

July 19, 2019

Joseph T. Edmiston
Executive Officer, FAICP, Hon, ASLA
Mountains Recreation and Conservation Authority
570 West Avenue Twenty-Six, Suite 100
Los Angeles, California 90065

Re: Proposal for Public Opinion Survey and Feasibility Study for Continued and Improved Wildland Fire Protection and Prevention Services

Dear Joe:

SCI Consulting Group ("SCI") is pleased to submit this proposal to the Mountains Recreation and Conservation Authority ("Authority") for comprehensive analysis and planning, and a public opinion survey and feasibility study for continued and improved wildland fire protection and prevention services.

We understand that the Mountains Recreation and Conservation Authority needs additional funding to continue and improve its wildland fire prevention services. We also understand that the Authority seeks advice and assistance in identifying and implementing the optimal revenue mechanisms to meet its financial goals.

We respectfully offer the following strengths, which differentiates our firm from others, for your consideration:

PROPRIETARY AND PROVEN MAILED SURVEY APPROACH We have learned, through many years of experience, that telephone surveys yield inaccurate predictions for property owner weighted ballot benefit assessments and special tax measures. As a result, our firm pioneered the integration of initial assessment engineering and special tax analysis specifically tailored to address the many unique aspects of these types of funding measures. On over 100 surveys to date, our unique survey methodology has consistently proven to provide much more accurate survey results than the phone and mail survey methods used by other firms. In summary, our opinion research work will provide the District with accurate, valuable information needed to make the best decisions on whether to move forward with a funding measure.

SPECIAL TAX AND BENEFIT ASSESSMENT SUCCESS AND EXPERTISE With over 30 years of experience in this specialized field, we are proud of our industry-leading record of success with assisting public agencies with increasing their revenues. For agency-wide revenue measures which include a survey, SCI has a success rate of over 90% with over 130 successful ballot measures.

UNDERSTANDING OF THE AUTHORITY SCI Consulting Group formed the assessment districts and the Community Facilities Districts for the Authority. Moreover, we have served as the Assessment Engineer of Record for the Authority since 2002. Our level of understanding of the Authority and the assessments is clearly unmatched.

CONTINUITY OF STAFF AND FIRM SCI has been providing assessment engineering and levy administration services to public agencies for 30 years, exclusively focused on these highly specialized services. Our

staff and firm have unmatched continuity. SCI has retained the same management and service area focus for its entire 30 years of service.

INFORMATIONAL OUTREACH EXPERTISE We have a long history of developing and implementing successful educational outreach for our clients, including the critical development of key messaging (which is developed and tested as part of our mailed survey approach). Our approach is based upon the distribution of key messages and supporting information as part of our comprehensive community outreach through talking points, FAQs, newsletters, mailers, e-mail text, nextdoor.com text, door-to-door, website, hotline, small group meetings, open house meetings and public hearings.

EXCEPTIONAL FEASIBILITY ANALYSIS AND PUBLIC OPINION POLLING For most of our clients we perform feasibility analysis and public opinion polling. Our 90% revenue mechanism success rate supports the accuracy of our analysis and polling. A survey is highly recommended, because it will help the Authority better understand the community's opinions, various associated messaging, and the level of financial commitment the community is willing to support.

UNMATCHED TECHNICAL CAPABILITIES Every person in our firm, aside from our clerical staff, is a database expert. We have developed in-house, specialized programs to improve our levy administration services. We are also GIS and mapping experts. We invite you to compare, or better yet, test our database and technical expertise with the staff from any other firm.

EXCELLENT RESPONSIVENESS AND CUSTOMER SERVICE We invite you to call our toll-free taxpayer inquiry line at (800) 273-5167 and compare our level of service and responsiveness with any other firm. We answer calls directly with knowledgeable levy administration staff. We also provide the highest level of service and responsiveness for all of our clients, including responding to all of our clients within 24 hours.

OUR CLIENTS ARE OUR BEST REFERENCES We sincerely encourage you to speak with any of our clients. They will attest to the comprehensive nature of our services, our level of client responsiveness and our levy administration abilities.

Please feel free to contact me or Jeanette Hynson if you have any questions or comments. I am the President of SCI and Jeanette Hynson is a Senior Consultant. If selected, Jeanette will serve as the Project Lead. We can be reached at (707) 430-4300 or by e-mail at gerard.vansteyn@sci-cg.com and jeanette.hynson@sci-cg.com.

Sincerely,



Gerard van Steyn
President

PROJECT OVERVIEW

SCI would begin this project with a kickoff meeting. At this meeting, project goals and overall approach will be refined, along with needed deliverables and project timelines for the project.

INITIAL RESEARCH, DATA ANALYSIS AND PLANNING

Our approach for the Initial Research, Data Analysis and Planning services will begin with a comprehensive analysis of the desired improvements and services, property ownership, voter statistics, tax base, demographic and political profiles in the Authority. We will also analyze various community factors that may affect the proposed funding measure, such as other local issues and funding measures. We perform these services by first collecting data from the Authority, the County Assessor, the Registrar of Voters, planning agencies and other information sources. After this extensive data has been compiled, we will analyze it in context with the Authority's goals, and other community factors in the Authority. This detailed research and analysis will provide SCI with a solid understanding of the factors that will be used as the foundation for designing and evaluating the funding measure.

The funding mechanism desired by the Authority is a voter approved parcel tax and the formation of a new Community Facilities District ("CFD"). Parcel taxes are often structured at a flat rate per parcel. In some cases this is the most appropriate methodology, and in other cases, a flat-rate structure can result in materially less revenues without much political upside. During the initial research we will carefully evaluate alternative parcel tax formulas that may be more advantageous than a flat rate method. After these alternatives are developed and analyzed, they will be reviewed with the Authority and potentially incorporated into the subsequent research tasks, which can provide further information on the most advantageous methodology.

After our property and voter analysis, we will review the goals and needs of the Authority, as well as the potential uses of tax proceeds. At the conclusion of this research, data analysis and planning, we should have the necessary understanding of the goals and objectives of the Authority, as well as alternative or revised goals that may be tested as part of the research project.

As a next step SCI will develop a preliminary calculation of the potential alternative taxes for each parcel in the Authority. After the parcel tax determination and evaluation work is completed, SCI will develop a matrix of likely balloting participants based on SCI's extensive data and expertise regarding how participation rates vary by household characteristics, voter and property owner type and funding mechanism.

After our initial parcel tax evaluation work has been completed, SCI will review the findings with the Authority. As needed, modifications will be incorporated.

PUBLIC OPINION SURVEY AND FEASIBILITY ANALYSIS

The principals at SCI have developed a sophisticated research methodology for identifying community support and priorities for public improvements and services. In addition, the methodology will reveal whether voters will support a revenue measure for continued and improved operations and maintenance of park and recreation areas and future open space land acquisition, and if so, how best to package the measure for success. One of the strengths of the approach is its proven ability to accurately identify voter support for a wide range of services that could be funded by a revenue measure. The methodology developed by SCI does exactly that, and it has proven to be extremely accurate in predicting community support and priorities for services, as well as voters' willingness to invest in continued and improved services and projects. The important thing to note is that accurately predicting the outcome of a proposed parcel tax requires knowing how support for the measure varies by voter type and by tax rate, as well as the expected participation rate from each participant based on their profile and history. SCI has extensive understanding of these elements specific to parcel taxes and will use this expertise to develop the appropriate research approach.

RECOMMENDED RESEARCH APPROACH

For the feasibility of a parcel tax to be evaluated, a scientific, stratified and randomized mailed survey is the recommended data collection technique. The mailed survey would be sent to, and returned by, registered voters only. Once final drafts of the documents for the mailed survey meet the approval of the Authority, they will be printed. As a next step, the voter information and mailing address will be added, and the surveys will be packaged with the information items and postage-paid return envelope.

SAMPLE SIZE

For this research project, SCI recommends that a mailed survey be sent to 18,500 voters in the Authority, 8,500 surveys in the new tax areas and 10,000 surveys in the existing tax areas. This sample size will provide sufficient data to develop a model of participation for all likely voters for a parcel tax. This phase should provide a confidence level of 95% with typical margin of error of +/- 3.0%. Once the surveys are returned, SCI will process the responses from the survey and will prepare the data for analysis. SCI will also develop several filtering schemes and weighting matrices to simulate ballot measure outcomes for a parcel tax. At the conclusion of our analysis, SCI will prepare a comprehensive report that summarizes the opinion research findings and makes recommendations regarding voters' priorities, as well as the feasibility of moving forward with a ballot measure. The report will also include additional value-added elements such as an outline of the recommended action plan for proceeding with a local funding measure, profiles of likely supporters and opponents for a ballot measure, priorities and funding support by type of project, and key messaging elements and strategies.

SCI recommends having a meeting with the Authority to discuss the results of the research and suggest next steps for the Authority. In addition, the scope of services includes a formal presentation of the survey results, findings and recommendations to the Authority.

SCOPE OF WORK

Based upon our current understanding of the technical analysis and information needed by the Authority, we propose the following scope of work and approach:

INITIAL RESEARCH, DATA ANALYSIS AND PLANNING

1. Conduct a kick-off meeting with the project team to clarify the project objectives, review potential revenue alternatives, discuss the proposed timeline, ask questions of the Authority staff, and establish a more detailed work plan for the project.
2. Collect and analyze background and reference information including expenditures and sources of funding. This analysis will include a review of the current and projected expenditures by fiscal year, program elements, and funding sources.
3. Develop a parcel tax/CFD structure in order to test the feasibility of a parcel tax.

MAILED PUBLIC OPINION SURVEY AND FEASIBILITY ANALYSIS

1. Identify issues, projects and arguments to be included in the survey.
2. Create the mail survey opinion research instrument to measure support of registered voters for a parcel tax election to fund the proposed services.
3. Using models of likely voters for a parcel tax election, create a stratified, randomized sample of registered voters to be surveyed for a parcel tax.
4. Finalize the design of the surveys, informational items, outgoing and postage prepaid return envelopes.
5. Print, address and mail up to 18,500 surveys for registered voters in the Authority.
6. Tabulate survey responses and develop cross-tabulations of the response data.
7. Using the survey response data, prepare projected outcome models for a parcel tax election.
8. Analyze the survey findings.
9. Review the survey findings and strategic recommendations with Authority staff.
10. Submit a Public Opinion Survey and Feasibility Analysis Report to the Authority.
11. Present the survey results to the MRCA Board with a summary of the most desired improvements and services, the most effective messaging approaches, and recommendations regarding whether to proceed with a funding measure.

PROJECT TIMELINE

Following is a draft project timeline with focus on the March 2020 election.

<u>Date</u>	<u>Action</u>
August 5	Survey kick-off meeting
August 5 – 9	Preliminary data analysis & design of survey
August 12	Survey instrument to MRCA for review
August 15	MRCA approves survey and rates to test are finalized
Aug 19 – 30	Print survey, information item, out-going and return envelopes
September 3	Mail Surveys
Sept 4 – Oct 15	Survey Return Period (~6 weeks)
Oct 16 – 18	Analysis of survey results
October 21	Presentation of survey results to MRCA staff, and discussion of next steps
November 6	Presentation of survey results to MRCA Board, and discussion of next steps
December 4	MRCA Board Approves Resolution Ordering Election

PROJECT TEAM

SCI Consulting Group is a public finance consulting firm with over 30 years of expertise in assisting public agencies in California with planning, justifying and successfully establishing new revenues for their service and capital improvement needs and objectives and managing special assessment levies.

SCI possesses extensive benefit assessment engineering and formation expertise, particularly for agency-wide assessments in politically challenging areas. Since Proposition 218 was approved in 1996, we have successfully formed over 130 agency-wide new benefit assessments, which represent the majority of all post-218 new agency-wide assessments in the State. These successful agency-wide assessments include all of the largest successful assessments in the State as well.

SCI provides year-round special tax and assessment administration services and planning services for clients throughout California. Our firm currently administers over 400 assessment and special tax districts, comprising over 11,000,000 parcels. SCI's planning projects have included hundreds of development impact studies, facility and financing plans, demographic studies, cost of service and fee justification studies, and other planning and real estate studies.

SCI also offers extensive expertise with the important legal and procedural issues involving benefit assessments, special taxes and fees. The principals at SCI are acknowledged experts on these public financing mechanisms and were involved with the cleanup legislation for Proposition 218.

If selected, Jeanette Hynson would serve as the day-to-day project manager. Gerard van Steyn and John Bliss would work closely with Jeanette on this project.

JOHN BLISS, PRESIDENT, PRINCIPAL-IN-CHARGE AND CHIEF ASSESSMENT ENGINEER

John Bliss, a professional engineer and President of SCI, specializes in assessment engineering, special and general benefit analysis, crafting legally compliant, robust Engineer's Reports, levy administration, cost estimating and budgeting, database design and implementation, regulatory compliance, and revenue measure formations. He has 17 years of experience in this field of expertise. Moreover, John is a recognized expert assessment engineer and Proposition 218 compliance specialist who has served as an expert witness and technical authority. He also has worked with most of the leading Proposition 218 specialized attorneys in the State, which has further expanded his professional and technical expertise.

During his tenure at SCI, John has served as the responsible Assessment Engineer on over 300 Engineer's Reports for new or increased assessments, comprising more post-Proposition 218 new assessment engineering than any other assessment engineer in the State.

John also has served as the project lead for the California Statewide Fire Benefit Fee assessment. John led SCI's successful effort to identify every parcel in Counties throughout the State in State Responsibility Areas and, thus, subject to this new annual assessment fee on property tax bills. (SCI was selected sole-source for this project, based on the State's determination of our unmatched levy administration capabilities.) John also led SCI's time-compressed and successful assessment calculation efforts and our creation of a highly-integrated information exchange system with the GIS/spatial analysis firm based in India and the State of California for this new statewide fee.

John also has extensive programming and database expertise. He has been the instructor of "Database Design for Project Management" at UC Berkeley Extension. John has materially contributed to the specialized and proprietary computer and database programs we utilize as part of our levy administration procedures. Prior to joining SCI, John co-founded several information technology companies that focused on database and infrastructure management including ConstructionPrice, and US Components, and worked as field construction engineer for Shimmick Construction Company and the U.S. Department of Transportation.

John graduated from Brown University with a Bachelor of Science Degree in Engineering and holds a master's degree in Civil Engineering from The University of California, Berkeley, where he was a Regent's Scholar. He is a licensed professional Civil Engineer in the State of California and is a LEED accredited professional.

GERARD VAN STEYN, MBA, CHIEF EXECUTIVE OFFICER

Gerard van Steyn, with advanced degrees in finance and real estate, specializes in assisting public agencies with research, planning, and revenue measure services and is a recognized expert on benefit assessments, property related fees, special taxes and other public financing mechanisms. Over the last 30 years, Gerard has worked on a wide range of successful revenue enhancement projects for public agencies throughout California. These projects include over 50 feasibility analysis, financing and research projects. In addition, over the last 20 years since Proposition 218 was approved, Gerard has served as the lead manager for over 30 community-wide benefit assessment and special tax ballot measures, all but one of which have culminated in a successful ballot outcome. Gerard has also formed many Mello-Roos Community Facilities Districts (CFDs) and has extensive expertise with the post formation financing activities and reapportionment requirements for CFDs.

Gerard has specialized expertise and training in opinion research and statistical analysis. He has developed the new, innovative and industry leading survey methodology that accurately accounts for the many important differences between a voter decided tax and a property owner decided benefit assessment. SCI has found that this opinion research methodology offers unmatched accuracy for predicting the outcomes for both funding mechanisms.

With over two decades of hands-on experience, Gerard also has extensive expertise with levy administration services. He has led many levy administration projects for SCI and has developed and refined SCI's levy administration procedures and approaches over this tenure. In addition, Gerard has extensive planning and consulting expertise. His projects include over 75 development impact fee nexus studies, demographic studies, tax base and financing plans and local funding feasibility plans for local agencies throughout California.

JEANETTE HYNSON, SENIOR CONSULTANT

Jeanette Hynson has been contributing experience in levy administration, Proposition 218 Assessment District formation, Mello-Roos Community Facilities District formation, and consulting services to the SCI team since 2000. She has experience with the creation and administration of benefit assessments and fees, public opinion research projects, and other consulting services. She has expertise and extensive experience in database management systems design and maintenance. She has also developed a ballot tabulation software application that has proven to provide an accurate and efficient approach for ballot tabulation verification.

FEE SCHEDULE

In consideration for the work accomplished, as outlined in this proposal, SCI shall be compensated as detailed below.

INITIAL RESEARCH, DATA ANALYSIS AND PLANNING

In consideration for the work accomplished on this Project related to the Initial Research, Data Analysis and Planning, SCI shall be compensated in the amount of \$15,000, payable upon submittal of the initial data analysis to the Authority.

PUBLIC OPINION SURVEY AND FEASIBILITY ANALYSIS

Compensation for the work performed under the Public Opinion Survey and Feasibility Analysis for a scientific mail survey to approximately 18,500 registered voters, analysis of results and determination of the opinion research findings shall be \$30,000.

MEETINGS

The scope of work includes two in-person meetings with the Authority. Any additional in-person meetings shall be charged at the rate of \$1,000 per person per meeting.

INCIDENTAL COSTS

Incidental costs incurred by SCI for the purchase of property data, maps, travel and other out-of-pocket expenses incurred in performing the scope of work for the feasibility study shall be reimbursed at actual cost by the Authority, with total cost not to exceed \$5,000 without prior authorization from the Authority.

CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is made on _____, 2019, between the **Mountains Recreation and Conservation Authority**, ("Authority") and **SCI Consulting Group** ("Consultant" or "SCI"), a California Corporation, who agree as follows:

1. **Scope of Work ("Work").** Consultant shall perform the work and render the services described in the Scope of Work shown above (the "Work"). The Consultant shall provide all labor, equipment, material and supplies required or necessary to properly and competently perform the Work, and determine the method, details and means of doing the Work.
2. **Payment.**
 - a. In exchange for the Work, the Authority shall pay to the Consultant a fee for completed phases of the Work. The total fee for the Work shall not exceed amounts set forth in the Fee Schedule shown in the Proposal document referenced above. There shall be no compensation for extra or additional work or services by the Consultant unless approved in advance in writing by the Authority. The Consultant's fee shall include all of the Consultant's costs and expenses related to the Work.
 - b. At the completion of each phase of the Work, the Consultant shall submit to the Authority an invoice for the Work performed. If the Work is satisfactorily completed and the invoice is accurately computed, the Authority shall pay the invoice within 30 days of its receipt.
3. **Term.** This Agreement shall take effect on the above date and shall continue in effect until completion of the Work.
4. **Insurance.**
 - a. **Types & Limits.** The Consultant, at its sole cost and expense, shall procure and maintain for the duration of this Agreement the following types and limits of insurance:

Commercial General Liability	\$2,000,000 per occurrence \$4,000,000 aggregate
Automobile Liability	\$2,000,000 per accident
Workers' Compensation	Statutory limits
Professional Liability	\$2,000,000 per claim
Excess Liability (over General Liability & Auto Liability)	\$1,000,000 per occurrence & \$1,000,000 aggregate
 - b. **Other Requirements.** The general liability policy(ies) shall be endorsed to the Authority, its officers and employees as additional insureds regarding liability arising out of the Work.
 - c. **Proof of Insurance.** Upon request, the Consultant shall provide to the Authority proof of insurance.

- 5. Indemnification.** The Consultant shall indemnify, defend, protect, and hold harmless the Authority, and its officers and employees from and against any and all liability, losses, claims, damages, expenses, demands, and costs (including, but not limited to, attorney, expert witness and consultant fees, and litigation costs) arising out of the Consultant's performance of the Work and caused by willful misconduct of or by the Consultant or its employees, agents and subcontractors.
- 6. Entire Agreement.** This writing represents the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract between the parties concerning the Work, and supersedes all prior oral and/or written negotiations, representations or contracts. This Agreement may be amended only by a subsequent written contract approved and executed by both parties.
- 7. Independent Contractor.** The Consultant's relationship to the Authority is that of an independent contractor.
- 8. Successors and Assignment.** This Agreement shall bind and inure to the benefit of the heirs, successors and assigns of the parties; however, the Consultant shall not subcontract, assign or transfer this Agreement or any part of it without the prior written consent of the Authority.
- 9. No Waiver of Rights.** Any waiver at any time by either party of its rights as to a breach or default of this Agreement shall not be deemed to be a waiver as to any other breach or default.
- 10. Severability.** If any part of this Agreement is held to be void, invalid or unenforceable, then the remaining parts will nevertheless continue in full force and effect.
- 11. Governing Law and Venue.** This Agreement will be governed by and construed in accordance with the laws of the State of California.
- 12. Default.** In the event that the Consultant defaults in the obligations of the Consultant under this Agreement, or the Consultant defaults in the performance of the terms and conditions of this Agreement, the Authority may, at its option, declare this Agreement to be in default and, at any time thereafter, may do any one or more of the following: a) enforce performance of the Agreement by the Consultant; or b) terminate this Agreement. In the event that this Agreement is terminated, payment shall still be due for all Work performed by the Consultant through the date of the termination.
- 13. Cancellation.** The Authority or the Consultant may cancel this Agreement without cause. The party desiring to cancel this Agreement shall notify the other party in writing. In the event that this Agreement is cancelled, payment shall still be due for all Work performed by the Consultant through the date of the notification of cancellation.
- 14. Attorney's Fees.** In the event any legal action is brought to enforce or construe this Agreement, the prevailing party shall be entitled to an award of reasonable attorney's fees, expert witness and consulting fees, and litigation costs.

15. Notice. Any notice, invoice or other communication that is required or permitted to be given under this Agreement shall be in writing and either served personally or sent by prepaid, first class U.S. mail or by commercial delivery service, addressed as follows:

Public Agency:

Mountains Recreation & Conservation
Authority
570 West Avenue 26, Suite 100
Los Angeles, CA 90065

Consultant:

SCI Consulting Group
4745 Mangels Boulevard
Fairfield, CA 94534

Any party may change its address by notifying the other party of the change in the manner provided below:

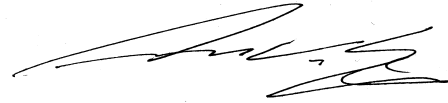
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_____	_____
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SIGNATURE PAGE

By signing below, we agree to the terms of this Agreement.

Accepted:

Accepted:



Joseph T. Edmiston
Executive Officer
Mountains Recreation and Conservation
Authority

Gerard van Steyn
President
SCI Consulting Group

Date

July 19, 2019
Date