


REQUEST FOR COUNCIL ACTION

Date: Sept. 27, 2010
Item No.: 12.d

Department Approval

City Manager Approval



Item Description: Consider Request to Conduct a Resident Survey

1 **BACKGROUND**

2 Recent state aid cuts have led the City to examine in greater detail the programs and services
3 offered. There have been staff reductions, program cuts and changes in service delivery. The
4 City Council and staff have solicited resident input on the City's budget by inviting the public to
5 come us – attend community meetings or testify at public hearings, with little success.

6
7 City Council members have expressed a desire for greater citizen input on budget matters. After
8 much investigation staff have identified a tool that it believes will provide that input – a resident
9 survey. Specially it is a survey designed by Cobalt Community Research, a 501c3 nonprofit
10 coalition created to help governmental organizations measure, benchmark, and manage their
11 efforts. Their survey instrument is specifically designed to engage residents in budget and
12 planning decisions.

13
14 Part of citizen engagement is to assess citizens' satisfaction with various city services. This
15 assessment will give us a benchmark allowing us to know how well services are being provided
16 currently, and allow us in the future to determine if the City's actions or inactions have an effect
17 on resident satisfaction. This would fit with the Council's direction to the City Manager to
18 engage in City-wide performance measurement.

19
20 **Why a Survey**

21 Surveys are a widely used tool to gauge resident's opinions on budgetary matters. According to
22 an article in the International City/County Manager Association 2010 Municipal Yearbook
23 entitled "Citizen Engagement: An Evolving Process," "citizen surveys give voice to a broader,
24 more representative group of citizens than do public meetings." Such surveys can provide
25 valuable information to elected officials and local government staff on the problems the
26 community faces, or on how to better communicate with residents. These tools also provide an
27 opportunity for individuals who, because of work or family commitments or personal reticence,
28 may find it difficult to participate in the type of meetings typically open to the public.

29
30 Roughly 51 percent of jurisdictions responding to the ICMA survey indicated that they conduct
31 citizen surveys, and those operating under the council-manager form reported the highest
32 percentage among all cities and counties – 67%.

33
34 **About Cobalt**

35 Cobalt Community Research was created as an offshoot of the CFI Group which uses the
36 methodology of the American Customer Satisfaction Index (ACSI) to help private businesses

37 identify which product and service changes will have the greatest effect on satisfaction, loyalty,
38 recommendation, and other vital future behaviors.

39
40 Using their experience gauging business customer satisfaction, Cobalt has created surveys that
41 allow local governments to compare current year scores against similar local governments and
42 even the broader public and private sectors.

43
44
45 The survey instrument from Cobalt has three components.

- 46 1) A Citizen Engagement section (see example in Attachment A) which provides resident
47 satisfaction with various city services, and develops benchmarks for future
48 assessments (Note that these are sample questions. We would work with Cobalt to
49 develop our own questions).
- 50 2) A Budget Allocation module (see example in Attachment B) where residents indicate
51 which programs and services are important to them, and solicits possible budgetary
52 actions residents would prefer if there is not adequate funding to provide the services.
53 That data is overlaid with actual budget allocations to support focus of budget and
54 staff on areas with the greatest impact on satisfaction and citizen behaviors (see
55 graphic which is Attachment C).
- 56 3) The Future Projects module allows residents to rate potential projects by support,
57 funding and cost (see graphic which is Attachment D). This could be used to gauge
58 residents' interest and support for various proposals coming from the Parks and
59 Recreation Master Planning Process. However, this would not preclude an additional
60 survey related to the Master Plan proposals.

61
62 The survey would be mailed to 1,500 residents and a follow-up mailing will be sent to non-
63 respondents. In addition to the scientifically valid mail survey, Cobalt would provide an online
64 survey website that would allow residents not selected for the mail survey to respond to the same
65 questions. Online answers would be tabulated separately from the mail survey.

66
67 Staff would begin this project by working with Cobalt to develop the questions to be asked. That
68 work would take place this fall. It takes six weeks from the completion of questions until the end
69 of the resident response time. Depending on timing issues, the survey could be issued this fall or
70 may wait until after the holiday season. In either case, survey results would be available for the
71 Council in early 2011. The desired deadline is to have the information for the Council before the
72 annual strategic planning retreat in February.

73 **POLICY OBJECTIVE**

74
75 In Imagine Roseville 2025 residents identified two strategies for Making Roseville a Welcoming
76 Community:

77 Benchmark and routinely seek community input to evaluate and continuously improve
78 city services.

79
80 Assess needs and desires for new public facilities and programs, including a Community
81 Center, through survey and other methods.

82
83 Additionally the Council identified performance goals for the City Manager to achieve in 2010:

84 Excerpt of City Council Meeting Minutes of May 17, 2010
85 Mayor Klausing advised that the City Council and Mr. Malinen agreed on performance
86 targets for 2010, including continued emphasis on the goals and strategies established
87 through the *Imagine Roseville 2025* community visioning process; city-wide performance
88 measurements systems; and demonstration of measurable improvements in community
89 engagement.

90
91 A citizen survey would meet all of these objectives.

92
93 **BUDGET IMPLICATIONS**

94 The 2010 budget includes \$10,000 for a citizen survey. The quote from Cobalt Community
95 Research is for \$9,600.

96
97 **STAFF RECOMMENDATION**

98 Approve contract with Cobalt Community Research on a resident survey.

99
100 **REQUESTED COUNCIL ACTION**

101 A motion to approve contract with Cobalt Community Research on a resident survey.

Prepared by: Tim Pratt, Communications Specialist
Attachments: A: Example of Citizen Engagement section of survey
B: Example of Budget Allocation module
C: Example of Budget Allocation Impact graphic
D: Example of Future Projects graphic
E: Cobalt contract

City of Circleville Citizen Engagement Survey

Thank you for your participation in this survey; we value your opinion. All answers will remain confidential - your name will not be shared. Please take a few moments to complete and return the survey in the enclosed postage-paid envelope.

1. First, think about your **local public school system** and rate it on the following attributes using a scale from 1 to 10, where 1 means "**Poor**" and 10 means "**Excellent**."

	Poor 1	2	3	4	5	6	7	8	9	Excellent 10	Don't Know
Meeting the needs of the community	<input type="checkbox"/>										
Preparation of students for solid careers	<input type="checkbox"/>										
Preparation of students for college	<input type="checkbox"/>										
Communication with the public	<input type="checkbox"/>										

2. Now, think about the **transportation infrastructure** in your community and rate it on the following attributes:

	Poor 1	2	3	4	5	6	7	8	9	Excellent 10	Don't Know
Road maintenance	<input type="checkbox"/>										
Road signage	<input type="checkbox"/>										
Amount of traffic congestion on the roads	<input type="checkbox"/>										
Public transportation options	<input type="checkbox"/>										
Accommodation for bicycle and foot traffic	<input type="checkbox"/>										

3. Please rate your **local fire and emergency medical services** on the following attributes:

	Poor 1	2	3	4	5	6	7	8	9	Excellent 10	Don't Know
Adequate fire coverage for the community	<input type="checkbox"/>										
Fire prevention education	<input type="checkbox"/>										
Quick response to fires	<input type="checkbox"/>										
Quick response to medical emergencies	<input type="checkbox"/>										

4. Next, rate the **utility services** (water and sewer, garbage, electricity, etc.) that you use on the following attributes:

	Poor 1	2	3	4	5	6	7	8	9	Excellent 10	Don't Know
Water quality	<input type="checkbox"/>										
Adequate garbage collection	<input type="checkbox"/>										
Reliable electrical service	<input type="checkbox"/>										

5. Next, please rate your **local law enforcement** (police department/sheriff's office, etc.) on the following attributes:

	Poor 1	2	3	4	5	6	7	8	9	Excellent 10	Don't Know
Respectful treatment of citizens	<input type="checkbox"/>										
Fair and equitable enforcement	<input type="checkbox"/>										
Safety education	<input type="checkbox"/>										
Quick response	<input type="checkbox"/>										

6. Rate your **community health care** on the following attributes:

	Poor 1	2	3	4	5	6	7	8	9	Excellent 10	Don't Know
Access to health care providers	<input type="checkbox"/>										
Quality of health care providers	<input type="checkbox"/>										

7. Have you paid property taxes in the last 12 months?

Yes

No (*Please skip to Q.8*)

7a. Rate your **local property taxes** on the following attributes:

	Poor 1	2	3	4	5	6	7	8	9	Excellent 10	Not Applicable
Fairness of property appraisals	<input type="checkbox"/>										
Adequate period to pay taxes	<input type="checkbox"/>										
Ease of understanding the bills	<input type="checkbox"/>										
Fairness of tax levels	<input type="checkbox"/>										
Amount and quality of services you receive for the local taxes you pay	<input type="checkbox"/>										

8. Think about community **shopping opportunities** using the scale where 1 means "**Poor**" and 10 means "**Excellent.**" Please rate your community for providing:

	Poor 1	2	3	4	5	6	7	8	9	Excellent 10	Don't Know
Shopping convenience for everyday items	<input type="checkbox"/>										
Shopping convenience for major items	<input type="checkbox"/>										
Sufficient choices for most of your shopping needs	<input type="checkbox"/>										

9. Rate the **local government** in your community on the following:

	Poor 1	2	3	4	5	6	7	8	9	Excellent 10	Don't Know
Having leaders who are trustworthy	<input type="checkbox"/>										
Being well-managed	<input type="checkbox"/>										
Having employees who are well-trained	<input type="checkbox"/>										
Communicating effectively to the community	<input type="checkbox"/>										
Spending dollars wisely	<input type="checkbox"/>										
Being open to citizen ideas and involvement	<input type="checkbox"/>										

10. Rate **community events** on the following:

	Poor 1	2	3	4	5	6	7	8	9	Excellent 10	Don't Know
Range of cultural offerings	<input type="checkbox"/>										
Strong and vibrant arts community	<input type="checkbox"/>										
Quality sporting events to attend	<input type="checkbox"/>										
Variety of festivals and community events	<input type="checkbox"/>										

11. Rate the **economic health** of your community on the following aspects:

	Poor 1	2	3	4	5	6	7	8	9	Excellent 10	Don't Know
Cost of living	<input type="checkbox"/>										
Quality of jobs	<input type="checkbox"/>										
Affordability of housing	<input type="checkbox"/>										
Availability of jobs	<input type="checkbox"/>										
Stability of property values	<input type="checkbox"/>										
Strength of local economy	<input type="checkbox"/>										

12. Thinking about the **diversity of the people** who live in your community, please rate the following:

	Poor 1	2	3	4	5	6	7	8	9	Excellent 10	Don't Know
Degree of ethnic diversity in your community	<input type="checkbox"/>										
Level of interaction between ethnic groups	<input type="checkbox"/>										
Support of ethnic and religious diversity by community groups, businesses, houses of worship and local government	<input type="checkbox"/>										

13. Rate your **telecommunication services** in your community on the following:

	Poor 1	2	3	4	5	6	7	8	9	Excellent 10	Don't Know
Cell phone reception	<input type="checkbox"/>										
Speed of your internet connection	<input type="checkbox"/>										
Variety of options available for access to the internet	<input type="checkbox"/>										
Availability of television programming options	<input type="checkbox"/>										

14. How frequently do you use the **parks and recreation** facilities and programs?

Never
 Less than 6 times a year
 6-12 times a year
 More than 12 times a year

15. Next, rate your **local parks and recreation** facilities and programs on the following attributes:

	Poor 1	2	3	4	5	6	7	8	9	Excellent 10	Don't Know
Facilities meet your needs	<input type="checkbox"/>										
Facility maintenance	<input type="checkbox"/>										
Quality of recreational programs	<input type="checkbox"/>										
Variety of recreational programs	<input type="checkbox"/>										

16. How frequently do you use the **local library**?

Never
 Less than 6 times a year
 6-12 times a year
 More than 12 times a year

17. Rate your **local library** on the following attributes:

	Poor 1	2	3	4	5	6	7	8	9	Excellent 10	Don't Know
Hours of operation	<input type="checkbox"/>										
Adequacy of resources to meet your needs	<input type="checkbox"/>										
Location(s)	<input type="checkbox"/>										

18. Consider all your experiences in the last year with your community. Use a 10 point scale, where 1 means **"Very Dissatisfied"** and 10 means **"Very Satisfied."**

Very Dissatisfied= 1 2 3 4 5 6 7 8 9 Very Satisfied= 10

19. Consider all your expectations of your community. Use a 10 point scale where 1 means **"Falls Short of Your Expectations"** and 10 means **"Exceeds Your Expectations."** To what extent has your community fallen short of or exceeded your expectations?

Falls Short= 1 2 3 4 5 6 7 8 9 Exceeds= 10

20. Imagine an ideal community. How closely does your community compare with that ideal? Please use a 10 point scale where 1 is **"Not Very Close to the Ideal"** and 10 is **"Very Close to the Ideal."**

Not Very Close= 1 2 3 4 5 6 7 8 9 Very Close= 10

21. On a scale where 1 means **"Not at All Likely"** and 10 means **"Very Likely,"** how likely are you to take the following actions:

	Not at All Likely= 1	2	3	4	5	6	7	8	9	Very Likely=10
Recommend the community as a place to live	<input type="checkbox"/>									
Remain living in the community five years from now	<input type="checkbox"/>									
Be a community volunteer	<input type="checkbox"/>									
Encourage someone to start a business in the community	<input type="checkbox"/>									
Support the current local government administration	<input type="checkbox"/>									

22. On a scale where 1 is **"Strongly Disagree"** and 10 is **"Strongly Agree,"** to what degree do you agree or disagree that your community is:

	Strongly Disagree= 1	2	3	4	5	6	7	8	9	Strongly Agree= 10	Don't Know
A safe place to live	<input type="checkbox"/>										
Enjoyable place for children	<input type="checkbox"/>										
Enjoyable place for unmarried young adults	<input type="checkbox"/>										
Enjoyable place for senior citizens	<input type="checkbox"/>										
Enjoyable place for everyone else	<input type="checkbox"/>										
Physically attractive	<input type="checkbox"/>										
A great place to live	<input type="checkbox"/>										
A great place to have a business	<input type="checkbox"/>										
Growing responsibly	<input type="checkbox"/>										
A safe place to bike and walk	<input type="checkbox"/>										
A safe place to walk at night	<input type="checkbox"/>										
A perfect community for me	<input type="checkbox"/>										

The following questions are for analysis only and will not be used in any way to identify you.

How long have you been living in this community?

One year or less 1-5 years 6-10 years More than 10 years

Do you own or rent/lease your residence?

Own Rent/Lease

Is your place of employment located in your community?

Yes No, a different community I am not currently employed Retired

What is your age group?

18 to 24 25 to 34 35 to 44 45 to 54 55 to 64 65 or over

Which of the following categories best describes your level of education?

Some high school High school graduate Some college College graduate Graduate degree(s)

Which of the following categories includes your total family income last year?

\$25,000 or less \$25,001 to \$50,000 \$50,001 to \$100,000 Over \$100,000

Please indicate your marital status:

Single Married/living with partner Widowed/separated/ divorced

Mark the boxes that describe the people living in your house (other than yourself and/or a spouse). Check all that apply.

Child(ren) age 12 or under Child(ren) over age 12 Parent age 65 or older None of these

What is your gender?

Male Female

Please check all that apply: To which group(s) do you belong?

Asian Black/African American American Indian/Alaska Native/Native Hawaiian Other
 White/Caucasian Hispanic/Latino

Finally, if there is not adequate funding to provide each service below, please specify the **budgetary actions** you would support for each service. (Mark all that apply.)

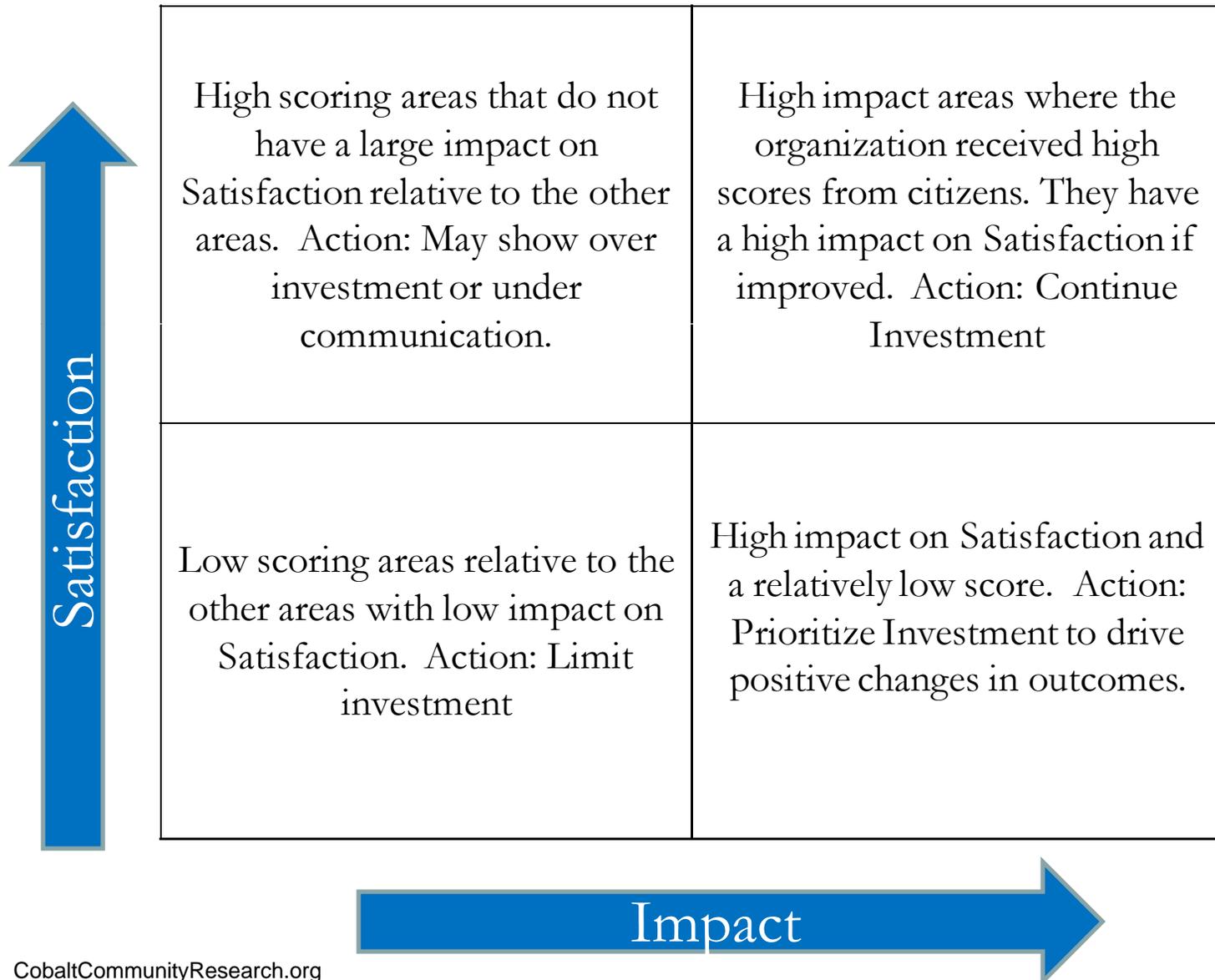
	Eliminate the Service	Reduce Service Levels	Reduce Staffing	Raise User Fees	Raise Taxes	Combine Service with Another Community	Streamline Operations
Crime control	<input type="checkbox"/>	<input type="checkbox"/>					
Downtown development/new businesses	<input type="checkbox"/>	<input type="checkbox"/>					
Emergency medical services (ambulance)	<input type="checkbox"/>	<input type="checkbox"/>					
Firefighting services	<input type="checkbox"/>	<input type="checkbox"/>					
Library services	<input type="checkbox"/>	<input type="checkbox"/>					
Municipal court	<input type="checkbox"/>	<input type="checkbox"/>					
Neighborhood blight control	<input type="checkbox"/>	<input type="checkbox"/>					
Parks and recreation	<input type="checkbox"/>	<input type="checkbox"/>					
Pedestrian and bike friendly	<input type="checkbox"/>	<input type="checkbox"/>					
Rear yard rubbish pickup (Farms, City, Shores Only)	<input type="checkbox"/>	<input type="checkbox"/>					
Recycling services	<input type="checkbox"/>	<input type="checkbox"/>					
Rubbish pickup	<input type="checkbox"/>	<input type="checkbox"/>					
Snow removal	<input type="checkbox"/>	<input type="checkbox"/>					
Street lighting	<input type="checkbox"/>	<input type="checkbox"/>					
Street maintenance	<input type="checkbox"/>	<input type="checkbox"/>					
Tree maintenance and replacement	<input type="checkbox"/>	<input type="checkbox"/>					
Water and sewer services	<input type="checkbox"/>	<input type="checkbox"/>					
Yard waste collection	<input type="checkbox"/>	<input type="checkbox"/>					

OPTION to replace grid above:

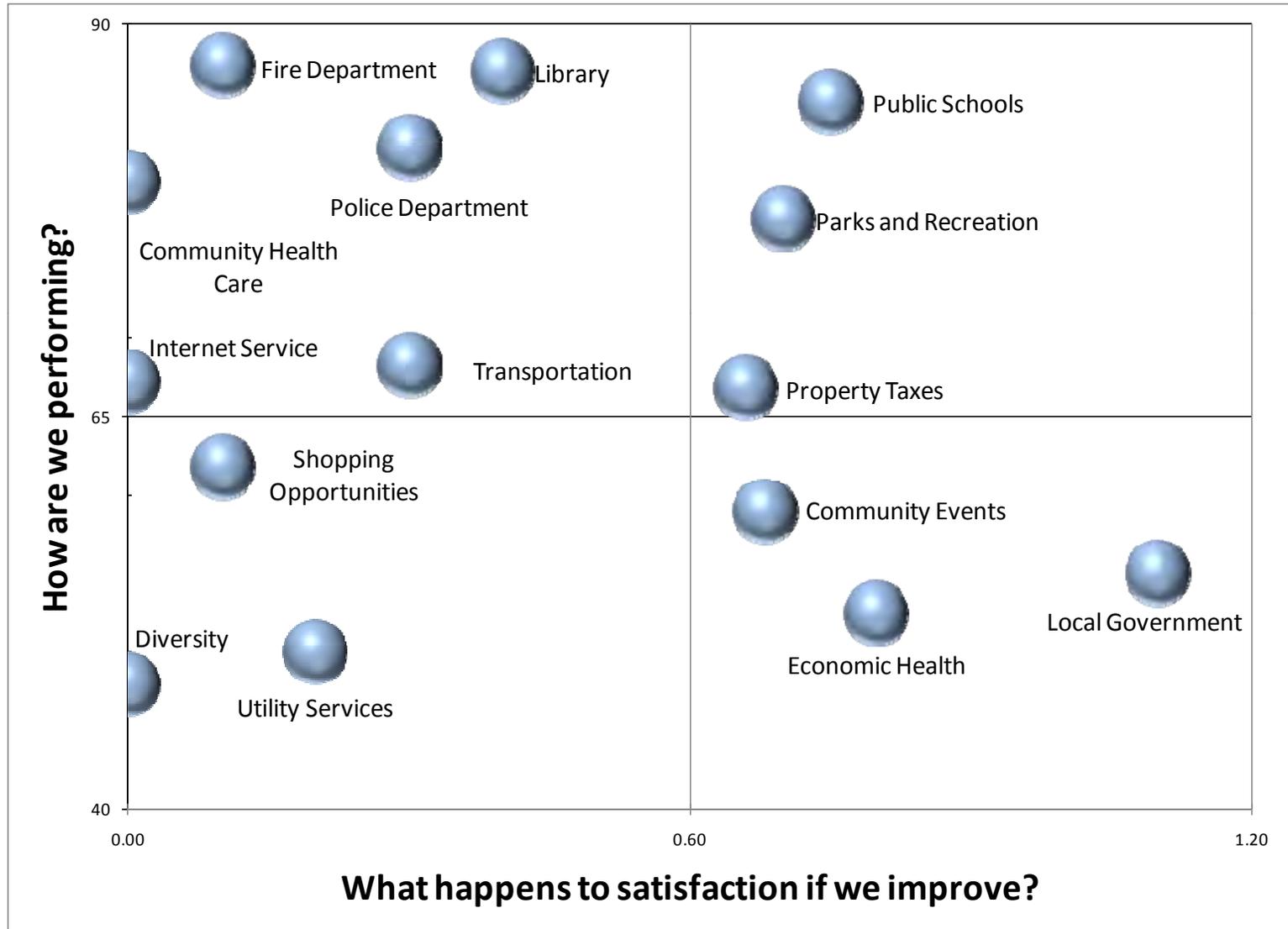
Because of the weak economy and falling property valuations, the City is looking at ways to address the budget shortfall. Below are changes that the City is considering. Do you support each of these potential changes?

	Yes - I support this idea	No - I do not support this idea	Not sure
Reduce the hours and days that city offices and facilities are open (may include city hall, other city offices, libraries, recreation centers, parks, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Privatize some services (may include cemetery operations, golf course operations, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fund public safety through an assessment fee instead of through property tax levies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Use red light camera revenues to reduce property tax revenues needed to balance the budget	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduce sidewalk and road maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conserve street lighting (energy) costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduce roadway plantings/beautification projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increase user fees to pay the cost of adult recreation programs (may include lawn bowling, softball, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduce cultural arts and special needs funding to non-profit agencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Understanding the Charts: Community Questions – Long-term Drivers



Standard Portal Analysis: Mapping Strategic Priorities



Optional Budget Allocation Module:

Rate Your Programs by Satisfaction, Importance and Cost



Optional Future Project Module:

Rate Potential Projects by Support, Funding and Cost





CITY OF ROSEVILLE, MN

AGREEMENT FOR RESEARCH

August 10, 2010

Submitted by:

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Agreement No: G242062008000 City of Roseville, MN

Nondisclosure Statement: All materials contained in this agreement are the confidential and proprietary property of Cobalt Community Research. The information contained herein is provided by Cobalt Community Research for evaluation by the Partner. Dissemination to other parties is prohibited.

SECTION I: WORK STATEMENT

SCOPE

Cobalt Community Research (Cobalt) is pleased to provide this contract for research collaboration between Cobalt and the City of Roseville, MN (the Partner), having a business address of 2660 Civic Center Dr., Roseville, MN 55113, using the Cobalt Citizen Engagement and Priority Assessment SM powered by technology behind the American Customer Satisfaction Index SM (ACSI) and CFI Group USA LLC. Results are targeted for late September to early October 2010.

Cobalt Community Research (www.cobaltcommunityresearch.org) is a 501c3 nonprofit organization with a mission to provide research and educational tools that help local governments and other nonprofit organizations thrive as changes emerge in the economic, demographic and social landscape. Cobalt is located at 1134 Municipal Way, Lansing, Michigan 48917.

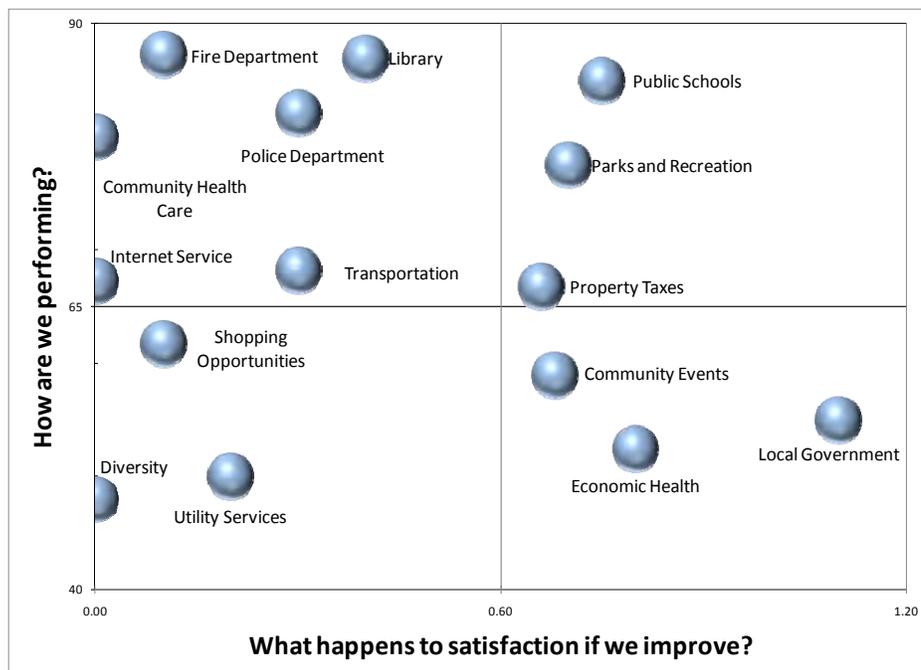
OBJECTIVES

The primary objectives of the research will be as follows:

1. Support budget and strategic planning decisions
2. Explore service assumptions to ensure baseline service levels are well understood
3. Identify which services provide the greatest leverage on citizens' overall satisfaction – and how satisfaction, in turn, influences the community's image and citizen behaviors such as volunteering, remaining in the community, recommending it to others, and supporting the current administration.
4. Measure improvements by tracking performance over time
5. Benchmark performance against a standardized performance index regionally and nationally

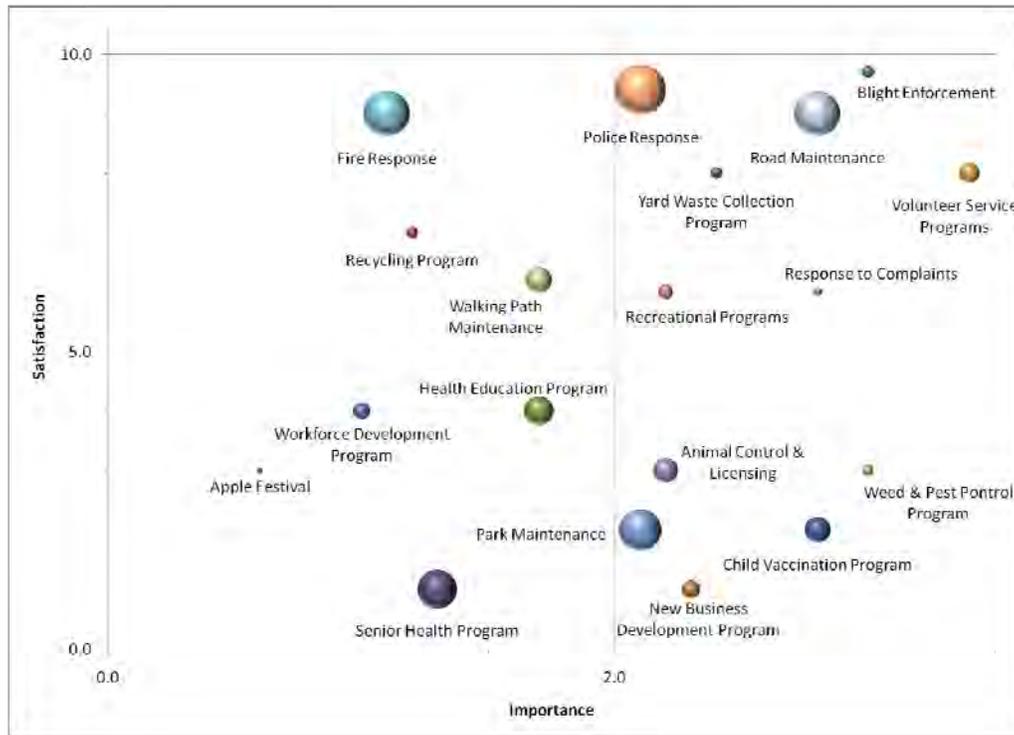
FROM INFORMATION TO ACTION

The output from the research supports development of sensible action plans. The improvement priority map shown below illustrates how such results can be displayed. It combines community component scores and impact information from the research model and serves as the starting point for action planning. Generally speaking, the critical areas to improve are those where impact is high and performance is low (lower right quadrant). In this example, citizens are essentially telling us that community leadership is falling short in these important areas and improvements there will focus resources where they have the greatest impact on satisfaction and desired behavioral outcomes.



Once the high-level priorities have been identified, a more specific understanding of the issues at hand is provided by looking at the individual questions that were used to measure each component. The Cobalt portal shows how one can begin “peeling the onion” and identify the operational and/or tactical issues that need to be addressed. Such results are provided for every “component” included in the survey.

In addition, the Partner may add a 1 page supplemental module measuring satisfaction and importance of up to 10 community-specific services and programs to support the budgeting and planning process and engage citizens in important decisions on where limited resources should be applied. The illustration below provides an example of results from the budget allocation module:



Also, the Partner may add an optional module on potential future projects to assess interest level and willingness to fund. In the example below, the bike trail shows nearly 90 percent of residents would like to have the trail implemented, and more than 80 percent are willing to fund such a project through higher fees or taxes.



Also, the Partner may add an optional module to continue up to 10 questions from previous surveys to update key measurements from past research efforts.

PROCESS

Cobalt proposes a five-step process for the development of the Citizen Satisfaction Study.

Step 1 – Kick-off Discussions:

This preliminary step aims at refining the objectives, scope, timeline, and key deliverables for the project. Informational needs are confirmed. The sampling methodology will also be finalized during this step.

Step 2 – Questionnaire Development:

Based on the input received during Step 1, Cobalt will develop supplemental questions to be added to the core questionnaire, which will be presented and discussed with the project lead to ensure that the questions included in the survey are aligned with community needs.

Step 3 – Survey Deployment:

The questionnaire will be administered to a random sample of citizens. At this time, Cobalt recommends collecting the surveys through two waves of a mail survey along with an online portal. Deployment and data collection is generally completed within 6 weeks. Data collection via telephone could also be considered to reduce collection time, but at higher cost.

Step 4 – Modeling & Analysis:

Cobalt and CFI Group will analyze the data using the ACSI-based methodology, which quantifies the relationships between the various elements of the survey.

Step 5 – Reporting:

Findings will be communicated to the project lead and other key decision makers by teleconference or WebEx. Upon request, a summary report in PowerPoint will be provided to the project lead. Access to detailed results will be provided to the project lead through a secure online portal.

TASKS

Cobalt will provide the following services included in the fixed rate:

- Core survey
- Cover letter
- Online link and portal to allow respondents to complete the survey from a link on the Partner's Web site
- Access to a secure, online portal to review core survey results, compare to peer groups, and download tables into MS Excel
- Maintenance of the local government's data on the portal for 24 months
- Assistance creating supplemental custom questions
- Three modules of up to 10 questions each to measure satisfaction, importance, support for funding up to 10 community-specific services and programs, measure support for up to 10 future projects, and continue up to 10 questions from past surveys.
- Supplemental report in MS Excel detailing custom question results and cross tabulation across demographic questions not integrated into results portal

- Technical assistance in understanding the results by phone and e-mail

Cobalt will provide the following service with costs passed to the Partner.

- Two mailings to a sample of residents based on a list that the Partner has provided. Mailings include an initial mailing of the survey and a second mailing of the survey to those who have not responded. Includes data entry of survey results.

ASSUMPTIONS

1. The Partner shall provide resident contact data using the Cobalt Citizen Satisfaction Survey Contact Template in MS Excel.
2. Cobalt will not charge for phone consultation for survey design, preparation of the mailing list, or explanation of results.
3. Cobalt cannot guarantee survey response levels. Typical projects have a response rate of 25% to 35%; however, a minimum of 100 completed surveys is required for accurate analysis. Cobalt will automatically conduct reminder mailings to ensure a minimum of 100, which provides a confidence interval of approximately +/- 3.3% with a 90% confidence. The Partner may designate a higher minimum.
4. Cobalt shall bill and the Partner agrees to pay all printing and mailing fees associated with a mailing, including postage.
5. The Partner is responsible for prompt review and response to draft questions and research materials that are in addition to the core Cobalt Citizen Satisfaction Survey, and the Partner is responsible for prompt approval to release such research materials. If the Partner fails to notify Cobalt of project status or provide the contact data or approval or edits to research materials within 30 days of receipt from Cobalt, the partner agrees to pay Cobalt 50% of the remaining fees, and the project will go into an "inactive" status. The Partner has an additional 30 days to reactivate the project. If the project is not reactivated in that time, the project will be closed, and future work will be charged as a new project.
6. All research is subject to imprecision based on scope, sampling error, response error, etc. Survey results have an overall margin of error, and the margin of error for subdivided data varies by question and is higher. All research is designed to reduce uncertainty, but it can never eliminate it. The Partner must evaluate all information thoroughly and independently and balance it with other sources of information, legal requirements, safety standards, and professional judgment before taking action based on research information.

COBALT COMMUNITY RESEARCH TECHNICAL APPROACH

Cobalt will provide research services that comply with generally accepted research principals and that comply with the requirements of national services such as the ACSI. In addition, projects and services will be lead by Cobalt staff certified by the Market Research Association's Professional Researcher Certification (PRC) program, which is endorsed by major national and international research organizations such as the AMA (American Marketing Association), the ARF (Advertising Research Foundation), CMOR (Council of Marketing and Opinion Research), IMRO (Interactive Marketing Research Organization), MRII (Marketing Research Institute International), the RIVA Training Institute and the Burke Institute.

PRICING

The period of performance for this engagement begins immediately after contract approval. Pricing for deliverables are as follows:

- Mail-based Survey Package with Budget Module, Future Projects Module, Past Survey Questions Module, and Executive Summary Report in MS PowerPoint: **\$6,300**
- Plus distribution below:
 - Production and postage for an initial mailing of the 5-6 page survey to random sample of 1500 residents, a second mailing of the survey to those who have not responded, and business reply postage based on a 25% response rate. Actual costs may vary based on final counts, page counts, postal discounts, and response levels. Includes online portal. **Estimated cost: \$3,300.**

Total Estimate: \$9,600

- The Partner may add other non-demographic question modules (such as Communications Module or expand a contracted module for an additional 10 questions) and open ended questions for \$600 each.
- The Partner may add additional custom demographic questions for \$750 each
- Pricing valid for 60 days from the date of this document.

PAYMENT

Payment shall be made according to the following milestone schedule:

- 50% of quoted amount of the survey engagement upon the signing of the contract
- 50% upon delivery of results
- Invoicing will be within 30 days of each milestone above.

SECTION II: CONTRACTUAL TERMS AND CONDITIONS

1. TERM OF CONTRACT

The contract shall be effective as of the date this agreement is signed by both parties. Unless terminated earlier as set forth in Section 5 below, the contract shall remain in full force and effect for a period of twelve (12) months (the "Initial Term").

2. COBALT' RESPONSIBILITIES

Cobalt shall provide the Services described in the Statement of Work in accordance with the terms and conditions of this Agreement. In the course of providing the Services, Cobalt shall deliver to Partner all deliverables arising from or related to the Services and agreed upon by the parties. Each Supplemental Statement of Work entered into by the parties shall be numbered sequentially (e.g. Statement of Work #1, etc.) and shall not be binding until signed by the authorized representative of each party. In the event of a conflict between any signed Statement of Work and this Agreement, the terms and conditions of this Agreement shall prevail. Any change in the scope of Services and Fees shall be agreed upon in writing by the parties.

Cobalt will assume responsibility for all contractual activities whether or not Cobalt performs them. Cobalt is the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract. The Partner reserves the right to interview key personnel assigned by Cobalt to this project and to recommend reassignment of personnel deemed unsatisfactory by the Partner. Cobalt may delegate any duties under this contract to a subcontractor. If any part of the work is subcontracted, Cobalt shall identify upon written request the proposed subcontractor by firm name, address and contact person, and provide the Partner with a complete description of all work to be subcontracted together with descriptive information about the subcontractor's organization and ability to perform the work. Cobalt is responsible for ensuring that subcontractors adhere to all applicable provisions of the contract.

3. CONFIDENTIALITY

Cobalt and the Partner shall treat all information provided by one another as confidential. Except in the course of, and as necessary to, providing services pursuant to this agreement, neither party shall disclose any confidential information without the other party's consent, unless required by law. Prior to any such disclosure, if not otherwise prohibited by law, the party required to disclose shall notify the other party at least 5 days prior to the date that it intends to make such disclosure. Confidential information includes any and all documents, materials and information (whether oral or written, including electronic media format), including but not limited to member and resident data, client lists, fee schedules, and statements of policies, procedures, and business methods.

"Data", as used in this Section 3, means the information contained in survey responses received from Partner's residents or members, but not the surveys themselves. The Partner agrees that identity information about individual survey respondents will not be returned to the Partner to protect the confidentiality of the individuals who responded to the survey. In addition, the Partner agrees to protect individual identities by protecting any data or analysis of data that allows individual identities to be determined. "Measurements", as used in this Section, means the deliverables to be delivered to Partner by Cobalt under any particular Statement of Work. The Partner shall own the Data and Measurements. Partner hereby grants to Cobalt and to CFI Group USA, LLC ("CFI") a perpetual, non-exclusive, royalty free, fully paid-up, worldwide license, with the right to sublicense, to use such Data and Measurements in the performance of the Services and in the creation of indices which are compiled from aggregated Data and Measurements (the "Aggregated Indices"). The Aggregated Indices will contain Partner's Data and Measurements; however, the Aggregated Indices will not contain individually identifiable data regarding Partner or its residents/members and will not allow a user thereof to ascertain or otherwise isolate data regarding the Partner or its residents or members. Cobalt and CFI shall not publish or disclose to any third party Partner's individual Data or Measurements without the prior written consent of Partner. Partner shall have no ownership interest in the Aggregated Indices. Cobalt and CFI has the right to use Partner's name in describing the participants of the Aggregated Indices. In addition, Cobalt and CFI has the right to use the Partner's name in identifying best-in-class organizations that produce high satisfaction levels.

4. INDEMNIFICATION

Cobalt shall be held to the exercise of reasonable care in carrying out the provisions of the contract. The Partner agrees to indemnify, defend and hold harmless Cobalt, its trustees, officers, agents and employees from and against any and all claims, damages, losses, liabilities, suits, costs, charges, expenses (including, but not limited to reasonable attorney fees and court costs), judgments, fines and penalties, of any nature whatsoever, arising from the

performance of duties under the contract, to the extent not attributable to negligence, willful misconduct, or unethical practice by Cobalt.

Cobalt warrants that it shall provide the Services in a diligent and workmanlike manner and shall employ due care and attention in providing the Services. However, Partner agrees that Cobalt shall not be liable on account of any errors, omissions, delays, or losses unless caused by Cobalt's gross negligence or willful misconduct. In no event shall either party be liable for indirect, special, or consequential damages. In no event shall the total aggregate liability of either party for any claims, losses, or damages arising under this agreement and services performed hereunder exceed the total charges paid to Cobalt during the term, even if the party has been advised of the possibility of such potential claim, loss, or damage. The foregoing limitation of liability and exclusion of certain damages shall apply regardless of the success or effectiveness of other remedies.

5. MODIFICATION AND CANCELLATION

The contract may not be modified, amended, extended, or augmented, except by a writing executed by the parties. Any change in services requested by the Partner may result in price changes by Cobalt. In the event that revised prices are not acceptable to the Partner, the contract may be canceled. Either party with 30-business days' written notice to the other may cancel the contract. In the event of cancellation by either party, the Partner shall be responsible for all fees due and payable under the contract as of the date of notice of termination.

6. GOVERNING LAW AND ARBITRATION

The contract shall be governed by and construed in accordance with the laws of the State of Michigan. In the event of any dispute, claim, question, or disagreement arising from or relating to the contract or the breach thereof, the parties shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If they do not reach such solution within a period of 60 business days, then, upon notice by either party to the other, all disputes, claims, questions, or differences shall be finally settled by arbitration administered by the American Arbitration Association in accordance with the provisions of its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any Michigan court having jurisdiction thereof.

7. PRICE AND PAYMENT TERMS

The Partner shall pay the fees identified in any Statement of Work(s) executed by the parties. Unless otherwise agreed to in a Statement of Work, Cobalt shall invoice Partner for Services at the beginning of the Term and upon delivery of results. Payment from the Partner shall be due upon receipt of the invoice. Adjustment for any billing errors or Partner credits shall be made monthly. Cobalt may apply a monthly delinquency charge on amounts not paid within 30 days of the date of the Partner's receipt of the invoice, which charge shall be equal to five percent (5%) of any unpaid amount. Partner agrees to pay any applicable taxes and any travel costs and professional fees that Cobalt may incur from Partner-requested travel.

8. ACCEPTANCE OF TERMS AND CONDITIONS

The failure of a party to insist upon strict adherence to any term of the contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the contract. Each provision of the contract shall be deemed to be severable from all other provisions of the contract and, if one or more of the provisions of the contract shall be declared invalid, the remaining provisions of the contract shall remain in full force and effect.

9. NOTICE

Any notice required or permitted to be made or given by either party hereto pursuant to this Agreement shall be in writing and shall be deemed effective if sent by such party to the other party by mail, overnight delivery, postage or other delivery charges prepaid, to the addresses set forth above, and to the attention of the Executive Director for Cobalt and Partner's designated contact person. Either party may change its address by giving notice to the other party stating its desire to so change its address.

10. SURVIVAL.

Sections 3, 4, 6 and this Section 10 shall survive the termination of this Agreement.

BINDING AGREEMENT

This agreement includes all of the terms and conditions agreed to by the parties. Any changes to these terms and conditions must be made in writing and signed by both parties to be effective.

ACCEPTANCE

This agreement shall be deemed accepted only after it has been signed by a representative of the Partner and thereafter signed by a representative of Cobalt. Acceptance may be made by facsimile transmission and the agreement executed in one or more counterparts, each which when fully executed, shall be deemed to be an original, and all of which shall be deemed to be the same agreement.

Nondisclosure Statement: All materials contained in this agreement are the confidential and proprietary property of Cobalt Community Research. The information contained herein is provided by Cobalt Community Research for evaluation by the Partner. Dissemination to other parties is prohibited.

Authorized Representative

Date



August 10, 2010

Cobalt Community Research, Executive Director

Date