



FAIRBANK, MASLIN,
MAULLIN, METZ
& ASSOCIATES

LETTER OF AGREEMENT
RESEARCH FOR CITY OF REEDLEY
FM3 Job #s: 921-5015
FEBRUARY 20, 2019

1. It is agreed that Fairbank, Maslin, Maullin, Metz & Associates, Inc. (FM3) will provide public opinion research services (Services) for the City of Reedley, CA (Client) for a total cost not to exceed \$24,850.
2. These Services include a survey of up to 300 registered voters in Reedley, averaging up to 20 minutes per interview, as outlined in FM3's proposal dated December 12, 2018. The survey will be conducted both online and by telephone (landlines and mobile phones).
3. The costs for this project include all professional and staff time, questionnaire design, questionnaire translation, sample acquisition, survey programming, email invitations, survey hosting, bilingual telephone interviewing, data entry and analysis, and reporting necessary to complete dual-mode (online and telephone) surveys.
4. Both parties will reach a mutual agreement on the contents of the research instruments. Client agrees that, when its approval is called for hereunder, it will promptly review and approve all such matters in good faith and in consultation with FM3, and that its approval will not be unreasonably withheld or delayed.
5. As compensation for Services under this Agreement, Client agrees to pay FM3 a minimum fee of 50% of the cost of each project upon commencement of the project (\$12,425). The remaining balance of the final cost agreed upon by both parties in writing, will be due and payable 30 days after completion of the project. Client shall pay FM3's invoices for Services rendered within fifteen (15) days after each invoice's date. In the event that any invoice remains unpaid on the sixtieth (60) day after the date on the invoice, interest of 1.5 percent per month shall be payable on the unpaid balance.
6. When FM3's Services conclude, all unpaid charges owed shall become immediately due and payable, according to the terms in the preceding paragraph.
7. This Letter of Agreement will take effect when Client returns a signed copy of this Letter of Agreement.
8. The prevailing party in any action or proceeding to interpret or to enforce any provision of this Letter of Agreement will be awarded reasonable attorney's fees and costs incurred in that action or proceeding or in any efforts to negotiate the matter. Each party to pay their own attorney fees.

9. This Letter of Agreement shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto. This Letter of Agreement cannot be assignable without prior written approval by Client.
10. This Letter of Agreement is deemed to have been entered into in the County of Los Angeles, State of California, and shall be governed by the laws of the State of California. Any action or proceeding with respect to this Letter of Agreement or any matter arising therefrom shall be maintained exclusively in the Superior Court in the County of Los Angeles, California, as the jurisdiction and venue of which each party hereby specifically consents.
11. This Letter of Agreement contains the entire agreement and understanding concerning the subject matter hereof between the parties, and supersedes and replaces all prior negotiations, proposed agreements, written or oral.
12. This Letter of Agreement may be signed in one or more counterparts, each of which shall be deemed an original and shall be effective when the other parties have executed a counterpart.
13. The individuals executing this Letter of Agreement on behalf of each of the parties hereby represent and warrant that each is duly authorized to do so.
14. It is understood and agreed that Client is and shall be solely responsible for the use of the public opinion research provided by FM3 under this Letter of Agreement. It is understood and agreed that FM3 is solely responsible for the results of the public opinion research provided pursuant to this Letter of Agreement. FM3 shall at all times comply with state and federal law, and any statute, rule, regulation or order from any governmental or regulatory agency. In the event that any state and/or federal, regulatory agency or any other person and/or entity shall make a claim against Client or its' agents, employees, or affiliates which is in any manner related to this Letter of Agreement, the services of FM3, or the results of any public opinion research provided by FM3, FM3 shall indemnify and hold harmless included but not limited to costs and attorney fees incurred by Client in defense of such matter.
15. All notices, demands, requests or approvals to be given under this Agreement, shall be given in writing and conclusively shall be deemed served when delivered personally or on the third business day after deposit in the United States mail, postage prepaid, registered or certified, addressed as follows:

A. All notices, demands, requests or approvals from FM3 to Client shall be addressed to:

Nicole R. Zieba
City Manager, City of Reedley
1717 9th Street
Reedley, CA 93654
Telephone: (559) 637-4200 ext 212
E-mail: nicole.zieba@reedley.ca.gov

B. All notices, demands, requests or approvals from Client to FM3 shall be addressed to:

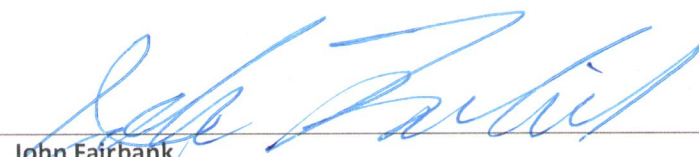
John Fairbank
Fairbank, Maslin, Maullin, Metz & Associates, Inc.
12100 Wilshire Boulevard, Suite 350
Los Angeles, CA 90025
Telephone: (310) 828-1183
E-mail: John@FM3Research.com



Nicole R. Zieba
City of Reedley

2/27/19

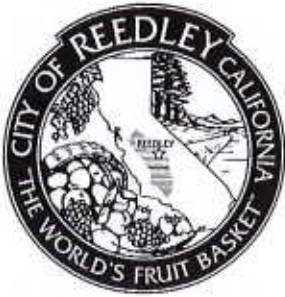
Date



John Fairbank
Fairbank, Maslin, Maullin, Metz & Associates, Inc.

3-20-19

Date



REEDLEY CITY COUNCIL

- ☐ Consent
- ☒ Regular Item
- ☐ Workshop
- ☐ Closed Session
- ☐ Public Hearing

ITEM NO: 7

DATE: February 26, 2019

TITLE: CONSIDERATION OF ITEMS PERTAINING TO PUBLIC OPINION RESEARCH SERVICES

- A) APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE A LETTER OF AGREEMENT WITH FAIRBANK, MASLIN, MAULLIN, METZ & ASSOCIATES FOR PUBLIC OPINION RESEARCH SERVICES REGARDING THE PUBLIC'S PERCEPTION OF PUBLIC SAFETY, COMMUNITY SERVICES, PARKS, AND OTHER VITAL CITY SERVICES, AND OPINIONS REGARDING AN ADDITIONAL LOCAL TRANSACTIONS (SALES) AND USE TAX TO MAINTAIN OR STRENGTHEN THESE SERVICES, FOR A TOTAL COST NOT TO EXCEED \$24,850
- B) ADOPT BUDGET RESOLUTION NO. 2019-018 AMENDING THE FISCAL YEAR 2018-2019 ADOPTED BUDGET TO APPROPRIATE \$24,850 IN THE GENERAL FUND FOR PUBLIC OPINION RESEARCH SERVICES

SUBMITTED: Paul A. Melikian, Assistant City Manager 

APPROVED: Nicole R. Zieba, City Manager

RECOMMENDATION

It is recommended that the City Council approve and authorize the City Manager to execute a Letter of Agreement with Fairbank, Maslin, Maullin, Metz & Associates (FM3 Research) and adopt Resolution No. 2019-018 amending the fiscal year 2018-19 Adopted Budget to appropriate \$24,850 in available unallocated General Fund balance for public opinion research services regarding the public's perception of public safety, community services, parks, and other vital City services, and opinions regarding an additional Local Transactions (Sales) and Use tax to maintain or strengthen these services, for a total cost not to exceed \$24,850.

EXECUTIVE SUMMARY

The City's finances are on solid ground for FY 2018-19, with no use of the General Fund Reserve; however balancing this year's budget was a significantly greater challenge than the last three years, primarily due to rising costs for employee benefits and increased costs for goods and services passed along to the City by vendors and service providers. The City has survived in the lean years of the Great Recession by strategic use of one-time revenue to bolster reserves and make smart investments in technology or facility improvements that save operational dollars and make existing staff more efficient. The primary revenue and expense components of the City's budget are performing steadily over the long-term; however sharp fluctuations experienced in isolated areas such as sales tax and water consumption

revenue are dealt with using conservative estimates.

The City recently completed its first comprehensive multi-year financial forecast, primarily driven by the significant impact of increased employee benefit costs, the largest component of any municipal government, are expected to grow faster than any other expenditure area of the budget. The forecast revealed that even with a modest level of economic development activity in the coming years, the additional revenues would only bridge a portion of the impending budget gap. Based on the current forecast of employee benefit costs, with an emphasis on Public Safety employees, the City's outlay will ramp up to such an extent, effectively doubling in six years, that strategic use of the General Fund Reserve will be needed in future budget years to 'balance' the budget unless other dramatic budgetary changes occur.

The use of the General Fund Reserve is not panacea for this situation, and should only be viewed as a temporary solution since the City would be using one-time resources for an ongoing structural deficit that could eventually lead to reductions to staff and service levels in the community. The City is certainly not alone in this predicament, and many cities in California are facing circumstances much more dire than Reedley. Staff believes that taking a proactive approach to the impending budget shortfalls will allow appropriate time to consider all options and conduct communication with the community.

Communication is critical at this early stage since the projected deficits in the General Fund are based on the current level of services being provided to the community for police, fire, senior and youth programs, parks maintenance, and community development. It is vital to understand the public's perception and thinking about how the City is currently doing, and their desire to maintain or even expand services to sustain the quality of life that Reedley residents currently enjoy.

The scope of work for FM3 Research services will be similar to their work approximately a decade ago, and will include a survey of up to 300 registered voters in Reedley, averaging up to 20 minutes per interview. The survey will be conducted both online and by telephone (landlines and mobile phones). The costs for this project include all professional and staff time, questionnaire design, questionnaire translation, sample acquisition, survey programming, email invitations, survey hosting, bilingual telephone interviewing, data entry and analysis, and reporting necessary to complete dual-mode (online and telephone) surveys. Should the attached agreement be approved, it is anticipated that polling activity would commence Spring 2019.

Public Safety Sales Tax

The City recently completed its first decennial review of Measure G, the half cent Public Safety Sales Tax, passed by Reedley voters in February 2008. The review included a full report to the Measure G Oversight Committee of expenditures, accomplishments and service improvements as a result of the tax measure, as well as outreach to the community on the use of the tax dollars. This full review was conducted in addition to the regular annual review and reporting that is presented to and considered by the Oversight Committee. The result of the decennial review was that year after year, City leaders continue to be excellent stewards of the tax measure dollars, using them expressly for the purposes approved by the voters. It is a priority for the City Council and staff to work to bolster and maintain the strong trust the public has placed in the City.

BACKGROUND

FM3's Research has been used to pass local finance measures for 120 California cities since 2008, including 17 Central Valley cities. The City last worked with FM3 Research in 2007 on polling services that eventually led to successfully securing voter approval for the half-cent public safety sales tax Measure G in February 2008. Their research accurately identified the level of support that would be generated by a dynamic campaign environment in which both supporters and opponents of Measure G communicated with the public.

In addition to their work on Measure G, FM3 Research also regularly provides finance measure research for school districts, community colleges, and countywide and other regional agencies that serve the residents of the City of Reedley. Local agencies that serve the Reedley community that have utilized FM3's research to help pass one or more local finance measures in recent years include the Kings Canyon Unified School District, State Center Community College District, the Fresno County Transportation Authority, the Fresno County Zoo Authority, and the Fresno County Library. In the most recent statewide general election in November 2018, FM3's research helped 37 California cities pass ballot measures to provide funding for critical local public services.

FM3 Research is a California-based company that has been conducting public policy-oriented opinion research since 1981, conducting political surveys for candidate and ballot measure campaigns, and has since broadened their focus over the past several decades to all types of general population surveys. These include surveys for organizations seeking to deepen their understanding of how the public perceives certain policy issues, or how the public perceives their organization or its services. FM3 Research also conducts a wide-range of research with "closed" populations, such as employees or key decision-makers. In any given year, FM3 Research conducts hundreds of surveys, focus groups and other types of opinion research. They currently have 22 full-time employees split between our Los Angeles and Oakland offices, and have an in-house data analysis/processing team and presentation design resources, which would allow the City to engage in more sophisticated data analysis.

FISCAL IMPACT

The total project cost is not to exceed \$24,850, derived from unallocated fund balance in the General Fund.

ATTACHMENTS

Letter of Agreement dated February 20, 2019
Budget Resolution 2019-018