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June 22, 2016

Mr. Peter Kampa
General Manager
Saddle Creek CSD
1000 Saddle Creek Drive
Copperopolis, CA 95228

RE: Parcel Tax Implementation

Dear Peter and colleagues,

As we have discussed, NBS is ready to work with you and the Saddle Creek CSD (CSD) on a parcel tax measure to fund various ongoing services, particularly street maintenance. NBS will meet and confer with you, review available cost and operational data, make certain limited projections, and compile information relevant to the implementation of a parcel tax. NBS will assemble an implementation plan, which will include a timeline, parcel tax formula, and certain supporting documents.

The deliverables for this analysis are an overall implementation plan including a timeline, financial projections, one to three parcel tax formulas (iterations), and a presentation/discussion at an upcoming staff meeting or board meeting or study session. In addition, NBS will coordinate the actual election with the County Registrar, now scheduled for May 2, 2017. This will allow the tax, if approved, to be on the property tax bills for the 2017-18 tax year.

With your approval, this letter can serve as an exhibit for official approval or contract to provide these services.

Scope of Services

Parcel Tax – Implementation

Implementation Plan: Based on the information gathered initially, assemble an Implementation Plan to be used for the proposed implementation of such a tax measure.

Data Gathering and Analysis: Gather and review budget and other relevant data to inform the analysis. Review data and research.

Timeline: Develop a timeline leading up to a ballot process in 2017 (scheduled for May 2, 2017).

Financial Analysis: Perform an analysis of up to three scenarios for a parcel tax measure, including a flat per parcel tax and also differing tax levels for various parcel types and uses, based on common practices and particular CSD needs.

Parcel Tax Formula. Develop a special parcel tax formula that meets the needs of the community.

Resolutions/Ordinances. Coordinate with legal counsel for resolutions to be considered by the Board for the parcel tax formation proceedings.

Report. NBS will prepare a detailed written report documenting the budget estimates, the special tax formula and showing the projected revenue of the parcel tax.

Present results: Prepare for a short presentation and discussion at an upcoming staff meeting or Board study session, and a short memo summarizing the findings.

Election. NBS will coordinate with the County Registrar (or other outside vendor, if necessary) to ensure the election occurs within the timeline. (Having a special mailed ballot election on May 2, 2017 allows for better communication and less confusion with any other ballot measures which could occur on a regular election.)

Fees

Parcel Tax Implementation

Implementation.....\$17,500

This assumes attendance at one formal meeting, as well as additional phone meetings (2-3 phone conferences), as project proceeds. Any additional meetings or outreach will require additional hours and cost. This proposal also assumes this tax will be for annual funding, not a tax financing bonds. If detailed bond issuance support is needed, there will be additional tasks and fees to the above.

The following table shows our current hourly rates, as needed for any out of scope tasks which the city may approve in its discretion.

Title	Hourly Rate
Director	\$ 205
Senior Consultant/Engineer	160
Consultant	140
Analyst	120
Clerical/Support	95

Expenses

Customary out-of-pocket expenses will be billed to the CSD at actual cost to NBS. These expenses may include, but not be limited to, mailing fulfillment, postage, reproduction, telephone, travel/travel-related expenses, meals and various third-party charges for data, maps, and recording fees.

Note that the election costs have been estimated by the County to be at between \$5,000 and \$8,000 for a special mailed ballot election: Should the election be part of a regular election, the costs are about \$1,500. These costs are not covered in NBS fees, but rather can be paid for by NBS and reimbursed by the CSD or paid for directly by the CSD.

Please feel free to contact me at 800-434-8349 or via email at tseufert@nbsgov.com if you have any questions or need further information.

Best regards,

A handwritten signature in black ink, appearing to read "Tim Seufert". The signature is fluid and cursive, with a large initial "T" and "S".

Tim Seufert
Managing Director