

Proposal For The City Of Sparks

March 21, 2012

Prepared By
Rocky Finseth
President
Carrara Nevada

A Brief Description of Carrara Nevada:

The Carrara Group, LLC, dba Carrara Nevada, LLC derives its name from the Carrara Mining District. Located in Nye County, Nevada, the district's most notable asset was not gold or silver, but marble, which was known for its durability, strength and diverse applications.

Carrara Nevada has over 50 years of experience in government affairs in Nevada with a proven track record of effective representation on behalf of our clients. To meet the needs of our customers, our offices are located across the State – in Reno, Las Vegas and Carson City. Founded by Pat Coward in the early 1990's, the company has seen many distinguished lobbyist, a who's who in the lobbying corps pass through its doors. Bill Gregory, Mark Brown, Pat Coward, Dave Kirvin, and Joan Lambert are a few individuals who have been associated with the company's history.

Today, the company employs seven talented, highly qualified and experienced lobbyists working under the direction of the company's principal, Rocky Finseth. While the company has represented a broad range of clients before the Nevada Legislature, State regulatory bodies, and before local governments in Nevada, the core clientele has remained largely unchanged — local government bodies, private businesses, non-profit associations and a few out-of-state interests. We are proud of this accomplishment and work to build long lasting relationships, rather than the short term, quick buck mentality of some of our competitors.

Our Belief Is That The Client Comes First

We believe that an effective government relations program must educate elected officials and other government decision makers in an honest, forthright, comprehensive and timely manner. Understanding Nevada's unique brand and style of politics that shape public policy is essential if legislative success is to be achieved. Our team's knowledge of the governmental process and the ability to reach key decision makers ensures that our clients' interests are conveyed and achieved.

We also believe that decision makers need to hear and understand the needs of our clients in the proper context. To that end, we help clients understand the role of government and help government understand the issues important to our clients. Carrara Nevada's advocacy on behalf of our customers is always based on documented research and strategies, not on supposition and "shoot from the hip" advocacy.

Nevada's political landscape is changing rapidly. The demographic and socio-economic makeup of the state creates an environment that heightens the importance of government relations. Companies that are positioned strategically in the state will produce the results expected from their clients. Understanding how these ever-evolving trends impact our clients is the key to our success.

Our Values:

Experience. Carrara Nevada's greatest asset is its staff who have based their careers in the field of government and governmental relations. We believe in a true business partnership with our clients, not only meeting their needs, but also anticipating and advising them on the critical issues facing them.

Credibility. In Nevada, the only way to earn credibility is through hard, honest work. Our staff is among the most respected public policy professionals in the State. We've built our reputation on our

experience and the successes we've achieved with our clients, not by seeking publicity and fanfare for ourselves.

Teamwork. Each member of the Carrara Nevada team is available to meet the needs of our clients. Our statewide presence enables us to combine unwavering personal attention with the diverse talents of our entire firm

The Carrara Nevada Team:

The Carrara Nevada lobbying team will consist of Rocky Finseth, President and CEO of the firm, and Jenny Reese, an associate with the company who is well versed in local government issues. In addition, we will use the combined talents of the rest of our staff in developing strategy and meeting the needs of the League outside the halls of Carson City. Outlined below are the backgrounds of the lobbying team members who will be working as part of the legislative team in Carson City on behalf of auction.com.

ROCKY FINSETH is the President and CEO of Carrara Nevada. Mr. Finseth manages and oversees the day-to-day operations of the firm's lobbyists. He works extensively with the company's clients developing legislative strategy, drafting of legislation and developing sound public policy. He is an experienced lobbyist in Carson City and is versed in lobbying at local level in Southern Nevada. With over 17 years of experience developing public policy at federal, state and local levels, Mr. Finseth is accomplished in legislative and political affairs. He has served as chief of staff to the chairman of the Honolulu City Council, former Governor of Hawaii's assistant in Washington D.C. monitoring federal issues on behalf of the state, and as a state policy analyst in the Governor's Office. He provides a solid statewide perspective to our clients, especially our growing base in Las Vegas. He holds a degree in Political Science from Lewis and Clark College in Oregon.

Mr. Finseth has served on the Board of Directors for the Economic Development Authority of Western Nevada (EDAWN) and up until this year, served on the Board of the Southern Nevada American Lung Association.

JENNY REESE is a legislative research specialist and serves as Mr. Finseth's lead lobbyist internally within the firm while in Carson City. Ms. Reese is well respected within the halls of Carson City, and is universally recognized for her integrity and honesty. She is considered by many legislators and colleagues as a rising star within the ranks of young and up and coming lobbyist at the Capitol.

Jenny comes to the company after serving one legislative session as a policy analyst for the Nevada Association of Counties (NACO) where she was actively involved in local government issues ranging from affordable housing to taxation. Prior to that, she worked for the McMullen Strategic Group where she serviced a number of clients on behalf of the company's principal during the 2003 legislative session. Jenny brings a local government perspective to our client base and a fundamental understanding of issue development. Her knowledge of the players and her understanding of the

legislative process provides our firms clients with an additional layer of protection.

Currently, Jenny serves on a number of public and private groups, including NDOT Statewide Transportation TAC, Southern Nevada Lands Management Act, Public Lands Steering Group and the Washoe County Meth Community Response Working Group, to name a few. Ms. Reese is a graduate of Bishop Manogue and the University of Nevada Reno.

JOE BREZNY is a local government affairs deputy director for our Southern Nevada operations. Mr. Brezny works with a number of our clients in issue identification and voter registration and GOTV mobilization. Mr. Brezny recently joined Carrara Nevada after serving several terms as the Executive Director of the State Senate GOP caucus where he established important relationships with Senators on both sides of the aisles. Brezny's depth and experience with the inter workings of the Legislature and its players and personalities will prove invaluable to our clients. Brezny also served as Mitt Romney's State Director during his 2008 run for the Presidency.

ISABELLE BEAUMONT-FRENETTE is a communication specialist within Carrara Nevada. She works on outreach and communication with all of our clients. Isabelle also serves as a backup to Reese during the legislative session. She is versed in fundraising, and event planning and is able to provide assistance to all of our firms clients in these fields. Like Ms. Ellis, Ms. Beaumont-Frenette works on issues impacting the preservation and protection of private property rights. Isabelle is the editor and chief of many of the firms end of session reports and communication pieces during the session itself. She has extensive governmental experience having served in the Canadian Provincial government. Her attention to detail is unmatched within the firm.

SARA ELLIS is a local government affairs lobbyist for our Northern Nevada operations. Ms. Ellis has worked on critical issues associated with the preservation and protection of private property rights especially in the areas of the Tahoe Regional Planning Agency (TRPA) and regional growth. Prior to joining the Carrara Nevada team, she provided support for the Reno Chamber of Commerce in the areas of marketing and government relations in promoting the Northern Nevada business climate. Ms. Ellis is a graduate of the University of Nevada, Reno. She is currently pursuing her Master's Degree in Public Administration from her alma mater.

SEAN FELLOWS is a legislative team specialist based in Southern Nevada specializing in private property and tax policy. His diverse background in public policy and political management provide our clients with critical insight and analysis in issue development and strategic planning. Mr. Fellows is active within the Air Force Reserves and ran unsuccessfully for the Nevada State Assembly in 2008 where he was one of the preeminent and prolific fundraisers during that election cycle. Mr Fellows is also running for the Henderson City Council to fill the spot of former Councilwoman Kathleen Bouvard.

JIM NADEAU is a legislative team research specialist. Providing sound counsel and policy advice to our clients, Jim provides over a decade of experience before the Nevada State Legislature. His distinguished career in law enforcement provides a new and dynamic element to the company and our clients. Mr. Nadeau is a graduate of University of Nevada, Reno and the FBI National Academy. He also sits on the State of Nevada Private Investigator's Licensing Board.

We also anticipate hiring a bill tracker for the legislative session. There is a good possibility that we may secure the company's intern from last session to come and work full time for the company this

session. Whatever direction we head, and should we be fortunate enough to be retained by the City again, we will let you know who will serve as the bill tracker for the team.

Scope Of Work:

A paradigm shift -- that is how we are proposing to deal with and address the 2013 legislative session for the City. Last session, we were called upon to serve as a strategic advisor for the City. By all accounts, and based off of a post session debrief with the City lobbying team, this collaboration worked well for both parties. This session, following meetings with the City, we understand that City officials desire more involvement by Carrara in the day to day operations of activities while still

providing strategic guidance to the City Council and City Manager. Therefore, we are proposing a different approach towards addressing the needs of the resident of Sparks during the session with a keen eye towards the downsizing and budgetary restraints being felt by the City.

The Assumptions:

The first assumption is that many of the issues that the City has historically been involved with have ramifications for all local municipalities, not just the City of Sparks. And as such, there are other special interest groups in Carson City fighting on our behalf. Therefore, we will not track legislation which is being tracked and lobbied by interest groups like the public works directors or finance director or transportation directors.

The second assumption is that the City will only focus on those issues having a direct impact on the City. This would be items such as BDR's selected by the Council; STAR Bonds, assuming it has a direct impact on the City; or anything impacting the direct financials of the City like C-Tax. Those decisions would be made by the City Manager in collaboration with the lobbying team.

The third assumption is that once disengagement takes place the only way reengagement can occur is if a specific amendment to the bill creates a specific problem for the City.

Bill Tracking:

The challenge of handling any tracking system for the City is the sheer volume of measures and issues that the City has pursued in past sessions. Under this proposal, and based on the above mentioned assumption, that volume would be reduced substantially. Focusing only on those issues which directly impact the City while relying on other special interest which have a direct impact on the City should reduce the volume of tracking of legislation and therefore create a manageable workload for Carrara Nevada. Thus, I would envision a 50-100 bill maximum tracking report.

If this option is unacceptable to the City, Carrara Nevada would propose retention of a specific bill tracker for the City. We are happy to discuss this concept in more detail should the City opt to pursue this model. We can price this option out as a separate item should the City be interested.

It is our understanding that the old tracking systems used by the City to obtain comments from City department heads will no longer be used, or maintained. Furthermore, any input on a particular bill that has direct impact on the City will be sought through the City staff assigned to work with Carrara

Nevada and those comments will be passed back through the appropriate channels at the City and direction given to Carrara Nevada.

Issue Identification:

Under this proposal, Carrara proposes a separate planning session between the company and the City lobbying team to identify key core issues for the City. Based off of prior session involving Carrara Nevada a partial list of core issues for the City would include: a) STAR Bonds; b) consolidated tax; c) Charter Commission issues; d) ward voting structures; e) key transportation initiatives involving the City.

Committee Oversight:

Carrara Nevada will not assign a specific staff person to attend and monitor the Senate and Assembly Government Affairs Committee. We will rely on the City to monitor these committee activities online or in person. However, if there is a specific item of interest to the City, Carrara Nevada will

attend the hearing and provide a report to the City. Moreover, where one of the issue specific items are on the committees agenda, we will attend and participate in those hearings.

Testifying:

Similar to prior sessions, we will rely on City officials to testify on items of interest to the City. Carrara Nevada staff will step in only at the request of the City Manager.

Elected To Elected Contact:

By all accounts the strategy of having elected officials at the City speak with elected officials at the Legislature worked well. Therefore, we would suggest the continuation of such a process for the 2013 Legislature.

Communications:

Communication plays a key role in the overall success or failure of the City's efforts with legislators. While our proposal suggests that communication with legislators should occur between the City Council and members of the Legislature, we also envision the need for staff to keep state legislators informed on important initiatives. Thus, while in Carson City, we would expect that Carrara Nevada staff will play a key role in keeping legislators informed on important City initiatives. However, outside of the session, and particularly during the interim, we will expect that City staff will keep the lines of communication open with legislators, especially, the members of the Sparks delegation.

Role Of Carrara Staff:

We will incorporate tracking of legislation into our normal course of operation for the City, and unless specifically requested to do so by the City Manager due to a desire to track additional items, Carrara will not retain additional staff to undertake the work. Rather, Carrara will work directly with the City Manager and the lobbying team to identify the core issues for the 2013 session critical to the City.

Carrara will continue to serve as a strategic advisor to the City, but will also engage in direct lobbying efforts on behalf of the City. During the interim session, we will advise the City Manager and the lobbying team on matters concerning interim committees working on local government issues for the upcoming session; we will attend interim committee hearings with a direct impact on the City; we will meet with key legislators to discuss City issues, and we will set up and attend meetings between City officials and state elected officials.

During the legislative session, in addition to tracking bills, we will set up meetings for the lobbying team; we will meet on a regular basis with the City Manager and the lobbying team to consult and advise as necessary on matters impacting the City. We will also continue the practice of providing weekly reports to the Council during the legislative session in conjunction with the City Manager's office. We will also brief the Council, when requested on specific matters. Most importantly, we will work hand in hand with the City Manager on a day to day basis during the session to strategically position the City to address the needs of the citizens of the City of Sparks.

Role of City Staff:

Unlike previous sessions, the City will not have anyone on the ground on a day to day basis. And while this may lead to some disadvantages for the City as information is shared on a regular basis by on the ground local government affairs staffers, it is reflection of the new paradigm that the City and Carrara Nevada are attempting to address. The role of City staff will be to advise the Carrara Nevada staff, coordinate activities between the City on all legislative matters themselves, including testimony and positions on a timely fashion. City staff will work with the Council's lobbying team to liaison between the individual Council members and address any questions they may have about specific legislative issues. City staff will also coordinate the weekly reports during the session and distribute those reports to the Council. City staff will serve as a funnel point reviewing bills with Carrara Nevada to determine whether the measure has general impacts on all municipalities, or if there are specific provisions directly impacting the City and therefore needs the attention of the lobbying team. City staff will also review all agendas on a daily basis with the Carrara Nevada staff to determine if a particular legislative hearing will need attention.

During the interim, City staff will monitor activities of the interim committees in consultation with Carrara Nevada. They will meet with legislative leaders as necessary and they will work with the Council to identify issues for bill submission to the 2013 Legislature.

Legislative Success On Behalf Of Our Clients:

Our background and experience in legislative and regulatory issues on behalf of our clients is unmatched. Our breath of experience comes from representing our clients interests before governmental bodies across the state over the last decade. More importantly, our successes come from working hand in hand with our clients on their issues, setting realistic expectations as to what is achievable, and then working hard to advocate on their behalf with the elected officials in Nevada, along with the regulators of those specific industries. We are happy to provide you with a separate list of our specific accomplishments on behalf of our clients should the need arise. Please contact Rocky Finseth for that information.

Current & Former Clients of the Company:

Carrara Nevada represents a wide spectrum of clients across the State and the country. We do not believe that any of our existing clients will provide a conflict with the City. However, should a conflict arise, we will discuss the issue with you and take the appropriate action. The following is a list of some of the companies who have benefited in the past from our approach to lobbying.

Economic Development Association of Western Nevada
GlaxoSmithKline
Greater Las Vegas Association of REALTORS®
Incline Village Board of REALTORS®
Nevada Association of REALTORS®
Nevada Land Title Association
Nevada Physical Therapist Association
Pharmaceutical Research and Manufacturers of America
Reno Sparks Association of REALTORS®
Sierra Nevada Association of REALTORS®
7-Eleven Franchise Owners Association of Southern Nevada
Johnson & Johnson Pharmaceuticals
Wyeth Pharmaceuticals
Bristol Myers Squibb
National Association of Business Broker Permits
City of Sparks
Washoe County
American Lung Association

United Trustee Association
Vistakon
State of Nevada Private Investigator Licensing Board
Western Exchange Corporation
Boehringer-Ingelheim Pharmaceuticals
Wine Institute

Fee Proposal:

Carrara Nevada welcomes the opportunity to re-establish a productive working relationship with the City of Sparks. As a medium sized government affairs firm in the State, we represent a broad perspective with our client base and our business structure which allows us to ensure a statewide presence on behalf of all of Carrara's clients. Furthermore, we specialize only in government affairs unlike other firms in the State which also do law, public relations, or campaign outreach. Our approach to client relations ensures that we do one thing, and one thing only, advocate to the best of our abilities on behalf of our clients, and there are no other outside distractions such as trial dates, or advertising commitments, or campaign schedules to meet. We believe that we have a lot to offer the City from our prior experience in representing the City's interest before legislators and knowing some of the internal players in the City. We look forward to continuing those efforts, and would be honored to represent the City again.

Based on our proposal outlined in prior sections, we are proposing that this proposal run from June 1, 2012 to July 1, 2013 with the option for an extension. We would suggest the following fee structure for the City's consideration:

June 2012 - December 2012	\$2,750
January, 2013 - June 2013	\$6,500

Therefore, the total proposed compensation package would be for \$55,500 annually. We would propose that following the conclusion of the 2013 legislative session, both sides re-evaluate the need for continued representation.

Compensation Schedule:

Carrara Nevada is flexible in tailoring our services and charges to meet the needs of our clients. Our contracted compensation is always geared to the specific requirements of our clients. Any pre-approved expenses directly related to the City will be first discussed with the company and will likewise be billed. Any mileage, in excess of 30 miles, will be billed at the federal reimbursement rate.

Services will be billed at the end of the month for work performed on behalf of the client, and the contract can be terminated by either party with sufficient notice.

Independent Contractor:

Carrara Nevada is an independent contractor, not an agent or employee of auction.com, and will comply with all applicable federal, state and local laws, rules and regulations, orders and decrees of any court or administrative body or tribunal in any matter affecting the performance of this assignment, including workers compensation, and federal tax law and regulations. Carrara Nevada will assume responsibility for any property damage or personal injury, which results from the acts of Carrara Nevada representatives.

REFERENCES

Rob Wigton
Chief Executive Officer
Nevada Association of REALTORS
760 Margrave Avenue
Reno, Nevada 89502
(775) 829-5911

Joe & Penny Mayer
Mayer Realty
(775) 626-6255

Derek Naten
Government Affairs
Bayer Pharmaceuticals
1211 K Street
Sacramento, CA 95814
(916) 447-1611

Sylvia Smith
President
Nevada Land Title Association
P.O. Box 3059
Reno, NV 89509
(775) 332-7100

Merrill Jacobs
PhRMA
1215 K Street
Sacramento, CA 95814
(916) 233-3480

Keith Lynam
Past Legislative Chairman For NVAR
10333 Lauretea
Las Vegas, NV 89134
(702) 869-0595