



## Legislation Text

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**File #:** 20-0179, **Version:** 1

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Steve S. Charelian, Finance Director

**SUBJECT:**

Consider Adopting a Resolution Approving a Five-Year Agreement with HdL, Coren & Cone to Provide Property Tax Reporting, Analytic and Audit Services for an Estimated Cost of \$69,000 (Finance Director Charelian).

**ADOPT RESOLUTION NO. 20-0060 APPROVING AN AGREEMENT**

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**RECOMMENDATION:**

Staff recommends that the City Council adopt Resolution No. 20-0060 approving a new five-year agreement with HdL, Coren & Cone for property tax reporting, analytic and audit services for an estimated amount of \$69,000.

**FISCAL IMPLICATIONS:**

Funds are budgeted annually for this service. The total cost of the five-year contract, which includes consumer price index adjustments in years two through five (estimated at 3% in those years), is \$69,000.

**BACKGROUND:**

The City's largest General Fund revenue source is Property Tax. Analyzing, auditing and reporting on these revenues is an important function that assists the City in budgeting, forecasting and tracking trends for this key source. The firm of HdL, Coren & Cone has provided these services to the City since 1996.

**DISCUSSION:**

The scope of these professional services includes:

- a property tax database available through an online property tax application;
- listings of the major property owners in the City, including the assessed value of their properties, and an estimate of the property taxes;
- listings of property tax transfers which occurred since the prior lien date;
- comparisons of property within the City by county-use code designation;
- listings by parcel of new construction activity between tax years to provide reports for use in the City's preparation of Gann (Propositions 4 and 111) State Appropriation Limit calculations;
- estimates of property tax revenue anticipated to be received for the fiscal year;

- forecasts of estimated general fund property tax revenue for future fiscal years;
- historical trending reports involving taxable assessed values for the City, median and average sales prices, foreclosure activity and related economics trends;
- analyses based on geographic areas designated by the City to include assessed valuations and square footage computations for use in community development planning;
- and quarterly listings of property tax appeals filed on properties in the City.

Staff recommends that the City Council adopt Resolution No. 20-0060 approving a five-year professional services agreement with HdL, Coren & Cone for property tax reporting, analytic and audit services. This recommendation is based on the excellent service they have provided the City over many years, which staff relies upon for analyzing, forecasting and tracking the City's largest General Fund revenue source. However, if at any time the City is not satisfied with HdL, Coren & Cone's services, it may terminate the contract with forty-five days written notice.

Contracts for services of specially-trained and professional persons are exempt from bidding per state laws and Municipal Code Section 2.36.130 (professional services). However, since the value of the contract exceeds \$50,000, City Council approval is necessary. Staff concludes that it is the City's best interest to continue its relationship with HdL, Coren & Cone due to the quality of deliverables that has been provided by the company. Finally, staff believes that seeking proposals will not result in the City obtaining improved service and/or significantly lower costs.

The cost of the first year of service is \$12,997, which is subject to consumer price index adjustments in years two through five. The estimated total cost for five years is \$69,000.

#### **PUBLIC OUTREACH:**

After analysis, staff determined that public outreach was not required for this issue.

#### **ENVIRONMENTAL REVIEW**

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

#### **LEGAL REVIEW:**

The City Attorney has reviewed this report and approved as to form the agreement.

#### **ATTACHMENTS:**

1. Resolution No. 20-0060
2. Agreement - HdL, Coren & Cone