



City Council Staff Report

Subject: Municipal Tax Services and Program Administration Contract

Date: January 14, 2025

Submitted By: Daniel Choe, Deputy Director of Administrative Services

Department: Administrative Services - Finance

Recommendation:

- A. Adopt a Resolution of the City Council of the City of Rocklin Awarding the Property Tax Service Contract to HdL Coren & Cone and Authorizing the City Manager to Execute the Contract.
- B. Adopt a Resolution of the City Council of the City Rocklin Awarding the Sales and Use Tax, Transient Occupancy Tax, Short-Term Rental, and Business License Tax and Administration Services Contract to HdL Companies and Authorizing the City Manager to Execute the Contract.

Background:

A comprehensive understanding of the City of Rocklin's largest revenue sources, such as property tax and sales and use tax, is crucial for effective fiscal management, strategic planning, and maintaining public trust. Accurate revenue projections help the City plan its budget more effectively, manage financial risks, and prioritize essential services. These assessments also allow the City to identify trends, reduce over-reliance on specific revenue streams, and uncover areas where revenue collection can be improved.

To achieve these goals, the City of Rocklin has partnered with consultants for property tax, sales and use tax, transient occupancy tax, and short-term rental programs. These consultants provide specialized expertise, advanced analytical tools, and an in-depth understanding of tax laws and market trends that may not be readily available within City staff. This collaboration ensures accurate assessments, strengthens compliance, and enhances revenue recovery efforts. By leveraging outside expertise, City staff can focus on delivering core services and addressing the community's needs. This approach supports Rocklin's commitment to fiscal stability and transparency.

On August 23, 2024, the City released a Request for Proposals for property tax, sales and use tax, transient occupancy tax, short-term rental, and business license tax services and administration. The City received proposals on September 20, 2024, with one proposal submitted for property tax services and two proposals for the other tax services.

The evaluation committee conducted a thorough review of each submission, considering factors such as firm qualifications and experience, team expertise, understanding of the scope of services, quality control processes, project approach and timeline, completeness of the proposal, and cost. Based on this evaluation, two firms were invited to interviews. An interview was not required for HdL Coren & Cone, as they were the sole bidder for property tax services.

HdL Coren & Cone is determined to be the most responsive and responsible bidder for property tax services. For the remaining services (sales and use tax, transient occupancy tax, short-term rentals, and business license tax and administration), HdL Companies is determined to be the most responsive and responsible bidder after the evaluation and interview process.

Currently, the City manages Business License Tax and Administration services in-house using software procured from HdL Companies. Staff determined that transitioning the administration of the program to HdL Companies offers significant advantages. HdL provides a robust system that can efficiently route business license applications to various City stakeholders, ensuring other regulatory requirements are met. This approach enhances communication with individuals and businesses looking to operate in Rocklin by helping them navigate necessary permits and licenses. Additionally, HdL's dedicated support team will manage and administer the business license program, ensuring consistency and efficiency. Their compliance and audit teams will assist in bringing non-compliant businesses into compliance, provide timely and more frequently renewal notifications, and offer a dedicated call center Monday-Friday, 8 a.m. to 5 p.m., to support business owners.

To address potential impacts on staff resulting from the proposed changes, the Human Resources Division facilitated a meet-and-confer process with the Public Services Employee Bargaining Unit (AFSCME), which expressed support for the proposal.

Staff recommends awarding the Property Tax Services Contract to HdL Coren and Cone for a five-year term, with total compensation of \$125,000. Additionally, staff recommends awarding the Sales and Use Tax, Transient Occupancy Tax, Short-Term Rental, and Business License Tax and Administration Services contract to HdL Companies for a five-year term, with total compensation of \$840,000.

Fiscal Impact:

Sufficient funds are available in the Fiscal Year 2024/25 Operating Budget for the cost of the initial year. Budgets for subsequent years will be included in each fiscal year's budget.

ATTACHMENTS:

1. [Resolution A](#)
2. [Resolution A Exhibit A - Contract with HdL Coren & Cone](#)
3. [Resolution B](#)
4. [Resolution B Exhibit A - Contract with HdL Companies](#)