



# CITY OF LONG BEACH

# C-15

Department of Financial Management

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Long Beach, CA 90802

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September 18, 2007

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager to execute an agreement with MuniServices, LLC, for tax revenue recovery and consultant services for an amount not to exceed \$89,000 annually for a three-year term, and authorize the City Manager to execute amendments to extend the term. (Citywide)

## DISCUSSION

Since 1983, the City has contracted with tax revenue recovery firms to provide consulting and tax review services. MuniServices, LLC has been selected to provide the technical expertise to perform these services, which are not available within the City. MuniServices provides a high level of service in sales and use tax management, including strong analytics, forecasting tools and reports, as well as immediate access to professional staff. Further, the fee for this service is predominately performance-based and contingent upon MuniServices reviews producing new revenue that would not otherwise have been realized by the City.

This matter was reviewed by Deputy City Attorney Lori Conway on August 21, 2007 and Budget and Performance Management Bureau Manager David Wodynski on August 22, 2007.

## TIMING CONSIDERATIONS

City Council action is requested on September 18, 2007, so that MuniServices can initiate services on October 1, 2007.

## FISCAL IMPACT

MuniServices' compensation for conducting the sales and use tax review is a 20 percent contingency that applies to revenue received as a result of their review back to and including three quarters prior to the date of knowledge quarter, and for six quarters beginning with the date of correction. Additionally, MuniServices will also be paid \$2,250 quarterly for software, analysis, reporting, and consultant services. The quarterly fee will be adjusted annually based on the Consumer Price Index.

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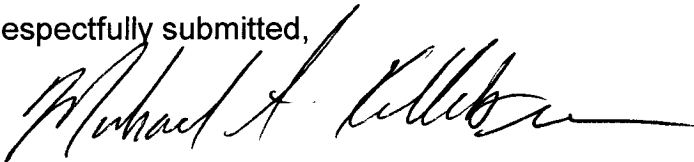
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Additional annual revenue recovery is estimated to be as high as \$400,000 annually and MuniServices' corresponding compensation is estimated to be as high as \$89,000. Appropriation exists to support this contract in the General Fund (GP) in the Department of Financial Management (FM). If revenue produced is more than estimated, City Council action will be required to exceed the "not to exceed" amount of \$89,000.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL A. KILLEBREW  
DIRECTOR OF FINANCIAL MANAGEMENT

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APPROVED:

*for*   
ANTHONY W. BATTS  
CITY MANAGER