



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: July 11, 2017

TO: Carolyn Lehr, City Manager

FROM: Susan Hsieh, Finance Director
Cindy Montero, Assistant City Manager

SUBJECT: **Resolution Of The City Council Of The City Of Emeryville Authorizing The City Manager To Enter Into A Professional Service Agreement With NBS Local Government Solutions In An Amount Not To Exceed \$73,000 To Research And Recommend Revenue Options**

RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to enter into a Professional Service Agreement (PSA) with NBS in an amount not to exceed \$73,000 to research and recommend revenue options.

BACKGROUND

On April 4, 2017, staff presented an amended FY 16-17 budget to the Council and provided an overview of the City's financial conditions. At this meeting, the City Council directed staff to develop revenue enhancement and cost reduction strategies to eliminate the structural budget deficit in future years. The City Council also directed staff to hire a financial consultant to prepare a bonding capacity analysis as part of the evaluation for revenue options.

Staff reached out to revenue consultant Tim Seufert, Managing Director at NBS. At the June 6, 2017 City Council Study Session, Mr. Seufert discussed revenue enhancements which included possible parcel taxes, increases in the Transient Occupancy Tax (TOT), Utility Users Tax (UUT) and special assessments. He also provided information on surrounding cities and their efforts and success in revenue measures.

DISCUSSION

NBS has submitted a proposal, and has coordinated a team of professionals to research and provide recommendations. Below is a brief description of each team and their respective roles.

EMC, led by Ruth Bernstein, will coordinate a poll that will include both phone and email-to-web interviewing. Based on experience in Emeryville, the team expects to obtain approximately 200-300 interviews, based on the length of the survey and the response rate.

TBWB, led by Charles Heath, will engage with the City on the communication outreach front working closely with EMC on the polling effort. TBWB will also lead the strategy discussions with the City and interface with NBS' effort on the technical front.

Nicole Kissam will be the lead for NBS, with Tim Seufert, Managing Director for NBS providing overall coordination of the effort. They will begin by reviewing the City's budget situation and run a fiscal diagnostic to gain a sense of the magnitude of the deficits with a focus on revenue options.

The overall goal of NBS is to formulate from one to four viable revenue recommendations based on the research findings of the team. Pros, cons, steps and a timeline to implement recommendations will be included in the report.

FISCAL IMPACT

Funds for the PSA in the amount of \$73,000 (which excludes expenses for printing, mailing, advertising/outreach and other efforts) will be allocated from the General Fund Administration Budget fiscal year 2017-18.

STAFF COMMUNICATION WITH THE PUBLIC

There has been no staff communication with the public regarding this report.

CONCLUSION

Staff recommends that the City Council authorize the City Manager to enter into a PSA with NBS. NBS has the training, expertise and knowledge to provide a detailed report on possible revenue sources.

PREPARED BY: Susan Hsieh, Finance Director
Cindy Montero, Assistant City Manager

APPROVED AND FORWARDED TO THE CITY COUNCIL OF THE CITY OF EMERYVILLE:



Carolyn Lehr, City Manager

ATTACHMENTS

1. Proposed Resolution
2. Professional Services Agreement