



City of Needles, California Request for Council Action

☒ CITY COUNCIL

☐ NPUA

☒ Regular ☐ Special

Meeting Date: February 27, 2024

Title: Cannabis Tax Audits

Background: At the August 30, 2022 City Council meeting HdL Companies was chosen to perform the Cannabis audits for calendar years 2021 and 2022. The cost per audit was \$10,000 for calendar year 2021.

For calendar year 2022, the cost per audit is remaining the same at \$10,000 per audit.

Fiscal Impact: A maximum cost of \$170,000 which includes 16 Cannabis audits and \$10,000 in additional consulting fees. An estimate of \$170,000 was already appropriated in the FY 24 budget.

Recommendation: Approve contract with HdL Companies to perform Cannabis Tax Audits for calendar year 2022 at a cost not to exceed \$170,000.

Submitted By: Barbara DiLeo, Finance Department

City Management Review: Patrick J. Martinez **Date:** 2/22/2024

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: _____