



Administrative Report

H.6., File # 25-1233

Meeting Date: 5/5/2026

To: MAYOR AND CITY COUNCIL
From: EUGENE SOLOMON, CITY TREASURER

TITLE

APPROVE A CONSULTING SERVICES AGREEMENT WITH GOLD COAST PARTNERS, INC. FOR UTILITY USERS TAX ADMINISTRATION SERVICES FOR AN ANNUAL FEE OF \$10,000 AND A THREE-YEAR TERM

EXECUTIVE SUMMARY

The City Treasurer recommends the Mayor and Council approve an agreement with Gold Coast Partners, Inc. (Gold Coast Partners) for expert consulting services related to accounting, reporting, and collection of the City's Utility Users Tax (UUT).

Funding for these services is included in the City Treasurer's annual budget and benefits the City by providing an enhanced level of compliance with UUT and Franchise Fees collected within our jurisdiction. Chapter 9 of Title 8, Section 8-9.09(a) of the Redondo Beach Municipal Code imposes a 4.75% tax upon every person using utility services in the City.

BACKGROUND

Utility Users' Tax revenue accrues to the City's General Fund and is expected to provide approximately \$9,033,626 in revenue for FY 2025-26. This estimate is based on analysis of the projected performance in each category of the City's UUT tax base, which is comprised of electricity, natural gas, telecommunications, water, and cable television services. This revenue delivers a wide array of benefits to the City's residents by supporting a significant percentage of General Fund expenditures.

Gold Coast Partners provides auditing services, legislative updates, and analysis with respect to the City's UUT Ordinance and policies. Gold Coast Partners will assist the City in seeking compliance from utility operators and aid in the collection of this vital revenue source. Utilizing the services of a firm with expertise in UUT legislation and assessment will ensure the City is well-positioned to pursue any new opportunities that arise, as well as maximize revenue derived from existing statutes.

The proposed Agreement carries a three-year term, with an annual fee of \$10,000. Gold Coast Partners will also be provided with contingency-based compensation based on additional funds they are able to collect, with Gold Coast Partners receiving 20% of all amounts identified through Compliance Reviews and 15% of all retroactive taxes identified through the Voluntary Disclosure Program. These funds would be collected by Gold Coast Partners on the City's behalf with Gold Coast Partners issuing a check to the City for all revenue collected, less the agreed upon percentage for contingency-based compensation.

The City Treasurer's Office conducted a review of firms capable of assisting the City with UUT compliance and found that Gold Coast Partners provides the best combination of service and pricing when compared to its competitors. As such, staff recommends the City Council approve the proposed Agreement.

COORDINATION

The Agreement has been approved as to form by the City Attorney's Office.

FISCAL IMPACT

The City's annual fixed rate fee is \$10,000 for a total of \$30,000 for the three-year term, with Gold Coast Partners being eligible for additional contingency-based compensation, which will be offset by additional revenue collected by Gold Coast Partners and remitted to the City.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Agmt - Gold Coast Partners Group, Inc.
- Insurance - Gold Coast Partners Group, Inc.