

TRAMUTOLA

THE DISCIPLINE OF WINNING

February 2, 2007

Gary Keefe
City Manager
100 Civic Center Plaza
Lompoc, CA 93438-8001

Via email: G_KEEFE@ci.lompoc.ca.us

*RE: TRAMUTOLA Proposal for Strategic Planning
and Public Information Services*

Dear Gary:

Thank you for your interest in TRAMUTOLA and for contacting us to explore how we can assist the City of Lompoc to increase vital funding for police and fire protection services.

It is apparent from our conversation that the City has given careful thought and consideration to the public safety issue. The time and resources you have invested to develop the Mayor's Ad Hoc Committee recommendations and the police and fire planning reports will serve the City well as you prepare to take this issue to the voters. However, even under the best of circumstances, gaining majority voter approval to increase taxes is a significant challenge. Recent controversies surrounding past measures and the failure of 1998's general fund tax increase add an additional layer of complexity to the political landscape and increase the stakes as you consider your electoral options.

TRAMUTOLA stands ready to help you achieve your electoral goals. We have a proven track record working in the most challenging electoral environments and we are proud to include the cities of El Cajon, San Rafael (two measures), Sausalito, Oakland and Colton, California on our list of city public safety measure victories. We believe we are uniquely qualified to help you achieve the City's strategic goals and look forward to working with you on this project. Accordingly and as you requested, this correspondence includes relevant background information on our firm as well as our proposed fee structure should you find TRAMUTOLA to be the right fit for you.

ABOUT TRAMUTOLA

TRAMUTOLA specializes in creating political success at the *local community level*. For over 21 years we have helped our clients build lasting community support for a variety of public causes and benefits. Many of our clients are public agencies—cities, counties, parks and recreation districts, public school and community college districts, healthcare and hospital districts and other public entities—seeking specialized advice on strategic planning and public information programs for local tax measures.

TRAMUTOLA has successfully helped our clients plan for and win nearly 200 such elections (most requiring 66.7% voter approval) that have produced over **\$21 billion** in community improvements. As a result, we have a keen appreciation and understanding of the complexity and difficulty achieving super-majority levels of support from voters willing to take on more government and/or higher taxes. Our approach — a blend of smart business principles, sophisticated research, compelling communications, and effective political strategy— has proven to be successful in delivering winning results.

191 Ridgeway Avenue, Oakland CA 94611 Ph: (510) 658-7003 Fx: (510) 658-7302
Web: www.tramutola.com E-mail: info@tramutola.com

Our goal is simple: to help you make highest and best use of limited resources to effectively inform and educate the public about the challenges you face and how your ballot measure will address them.

Clients throughout California choose TRAMUTOLA to guide them—for the following reasons:

- ❖ **Relevant experience.** TRAMUTOLA has direct, relevant experience working with cities, counties and special districts throughout California. (A complete list of our tax election wins is attached). We are comfortable working in rural, conservative communities, and navigating complex scenarios where multiple tax measures appear on the same ballot, and/or where organized opposition exists.

TRAMUTOLA SUCCESSFUL TAX MEASURES FOR CITIES AND COUNTIES			
Client	Tax Measure Type	Tax Rate/Amount	% Voter Approval
AC Transit District	Parcel Tax	\$24/5 years	68.00
AC Transit District	Parcel Tax	\$48/10years	71.90
Alameda Library	GO Bond	\$10,600,000	74.80
City of Colton* (Police & Fire)	Utility Users	2% increase	53.80
City of El Cajon (Police & Fire)	Sales Tax	½ cent/10 ys	68.52
City of Piedmont	Parcel Tax	\$319/5 years	79.60
City of Richmond*	Utility Users	2% increase	54.80
City of San Rafael (Police & Fire)	Sales Tax	½ cent	69.41
City of San Rafael * (Paramedic)	Parcel Tax	\$85/4 years	77.63
City of Sausalito* (Police & Fire)	GO Bond	\$15,500,000	81.50
Marin County (Transportation)	Sales Tax	½ cent	70.83
Oakland Clean Water - Lake Merritt	GO Bond	\$198,250,000	80.20
Oakland Crime Prevention (Police)	Parcel Tax	\$88/10years	69.40
Oakland Library (1994)	Parcel Tax	\$36/15 years	73.50
Oakland Library (1996)	GO Bond	\$45,000,000	77.60
Oakland Library (2004)	Parcel Tax	\$75/15 years	77.20
Oakland Museum, Zoo, Space Center	GO Bond	\$59,000,000	75.10
Oakland Wildfire District (Fire)	Assessment	\$68/10 years	74.38
Santa Clara County Libraries	Parcel Tax	\$34/10 years	72.04
Santa Cruz County Library	Transaction & Use	¼ cent	70.20

* indicates pre-electoral work

- ❖ **Exceptional Public Information Strategy and Materials:** No matter what the assignment, we do not allow ourselves to be limited by convention or tradition. At the basic community level, we know what works and what does not. Our unique approach provides a *unique perspective*. Our primary goal is to provide information to voters and the public in clear, simple and compelling ways. We do not over-design but rather we produce effective communications appropriate for *your* community and *your* ballot measure.
- ❖ **Candor –** Our job is to provide *you* with candid advice and *your stakeholders* with candid, straightforward information. We are honest and direct. Our goal is to help YOU achieve YOUR public information goals.
- ❖ **Competent Team:** Every client is assigned a skilled team of professionals with extensive backgrounds in public and stakeholder communications to help you effectively prepare for and execute the public communications components of your ballot measure. Having more than one member of our team service your needs insures responsiveness, continuity and quality.

- ❖ **Work Ethic:** Our success over 21 years has been achieved because we work hard for our clients and we strive to be 100% accessible. We demand the best from ourselves and from all the people involved in a client project.
- ❖ **Client Satisfaction:** TRAMUTOLA is committed to helping our clients achieve their goals. *When you are successful, we are successful.* TRAMUTOLA team members are accessible and responsive while helping clients maintain focus. We practice and teach *The Discipline of Winning* in a way that builds commitment, teamwork, results, and long term satisfied clients. Over 80% of our work comes from either repeat clients or referrals from satisfied clients.

OVERVIEW OF THE TRAMUTOLA PROCESS

Electoral success for our clients is most often the result of proper planning, attention to detail, willing volunteers, rigorous, honest communications and an appropriate tax rate. Accordingly, our work focuses on two key phases leading up to passage of a local tax measure—1) a *pre-electoral Strategic Planning and Public Information* phase; and 2) the *Campaign* phase.

Phase 1 - Pre-Electoral Planning And Public Information

During the critical period *preceding* the placement of a measure on the ballot by City Council, our goal is to provide overall strategy, guidance and support as we work with you to develop the details and key components of your ballot measure. Our overall goal will be to help you develop a plan that addresses Lompoc's public safety needs but also gains the necessary support from Lompoc's voters. At the same time we will also provide strategic direction and public information recommendations to inform and educate the community on your needs and plans.

Specific objectives during this phase include:

- Conduct an analysis of 1998's failed general fund tax increase
- A thorough review of the Mayor's Ad Hoc committee recommendations and subsequent professional reports on Lompoc's police and fire staffing and facilities
- Assistance in development of a public opinion poll and review and analysis of results;
- Development of the specific "plan" to be implemented if voters approve your measure;
- Development and implementation of an effective public information program – including developing creative and conceptual communication themes;
- Coordination and supervision of graphic designers, printers, mail houses, delivery services and other vendors associated with print production;
- Analysis and recommendations for placing a measure on the ballot, including determining the best election type, taxing mechanism (G.O. Bond, sales tax, parcel tax, UUT, etc.) optimal election date, tax rates/amounts and essential components and language of the plan.

Working with your Financial Advisors and Legal Advisors we will also assist in:

- Refining the specific plan for how taxpayer money from your measure will be spent;
- Establishing an appropriate rate and structure (i.e. COLA, sunset date, etc. as appropriate);
- Preparing the official 75 word Ballot Statement and Argument;
- Reviewing resolutions prepared by legal counsel;

There are no frills in this planning process. Tax measures rarely pass without these steps having been carefully and completely followed leading up to a campaign. We customize this process for each and every community with which we work. This planning phase ends with the formal action of placing a measure on the ballot and marks the transition into the *Campaign Phase* of our model.

Phase II - Campaign Services

The Campaign Phase involves a different agenda with different goals. (While the public agency sponsoring the measure typically funds the *Pre-Electoral Phase*, the advocacy campaign to persuade voters must be funded by private sources.) TRAMUTOLA provides comprehensive campaign planning, consulting and day-to-day management services and we will be happy to provide full details of these services if required.

CLIENT-CONSULTANT WORKING RELATIONSHIP

TRAMUTOLA clients tell us one of the things they value most about us is *the way we work with clients* to maintain an optimal working relationship. Here is where we put our attention:

Client Satisfaction

First, we have taken the deliberate step of making *client satisfaction* a top priority at the firm. We do this so that we can continuously improve, find ways to make our process more user friendly for clients, and maximize our efforts to be in alignment with client expectations. As a small firm this is a significant yet critical investment. The fact that 80% of our clients are now repeat or referral clients reflects our growing commitment to complete client satisfaction.

Team Approach

Second, TRAMUTOLA uses a **team approach** to achieve superior results for our clients. Each project is supervised by one of our capable **Lead Consultants**, with additional support provided by a TRAMUTOLA **Account Representative**. Our *team approach* ensures that our client needs don't fall through the cracks. When the Lead Consultant is unavailable there is always another member of the team (e.g. an account representative) who can quickly step in to answer questions and help meet client needs. We make client assignments deliberately—with *client needs* in mind. Also worth noting, our firm has gone to great lengths to develop the systems and tools that make our work with clients more user-friendly and “doable”. By employing better systems and tools, the people who get involved on your end have a better experience.

Client-Consultant Communications

Finally, we pay deliberate attention to *client-consultant communications*. When we establish work plans with new clients we make a special effort find out what our clients' communications preferences are. Typically, we use a combination of email, phone, cell, conference call, and personal meetings to accomplish our work together. We provide all of our contact information—including personal phone numbers—to ensure TRAMUTOLA team members are 100% accessible to our clients.

PROPOSED BUDGET & FEES:

TRAMUTOLA resources are managed for maximum control and efficiency. Related expenses vary by client. We build client projects and budgets collaboratively *with* our clients and exercise as much flexibility as we possibly can to address their unique needs and requirements. That said, we propose the following professional fees for strategic planning services:

Strategic Planning & Public Information Professional Fees	\$8,000.00 per month + approved expenses
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Our professional fees are one part of but not the only consideration in building a realistic project budget. Other major budgetary considerations you should be prepared for include but are not limited to: public opinion research (polling), voter data analysis, and communications costs (e.g. design, print, postage and data). I will be happy to discuss any or all of these budget items at any time with you—whether now, or as part of the orientation process if we are chosen to assist the City in its tax election planning efforts.

NEXT STEPS

We are eager to get started. I will follow up with you once you have had a chance to review our proposal. We appreciate your consideration and look forward to discussing next steps at your earliest convenience. In the meantime, if you have any questions please don't hesitate to contact me at (510) 658-7003 or via e-mail at davidb@tramutola.com. Thank you again for considering TRAMUTOLA.

Sincerely,



David Basmajian
Vice President



The Discipline of Winning

STRATEGIC PLANNING AND PUBLIC INFORMATION SERVICES AGREEMENT

THIS STRATEGIC PLANNING AND PUBLIC INFORMATION SERVICES AGREEMENT is effective as of the below Effective Date (as defined below) by and between **SIDEWALK STRATEGIES**, a division of **TRAMUTOLA LLC**, a California limited liability company ("Consultant") and **City of Lompoc**, 100 Civic Center Plaza, Lompoc, 93438-8001 ("Client").

Basic Terms

Consultant shall, as an independent contractor, provide the services set forth below during the Term (as defined in the attached Terms and Conditions)

Services to be Performed: Consultant shall, as an independent contractor, with consultation from Client and for the direct benefit of Client, perform the following services, as needed, towards preparing a tax measure to be placed on the ballot, and building public awareness of Client's needs:

- a. Conduct and provide an analysis of Client's 1998 unsuccessful general fund tax increase;
- b. Review Mayor's Ad Hoc Committee recommendations and related professional reports on Lompoc's police and fire staffing and facilities, and provide strategic feedback;
- c. Oversee the development, interpretation, analysis and presentation of public opinion research;
- d. Review and clarify Client's plan for the expenditure of revenues if the measure is successful;
- e. Develop and implement a public information program to increase public awareness about Client's needs and plans;
- f. Coordinate and supervise graphic designers, printers, mail houses, delivery services and other vendors associated with print production for Client's program listed above in item "e";
- g. Make final recommendations relative to placing a measure on the ballot, including optimal election type, date, tax rate, essential components of the plan, official ballot language, and review of final resolution.
- h. Provide ongoing strategic counsel as needed to assist Client in its planning/preparation efforts.

Compensation: \$8,000.00 (Eight Thousand Dollars) per month plus approved expenses. Compensation shall become due on the 15th day of each month during the term with the first payment due on March 15, 2007.

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Web: www.tramutola.com E-mail: info@tramutola.com

Effective Date: March 1, 2007

This Services Agreement, including the attached Terms and Conditions collectively, constitute the "Agreement" as that term is used herein. This Agreement is hereby executed by duly authorized representatives of Consultant and Client as of the Effective Date.

CITY OF LOMPOC, 100 Civic Center Plaza, Lompoc, 93438-8001

By: _____

Name: Gary Keefe

Title: City Administrator

SIDEWALK STRATEGIES, A Division of TRAMUTOLA LLC, 191 Ridgeway Avenue, Oakland, CA 94611

Larry Tramutola, Managing Member

Terms and Conditions

1. Client's Obligations. At all times while Consultant is providing the Services (as defined in the Basic Terms) ("Services") or otherwise assisting Client, Client shall promptly provide Consultant with access to the facilities, personnel and other resources reasonably necessary for Consultant to provide the Services.

2. Compensation. As compensation for the Services, Client shall pay to Consultant the Compensation set forth in the Basic Terms (the "Compensation").

3. Consultant's Expenses. Client shall separately reimburse Consultant for Consultant's reasonable and necessary expenses (the "Expenses") including, without limitation, travel, meals, lodging; long distance telephone charges, teleconferencing, and/or cellular telephone toll charges; photocopying and faxes; express mail, messenger or delivery service incurred in performing the Services hereunder. These expenses shall be charged by Consultant and Consultant shall be reimbursed by Client within thirty (30) days following presentation of Consultant's invoice or statement.

4. Vendor Costs and Payments. Client understands and agrees that third party vendors are required for Client's public information efforts and for Consultant to provide the Services. Such third party contracts may include, without limitation, contracts for printing, graphic artwork, demographic data, opinion research, mailing services, and postage. Payment of vendors for all good, services, and costs shall be Client's responsibility, and shall be in addition to the Compensation or any other fees for the Services.

5. LIMITED WARRANTY; LIMITATION ON LIABILITY. CONSULTANT WARRANTS THAT IT SHALL COMPLY WITH THE APPLICABLE STANDARD OF PROFESSIONAL CARE IN THE PERFORMANCE OF THE SERVICES. CONSULTANT MAKES NO WARRANTY, EXPRESS OR IMPLIED, CONCERNING THE RESULTS OF THE SERVICES. THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, AND, TO THE FULL EXTENT PERMITTED BY LAW, ALL IMPLIED WARRANTIES ARE HEREBY EXCLUDED. CONSULTANT'S SOLE AND MAXIMUM LIABILITY FOR A BREACH OF THIS AGREEMENT, INCLUDING ANY WARRANTY, SHALL BE A REFUND OF THE COMPENSATION ACTUALLY PAID TO CONSULTANT UNDER THIS AGREEMENT. IN NO EVENT SHALL CONSULTANT BE LIABLE FOR INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR ANY OTHER TYPE OF DAMAGES ARISING OUT OF OR RELATED TO THE SERVICES OR THIS AGREEMENT. SUCH LIMITATION APPLIES REGARDLESS OF WHETHER SUCH DAMAGES ARE CAUSED BY BREACH OF CONTRACT, WILLFUL MISCONDUCT, NEGLIGENT ACT OR OMISSION, OR OTHER WRONGFUL ACT OR OMISSION.

6. Indemnification.

(a) Each party agrees to indemnify, defend and save harmless from all loss, liability, damage, claim, cost or expense (including reasonable attorney fees or court costs) of a third party to the extent caused by the actual or alleged infringement of any patent, copyright, trade secret, or other proprietary right arising from or related to any material it furnished to such other party pursuant to this Agreement.

(b) Each party (the "Indemnifying Party") agrees to indemnify, defend, and save harmless the other party from all loss, liability, damage, claim, cost or expense (including reasonable attorney fees or court costs) of a third party arising from or relating to any personal injury, death, damage to property, or economic loss to the extent caused by the Indemnifying Party's sole negligent act or omission, intentional misconduct, or other breach of duty. In the event both Consultant and Client are at fault, indemnification shall be proportionate to their respective shares of fault. In the event neither party is at fault, each party shall bear responsibility for its own losses, expenses and liabilities.

7. Term; Termination.

a) Unless terminated earlier as provided herein, this Agreement shall commence on the Effective Date and shall continue for ten (10) months through December 31, 2007 (the "Initial Term"). Thereafter, as required, Agreement shall continue for renewing one (1) month periods (each a "Renewal Term") on the same terms and conditions in effect as of the time of such renewal. The Initial Term and all Renewal Terms shall be collectively referred to herein as the "Term". Either party may terminate this Agreement by providing the other party with written notice a minimum of thirty (30) days prior to the start of any Renewal Term.

(b) In the event Consultant is in default of one or more of its obligations under this Agreement, Client shall have the right to terminate this Agreement if within thirty (30) days of written notice to Consultant a detailed description of Client's basis for such termination, Consultant fails to cure any such breach, or commence to cure such breach if the breach will in good faith take a larger period to cure.

c) Failure by Client to make timely payments of the Compensation, vendor costs, or other expenses arising from performance of this Agreement by Consultant shall entitle Consultant to immediately terminate or suspend performance of this Agreement by sending written notice of termination to Client. In the event of a termination by Consultant, Client shall pay the outstanding balance of all fees due to Consultant provided in this Agreement within ten (10) days of the termination.

8. Ownership of Work Product. All finished documents and other materials prepared by Consultant under this contract shall be jointly owned by Client and Consultant with the exception of artistic renderings. Future use of such artistic renderings by Client shall be subject to negotiation between Client and the appropriate artist/sub-vendor.

9. Agreement Is Confidential. Client agrees that Client shall not during, or at any time following termination of Agreement with Consultant, disclose or divulge to other parties, the specific terms of this Agreement, except as required by law.

10. Protection of Confidential Information. Each party has and will develop, compile, and own certain proprietary techniques and confidential information and data that have great value in its business (such techniques, and information and data are referred to in this Agreement collectively as "Confidential Information"). Confidential Information includes, without limitation, (a) all information that has or could have commercial value or other utility in the business in which the party is engaged or in which it contemplates engaging and (b) all information of which the unauthorized disclosure could be detrimental to the interests of the party, whether or not such information is identified as Confidential Information by Consultant.

Except as require by law, the party receiving Confidential Information (the "Receiving Party") shall keep confidential any and all Confidential Information regardless of means of transmission and storage. Failure to mark any of the Confidential Information as confidential or proprietary shall not affect its status as Confidential Information under the terms of this Agreement. The Receiving Party shall take all reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of the Confidential Information. Without limiting the foregoing, the Receiving Party shall take at least those measures that the Receiving Party takes to protect its own most highly confidential information. The Receiving Party acknowledges that it is impossible to measure fully, in money, the injury that will be caused in the event of a breach or threatened breach of this provision and the disclosing party shall be entitled to injunctive relief to enforce the provisions of this Agreement, without prejudice to any other remedy that such party may have at law or in equity.

11. Insurance. Consultant shall obtain and maintain at its sole cost and expense throughout the Term the following insurance coverage:

Commercial (Comprehensive General) Liability with minimum limits of \$1,000,000.00 for bodily injury and property damage per occurrence and \$1,000,000.00 for bodily injury and property damage in the aggregate.

Workers' Compensation with minimum limits as required by the Labor Code of the State of California.

At Client's request, Consultant shall deliver to Client, certificates evidencing all required policies. All such information regarding insurance coverage shall be deemed to be Confidential Information.

12. Late Charges. Consultant may charge a late fee of 1.5% per month on any payment due under this Agreement and not paid in full on the date due, and on any balance due and unpaid more than thirty (30) days after presentation of any statement or invoice from Consultant.

13. Notice. All notices required or permitted under this Agreement must be in writing and will be deemed given (a) when delivered personally, (b) two (2) days after having been sent by commercial express courier with written verification of receipt, (c) on transmission by facsimile, provided that receipt

is confirmed by a report generated the facsimile machine transmitting such notice, or (d) on the earlier of receipt or seven (7) business days after having been sent by U.S. first class mail, return receipt requested, postage prepaid. The delivery address for any such notice shall be as follows:

Consultant: Sidewalk Strategies, a Division of TRAMUTOLA LLC
191 Ridgeway Avenue
Oakland, CA 94611

Client: City of Lompoc
Attn: Gary Keefe, City Administrator
100 Civic Center Plaza
Lompoc, 93438-8001

14. Survival. All terms and provisions hereof intended to be observed and performed by the parties after the termination hereof, shall survive such expiration or termination and shall continue thereafter in full force and effect, subject to applicable statutes of limitations. Provisions that shall survive include, without limitation, Sections 2, 6, 8, 9, 10, 14 through 19, inclusive.

15. Severability. If a court of competent jurisdiction finds any provision of this Agreement void, illegal, invalid or unenforceable as applied to any person or circumstance, the remainder of this Agreement and the application of such provision to other persons or circumstances shall be interpreted so as best to effect the intent of the parties hereto. The parties further agree to replace any such void, illegal, invalid or unenforceable provision with a valid and enforceable provision that will achieve, to the fullest extent possible, the economic, business, and other purposes of such provision.

16. Assignment Prohibited; Binding Effect; No Third Party Rights. No party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempt to assign such rights or obligations shall be null and void. Notwithstanding the prior limitation, this Agreement shall be binding on and inure to the benefit of the parties hereto, their successors and assigns. This Agreement shall not create any rights or benefits to parties other than Client and Consultant. No third party shall have the right to rely on Consultant opinions rendered in connection with the Services without the prior written consent of Consultant.

17. Attorney Fees and Expenses. In the event of any action or proceeding arising from or related to this Agreement, the prevailing party shall be entitled to recover its costs including, without limitation, reasonable attorney fees and expenses.

18. Governing Law; Venue. This Agreement shall be governed by the laws of the State of California without regard to any conflicts of law doctrine. In any action or proceeding brought to enforce this Agreement or any other claim arising out of or related to this Agreement, the exclusive venue shall be Alameda County, California. Each party submits to the exclusive jurisdiction of any state or federal court sitting in Alameda County, California and waives, to the maximum extent permitted by law, any and all rights, either substantive or procedural, which in any way limit or prevent enforcement of the terms of this Agreement.

19. Entire Understanding; Waiver; Modification. This Agreement constitutes the complete and exclusive statement of the agreement among the parties about the described subject matter. It supersedes all prior written and oral statements, including any prior representation or statement. No waiver or indulgence of any failure to keep or perform any promise or condition of this Agreement shall be a waiver of any preceding or succeeding breach of the same or any other promise or condition. No waiver of any right shall be construed as a waiver of any other right. Neither party shall be required to give notice to enforce strict adherence to all terms of this Agreement. No waiver or modification of any of the terms of this Agreement shall be valid unless in writing, signed by the party to be bound.