

REPORT TO THE CITY COUNCIL



DATE: February 21, 2017

TITLE: Professional Services Agreement with The Lew Edwards Group for Services Related to the Public Safety Ballot Measure

Prepared by: Joseph M. Tanner, Jr., Administrative Services Director

RECOMMENDATION

Authorize the City Manager to negotiate and execute a Professional Services Agreement with The Lew Edwards Group related to a possible ballot measure in an amount not to exceed \$149,600.00; with approval as to form by the City Attorney.

DISCUSSION

The City of Desert Hot Springs has two voter approved revenue measures expiring on June 30, 2020: Parcel Tax 1 (P-TAX1) and the Utilities Users Tax (UUT). The combined revenue generated from the P-TAX1 and UUT was \$4.92 million dollars in fiscal year 2015-2016. The amount reflects 1/3 of the City's general fund budget. P-TAX1 and two-thirds of the UUT is earmarked for the Public Safety Fund, Fund 245, which supports the City's Police Department, Fire Services, and all other expenditures associated with public safety. The remaining one-third of the UUT pays for debt service related to the City's bankruptcy.

During the FY 2017/2018 budget process, the City Council appointed an Ad-Hoc Revenue Advisory Committee made up of three members of the committee, two City Council members and two staff members. After reviewing the proposal from the Consultant, the Committee is recommending that the City Council approve the Agreement.

Breakdown of P-TAX 1, P-TAX 2 and UUT:

	PTAX 1 Fund 245 <i>Public Safety</i>	UUT Fund 245 <i>Public Safety</i>	UUT Fund 401 <i>Debt Service</i>	TOTAL
FY 2012-2013	\$2,048,327.23	\$1,819,865.01	\$1,010,847.29	\$4,879,039.53
FY 2013-2014	\$1,962,157.63	\$1,826,610.37	\$1,014,594.33	\$4,803,362.33
FY 2014-2015	\$1,953,254.70	\$1,862,719.36	\$1,034,650.67	\$4,850,624.73
FY 2015-2016	\$2,089,061.00	\$1,820,400.00	\$1,011,143.00	\$4,920,604.00
TOTAL	\$8,052,800.56	\$7,329,594.74	\$4,071,235.29	\$19,453,630.59

The Lew Edwards Group provides services to assist with ballot revenue measures and has had a stellar success rate on ballot revenue measures including Desert Hot Springs. The Lew Edwards Group has provided a cost proposal for consulting on revenue options to renew or replace the current measures expiring in 2020. As part of the contract the Consultant will assist the City in polling the residents on possible revenue measures, communications and outreach, and specific expertise on drafting a measure(s).

FISCAL IMPACT

The total amount of the contract will be set with a maximum limit of \$149,600. Staff has analyzed the budget and determined that the City has enough funds to pay for the contract through cost savings from other contracts without going into deficit. The City will use one-time budget savings to cover the costs of a one-time expense.

EXHIBIT(S):

- 1) Professional Services Agreement between the City of Desert Hot Springs and The Lew Edwards Group