

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 10/08/07		Item Number: <u>A-1</u>	
AGENDA ITEM: Discussion and Consideration of Public Education Activities Related to the Proposed Modernization of the Utility Users' Tax Provisions in the Culver City Municipal Code; and Consideration of Approval of a Professional Services Agreement with True North Research and Tramutola LLC for Public Opinion Research and Public Education Advisory Services.			
Contact Person/Dept.: Nick Kimball, Budget & Finance		Phone Number: 310.253.6013	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Master Notification List 10/03/07			
Department Approval: Marlee Chang (10/03/07)		City Attorney Approval: Carol Schwab (by H. Iker) (10/03/07)	
Fiscal Impact Approval: Marlee Chang (10/03/07)		City Manager Approval: Jerry B. Fulwood (10/03/07)	
<u>RECOMMENDATION:</u> Staff recommends the City Council direct staff to develop and implement public education activities related to the proposed modernization of the Utility Users' Tax provisions in the Municipal Code; and consideration of approval of a Professional Services Agreement with True North Research and Tramutola LLC for public opinion research and public education advisory services. <u>BACKGROUND/DISCUSSION:</u> On June 18, 2007, staff presented the City Council with fourteen (14) options to address some of the City's outstanding financial issues, including an option to place a ballot measure on the April 8, 2008 general municipal election to modernize the communications provisions of the current Utility Users' Tax (UUT). At that meeting, City Council unanimously directed staff to proceed with drafting a modernized UUT ordinance and allocated funds for staff to obtain legal services and solicit the professional services of a public opinion research firm in connection with the UUT project. On September 24, 2007, staff presented a proposed draft UUT ordinance (Title 3, Chapter 3.08.200, et seq. of the Culver City Municipal Code) for Council's review which was also unanimously approved with no additional changes. Consistent with that direction, Staff will continue to fine tune and finalize the proposed ordinance to present to the City Council prior to calling the election in November 2007. Should the City Council approve the Ordinance at that time, staff will continue the process of			

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placing the ordinance on the ballot for voter consideration. Throughout this process, staff will keep the City Council informed of the progress with periodic status and timeline updates. Simultaneously while drafting the UUT ordinance, staff also solicited and received bids from several firms with a Request for Proposal (RFP) to provide public opinion and education services relating to the proposed UTT ordinance.

In previous meetings, staff discussed the possibility of obtaining the service of a public opinion research firm to assist in the public education process. Generally, as part of presenting a ballot measure to the voters for approval, the City may distribute informational materials and organize activities to educate the public regarding the City's revenue sources and the services and programs supported by those revenue sources. Some cities have retained the services of a public opinion research and education firm in order for them to determine specific areas where voters may benefit from additional education information. This type of firm specializes in conducting public opinion surveys to produce an evaluation of voters' interest in a proposed ballot measure. The data collected during this process can be used to identify how to most effectively present a measure that is consistent with the community's priorities and sensitivities, and outline a public communications plan that will effectively educate voters on the provisions of the proposed measure.

As has been discussed by the City Council during previous City Council meetings, actions of the Federal Government have had the potential unintended consequence of impacting local utility users' taxes. While the actual impact of the Federal actions is still unclear, the critical importance of this revenue source to the City of Culver City and its ability to continue to fund fundamental local services has prompted the City Council to consider presenting an update of the City's UUT ordinance to the voters for consideration. The City's proposed modernization of the UUT ordinance is basically to preserve the existing tax at the existing rate (11%). The purpose of this proposed ballot measure is to update the language of a UUT tax ordinance that is currently more than thirty years old. Further, in response to the Federal Government's actions, this proposed ballot measure seeks to obtain the voters' affirmation of the City's methodology for applying the tax. Since the proposed ordinance essentially maintains the status quo of the City's UUT tax revenue, and Culver City voters have demonstrated their support for the UUT in recent years by defeating an initiative measure to reduce the tax (April 2004), staff does not recommend retaining the services of a public opinion research firm at this time.

When the City faced the initiative measure to reduce the UUT tax rate in 2004, public education workshops and community outreach programs were presented and conducted by in-house staff. Staff has also met with the Budget Subcommittee to discuss developing and implementing public education using in-house staff, and they are supportive of this concept.

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Staff is confident that effective public education activities can be developed and implemented, and informational materials can be prepared without retaining the services of a public opinion research and education firm. Examples of potential public education activities include a televised panel moderated by a local organization discussing UUT-related issues, informational presentations to local stakeholder organizations or dissemination of informational materials at a town hall meeting. Staff will also prepare an educational presentation on the overall finances of the City, how City programs and services are funded, and some of the fiscal issues facing the City in the near future. If directed by Council, staff will develop a variety of specific public education activities that address the community's needs and will inform the City Council of a more detailed plan within 60 days.

However, Council may still decide to retain the services of a public opinion research firm, in order to conduct a survey of likely voters and develop recommendations for public education activities. If Council chooses this route, staff recommends that Council authorize a professional services agreement, for an amount not-to-exceed \$29,700, with True North Research and Tramutola LLC (hereafter True North) to conduct public opinion research and provide public education advisory services related to the proposed Utility Users' Tax ballot measure. Staff solicited and received proposals from six firms, see Attachments 1 through 6. Staff reviewed all the proposals and True North met the criteria and the budget for the scope of services. A public opinion survey and corresponding public education recommendations will take approximately four to six weeks to complete.

FISCAL ANALYSIS:

1. Developing and implementing public education activities in-house will require significant staff time. There would also be costs associated with printing and distributing informational materials which will be accommodated by the current budget. The development of this information, in conjunction with budget education materials, is a component of the Budget & Finance Division's work plan, and will be placed higher on its priority list to accommodate the timeliness of this project. Should the Council decide to conduct public education activities in-house, staff recommends transferring a portion of the \$30,000 from the professional service to a Public Education account for related expenditures when it is needed. City Manager has the authority to make an administrative transfer up to \$20,000.
2. Contracting with a firm to conduct a public opinion survey and develop recommendations for public education activities would cost approximately \$30,000. On June 18, 2007, City Council approved sufficient funds to cover a

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professional services agreement for these services (10120100.619800). Please note that additional funds would be needed to implement any recommendations provided by the consultant, including costs associated with printing and distributing informational materials and significant staff time required to implement the recommendations. The additional amount is estimated to be approximately \$10,000 which includes postage for post card notification, educational material, and printing expenses. City Manager has the authority to make an administrative transfer of \$10,000 from other account to fund this expenditure.

ATTACHMENTS:

1. True North Research and Tramutola LLC's RFP proposal summary
2. Proposal Cover Letter from Competitive Edge Research
3. Proposal Cover Letter from Davis Group/Public Opinion Research
4. Proposal Cover Letter from EMC Research Inc.
5. Proposal Cover Letter from FMMA/Lew Edwards Group
6. Proposal Cover Letter from Godbe Research

MOTIONS:

That the City Council:

1. Direct staff to develop and implement public education activities related to the proposed Utility Users' Tax ballot measure in-house, without retaining the services of a public opinion research and public education consulting firm and authorize the transfer of a portion of the \$30,000 previously allocated to a Public Education account for related expenditures;

OR

2. Direct staff to retain the services of a public opinion research and public education consulting firm to conduct a survey of the community and develop public education activities ; and
 - a) Approve a professional services agreement with True North Research and Tramutola LLC in an amount not-to-exceed \$29,700, to conduct public opinion research and provide public education advisory services related to the proposed utility users' tax ballot measure; and

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b) Authorize the City Attorney to prepare the necessary documents and authorize the City Manager to execute such documents on behalf of the City.