

# 12102



**Nesbitt Planning  
and Management, Inc.**

October 21, 2004

**RFP Number: 141-04CMB**

Ms. Cathy M. Betts  
King County Procurement Services Section  
Exchange Building, 8th Floor  
821 Second Avenue  
Seattle, WA 98104-1598

Dear Ms. Betts:

We are pleased to submit our proposal to prepare the North Highline Governance Study for the King County Council and its citizens.

Nesbitt Planning and Management is a local leader in incorporation, annexation and fiscal impact analyses. We have an extensive track record of clear, professional and unbiased incorporation and annexation studies and analyses in King, Pierce, Clark, Snohomish, Spokane, and Clallam Counties. Within the State of Washington, we have prepared formal Boundary Review Board or County Executive studies for the communities that became the Cities of Burien, Woodinville, University Place, Lakewood, Newcastle, Sammamish, Shoreline, and Covington. We recently prepared an extensive annexation study for the City of Issaquah, analyzing revenues and levels of service for the two potential annexation areas of Klahanie and Greenwood Point. Outside of Washington, we have analyzed a very large county's options for incorporation or annexation of every one of its remaining unincorporated areas. And we have also performed numerous analyses for citizen groups representing communities considering incorporation, annexation or consolidation.

Our main assets are beyond the technical, however. To this study we bring:

1. Rigorous Independence. Although we know and enjoy most of the principals involved with these fiscal studies at King County, we are independent of them. We are not under contract to King County now and have not been for several years, particularly not on any issue concerning North Highline. And our reputation is one of independence. On all our incorporation studies, for example, we have never been allied with any faction, pro or con. Instead, we have had the pleasure of seeing our analysis and numbers almost always accepted by both sides – and used by both in their deliberations about what course would be best for their community.
2. Respect of Citizen Groups. Even though most of our incorporation or annexation studies have been funded by some governmental office, in many ways the ultimate clients have always been the area residents – especially those activists interested enough to commit the time necessary to help guide the study. We think we earn these groups' respect through our totally "up front" style of communication. We invite you especially to refer to our citizen reference for our recent Issaquah analysis.

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For our team, we have a pair of highly experienced, articulate analysts and managers with intimate knowledge of municipal revenues and service level costing. We are analytically skilled, but we also know how things work. We have a detailed understanding not only of the numbers, but also respect for competing interests, community dynamics, legal constraints and the political process. We are skilled in listening to and working with elected officials, whom we find enjoy working with mature, seasoned presenters who also understand the technical numbers to the core. We are experienced with organizing and holding effective, non-cloying community meetings and focus groups that gainfully involve communities in governmental process.

And we are both workers! There are no hidden corporate personnel and certainly no "show" personnel, such as principals who appear only for the interview and the occasional presentation. We are the people who will do the work and who will help you to understand and apply it for the benefit of your community.

Our established team joins the strength of two small consultancies, each well known in this field:

**Thomas Nesbitt, Nesbitt Planning & Management, Inc.** will head the project and have prime responsibility for project management, the core fiscal basis and GIS analysis.

**Cynthia Stewart, Northwest Small Cities Services,** will have prime responsibility for preparation of budgets.

Both principals will work on the level of service analysis, the fiscal balance and final conclusions, recommendations, and reporting.

We are ready to begin immediately upon contract approval on December 6, presuming contract commitment by November 12. Presuming timely turnarounds on the County data requests, we can confidently commit to a delivery of the final report by April 30, 2005.

We look forward to meeting with the interview panel.

Sincerely,

Thomas J. Nesbitt  
President  
Nesbitt Planning & Management, Inc.

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## B. TECHNICAL PROPOSAL

### 1. Objectives

Our understanding is that the North Highline area, an unincorporated “island” bordered by primarily by Seattle and Burien and studied by both cities for annexation, would prefer to remain intact. The Growth Management Act’s 2012 deadline for annexation or incorporation of remaining unincorporated areas inside of urban growth areas, however, creates pressure on the County and the North Highline area to determine what form the future of the North Highline area should take. The County’s interests are intensified by its struggles with the CX Fund. Community leaders, therefore, have requested this examination of possible incorporation.

We infer that this desire for preservation as a whole community must be quite strong, as the study is explicitly asked to posit several potential new taxes if needed to assure solvency of the new city. This direction on the part of the citizens is forthright, as to our knowledge, no supporters of new King or Pierce County cities over the last fifteen years have dared even discuss potential new taxes during the formation process. Consideration of utility taxes and / or business and occupation taxes is wholly reasonable, of course, as they are enacted in many cities - including several of the new cities in King County by now - but no one seeks new taxes unless they are necessary for a higher good.

If North Highline is to incorporate, its citizens will have to give their assent to the formation of the new city at an election. We therefore see these citizens – a much wider group than the Unincorporated Area Council – as the ultimate audience for this study. This current study we understand to have the job of calculating the costs of such a new city (including new taxes, perhaps) and laying the results out transparently, so that North Highline’s citizens can make a well informed decision on their preferred course.

## 2. Data Sources and Methodology

Our underlying methodology is premised on the belief that although the choices in potential incorporations or annexations can be subtle and challenging both for citizens and their elected officials, the underlying fiscal analysis rarely is rocket science. We consider it professionally misguided to overstate complexity or to flood readers with a sea of numbers, even if it impresses. To allow the policy choices to stand clear, we prefer to approach projects with the following two features woven into our scope of work:

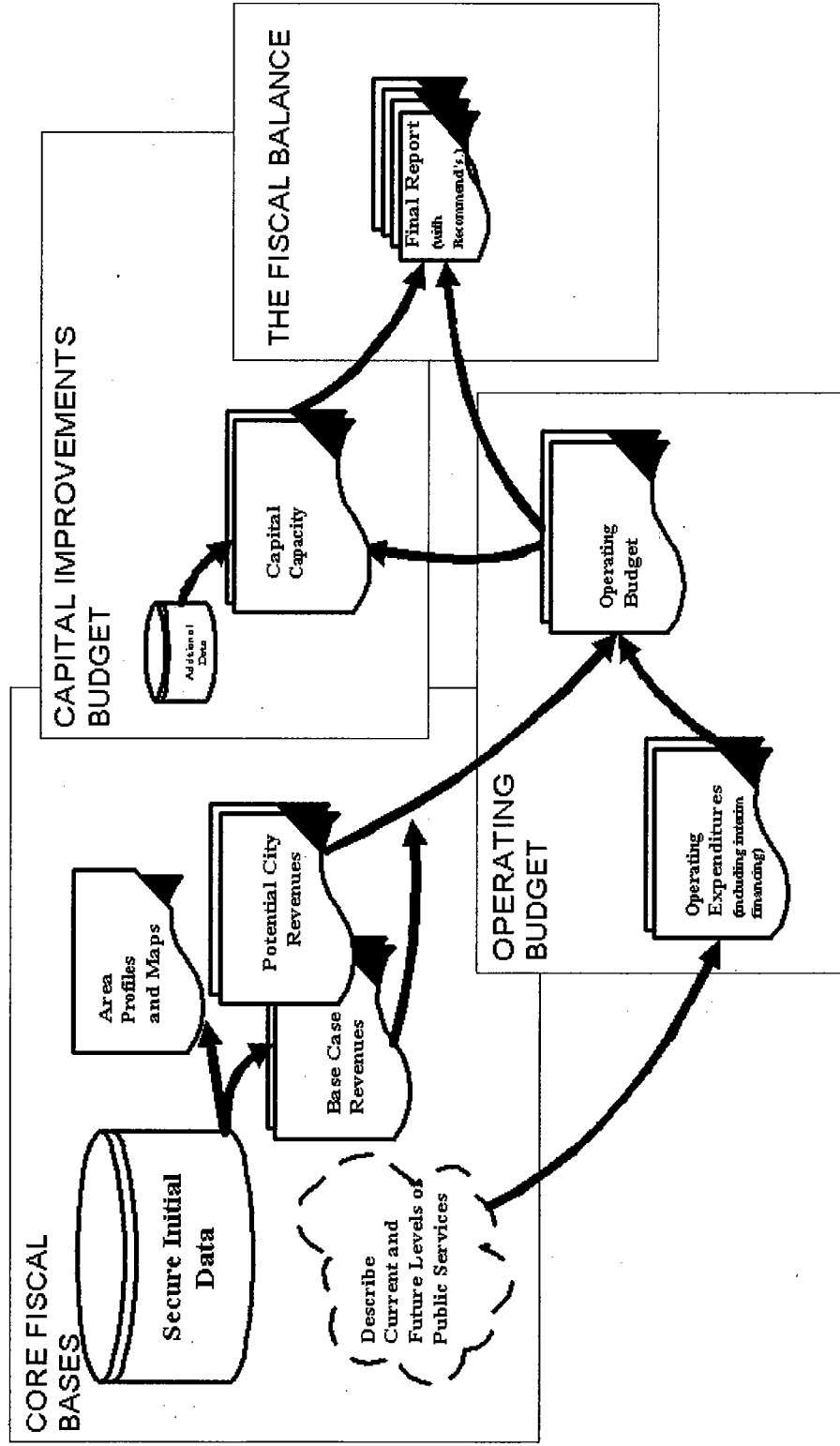
- (1) Fiscal Bases. Because certain data serve as the basis for calculating both revenue and service cost projections, we have found in past studies that clarity is maximized if these key fiscal parameters are established and reported separately before proceeding to the fiscal calculations. Accordingly, the scope proposes first calculating and reporting separately from subsequent calculation of revenues or costs such parameters as study area population, taxable assessed valuation, road miles and condition, taxable retail sales, business activity, real estate turnover, etc. This approach lays bare for any conscientious reader of the report how much of the subsequent analysis of revenue projection – and even some service costs - is simple arithmetic.
- (2) Differential Analysis. Upon incorporation, many taxes, service providers and costs do not change. For example, school districts can and do provide service across incorporated and unincorporated areas and continue unaffected by changes in city boundaries. While these and several other largely unaffected services are of interest, their relevance is mostly for background (e.g., so that readers may see how much of the total cost of all local services is represented by those services which would change) and should have quite a subdued role in reporting.

A diagram of the “Flow of Data and Calculations” on page 7 illustrates how simple, focused and hierarchical the analysis can be. The diverse source data, when collected and organized, produce the study fiscal bases and demographic pictures of the potential City. This step is strictly factual and never subject to dispute; the calculations are technical exercises. Although the calculations can be long and intricate, there is in each case a “right” answer. Projected revenues flow easily from the fiscal bases. Levels of service are more diffuse and harder to measure, but after they have been quantified, projected expenditures, whether operating or capital, flow easily as well.

In our experience, following this approach gives a study **transparency**. The sources and calculations can be seen by all. People rarely question “where did that number come from?” in our work, as it is almost always obvious. Debate seldom centers on the study mechanics, but rather on the policy options at hand. Because the analysis is hierarchical, people questioning the assumptions used in the study can also easily substitute their own . . . and recalculate figures almost on the spot. And best of all, interested laymen can and do read the entire study – and with a sense of mastery.

This approach also has one very happy effect for project managers. Because such a study is developed in successive pieces, each of which is reviewed and approved *during* the project, the draft and final reports at the *end* of the project are often largely matters of compilation and editing.

King County Council: North Highline Governance Study  
FLOW OF DATA AND CALCULATIONS



Nesbitt Planning & Management, Inc.  
Seattle, Washington



**Note On Data Retrieval.** Coordination of data retrieval from the County will be critical to meeting the timeline of this study. It will be very helpful to have a clearly designated County point person, whose role is acknowledged by County departments and who can assist in obtaining the information needed for this project. Our experience has been that without the leadership of a designated County point person, it is difficult to get questions answered in a timely fashion. While staff intentions are good, internal leadership is needed to help other staff prioritize these requests, given their other competing demands. The ability to meet the project deadlines depends on this assistance. The Request for Proposals (RFP) references a King County staff person who will serve in an advisory capacity to the Study Group and Consultant. It may be helpful to augment this staff person with a data coordinator to serve as point person with County agencies and to coordinate County departmental review of preliminary work products for the Study.

## Key Processes for Productive Reviews

Our process makes extensive use of the Study Group at key points in the project, as we describe in detail in the “Study Group Program” section beginning on page 21. It is important to mention here, however, the critical the role of the Study Group in the study methodology.

Although **transparency** makes all data and calculations accessible to any dedicated and interested reviewer, generally an advisory group does not need (nor often want) to review all the detailed calculations – especially after a few calculations are probed and found solid. A higher use of a citizen advisory group, in our judgment, is to review and guide the assumptions which are *behind* the calculations. Different reasonable sets of assumptions can have a dramatic effect on the numbers which result.

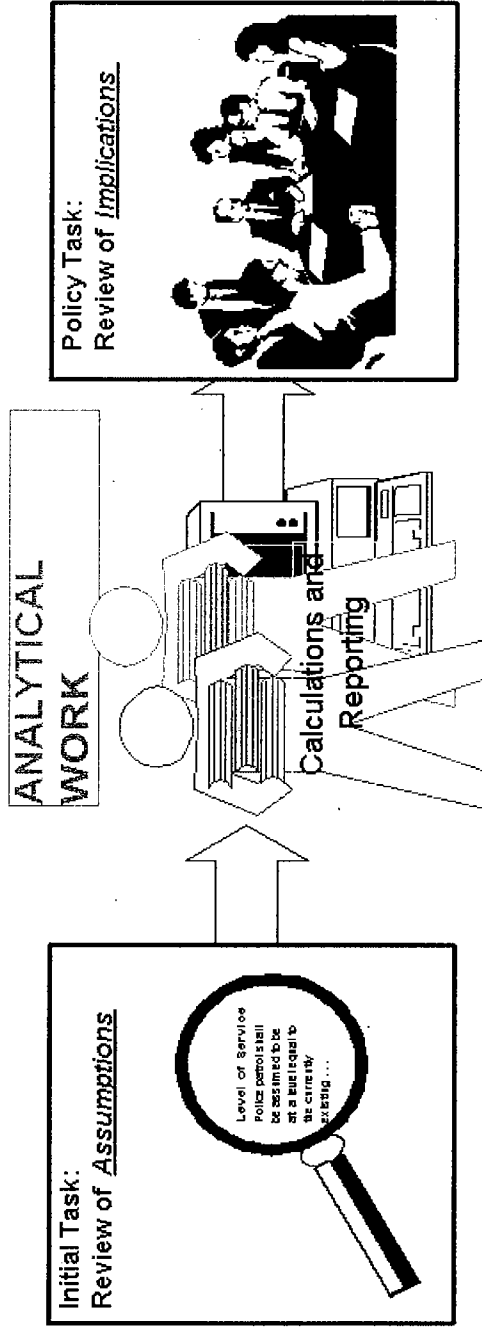
As the Study Group represents the community at large and is responsible for reflecting the community’s views and raising issues on their behalf, the Study Group must be actively involved in reviewing and blessing the study assumptions, such as future levels of service. Confidence in the assumptions chosen leads to confidence in the analytical results and brings credibility with the wider community.

Accordingly, our process for productive reviews incorporates throughout the project three repeating steps, as illustrated in the diagram on the next page. First, we isolate, highlight and display the **assumptions** and let the Study Group scrutinize and debate them. Next, based on the assumptions chosen, we make the **calculations** and report back on them. Third – and most importantly – the Study Group reviews the **policy implications** of the results.

To make well founded recommendations to the public and the King County Council at the end of the study, the Study Group will need to focus most on the policy implications of the analysis.



King County Council: North Highline Governance Study  
KEY PROCESS FOR PRODUCTIVE REVIEWS



Nesbitt Planning & Management, Inc.  
Seattle, Washington



### 3. Work Plan / Time Schedule / Budget

On the following pages, we offer:

- A step by step **Work Plan** showing every subtask of every task in the project, as well as an itemization of deliverable items,
- A detailed **Timeline** showing the sequencing of every the task, including planned overlaps, and every major milestone in the scope, and
- A task by task **Budget** showing hours by team member.

We normally develop such a detailed approach in order to carefully design a tight and responsive project. As part of contract negotiations, we always expect to further tune these items until they perfectly fit the study needs. Following this compulsively planned approach to projects has worked extremely well. We have an excellent record for bringing our projects in precisely on time and at the contracted budget, as consultation with any of our past clients will confirm.

#### Work Plan and Deliverables

The project is detailed in the following proposed step-by-step scope. We have found that being very thorough at this stage takes only a few days but pays high dividends in time efficiency later in a complex project like this incorporation study.

We expect a substantial review, tuning and acceptance of every one of these tasks and subtasks as part of contract negotiations. As detailed below, we will finalize this schedule immediately upon contract startup.

#### TASK GROUP: CORE FISCAL BASES

##### Task 1. Secure Initial Data

These tasks rapidly assemble the existing source information needed for the fiscal analysis. The information ranges from the most factual information that drives revenue estimation (such as parcel record data for individual properties) to the more policy driven information that affects cost estimation (such as level of service standards.) The latter class is usually the more difficult to obtain.

- Request and receive from the project officer copies of all relevant documents, articles, correspondence, etc., leading to the commissioning of this incorporation study. Discuss with the project officer to confirm the intent and goals of the study.



Meet with representatives of the Highline Unincorporated Area Council to review any relevant data collected to date by these neighborhoods.

- Refine the project schedule, specifying in draft the date of every deliverable, the intended week of every meeting or forum, and the committed turnaround times by the County for every major review. Hold a project “kick-off” meeting to establish lines of communication, reporting, and all major meeting and briefing dates. Finalize the schedule.
- Immediately upon contract signing, finalize and forward to the project data facilitator the first round of data requests.
- Within one week, meet with each of the departmental sources designated by the facilitator to clarify any elements of the data requests.

## **Task 2. Area Fiscal and Demographic Profiles**

These subtasks prepare the core fiscal and demographic information upon which the revenues and costs can rapidly be calculated.

- Review and confirm the County information on area demographics for 2004, including recent and projected new dwelling units. These calculations are typically derived from Census files and scaled using local growth rates as projected by the state and augmented by building permit data.
- Review and confirm the County information on the calculated current taxable assessed valuation for area, including number of parcels by type and estimated or calculated annual transfers of real property. These calculations are typically derived from the King County Assessor’s Office, with the aid of County GIS layers and associated attribute tables.
- Review and confirm the County information on taxable retail sales (and, if available, estimates of gross business income and numbers of businesses by type) for the area. Typically these data are derived with assistance from the State Department of Revenue, but the County has perfected better estimates for the major remaining potential annexation areas in the County, of which North Highline is one. From Washington State Department of Employment Security data, calculate the employment by gross sector in each of the study areas.
- Using the geographical data base assembled earlier in the subtasks above, assemble the data into area profiles for the study areas, including population density, forecasted growth in population and employment, median household income, and assessed valuation per capita. Incorporate from the departmental data received the fiscal parameters to be used for revenue and cost projections.

**DELIVERABLE:** Briefing on Fiscal Bases and Area Profiles



**Task 3. Base Case City Revenues**

In contrast to calculation of the fiscal bases above or of services below, the calculations in this task are fairly straightforward.

- Identify the taxes that would change upon incorporation. List the taxes and revenue streams which are unaffected by incorporation. Display each revenue stream showing its total for the study area and its average per household and per capita. Present in a clear set of tables drafted from the point of view of the taxpayer. Summarize in a clear set of tables and transmit to the project officer.
- Calculate all revenues for the City assuming the relevant existing revenue sources are maintained. Include property tax revenues, sales tax revenues, and franchise fee revenues, state shared revenues, permit fees, fines and forfeitures, and other miscellaneous revenues.

**Task 4. Potential City Revenues**

In this task, the potential new sources of revenue available to cities but not to counties are examined – basically business taxes and utility taxes.

- From the gross business income projected as part of the “Core Fiscal Data,” calculate the potential revenues achievable from a hypothetical business and occupation (“B & O”) tax. For the B & O rate use either the rates of nearby cities or an average of rates charged.
- Obtain the Study Group’s preferences as to which new taxes and at what rates the potential city revenue analysis should include. Project the potential revenues from the taxes which the City might chose to impose.
- Augment the taxpayer impact analysis with the extra burden of these two new taxes.

DELIVERABLE: Briefing on Base Case and Potential City Revenues

**Task 5. Current and Future Levels of Public Services**

Level of service standards drive the cost of providing each service and the specific capital projects that are budgeted. Understanding both the existing County levels of service and desired levels of services in the new city, including any noted deficiencies and/or areas of over capacity, is an essential precursor to cost analysis. Current levels of service are derived from existing County and special district budgets and staffing levels associated with services provided to this geographic area. Future levels of service are derived from various plans and will be modified by discussion with the Study Group. Also to be examined are the potential rates at which the new services can be put into effect.



- Review the County Comprehensive Plan, Six Year Capital Improvement Plans for public services, and any recent analyses for transportation concurrency, impact fees, water, sewer and related other studies. Identify basic service levels for the County's services. Identify which facilities the County assumes would be turned over to the new city and, if appropriate, at what price and in what condition. Examine possible or existing standards for level of service deficiencies.
- Assemble from the base data collected Task 1, augmented by meetings with the County departments, the drivers for each of the service costs for each area. Articulate these apparent metrics for levels of service in each area. Confer as appropriate with directors and staff to review the level of service information assembled.

DELIVERABLE: Briefing on Drivers and Unit Costs and Levels of Service

## TASK GROUP: OPERATING BUDGET

### Task 6. City Operating Expenditures

The cost projections that will result from level of service assumptions for the City will include the annual costs and necessary full time equivalents in staff (FTE's) plus certain one-time costs that might be expended in the first year or gradually over several years – but then would not recur (at least not in the immediate short term.) Each of these types of costs will be identified.

- Calculate the direct service costs for each department, using the fiscal bases, the cost drivers and unit costs described above.
- Calculate the costs that would be incurred by a new city that are not currently reflected in County costs, such as City Clerk. Calculate indirect costs for central support services such as Human Resources, City Council, Information Technology, facilities maintenance, etc.
- Calculate the number of full time equivalents (FTE's) which each service would represent.
- Compare the preliminary operating expenditure calculation with the operating expenses of the cities selected to be used as comparables.

DELIVERABLE: Briefing on city Expenditure Report



## **Task 7. City Operating Budget**

The preliminary operating budget for the new city would be drafted by compiling the projected revenues and projected operating expenditures plus some capital assumptions derived from preliminary work in Task 9, below. If this preliminary operating budget is out of balance, issues would be presented for discussion with the Study Group that will help to either balance the budget or to remain as budget gaps to be bridged in Task 12 below.

- Identify preliminary capital cost assumptions for incorporation into the operating expenditures calculated in Task 6.
- Estimate and include costs of interim financing in the operating budget projections.
- Consolidate the operating expenditures and operating revenues developed in Tasks 4 and 6 and calculate the difference between the two.
- Develop a list of options for prioritizing costs and revenues and for balancing the operating budget.

DELIVERABLE: Briefing on City Operating Budget

## **TASK GROUP: CAPITAL IMPROVEMENTS BUDGET**

The State of Washington's Growth Management Act requires all cities to establish capital facilities plans within which the status of a city's infrastructure is analyzed and goals are established for financing needed capital improvements. The plan must contain the following information, consistent with the countywide policies of the King County Comprehensive Plan:

1. An inventory of current capital facilities owned by public entities,
2. Capacities of those public facilities and any current deficiencies,
3. A forecast of the future needs for such capital facilities,
4. The proposed capacities of expanded or new capital facilities,
5. A six-year plan that will finance capital facilities within the projected funding capacities and clearly identify sources of public money for such purposes, and
6. A requirement to reassess the land use element if probable funding falls short of meeting existing needs and to ensure that the land use element, capital facilities element, and finance plan within the capital facilities plan element are coordinated and consistent.

The scope of work requested in this RFP concerns the first five of the elements listed above.

Developing the first comprehensive plan is one of the major tasks for a new city in the first few years of its existence, and the capital facilities element of this plan is a major part of that task.



Typically a newly incorporated city is given *four years* to adopt a comprehensive plan in compliance with the GMA and to develop regulations consistent with that plan.<sup>1</sup> By no means does the budget or timeline of this incorporation analysis here proposed allow the development of this full capital improvement program and budget.

However, it is possible to collect and analyze for the consideration of formation of a new city the *existing* information available from diverse sources on the likely capital costs of known needs in the area and what costs the Growth Management Act mandated six-year capital facility plan would likely include. A new city's financial picture would not be complete without this information, as an operating budget surplus still might not provide enough funds to finance capital needs.

### **Task 8. Necessary Additional CIP Data**

In this task, the assumptions about the levels of service that were discussed earlier in the study should be carried through to the presumed capital program of the new city.

- Review assumptions with the Study Group about the facilities for which the City would be responsible if incorporated (e.g., municipal facilities, police and fire protection, parks, streets, water, sanitary sewer, and storm drainage services) and identify and confirm with the Study Group those that are under the jurisdiction of another entity and that would remain under that other jurisdiction's control and authority (e.g., schools) and those that would be provided by another jurisdiction through interlocal agreement (e.g., jail.)
- For the facilities assumed to be the direct responsibility of the new city, and using the level of service standards previously established as well as Study Group input, prepare a draft list of likely capital improvements to be faced by the City, with the year anticipated in which the improvements would be required and their likely costs, based on existing data.

### **Task 9. City Capital Budget**

In this task, the capital cost estimates from existing plans and capital forecasts are applied as if assumed by the new city.

- Identify potential or anticipated funding sources for each capital improvement identified in Task 8 and project the City's capacity for capital expenditures.
- Prepare a draft capital budget. Compare the draft capital budget to the capital programs of the cities selected for use as comparables.
- Work with the Study Group to prioritize projects for funding.

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<sup>1</sup> Municipal Research and Services Center, New City Guide, 2/2002, pages 59-60.



- Prepare a capital facilities budget element of the report that includes a projected capital improvement plan consistent with the Study Group funding priorities and describes funding gaps that may remain, if any.

DELIVERABLE: Preliminary City Capital Budget

## **TASK GROUP: THE FISCAL BALANCE**

### **Task 10. Options for Bridging Any Budget Shortfalls**

Should there would be a gap between the new city's projected revenues and the cumulative costs identified in the tasks above, identify and describe the various methods of reducing or eliminating that gap.

- Identify potential revenue and strategy options that could help to reduce any budget gaps identified in Task 7 and Task 9 and the pros, cons and relative ease of implementation of each option.

DELIVERABLE: Report on Bridging the Budget Gap (if necessary)

### **Task 11. Conclusions and Recommendations**

This task compiles the previous preliminary operating budget and preliminary capital improvement plan and presents areas that need reconciliation.

- Consolidate the preliminary operating budget and preliminary capital improvement plan and identify funding gaps, if any. Prepare a list of issues that arise from this consolidated financial picture.
- Prepare a report that describes the tax changes that would occur for residents if incorporation is approved by the voters

DELIVERABLES: Financial Plan Report and policy issues for Study Group.  
Report Of The Tax Changes For Residents





## **Task 12. Report Compilations and Final Presentation**

The draft report will compare the previously projected revenues and costs and describe whether there is an anticipated net revenue gain or shortfall for the City of North Highline if it incorporates. This report would also begin the public discussion of possible approaches to bridging any apparent fiscal shortfalls that may be identified.

- Compile the previous reports into a clear technical compendium of the base fiscal data, levels of service, revenues and costs. Add a clear executive summary and recommendations to the King County Council.
- Compile the above sections into a Draft Final Report. Present the report at a public hearing sponsored by Study Group. Amend the report if necessary following public comments.
- Work with the Study Group to present the Report and Recommendations to the King County Council.

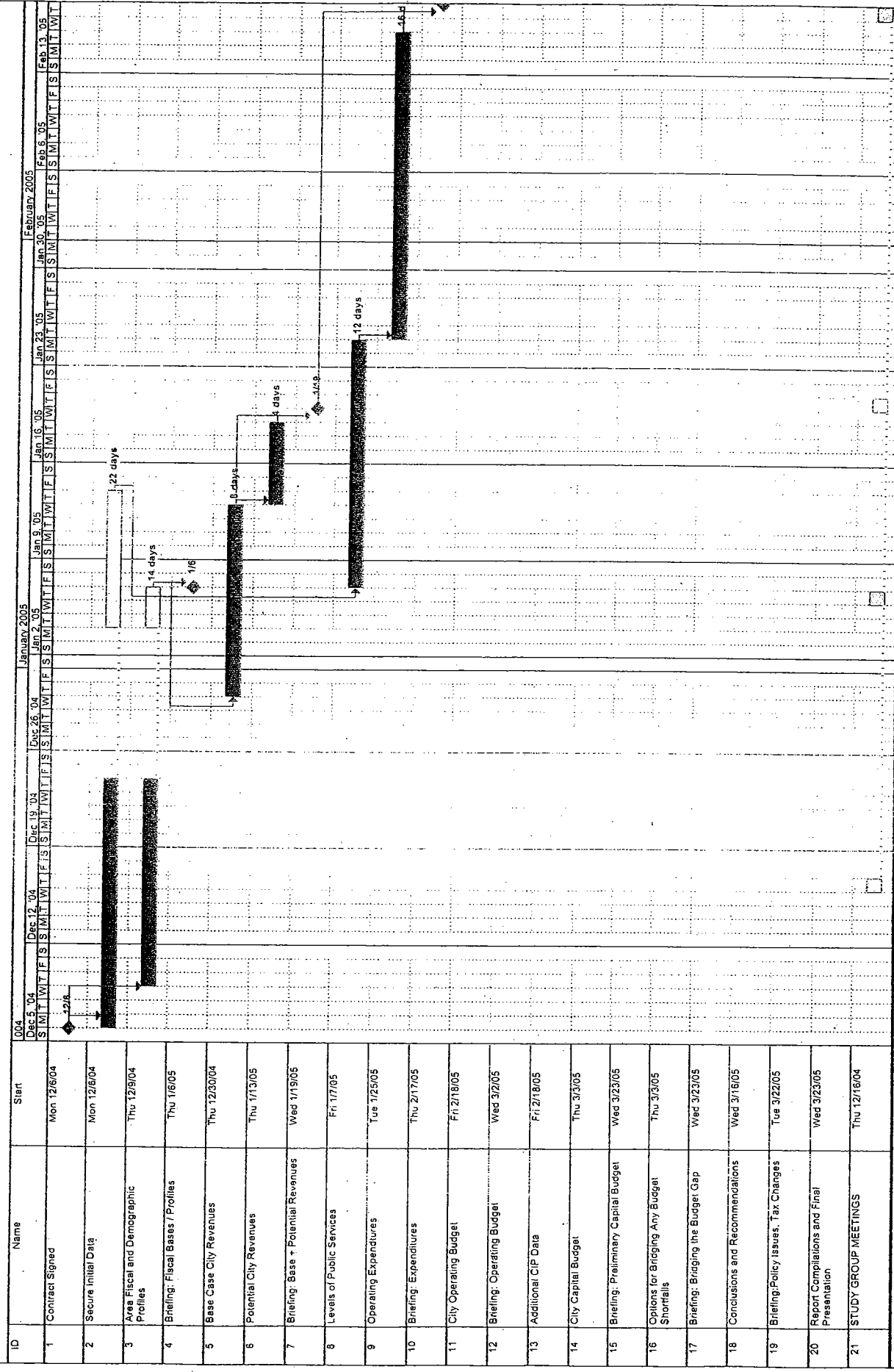
DELIVERABLE: Draft Report and Recommendations

# 12102

## A. Time Line

### North Highline Governance Study

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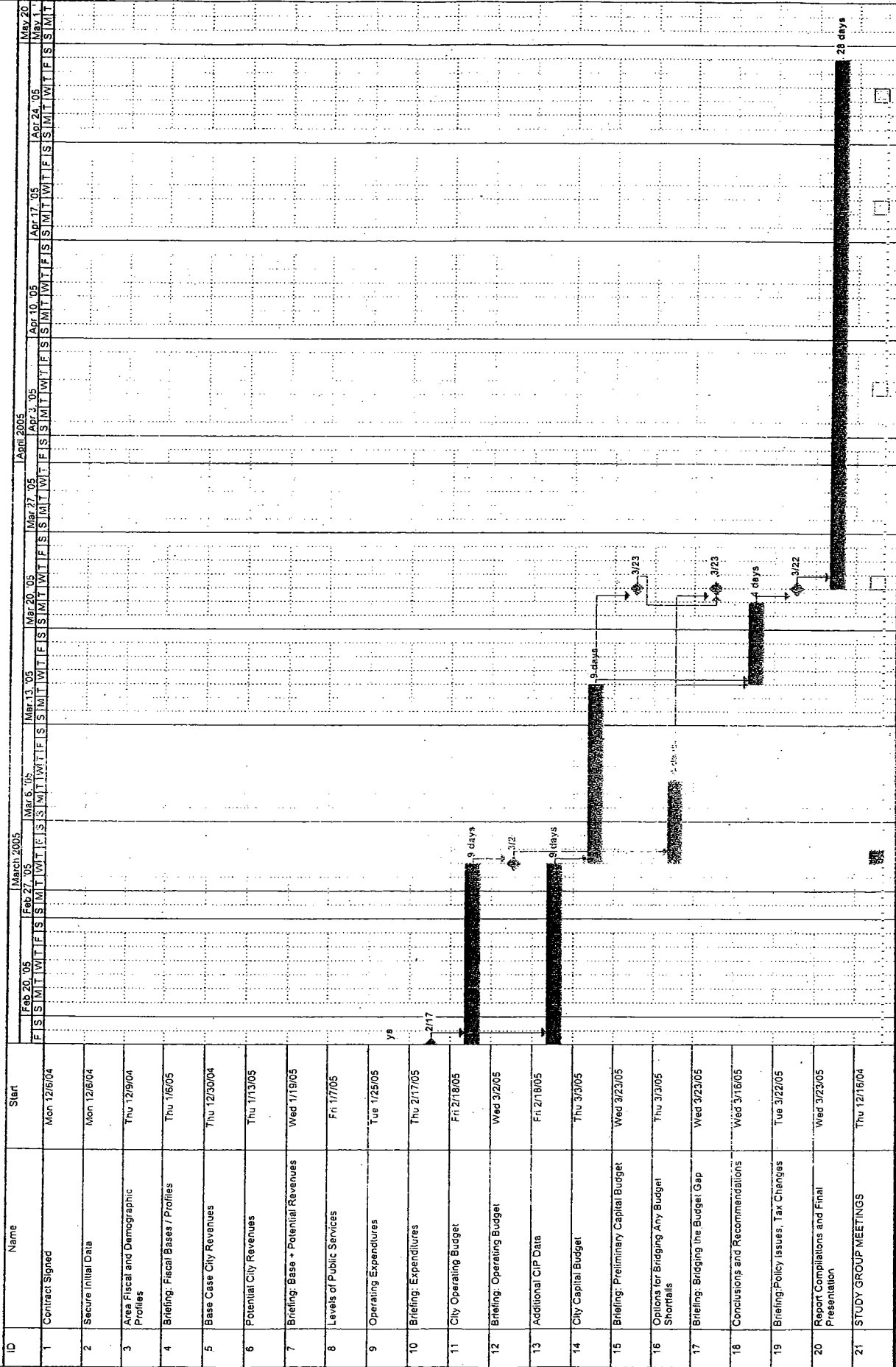


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## A. Time Line

### North Highline Governance Study

Nesbitt Planning & Management, Inc.



## Budget

We propose this scope of work, as detailed above with timeline and deliverables, for a fixed price of \$50,000. Hours are allocated by task and person as follows:

Task		Hours by Task and Team Member		
		NPM	NWSCS	Task Total
		(T. Nesbitt)	(C. Stewart)	
1	Secure Initial Data	12	8	20
2	Area Fiscal and Demographic Profiles	61	20	81
3	Base Case City Revenues	12	8	20
4	Potential City Revenues	8	4	12
5	Levels of Public Services	17	33	50
6	Operating Expenditures	33	33	66
7	City Operating Budget	12	12	24
8	Additional CIP Data	16	14	30
9	City Capital Budget	18	15	33
10	Options for Bridging Any Budget Shortfalls	8	8	16
11	Conclusions and Recommendations	12	12	24
12	Report Compilations and Final Presentation	29	17	46
		238	184	422
	Hourly Rate	\$ 125	\$ 110	
	Gross (including NPM Overhead)	\$ 29,760	\$ 20,240	\$ 50,000

We would invoice monthly throughout the project, with a summary progress report of tasks and subtasks completed and products delivered.

### Notes:

The hours above were developed subtask by subtask and rolled up to totals shown here. There is some interrelation between some subtasks, so any change in the level of effort in individual tasks may have slight effects on other tasks' costs.

All normal office overhead costs are included in the hourly rates.

Totals are rounded and include small but negligible rounding error.



## 4. Study Group Program

This project has sponsors with distinctly different interests. It will be critical for all of the interests to be addressed by the process of this study. King County has an interest in assuring that it meets the Growth Management Act deadline of 2012 for divesting itself of the remaining unincorporated areas within its urban growth boundary. The North Highline citizens have an interest in assuring that the best possible decision is made concerning their future status. These interests will be addressed in different ways throughout this process. Both sets of parties will require accurate, non-controversial data from which to make decisions.

The Study Group as currently configured per the RFP is comprised of the North Highline Unincorporated Area Council, together with a King County appointed staff person. It could be very helpful to have the King County Council person who represents the North Highline area also serve on the Study Group. In previous studies we have prepared, having elected officials on the Study Group served the joint purposes of (1) keeping them well informed on a first hand basis of the study, its conclusions, and issues of concern to the residents and (2) giving them the opportunity to keep their peers on the Council well informed of key issues and to anticipate necessary Council actions.

And for the final report to have credibility with citizens of the potential incorporation area, the citizens must be fully aware of and concur with the underlying assumptions used in the analysis as well as understand the conclusions reached. This is imperative in light of the controversy over previous annexation studies performed for this area.

Our approach to the Study Group is founded on our firm belief in the benefits of having full review and participation of those affected by the work. Our approach will be to provide transparency in the analysis by creating dual opportunities to review products: once to discuss assumptions to be used and a second time to discuss the policy implications of the analysis. We have found this approach results in fewer doubts about the calculations themselves and focuses attention primarily on the heart of the matter, the implications of the conclusions. When the final report is presented, there are no surprises.

We are experienced and skilled at staffing committees in a way that allows committees to deliberate effectively on policy questions, as we present information in a format that is understandable and functional for such deliberations. In this study we will also call attention to areas in which we as management consultants perceive that the County and the Study Group may have divergent interests. We have extensive facilitation experience that may be helpful in drawing out group discussion and eliciting cohesive group feedback.

As shown below, *we propose a Study Group review process that includes two to three additional meetings beyond the six prescribed in the RFP.* This allocation of resources would allow the Study Group to review and deliberate on the assumptions in each major task prior to reviewing the products of calculations based on those assumptions. At the discretion of the Study Group, there could be an additional meeting for further work between the public presentation of the draft report and the presentation of the report to the King County Council, if indicated based on public comments.

We would present work to the Study Group in the following ways:

- A. A schedule of meetings would be developed at the beginning of the project based on the timeline for study tasks. This schedule will allow both Study Group members and the Consultants to reserve the time needed and assure that the project meets its deadlines.<sup>2</sup>
- B. For each meeting of the Study Group, we would provide a draft report or discussion paper no less than three days prior to the meeting.
- C. The agenda for each meeting would include an oral summary of the report and an opportunity for the Study Group to ask questions, followed by a structured list of policy questions for Study Group discussion.
- D. If requested, we would prepare notes of each meeting, which would be available to the Study group in draft form within three days and would be approved or revised at the subsequent meeting.
- E. We ask each group with whom we work to do an oral evaluation at the end of each meeting. Although this takes only a few minutes of each meeting, it provides invaluable feedback to the Consultants about how the meeting and the products could be improved (or enhanced, by continuing good work.)

We would ask the Study Group and County staff to provide the public notification and facilities of the meetings and particularly the public meeting, which may need special public notice strategies.

Each of the meetings we propose, including the goals of the meeting and agenda items, are listed in the table below.

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<sup>2</sup> The schedule above in this section shows the relative relationship of Study Group meetings and topics. It will need to be reconciled with the final schedule of task deliverables and with Study Group preferences about when meetings are to be held.

Meeting	Agenda Goals/Topics
1. Project Kickoff	<p>Goals:</p> <ul style="list-style-type: none"> <li>• Assure Study Group and Consultant mutually understand expectations</li> <li>• Develop Working Assumptions for Analysis</li> </ul> <p>Agenda:</p> <ul style="list-style-type: none"> <li>• Review Final Scope of Work</li> <li>• Establish Study Group Goals for the Study - issues of concern, hopes and expectations</li> <li>• Establish Project/Study Group Ground Rules, including:               <ul style="list-style-type: none"> <li>○ Study Group Meeting Schedule</li> <li>○ Process Guidelines</li> <li>○ Expectations for public comments</li> </ul> </li> <li>• Define Study Group Preferred Characteristics of Comparable Cities for Expenditure Analysis</li> </ul>
2. Baseline Assumptions	<p>Goals:</p> <ul style="list-style-type: none"> <li>• Develop Working Assumptions for Analysis</li> </ul> <p>Agenda:</p> <ul style="list-style-type: none"> <li>• Review and comment on Key Fiscal Parameters</li> <li>• Review and comment on Base Case Revenue Analysis Assumptions</li> <li>• Review and comment on List of Potential New Sources of City Revenue and Rates, including review of rates and taxes in the comparable cities</li> <li>• Review and comment on City Requirements that lead to Expenditure Assumptions</li> <li>• Consultant Report on Proposed Comparable Cities</li> <li>• Draft Fiscal Bases Analysis</li> </ul>
3. Preliminary Reports	<p>Goals:</p> <ul style="list-style-type: none"> <li>• Review and comment on Preliminary Reports</li> </ul> <p>Agenda:</p> <ul style="list-style-type: none"> <li>• Draft Revenue Analysis</li> <li>• Review and comment on Preliminary Level of Service Analysis</li> </ul>
4. Preliminary Reports, cont'd	<p>Goals:</p> <ul style="list-style-type: none"> <li>• Review and comment on Preliminary Reports</li> </ul> <p>Agenda:</p> <ul style="list-style-type: none"> <li>• Review and comment on Operating Expenditure Projections</li> </ul>
5. Priorities	<p>Goals:</p> <ul style="list-style-type: none"> <li>• Review and comment on Preliminary Reports</li> <li>• Establish Study Group Priorities for Further Work</li> </ul>



Meeting	Agenda Goals/Topics
	Agenda: <ul style="list-style-type: none"> <li>• Comment on Draft Operating Budget</li> <li>• Establish Study Group Budget Priorities</li> <li>• Review and Comment on Preliminary Capital Projects</li> </ul>
6. Draft Report	Goals: <ul style="list-style-type: none"> <li>• Review and comment on Draft Report</li> <li>• Prepare for Public Presentation at next meeting</li> </ul> Agenda: <ul style="list-style-type: none"> <li>• Draft Report               <ul style="list-style-type: none"> <li>○ Final Comparison of Projected Revenue to Projected Expenditures</li> <li>○ “What’s In It For Me” – A Taxpayer View</li> <li>○ Bridging the Gap</li> </ul> </li> <li>• Develop Preliminary Study Group Recommendations</li> <li>• Discuss preparations and needs for public meeting</li> </ul>
7. Public Meeting	Goals: <ul style="list-style-type: none"> <li>• Inform the Public of the Consultant Work and Findings</li> <li>• Get Public Comment on draft Report</li> </ul> Agenda: <ul style="list-style-type: none"> <li>• Public Meeting for Study Group Presentation of Study to Public</li> <li>• Process for Public Feedback</li> </ul>
8. Final Recommendations	Goals: <ul style="list-style-type: none"> <li>• Finalize Study Group Recommendations</li> <li>• Assure there are no surprises when the Study is presented to the County Council</li> </ul> Agenda: <ul style="list-style-type: none"> <li>• Determine role of Study Group and Consultant in presentations</li> <li>• Determine what issues raised in the public meeting need further development</li> <li>• Finalize Study Group Recommendations to the King County Council</li> </ul>
9. Presentation to King County Council	Goals: <ul style="list-style-type: none"> <li>• Inform the County Council of Consultant Findings in the Study</li> <li>• Inform the County Council of Study Group Recommendations</li> </ul> Agenda: <ul style="list-style-type: none"> <li>• Presentation to King County Council</li> </ul>
10. (Optional)	<ul style="list-style-type: none"> <li>• Debrief and Wrap up with Study Group</li> </ul>





