

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 04/21/08		Item Number: A-4	
AGENDA ITEM: (1) Approval of a Professional Services Agreement with MuniFinancial Services to Provide Special Tax District Formation Services; and (2) Approval of a Related Budget Amendment.			
Contact Person/Dept.: Jeff Eastman, Fire Chief		Phone Number: (310) 253-5915	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Master Notification List (04/17/08); Economic Planning Systems, Koppel & Gruber Public Finance, MuniFinancial, and NBS via email on (04/17/08)			
Department Approval: Jeff Eastman (04/15/08)		City Attorney Approval: Carol Schwab (by H. Baker) (04/16/08)	
Fiscal Impact Review: Jeff Muir (04/16/08)		City Manager Approval: Jerry B. Fulwood (04/17/08)	
<u>RECOMMENDATION:</u> Staff recommends the City Council: (1) Approve a professional services agreement with MuniFinancial to provide Special Tax District Formation Services to provide assistance with the formation of a Community Facilities District (CFD) in an amount not to exceed \$33,500 (including a 5% contingency); and, (2) Approve a budget amendment in the amount of \$33,500 from General Fund unappropriated reserves to fund this agreement. A Budget Amendment requires a 4/5ths vote. <u>BACKGROUND</u> On December 3, 2007, the Culver City Fire Department (CCFD) presented the City Council with a report on the current level of service that is being provided, a number of challenges that are negatively impacting CCFD's ability to continue to provide a high level of service to the community, and possible funding options, including a special sales tax, special parcel tax, fire suppression assessment district, and Mello-Roos facility assessment district. The primary operational challenge that CCFD is facing at this time is increasing paramedic call volumes without a corresponding increase in firefighter/paramedic personnel or equipment. The CCFD's staffing levels have not increased since the			

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1970's, while over the past thirty-five years the number of incidents has nearly doubled. These challenges have recently been compounded by the potential scale back in emergency room services at Brotman Hospital due to their bankruptcy filing, and long wait times for beds at others.

In order to maintain the existing service level, an additional paramedic rescue unit, including the staff to operate that unit, is needed to offset many of the negative external factors currently affecting service level. Adding a paramedic rescue unit and staff will require a significant commitment of on-going resources, which the City's General Fund is unable to absorb.

At the December meeting, the City Council directed staff to move forward with releasing a request for proposals (RFP) from qualified consulting firms to provide the City with assessment engineering and related services necessary to form a Community Facilities District (CFD) and possibly assist with presenting that district to voters for their consideration.

Pursuant to Council's direction, an RFP was sent to a number of qualified firms on December 10, 2007 and responses were received from four (4) firms by the prescribed deadline of December 27, 2007.

DISCUSSION

The RFP requested that the consultant assist the City with the following:

- Design and formulate the methodology for assigning the tax/assessment;
- Prepare the required Engineer's Report;
- Prepare boundary maps and record assessment diagrams;
- Analyze absorption studies and appraisals, tax coverage, overlapping debt and tax burden as required;
- Coordinate with project team;
- Evaluate costs and improvements;
- Prepare a parcel database;
- Participate in City Council meetings, community workshops, and informational programs as needed; and
- Apply taxes to the tax roll.

Responses were received from Economic Planning Systems, Koppel & Gruber Public Finance, MuniFinancial, and NBS. The responses were reviewed by the Chief Financial Officer and the Fire Chief.

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All four firms are qualified and demonstrated the capability and experience to assist the City. However, MuniFinancial stood out as a leader in providing these types of services and have the ability and resources to provide the full scope of services related to forming special districts, including polling, election consulting, and continuing district administration after the district is formed.

MuniFinancial

MuniFinancial is headquartered in southern California (Temecula) and demonstrated an in-depth understanding of the issues that CCFD faces. They come highly regarded and have worked with many other southern California cities to form Community Facilities Districts similar to what CCFD is proposing.

FISCAL ANALYSIS:

The four responses that were received ranged in cost from a low of \$28,000 to a high of \$40,000. MuniFinancial has offered their services at a cost not-to-exceed \$33,500 (includes a 5% contingency). This fee includes developing the Special Tax apportionment methodology, developing goals and policies, issuing a Notice to Proceed and Resolution of Intention, attendance at four meetings (additional meetings would be an additional fee of \$4,000 per meeting) and submitting the Special Tax levy to the County Tax Assessor (if the CFD ultimately passes). A budget amendment for \$33,500 from General Fund unappropriated reserves is needed in Fire Department – Office of the Fire Chief to fund this contract (10145000.619800). A 4/5ths vote is required for a budget amendment.

Additionally, MuniFinancial offered a number of optional services that the City may wish to take advantage of, including a community survey (\$20,750), public outreach FAQ (\$4,500), and public outreach meetings (\$4,000/meeting). Additional funding will be needed if the Council directs staff to take advantage of any of the optional services.

ATTACHMENTS:

1. MuniFinancial Proposal

MOTION:

That City Council:

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1. Approve a budget amendment to increase the Fire Department – Office of the Fire Chief budget (10145000.619800) by \$33,500 from General Fund unappropriated reserves.

A Budget Amendment requires a 4/5ths vote.

2. Approve a professional services agreement with MuniFinancial to provide Special Tax District Formation Services related to the potential formation of a Community Facilities District (CFD) in an amount not to exceed \$33,500;
3. Authorize the City Attorney to review/prepare the necessary documents and authorize the City Manager to execute such documents on behalf of the City; and
4. Direct staff to work with the Budget and Finance subcommittee to develop and implement a public education and information plan.