AGENDA
FINANCE COMMITTEE
SPECIAL MEETING NOTICE
NOVEMBER 13, 2023
PUBLIC MEETING 3:00 P.M.

Members
Victor M. Gordo, Mayor
Tyron Hampton, District 1
Felicia Williams, District 2

STAFF
Matthew Hawkesworth, Director of Finance
Theresa Fuentes, Assistant City Attorney
Gloria Acevedo, Recording Secretary

MISSION STATEMENT
The City of Pasadena is dedicated to delivering exemplary municipal services, responsive to our entire community and consistent with our history, culture and unique character.

In compliance with the Americans with Disabilities Act of 1990, Assistive Listening Devices are available from the City Clerk's Office with a 24-hour advance notice. Please call (626) 744-4124 to request use of a listening device.

Language translation services are available for this meeting by calling (626)744-4124 at least 24 hours in advance. Habrá servicio de interpretación disponible para éstas juntas llamando al (626)744-4124 por lo menos con 24 horas de anticipación.

Meetings are broadcast live on cable Channel 3 and on the Internet at http://pasadena.granicus.com/mediaplayer.php?camera_id=2&publish_id=9 and https://www.pasadenamedia.org/watch/ (Click on Video Streamlining on the right side of the screen).

Items on the agenda may not be called in order listed. Agendas and supporting documents are available on the Internet at https://www.cityofpasadena.net/commissions/city-council-finance-committee/

*Materials related to an item on this Agenda submitted to the Finance/Audit Committee **after** distribution of the agenda packet will be posted online and listed as: "Supplemental Agenda Material Received after the Posting of the agenda"*

PUBLIC COMMENT AT THE SPECIAL FINANCE COMMITTEE MEETING FOR NOVEMBER 13, 2023, AT 3:00 P.M. WILL BE ACCEPTED IN-PERSON AND BY VIDEOCONFERENCE/TELECONFERENCE.

Link to City Meeting Policy:
cityofpasadena.net/CityCouncilMeetingPolicy

In order to facilitate public participation at meetings the City will accept public comment in the following manner:

1. Whether participating in-person or virtually at the meeting, members of the public may provide public comment by submitting a speaker card prior to the start of public comment on that item, at the following webpage:

   www.cityofpasadena.net/commissions/public-comment/

   If a public comment speaker wishes to speak on more than one agenda item, please indicate which items on the online form (multiple item speakers will be handled according to the process posted on the agenda and as specified in the City meeting policy). Public comments are limited to 3 minutes each, and the Chair and Committee may limit this time if reasonable under the circumstances.

2. In-person Meeting Participation: Complete an online speaker card at the following website: **www.cityofpasadena.net/commissions/public-comment/**

   After submitting a public speaker card, members of the public may attend the meeting in-person by coming to the Pasadena City Council Chamber, Room S249 at City Hall at the date and start-time of the posted meeting.

   Virtual Meeting Participation: For virtual participants, you may attend by connecting to the meeting using a computer, other electronic device, or by telephone. Please review the agenda to identify the published start time for the meeting and connect to the meeting just prior to, or at the start of the meeting.

   To participate in public comment for an item and to be recognized to speak, it is required that the speaker login to the meeting using the same name or telephone number used on the Speaker Card form. This will allow City staff to locate and promote the speaker into the meeting when it is time for their public comment. Participants' phone calls to the Committee meeting will be recorded as part of the Committee meeting. By staying on the line and making public comment during the Committee meeting by phone, you are agreeing to have your phone call recorded. Following is the connectivity information for virtual participation:

   Computer or electronic devices, join the meeting at: **cityofpasadena.net/cczoom**

   Telephone only dial-in: 1-669-900-6833, Meeting ID: 161 482 446

3. **Speaker Card Help Line**: If a public comment speaker needs assistance in completing a speaker card, please call the City Clerk's Office at: (626) 744-4124. Help line will open **30 minutes** prior to the posted start time of the meeting.

4. Members of the public may submit correspondence of any length prior to the start of the meeting, at the following email address:

   gacevedo@cityofpasadena.net

   Correspondence will be forwarded to the Committee prior to the start of the meeting, posted online, and made part of the legislative record for the item.

LIVESTREAM WITH CAPTIONING IS AVAILABLE AT WWW.PASADENAMEDIA.ORG, AND ALSO AT WWW.CITYOFPASADENA.NET/COMMISSIONS/AGENDAS,

IF YOU NEED A REASONABLE MODIFICATION OR ACCOMMODATION PURSUANT TO THE AMERICANS WITH DISABILITIES ACT BECAUSE YOU ARE UNABLE TO PARTICIPATE ELECTRONICALLY AS SET FORTH ABOVE, CONTACT THE CITY CLERK'S OFFICE AS SOON AS POSSIBLE AT (626) 744-4124 OR CITYCLERK@CITYOFPASADENA.NET.

DEPARTMENT OF FINANCE

CITY OF PASADENA
NOTICE OF SPECIAL MEETING
OF THE FINANCE COMMITTEE

NOVEMBER 13, 2023
PUBLIC MEETING: 3:00 P.M.
PASADENA CITY HALL, COUNCIL CHAMBER
100 NORTH GARFIELD AVENUE, ROOM S249

NOTICE IS HEREBY GIVEN that the special meeting of the Finance Committee will be held on Monday, November 13, 2023, at 3:00 p.m., in the Pasadena City Hall Council Chambers S249.

Victor M. Gordo, Mayor
City of Pasadena

I HEREBY CERTIFY that this notice, in its entirety, was posted on the Internet at www.cityofpasadena.net/commissions/city-council-finance-committee and on the Council Chamber Bulletin Board, Room S249 and the Bulletin Board in the rotunda area, City Hall, 100 North Garfield Avenue, this 9th day of November, 2023 by 5:30 p.m., and that copies hereof were faxed, emailed or delivered to each member of the City Council and to each local newspaper of general circulation, radio or television station requesting notice in writing, all of which recipients are identified on the distribution list set forth herein below.

Gloria Acevedo, Recording Secretary
Finance Committee

DISTRIBUTION:

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listening assistive devices are available from the City Clerk's Office with a 24-hour advance notice.
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(626) 744-4124 por lo menos con 24 horas de anticipación.

SPECIAL MEETING
AGENDA
FINANCE COMMITTEE
NOVEMBER 13, 2023
Public Meeting: 3:00 P.M.
Council Chamber, Pasadena City Hall
100 North Garfield Avenue, Room S249

PUBLIC MEETING - 3:00 P.M.

ROLL CALL

PUBLIC COMMENT – LIMITED TO ITEMS ON THIS SPECIAL MEETING AGENDA AND WILL BE HEARD AT THE TIME THE ITEM IS CONSIDERED

APPROVAL OF MINUTES

NEW BUSINESS

1. **AMEND THE POLICE DEPARTMENT'S FISCAL YEAR 2024 OPERATING BUDGET BY RECOGNIZING REVENUE AND APPROPRIATING $43,334 IN GRANT FUNDS FROM THE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM**

2. **ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A STANDARD AGREEMENT (96228) WITH THE STATE OF CALIFORNIA FRANCHISE TAX BOARD (FTB) FOR THE PURPOSE OF THE CITY'S PARTICIPATION IN THE FTB'S CITY BUSINESS TAX DATA PROGRAM**

INFORMATION ONLY

ADJOURN

NEW BUSINESS

ITEM 1

1. AMEND THE POLICE DEPARTMENT'S FISCAL YEAR 2024 OPERATING BUDGET BY RECOGNIZING REVENUE AND APPROPRIATING $43,334 IN GRANT FUNDS FROM THE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM

Agenda Report

November 13, 2023

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Police Department

SUBJECT: **AMEND THE POLICE DEPARTMENT'S FISCAL YEAR 2024 OPERATING BUDGET BY RECOGNIZING REVENUE AND APPROPRIATING $43,334 IN GRANT FUNDS FROM THE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the project proposed herein is exempt under the California Environmental Quality Act (CEQA) Guidelines Section 15061 (b)(3), the "Common Sense" exemption that CEQA applies only to projects that may have an effect on the environment;

2. Authorize the City Manager to execute all grant-related documents pertaining to the Edward Byrne Memorial Justice Assistance Grant (JAG) award in the amount of $43,334; and

3. Amend the Police Department's Fiscal Year (FY) 2024 Operating Budget by recognizing revenue and appropriating $43,334 in the General Fund (101).

BACKGROUND:

The U.S. Department of Justice (DOJ), Office of Justice Programs (OJP), Bureau of Justice Assistance (BJA), for the fiscal Year 2023-2024, was accepting solicitation offers for the Edward Byrne Memorial Justice Assistance Grant (JAG) award for a maximum of $43,334.

Named after Edward "Eddie" R. Byrne, an officer in the New York City Police Department who was murdered while protecting a witness in a drug case, the Edward Byrne Memorial Justice Assistance Grant (JAG) Program is the leading federal source

of criminal justice funding to state and local jurisdictions. Administered by the Bureau of Justice Assistance (BJA), the JAG Program provides states, territories, tribes, and local governments with critical funding necessary to support a range of programs. Some of these programs include, but are not limited to, de-escalation training for law enforcement.

On August 9th, 2023, The Pasadena Police Department (PPD) submitted an application requesting grant funding for $43,334 to purchase training equipment for the Pasadena Police Department range facility. The intent is to use this equipment for de-escalation training.

PPD has placed a high value on providing de-escalation training to our officers. Further, there has been an increased call by the community for a change in the way police respond to situations such as domestic violence calls, uncooperative or armed suspects, or people having a mental health crisis. At times, these types of incidents result in the use of force that can result in injury or death to the officer or individual(s) involved.

Pasadena officers are being asked to use de-escalation techniques to resolve volatile situations peacefully. De-escalation training teaches police officers to slow things down, create space, ask open-ended questions, and build a rapport with subjects. PPD has achieved this by providing regular scenario-based training using trainers/actors, modified training firearms, and simunitions. Simunitions are special cartridges that fire colored paint-filled plastic projectiles. Simunitions are designed to cycle the actions in specially modified handguns. These are great tools for officers to train in well-thought-out scenarios based on real-life situations.

The primary issue training staff has with organizing such scenarios is that they do not have a proper training facility. Currently, most of these training scenarios are held outside in an open area. Simunitions cannot be used indoors because the projectiles are powerful enough to damage and mark interior walls with paint. PPD needs a facility to conduct this de-escalation training.

The PPD wants to utilize the Edward Byrne Memorial Justice Assistance Grant funds to purchase and use a shoot house. The shoot house panels are extremely durable and can be easily cleaned. The shoot house can be assembled and disassembled by two individuals. Further the shoot house can be installed into different configurations, allowing the training staff the flexibility to change the training scenarios frequently.

The Edward J. Byrne grant that has been awarded will enable the department to purchase equipment that will be used for de-escalation training.

COUNCIL POLICY CONSIDERATION:

The proposed action is consistent with the City Council's Strategic Plan Goals to ensure public safety. The Bureau of Justice Assistance ("BJA") recognizes that many state and

local criminal justice systems currently face challenging fiscal environments and cost-effective way to relieve those pressures is to share or leverage resources through cooperation among federal, state, and local law enforcement.

ENVIRONMENTAL ANALYSIS:

The proposed grant has been determined to be exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section15061 (b)(3), the "Common Sense" exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Such is the case with the proposed grant from the Edward Byrne Justice Assistance Grant.

FISCAL IMPACT:

This action will amend the Police Department's FY 2024 Operating Budget in the General Fund (101) by recognizing revenue and appropriations of $43,334. Funding from the Department of Justice will be used for the purchase of a shoot house. There are no anticipated indirect or support costs such as maintenance and IT support.

Respectfully Submitted,

EUGENE HARRIS
Chief of Police
Pasadena Police Department

Prepared by:

Sam De Sylva
Lieutenant

Approved by:

MIGUEL MARQUEZ
City Manager

NEW BUSINESS

ITEM 2

2. ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A STANDARD AGREEMENT (96228) WITH THE STATE OF CALIFORNIA FRANCHISE TAX BOARD (FTB) FOR THE PURPOSE OF THE CITY'S PARTICIPATION IN THE FTB'S CITY BUSINESS TAX DATA PROGRAM

Agenda Report

November 13, 2023

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Director of Finance

SUBJECT: **ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A STANDARD AGREEMENT (96228) WITH THE STATE OF CALIFORNIA FRANCHISE TAX BOARD (FTB) FOR THE PURPOSE OF THE CITY'S PARTICIPATION IN THE FTB'S CITY BUSINESS TAX DATA PROGRAM**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the recommended action is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines per Section 15061(b)(3), the "Common Sense" exemption that CEQA only applies to projects that may have an effect on the environment;

2. Adopt the attached resolution for the purpose of the City's participation in the Franchise Tax Board (FTB) City Business Tax Data Program; and

3. Authorize the City Manager to enter into an agreement for tax years 2023 through 2025, which includes data sharing through December 2026. The proposed agreement is exempt from competitive bidding pursuant to City Charter section 1002 [H], contract with other governmental entities.

BACKGROUND:

In 2021, the City entered into an agreement similar to the agreement in the proposed action. The State of California has regularly faced sizable budget gaps and one way in which the state seeks to reduce this gap is through the pursuit of those owing income taxes, particularly self-employed individuals not filing returns.

Effective January 2009 as a result of the enactment of Senate Bill 1146 (Cedillo) (Chapter 345, Statutes of 2008), FTB began exchanging data through a reciprocal agreement with cities at no charge to either party. The program helps identify self-employed individuals who are not reporting required income and paying local business taxes.

The following types of data is exchanged between cities and the FTB.

Cities/Counties provide FTB	**FTB provides Cities/Counties**
Business and owner's name	Taxpayer name
Business or residence address	Taxpayer address
FEIN or Social Security Number	Taxpayer FEIN or Social Security Number
North American Industry Classification Code	Entity type
Standard Industry Classification Code	Principal Business Activity (PBA) Code

Participating cities and counties provide local business license data to the FTB annually via Secured Web Internet File Transfer (SWIFT). In exchange, FTB completes a data match for business activity in the respective city or county for the prior year and returns its findings to the City by December 31. This data exchange aids FTB in finding businesses who do not file income tax returns and cities and counties to identify unlicensed businesses within their jurisdiction.

The City is required to extract and provide data to the FTB annually between April and July of each year of the agreement. The FTB agrees to match the data provided by the City with the FTB's data and provide the report to the City as annual extract in December of the following tax year. Both entities retain ownership of their respective data and will maintain the confidentiality of all pertinent taxpayer data as required by the Revenue and Taxation Code and Internal Revenue Code.

FISCAL IMPACT:

There is no fiscal impact as a result of this action and will not have any indirect or support cost requirements. The anticipated impact to other operational programs or capital projects as a result of this action will be none.

Respectfully submitted,

MATTHEW E. HAWKESWORTH
Director of Finance

Approved by:

MIGUEL MÁRQUEZ
City Manager

Attachments: (2)

Attachment A – Scope of Work
Attachment B – Standard Agreement

State of California
Franchise Tax Board

City of Pasadena
Agreement # 96228

EXHIBIT A
SCOPE OF WORK

This Agreement is entered into by and between the Franchise Tax Board, herein after referred to as (FTB), and the City of Pasadena, herein after referred to as the City.

Purpose:

This Agreement provides for the reciprocal exchange between FTB and the City tax data specific to city business license information for tax administration purposes. By entering into a reciprocal agreement, each party agrees to bear its own costs of providing the data, and the City is precluded from obtaining reimbursement.

Both parties will abide by the legal and confidential provisions of this Agreement. Exhibits A, B, C, D, E, F, and G, attached hereto and incorporated by reference herein, set forth additional terms to which the parties agree to be bound.

No Federal Tax Information will be exchanged.

Legal Authority:

California Revenue and Taxation Code (R&TC) Section 19551.1 authorizes a reciprocal agreement for the exchange of specified tax information between a City/County and FTB. R&TC Section 19551.5 mandates cities/counties to provide city/county business licensing and tax information to FTB upon request.

City Responsibilities:

1. The City agrees that the information provided by FTB will be used exclusively to administer the City/County Business Tax Program.

2. The City agrees that information obtained under this Agreement will not be reproduced, published, sold, or released in original or in any other form for any purpose; and will only be accessed or used by City employees whose duties are to administer the City/County Business Tax Program.

3. The City agrees to provide FTB with tax information pursuant to Format Specifications, Exhibit E, which shall include, but not be limited to, the following:
   - Business or owner's name
   - Business address
   - Federal Employer Identification Number (FEIN) or Social Security Number (SSN)
   - Ownership type
   - North American Industry Classification Code or Standard Industry Classification Code
   - Business start and cessation dates
   - City Business Tax Number, to be assigned to the City by FTB

4. The City agrees to extract and provide city data to FTB annually between April and July for each tax year that the Agreement is in place. If the Agreement is executed after July 31, 2024, the City will have 30 days after execution to provide FTB with the first year's data.

5. The City agrees to submit the records to FTB electronically using FTB's Secure Web Internet File Transfer (SWIFT) system.

6. The City agrees to submit the records to FTB in ASCII fixed-length format, .txt, per the Format Specifications, Exhibit E.

7. The City agrees to resubmit data in the event data is initially submitted with errors. The resubmission of data must be within 30 days of notification. If data is not submitted accurately and timely, the City will forfeit its rights to FTB data for that year.

8. The City agrees that each City employee having access to FTB data shall sign a City/County Business Tax Program Confidentiality Statement, FTB 712 (Exhibit G). The signed statement is to be retained by the City and produced to FTB upon request.

9. The City agrees to submit to FTB a completed Security Questionnaire prior to receiving any FTB data. The Security Questionnaire is valid for the duration of the Agreement.

10. The City agrees to provide a copy of the current resolution, order, or minutes reflecting passage of a motion, or ordinance of the local governing body authorizing the execution of this specific Agreement.

FTB Responsibilities:

1. FTB agrees that information provided by the City will be used for tax administration and non-tax programs that FTB administers and may be shared with other state or federal agencies as authorized by law.

2. FTB agrees that information obtained under this Agreement will not be reproduced, published, sold, or released in original or in any other form for any purpose, except as provided in paragraph 1 or otherwise authorized by law.

3. FTB agrees to provide the City with data extracted from the Taxpayer Information (TI) system and Business Entities Tax System (BETS). FTB will provide the City with records for taxpayers within the City's jurisdiction who indicate a business on their personal or business entity income tax return. The Record Layout, Exhibit F, FTB 909A shall include:
   - Taxpayer name
   - Taxpayer address
   - Taxpayer SSN or FEIN
   - Principal Business Activity code

4. FTB agrees to match the data provided by the City using the SSN or FEIN against FTB's data with a "Yes" or "No" indicator on the Record Layout, Exhibit F, FTB 909A. The first year's data match is at the discretion of FTB based on when the data is received from the City and processed.

5. FTB agrees to provide the City with an annual data extract in December 2024 for tax year 2023, in December 2025 for tax year 2024, and in December 2026 for tax year 2025 via SWIFT.

6. FTB agrees to register the City for a SWIFT account allowing for the secure electronic transmission of data.

7. FTB agrees to provide the City with a unique City Business Tax Number to be used for reporting purposes only.

8. FTB agrees to allow the City to resubmit data within 30 days of notification, in the event data is initially submitted with errors.

Project Coordinators:

The project coordinators during the term of this Agreement will be:

Franchise Tax Board
Kay Han
City/County Business Tax Program Analyst
Data Oversight Program
P.O. Box 1468, Mailstop A181
Sacramento, CA 95812-1468
Phone: (916) 845-0638
Email: FTBCCBT@ftb.ca.gov

City of Pasadena
LoAnn Ho
ERP Applications Specialist
100 N. Garfield Avenue, Room N106
Pasadena, CA 91101
Phone: (626) 744-6409
Email: lho@cityofpasadena.net

Return executed agreement to:

Franchise Tax Board
Kay Han
City/County Business Tax Program Analyst
Data Oversight Program
P.O. Box 1468, Mailstop A181
Sacramento, CA 95812-1468
Phone: (916) 845-0638
Email: FTBCCBT@ftb.ca.gov

EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

This data exchange is provided at no cost.

EXHIBIT D
SPECIAL TERMS AND CONDITIONS

1. DATA OWNERSHIP: The confidential tax information or other confidential information being provided under this Agreement remains the exclusive property of the providing party. Confidential tax information and other confidential information are not open to the public and require special precautions to protect from loss and unauthorized access, inspection, acquisition, use, disclosure, modification, or destruction. The City (or County) shall have the right to use and process the disclosed information for the purposes stated in the Scope of Work of Exhibit A of this Agreement, which right shall be revoked and terminated immediately upon termination of this Agreement.

2. STATEMENT OF CONFIDENTIALITY: The Franchise Tax Board has taxpayer tax returns and other confidential information and data in its custody. Unauthorized inspection or disclosure of state returns or other confidential information or data is a misdemeanor (Revenue and Taxation Code Sections 19542, 19542.1, and 19552). Unauthorized inspection or disclosure of federal returns and other confidential federal return information or data is a misdemeanor or a felony (Internal Revenue Code Sections 7213A(a)(2) and (b), and 7213(a)(2), respectively).

   Upon the approval of this agreement and prior to any access to the confidential or sensitive data of the FTB, each City (or County) employee who may have access to the confidential data of FTB will be required to sign a City/County Business Tax Program Confidentiality Statement, FTB 712 (Exhibit G), attesting to the fact that he/she is aware of the confidentiality of the data and the penalties for unauthorized disclosure thereof under applicable state and federal law. The signed statement(s) shall be retained by the City (or County) and furnished to FTB upon request.

3. USE OF INFORMATION: The City (or County) agrees that the information furnished or secured pursuant to this Agreement shall be used solely for the purposes described in the Scope of Work of Exhibit A. The City (or County) further agrees that information obtained under this Agreement will not be reproduced, published, sold or released in original or in any other form for any purpose other than as identified in the Scope of Work of Exhibit A.

4. EMPLOYEE ACCESS TO INFORMATION: Both FTB and the City (or County) receiving data agree that the information obtained will be kept in the strictest confidence and shall make information available to its own employees only on a "need to know" basis. The "need to know" standard is met by authorized employees who need the information to perform their official duties in connection with the uses of the information authorized by this Agreement. Each party receiving data recognizes its responsibility to protect the confidentiality of the information in its custody as provided by law and ensure that such information is disclosed only to those individuals and for such purposes as authorized by law and this Agreement.

5. PROTECTING CONFIDENTIAL INFORMATION/ INCIDENT REPORTING: Both FTB and the City (or County) receiving data, in recognizing the confidentiality of the information to be exchanged, agrees to take all appropriate precautions to protect the confidential information obtained pursuant to this agreement from unauthorized access, use, or disclosure. Each party receiving data will conduct oversight of its users with access to the confidential information provided under this Agreement, and will immediately notify FTB's Information Security Audit & Investigations Unit (SecurityAuditMail@ftb.ca.gov) of any unauthorized or suspected unauthorized accesses, uses and/or disclosures (incidents). For purposes of this

section, "immediately" is defined as within 24 hours of the discovery of the breach or suspected breach. The notification must describe the incident in detail and identify responsible personnel (name, title, and contact information). The City (or County) with an incident will comply with the incident reporting requirements in accordance with Civil Code Section 1798.29, State Administrative Manual (SAM) Chapter 5300 and Sections 8643, and State Information Management Manual 54340-A and 5340-C to facilitate the required reporting to the taxpayer(s) or state oversight agencies.

6. INFORMATION SECURITY: Information security is defined as the preservation of the confidentiality, integrity, and availability of information. A secure environment is required to protect the confidential information obtained from FTB pursuant to this agreement. The City (or County) receiving data will store information so that it is physically secure from unauthorized access. The records received by the City (or County) will be securely maintained and accessible only by employees of the City (or County) business license or tax programs who are committed to protect the data from unauthorized access, use, or disclosure. All FTB electronic data must be encrypted when in transit using FIPS 140-2 approved encryption technology and be password protected and secure at all times when in storage. Confidential information obtained from the FTB must be secured in accordance with the SAM Chapters 5100 and 5300 (Information Security), and National Institute of Standards and Technology (NIST) Special Publication 800-53 (moderate); and additional security requirements provided by FTB.

7. CLOUD COMPUTING ENVIRONMENT: A City (or County) receiving FTB's confidential data must submit a completed FTB Cloud Security Questionnaire before using a Cloud Computing Environment. The questionnaire will be reviewed for approval by FTB's Chief Security Officer, or his/her designee. A Cloud Computing Environment cannot be used to receive, transmit, store or process FTB's confidential data without prior written approval from FTB's Chief Security Officer or his/her designee.

8. DESTRUCTION OF RECORDS: All records received by the City (or County) from FTB under this Agreement, and any database(s) created, copies made, or files attributed to the records received, shall be destroyed within three years of receipt or upon termination of the agreement due to a breach of its terms, whichever occurs earlier. The records shall be destructed in a manner to be deemed unusable or unreadable, and to the extent that an individual record can no longer be reasonably ascertained. The City (or County) will notify FTB City/County Business Tax program manager annually in writing at FTB CCBT@FTB.CA.GOV that proper destruction methods have been applied. FTB will destroy city/county data in accordance with the department's data retention policies.

9. DISPUTE RESOLUTION: In the event of a dispute, the City (or County) shall file a "Notice of Dispute" with FTB's Chief Financial Officer within ten (10) days of discovery of the problem. Within ten (10) days, FTB's Chief Financial Officer or his/her designee shall meet with the City (or County) for purposes of resolving the dispute. The decision of the Chief Financial Officer shall be final.

10. SURVIVAL OF OBLIGATION TO PROTECT DATA: Each party's obligation to protect the data and information received from the other party shall survive the expiration or termination of this Agreement. In the event a party continues to provide any data or information to the other party after the expiration or termination of this Agreement, the receiving party agrees to continue to protect all such data and information received in accordance with the provisions of this Exhibit D, and all applicable state and federal laws.

11. ONSITE SAFEGUARD REVIEW: FTB retains the right to conduct on-site safeguard reviews of the City (or County) use of FTB information and security controls established. The safeguard reviews may include, but are not limited to an examination of the adequacy of information security controls, "need to know," and use justifications established by the City (or County) to ensure compliance with the terms and conditions of this agreement. FTB will provide a minimum of seven (7) days' notice of a safeguard review being conducted by FTB staff. The City (or County) will take appropriate disciplinary actions against any user determined to have violated security or confidentiality requirements.

12. LIMITED WARRANTY: Neither party represents or warrants the accuracy or content of the material available through this Agreement, nor each expressly disclaims any express or implied warranty, including any implied warranty of fitness for a specific purpose.

13. CANCELLATION: Either party may terminate this Agreement, in writing for any reason, upon thirty (30) days' prior written notice. This Agreement may be terminated immediately by either party in the event of any breach of the terms of this Agreement.

14. NO THIRD PARTY LIABILITY: Nothing contained in or related to this agreement shall create any contractual relationship between either of the Parties and any other party, except between FTB and the City (or County); and no other party shall relieve the City (or County) or FTB of its responsibilities and obligations hereunder. Each of the parties agrees to be fully responsible for the acts and omissions of its third party contractors and agents, and of persons either directly or indirectly employed by the party. Neither of the parties shall have any obligation to pay, or to see to the payment of, any monies to any party or persons either directly or indirectly employed by the other.

15. EXECUTIVE ORDER N-6-22 RUSSIA SANCTIONS: On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

EXHIBIT E

CITY AND COUNTY RECORD LAYOUT SPECIFICATIONS (FTB 909)

Data Element Name	Start Position	End Position	Field Size	Description
Social Security Number (SSN)	1	9	9	Must be present unless FEIN is provided. Fill unused fields with zeros.
Federal Employer ID Number (FEIN)	10	18	9	Must be present unless SSN is provided. Fill unused fields with zeros.
Ownership Type	19	19	1	Must be present. Use only acceptable values listed here: **S** = Sole Proprietorship **P**= Partnership **C** = Corporation **T** = Trust **L** = LLC
Owner Last Name	20	34	15	Must be present if Ownership Type in position 19 = S.
Owner First Name	35	45	11	Must be present if Ownership Type in position 19 = S.
Owner Middle Initial	46	46	1	May be left blank.
Business Name	47	86	40	Enter if business is operating under a fictitious name (doing business as (DBA)).
Business Address	87	126	40	Address of the business location or the residence of the owner if sole proprietorship.
City	127	166	40	Must be present.
State	167	168	2	Enter the valid U.S. Postal Service (USPS) state abbreviation. Format = CA
ZIP Code	169	177	9	Enter the five- or nine-digit ZIP Code assigned by USPS. If only the first five digits are known, left justify information and fill the unused fields with zeros.

Data Element Name	Start Position	End Position	Field Size	Description
Business Start Date	178	185	8	Enter the eight-digit date (MMDDYYYY). If unknown, fill the field with zeros.
Business Cease Date	186	193	8	Enter the eight-digit date (MMDDYYYY) if out of business. If unknown, fill the field with zeros.
City/County Business Tax Number	194	196	3	Enter three-digit number assigned by FTB.
North American Industry Classification System (NAICS)	197	202	6	Enter the two- to six-digit NAICS code. Left Justify. Fill unused field with zeros (example, 99 will be 990000).
Standard Industrial Classification (SIC)	203	206	4	Enter the two- to four-digit SIC code. Left justify. Fill unused fields with zeros (example, 99 will be 9900).
Total Record Length		206		

EXHIBIT F

FRANCHISE TAX BOARD RECORD LAYOUT SPECIFICATIONS (FTB 909A)

Data Element Name	Length	Start Position	Description
ENTITY TYPE	1	1	"P" – Personal income tax record "B" – Business entity tax record
SSN or FEIN	9	2	For "P" records, primary taxpayer's social security number (SSN) For "B" records, federal employer identification number (FEIN)
LAST NAME	40	11	For "P" records, primary taxpayer's last name For "B" records, business name
FIRST NAME	11	51	For "P" records **only**
MIDDLE INITIAL	1	62	For "P" records **only**
SPOUSE SSN	9	63	For "P" records filed with a joint return
SPOUSE LAST NAME	17	72	For "P" records filed with a joint return
SPOUSE FIRST NAME	11	89	For "P" records filed with a joint return
SPOUSE MIDDLE INITIAL	1	100	For "P" records filed with a joint return
PBA CODE	6	101	For "P" records, principal business activity (PBA) code
ADDRESS NUMBER	10	107	
PRE-DIRECTIONAL DIRECTOR	2	117	Postal Service term referring to the directional word that is located before the street name and suf- fix (i.e., N, S, E, W, NE, NW, SE, SW)
STREET NAME	28	119	
STREET SUFFIX	4	147	e.g. ST, WAY, HWY, BLVD, etc.
POST-DIRECTIONAL INDICATOR	2	151	Postal Service term referring to the directional word that is located after the street name and suffix (i.e., N, S, E, W, NE, NW, SE, SW)
STREET SUFFIX 2	4	153	
APARTMENT/SUITE NUMBER	10	157	e.g., APT, UNIT, FL, etc.
CITY	13	167	
STATE	2	180	Standard state abbreviation
ZIP CODE	5	182	The five-digit ZIP Code assigned by the U.S. Postal Service
ZIP CODE SUFFIX	4	187	Provide if known
CCBT MATCH	1	191	"N" – No match per CCBT data. "Y" – Yes: CBT matched to state tax return filed
TOTAL RECORD LENGTH		191	

EXHIBIT G

CONFIDENTIALITY STATEMENT (FTB 712)

STATE OF CALIFORNIA
DISCLOSURE OFFICE MS A181
FRANCHISE TAX BOARD
PO BOX 1468
SACRAMENTO CA 95812-1468

City/County Business Tax Program Confidentiality Statement

Confidential tax data is protected from disclosure by law, regulation, and policy. Information security is strictly enforced; violators may be subject to disciplinary, civil, and/or criminal action. Protecting confidential tax data is in the best interest of the city, county, and state.

As a city/county employee, you are required to protect all information received from the Franchise Tax Board (FTB). To protect confidential tax data, you must:

- **Access or modify tax data solely to perform official duties.**
- **Never access or inspect tax data for curiosity or personal reasons.**
- **Never show or discuss confidential tax data with anyone who does not have a need to know.**
- **Never remove confidential tax data from your worksite without authorization.**
- **Place confidential tax data in approved locations only.**

Unauthorized inspection, access, use, or disclosure of confidential tax data is a crime under state laws including, but not limited to, California Revenue and Taxation Code Sections 19542 and 19552 and Penal Code Section 502. Unauthorized access, inspection, use, or disclosure may result in either or both of the following:

- **State criminal action**
- **Taxpayer civil action.**

I certify that I have read the confidentiality statement printed above. I further certify and understand that unauthorized access, inspection, use, or disclosure of confidential information may be punishable as a crime and may result in disciplinary and/or civil action against me.

Name (print)

Signatur

Dat

Each city/county employee accessing FTB data must retain a signed copy of this form and provide it to FTB upon request.

FTB 712 (REV 06-2016)

SCO ID: 7730-00000000000000000000096228

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER	PURCHASING AUTHORITY NUMBER (If Applicable)
00000000000000000000096228	

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
Franchise Tax Board

CONTRACTOR NAME
City of Pasadena

2. The term of this Agreement is:

START DATE
January 1, 2024 or date of approval, whichever is later,

THROUGH END DATE
December 31, 2026

3. The maximum amount of this Agreement is:
$0.00 (NON-FINANCIAL AGREEMENT)

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

	Exhibits	Title	Pages
	Exhibit A	Scope of Work	3
	Exhibit B	Budget Detail and Payment Provisions	1
	Exhibit C *	General Terms and Conditions	GTC417
+ -	Exhibit D	Special Terms and Conditions	3
+ -	Exhibit E	City and County Record Layout Specifications	2
+ -	Exhibit F	Franchise Tax Board Record Layout Specifications	1
+ -	Exhibit G	Confidentiality Statement	1

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at https://www.dgs.ca.gov/OLS/Resources

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)
City of Pasadena

CONTRACTOR BUSINESS ADDRESS	CITY	STATE	ZIP
100 N. Garfield Avenue, Room N106	Pasadena	CA	91101

PRINTED NAME OF PERSON SIGNING	TITLE

CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED

SCO ID: 7730-00000000000000000000096228

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER	PURCHASING AUTHORITY NUMBER (If Applicable)
00000000000000000000096228	

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME			
Franchise Tax Board			
CONTRACTING AGENCY ADDRESS	CITY	STATE	ZIP
P.O. Box 2086	Rancho Cordova	CA	95741
PRINTED NAME OF PERSON SIGNING	TITLE		
Michael A. Banuelos	Procurement and Contracting Officer or Designee		
CONTRACTING AGENCY AUTHORIZED SIGNATURE	DATE SIGNED		
CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL	EXEMPTION (If Applicable)		
	SCM Vol. 1, 4.04.A.2		

RESOLUTION NO.

A RESOLUTION OF THE PASADENA CITY COUNCIL APPROVING AGREEMENT WITH THE FRANCHISE TAX BOARD TO EXCHANGE TAX DATA SPECIFIC TO BUSINESS LICENSE INFORMATION FOR TAX ADMINISTRATION PURPOSES

WHEREAS, California Revenue & Taxation Code Section 19551.1 authorizes a reciprocal agreement for the exchange of Pasadena business license tax and sales tax information between the parties;

WHEREAS, entering into a reciprocal agreement with the Franchise Tax Board can help identify local businesses that are not in compliance with Pasadena business license requirements, allowing the City to enforce compliance and capture otherwise lost revenues: and

WHEREAS, the term of Agreement no. 96228 with the Franchise Tax Board will be from the date of approval to December 31, 2026.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pasadena, California that the City Manager be and is hereby authorized to enter into Agreement no. 96228 with the Franchise Tax Board to allow for reciprocal exchange of tax data specific to Pasadena business license information for tax administration purposes.

JNR/smm
11/2/2023
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Adopted at the _____ meeting of the City Council on the _____ day of _____, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Mark Jomsky, CMC
City Clerk

Approved as to form:

_____
Javan N. Rad
Chief Assistant City Attorney

JNR/smm
11/2/2023
U0LVBVZQ0D2645