



# Administrative Report

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H.5., File # 20-1153

Meeting Date: 8/18/2020

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**To: MAYOR AND CITY COUNCIL**

**From: STEVEN DIELS, CITY TREASURER**

## **TITLE**

APPROVE THE FIRST AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES WITH MUNISERVICES, LLC. FOR UTILITY USERS TAX FOR AN ADDITIONAL BUDGETED AMOUNT OF \$74,000 AND TO EXTEND THE TERM TO AUGUST 30, 2022

## **EXECUTIVE SUMMARY**

The City Treasurer recommends that the Mayor and City Council approve the renewal of the contract with Muniservices LLC to continue to conduct expert consulting services related to the accounting, reporting and collection of the City's Utility Users Tax (UUT) and Video User's Tax (VUT).

Chapter 9 of Title 8 of the Redondo Beach Municipal Code, entitled the "Telephone, Gas, Electricity, Water, and Video Users' Tax Law: (the "UUT Ordinance"), imposes a 4.75% utility users' tax ("UUT") upon every person using video services within the City. Redondo Beach Municipal Code section 8-9.09(a).

## **BACKGROUND**

Muniservices has provided auditing services as well as legislative updates and analysis with respect to the City's UUT ordinance for many years. This contract is updated from the previous one in several important ways. It utilizes the City's current standard agreement terms and insurance requirements.

Muniservices assists the City with collecting approximately \$7 million in annual UUT revenues. With the help of Muniservices, the City is able to maximize the revenues collected from UUT. They also provide the City with specialized auditing capabilities to address any potential discrepancies among the various entities that submit UUT to the City.

Revenue audits are a chartered responsibility of the City Treasurer (Per section 11.1 of the City charter). As a result of the economic crisis of 2008, the full time City Treasurer audit position was eliminated. Auditing remains an integral function of revenue collection. The City contracts auditing services as a best practice.

Muniservices continues to provide a better value for these services compared to its competitor. Muniservices is able to provide the City with more experience and better pricing. They are also currently working on a major audit for the City.

## **COORDINATION**

The consulting services agreement between the City of Redondo Beach and Muniservices, LLC has been reviewed and approved by the City Attorney.

**FISCAL IMPACT**

The City's total annual fixed fee is 0.51% of the total UUT revenues received by the City (excluding UUT revenues derived from sewer, water, or trash) based on the previous fiscal year, or \$15,000, whichever is greater. The City Treasurer's office was successfully able to negotiate a 15% reduction in the annual cost of the contract. This item was included and approved in the annual budget.

**ATTACHMENTS**

First Amendment to Muniservices, LLC contract  
Original Muniservices, LLC contract