



June 10, 2020

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

**Re: Proposal for Community Facilities District Special Tax Consulting Services**

Dear Joe:

**SCI Consulting Group** (SCI) is pleased to submit, for your review, this proposal to provide Community Facilities District (CFD) Special Tax Consulting Services for the Mountains Recreation and Conservation Authority (MRCA). We understand that the MRCA wants to form a new CFD, and wishes to consolidate the new special tax with the November 3, 2020 General Election.

The purpose of the CFD will be to provide additional funding for open space preservation and fire prevention in the MRCA's Area No. 1. A CFD is a flexible and stout funding mechanism that can be implemented and administered easily and efficiently.

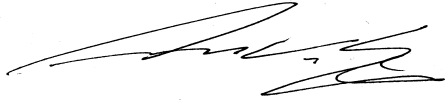
Our proposal includes all tasks required for a successful CFD formation, including special tax analysis, development of the local goals and policies, the rate and method of apportionment, and development and processing of all required documents, including resolutions and a boundary map for the CFD. Our proposal also includes other services important to the process such as collaborative outreach and coordination with registered voters, landowners and other stakeholders, as needed.

Established in 1985, **SCI Consulting Group** is a recognized public finance consulting firm with leading expertise in assisting California public agencies with local funding of public services and improvements. We also possess industry leading expertise with the important legal and procedural requirements for the formation of Community Facilities Districts, Benefit Assessment Districts and other local financing mechanisms. SCI has formed and annually administers over 850 special taxes, assessments and fees for over 140 public agencies throughout the State. This expertise and experience will ensure that your goals and objectives are met successfully, collaboratively, on schedule, and on budget.

For your convenience, we have enclosed a "Consultant Services Agreement" for your review and execution. If you have any questions or require additional information, please do not hesitate to contact me. I can be reached at (707) 430-4300 or via email at [gerard.vansteyn@sci-cg.com](mailto:gerard.vansteyn@sci-cg.com).

We look forward to this opportunity to assist the MRCA with this important project and stand ready to proceed.

Sincerely,



Gerard van Steyn  
President

## CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is made on \_\_\_\_\_, 2020, between the **Mountains Recreation and Conservation Authority**, ("MRCA") 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 below (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, MRCA 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 below. There shall be no compensation for extra or additional work or services by the Consultant unless approved in advance in writing by MRCA. 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 MRCA an invoice for the Work performed. If the Work is satisfactorily completed and the invoice is accurately computed, the MRCA 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<br>\$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<br>& \$1,000,000 aggregate |
  - b. Other Requirements.** The general liability policy(ies) shall be endorsed to name the MRCA, 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 MRCA proof of insurance.
5. **Indemnification.** The Consultant shall indemnify, defend, protect, and hold harmless the MRCA, 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 MRCA 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 MRCA.
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 MRCA 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 MRCA 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 and Conservation Authority  
570 West Avenue Twenty-Six, 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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## SCOPE OF WORK

The purpose of this Scope of Work is to detail the responsibilities SCI Consulting Group would provide for the Mountains Recreation and Conservation Authority.

### DEFINITIONS:

- MRCA: The Mountains Recreation and Conservation Authority and Staff.  
BOARD: The MRCA Governing Board.  
CFD: The proposed Community Facilities District special tax for open space preservation and fire prevention.  
SCI: SCI Consulting Group, and any and all employees and sub-contractors.

### SCOPE OF WORK:

Based upon our current understanding of the MRCA's financial needs, we propose the following scope of work:

#### Special Tax Analysis and Planning

1. In conjunction with the MRCA, develop a tentative timeline for the special tax analysis, CFD formation proceedings and special tax election.
2. Evaluate the property owner and voter base in areas proposed for inclusion in the CFD.
3. Review the MRCA's annual budget and other related financial documents.
4. Assist the MRCA in preparing the budget for the CFD.
5. Determine the amount of special tax needed to ensure sufficient funding to meet the MRCA's goals.
6. Provide a rational basis for the method of apportionment of special tax for the proposed CFD.
7. Prepare a preliminary Public Hearing Report ("Report") which shall summarize the purpose of the CFD, the affected properties, costs, special tax rates, the Rate and Method of Apportionment of Special Tax ("RMA"), description of services and facilities to be financed by the CFD and other information.
8. Review the preliminary Report with the MRCA and incorporate any proposed changes to finalize the Report.

#### CFD Formation Proceedings

1. Finalize the RMA and the Description of Services and Facilities to be financed by the CFD ("Services and Facilities") with MRCA staff and legal counsel as necessary,
2. Prepare preliminary Local Goals and Policies for the CFD ("Policies").
3. Prepare a CFD Boundary Map depicting the precise boundaries of the CFD and identifying the properties included in the CFD.

4. Prepare all documents required for the CFD formation proceedings including resolutions, agenda reports, the Notice of Public Hearing, Notice of Special Tax Lien and Ordinance to Levy the Special Tax, and review them with MRCA staff and legal counsel as necessary.
5. Coordinate the publication of the Notice of the Public Hearing for the proposed CFD.
6. Assist the MRCA with the presentation of the proposed CFD process during the formation proceedings before the Board of Directors.

#### **Assistance with Election Materials**

1. Provide the County Elections Department with GIS maps of the areas proposed for the measure and assist the Elections Department as needed with preparing the voter rolls.
2. Assist with the preparation of the draft election resolution, ballot question, full ballot text, and elections materials.
3. Provide the elections materials to the County Elections Department, the MRCA, and its legal counsel, for review and commentary.
4. Prepare draft resolutions, notices and other materials and documents required or recommended for the proposed CFD taxes. Such documents shall be finalized in conjunction with the MRCA's legal counsel.

#### **Informational Outreach / Stakeholder Outreach Services**

1. As necessary, assist with the presentation and review of the proposed CFD details to the participating registered voters, landowners and other stakeholders.
2. As necessary, prepare and present additional financial information and analysis, attend meetings and assist in discussions with registered voters, landowners and other stakeholders regarding the proposed CFD.
3. Provide strategic guidance to the MRCA on identifying and engaging stakeholders and implementing the informational outreach approaches.
4. In close collaboration with the MRCA, evaluate the proposed services and improvements, stakeholders and overall messaging and project objectives.
5. Make recommendations on the appropriate information outreach and strategies. Recommendations may incorporate findings and information from the survey conducted previously within the proposed CFD.
6. Assist with the development of printed materials and other informational items, message delivery options, public informational outreach strategies and media interaction.

#### **Annual Administration**

1. Determine the taxable and nontaxable parcels in each CFD, and on a parcel-by-parcel basis, calculate and verify the proposed specific tax amount for each parcel and prepare the preliminary tax roll to be used by the MRCA as a basis for the annual budget.
2. Prepare any needed resolutions and staff reports for the CFD Tax.



3. Prepare and assist with the publication of any notices for the continuation of the CFD Tax, if needed.
4. Attend MRCA Board meetings as needed, including those at which the resolution is approved.
5. Finalize the Tax Roll, other documents and supporting materials.
6. Prepare the final Tax Rolls for the CFD Tax and submit them to the County Auditor/Tax Collector for inclusion on the upcoming fiscal year tax bills.
7. Complete and file the annual Financial Transactions Reporting with the State Controller's Office within 7 months after the close of each fiscal year.
8. After the first year of collection of the Taxes, prepare an annual CFD Special Tax Report, and file it with the MRCA by January 1 after the close of the fiscal year.
9. Provide the County Auditor/Tax Collector with our toll-free phone number so property owners can directly contact SCI Consulting Group throughout the fiscal year regarding any questions that arise.
10. Throughout the fiscal year, research and, if necessary, revise any taxes which we find to be based upon incorrect information being used to apply the CFD Tax methodology. (It should be noted that, due to our comprehensive levy validation procedures, actual revisions are expected to be very minimal, if at all.)

### CFD FORMATION AREA 1

#### Area 1 (CFD 2020-1)

1. Compensation for Special Tax Analysis and Planning shall be a fixed fee amount of \$7,500. Payment shall be due and payable upon submittal of the preliminary Public Hearing Report.
2. Compensation for CFD Formation Proceedings shall be a fixed fee amount of \$15,000 and shall include up to three meetings. Payment shall be due and payable upon submittal of the CFD formation documents.
3. Compensation for Assistance with Election Materials shall be a fixed fee amount of \$5,000 and shall include up to two meetings. Payment shall be due and payable upon submittal of the CFD formation documents.
4. Compensation for Educational Outreach Services shall be a fixed fee amount of \$5,000 due upon conclusion of the Election.
5. Incidental costs incurred by SCI for the purchase of property or statistical data, travel and other out-of-pocket expenses incurred in performing the scope of work shall be reimbursed at actual cost, not to exceed \$4,000 without prior authorization from the MRCA.
6. The tasks included in this proposal are for the initial formation of the CFD.

### CFD ANNUAL ADMINISTRATION AREA 1

#### Area 1 (CFD 2020-1)

1. If the CFD is approved by voters, for Fiscal Year 2021-22, the total compensation for the annual administration and deferred compensation for CFD formation shall be \$180,000 payable shall be due on January 31, 2022.
2. For Fiscal Years 2022-23, 2023-24, 2024-25, and 2025-26 the total compensation for the annual administration shall be \$18,500 annually, payable as follows:
  - a. 50% shall be due upon filing of the taxes with the County Auditor.
  - b. The remainder shall be due on January 5 of the fiscal year.
3. The annual administration includes one meeting with the MRCA, as needed. Any additional meetings shall be billed at the rate of \$750 per person per meeting.
4. In the event that the MRCA elects to request optional, additive scope of work, SCI will work with the MRCA to negotiate compensation for these additional tasks, and execute an Addendum to the agreement for these additional services.
5. If the MRCA desires to extend the term of this agreement, the fee amount for each additional year will be the amount of the last fiscal year shown above, increased annually by 3%.

6. 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 shall be reimbursed at actual cost by the MRCA with total cost not to exceed \$1,000 per year, without prior authorization from the MRCA.

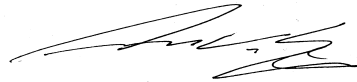
It is important to note that all costs associated with the formation and annual administration of the CFD may be paid from the CFD proceeds.

**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

\_\_\_\_\_  
April 24, 2020  
Date

