



DATE: June 6, 2023

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT: Adopt a Resolution Authorizing the City Manager to Execute a Contract with HdL Coren & Cone for Property Tax, Information and Audit Services

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to execute a contract with HdL Coren & Cone for property tax, information and audit services for three years with the option to extend for two additional one-year periods.

SUMMARY

In July 2022, the City conducted a competitive Request for Proposals (RFP) process for municipal sales use tax and auditing services. The RFP includes professional services for property tax, sales and use tax, business tax, utility users' tax and transient occupancy tax. One of the responsive vendors was HdL Coren & Cone (HdLCC), who submitted a proposal for property tax information and audit services. The City has contracted with HdLCC for property tax services since 2003, and HdLCC continues to be the most qualified for providing property tax financial services to the City. Staff recommends that Council authorize execution of a contract for property tax services with HdLCC.

BACKGROUND

In July 2022, the City conducted a competitive RFP process for municipal sales use tax and auditing services, which included property tax information and audit services. Following a thorough review of the four responsive proposers, the City determined HdLCC to be the most qualified to provide property tax service needs of the City. The City has contracted with HdLCC to provide property tax services since April 2015, and the existing contract expires June 30, 2023. These services include but are not limited to a detailed report of the City's property tax revenue review and related services.

DISCUSSION

HdLCC's software tracks county, city and special district property tax revenues. They develop specialized reports and models to assist government agencies by using the data for

parcel administration, focused economic development strategies and revenue projections. The City has contracted with HdLCC for several years to provide property tax revenue review and related services. The services provided under the contract include all-inclusive property tax management services, review of property tax revenues due to the City, and assistance with future revenue projections.

The services provided by HdLCC have been a valuable resource for the City. HdLCC is able to provide regular updates to City leadership, which allows for anticipating property tax revenue as well as planning for the upcoming fiscal year budgets. HDLCC provides trend analyses, forecasting and assessment of properties within the City. In addition, they are able to recoup revenues that may have been misallocated to other jurisdictions. This service is imperative to assist in navigating the complexities of property tax analysis.

FISCAL IMPACT

The base fixed fee for property tax services is \$24,200 per year. This based fixed fee shall be adjusted annually by the California Consumer Price Index (CCPI) for all items determined by the California Department of Industrial Relations as measured from February to February. There is also a contingency fee of 25% of net tax revenues recovered for the City through audits performed over the period allowable by the State statute. Currently, that statute is the current year and three prior lien date years. The annual fiscal operating budget allocates funding for property tax information and audit services. An allocation is included in the Finance Department General Fund budget for FY 2024 to cover the annual cost.

STRATEGIC ROADMAP

This is a routine operational item and does not relate to a specific strategic roadmap project.

PUBLIC CONTACT

The agenda for this item was posted in compliance with the California Brown Act.

NEXT STEPS

Upon approval from Council, staff will prepare for execution the agreement between the City of Hayward and Hdl Coren & Cone for a three-year period with the option to extend for two additional one-year periods. Services will commence in accordance with the outlined scope of work provided in the proposal effective July 1, 2023.

Prepared and Recommended by: Nicole Gonzales, Director of Finance

Approved by:



Kelly McAdoo, City Manager