

MUNISERVICES

/ AN AVENU INSIGHTS & ANALYTICS COMPANY /

City of Fort Bragg

PROPOSAL

Consulting for:

Ballot Measure Consulting



February 12, 2020

Submitted By:
Avenu Insights & Analytics/MuniServices
1264 Hawkes Flight Court #270
El Dorado Hills, CA 95762

February 12, 2020

VIA EMAIL: TMiller@FortBragg.com

City of Fort Bragg
Tabatha Miller, City Manager
416 North Franklin
Fort Bragg, CA 95437

Re: Consulting Services for Transactions and Use Sales Tax ballot measure.

Dear Tabatha:

We understand the City is exploring the option of putting a Transactions and Use (TUT) sales tax measure (sometimes also referred to as a district tax) before the Fort Bragg voters. MuniServices/Avenu offers a history of working with cities on special tax measures including revenue forecasting, ordinance reviews, and ballot measure strategy.

MuniServices/Avenu and our longtime partner, GrassrootsLab are pleased to present the following proposal to assist the City of Fort Bragg with the management of a tax measure to go before the voters in November 2020. The scope of work will include project management, revenue forecasting and modeling, strategic consulting, and ballot measure messaging around a potential sales tax measure for the November ballot.

MuniServices/Avenu provides revenue enhancement, administration, ordinance development, and compliance auditing to over 1,000 municipalities and counties. This experience has provided MuniServices staff with an unmatched array of revenue enhancement skills, knowledge, and experienced. MuniServices is the only revenue enhancement firm to offer services for all general fund revenue sources nationally and has a wealth of experience with sales tax issues in California. MuniServices works solely for public sector clientele; thereby avoiding any real or perceived conflicts of interest which allow us to focus our efforts entirely from a governmental perspective.

GrassrootsLab specializes in local government outreach, campaigns and communications in California. In addition to numerous local officials and candidates, our firm maintains ongoing client relationships with several key statewide organizations and, through online assets, maintains a weekly communication channel with local government stakeholders across the state.

We look forward to working with the City of Fort Bragg on your tax measure.

Sincerely,

Fran Mancina

Scope of Work

Ballot Measure Consulting Services

MuniServices/Avenu and GrassrootsLab are pleased to present the following proposal to assist the City of Fort Bragg with planning and messaging around a revenue enhancement measure in November of 2020. Our firms provide a long and successful history of working with cities and counties on sales tax ballot issues. We recommend two primary phases of activity:

Phase I

A research and planning phase will serve as the cornerstone of initial work. We will work with an opinion polling firm to conduct a baseline survey of resident attitudes to the issues at hand. Using this research, we will craft an assessment of the political environment of the county and necessary short and intermediate steps for the county to educate its residents.

The poll should be crafted to gauge resident attitudes towards taxation and public services. The poll will test various components of these proposals against provisions desired by county officials.

The poll will also explore resident awareness and attitudes towards city revenues and other key issues related to the potential regulations. To the extent other city administrative issues impact this assessment, or may appear on the same ballot, these will also be tested. An approved poll can be executed in 10-14 days and reviewed with city leadership and consultants.

Utilizing this data, we will develop briefings with analysis specific to the city's history, past election results and current political dynamics. These briefings will also include broad analysis of revenue measures in peer agencies in the state, including neighboring jurisdictions. The briefings will be designed to sufficiently background the elected officials to deliberate the merits and viability of the potential measure.

A quality opinion poll gauging the issues outlined above is likely to cost between \$10,000 - \$25,000 depending on length and issues covered. We can provide references for polling firms if the city would like or we can include a polling firm as part of our services and manage their efforts on behalf of the city. The cost of polling can be better defined once we formalize a strategy and scope of work.

Phase II

Beyond this activity, the city should plan on enacting a strong public education and issue awareness effort as part of a second phase of activity. If the city opts to proceed, we will collaborate with your city legal counsel to develop a legally permissible public outreach and education campaign that would provide factual, objective and balanced information to update

and inform the community. Drawing on expertise from local partners in relevant business and labor organizations will ensure the messaging delivered in the campaign is accurate and effective.

Included in a comprehensive program would be developing a plan and timeline to expand community awareness of the city's fiscal and service delivery needs and challenges, as well as assisting in producing informational campaign materials, including Frequently Asked Questions, fact sheets and online assets.

Properly structured community outreach presentations for civic groups to provide information about the city's finances and planning processes is also vital. Our team has expertise in print and online communications, and we will collaborate with the city to use its existing channels to properly and impartially inform residents of the measure, its potential impacts and the planning process involved to bring a tax measure to the ballot. Direct mail will also likely be an important component of the project, as well as outreach to appropriate local media.

This phase will end when the council opts to place the measure on the ballot, at which time the city can continue to provide factual, impartial information to the community.

Costs and Timeline

MuniServices/GrassrootsLab request a minimum 120 day contract with a monthly retainer of \$6,000 for efforts leading up to ballot referral. The cost for the polling firm described above (estimate of \$10,000 to \$25,000) may or may not be included within this contract per the direction/request of the City.

Qualifications

MuniServices Background

MuniServices, LLC, was founded in 1978. The firm flourished throughout California and quickly branched out into other regions. MuniServices expanded its services and strengthened its client base and has established a track record of impressive municipal revenue results. MuniServices is applying its many years of success and experience assisting local governments with all aspects of Sales and Use Tax, Business License Tax, Hotel Tax, Property Tax, Utility Users Tax, and Franchise Fee programs. MuniServices has the capacity and expertise to provide comprehensive market trend analysis, tax/fee revenue analysis, and resource allocation evaluations related to all aspects of the sales tax arena. Our services will allow local agencies to more precisely estimate the potential revenues and resources that will be needed to develop, administer, implement and monitor programs and services. Avenu/MuniServices received industry-wide recognition by being listed on the GovTech100 for our role in supporting our local government clients.

Avenu/MuniServices is the industry leader in providing sales, use and District Tax analysis, reporting, and audit services for the public sector. We earned our solid reputation through our proprietary data analytics, accurate forecasting, concise reporting tools and high-caliber customer service. Our revenue enhancement services allow our clients to maximize revenues, make informed business decisions, and ultimately help agencies better serve the citizens in their communities.

Avenu/MuniServices has a thorough understanding of the nuances of auditing a transactions/district tax versus the local Bradley Burns sales tax. We pioneered transaction tax audit services using our exhaustive database, combined with advanced analytics, to provide accurate analysis and revenue projections that include complex transaction tax issues like interstate sales, transfer of title provisions, regulation interpretation and international business transactions. We have an established track record of providing our transaction tax clients with consistent and quantifiable results and our transaction tax discovery and compliance services have resulted in the recovery of over \$200 million for our district tax clients.

Our comprehensive local sales transactions and use (district tax) database includes all businesses within the district boundaries which hold a seller's permit in addition to the data associated with all businesses. We work closely with the California Department of Tax and Fee Administration ("CDTFA") to obtain all relevant sales, use, and transaction tax data for the district allowing us to provide you with quarterly updates on all business accounts within your transaction tax jurisdiction.

Our offerings are complemented with a dedicated Government Relations team that provides federal, state and local government advocacy, policy, regulatory and legislative consulting support as needed.

Firm Bios

Francesco D. Mancia, MBA, VP Government Relations and Project Manager: Fran is responsible for overseeing company Legislative, Regulatory, and Government Relations work at the state and federal level. Fran has a strong working knowledge of local government general fund tax laws and state and federal regulatory and legislative issues that impact local governments. He monitors, analyzes and leads company lobbying efforts related to legislation, state mandates, and regulatory changes and policies that affect client revenue streams. Fran has served as the 2007 and 2008 President of the League's Partner Program and served as Chairman of the California Contract Cities Association, Associates Member program from 2009 to 2016. Fran is a Regent Emeritus of the University of California, and a current member of the Board of Trustees of the California City Management Foundation. **Education:** Fran graduated from the University of California, Santa Barbara and earned a Bachelor of Arts degree in Communications, and attended the University of San Francisco where he earned an MBA.

Thomas Adams, Client Services Manager. Tom has over 20 years of experience in municipal government including work for the City of San Jose, the City and County of San Francisco, and the City of San Rafael. Most recently, Tom worked on redevelopment and economic development projects for over twelve years. Tom has extensive experience working on sales tax and revenue analysis, municipal operating and capital budgets, and strategic planning. Tom is a member of California Society of Municipal Finance Officers (CSMFO), the Government Finance Officers Association (GFOA), and the International Council of Shopping Centers (ICSC).

GrassrootsLab Background



With offices in Sacramento and Long Beach, GrassrootsLab has built a foundation on communicating the importance and relevance of local government services to California residents. The firm and its principles have crafted and executed campaigns for many pivotal issues in local government. Among these, Proposition 1A (2004) and Proposition 22 (2010) have been central to communicating the importance of local revenues to California voters.

GrassrootsLab also specializes in winning races at the local level and has worked with numerous municipalities across California on a range of ballot and public information campaigns.

The firm has also assisted the League of California Cities, California County Management Foundation, the Municipal Information Services Association and numerous other local government advocates on strategic communications and advocacy efforts. Because of our close involvement with the above listed organizations, GrassrootsLab is uniquely positioned to help Fort Bragg evaluate and communicate on key issues in the coming year.

References

John Russo, City Manager, City of Irvine
(510) 747-4700

Dallin Kimble, County Administrative Officer, Mariposa County
(209) 966-3222

Firm Bios

See www.grassrootslab.com for more information

Mike Madrid

For over twenty five years, Mike Madrid has been changing the outcomes of political campaigns throughout the country. His active involvement in local, state, and federal races has helped him to develop a keen insight into the successful characteristics of winning campaigns.

Madrid is a nationally recognized expert on Latino voting trends. The completion of his thesis at Georgetown University in Washington, D.C. on Latino voters became the basis for his pioneering work on Latino communications and outreach strategies in California, Texas, Florida and nationwide. He has served as the press secretary for the California Assembly Republican leader and as the political director for the California Republican Party. In 2001 he was named as one of America's "Most Influential Hispanics" by Hispanic Business Magazine.

Since 2000, Mike Madrid has developed an expertise in local governments in California. He served as the Public Affairs Director to the League of California Cities and as a strategic adviser to the California Redevelopment Association. In that role he was instrumental in the passage of Proposition 1A (The Local Taxpayer Protection Act), a historic achievement that constitutionally protected local government revenues from state raids. The measure received 84% of the vote—one of the highest percentages in California history. He was also a key adviser in the defeat of Proposition 90 (The Taxpayer Trap).

He founded the California Ballot Measure Training Academy (CBMTA) in 2005 to better educate county officials on the legalities and best practices of public information programs and how they are different from ballot measure advocacy. Over 100 California Cities have participated in the training program. He is a coveted speaker and trainer for cities throughout California. GrassrootsLab is regularly sought out by statewide campaigns seeking local government messaging and support.

Mike Madrid is the editor and publisher of California County News (www.californiacountynews.org), a blog dedicated to "the best politics, policy and practices of local government in California."

Robb Korinke

Robb Korinke is a veteran of candidate and ballot measure campaigns across California and beyond. He leads GrassrootsLab's client and campaign activities in Southern California. In addition, he served more than 3 years as Executive Director of the League of California Cities' Los Angeles Division, the largest of its regional chapters.

Korinke began his political work on Capitol Hill with the Democratic Congressional Campaign Committee. Upon returning to California he worked legislative and local campaigns before signing on with the League of California Cities during their effort to pass Proposition 1A in 2004. In 2007, he joined the Orange County Business Council as Communications Director, overseeing all aspects of the organization's interaction with local and statewide media. He also crafted messaging for advocacy efforts on behalf of the business community in Orange County--the nation's fifth largest county. Since 2010 he has served as Executive Director of the Los Angeles Division of the League of California Cities.

Throughout his career, Korinke has honed his skills as a writer and an expert in political communications. He has published op-eds under his own name, as well as under those of clients, in the San Francisco Chronicle, the Orange County Register, the Sacramento Bee, the Los Angeles Times, and the San Diego Union Tribune, as well as numerous trade and online industry publications.

As a web designer, his work includes CaliforniaCountyNews.org, CaliforniaPropositions.org and SaveYourCity.net. He has led online campaigns for state and local candidates and also completed web projects for clients including Los Angeles County Councilwoman Janice Hahn, PG&E and the California Chapter, American College of Emergency Physicians. He is a graduate of the University of Southern California, where he studied English Literature and Public Policy. He lives in Long Beach, California.