



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of City Council

FROM: Patty Maitland, Finance Director

MEETING DATE: October 7, 2015

SUBJECT: Polling and outreach services contract award; preliminary fiscal health analysis report; report on unanticipated extraordinary expenditures; and update on revenue measure options

CEQA: Does not Constitute a "Project" per California Environmental Quality Act (CEQA) Guidelines

RECOMMENDATION

1. Authorize the City Manager to execute a contract with the Lew Edwards Group in conjunction with Fairbank, Maslin, Maullin, Metz & Associates for polling and outreach services in an amount not to exceed \$70,625
2. Receive a preliminary Fiscal Health Diagnostic Report
3. Receive a report of unanticipated extraordinary expenditures for FY 2015-16
4. Receive an update on revenue measure options

DISCUSSION

Polling and Outreach Service Contract Award

On August 19, 2015, the City Council directed staff to obtain the services of a consultant to provide consulting services, polling and outreach services for possible revenue measures. A Request for Proposal (RFP) was issued on August 28, 2015. The RFP allowed proposers to submit a proposal for polling or outreach services, or both services together. Staff received two proposals responding to the RFP. One proposal was for polling services only, the other proposal from Lew Edwards Group (LEG) in conjunction with Fairbank, Maslin, Maullin, Metz & Associates (FM3), was for both polling and outreach services.

LEG/FM3 proposed the services and costs provided in the chart below, as well as offering their expertise in determining the best approach for placing revenue measure(s) on an upcoming ballot.

SUMMARY OF COSTS	
Polling	\$22,750
Outreach Consulting	\$29,950
Direct Mail	\$17,925 (\$5,975 per mailing, 3 suggested)
Total	\$70,625

LEG has provided community outreach and revenue planning services since 1997. The two firms have enacted general revenue measures in most counties in California, with a 95% enactment rate. Staff recommends the contract be awarded to LEG/FM3.

Preliminary Fiscal Health Analysis Report

Michael Coleman is a leading expert on California local government revenues, spending and financing. He is the principal fiscal policy advisor for the California Society of Municipal Finance Officers (CSMFO) and the League of California Cities. Mr. Coleman created a California Municipal Financial Health Diagnostic that provides municipalities with a tool to assess its current and future financial commitments. Because the tool is designed to be used with annual audited numbers and associated forecasts, the diagnostic tool was completed using the February 2015 Forecast and the June 30, 2014 Annual Report. This summary report will be updated and re-presented to the Council upon completion of the June 30, 2015 Annual Report (November, 2015) and the five year forecast.

The California Municipal Financial Health Diagnostic Financial Health Indicators Summary			
Indicator	Rating	Description	
1. Net Operating deficit / surplus	Red	Warning	1. The city has recurring general fund operating deficits.
2. Fund balance	Red	Warning	2. General fund reserves are decreasing over multiple consecutive years.
3. Liquidity	Green	Healthy	3. General fund current liabilities (including short-term debt and accounts payable within 60 days) are increasing. Cash and short-term investments are decreasing.
4. Fixed costs & labor costs	Red	Warning	4. General fund fixed costs, salaries and benefits are increasing over multiple years at a rate faster than recurring revenue growth.
5. General fund subsidies of other funds	Yellow	Caution	5. The general fund is subsidizing other enterprises or special funds.
6. Constraints on budgetary discretion	Yellow	Caution	6. The city council's authority to make changes is constrained by charter, contract, or law. (e.g. binding arbitration, minimum spending, minimum staffing or compensation formulas, etc.)
7. Balancing the budget with temporary funds	Yellow	Caution	7. The general fund budget has been balanced repeatedly with reserves, selling assets, deferring asset maintenance.
8. Balancing the budget with borrowing	Yellow	Caution	8. The general fund budget has been balanced repeatedly with short-term borrowing, internal borrowing or transfers from special funds.
9. Balancing the budget by deferring employee compensation costs	Red	Warning	9. General fund pension liabilities, post-employment or other non-salary benefits have been repeatedly deferred or costs have not been determined, disclosed or actuarially funded.
10. Balancing the budget with backloaded debt service payments	Green	Healthy	10. General fund debt service payments have been "backloaded" into future years.
11. Funding operating costs with non-recurring development revenues	Green	Healthy	11. Ongoing general fund operating costs are being funded with temporary development revenues.
12. Timeliness and accuracy of financial reports	Yellow	Caution	12. Financial Reports are not being filed on time. (CAFR, Annual Audit, State Controller's Financial Transactions Report)
13. Service level solvency	Yellow	Caution	13. Public service levels are far below standards needed in this community.

Unanticipated Extraordinary Expenditures

Police Chief Recruitment and Incentive: \$50,000. Since November 2012, the City has contracted with the City of Seaside to provide its Chief of Police services. In September 2015, the City forwarded a 90-day termination notice to the City of Seaside for the police chief services agreement. The City Manager has commenced a recruitment for an interim Chief and issued a Request for Proposal (RFP) for an executive search firm to recruit a Chief for the City (the City will not pursue sharing a Chief with any other City or other shared service options for administration at this time.) The decision on an executive search firm will likely be made later this month and the search itself will take approximately 4-6 months. In the meantime, the cost savings that the City obtained under the shared services agreement will not be realized due to the additional expense of hiring an interim Chief, an executive search firm, and providing a sufficiently attractive compensation package to attract and retain quality Chief of Police candidates.

Human Resources Manager Recruitment and Incentive: \$50,000. The City has not had a permanent, full-time Human Resources Manager since April 2015. A recruitment was conducted but yielded an insufficient candidate pool from which to select. Similar results were achieved in recruitments by Monterey and Carmel. The City Manager continues to aggressively pursue the engagement of a qualified Human Resources professional, but the recruitment process and the ability to offer a suitable compensation package requires additional funding.

Fire Contract: \$225,000. During the FY 2015-16 budget preparation, the fire services budget was significantly reduced in the anticipation of negotiated reductions in the City of Monterey contract. However, the City of Monterey has not indicated that it has developed the necessary measures to reduce its contract price for providing fire protection services to the City of Pacific Grove and has, as a result, already consumed 46.5% of its \$3.1 million budget.

Transient Use License Enforcement: \$100,000±. The Council has indicated that the enforcement of non-licensed transient uses is a high priority for the City. The type of enforcement needed to ensure that the needs of the community, as well as the needs of transient use licensees, will require additional funding. This matter is addressed in greater detail in another agenda item

Workers Compensation: \$1,263,667 Negative Fund Balance. Budget and Financial Management Council Policy 400-6 states: "The Workers Compensation Fund shall maintain a balance of current assets equal to 67% of total liabilities, or higher, should actuarial analysis conclude an imminent risk to the City for unanticipated losses." Currently, the Workers Compensation Fund Balance is negative by \$1,263,667. Workers Compensation status reports on case statistics and internal service fund status will be made to the Council on a quarterly basis beginning in November (for the first three months of the fiscal year). At that time, the Council will be presented with a plan for re-funding the Workers Compensation Fund bringing the fund into compliance with the Council's policy.

Based on a 5-year plan to bring the Workers Compensation fund into a balanced position, and the acknowledged increases in Workers Compensation annual costs, the annual impact of these five items alone is easily more than \$850,000 per year.

Revenue Measures Update

In its proposal, LEG/FM3 indicated that the City should consider a variety of measures to obtain the maximum benefit from its polling and outreach services. The proposal also indicated that:

"Admissions taxes are often opposed by local operators, and their viability can hinge on the respective credibility of the given operator/s in question and the City's management of its resources, as well as the general fund services to be addressed. These nuances and others must be carefully and deliberatively considered in any revenue planning project, moving forward. LEG/FM3 also encourage the City to consider and assess all general revenue option approaches available to the City—not just one specific funding mechanism type."

Therefore, the following chart updates potential revenue ballot measures that the Council has previously reviewed, for general information:

Increase Transient Use Occupancy Tax	Residential TOT*	TOT @ 12%	TOT Revenue Increase	
	\$ 856,944	\$ 1,028,333	\$ 171,389	
	Current \$1.00/\$1000 Gross Receipts	200 Licensees	\$1.50/\$1000 Gross Receipts	Revenue Increase
Increase Business License Tax and remove the \$3,000,000 Gross Receipts Cap	\$ 340,000		\$ 510,000	\$ 170,000
Require Transient Use Licensees to Obtain a Business License		\$ 8,000		\$ 8,000
	Average Annual Property Sales	Average Price	1.5% of Price	Revenue Increase
Real Estate Transfer Tax	25	\$ 681,000	\$ 255,375	\$ 255,375
Total All Revenue Measures			\$ 604,764	

*Based on YTD receipts a/o September 24, 2015

The 2% increase in Transient Occupancy Tax (TOT) acknowledges that the processes and requirements in place for commercial hospitality operators are significantly higher than the operating costs incurred by Transient Use Licensees.

OPTIONS

1. Do nothing.
2. Approve award of the Polling and Outreach Professional Services contract to the Lew Edwards Group in conjunction with Fairbank, Maslin, Maullin, Metz & Associates.

FISCAL IMPACT

The Polling and Outreach Services contract is for an amount not to exceed \$70,625. There are sufficient funds budgeted in the Council's contract services budget for the expenditure.

ATTACHMENTS

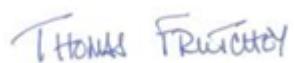
1. Polling and outreach services proposal

RESPECTFULLY SUBMITTED,



Patty Maitland
Finance Director

REVIEWD BY.



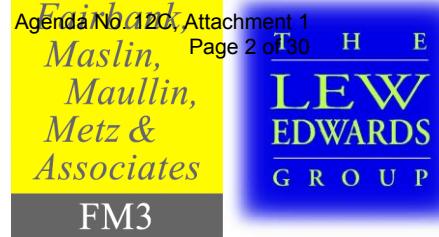
Thomas Fruthey
City Manager



Proposal to Provide Ballot Measure Polling & Outreach Services to the City of Pacific Grove

September 11, 2015

Ms. Patty Maitland, Finance Director
City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950



Re: Ballot Measure Polling & Outreach Services – Via Email Transmission

Dear Ms. Maitland:

Thank you for the City of Pacific Grove's recent invitation to The Lew Edwards Group (LEG) to submit a proposal for Ballot Measure Polling & Outreach Services. I am delighted to be joined in this joint proposal by our polling partner Fairbank, Maslin, Maullin, Metz & Associates (FM3). A collaboration with LEG/FM3 provides the City of Pacific Grove with the following:

- ✓ The California leaders in revenue generation for local governments, having enacted a total of \$78.6 Billion with a 95% enactment rate;
- ✓ Experts who have directed hundreds of these types of projects with specific expertise in general revenue measures for local governments;
- ✓ Principals who are from Monterey County, with significant experience within the County and an understanding of the demographic and environmental context of the region;
- ✓ Nationally-recognized, award-winning Community Outreach products and past polling experience within your City to assess constituent satisfaction levels and service priorities; and
- ✓ A team and consensus-building management style, with focused, enthusiastic and committed dedication to your needs.

Please do not hesitate to contact me directly for any follow-up needs related to this Proposal. Our team is available to initiate services immediately upon selection and contract award.

Very truly yours,

Catherine Lew

President/CEO, The Lew Edwards Group
510-594-0224 x 216
catherine@lewedwardsgroup.com
Executive Assistant Bettye Watkins: bettye@lewedwardsgroup.com

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STATEMENT OF QUALIFICATIONS

LEG and FM3 are the California leaders in providing Polling and Community Outreach services to local governments. LEG/FM3 experts have decades of experience in polling, community outreach, direct mail, ballot measure preparation, social and traditional media, and more.

About The Lew Edwards Group (Public Outreach Consultant)

Experts from The Lew Edwards Group are frequently sought after trainers and speakers for the **League of California Cities, California Municipal Treasurers Association, California Society of Municipal Finance Officers, Local Government Commission, Institute for Local Governments, Municipal Management Association of Northern California, California Police Chiefs Association**, and other organizations to share our nationally-recognized, award-winning community outreach approaches. LEG's Community Outreach products have been recognized on multiple occasions in the prestigious national Pollie and Golden Paragon awards.

LEG, incorporated in 1997, is *the California leader in providing successful Community Outreach and Revenue Planning services for local governments.* LEG principals have provided these services for literally hundreds of projects over the past eighteen years. More than two-thirds of LEG's practice is in providing these types of services. LEG experts have *award-winning expertise* in all aspects of ballot measure preparation and pride ourselves on providing individualized, quality service to all of our clients.

About Fairbank, Maslin, Maullin, Metz & Associates (Polling Consultant)

FM3 has specialized in community engagement-oriented opinion research since it was first organized in 1981. FM3 is especially experienced in conducting community engagement surveys for local government. FM3 plans and executes all phases of these types of survey projects from beginning to end. On an annual basis, FM3 conducts as many as 100 community engagement focus groups and 300 community engagement surveys, a strong standard by any measure. *FM3 also serves as the League of California Cities' primary survey research firm.* FM3 regularly conducts seminars and forums with the League of California Cities to educate city leaders on how opinion research polling can be used to address the concerns, needs and priorities of their residents.

FM3's 22-person staff is multi-talented and works as a team to assure the completion of independent, measurable quality analysis in a timely manner. In addition, FM3's data collection and sampling team is closely supervised by FM3 to render immediate, high-quality service. FM3 prides itself in delivering personal service to its clients, who are assured ongoing contact with the firm's principals and senior personnel. As FM3 has provided the City with constituent service polling in the past, a collaboration with our team will allow the City to "track" your constituents' views and how they may have stayed consistent or shifted over time.

General Revenue Measure Expertise

LEG/FM3's extensive experience on behalf of local government means that we are uniquely qualified to serve the City of Pacific Grove's needs at this time. Our team has enacted general revenue measures in virtually every county in California, with a 95% enactment rate:

City of Alameda	ENACTED General Purpose Tax
City of Artesia	ENACTED two General Purpose Taxes
City of Arvin	ENACTED General Purpose Tax
City of Bellflower (2 UUTs)	ENACTED General Purpose Tax
City of Benicia	ENACTED General Purpose Tax
City of Berkeley	ENACTED General Purpose Tax
City of Big Bear Lake	ENACTED General Purpose Tax
City of Campbell	ENACTED General Purpose Tax
City of Capitola	ENACTED two General Purpose Taxes
City of Canyon Lake	ENACTED General Purpose Tax
City of Cathedral City	ENACTED two General Purpose Taxes
	ENACTED General Purpose Tax Renewal
City of Carpinteria	ENACTED General Purpose Tax
City of Carson	ENACTED General Purpose Tax
City of Cloverdale	ENACTED General Purpose Tax
City of Coachella	ENACTED General Purpose Tax
City of Commerce	ENACTED General Purpose Tax
City of Concord	ENACTED General Purpose Tax
	ENACTED General Purpose Tax Renewal
City of Cotati	ENACTED General Purpose Tax
	ENACTED General Purpose Tax Increase/Renewal
City of Culver City	ENACTED General Purpose Tax
City of Cupertino	ENACTED General Purpose Tax
City of Delano	ENACTED General Purpose Tax
City of Dinuba	ENACTED General Purpose Tax
City of El Cerrito	ENACTED General Purpose Tax
	ENACTED General Purpose Tax Increase
City of Elk Grove	ENACTED General Purpose Tax
City of Emeryville	ENACTED General Purpose Tax
City of Fairfield	ENACTED General Purpose Tax
City of Fremont	ENACTED General Purpose Tax
City of Gardena	ENACTED General Purpose Tax
City of Glendale	ENACTED General Purpose Tax
City of Grover Beach	ENACTED two General Purpose Taxes
City of Healdsburg	ENACTED General Purpose Tax
City of Hercules	ENACTED two General Purpose Taxes
City of Hermosa Beach	ENACTED General Purpose Tax

City of Huntington Beach	ENACTED General Purpose Tax
County of Humboldt	ENACTED General Purpose Tax
City of Indio	ENACTED two General Purpose Taxes
City of Inglewood	ENACTED two General Purpose Taxes
City of Kingsburg	ENACTED General Purpose Tax
City of La Habra	ENACTED two General Purpose Taxes
City of Lakewood	ENACTED General Purpose Tax
City of La Mesa	ENACTED General Purpose Tax
City of La Mirada	ENACTED General Purpose Tax
City of Larkspur	ENACTED General Purpose Tax
City of Lathrop	ENACTED General Purpose Tax
City of Lawndale	ENACTED General Purpose Tax
City of Los Angeles	ENACTED General Purpose Tax Renewal
County of Los Angeles	ENACTED General Purpose Tax Renewal
City of Marina	ENACTED General Purpose Tax Renewals
City of Merced	ENACTED General Purpose Tax
Town of Moraga	ENACTED General Purpose Tax
City of Morro Bay	ENACTED General Purpose Tax
City of National City	ENACTED General Purpose Tax Renewal
City of Newark	ENACTED General Purpose Tax
City of Norwalk	ENACTED General Purpose Tax
City of Novato	ENACTED General Purpose Tax
City of Orinda	ENACTED General Purpose Tax
City of Oxnard	ENACTED General Purpose Tax
City of Palo Alto	ENACTED two General Purpose Taxes
City of Palm Springs	ENACTED General Purpose Tax
City of Paramount	ENACTED General Purpose Tax
City of Pasadena	ENACTED General Purpose Tax
City of Pinole	ENACTED two General Purpose Taxes
City of Rancho Cordova	ENACTED General Purpose Tax
City of Redondo Beach	ENACTED General Purpose Tax
City of Ridgecrest	ENACTED General Purpose Tax
City of Riverside	ENACTED General Purpose Tax
City of Rohnert Park	ENACTED General Purpose Tax
	ENACTED General Purpose Tax Renewal
City of Sacramento	ENACTED three General Purpose Taxes
City of Salinas	ENACTED General Purpose Tax
Town of San Anselmo	ENACTED General Purpose Tax
City of San Bernardino	ENACTED General Purpose Tax
City of San Francisco	ENACTED two General Purpose Taxes
City of San Jose	ENACTED three General Purpose Taxes
City of San Leandro	ENACTED General Purpose Tax
	ENACTED General Purpose Tax Increase

City of San Luis Obispo	ENACTED General Purpose Tax
City of Santa Ana	ENACTED General Purpose Tax Renewal
City of Santa Barbara	ENACTED General Purpose Tax
County of Santa Clara	ENACTED General Purpose Tax
City of Santa Fe Springs	ENACTED General Purpose Tax
City of Santa Maria	ENACTED General Purpose Tax
City of Santa Monica	ENACTED General Purpose Tax
City of Santa Rosa	ENACTED two General Purpose Taxes
City of Sausalito	ENACTED General Purpose Tax
City of Seal Beach	ENACTED General Purpose Tax
City of Seaside	ENACTED General Purpose Tax
City of South Gate	ENACTED General Purpose Tax
City of South El Monte	ENACTED General Purpose Tax
City of South Pasadena	ENACTED General Purpose Tax
City of Stanton	ENACTED General Purpose Tax
City of Stockton	ENACTED two General Purpose Taxes
City of Sunnyvale	ENACTED General Purpose Tax
City of Torrance	ENACTED General Purpose Tax
City of Tulare	ENACTED General Purpose Tax
City of Tracy	ENACTED General Purpose Tax
City of Union City	ENACTED General Purpose Tax Renewal
City of West Hollywood	ENACTED two General Purpose Taxes
City of Vallejo	ENACTED two General Purpose Taxes
City of Vista	ENACTED General Purpose Tax

Current General Purpose Tax Clients

City of Bellflower
City of Carson
City of Compton
City of Dublin
City of Hemet
City of Hercules
Imperial County
City of Long Beach
City of Lynwood
City of Morgan Hill
City of Newman
City of Novato
City of Palm Desert
City of Pittsburg
City of Placentia
City of Pleasanton

City of San Mateo
City of South San Francisco
City of Suisun City
City of Temecula
City of Tracy
City of Ventura
City of Westminster

Experience Within the Greater Monterey County Area Region

Catherine Lew, President & CEO of LEG and a California attorney, hails from Monterey County. In the greater Monterey County and surrounding regions, our team has enacted the following measures:

➤ City of Marina Measures E and F	Sales/Transient Occupancy Renewals
➤ City of Seaside Measure R	one cent Sales Tax
➤ City of Seaside Measure E	Utility Users Tax
➤ City of Monterey Measure P	one cent special street repair Sales Tax
➤ City of Salinas Measure V	one-half cent Sales Tax
➤ Salinas Union High School District Measure F	\$52 Million bond
➤ Hartnell Community College District Measure H	\$131 Million bond
➤ Pajaro Valley Unified School District Measure J	\$58.25 Million bond
➤ Spreckels Union School District Measure B	\$7 Million bond

Members of our team have also represented the **Monterey Peninsula Regional Park District** and the **Nature Conservancy** in the greater Monterey County area in addition to national and county elected officeholders. Comprehensive client lists for both firms can be found on our websites: www.lewedwardsgroup.com and www.fm3research.com.

RECOMMENDED PROJECT APPROACH & PROJECT STEPS

Key Considerations

Our team has researched and is aware of the significant ballot measure history within the City and its boundaries. As such, the City is undoubtedly aware of the following:

- If you opt to proceed with a June 2016 election, the demographics of your audience will be dramatically different than those in November 2016, and it will also be necessary to secure a unanimous declaration of Fiscal Emergency from your City Council to proceed with a General Purpose measure in a non-municipal election, as the City has done in the past
- Admissions taxes are often opposed by local operators, and their viability can hinge on the respective credibility of the given operator/s in question and the City's management of its resources, as well as the general fund services to be addressed

These nuances and others must be carefully and deliberatively considered in any revenue planning project, moving forward. LEG/FM3 also encourage the City to consider and assess all general revenue option approaches available to the City—not just one specific funding mechanism type.

Project Management

LEG will provide efficient, effective Project Management for the City's efforts given its project time constraints. LEG prides itself on a decisive, team building approach and for most cities, typically facilitates, manages and oversees all team members for effective deployment on all benchmarks during the planning process.

LEG will initiate our efforts through a Kick Off meeting and schedule subsequent, consistent planning teleconferences with the City. With the input of all participants, LEG will develop meeting agendas, facilitate sessions, and coordinate the timely deployment of all tasks and assignments. Our planning efforts throughout the process are designed to use the City's time efficiently and well, while providing important Project Management leadership and management to ensure that all timetables and benchmarks are met within the necessary timeframe.

LEG approaches its leadership role with personal dedication, enthusiasm, and a commitment to excellent service, recognizing that our ultimate consumer is not only the City of Pacific Grove, but also most importantly, the constituents the City represents.

To ensure that the City of Pacific Grove is effectively positioned for its measure planning, LEG will provide ongoing strategic direction and advice to support the efforts of City staff and the core working team throughout the project period. LEG/FM3 acknowledge the specified number of meetings in the City's RFP and look forward to engaging with the City and its team in those formats to the degree requested, if selected to partner with you on this project.

Design/Implement a Statistically Valid Survey

As FM3 has done for the City in the past, FM3 experts are prepared to address the City's goal of creating a statistically valid survey through the following Scope of Work.

As the City may recall, FM3 provides custom-designed community opinion research that is tailored to meet the specific needs of its clients. FM3 combines its well-tested research protocols for measuring public opinions and service priorities with careful attention to the particular and special characteristics of the individual local environment. FM3 does not believe in the use of a "cookie-cutter" questionnaire for every community. Instead, FM3 will work closely with you to develop a detailed understanding of your current research issues and needs, and then develops a questionnaire that addresses those needs carefully and thoroughly. As mentioned, to the extent helpful questions will be "tracked" to assess consistencies or shifts in City of Pacific Grove constituent views—a potentially significant asset in a truncated time period.

In designing the survey questionnaire, FM3 will draw on its past library of research in the Pacific Grove community, as well as other extensive experience in conducting research within Monterey County. As noted in the preceding section, the process will begin with an initial kickoff meeting between key FM3, LEG and City staff to solicit comprehensive input and viewpoints from the City. This meeting will be focused on facilitating a comprehensive discussion of the key issues that should be explored in the poll and sample methodology.

After the meeting, FM3 will begin drafting the questionnaire, while maintaining close phone and e-mail contact with the project team to follow up on issues discussed during the kickoff meeting. FM3 will then present a first draft of the survey questionnaire to City staff for their review. After collecting feedback, FM3 will revise and refine the survey questionnaire.

LEG/FM3 foresee proceeding through several drafts of the survey to incorporate feedback from City staff in developing a questionnaire designed to obtain all of the information desired. Before commencing interviewing, FM3 will obtain the approval of the appropriate City representative(s) on the final version of the questionnaire. FM3 envisions that the poll will analyze some of the following issues:

- Determining residents' current satisfaction with the quality of life;
- Ranking of the seriousness of a variety of problems facing local residents, including the economy and drought-related issues;
- Evaluating current satisfaction with City services;
- Gauging residents' overall attitudes towards fiscal issues and the City's fiscal management;
- Identifying voters' priorities for revenue and interest, if any in revenue options;
- Identifying effective information in communicating with constituents about your needs;
- Identifying demographic and attitudinal characteristics of constituents for detailed analysis.

Opinion Survey Methodology—As the City is aware, the last few years have seen significant changes in the ways that many Americans use telephones and other communications technology. The dramatic rise in the use of caller I.D. and similar technologies has led to an increase in individuals screening their calls. At the same time, the use and prevalence of online communications technology - such as email and interactive websites - has exploded as a greater proportion of the population has access to the Internet through their smartphone or other mobile device.

These changes have had a significant effect on the discipline of public opinion research. Though the traditional methodology of conducting randomized telephone surveys continues to provide highly accurate data on public sentiments in a cost-effective manner, the rise of call-screening behavior presents increasing challenges for survey projects attempting to achieve generalizable results within small populations, such as those the size of the City of Pacific Grove.

In order to sample a statistically-reliable number of City of Pacific Grove respondents, FM3 recommends utilizing a hybrid internet-telephone survey methodology rather than a traditional

telephone survey methodology for this project. The proposed hybrid methodology, which has been successfully deployed by FM3 on behalf of numerous clients throughout the state, will increase the opportunities to participate in the survey for Pacific Grove respondents who may be less likely to participate in a traditional telephone-only survey. This increased participation results in not only a representative sample of the City's target audience, but also an effective sample size for the necessary precision of survey results.

FM3's hybrid internet-telephone survey methodology uses a two-phase approach. Phase I consists of the online interviews, while Phase II consists of the telephone interviews.

Phase I: Online Interviews: During this phase (the internet portion of the survey), FM3 will pull a randomized sample of the appropriate Pacific Grove audience. FM3 will collect email addresses for respondents in this sample from three sources, not limited solely to the Monterey County Elections Department:

- (1) As the City's RFP suggests, the County Elections Department
- (2) The City's own records (if available)
- (3) Matching the names of those who did not provide an email address to the County Elections Department, with a list of email addresses from commercially-available consumer records

Once FM3 has identified email addresses for the largest possible number of respondents desired, an invitation will be sent to the individuals for whom an email address is available, using the City's electronic stationary and signed by the City Manager, explaining that the City has hired an independent public opinion research company to conduct research on issues that are relevant to local residents, and providing a link for the voter to take the survey online. Within three to four days after the first email invitation is sent, a second reminder email will be directed to recipients who have not yet taken the survey requesting that they do so.

Phase II: Telephone Interviews: Within a week of this initial email, FM3 will conduct a thorough examination of the demographic characteristics of those who have taken the survey online. By comparing the demographic characteristics of those who have completed an online survey with the characteristics of the audience desired, FM3 will take note of specific demographic groups of the City's desired audience that are either overrepresented or underrepresented in the online sample. In many communities, those who opt to take a survey online tend to be both younger and more recent registrants than the broader population. FM3 will then conduct additional interviews with additional Pacific Grove respondents by telephone. To be consistent with the level of information provided to the online survey participants, telephone survey participants will be told before they begin the survey that the survey is being sponsored by the City of Pacific Grove.

These telephone interviews will be concentrated among respondents who were underrepresented in the online sample, producing an overall survey sample using both methodologies (online and telephone) that closely matches the City's desired audience. Given the demographic composition of those who generally opt to take surveys online, it is likely that these telephone interviews will be

heavily concentrated among respondents 50 and over and others that also are less likely to have an email address associated with public records. FM3 will also conduct smaller numbers of telephone interviews among individuals whose demographic profile matches that of the online survey participants, but for whom no email address is available, to ensure the accuracy of the data produced by the online portion of the survey.

In summary, FM3 suggests utilizing the hybrid online-telephone survey methodology for this project because of the two key advantages that this methodology provides over a traditional telephone survey:

- 1) The ability to complete a greater number of interviews, along with the resultant decrease in the survey margin-of-error, and;
- 2) The ability to capture the opinions from a pool of respondents who are more representative of the City's desired audience- particularly the views of younger voters.

Younger respondents are likely to be more comfortable interacting with a computer screen or smartphone than speaking with a live telephone operator, and as a result often opt not to participate in traditional telephone-only surveys.

Sample Size: Consistent with the City's request for a statistically valid survey, LEG/FM3 recommend the City option a sample size of up to 400 interview respondents, which would yield an MOE of +/- 4.9% in a city your size.

PREPARE PUBLIC OUTREACH & BALLOTING MATERIALS

Following completion of the City's polling LEG will independently evaluate survey results and advise the City on the viability of your potential June 2016 measure.

Following our assessment of the City's opinion research, LEG will develop initial Public Outreach Recommendations in consultation with the City and in coordination with any other City consultants. LEG will:

- Develop appropriate information and education materials to deliver and saturate your message, including the City newsletter, guest columns, copy for links on the City website, and focused Power Point Presentations for the informational Speakers' Bureau, Stakeholder, Key Influential and community presentations. LEG will provide first drafts of all materials, for the review and approval of the City. Embedding consistent messages within all communications vehicles – including those that reach internal audiences such as employees – will be important.
- Provide advice on information distribution methods. User-friendly messaging and consistency of message is key – and LEG will assist in providing the leadership and implementation structure for

effective deployment, including training the appropriate city messengers on the message and creating a communications deployment plan that is achievable.

Communication Goals

1. Develop messages that effectively inform, solicit and respond to questions from the public
2. Provide structure and copy for public outreach materials to educate residents about the needs and the services at stake
3. Implement an earned (non-paid) media press and Internet strategy to highlight the services or projects at stake, budget realities and challenges
4. Implement a direct mail program to the public-at-large to highlight relevant facts while engaging the public

Development of Key Messages

The Public Outreach Program is a critical method of educating the public and raising awareness of the City's planning, vision and needs. "Message discipline" and a clear, concise focus are critical to our marketing effort. LEG will draft and/or refine talking points for City staff and Council use.

Direct Mail/Social Media

LEG also recommends that an informational direct mail program be implemented to the public-at-large. Doing so will raise awareness of city planning or policies beyond "insiders" or already-active stakeholders and key influentials, to the silent majority. The number of mailers recommended depends on your City's budgetary parameters and the degree of information the survey shows your constituents are aware or unaware of.

In consultation with City staff, as noted above LEG will also draft and/or refine informational articles for the City newsletter, handouts, press releases and website, with appropriate supporting materials (charts, graphs, visual aids, etc.) to communicate key messages and inform residents. In addition, LEG will draft, review and/or refine supporting fact sheets, flyers and other communications. Other communications vehicles include your City website, community television, and a Speakers' Bureau program. Many of our public agencies use YouTube and Twitter as part of their public communications program. LEG assists in drafting video scripts, tweets and posts as part of our multi-disciplinary public outreach effort, and advises our municipal clients on how to navigate independent or third party sites such as blogs or Nextdoor.

Public Outreach Plan

Following analysis of the poll, LEG will design a public outreach plan strategically directed to key organizations within the City. Designating the appropriate city speakers will be an early decision point. As part of our Scope of Work, LEG typically develops a tailorized "Speakers Bureau Toolkit"

for assigned City speaker/messengers including helpful hints, speaker objectives, "sticky" (difficult) QAs, and Speaker leave-behinds. LEG will conduct Speaker Training.

Press Coverage

LEG will review earned (non-paid) media press opportunities with City staff. Balanced or positive press coverage will build additional constituent engagement throughout the process, which is critical to engaging community stakeholders and informing your public about your needs.

Rapid Response

LEG will redirect message points and materials to assist in rapid response to problematic media or citizen inquiries as necessary. Frequently, communities that pride themselves on having active stakeholder groups can, at times, be prone to being victims of inaccurate information, or controversy-based media coverage. LEG experts will be available to craft appropriate rapid responses as necessary to address changing external nuances.

Ballot Measure Development

Should the City's constituents be interested in a revenue measure, LEG will collaborate with the City Attorney and City staff on a revenue measure to address the public's interests and priorities.

LEG will work closely with the City Attorney to refine the ballot question and develop other submittals so that they are understandable to the average person. This addresses specific documents such as the measure ordinance, ballot question, city resolutions, and staff reports to ensure that all voter handbook and related materials are understandable to the average person, not just lawyers.

Legal Considerations

As the City is aware, no taxpayer dollars can be spent on partisan/political activities. All activities conducted by the City must be legally permissible, and not constitute any prohibited or expressed political advocacy by the City of Pacific Grove, its staff or officials.

Case rulings such as *Vargas v. Salinas* and *McDonough v. Superior Court of California and the City of San José* point to the need for care in the ballot language drafting and the Public Outreach Program to assure that all ballot language materials and public information activities are legally-permissible.

Due to the breadth of best practices our team has implemented in hundreds projects on behalf of public agencies our experts are exceptionally skilled in creating and recommending Public Outreach Plans that are legally permissible. Unlike other consultants, NONE of our clients have been fined or determined to have issued inappropriate or illegal information as part of the services provided by LEG/FM3. Expressly permitted activities include:

- Studying a measure's impact and preparing and distributing reports about the impacts
- Making factual, public presentations including staff recommendations about proposed solutions
- Posting factual, informational reports or information on the City website or social media vehicles
- Producing factual, informational material that describes service needs, budget facts, a information about a measure or balanced facts about the consequences of approval or failure of a measure
- Including articles in the City's regular newsletter and other routine communications vehicles
- Soliciting community comments or questions, answering questions in an informational manner, taking public comment at public meetings, allowing a full range of perspectives both supportive or critical
- The City Council may take formal action to support or oppose a measure

The President/CEO of LEG is a member of the California Bar, enabling an excellent collaboration with your City Attorney and assuring the City of the highest standards of review by all parties. Legal services or advice is not within LEG's scope of services, however. LEG's clients rely on their city attorneys or outside counsels to do so, with LEG's added-value input.

RECOMMENDED SCHEDULE OF WORK

The most effective project schedules are those developed in conjunction with our clients. As requested by the City's RFP, a sample schedule of work is recommended below.

Please note that given the City's truncated planning period, an escalated schedule is recommended, which allows the City to complete its measure viability assessment (polling) and develop all preparation materials before the end of the calendar year, enabling all parties to hit the ground running immediately after the New Year. LEG/FM3 are available to commence services immediately upon the award of contract by the City Council.

RECOMMENDED PROJECT PLANNING TIMETABLE

This sample timeline only addresses those activities that can legally be implemented by the City of Pacific Grove for a potential June 2016 General Purpose Revenue Measure.

OCTOBER 2015	LAUNCH PROJECT <ul style="list-style-type: none"> <input type="checkbox"/> Retain Consultants (City) <input type="checkbox"/> Review all background materials <input type="checkbox"/> Conduct Kick Off Planning Session <ul style="list-style-type: none"> ○ Conduct SWOT/Info-Storming ○ Identify Key Issues ○ Assess Opportunities and Challenges ○ Assess Key Influentials <input type="checkbox"/> Develop opinion research survey instrument
NOVEMBER 2015	ASSESS VIABILITY, DEVELOP STRATEGIC RECOMMENDATIONS <ul style="list-style-type: none"> <input type="checkbox"/> Conduct survey interviews <input type="checkbox"/> Analyze survey results <input type="checkbox"/> Develop Strategic Recommendations <input type="checkbox"/> Present Findings and Recommendations to City Staff <ul style="list-style-type: none"> ○ Reach consensus on Preparation Plan and Approach
DECEMBER 2015	PREPARE FOR OUTREACH LAUNCH <ul style="list-style-type: none"> <input type="checkbox"/> Update City Council, receive direction to proceed with planning if viable <input type="checkbox"/> Assess and update database of Opinion Leaders (City) <ul style="list-style-type: none"> ○ Identify Key Influentials who should be conferred with prior to measure placement <input type="checkbox"/> Identify target Speakers' Bureau Organization Hit List and localized communications outreach engagement opportunities (City) <input type="checkbox"/> Develop Public Outreach Plan and refine timeline <ul style="list-style-type: none"> ○ Recommend Key Messages ○ Propose Community Outreach Strategies ○ Recommend New Media, Earned Media, and Social Networking Information Techniques ○ Suggest Key Influential Strategy <input type="checkbox"/> Develop Messaging Toolkit and Educational Outreach Materials Suite <ul style="list-style-type: none"> ○ Frequently Asked Questions ○ Recommended Social Media schedule ○ Counter Information ○ Website Copy ○ Messaging/Speakers' Manual <input type="checkbox"/> Conduct Message Training <input type="checkbox"/> Begin scheduling Informational Presentations (City)

JANUARY 2016	<p>LAUNCH KEY INFLUENTIAL COMMUNICATIONS, PREPARE FOR MEASURE PLACEMENT</p> <ul style="list-style-type: none"> <input type="checkbox"/> Deploy on visits/calls to selected Key Influentials (City) <ul style="list-style-type: none"> ○ Get input ○ Assess reactions, adjust messages/deployment as needed ○ Refine plan/ballot measure approach as necessary <input type="checkbox"/> Finalize Revenue Ballot Measure <ul style="list-style-type: none"> ○ Resolution ○ Ordinance ○ Staff Report ○ Fiscal Emergency Declaration ○ Media Backgrounder/Media release <input type="checkbox"/> Update City Website with initial information <input type="checkbox"/> Issue Opinion Leader Update #1 <input type="checkbox"/> Conduct initial Speaker's Bureau Presentations where advisable (City) <input type="checkbox"/> Deploy necessary Rapid Response
FEBRUARY 2016	<p>PLACE MEASURE, LAUNCH BROAD-BASED OUTREACH</p> <ul style="list-style-type: none"> <input type="checkbox"/> City Council acts to place measure on the ballot <input type="checkbox"/> Deploy Rapid Response as needed <input type="checkbox"/> Ballot Argument/Rebuttal submitted on behalf of Measure <input type="checkbox"/> Impartial Analysis of Measure is developed <input type="checkbox"/> Update City website announcing measure placement <input type="checkbox"/> Implement New Media, Internet and Social Networking approaches <ul style="list-style-type: none"> ○ Post updates on Facebook, Twitter and YouTube as appropriate <input type="checkbox"/> Implement Earned Media <ul style="list-style-type: none"> ○ Place guest columns and other updates in local media outlets/publications <input type="checkbox"/> Issue Opinion Leader Update #2 announcing measure placement <input type="checkbox"/> Launch full-scale Community Presentations (City) <input type="checkbox"/> Evaluate community responses, adjust messaging as needed
MARCH-JUNE 2016	<p>CONTINUE PERMISSIBLE OUTREACH/INFORMATION ACTIVITIES</p> <ul style="list-style-type: none"> <input type="checkbox"/> Send Opinion Leader Updates #3 and #4 <input type="checkbox"/> Continue disseminating information <ul style="list-style-type: none"> ○ Community Outreach Presentations ○ Social Media ○ Informational OpEds/Earned Media <input type="checkbox"/> Issue 3 Citywide Informational Mailings <input type="checkbox"/> Election Day communications <ul style="list-style-type: none"> ○ Remind the public to vote ○ Develop "either way" remarks and press statements ○ Thank the community <p><i>The City of Pacific Grove can legally continue informational efforts throughout the project period, but <u>cannot</u> engage in advocacy or partisan activities.</i></p>

CITY STAFF DEPLOYMENT

LEG/FM3 enjoy a strong and teamwork-oriented collaboration with our clients and are well known for our experienced, hands-on and robust engagement. We believe strongly in teamwork, consensus-building, and clear accountability from the Consultant while providing structure and support for City staff.

The RFP requested that proposers address the “expectations of the type and amount of work requested of City staff to assist in the process.” If you choose to partner with LEG/FM3, the City will find a very high level of engagement from both of our firms. We take our personal and professional commitment to the City seriously, and view our role as “quarterbacking” the City towards an effective outcome. City-Consultant roles typically break down as follows:

The Consulting Team will:

- Review all background and pertinent information to the City’s planning
- Recommend, refine and update an overall project timeline and deployment activities, with clearly stated roles for each participant
- Develop the overall strategy for effective deployment
- At the request of the City and with your active assent and participation, assist in team facilitation and coordination to ensure all benchmarks are reached on a timely basis
- Develop first drafts of all significant project collateral for the review, input, and approval of the City and revise and finalize materials (strategic recommendations/memorandums; polling questionnaire; presentations or information about our project activities; drafting all collaterals, including website, mailing, social media or other informational text; draft media information or releases; clarifying information for Rapid Response needs)
- Add strategic value and provide input to information prepared by staff, such as city staff reports to Council, city resolutions, voter handbook materials
- Provide ongoing strategic advice as a sounding board and advisor to the City
- Be available for Rapid Response or unanticipated needs

Typically, City Staff:

- Provides requested budgetary, financial, service or other background information to the consulting team
- Participates in our consistent, regularly scheduled planning sessions
- Reviews/edits consultant products and provides final approvals
- Is the “human face” or messenger to the effort (the consultants do all the background and development work, but it is more effective for local messengers to deploy. For example, LEG may draft a press release or meeting agenda with corresponding materials, but it is City staff who disseminates the release and interfaces with media, or who actually conducts the community meeting with our behind-the-scenes support)

- Develops the first drafts of city-related materials such as the necessary ordinances, city staff reports, or resolutions with the active engagement or input of the consultants

ASSIGNED PROJECT SPECIALISTS

The City can be assured of the highest level of service from the senior executives at LEG and FM3, all of whom have extensive experience in the Monterey County region and are familiar with the County's unique demographics.

Catherine Lew

*President and CEO, The Lew Edwards Group
Consultant-in-Charge*

Catherine Lew, co-founder and President/CEO of The Lew Edwards Group, is a premier consultant in California providing revenue enhancement measure preparation, project management, public sector marketing services and political strategy, to cities, counties, special districts, transportation, K-14 education districts, and other public agencies, private sector and nonprofit clients.

Lew has more than 30 years of experience in the communications and political arena. **Hailing from Monterey County**, she is a veteran of more than 600 public outreach projects and political campaigns, specializing in difficult to pass revenue measures. Selected clients represented by Lew include the **Hartnell Community College District, Salinas Union High School District, Spreckels Union School District**, and the cities of **Marina and Seaside** among many others.

Under Lew's strategic direction, The Lew Edwards Group has enjoyed eighteen years of success in representing scores of public agencies who need professional guidance with their revenue measure planning. The firm has enacted more than \$32.5 Billion in California tax, bond, assessment and revenue measures, with a 95% enactment rate. Lew prides herself on her firm's excellent service to each and every client, diverse agencies and organizations that range dramatically in size and scope of strategic needs. She has earned a reputation as one of the state's most effective specialists on behalf of local government.

A graduate of the University of California, Berkeley and the University of San Francisco School of Law, is also a member of the California State Bar, ensuring excellent team collaboration with client city attorneys to ensure that all strategies sponsored by public entities are within the bounds of legal permissibility. *Ms. Lew will function as the City's Lead Consultant.*

David Metz

*President, FM3 Research
Lead Researcher*

FM3 President David Metz has provided opinion research and strategic guidance to hundreds of non-profit organizations, government agencies, businesses, and political campaigns in over 40 states

since joining the firm in 1998, including the **City of Pacific Grove**. His research has led to successful local finance measures in recent years in the Monterey County communities of **Monterey, Salinas** and **Seaside**, including the City of Monterey's special sales tax Measure P in November 2014.

Dave has provided research to win some of the nation's most high-profile and contentious ballot measure campaigns. These include all of the largest conservation finance measures in national history, including five successful statewide bond measures providing \$15 billion to protect land and water in California, as well as major statewide measures in Florida, Maine, Minnesota, Iowa, Pennsylvania, Ohio, Nevada, New Jersey, Rhode Island and Oregon. In 2010 his research helped guide the campaign against California's Proposition 23 to an overwhelming victory with 62% of the vote, successfully defending the nation's strongest state law to reduce greenhouse gas emissions. His research on the issue of "regulatory takings" helped the environmental community reverse a string of ballot measure losses and win five consecutive campaigns in California, Oregon, Washington and Alaska.

Dave's other successful work on ballot measure campaigns has included tobacco prevention (California, Colorado, Florida, Nevada and Arizona), Indian gaming (Arizona and California), clean energy (California and Washington), early childhood education (Texas and Arizona), arts funding (Oregon and Minnesota), stem cell research (California and Missouri), transportation funding (California and Washington), and political reform (California and Illinois).

Dave has also specialized in providing community satisfaction, policy development and ballot measure feasibility surveys for major cities besides Pacific Grove, including Oakland, Sacramento, San Francisco, and San Jose and numerous communities throughout Monterey County and the Central Coast. Dave's other past and present public agency clients in Monterey County have included **Hartnell Community College District**, **Spreckels School District**, and the **Monterey Peninsula Regional Park District**.

David Metz received his Bachelor's degree in Government from Harvard University and his Master's in Public Policy from the Goldman School of Public Policy at the University of California-Berkeley.

Emily Salgado

*Associate, The Lew Edwards Group
Communications Specialist*

Emily Salgado is a highly experienced professional with years of expertise in public relations, government affairs, and communications campaigns.

Salgado has managed successful strategic planning projects for Lew Edwards Group clients throughout California. In the November 2014 election cycle, Salgado represented the County of Humboldt and the cities of Benicia, Canyon Lake, Concord, El Cerrito, Norwalk and Union City on successful communications projects. She is currently representing the cities of Benicia, Hercules, Novato and South San Francisco among other clients on their strategic planning needs.

Prior to joining The Lew Edwards Group, Salgado served as senior staff for California legislative offices and worked as a successful communications professional for state legislative and local candidates. *Salgado will function as the City's Communications Specialist.*

PROPOSED COSTS

Polling Costs (FM3)

The total cost to conduct a 20 minute telephone survey of up to 400 City of Pacific Grove likely voters is \$22,750. FM3's survey research costs are fixed and are not billed on an hourly basis. This price is all inclusive and includes drafting of the survey questionnaire (for dual mode telephone and Internet), final sample preparation, interviewing, data tabulation, cross-tabulation and other statistical analysis, and participating in the three meetings specified in the RFP, including reporting the results. Examples of graphs from FM3's past work for the cities of Pacific Grove and Seaside are included in the Appendix to this proposal.

Public Outreach Services (LEG)

LEG standard municipal rate is \$5,000 per month. However, the \$40,000 that would be incurred over an eight-month period (October through May), may be more than the City had planned on investing. Therefore, if the City commits to engaging LEG for its entire project duration LEG's flat fee for that eight-month period will be \$29,950. Without exception, LEG does not bill on an hourly or time and materials basis. LEG will not be invoicing the City for any mileage or extraneous costs.

Professional fees are the City's costs to retain LEG's strategic services and do not include hard project costs such as direct mail production. If the City desires these products, LEG estimates a cost of \$5,975 per mailing inclusive of graphics, printing, bulk postage, and mailhouse services. Examples of LEG's award-winning direct mail products are included in the Appendix to this proposal.

Summary of Costs

Polling	\$22,750
Outreach Consulting	\$29,950
Direct Mail	\$5,975 per mailing (3 mailings are recommended)

SELECTED TEAM REFERENCES

City of Seaside

Daphne Hodgson, Administrative Services Director
831-899-6718
dhodgson@ci.seaside.ca.us

City of Marina

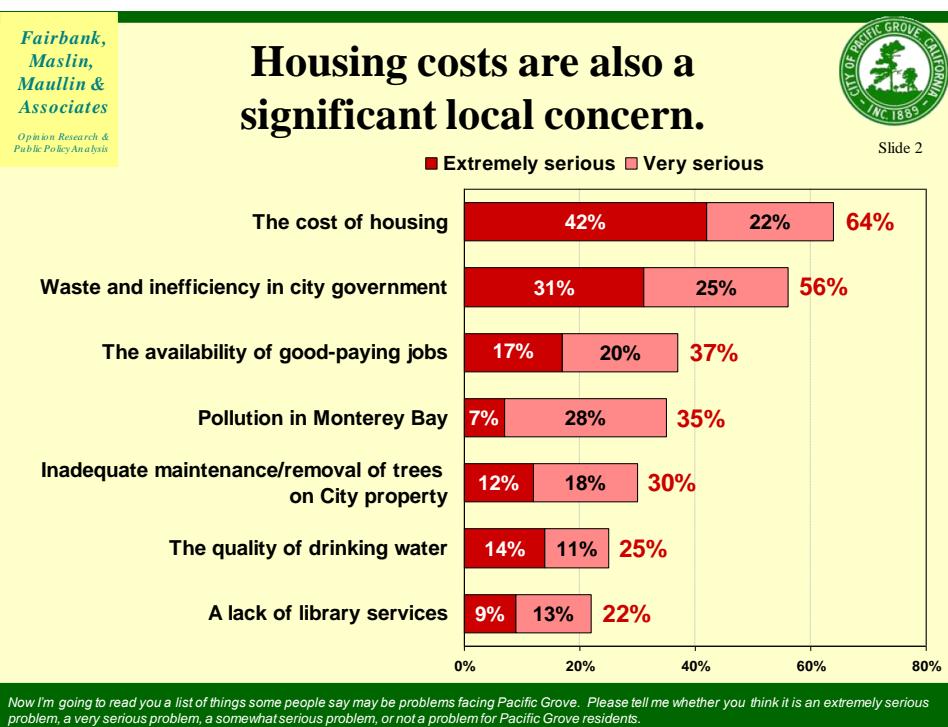
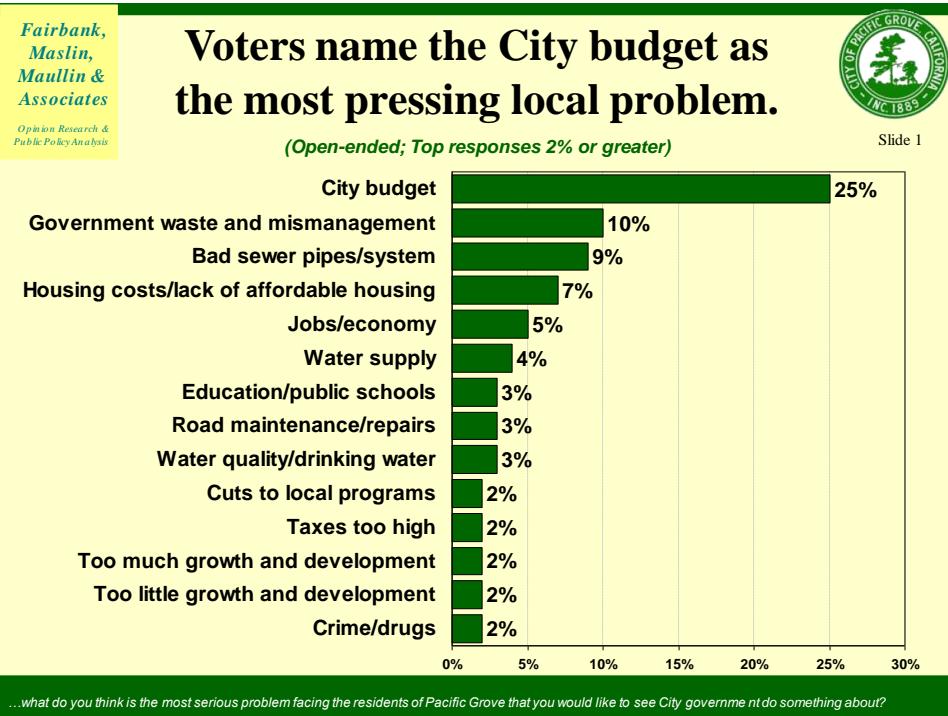
Lauren Lai, Finance Director
831-884-1221
llai@ci.marina.ca.us

City of Gilroy

Christina Turner, Finance Director
408-846-0420
Christina.turner@ci.gilroy.ca.us

In closing, we would like to thank the City of Pacific Grove for reaching out LEG to meet your needs. The Lew Edwards Group and FM3 Research are excited about a potential collaboration, and we would love to add the City to our successful stable of clients in the region. We look forward to hearing from you!

APPENDIX



**Fairbank,
Maslin,
Maullin &
Associates**

Opinion Research &
Public Policy Analysis

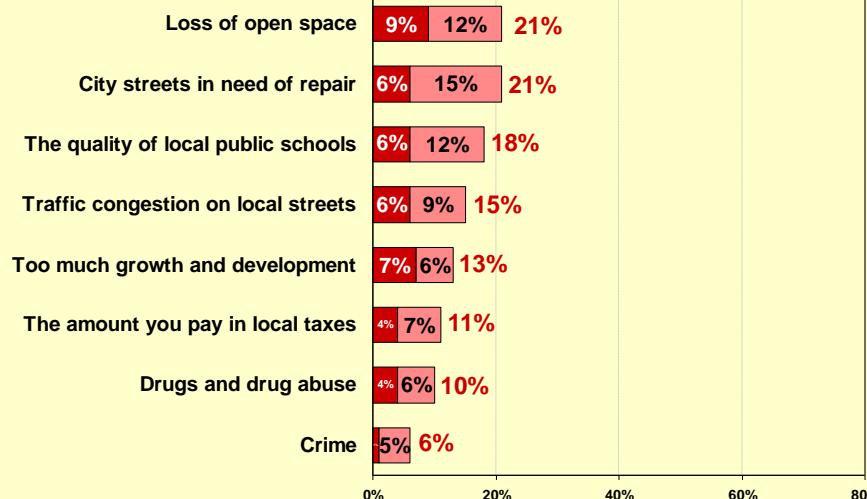
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(Close-ended question; proportion answering "extremely" and "very" serious shown)

■ Extremely serious ■ Somewhat serious

Slide 3



Now I'm going to read you a list of things some people say may be problems facing Pacific Grove. Please tell me whether you think it is an extremely serious problem, a very serious problem, a somewhat serious problem, or not a problem for Pacific Grove residents.

**Fairbank,
Maslin,
Maullin &
Associates**

Opinion Research &
Public Policy Analysis

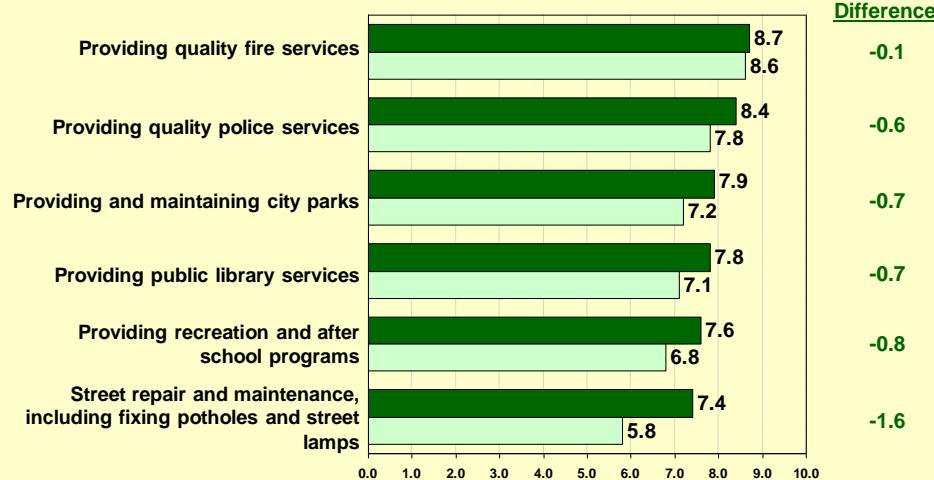
Importance and Satisfaction Ratings for City Services



(On a Scale from One to Ten)

■ Average Importance Rating □ Average Satisfaction Rating

Slide 4



... I am going to read you a list of city services that some people think make a city a good place to live. For each one I read, please tell me how important you personally believe that city service is in making a city a good place to live. Please think of a scale from 0 to 10 where 0 means it is NOT AT ALL IMPORTANT and 10 means it is EXTREMELY IMPORTANT. A rating of 5 is NEUTRAL, neither "important" nor "unimportant."

**Fairbank,
Maslin,
Maullin &
Associates**

Opinion Research &
Public Policy Analysis

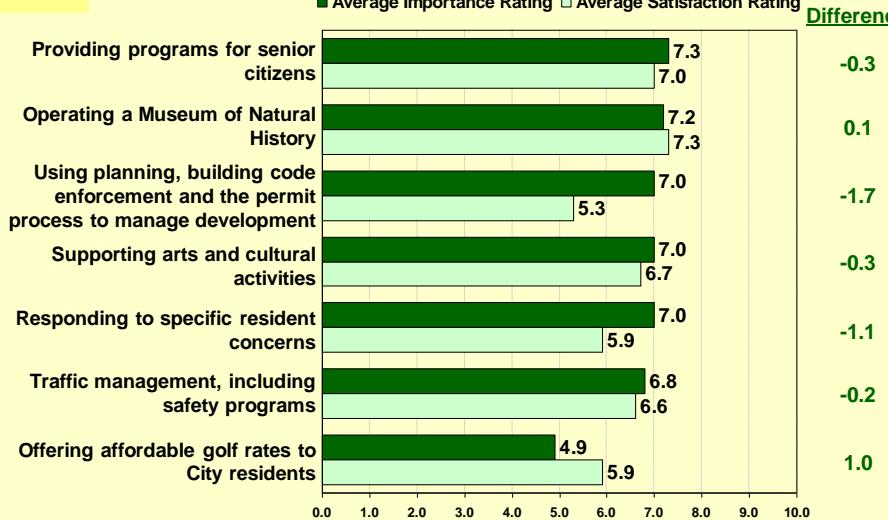
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(On a Scale from One to Ten)



Slide 5

Difference



... I am going to read you a list of city services that some people think make a city a good place to live. For each one I read, please tell me how important you personally believe that city service is in making a city a good place to live. Please think of a scale from 0 to 10 where 0 means it is NOT AT ALL IMPORTANT and 10 means it is EXTREMELY IMPORTANT. A rating of 5 is NEUTRAL, neither "important" nor "unimportant".

**Fairbank,
Maslin,
Maullin &
Associates**

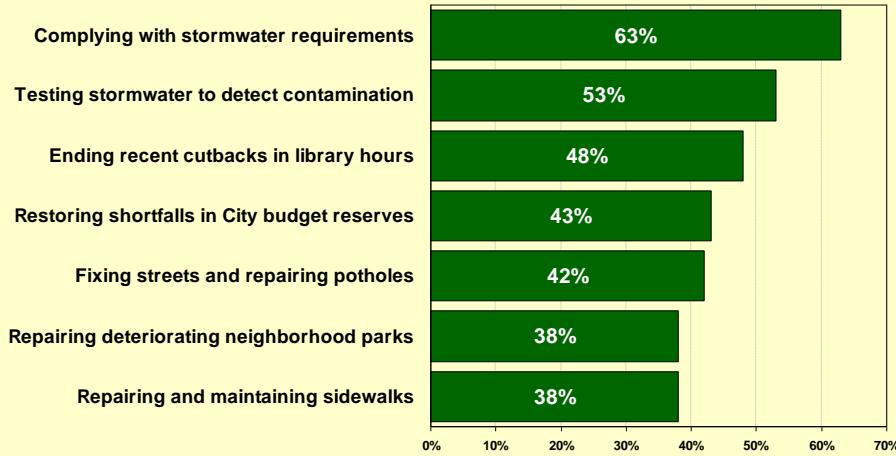
Opinion Research &
Public Policy Analysis

Reducing stormwater pollution is a high priority for funding.

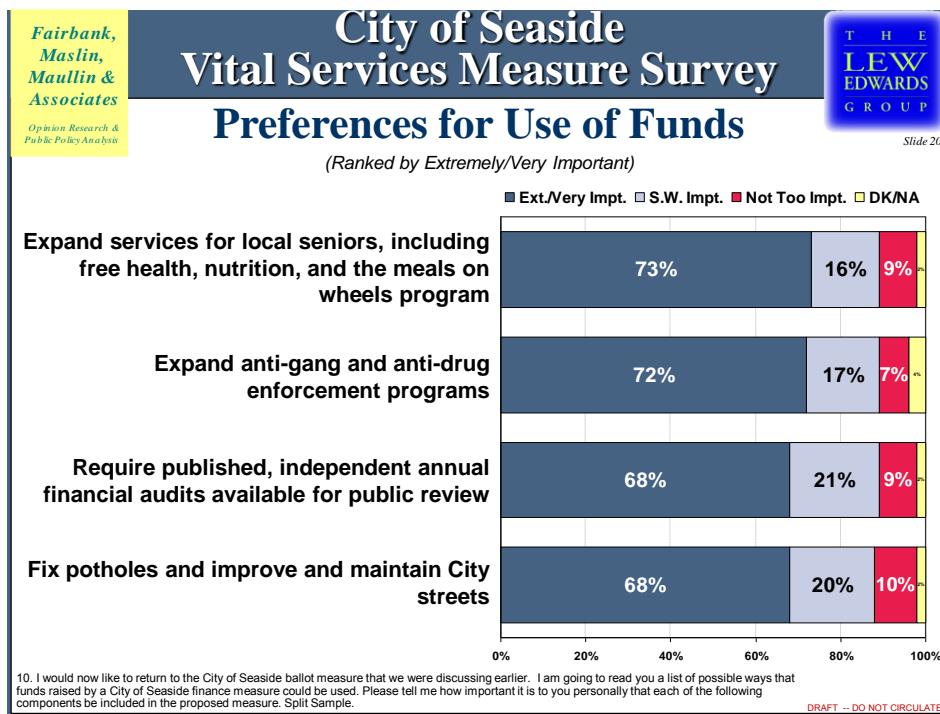
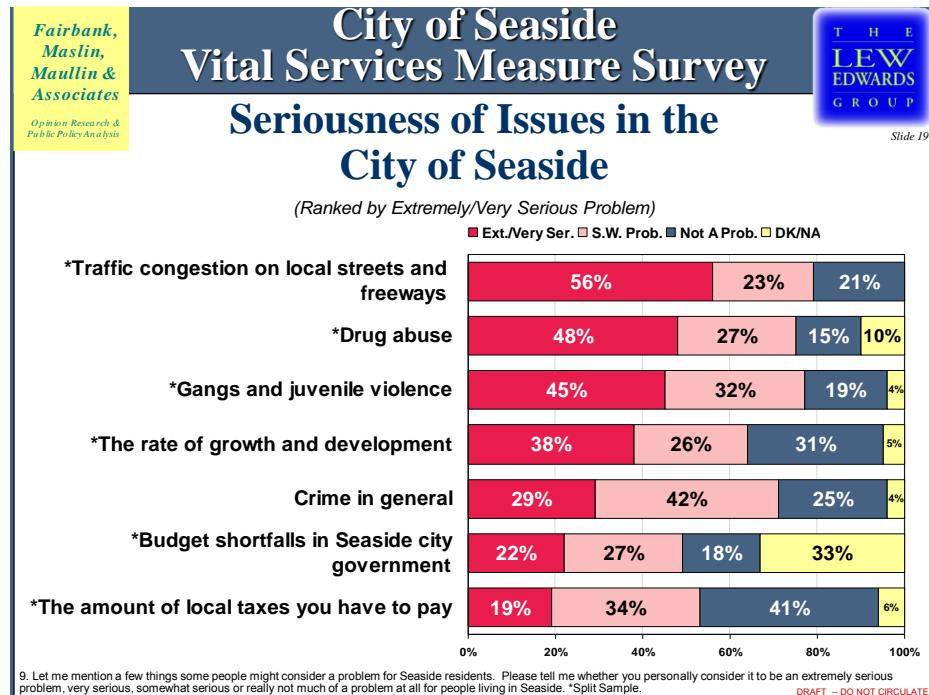


Slide 6

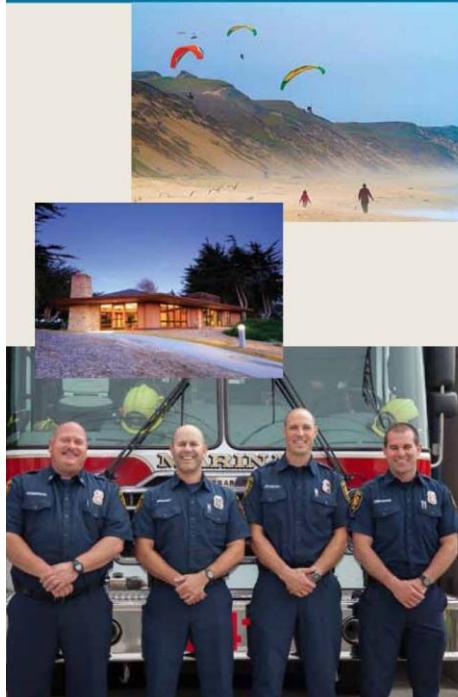
(% "Extremely" or "Very Important; Top Responses Only")



... I am going to read you a list of individual City projects and services that could be funded...please tell me how important it is to you that that item be funded: extremely important, very important, somewhat important, or not important.



Information about Measures E and F



Dear Marina Neighbor:

I'm writing to provide factual information about **Measures E and F**, general taxes proposed on your November ballot.

Measure E extends and establishes Marina's hotel tax at the 12% rate. Hotel occupancy taxes are **only** paid by hotel guests and are **not a tax** on Marina residents, homeowners, businesses, or property owners who do not use hotels within the city. Measure E represents a direct and fair way to recover the costs associated with visitors to Marina, without increasing taxes on residents.

Measure F is an extension of our existing, voter-approved sales tax, with **no increase** in the tax rate. If enacted, Measure F funds would continue to be available to help maintain existing local funding for essential city services like police and fire protection, parks and recreation, and public works. More than 60% of Marina's sales tax is paid by out-of-town shoppers and visitors to our city. If adopted, continued funding from **Measures E and F** will avoid \$2.6 million in cuts to our police, fire, public works, senior and youth programs. Funds generated from **Measures E and F** continue to help address community priorities, including:

- Firefighters and police officers for 9-1-1 emergency response
- Reducing crime, gang and drug activity
- Maintaining senior, veteran, after-school and youth programs
- Maintaining city streets, parks and buildings

For more information, please visit www.ci.marina.ca.us

Sincerely,



Layne Long, Marina City Manager



PRESORT STANDARD
U.S. POSTAGE
PAID
ADMAL



City of Marina
211 Hillcrest Avenue
Marina, CA 93933

Frequently Asked Questions about Measures E and F



Q: What is Measure F?

A: Measure F is a general tax that extends Marina's existing, voter-approved local sales tax, with **no increase** in the tax rate. If enacted, Measure F will continue to provide Marina with approximately \$2.3 million of local funding for essential city services, including police and fire protection, youth and senior recreation programs, maintaining city streets, parks and buildings, that can't be taken by Sacramento.



Q: What is Measure E?

A: Measure E is a general tax which would extend and establish Marina's existing Transient Occupancy Tax (commonly known as a "hotel bed tax") at the 12% rate. Measure E is a tax paid **only by hotel guests**. Marina residents, homeowners, businesses, and property owners who are **not** hotel guests are **not taxed**.



Q: Why do we need Measures E and F?

A: Without funds from Measures E and F, Marina will be forced to make \$2.6 million in cuts, affecting police, fire, and 9-1-1 response services, among other community programs. By continuing to generate locally-controlled funding, Measures E and F will help maintain our essential city services, keeping Marina a safe and beautiful place to live and visit.

For more information, visit www.ci.marina.ca.us



City of Seaside
440 Harcourt Avenue
Seaside CA 93955

PRSR STD
US POSTAGE
PAID
CITY OF SEASIDE CA
PERMIT NO. 15

Measure R may allow the City to address critical funding needs, such as:

- ✓ Hiring more police officers and firefighters to improve 9-1-1 emergency response times
- ✓ Expanding anti-gang and anti-drug enforcement programs
- ✓ Reducing traffic congestion, fixing potholes and maintaining city streets
- ✓ Improving parks and expanding recreation services such as after-school programs and summer camps to keep kids off the streets and out of trouble
- ✓ Expanding programs for seniors such as health, nutrition and meal services
- ✓ Plus other ongoing or emerging needs and services



Si usted necesita esta información en español llame al 831-899-6703

Important Facts Seaside Vital City Service Measure R

- ✓ Measure R is a 1% sales tax increase that was placed on the February 5, 2008 ballot to help fund City services, such as public safety, park improvements, street maintenance and other services.
- ✓ If approved by voters, Measure R will cost you 1 cent for every dollar you spend.
- ✓ Prescription medications and food purchased as groceries are exempt from Measure R.
- ✓ Measure R requires independent annual audits available for public review to guarantee that money is spent as promised to voters.
- ✓ Every penny generated by Measure R is legally required to stay in Seaside to fund City services.





City of Campbell
70 North First Street
Campbell, CA 95008

PRSR STD
ECRWSS
CAMPBELL, CA
PERMIT NO. 32



Report to Residents

Spring 2008

Did You Know?

- Campbell is facing an ongoing budget *deficit* of approximately \$2 million per year.
- The City of Campbell gets only 13 cents of every property tax dollar.
- The City receives only one cent of the 8.25 cents of sales tax.



For more information and to provide input, please visit:
www.cityofcampbell.com

A Message from the City Manager

I believe the City has done an excellent job of managing our resources. Unfortunately, the State's recurring takeaways, the slowing economy, and other financial pressures have strained our local budget.

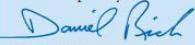
The City may be forced to make further reductions in police services, street repairs, park maintenance, storm drain programs, and other vital community services.

Please take a moment to read this update and visit our website at:

www.cityofcampbell.com
or call us at:

(408) 866-2125

to learn more about the City's budget situation and how it impacts you.


Daniel Rich
City Manager

The City of Campbell has struggled with budget issues for much of the past five years. The cost for essential city services is expected to exceed available revenues and a significant, ongoing deficit is projected beginning fiscal year 2009.

Without new revenue it is likely that important services such as public safety programs, pothole repair, or non-fee supported recreational programs will be further reduced. Our city will not be able to continue to offer the level of services our residents need, deserve, and count on.



For Your Information



What is the current fiscal situation in Campbell?

The City has experienced a severe economic downturn since 2001. Sales tax revenue is flat to negative, other revenues are growing slowly or not at all, and inflationary costs are increasing.

Approximately \$4 million in cuts have already been made.

What are our public safety challenges?

To address previous budget shortfalls, public safety and crime prevention programs such as neighborhood watch and gang prevention have been reduced or eliminated.

What are the infrastructure needs in Campbell?

Many capital and maintenance projects have been deferred. The City has *annual* repair and maintenance needs of almost \$2 million that are not being funded. Without funding, our city's streets and other vital infrastructure will deteriorate, and the long-term costs will be higher.



Are there other important needs?

You've told us that the services that make Campbell a great community are important to you. Maintenance of the Campbell Community Center and recreation programs such as summer camp and after-school activities, city parks, picnic areas, athletic fields, and the community pool are all vital. We must also maintain our environmental programs, such as monitoring storm water run-off to protect water quality, keeping creeks clean, and reducing Bay pollution.

Why doesn't the City have enough money?

The State controls a significant portion of our revenue – and has taken \$13 million of our money over the past 15 years to solve the State's budget problems. Annually, we *continue* to lose over \$1.3 million to the State. The economic downturn and other financial pressures all impact our local budget. The cost of our contracted fire services will increase by approximately \$1 million next year.

How is the City planning to fix this?

We need input from you as we develop *a long-term plan to address these needs in a fiscally responsible way*. A finance measure or significant service cuts may be considered as part of the plan.

