

Monday, January 29, 2024

**Submitted via email:**

mariebowman@pacbell.net

Marie Bowman, Vice Chair/Board Director  
Rodeo-Hercules Fire District  
1680 Refugio Valley Road  
Hercules, CA 94547

**Re: Proposal for Feasibility Study, Special Tax Analysis, and Public Opinion Survey for a November 5, 2024 Special Tax Measure**

Dear Vice Chair Bowman:

**SCI Consulting Group** ("SCI") is pleased to submit this brief proposal for conducting a feasibility analysis, special tax analysis, and public opinion research for the Rodeo-Hercules Fire District ("District"). We understand the District aims to assess the viability and community support for a potential special tax. The primary objectives of this project include generating an unbiased and statistically accurate measure of support for the proposed tax and devising an effective roadmap for success. Additionally, the District is interested in exploring alternatives to the traditional "flat parcel tax," such as a building square footage method.

Our initial step involves collecting and analyzing pertinent financial information, conducting special tax methodology work, and performing due diligence. Based on the outcomes of this preliminary work, the District can then decide whether to proceed with a public opinion survey to gauge community support for the proposed special tax measure.

As a consulting firm established in 1985, **SCI Consulting Group** is widely recognized for its expertise in public finance, particularly in assisting California fire districts in funding new services and improvements. We boast a success rate of approximately 90% for local funding measures encompassing entire cities, counties, or special districts, with over 200 successful revenue measures. Our success is grounded in the meticulous design of special tax measures, marked by a robust methodology and specialized, accurate survey and opinion research. This approach ensures our clients obtain the most precise and predictive findings, empowering them to make well-informed decisions concerning local funding measures.

**WORK PLAN AND APPROACH**

Based on our current understanding of the project, the technical analysis, and services needed by the District, we propose the following scope of work and approach:

**Task 1: Initial Research, Planning, and Feasibility Analysis**

1. Review the District's Master Plan, Operations Budget, Capital Improvement Plan, and other technical studies and plans.

2. Review the District's Measure O parcel tax and fire assessments.
3. Hold a project kick-off meeting to discuss the District's goals and objectives, annual revenue needs, and potential special tax methodologies.
4. Develop a detailed timeline, task list, and deliverables for the project.
5. Work with the District to interview and retain a pollster for public opinion research and a survey of registered voters regarding the proposed measure.
6. Deliverables:
  - a. Information request list
  - b. Project kick-off meeting (Virtual)
  - c. Project timeline

### **Task 2: Special Tax Analysis**

1. Prepare a database with relevant parcel information using the latest District Assessor's records and other parcel data.
2. Research improved taxable parcels with missing building square footage and residential units, as necessary.
3. Determine special tax rates under various annual revenue requirements and tax methodologies.
4. Project annual special tax revenue under various alternatives.
5. Prepare a detailed breakdown of tax burden by land use classification.
6. Prepare a list of parcel owners with the highest tax burden.
7. Provide a technical memorandum summarizing findings and recommendations.
8. Virtual or in-person meetings with the District, District Board, City of Hercules, County of Contra Costa, and key stakeholders.
9. Deliverables:
  - a. Project meeting (Virtual)
  - b. Technical memorandum summarizing special tax analysis (PDF)
  - c. Slide deck of initial findings and recommendations (PPT)
  - d. District Board Presentation (In-Person)
  - e. Internal and external stakeholder outreach meetings as necessary (In-Person or Virtual)

### **Task 3: Public Opinion Research and Survey Support**

1. In conjunction with the District and the pollster, develop survey instrument(s) for a proposed special tax measure.
2. Meet with the District, the District Board, and stakeholders virtually or in person, as necessary.
3. As necessary, provide additional technical analysis and practical advice to the District regarding the proposed special tax measure.
4. In conjunction with the District and the public opinion survey firm, present the survey results to the Board and public.
5. Deliverables:
  - a. Project meeting (Virtual)
  - b. Board meeting presentation with pollster (In-Person)
  - c. Special Tax Measure Timeline
  - d. Preliminary Outreach Strategy
  - e. Special Tax Measure Cost Estimate

**In-Person Meetings.** We anticipate needing at least two (2) in-person as part of Task 2 and Task 3 services. Additional in-person meetings requested by the District will be billed at our hourly billing rates for the duration of the project, with travel time billed at 50% of the hourly billing rate. All other project meetings will be conducted remotely via video or voice conference.

#### **DISTRICT RESOURCES**

SCI will carry out all tasks specified in the Work Plan and any other related services, as appropriate. The District would be responsible for the following:

- Designate a District point of contact to act on its behalf regarding the Work Plan.
- Meet or participate in video or voice conference calls periodically with SCI as needed.
- Provide information and documentation regarding the District's funding needs, as requested.
- Assist with planning, review, and coordination of action items.

#### **ADDITIONAL SERVICES**

In the event that the survey indicates sufficient support, and the District decides to move forward with the special tax measure, the District may need assistance in coordinating and preparing election materials, coupled with additional community outreach efforts. Our specialized special tax election services may include the comprehensive preparation of all necessary election materials, collaboration with the County Elections Department, and implementation of an informational outreach plan.

It's important to emphasize that this proposal does not cover these services, but we are readily available to furnish a proposal at the District's request. Any supplementary costs related to a special tax election, encompassing County Election expenses, should also be considered.

#### **TENTATIVE TIMELINE**

We anticipate that the initial research, the kick-off meeting, the special tax analysis, and the selection and retaining of the pollster will take approximately one month to two months to complete. The timeline will, in part, depend on the availability of District staff and the required financial information. The public opinion research and survey task would take approximately two months. A more detailed timeline, task list, and deliverables will be developed at the project kick-off meeting in Task 1. We anticipate the proposed special tax measure will be called for the Consolidated General Election on November 5, 2024.

#### **PROJECT TEAM**

SCI will adopt a team-oriented strategy for this project, fostering close collaboration with the District, the pollster, and other essential stakeholders. This team-based approach ensures a synergistic effort where all parties work cohesively to formulate and execute an effective and successful game plan. If selected, Blair Aas, Vice President, will assume the roles of project manager and principal-in-charge. The remaining SCI team's composition will be finalized before the Task 1 project kick-off meeting.

It is anticipated that the District will directly engage with the selected pollster.

Blair Aas and his team do not have any work commitments that would interfere with their responsiveness and ability to complete the project within a reasonable timeframe.

**ACCOUNTABILITY AND WARRANTIES**

Our approach to the project would be based on close interaction and coordination with District staff and other key stakeholders. If selected, SCI would provide comprehensive services that limit the District's time and resources by following solid project management principles. We will ensure that the project deliverables will be of the highest quality, legally defensible, timely, and on budget.

The District or SCI may end the engagement without cause with reasonable written notice. In the event that the engagement is canceled, payment shall still be due for all work performed, including any portion of a task, by SCI through the date of the notification of cancellation.

**OTHER INFORMATION**

**Employment Policies.** SCI Consulting Group ensures compliance with all civil rights laws and other related statutes. SCI does not and shall not discriminate against any employee in the workplace, against any applicant for such employment, or against any other person because of race, religion, sex, color, national origin, handicap, age, or any other arbitrary basis.

**Conflict of Interest Statements.** SCI has no known past, ongoing, or potential conflicts of interest for working with the District, performing the Work Plan, or any other service for this project.

**Independent Contractor.** SCI shall perform all services included in this proposal as an independent contractor if selected.

**Insurance Requirements.** SCI carries professional errors and omissions insurance in the amount of \$2 million per occurrence and \$2 million aggregate. SCI also carries general liability insurance in the amount of \$2 million per occurrence and \$4 million aggregate. SCI will provide proof of insurance upon request.

**FEE SCHEDULE / MANNER OF PAYMENT**

In consideration of the work accomplished, as outlined in the Work Plan, SCI shall be compensated as detailed below. Our professional fees are based on our understanding of the District's needs and the level of effort we expect is necessary to complete the Work Plan successfully. Payments shall be due and payable upon submission of an invoice for each completed task, as detailed below.

<b>TASK</b>	<b>FEE</b>	
Task 1: Initial Research, Planning, and Feasibility Analysis	\$4,250	Fixed
Task 2: Special Tax Research and Analysis	\$14,750	Fixed
Task 3: Public Opinion Research and Survey Support	\$3,750	Fixed
Incidental Costs	\$500	NTE
<b>Subtotal, SCI Services</b>	<b>\$23,750</b>	
<b>Public Opinion Research and Survey (Retained Pollster)</b>	<b>\$28,750 - \$35,000</b>	<b>ESTIMATE</b>
<b>TOTAL PROJECT</b>	<b>\$52,000 - \$58,750</b>	

The Work Plan includes up to two (2) in-person meetings for Tasks 2 and 3. As necessary and at the discretion of the District, SCI will attend additional in-person meetings at our 2024 hourly billing rates for the project's duration. Our hourly billing rates are \$227 for the Project Manager, \$211 for Senior Consultants, \$178 for Consultants, \$135 for Project Analysts, and \$76 for Support Staff. Travel time for attendance at additional in-person meetings shall be invoiced at 50% of the hourly billing rate.

Customary incidental expenses, including travel, lodging, printing, postage, data, or other out-of-pocket costs, shall be billed at actual cost plus 10% not to exceed \$500 without prior authorization from the District. Mileage expenses shall be billed at the IRS-approved rate.

We look forward to the opportunity to assist the District with this important project and stand ready to proceed. Please get in touch with me if you would like to discuss any aspect of our proposal. I can be reached at 707-816-9101 or via email at [blair.aas@sci-cg.com](mailto:blair.aas@sci-cg.com).

Sincerely,



Blair E. Aas  
Vice President / Principal

cc: Chief Ramirez, Rodeo-Hercules Fire District