORNIA, AUTHORIZING THE EXAMINATION OF SALES AND USE TAX RECORDS
BY MUNICIPAL REVENUE ADVISORS, INCORPORATED

WHEREAS, pursuant to California Revenue and Taxation Code Section 7200, et seq., the City of Garden Grove (City) has entered into a contract with the State Board of Equalization (SBOE) to perform all functions incident to the administration and collection of local sales and use tax;

WHEREAS, the City Council of the City of Garden Grove deems it desirable and necessary for authorized representatives of the City to examine confidential sales and use tax records of the SBOE pertaining to the sales and use tax collected by the SBOE 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 SBOE records, and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, sales and use tax records of the SBOE.

NOW, THEREFORE IT IS HEREBY RESOLVED by the City Council of the City of Garden Grove, California, as follows:

Section 1. That the City Manager, the Finance Director, and other officers or employees of the City, designated in writing by the City Manager to the SBOE, are hereby appointed to represent the City with the authority to examine sales and use tax records of the SBOE pertaining to sales and use taxes collected for the City by the SBOE pursuant to the contract between the City and SBOE. The information obtained by the examination of SBOE records shall be used only for purposes related to the collection of City sales and use tax by the SBOE pursuant to that contract.

Section 2. That Municipal Revenue Advisors, Inc. (MRA), designated by the City Manager to the SBOE, is hereby appointed to represent the City with authority to examine those sales and use tax records of the SBOE, for the purposes related to the following governmental functions of the City:

- (a) Sales Tax, Use Tax and Economic Analysis;
- (b) Economic Development Meetings;
- (c) Other Ongoing Consultation.

The entity, designated in writing by the City Manager to the SBOE, meets all the following conditions:

- (i) has an existing contract with the City to examine those sales and use tax records;
- (ii) 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 1 of this Resolution to examine the information;
- (iii) is prohibited by that contract from performing consulting services for a retailer during the term of that contract; and
- (iv) 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.

Section 3. The information obtained by the Municipal Revenue Advisors, Inc.'s examination of SBOE records shall be used only for the purposes related to the collection of City sales and use tax by the SBOE pursuant to the contract between the City and the SBOE.