



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Regular Meeting of September 23, 2025

**TO:** Mayor and Members of the City Council

**VIA:** Dante Hall, City Manager

**SUBMITTED BY:** Edwin Gato, Director of Finance

**SUBJECT:** Award of Contract to the Lew Edwards Group and FM3 Research for Polling and Strategic Communication Services for Ballot Measures for Additional Sales Tax, the Viability of Becoming a Charter City for the Limited Purpose of Increasing the Real Property Transfer Tax, and General Obligation (GO) Bonds in the amount not to exceed \$142,250, and approve an appropriation of \$142,250 from the General Fund Reserves

### **RECOMMENDED ACTION:**

Authorize the City Manager to enter into an agreement with Lew Edwards Group for polling and strategic communication services pertaining to ballot measures. These measures include the potential implementation of an additional sales tax, the evaluation of the feasibility of becoming a charter city to increase the real property transfer tax, and the issuance of GO bonds. The total expenditure for these services shall not exceed \$142,250. Additionally, we request the approval of an appropriation of \$142,250 from General Fund Reserves to support this initiative.

### **EXECUTIVE SUMMARY:**

The City of Hercules is interested in evaluating the perspectives of registered voters on three significant matters: 1) the feasibility of submitting an additional sales tax revenue measure for consideration in November 2026, 2) the potential transition to a charter city with the specific objective of increasing the Real Property Transfer Tax (RPTT), and 3) the proposal for the issuance of General Obligation (GO) bonds.

To achieve this goal, the City seeks to engage a consultant with a distinguished track record of assisting public agencies in successfully advocating for revenue measures. The appointed consultant will conduct a pre-election opinion poll to measure community support for these proposed measures, which are intended to finance capital infrastructure projects, enhance city services, and address other vital community priorities.

On August 5, 2025, the City released a Request for Proposals (RFP) for Election Opinion Poll Services, which is attached to this staff report for reference. This RFP seeks to retain a qualified team of consultants to conduct an opinion poll and provide strategic communication guidance regarding the proposed additional sales tax revenue measure, the Real Property Transfer Tax (RPTT), and the GO bond ballot measures. On August 26, 2025, the consulting team led by the Lew Edwards Group, in partnership with FM3 Research, submitted a proposal that aligns with the City's requirements. City staff is now seeking authorization to enter into a contract with the Lew Edwards Group and FM3 Research to perform the polling analysis and offer strategic guidance to the City.

## **BACKGROUND AND ANALYSIS:**

During the City Council meeting on July 8, 2025, staff provided a comprehensive overview of various revenue-generation options aimed at establishing a long-term financial sustainability plan. This initiative seeks to address critical infrastructure needs that remain unfunded, as well as the rising costs associated with goods, services, and utilities, employee retention challenges, and necessary deferred maintenance. Following an in-depth discussion on these matters, the Council resolved to direct staff to initiate the process of engaging a consultant to conduct a pre-election poll and providing strategic communication guidance regarding a proposed additional sales tax, assessing the feasibility of designating the city as a charter city to enhance the Real Property Transfer Tax (RPTT), and evaluating the potential issuance of General Obligation (GO) bonds.

In response to the Council's direction, the staff developed a RFP. This RFP was posted on the City's website and distributed to selected firms. The City received proposals from four firms, and copies of all submissions are available for review in the City Clerk's Office.

The evaluation committee, composed of the City Manager, Community Development Director, and Finance Director, conducted a comprehensive review of all submitted proposals. The committee consistently ranked the Lew Edwards Group and FM3 Research above all other competing submissions. As a result of this evaluation, the staff recommends awarding the contract to the Lew Edwards Group and FM3 Research. Their proposal reflected a deep understanding of the scope of work and demonstrated familiarity with the community, as they have previously provided polling services for the City.

**FISCAL IMPACT:**

Staff requests that the Council allocate an amount not to exceed \$142,250 for securing the services of the Lew Edwards Group and the FM3 Research firm specializing in polling and strategic communication. Furthermore, we seek the appropriation of \$142,250 from the General Fund Reserve to support this contract.

**ATTACHMENTS:**

1. Resolution
2. Election Opinion Poll Services Proposal for the City of Hercules