



Legislation Text

File #: 22-1234, **Version:** 1

Recommendation to request City Attorney to prepare an ordinance amending the Long Beach Municipal Code to increase the refund threshold for City Manager and City Attorney authorization to \$50,000. (Citywide)

In 2006, the City Council approved an amendment to Long Beach Municipal Code (LBMC) Section 3.48.040 (Refund - Conditions of Payment) to adjust the authorization thresholds then in force for refunds \$500 or less for department head approval without City Attorney approval and for refunds \$5,000 or less without City Council approval as long as the refund was approved by the City Attorney. The 2006 City Council action adjusted the refund threshold for \$1,000 or less to requiring only department head approval; refunds of \$10,000 or less requiring only City Attorney approval; refunds of more than \$10,000 requiring both City Attorney review and City Council approval. There have been no adjustments to the refund approval threshold since 2006.

City of Long Beach (City) staff researched the City Council refund thresholds of eight cities in California but found only two. The City of Los Angeles has a \$50,000 refund threshold for tax refunds, and the City of Modesto has a \$20,000 refund threshold for all refunds.

An increase in the refund threshold would align the City with the City of Los Angeles. The current threshold for refunds requiring City Council approval is low, given the nature of several City accounts for which refunds frequently exceed \$10,000, such as Development Services and Airport-related services (e.g. funds on deposit to pay for services related to the preparation of environmental impact reports consistent with the requirements of the California Environmental Quality Act, fees paid for services and surcharges related to the preparation of Conditional Use Permit entitlement applications, and airline landing and rental fees). Most importantly, increasing the refund threshold increases the timeliness of refund approvals and issuance of refunds.

This matter was reviewed by Principal Deputy City Attorney Richard F. Anthony on September 22, 2022 and by Revenue Management Officer Geraldine Alejo on September 18, 2022.

City Council action is requested on October 18, 2022, to amend the LBMC and apply the new refund authorization thresholds to future refunds.

There is no fiscal or local job impact associated with this recommendation. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities.

Approve recommendation.

KEVIN RIPER
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER