



City of Salinas

FINANCE DEPARTMENT • 200 Lincoln Ave • Salinas, California 93901

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September 17, 2015

The Honorable Judge Marla O. Anderson
Presiding Judge, Superior Court
County of Monterey
240 Church Street
Salinas, California 93901

Re: City of Salinas's Response to the 2014-2015 Monterey County Civil Grand Jury Final Report No. 11 "Web Site Business License Applications, City of Salinas"

Dear Presiding Judge Anderson:

This letter is the City of Salinas's response to the Findings and Recommendations of the 2014-2015 Monterey Council Civil Grand Jury Final Report No. 11 – "Web Site Business License Applications, City of Salinas" ("Final Report No. 11"). I would first like to thank the members of the Civil Grand Jury for their time and effort taken to assist us in improving our ability to provide services to our community. In the Final Report No. 11, the Civil Grand Jury overall made a total of five findings and five recommendations.

The Civil Grand Jury accurately reported on an area the City needs to see improvement in. The City Council has a goal to leverage technology to better serve the community. As part of implementing this goal, the City has been making many strides to improve. The business licensing is one area that is ripe for improvement. The City is currently implementing a new state of the art business licensing system that we believe will make the process more efficient and effective for the businesses and for the City. The go-live date of the implementation for the business license module is scheduled for Monday, January 16, 2015.

As requested by the Civil Grand Jury, the City of Salinas respectfully submits the following responses to the Findings and Recommendations identified in the Final Report No. 11.

Final Report No. 11 Findings

Finding 1: The business portal of the City's web site does not permit a new business license applicant to apply for a business license on-line by using a fillable PDF form.

Response: The City Council agrees with this finding.

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Finding 2: The City of Salinas has hired outside contractors to collect delinquent business license fees.

Response: The City Council agrees with this finding.

Finding 3: The business portal of the City's web site does not contain a secure page for the payment of all license fees (initial and subsequent) by debit/credit card.

Response: The City Council agrees with this finding. The City does have an online portal for secure payment of all most all renewal fees. The renewal of certain business classification types cannot be paid online and a new license cannot be obtained online.

Finding 4: The City's web site is incomplete in that it lacks a link to the definitions of all business types and a schedule of the current license fees for each type of business.

Response: The City Council agrees with this finding. The City's website does have a link to the business license code that lists all of the business types and their fee calculation formulas. The business types should be better defined.

Finding 5: The City is losing revenue and failing to protect the public because its web site does not list the current business licenses and the dates each license expires.

Response: The City Council agrees with this finding. By not publishing a current list of businesses who have a license, the City may be losing revenue and may be failing to protect the public. It should be noted that the City's business license revenue is a tax and not a regulatory fee for services such as what a business might pay for a County Health Department license, where the health and safety of the public is served by a health inspection. As a general tax, the business license revenue goes to pay for general governmental services such as public safety, road maintenance, and parks.

Final Report No. 11 Recommendations

Recommendation 1: Add to the Business Portal of the City's web site the current business license application as a type-in fillable PDF form that can be sent to the City's Finance Department via the City's web site without an actual signature but with a checked verification of the information under penalty of perjury.

Response: The implementation of this recommendation is in progress and will be completed as part of phase two of the financial system upgrade to New World Systems. Phase 1 has been completed and Phase two has begun. The business license portion of phase two will begin on September 28, 2015 and will go live on Monday, January 4, 2016.

Recommendation 2: The City of Salinas hire or assign an employee to track and collect delinquent business license fees.

Response: The City has implemented this recommendation. The City has discontinued the contract with Municipal Auditing Services (MAS), who were hired to find businesses who do not have a business license. The City plans to use existing staff to track and collect delinquent business license fees from businesses who have not paid their renewal bill. For businesses who do not have a license, the City has contracted with a different firm, MuniSerices, to perform this work which is more cost effective than using existing staff or hiring new staff.

Recommendation 3: Add a secure credit/debit card page so that license fees, new as well as renewal, may be paid on-line.

Response: The City is excited about a more complete online payment portal. For two years now, the City has had a secure online credit/debit card page to pay for the annual renewal of a business license for a majority of the businesses in our City. As part of the New World system implementation, the goal is for all new and existing businesses to be able to pay online. This part of the new implementation will go live on Monday, January 4, 2016.

Recommendation 4: Create a link to a page on the City's web site that explains clearly to the public how to calculate the business license fees for all categories of businesses and include step-by-step examples of how to calculate the fees for the most common businesses.

Response: This is a great recommendation. The business license code, that is published online, describes each of the business category and fee formulas. The formulas are complicated and leave too much room for an incorrect self-calculation of the correct fee. However, even the simplest fee formula would lead to some level of incorrect calculations so a process to notify the applicant of a correction would still need to be part of the process and allow the business to easily correct it. The City plans to implement this recommended by Monday, January 4, 2016 with the go live of the new business module of the New World system.

Recommendation 5: Create and maintain on a periodic basis (at least annually), a data base on the web site that includes the names, addresses and telephone numbers of all of the City's business licensees and when each license expires.

Response: The recommendation has been implemented. A list of all current businesses, including their names, addresses, telephone numbers and license expiration date, has been published on the City's web.

Honorable Judge Marla O. Anderson

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Sincerely,

A handwritten signature in black ink, appearing to read "Joe Gunter", written over a horizontal line.

Joe Gunter
Mayor
City of Salinas

cc: ~~Charles J. McKee, County Counsel~~
Leslie J. Girard, Chief Assistant County Counsel