



**To:** Board of Directors  
**From:** Steve Leighton, Fire Chief  
**Date:** September 15, 2021  
**Subject:** Fiscal Study for Meeks Bay Fire and North Tahoe Fire Operations

**Background:**

Per Board direction, staff requested proposals from several consultants to analyze the current fiscal wellness of the District, fiscal wellness of the District after ten years, and fiscal wellness of North Tahoe Fire Protection District after potential annexation/consolidation, which can then be used for a Plan For Services required by LAFCo, and determine if there is a need for a benefit assessment.

The following three documents were received from BAE Urban Economics, Ridgeline Municipal Strategies, and Willdan Financial Services.

**Recommendation:**

*Option 1:* If the board is not prepared to begin the annexation process with North Tahoe Fire Protection District, the recommendation is to direct staff to submit letters of declination to each of the consultants.

*Option 2:* If the board is prepared to begin the annexation process with North Tahoe Fire Protection District, but is concerned about the associated costs, the recommendation is to direct staff to submit letters of declination to each of the consultants and utilize the ESCI study, and begin working with LAFCo to begin the annexation process.

*Option 3:* If the board is prepared to begin the annexation process with North Tahoe Fire Protection District, and believes a new study is appropriate, the recommendation is to authorize staff to enter into an agreement with one of the above consultants, with a cap on the expense.

*Option 4:* Other board recommendation.

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Proposal to Provide

**Fiscal Study for NTFPD and MBFPD Operations**

Submitted to North Tahoe and Meeks Bay Fire Protection Districts

August 31, 2021



# bae urban economics

August 31, 2021

Shawn Crawford  
Meeks Bay Fire Protection District  
P.O. Box 189  
Tahoma, CA 96142  
Via e-mail: [shawn@meeksbayfire.com](mailto:shawn@meeksbayfire.com)

Dear Shawn:

BAE Urban Economics, Inc. is pleased to submit the attached proposal to prepare a Fiscal Study for NTFPD and MBFPD Operations, in response to the Districts' request for proposals dated July 27, 2021. BAE is excited for this opportunity serve the two Districts in their efforts to provide high-quality Fire/EMS services in the North Tahoe/Meeks Bay areas while ensuring long-term fiscal stability of operations.

BAE is uniquely positioned to provide the requested services, due to our familiarity with the types of issues that rural fire districts face, the Tahoe region community context, and decades of experience conducting fiscal impact analyses for fire departments and other public agencies. In addition, BAE has specific experience conducting fiscal analysis for a fire district's proposed annexation of another district's territory in the North Tahoe region, as well as experience working with LAFCos on different types of reorganization projects. We recognize that the increasing challenges related to the urban-rural interface and evolving community demographics create unique challenges for Tahoe area fire districts that were established based on the volunteer fire department model, but which are increasingly expected to provide urban levels of service with related levels of service complexity, training needs, and administrative overhead. To these ends, the study will evaluate the long-term fiscal viability of the two districts operating as independent entities, for comparison with the fiscal viability of a fully combined agency and provide the governing bodies as well as the Local Agency Formation Commission (LAFCo) with objective analysis that will help inform the long-term organizational strategy that will best serve the Districts' constituents.

Please do not hesitate to contact me at [mkowta@bae1.com](mailto:mkowta@bae1.com), or 530-219-0682 if you have any questions, or if I can provide any additional information.

Sincerely,



Matt Kowta, MCP  
Managing Principal

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# 1. FIRM DESCRIPTION

BAE Urban Economics, Inc. is an award-winning, national urban economics and real estate consulting practice. Since 1986, BAE has completed more than 2,300 client engagements for public agencies, non-profit organizations, financial institutions, and real estate investors and developers. All of BAE's work is led by seasoned professionals, who are responsible for project direction, client relations, and quality control.

BAE's services and practice areas include:

- Fiscal Impacts and Economic Benefits Analyses
- Sustainable Development and TOD
- Market and Financial Feasibility Analyses
- Economic Development and Revitalization
- Affordable and Workforce Housing
- Public-Private Partnership (P3) Structuring and Negotiation Support

BAE's passion about the "triple bottom-line" of sustainable economics, equity, and environment makes us unique among urban economists. The company believes that there are practical solutions to urban issues which will achieve this triple bottom-line, and that consideration of environmental impacts and social benefits as well as financial returns result in the best value for our clients.

BAE has practiced this same philosophy since its inception in 1986, with intentional investments in our staff and workplaces to foster creativity and a commitment to excellence. BAE has pioneered the use of survey research to target urban housing products, created innovative GIS tools for smart growth planning, and provided real estate advisory services to some of the nation's largest revitalization and sustainable development efforts.

The BAE difference shows – the firm has earned more awards for excellence than any other firm in its field, and its clients have retained the firm repeatedly over its 35-year history. BAE is also certified as an SBE/MBE/DBE by numerous public agencies. BAE has 17 staff members in five offices, including Washington DC, New York City, San Francisco, Sacramento, and Los Angeles. BAE also has an extensive work experience within the Truckee/ Tahoe region for clients such as the Town of Truckee, Placer County, El Dorado County, and the Tahoe Regional Planning Agency, and has completed projects involving the Truckee Fire Protection District as well as the North Tahoe Fire Protection District.

For more information, see [www.bae1.com](http://www.bae1.com).

## 2. RESUMES

Matt Kowta, MCP, Managing Principal of BAE will serve as Principal in Charge of this assignment. In this role, he will oversee the completion of BAE's overall scope of work. In addition, he will participate in key meetings and presentations, will conduct research and analysis, and will serve as a primary author of the written report. He will be assisted by Aaron Nousaine, MCRP, Associate Principal, who will contribute to research and analysis and preparation of written work products. Nyny Vu, Analyst, will provide research support for the project. Resumes for these key BAE staff are included on the following pages.



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**Matt Kowta, MCP**  
**Managing Principal**



## Education

Master of City Planning,  
UC Berkeley

Bachelor of Arts,  
Geography, UCLA

## Professional Experience

For 30 years, Matt has pioneered innovative techniques in economic analysis to meet the challenges of contemporary development. Matt oversees consulting operations spanning all of BAE's offices, supporting clients with expertise in public finance and fiscal impact, development feasibility and market analysis, affordable and workforce housing, and strategic economic development.

In addition to California, Matt works in locations across the U.S., including recent assignments in Florida, Utah, and Minnesota. He provides economic analysis in support of policy-making for a wide range of topics, including land use, economic development, affordable housing, public services and public facilities financing. Matt has conducted fiscal impact analyses for dozens of projects across California, including fiscal analysis for fire district consolidation, as well as citywide fiscal impact analyses that include Fire/EMS functions.

Recently, he conducted a fiscal peer review on behalf of the City of Los Banos and worked closely with the Cities of Woodland and Davis, to review fiscal analyses commissioned by Yolo County and assisted the cities in their successful negotiations to establish revenue sharing agreements for major annexations.

Other recent projects that Matt has supervised include economic impact and development feasibility analyses for a diverse range of projects, along with other unique projects tailored to our clients' unique needs in locations across the US.

## TFPD Annexation of DSPUD Fire

Truckee Fire Protection  
District, CA

Fiscal analysis for fire/EMS operations, Fiscal projections, Fiscal analysis for reorganization

## Economic & Fiscal Sustainability Technical Assistance

U.S. EPA for Stony Point, NY

Economic development, Fiscal analysis, Infrastructure investment strategy, Waterfront revitalization

## Fiscal Impact Analysis for Annexation Areas

City of Vacaville, CA

Multiple projects, Fiscal model development, Service costs projections including Fire/EMS, Revenue projections, Net fiscal impacts

## Priority Area 1 Specific Plan

Brentwood, CA

Analysis of jobs/housing balance, Economic development strategy, Fiscal impact analysis, including Fire/EMS

## Presidential Estates Fiscal Peer Review

City of Los Banos, CA

Peer review for applicant-prepared fiscal analysis, Consultations with staff of affected City Departments, Recommendations for modifications to analysis

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## Aaron Nousaine

### Associate Principal



### Education

Master of City and Regional Planning, UNC Chapel Hill

Bachelor of Arts, Social and Behavioral Science, CSU Monterey Bay

### Professional Experience

Aaron has 15 years of experience in the field of fiscal impacts analysis, infrastructure financing, economic development, affordable housing, redevelopment, and planning. As Associate Principal, Aaron plays a key role in the day-to-day management of BAE's broad portfolio of consulting assignments.

Aaron has extensive experience managing projects throughout the greater North Tahoe region, including ongoing work for the Town of Truckee, such as the 2040 General Plan update, the SB2 Housing Sites analysis, the Innovate Gateway Plan, and the BMR Housing Program. Aaron was also the primary author of the 2016 *Truckee North Tahoe Regional Workforce Housing Needs Assessment*.

In addition to this local experience, Aaron also brings significant experience preparing fiscal impact analyses for a wide variety of client agencies and jurisdictions, including preparation of quantitative fiscal models in support of annexation proposals in the cities of Morgan Hill, Stockton, Vacaville, and Woodland, among others, and preparation of models to help inform planned changes to General Plan land use patterns for communities like Chico, Eureka, and Truckee. He has also prepared a variety of analyses for various special districts, including a recent study for the Moraga-Orinda Fire District.

Prior to rejoining BAE, Aaron worked briefly with the Association of Monterey Bay Area Governments to prepare their long-term growth projections and with the California Energy Commission conducting fiscal and economic impact analysis for proposed power plant siting cases. Aaron holds an MCRP from UNC Chapel Hill and a BA from CSUMB. He currently lives full-time in the Tahoe Donner neighborhood of Truckee, California.

### Wilder 1 Fiscal Impacts Analysis

City of Orinda, CA  
Demand Generation Analysis  
Service Cost Allocation  
Fiscal Impacts Analysis

### Southeast Quadrant Fiscal Impact

City of Morgan Hill, CA  
Service Cost Allocation  
Fiscal Impacts Analysis

### South Area Fiscal Impact

City of Morgan Hill, CA  
Service Cost Allocation  
Fiscal Impacts Analysis

### Roberts Ranch Fiscal Impact

City of Vacaville, CA  
Service Cost Allocation  
Fiscal Impacts Analysis

### Stockton General Plan Update

City of Stockton, CA  
Real Estate Market Conditions  
Land Use Demand Projections  
Service Cost Allocation  
Fiscal Impacts Analysis

### Eureka General Plan Update

City of Eureka, CA  
Real Estate Market Conditions  
Land Use Demand Projections  
Service Cost Allocation  
Fiscal Impacts Analysis

### Truckee General Plan Update

Town of Truckee, CA  
Non-Residential Market Analysis  
Land Use Alternatives Planning

### Housing Funding Sources

Town of Truckee and Placer and Nevada Counties, Ca  
Evaluation of Potential Local Funding Sources and Financing Tools

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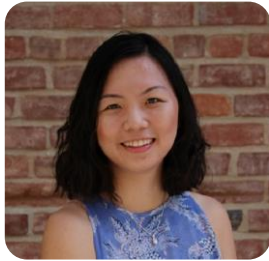
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# bae urban economics

**Nyny (Phuong) Vu**  
Analyst, BAE



## Education

Bachelor of Science,  
Environmental Science  
and Management,  
minor in Spanish,  
University of California,  
Davis

## Professional Experience

Nyny (Phuong) Vu is an Analyst at BAE's Sacramento Area office with a background in environmental and community development, GIS, and quantitative analysis.

Nyny provides data collection and analysis to support BAE's work on fiscal and economic impact studies, affordable housing policy studies, real estate market analysis, financial feasibility analysis, economic development strategies, and real estate development advisory services. Her work for recent projects has included assembling real estate market data to inform an analysis of the financial feasibility of redeveloping a site in North Richmond, CA to create new mixed-income housing, economic background reports for General Plan updates, development feasibility research for projects in the Town of Truckee, and other specialized economic research for a wide range of BAE assignments.

Prior to joining BAE, Nyny worked for the City of Sacramento Department of Parks and Recreation as a Parks Planning Intern and Sacramento Area Council of Governments (SACOG) as a GIS Intern. She also served as a Forest Planning Research Associate with the University of Santiago de Compostela in Spain and a Forest Dynamic Research Fellow with Ceiba Foundation for Tropical Conservation in Ecuador.

Nyny holds a Bachelor of Science in Environmental Science and Management with a minor in Spanish at UC Davis. She is fluent in Vietnamese and Spanish.

## South Baltimore Gateway Industry Analysis

Baltimore, MD  
Economic Profile  
Market Analysis  
Future Opportunities  
Analysis

## Sunnyvale Economic Development Strategic Plan

Sunnyvale, CA  
Economic Profile  
Market Analysis  
Local Policy Analysis

## Strategic Services

NASA Ames Research  
Park  
Mountain View, CA  
Market Analysis  
Fair Market Rent  
Evaluation for Leasing  
Support

## Los Angeles County Asset Mapping for COVID-19 Recovery

Los Angeles County, CA  
Economic profile  
Demographic and  
market analysis  
GIS mapping

## Systematic Code Enforcement Program Cost Recovery Fee Study

Los Angeles, CA  
Case study research  
Fee analysis

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### 3. PROJECT APPROACH

BAE understands that the MBFPD and NTFPD require an analysis that will provide a sound basis for the two agencies to decide whether it is in their long-term financial best interests to consolidate into a single agency, or whether they should remain as independent districts. BAE's approach to this study will be to work closely with both districts to fully explore this question and develop a set of fiscal projections and accompanying analysis that will provide the answer.

The two districts have been operating collaboratively for some time, but a full consolidation of the two agencies into a single entity would be necessary to realize the full benefits of coordinating operations. The study will frame up the question of which path would be most beneficial for long-term fiscal viability and provide answers by separately evaluating the long-term financial viability of each district operating as in independent agency and then comparing those results to an evaluation of the long-term viability of a combined district.

Our proposed approach is reflected in the Scope of Work contained in the next section; however, we will review and confirm that approach as part of our start-up task, and make refinements if necessary. In addition, considering the possible follow-up actions that would be necessary if the study finds that creation of a single, consolidated district would be financially advantageous, the Scope of Work includes an early task to consult with the LAFCo Executive Officer (or designee) to get input to the study format, to ensure that the completed report could also meet the Plan for Services fiscal requirements found in California Government Code 56653, should a reorganization be proposed to LAFCo.

There are several key background resources that will be important to the study, including the Standards of Coverage and Deployment Plan and the Performance Review and Examination of Alternative Governance Models reports (2018) by ESCI for the two districts, as well as municipal service reviews (MSR) prepared for each District by the El Dorado and Placer County LAFCOs, respectively. These documents contain important information about the Districts' current service areas, their service responsibilities and service demands, existing and targeted service standards, and financial/budgetary information. These materials will provide important background information for the fiscal projections; however, BAE also anticipates working closely with staff from both Districts to obtain additional information needed to reflect current baseline budget conditions and establish appropriate assumptions for the purposes of projecting future costs and revenues for the different projection scenarios, including identification of opportunities for ongoing cost savings resulting from consolidation into a single agency.

Finally, BAE will utilize its familiarity and knowledge of the Tahoe region to ensure that the projections will reflect realistic assumptions about future growth trends within the MBFPD and

NTPFD service areas and that the overall analysis is infused with an understanding of the unique local context.

## 4. SCOPE OF WORK

BAE will complete all tasks and provide all deliverables as specified in the Request for Proposals as detailed below. Tasks 3 through 10 cover scope items A. through H. of the Project Description included in the Request for Proposals.

### 1. Project Kick-Off

BAE will participate in a project kick-off meeting with MBFPD and NTFPD staff to review the project scope, objectives, and timeline. One key parameter to be established will be the horizon year for the fiscal projections (e.g., project through 2040). In addition, the group will identify any refinements to the approach and the scope of work that may be necessary to best meet the Districts' needs. BAE and staff from the Districts will review relevant background materials and identify additional staff contacts within each agency as appropriate for additional background data collection. After the kick-off meeting, BAE will make any necessary refinements to the Scope of Work, and BAE will prepare a project schedule to share with District representatives and BAE will maintain the schedule for the duration of the project, updating as necessary.

**Deliverables:** Updated Scope of Work (if necessary), Project Schedule (to be maintained/updated throughout the course of the project)

### 2. Discussion with El Dorado County LAFCo

BAE will initiate a discussion with El Dorado County LAFCo's Executive Officer to discuss the Plan for Services fiscal requirements found in California Government Code 56653 and determine how BAE can best format the project report to address these requirements, including confirming the horizon year to use for the fiscal projections. Subsequent to the meeting, BAE will prepare a Report outline to reflect the outcome of this discussion, to be shared with District representatives and the LAFCo Executive Officer for confirmation.

**Deliverable:** Report Outline to share with Districts and LAFCo (to be refined if necessary)

### 3. Project Increasing Operating Costs and Revenues for MBFPD

BAE will project increasing operating costs and revenues for MPFPD operating independently. As part of this task, BAE will develop a set of growth (population and employment) projections for the MBFPD and NTFPD service areas to use in projecting service cost and revenue increases. The projections of increased costs and revenues will be based on the growth projections as well as the assumptions about the service standard of MBFPD operations that will be derived from the 2018 Standards of Coverage and Deployment Plan study; however, this may be modified based on further discussions with MBFPD and NTFPD staff regarding appropriate long-term service level assumptions. BAE will use current operating expenditures

and revenues as a starting point for the projections. BAE will consult with District representatives to determine whether current expenditures are fully accounting for the cost of providing the targeted service levels and collaborate to develop appropriate adjustments to the base budget. BAE will then develop a methodology to project the increased costs through the projection horizon year. The projections of future year costs will incorporate increases costs due not only to service area growth, but other known cost increases for items such as increased costs for pension contributions and/or other post-employment benefits, as well as necessary sinking fund contributions for scheduled equipment replacement, based on input from District staff. BAE will project increased revenues based on known revenue sources, factoring in service area growth trends as well as other factors that could be expected to increase revenues over time.

**Deliverable:** MBFPD operating cost and revenue projections

#### **4. Project Increasing Operating Costs and Revenues for NTFPD**

BAE will project increasing operating costs and revenues for NTFPD operating independently, following the same methodology as that used for MBFPD under Task 3.

**Deliverable:** NTFPD operating cost and revenue projections

#### **5. Project Increasing Operating Costs and Revenues for a Reorganized Single District**

BAE will project increasing operating costs and revenues for a reorganized single district combining NTFPD and MBFPD, following the same general methodology as that used for Task 3 utilizing the combined current budgets of the two Districts; however, BAE will seek input from representatives of both Districts to identify any additional cost efficiencies and savings that could be achieved from the full consolidation of both Districts into a single agency. This would include elimination of staff duplication and other efficiencies that District representatives and BAE may identify as well as any cost differences for personnel costs due to salary schedules, benefit costs, etc. that would be expected from combining all staff under a single agency. BAE will project increasing operating revenues for the combined District by melding the operating revenue budgets of the two separate Districts and making any adjustments that may be necessary to reflect revenue generation/allocation for the combined district. As part of this revenue projection process, BAE will consider any available information regarding the potential exemption of the multi-county district from diversion of property tax revenues to the Educational Revenue Augmentation Fund (ERAF) and the resulting increase in property tax revenues to support the combined district as compared to the two districts operating separately. To the extent that there is uncertainty about how ERAF will be treated for a multi-county agency, BAE will set up the projection model to allow for sensitivity analysis to be conducted as part of Task 8.

**Deliverable:** Combined District operating cost and revenue projections

## **6. Evaluate long-term fiscal sustainability of MBFPD as an Independent District**

Utilizing the research, analysis, and findings from Tasks 1, 2, and 3, BAE will evaluate the long-term fiscal sustainability of MBFPD as an independent district. As part of this task, BAE will consider not only the projected balance of annual costs and revenues for District operations over time; BAE also will consider risk factors and sensitivity of various cost and revenue projection assumptions, to develop a more nuanced assessment of the likelihood that the District will remain financially viable over time if the decision is made for the District to operate independently.

**Deliverable:** Long-term MBFPD sustainability evaluation (to be included in Draft and Final Report)

## **7. Evaluate long-term fiscal sustainability of NTFPD as an Independent District**

Utilizing the research, analysis, and findings from Task 1, 2, and 4, BAE will evaluate the long-term fiscal sustainability of NTFPD as an independent district. As part of this task, BAE will consider not only the projected balance of annual costs and revenues for District operations over time, BAE will consider risk factors and sensitivity of various cost and revenue projection assumptions, to develop a more nuanced assessment of the likelihood that the District will remain financially viable over time if the decision is made for the District to operate independently.

**Deliverable:** Long-term NTFPD sustainability evaluation (to be included in Draft and Final Report)

## **8. Evaluate Long-Term Fiscal Sustainability of a Combined District**

Utilizing the research, analysis, and findings from Tasks 1, 2 and 5, BAE will evaluate the long-term fiscal sustainability of a combined district. As part of this task, BAE will consider not just the projected balance of annual costs and revenues for the Combined District operations over time; BAE will also consider risk factors and sensitivity of various cost and revenue projection assumptions, to develop a more nuanced assessment of the likelihood that the combined District will remain financially viable over time if the decision is made to reorganize the two districts into a Combined District. BAE will conduct this evaluation of the long-term viability of the Combined District relative to the risks/sensitivities associated with the anticipated long-term viability of the two districts operating independently over the long-term and the factors that may provide the Combined District with greater fiscal resiliency. The goal will be to clearly determine whether the Combined District will provide better prospects for the long-term sustainability of the targeted level of Fire/EMS services to the combined service area than if the two districts were to operate independently.

**Deliverable:** Long-term Combined District sustainability evaluation (to be included in Draft and Final Report)



## 9. Prepare Draft and Final Reports

BAE will prepare a written report to document the research, analysis, and findings from Tasks 1-8, above. This will include a recommendation as to whether it would be in the Districts' best financial interest to combine into a single agency. The report will include tables, narrative text, and graphs/charts to illustrate the key findings. The report will:

- a. highlight conclusions as to whether MBFPD and NTFPD could be expected to operate sustainably as separate fire districts and whether a combined MBFPD and NTFPD district would be more sustainable over time, including identification of the key factors supporting the conclusions;
- b. meet the Plan for Services fiscal requirements found in California Government Code 56653 which may be utilized for a potential Local Agency Formation Commission (LAFCo) reorganization combining NTFPD and MBFPD; and
- c. determine the need for a special benefit assessment, special tax, or similar taxing mechanism to maintain fiscal viability of the combined district and/or the respective levies that would be needed to support the two districts operating independently, as applicable. For each of the projection scenarios, BAE will estimate the "per dwelling unit equivalent" annual levy that would be necessary to ensure long-term fiscal sustainability.

BAE will prepare and submit the Draft Report in electronic format. BAE will be available to discuss the draft report with District representatives and answer questions via teleconference. Upon receipt of a single, consolidated set of written comments on the Draft Report, BAE will prepare and submit a final report in electronic format for the Districts' use.

**Deliverables:** Draft Report, Final Report

## 10. Presentations

BAE will present the Project's research, analysis, and findings at up to three public meetings, including one Board meeting for NTFPD, one Board meeting for MBFPD, and one meeting with El Dorado County LAFCo, if requested. BAE will prepare a PowerPoint presentation to use to explain and summarize the study at the meetings.

**Deliverable:** Summary Presentation for use in meetings

## 5. BUDGET

BAE will complete the proposed scope of work on a fixed-fee basis for a cost of \$49,950. This includes all consultant expenses, including labor, overhead, fee, and reimbursable expenses. The following is a preliminary budget breakdown by task. BAE reserves the right to re-allocate budget as needed to best serve project needs; however, in no event shall the total cost exceed the agreed-upon fixed-fee amount unless the client authorizes additional work beyond the contracted scope of work.

1. Project Kick-Off	\$2,500
2. Discussion with El Dorado County LAFCo	\$1,500
3. Project Increasing Operating Costs and Revenues for MBFPD	\$10,500
4. Project Increasing Operating Costs and Revenues for NTFPD	\$10,500
5. Project Increasing Operating Costs and Revenues for Single District	\$9,000
6. Evaluate long-term fiscal sustainability of MBFPD	\$1,500
7. Evaluate long-term fiscal sustainability of NTFPD	\$1,500
8. Evaluate Long-Term Fiscal Sustainability of a Combined District	\$2,500
9. Prepare Draft and Final Reports	\$6,000
10. Presentations	\$4,000
Reimbursable Expenses (travel, meals, etc.)	\$450
<b>Total</b>	<b>\$49,950</b>

## 6. SIMILAR PROJECTS AND RELEVANT EXPERIENCE

*BAE has completed numerous fiscal and financial studies involving Fire/EMS services that require estimating and projecting service costs, operating revenues, and the fiscal impacts of providing Fire/EMS services. Many of these studies have specifically involved rural fire protection districts that face ongoing challenges similar to those faced by the MBFPD and NTFPD. Following are example projects, all of which were overseen by Matt Kowta.*

### **Fiscal Viability Analysis for Truckee Fire Protection District Annexation of Donner Summit Public Utility District Fire Department**

*Truckee Fire Protection District and DSPUD, CA*

To support the annexation of the Donner Summit Public Utility District's Fire Department into the Truckee Fire Protection District, BAE prepared a fiscal viability analysis. On behalf of the two districts, the fiscal viability analysis examined several different scenarios for the transfer of Fire Protection services from the PUD to the TFPD. The scenarios involved different options for the transfer of service responsibilities (including contracts through which DSPUD provided fire service to other special districts) as well as the transfer of DSPUD tax revenues and service contract revenues. BAE prepared estimates of the cost and revenue impacts to TFPD under each scenario and determined that two scenarios were viable, and one would be significantly beneficial to the TFPD while the third scenario was not viable. The study was presented to Nevada County LAFCo to support its evaluation and approval of the reorganization.

### **Homewood Mountain Resort Fire Service Financial Impacts Study**

*North Tahoe Fire Protection District, CA*

The North Tahoe Fire Protection District retained BAE to prepare a fiscal impact analysis for a proposed project to undertake a major upgrade and expansion of the Homewood Ski Resort at Lake Tahoe. The aim of the proposed project was to transform the small day-trip oriented ski area on the lake's west shore into a year-round destination resort, with increased lodging and housing, increased commercial offerings, an amphitheater, and expanded ski area operations. BAE worked with District staff to identify the needs for expanded fire and rescue services, to allocate costs between the proposed project and other anticipated development within the District, and to project the net fiscal impacts on the District after considering increased revenues that the project would generate. BAE found that the proposed project would require revenue enhancements in order to ensure the district would experience no net fiscal deficit; however, the necessary mitigations appeared financially feasible.

### **Fire District Fiscal Impact Analysis for Senior Living Facility**

*City of Moraga, CA*

BAE prepared a fiscal impact analysis for the City of Orinda regarding impacts to the Moraga-Orinda Fire District (MOFD) from construction of an assisted living and memory care facility at

1 Wilder Way in the Wilder subdivision in the City of Orinda. Research included interviews with representatives of assisted living and memory care facilities throughout the greater Bay Area to identify per bed call generation rates for fire and emergency medical services (EMS). BAE then used the call generation rate data to extrapolate the anticipated EMS call generation originating from the proposed facility and used data provided by the project anticipated service costs. BAE then compared projected service costs with anticipated revenue from property tax and Medicare transport reimbursements to assess the net fiscal impact to the district. BAE staff then participated in multiple hearings with the Orinda City Council regarding approval of the proposed facility.

### **Roberts Ranch Fiscal Impact Analysis**

*City of Vacaville, CA*

The City of Vacaville commissioned BAE to prepare a fiscal impact analysis that projects the General Fund fiscal impacts associated with the Roberts Ranch annexation and subsequent residential development. The project includes approximately 785 single-family housing units on approximately 242 acres of land located to the southwest of the existing City limits line. BAE's analysis projected that Roberts Ranch would produce a budget surplus of approximately \$2.6 million per year, due in large part to positive net impacts to the police and fire departments from City-mandated Community Facilities District revenues that would substantially exceed anticipated incremental increases in Police and Fire Department costs. For this project, the fiscal results benefit from the fact that the City of Vacaville had already incorporated the cost of a new fire station that would serve the Roberts Ranch area into the City budget.

### **Martell Business Park Master Plan Fire Service Impact Study**

*RRM, CA*

Working as a sub-contractor to the developer's consultant, BAE conducted a fire services impact analysis for a proposed 387-acre master planned commercial and industrial center near the cities of Jackson and Sutter Creek in Amador County. The analysis considered impacts on the Amador Fire Protection District's annual operating expenses and costs and also considered the adequacy of the District's existing fire services impact fee to address long-term capital facilities needs associated with growth in service population. BAE's work involved analyzing impacts in light of several possible scenarios involving countywide fire district consolidation and service delivery strategies. The study assisted the Amador County Board of Supervisors in evaluating the potential impacts of the project.

### **Woodland General Plan Update**

*City of Woodland, CA*

BAE served as the economics subconsultant for the Woodland General Plan Update. BAE's work included preparation of an extensive economic and demographic conditions background report that provided the economic context for the General Plan Update. The report identified population and household trends and conditions, real estate market conditions for residential

and non-residential development, and projected growth in housing, retail, office, and industrial development over the General Plan time horizon. Drawing upon the background research, BAE assisted with evaluation of General Plan land use alternatives by evaluating the potential impacts of the land use alternatives on the City's fiscal health, considering key metrics such as assessed value per service population per acre, City share of property tax revenue in developing areas, efficiency of fire/EMS response coverage, jobs/housing balance, and cost efficiency of public facilities and infrastructure. Qualitative evaluation included proximity of new housing to community amenities, potential for strengthening downtown and commercial corridors, leveraging assets for economic development and fiscal stability, and providing connectivity by jobs and housing.

### **Solar Project Independent Fire Needs Assessment**

*Abengoa Solar, Inc. and California Energy Commission, CA*

BAE was selected to provide a third-party analysis of the potential impacts and recommended mitigations for fire and emergency medical services associated with a 250-megawatt solar trough energy generating project in a remote area of the Mojave Desert where existing fire and EMS response capabilities are limited to a volunteer-staffed fire station with an approximately 15-minute response time to the project site. The particular concerns regarding fire service impacts of this type of solar facility stem from the very large quantity of petroleum-based heat transfer fluid that is used to convey the energy generated by solar collector fields to the "power islands" where electricity is generated using steam turbines. BAE evaluated the regional fire/EMS system, determined current service standards, analyzed regional growth projections, and evaluated historic emergency response data for similar solar trough projects to determine a practical approach to mitigate against the unlikely event of a major fire that could lead to drawdown of regional fire protection resources. After estimating costs for the recommended service enhancement scenario, BAE estimated a fair-share contribution for the solar project, netted out the estimated local revenues that the project would generate, and recommended a mitigation payment that would ensure that the project's share of new fire/EMS costs would be covered, and that the county government would still receive additional revenues that could cover other public service needs.

## Fire District Impact Fee Programs for Yolo County

Yolo County, CA



Yolo County, a large and geographically diverse region, initially retained BAE to assist rural fire districts in establishing development impact fee programs. BAE worked with numerous local fire districts to create the documentation needed to comply with AB 1600, which requires a legally-defined nexus between the fee and the costs it is intended to offset. This legal framework only permits fees to be charged for new development impacts; it does not permit projects to offset existing deficiencies in the system.

To meet the challenge of extensive data collection from numerous small, sometimes volunteer-staffed districts, BAE facilitated an innovative process by initially organizing a series of training workshops for fire districts' personnel to inform participants about the legal requirements for impact fees, help develop growth projections, and identify resulting new capital equipment and facility needs. BAE then worked with individual fire districts to prepare each nexus analysis and calculate fee schedules, allocating the identified costs to new and existing development. With this necessary documentation, individual districts were then able to work with County staff to adopt fee ordinances, resulting in a successful program for each fire district to defray its allowable capital costs and maintain service levels. Numerous successfully adopted and implemented fee programs resulted from this process.

BAE has subsequently assisted fire districts with two rounds of fee program updates, which involved updating development projections to reflect new local land use policies and changed environmental and economic conditions, revising capital programs and cost allocations, and preparing updated fee schedules.

*In addition to our fiscal analyses for projects involving fire/EMS services, BAE also has extensive experience working in the Truckee/Tahoe Region, providing us with familiarity with*

*regional growth and demographic patterns and the unique community context for the MBFPD and NTFPD service areas. Following is a listing of recent and ongoing projects in the area:*

- Truckee General Plan Update
- El Dorado County Growth Projections 2040
- Placer County Tahoe Basin Economic Sustainability Study
- Placer County Transportation Impact Fee Study Update
- Donner Pass Road Housing Sites Evaluation
- Truckee Housing Development Feasibility
- Truckee/North Tahoe Housing Needs Assessment
- Tahoe Regional Planning Agency Affordable Housing Strategy
- Tahoe City Nahas Property Market Analysis
- State of CA South Lake Tahoe Housing Site Developer Solicitation
- Stages at Northstar Economic Impact Analysis
- Truckee Housing In-Lieu Fee Update

## 7. REFERENCES

### Yolo County Fire Districts Impact Fee Studies

County of Yolo

**Dates:** 2004+

**Type of Deliverable:** Impact fee studies for rural fire districts

Alexander Tengolics, Manager of Governmental Relations

County of Yolo

625 Court St

Woodland, CA 95695

530-666-8068

[Alexander.Tengolics@yolocounty.org](mailto:Alexander.Tengolics@yolocounty.org)

### Fire District Fiscal Impact Analysis for Senior Living Facility

*City of Orinda*

**Date:** 2/2020-1/2021

**Type of Deliverable:** Fiscal impact report covering Fire/EMS services

Adam Foster, Senior Planner

City of Orinda

22 Orinda Way, Orinda CA 94563

925-726-1749

[afoster@cityoforinda.org](mailto:afoster@cityoforinda.org)

### Roberts Ranch Fiscal Impact Analysis

*City of Vacaville*

**Date:** 11/2016-2/2017

**Type of Deliverable:** Fiscal impact report covering all municipal services

Fred Buderer, City Planner

Community Development Department

City of Vacaville

650 Merchant Street

Vacaville, CA 95688

707-449-5307

[fbuderi@cityofvacaville.com](mailto:fbuderi@cityofvacaville.com)



**PROPOSAL TO PROVIDE  
FINANCIAL CONSULTING SERVICES TO**



AND



**RIDGELINE MUNICIPAL STRATEGIES, LLC**

**FISCAL STUDY**







August 31, 2021

Ms. Shawn Crawford  
Meeks Bay Fire Protection District  
8041 Highway 89 (Emerald Bay Road)  
Meeks Bay, CA 96142

Dear Ms. Crawford,

Ridgeline Municipal Strategies, LLC is pleased to submit this proposal to serve as a financial consultant to the Meeks Bay and North Tahoe Fire Protection Districts (the "MBFPD" and "NTFPD," respectively, or "Districts" jointly) on the development of Fiscal Studies (the "Project").

Our firm specializes in serving the California fire district community, as well as other local government agencies, with services related to financial and fiscal analysis, debt issuance, and pension cost optimization. Our team members have a long history of serving the financing needs of California municipalities.

Our Project approach will focus on the following elements:

- Develop an in-depth understanding of the financial and operating objectives of the Districts;
- Prepare detailed fiscal and operating models incorporating various revenue sources, special benefit assessments, staffing, operating expenses, pension and OPEB costs, capital improvements and equipment acquisition and replacement, debt issuance and repayment, etc.;
- Based on our review of the Districts' fiscal situation, particular attention needs to be devoted to:
  - the pension and OPEB costs of the Districts, which tend to have their own escalation patterns;
  - the need for extensive capital improvement projects (including the NTFPD's Stations 52 and 54); and,
  - the debt issuance and repayment assumptions, which will incorporate the NTFPD-specific financial covenants, as applicable.



- Perform analysis under the following scenarios:
  - Districts operating fully independent of each other; and
  - Full consolidation of the Districts;
  - Additionally, while the Request for Proposals did not call for this scenario, should the Districts desire to do so, we can also perform fiscal analysis for the current contractual arrangement between the Districts.
- The results of the analysis will be documented in detailed reports and summary presentations and presented to the Districts' staff and Boards of Directors and, if necessary, to the El Dorado County LAFCo.

We look forward to working with the Meeks Bay and North Tahoe Fire Protection Districts.

You can reach me at (916) 250-1590 and [dsemenov@ridgelineuni.com](mailto:dsemenov@ridgelineuni.com).

RIDGELINE MUNICIPAL STRATEGIES, LLC



Dmitry Semenov  
Principal

## **PROPOSAL TO PROVIDE FINANCIAL CONSULTING SERVICES TO THE MEEKS BAY FIRE PROTECTION DISTRICT AND THE NORTH TAHOE FIRE PROTECTION DISTRICT**

The Meeks Bay and the North Tahoe Fire Protection districts have issued a joint Request for Proposals for Fiscal Studies (the “RFP”), which was distributed on July 27, 2021. Our response below follows the order laid out in the Submittal Requirements of the RFP.

### **1. INTRODUCTION**

Ridgeline Municipal Strategies, LLC (“Ridgeline”) is an independent registered municipal advisory and financial consulting firm offering a full range of financial advisory and consulting services to governmental agencies.

We specialize in financial and fiscal analysis, municipal advisory and debt issuance support, pension cost optimization solutions, and other types of quantitative analytics for the public sector. A detailed description of our services and experience is provided in the enclosed Statement of Qualifications.

Our firm was founded in February 2021 with the vision of providing personalized, innovative, and independent municipal advisory and financial consulting services to California communities. While we are a young firm, the members of our team have over 30 years of industry experience and participated in more than 60 various financial consulting assignments, as well as preparation and sale of over 150 municipal bond issues, bank loans and private placements that raised over \$1 billion in financing proceeds.

Ridgeline is registered with the Securities and Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”) as a municipal advisor. Our corporate structure is a California Limited Liability Company.

### **2. QUALIFICATIONS AND EXPERIENCE: RIDGELINE TEAM**

The following members of the Ridgeline team will be working on the Project.

*Mr. Dmitry Semenov*, Principal, specializes in advising public agencies on fiscal strategies, debt issuance, pension and OPEB cost optimization, and infrastructure and equipment financing. Prior to launching Ridgeline, Mr. Semenov spent over 10 years in commercial banking, focusing on serving the West Coast municipalities and funding approximately \$1 billion in tax-exempt and taxable financings for fire districts, cities, counties, school

districts, special districts, and other types of public agencies, as well as universities and non-profit organizations. Prior to banking, he worked for over 15 years in the municipal financial consulting and community development field, focusing on entitlements and financing for public infrastructure and services. Mr. Semenov is a registered Municipal Advisor (Series 50 license) and Municipal Advisor Principal (Series 54 license) with the SEC and MSRB and holds a Master of Business Administration degree from the University of California, Davis and a Bachelor of Science degree in Economics from the Plekhanov University of Economics.

*Mr. Jordan Bird*, Associate, specializes in fiscal analysis, as well as risk and credit assessment of public agencies. He has performed risk assessment and in-depth financial and fiscal analysis for dozens of local government agencies on the West Coast. Prior to joining the Ridgeline team, Mr. Bird spent over three years as a financial analyst at commercial banks focusing on municipal lending to fire districts, special districts, school districts, water and wastewater agencies, cities, and counties. Mr. Bird holds a Bachelor of Science degree in Economics from the California Polytechnic State University, San Luis Obispo.

### **3. PROJECT APPROACH**

As the Districts and the public are evaluating the fiscal sustainability of fire protection services in the region, it is of utmost importance that detailed and comprehensive financial analysis supports the deliberations and the decision-making process.

Ridgeline takes a very practical approach to fiscal analysis, rooted in pragmatic realities of prudent financial management that we must take into consideration while preparing our clients for issuing debt and performing credit due diligence. Our calculations are not theoretical concepts, but rather hands-on cash flow evaluations designed to prepare public agencies for long-term fiscal resiliency and ability to meet the high expectations of lenders and municipal bond investors. We feel that this is particularly important for the Project, since the NTFPD has significant debt exposure to the California Economic and Infrastructure Bank and Community First National Bank, at least some of which is likely to have financial covenants. With the possibility of more debt issuance to fund station upgrades in the future, it is important to start preparing for that as early as practically possible.

One of the most significant financial issues facing California local governments in general and fire protection districts in particular (given their large concentration of Safety employees) is the growing unfunded pension liability and the associated pension costs. Ridgeline has been actively helping the fire district community with optimization of unfunded pension liabilities. We intend to utilize our hands-on knowledge of pension

burdens and CalPERS' practices to help the Districts evaluate alternative approaches to managing their pension costs and identify cost saving strategies. For example, the NTFPD's Unfunded Accrued Liability payments to CalPERS are scheduled to increase from \$1.2 million in 2022 to \$1.82 million in 2031 in the Classic Safety pension plan alone (based on the 06/30/2019 CalPERS Actuarial Valuation Report, the most current public information available). We believe that prudent fiscal analysis needs to consider pension cost reduction options.

To ensure quality and efficiency of the fiscal study process, we propose the following Project approach:

- **Research Stage:**

- Gather and review Project-related information, including but not limited to:
  - audited financial statements;
  - budgets and financial forecasts;
  - board meeting packets;
  - strategic plans;
  - alternative governance models report;
  - loan agreements;
  - CalPERS actuarial valuation reports and OPEB actuarial valuation reports;
  - capital project and equipment programs;
  - anticipated grant revenue information;
  - reserve policies;
  - information on past and proposed tax measures; and
  - any other relevant information available from the Districts.
- The RFP references a possible need for a future special benefit assessment or special tax. If the results of the fiscal studies indicate a need for such measure, parcel data may need to be obtained.
- Interview the Districts' teams to develop an in-depth understanding of Project background, issues, and priorities. While the interviews can be done virtually, our preference is for in-person meetings at the Districts' offices if circumstances allow.

- **Report Preparation Stage:**

- Based on the information gathered during the Research Stage, Ridgeline will develop fiscal models, analyzing historical revenues and expenses and develop detailed projections for each Project alternative:
  - The MBFPD operating independently;
  - The NTFPD operating independently; and,

- The Districts operating on a consolidated basis.

It is anticipated that the projections will be done for at least a 10-year period. The models will incorporate staffing assumptions, known and anticipated revenue and cost increases, as well as reserve targets. The revenue and expense categories will generally follow the pattern used in the audited financial statements and budgets to allow for easy verification of data and comparison with future actual performance. Particular attention will be given to the following issues:

- pension and OPEB costs and cost control measures;
- major equipment and capital improvement costs (including renovations of the NTFPD's Stations 52 and 54, if applicable) and funding sources, including debt issuance and possible grant funding resources; and
- Districts' ability to meet their existing and anticipated future debt-related financial covenants and maintain targeted reserve levels.

If the models indicate that future fiscal sustainability of the Districts cannot be maintained without a special benefit assessment or special tax, Ridgeline will determine the timing of when the additional funding is needed, its total and per parcel estimated annual amount, and whether annual increases are necessary.

The models will allow the Project team to evaluate the long-term fiscal sustainability of the MBFPD and the NTFPD as independent districts, as well as the long-term fiscal sustainability of the Districts operating on a fully consolidated basis.

The model outputs will be provided to the Districts' staff for review and comments.

- Once the financial models are approved by the Districts, Ridgeline will prepare detailed fiscal study reports, documenting the research, assumptions, analysis, findings, and recommendations. The reports will provide substantiated conclusions as to whether the Districts can sustainably operate independently and/or on a consolidated basis. The reports will be provided to the Districts in a draft form first to allow for review and comments.

The reports will conform with the California Government Code 56653 Plan for Services requirements.

The reports will be finalized once the Districts confirm that they have been prepared to their satisfaction.



- **Public Presentation Stage:**
  - Ridgeline will prepare and deliver presentations to the Districts’ boards and to the El Dorado County LAFCo, if necessary. Presentation materials will be provided to the Districts’ staff for review and approval prior to being presented at public meetings.

#### **4. SCOPE OF SERVICES**

Based on the Project Approach outlined above, we propose the following Scope of Services, which includes two primary tasks and one optional task.

##### **PRIMARY TASKS**

##### **TASK 1: ANALYSIS AND REPORT PREPARATION**

Task 1 includes the Research and Report Preparation Stages identified above. Ridgeline will prepare separate fiscal models and reports for each District operating independently and for the consolidated operations.

Since the Districts are currently operating under a joint agreement, but are not fully consolidated, the fiscal analysis for the independent operations will separate the historical data into District-specific calculations. The RFP did not request a separate fiscal analysis for the current operating arrangement. In case such analysis is necessary in addition to the three other alternatives, it can be prepared as shown in Optional Task 3 below.

##### **TASK 2: PUBLIC PRESENTATIONS**

Task 2 includes the Public Presentation Stage identified above. Ridgeline will prepare all necessary presentation materials and deliver presentations in up to three public meetings (one for each District and one for the El Dorado County LAFCo, if necessary).

##### **OPTIONAL TASK**

##### **TASK 3: ANALYSIS AND REPORT PREPARATION FOR CURRENT OPERATING ARRANGEMENT**

Task 3 is **optional** and includes fiscal model development and report preparation for the current operating arrangement of the Districts (a joint operating agreement). The historical revenue and cost data will not be separated, where applicable, and future projections will be developed assuming the continuation of the current operating model.

## **5. PROJECT BUDGET**

For the Scope of Services described above, Ridgeline will be compensated on a time and materials basis, not to exceed total budget, as shown in the table below. Reimbursable costs include parcel data purchase, travel, and final report printing expenses.

The not-to-exceed budget for Tasks 1 and 2 is **\$53,765**.

The not-to-exceed budget for the **optional** Task 3 is **\$6,600**.

It should be noted that the budget assumes economies of scale due to preparation of three separate fiscal studies at the same time. Removal of any one or two studies from the scope may not result in dollar-for-dollar budget reduction.

Budgeted amounts may be shifted between tasks, sub-tasks, and alternatives without Districts' approval, as Project schedule requires. However, if Task 3 is not required, its budgeted amount will not be available for Tasks 1 and 2.

**Meeks Bay and North Tahoe Fire Protection Districts  
 Fiscal Study  
 Project Budget**

Task / Stage	Billing Rate	Meeks Bay		North Tahoe		Consolidated		TOTAL	
		Hours	Budget	Hours	Budget	Hours	Budget		
<b>PRIMARY TASKS</b>									
<b>1</b>	<b>Fiscal Study: Analysis and Report Preparation</b>								
1.1	Research Stage								
1.1.1	Gather and Review Information								
	Associate	\$185	5	\$925	8	\$1,480	3	\$555	\$2,960
	Principal	\$290	3	\$870	5	\$1,450	3	\$870	\$3,190
1.1.2	District Staff Interviews								
	Associate	\$185	4	\$740	4	\$740	0	\$0	\$1,480
	Principal	\$290	4	\$1,160	4	\$1,160	0	\$0	\$2,320
1.1.3	Special Tax								
	Associate	\$185	2	\$370	2	\$370	2	\$370	\$1,110
	Principal	\$290	1	\$290	1	\$290	1	\$290	\$870
	Parcel Data Purchase			\$750		\$750		\$0	\$1,500
1.2	Report Preparation Stage								
1.2.1	Fiscal Model Development								
	Associate	\$185	12	\$2,220	16	\$2,960	16	\$2,960	\$8,140
	Principal	\$290	6	\$1,740	8	\$2,320	8	\$2,320	\$6,380
1.2.2	Report Preparation								
	Associate	\$185	12	\$2,220	16	\$2,960	16	\$2,960	\$8,140
	Principal	\$290	6	\$1,740	8	\$2,320	8	\$2,320	\$6,380
<b>2</b>	<b>Presentations</b>								
2.1	Presentation Preparation								
	Associate	\$185	3	\$555	3	\$555	3	\$555	\$1,665
	Principal	\$290	3	\$870	3	\$870	3	\$870	\$2,610
2.2	Presentation Delivery								
	Principal	\$290	6	\$1,740	6	\$1,740	6	\$1,740	\$5,220
	Travel and Printing Expenses			\$600		\$600		\$600	\$1,800
	<b>TOTAL: PRIMARY TASKS</b>			<b>\$16,790</b>		<b>\$20,565</b>		<b>\$16,410</b>	<b>\$53,765</b>
<b>3</b>	<b>OPTIONAL TASK: Fiscal Study for Current Arrangement</b>								
3.1	Fiscal Model Development								
	Associate	\$185					10	\$1,850	\$1,850
	Principal	\$290					5	\$1,450	\$1,450
3.2	Report Preparation								
	Associate	\$185					10	\$1,850	\$1,850
	Principal	\$290					5	\$1,450	\$1,450
	<b>TOTAL: OPTIONAL TASK</b>								<b>\$6,600</b>

## **6. RELEVANT EXPERIENCE**

The Ridgeline team members have an extended experience working with the fire district community, as well as in the Tahoe / Truckee region.

Our **fire district customers** include the following agencies:

- Lake Valley Fire Protection District
- Bonita Sunnyside Fire Protection District
- Lakeside Fire Protection District
- Rancho Adobe Fire Protection District
- Multnomah County Rural Fire Protection District No. 10
- Ebbetts Pass Fire Protection District
- Borrego Springs Fire Protection District
- Penn Valley Fire Protection District

In the **Tahoe / Truckee area**, the members of our team have worked on the following financial and consulting projects:

- Lake Valley Fire Protection District – Pension Liability Assessment and Optimization
- Martis Valley Community Plan:
  - Martis Valley Economic Impact and Fiscal Analysis;
  - Martis Valley / Placer County – Developer Negotiation Support;
  - Northstar Village Fiscal Analysis;
  - Northstar Highlands Fiscal Analysis;
  - Hopkins Ranch Fiscal Analysis; and
  - Eaglewood Fiscal Analysis
- Tahoe Regional Hospital District – Equipment Financing
- El Dorado County Water Demand Projections, with particular focus on water purveyors within the Tahoe Regional Planning Agency area.

**Fiscal analysis** is incorporated into most of our work. Specific fiscal study experience of our team members includes the following assignments:

- Placer County – Martis Valley Community Plan Fiscal Analysis (see above);
- Placer County – Forest Ranch Fiscal Analysis;

- City of Woodland – Spring Lake Specific Plan Fiscal Analysis;
- City of Woodland – Automall Fiscal Analysis;
- Sacramento County – Arden Arcade Incorporation Fiscal Analysis.

Additionally, the members of our team have performed in-depth fiscal and financial sustainability / credit risk analysis of over 100 public agencies.

## 7. REFERENCES

Our customer references are:

### 1. Lake Valley Fire Protection District

(530) 577-3737

*Brad Zlendick, Fire Chief – zlendick@caltahofire.net*

*Kileigh Labrado, Administrative Manager – labrado@caltahofire.net*

*Project: Pension Liability Refunding, 2021*

*Deliverables: Multiple rounds of fiscal impact analysis of pension liability refunding, staff and board study session materials and presentations, and issuance of pension refunding financing.*

### 2. Ebbetts Pass Fire Protection District

(209) 795-1646

*Mike Johnson, Fire Chief – firechief@epfd.org*

*Project: Pension Liability Refunding, 2021*

*Deliverables: Multiple rounds of fiscal impact analysis of pension liability refunding, staff and board study session materials and presentations, and issuance of pension refunding financing.*

### 3. Santa Cruz Metropolitan Transit District

(831) 420-2530

*Chuck Farmer, Chief Financial Officer – cfarmer@scmttd.com*

*Project: Fiscal Impacts of Pension Cost Optimization, 2021*

*Deliverables: Comprehensive fiscal study of pension liability optimization strategies, including additional discretionary contributions, Section 115 Trust, Fresh Start, direct refunding, and rolling equipment lease program.*

## 8. SAMPLE AGREEMENT

The RFP did not include standard contract provisions. Ridgeline’s standard consulting services agreement is included as Appendix A. Additionally, as a registered municipal

advisor, we are required to provide you with certain information and disclosures, which are included in Appendix B.

**APPENDIX A**  
**STANDARD CONSULTING SERVICES AGREEMENT**  
**RIDGELINE MUNICIPAL STRATEGIES, LLC**

**THIS AGREEMENT** (the “Agreement”), made and entered into this \_\_\_ day of \_\_\_\_\_ 2021, by and between \_\_\_\_\_, a municipal corporation, with its principal place of business at \_\_\_\_\_ (the “Client”), and Ridgeline Municipal Strategies, LLC, a California Limited Liability Company, with its principal place of business at P.O. Box 634, Loomis, CA 95650 (“Ridgeline”), sets forth the terms and conditions under which Ridgeline shall provide consulting services to the Client.

**WHEREAS**, the Client wishes to obtain the services of a financial consultant to assist the Client with development of the \_\_\_\_\_ (the “Project”); and

**WHEREAS**, Ridgeline is duly licensed and has the necessary qualifications, experience, and personnel necessary to properly provide the Scope of Services;

**WHEREAS**, the Client desires to retain Ridgeline to provide the Scope of Services; and

**WHEREAS**, the \_\_\_\_\_ is authorized to enter into this Agreement on behalf of the Client; and

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained herein, and intending to be legally bound hereby, the Client and Ridgeline agree as follows:

**SECTION I. SCOPE OF SERVICES**

- A. Ridgeline shall provide the services described in Exhibit A to this Agreement (hereinafter referred to interchangeably as the “Services” or “Scope of Services”). Any material changes in or additions to the Scope of Services described in Exhibit A shall be promptly reflected in a written supplement or amendment to this Agreement. Services provided by Ridgeline which are not specifically referenced in the Scope of Services shall be completed as agreed in writing in advance between the Client and Ridgeline. Upon request of the Client, Ridgeline may agree to additional services to be provided by Ridgeline by a separate agreement between the Client and Ridgeline.
- B. Ridgeline shall perform all such work with skill and diligence and pursuant to generally accepted standards of practice in effect at the time of performance. Ridgeline shall provide corrective services without charge to the Client for work which fails to meet these standards and which is reported to Ridgeline in writing within sixty (60) days of discovery.
- C. The Client shall cooperate with Ridgeline and will furnish all information, data, records, and reports existing and available to the Client to enable Ridgeline to carry out work outlined in the Scope of Services. Ridgeline shall be entitled to reasonably rely on information, data, records, and reports furnished by the Client, however, the Client makes no warranty as to the accuracy or completeness of any such information, data, records, or reports available to it and provided to

Ridgeline which were furnished to the Client by a third party. Ridgeline shall have a duty to bring to the Client's attention any deficiency or error it may discover in any information provided to Ridgeline by the Client or a third party.

- D. Ridgeline shall, at its sole cost and expense, furnish all facilities and equipment that may be required for providing Services pursuant to this Agreement. The Client shall furnish to Ridgeline no facilities or equipment, unless the Client otherwise agrees in writing to provide the same.
- E. Upon the Client's request, Ridgeline shall provide, in a form acceptable to the Client, written progress reports of all oral and written observations, opinions, recommendations, analyses, progress and conclusions related to Ridgeline's performance of the Services.

## **SECTION II. WORK SCHEDULE**

The services of Ridgeline are to commence as soon as practicable after the execution of this Agreement. Ridgeline shall thereafter diligently perform the Services through to completion unless otherwise directed by the Client or unless earlier terminated.

## **SECTION III. REGISTERED MUNICIPAL ADVISOR; REQUIRED DISCLOSURES**

- A. Ridgeline is a registered municipal advisor with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. This Agreement designates Ridgeline as the Client's independent registered municipal advisor ("IRMA") with regard to the attached Scope of Services for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA Exemption"). Ridgeline shall not be responsible for, or have any liability in connection with, verifying that Ridgeline is independent from any other party seeking to rely on the IRMA Exemption (as such independent status is required pursuant to the IRMA Exemption, as interpreted from time to time by the SEC). The Client acknowledges and agrees that any reference to Ridgeline, its personnel, and its role as IRMA, including in the written representation of the Client required under SEC Rule 15Ba1-1(d)(3)(vi)(B) shall be subject to prior approval by Ridgeline. The Client further agrees not to represent that Ridgeline is the Client's IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, outside of the attached Scope of Services or without Ridgeline's prior written consent.
- B. MSRB Rule G-42 requires that municipal advisors make written disclosures to its clients of all material conflicts of interest and certain legal or disciplinary events. Such disclosures are provided in Ridgeline's Disclosure Statement delivered to the Client together with this Agreement as Exhibit C.

## **SECTION IV. COMPENSATION**

- A. For the Services provided under this Agreement, Ridgeline's professional fees shall be paid as provided in Exhibit B to this Agreement. Any services which are not included in the Scope of Services set forth in Exhibit A of this Agreement will be subject to separate, mutually acceptable fee structures.



- B. Invoice(s) in a format and on a schedule acceptable to the Client shall be submitted to and be reviewed and verified by the Client. The Client shall notify Ridgeline of exceptions or disputed items and their dollar value within fifteen (15) days of receipt. Payment of the undisputed amount of the invoice will be made within thirty (30) days after the invoice is received by the Client.
- C. Ridgeline will maintain clearly identifiable, complete and accurate records with respect to all costs incurred under this Agreement. Ridgeline shall make available to the representative of the Client all such books and records related to this Agreement, and the right to examine, copy and audit the same during regular business hours upon three (3) business days' notice for a period of two (2) years from the date of final payment under this Agreement.

#### **SECTION V. TERM AND TERMINATION**

- A. Unless otherwise provided, the term of this Agreement shall begin on the date of its full execution and shall expire on \_\_\_\_\_, 2021, unless extended by amendment or terminated earlier as provided herein.
- B. The Client may suspend this Agreement and Ridgeline's performance of the Services, wholly or in part, for such period as it deems necessary in the Client's sole discretion. Ridgeline will be paid for satisfactory services performed through the date of suspension.
- C. If Ridgeline at any time refuses or neglects to perform its Services in a timely fashion or in accordance with the schedule identified in Exhibit A, or is declared bankrupt, or commits any act of insolvency, or makes an assignment for the benefit of creditors without Client's consent, or fails to make prompt payment to persons furnishing labor, equipment, materials or services, or fails in any respect to properly and diligently perform its Services, or otherwise fails to perform fully any and all of the Agreements herein contained, this Agreement shall be terminated.
- D. If Ridgeline fails to cure the default within seven (7) days after written notice from the Client, the Client may, at its sole option, demand possession of any documents or other materials (in paper and electronic form) prepared or used by Ridgeline in connection with the provision of Services and (1) provide any such work, labor, materials or services as may be necessary to overcome the default and deduct the cost thereof from any money then due or thereafter to become due to Ridgeline under this Agreement; or (2) terminate this Agreement.
- E. This Agreement and all Services to be rendered under it may be terminated upon ten (10) days written notice from either party, with or without cause. In the event Client elects to terminate this Agreement, Ridgeline shall be paid for all services rendered, unless the termination is made for cause, in which event compensation, if any, shall be adjusted in the light of the particular facts and circumstances involved in the termination. This continuing right to receive full compensation shall survive the term of this Agreement.

#### **SECTION VI. ASSIGNMENT**

Ridgeline shall not assign any interest in this Agreement without the prior written consent of the Client.

**SECTION VII. INFORMATION TO BE FURNISHED TO AND BY RIDGELINE**

- A. All information, data, reports, and records (“Data”) in the possession of the Client or any third party agent to the Client necessary for carrying out any services to be performed under this Agreement shall be furnished to Ridgeline, and the Client shall cause its agent(s) to cooperate with Ridgeline in its conduct of reasonable due diligence in performing the services.
  
- B. Unless otherwise provided for herein, all documents, materials, data, output of fiscal models, basis for calculations, and reports originated and prepared by Ridgeline under this Agreement shall be and remain the property of the Client for its use in any manner it deems appropriate. Ridgeline agrees that all copyrights which arise from creation of the work pursuant to this Agreement shall be vested in the Client and waives and relinquishes all claims to copyright or intellectual property rights in favor of the Client. Ridgeline shall deliver the work product to the Client in the PDF format electronically. Ridgeline shall use all reasonable efforts to ensure that any electronic files provided to the Client will be compatible with the Client's current computer hardware and software. Ridgeline makes no representation as to long-term compatibility, usability or readability of the format resulting from the use of software application packages, operating systems or computer hardware differing from those in use by the Client at the commencement of this Agreement. Ridgeline shall be permitted to maintain copies of all such data for its files. The Client acknowledges that its use of the work product is limited to the purposes contemplated by the Scope of Services and, should the Client use these products or data in connection with additions to the work required under this Agreement or for new work without consultation with and without additional compensation to Ridgeline, Ridgeline makes no representation as to the suitability of the work product for use in or application to circumstances not contemplated by the Scope of Services and shall have no liability or responsibility whatsoever in connection with such use which shall be at the Client's sole risk. Any and all liability arising out of changes made by the Client to Ridgeline’s deliverables is waived against Ridgeline unless the Client has given Ridgeline prior written notice of the changes and has received Ridgeline's written consent to such changes. The Client acknowledges that any and all models developed and/or used by Ridgeline in Excel or any other modeling software to provide the Services represent the intellectual property of Ridgeline and will not be released in their base form to the Client.
  
- C. To the extent the Client requests that Ridgeline provide advice with regard to any recommendation made by a third party, the Client will provide to Ridgeline written direction to do so as well as any Data it has received from such third party relating to its recommendation. The Client acknowledges and agrees that while Ridgeline is relying on the Data in connection with its provision of the services under this Agreement, Ridgeline makes no representation with respect to and shall not be responsible for the accuracy or completeness of such Data.
  
- D. In the course of performing services under this Agreement Ridgeline may obtain, receive, and review confidential or proprietary documents, information or materials that are and shall remain the exclusive property of the Client. Should Ridgeline undertake the work on behalf of other agencies, entities, firms or persons relating to the matters described in the Scope of Services, it is expressly agreed by Ridgeline that any such confidential or proprietary information or materials shall not be provided or disclosed in any manner to any of the Client’s other clients, or to any other third party, without the Client’s prior express written consent.

## SECTION VIII. NOTICES

All notices given under this Agreement shall be in writing, sent by registered United States mail, with return receipt requested, addressed to the party for whom it is intended, at the designated below. The parties designate the following as the respective places for giving notice, to wit:

CLIENT NAME

Address

City, CA Zip Code

Attention: \_\_\_\_\_

RIDGELINE MUNICIPAL STRATEGIES, LLC

P. O. BOX 634

Loomis, CA 95650

Attention: Dmitry Semenov

## SECTION IX. LIMITATION OF LIABILITY

Except to the extent caused by willful misconduct, bad faith, gross negligence, or reckless disregard of obligations or duties under this Agreement on the part of Ridgeline or any of its associated persons, neither Ridgeline nor any of its associated persons shall have liability to any person for any act or omission in connection with performance of its services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other financial product or investment, or for any financial or other damages resulting from the Client's election to act or not to act, as the case may be, contrary to or, absent negligence on the part of Ridgeline or any of its associated persons, upon any advice or recommendation provided by Ridgeline to the Client.

## SECTION IX. INDEMNIFICATION

To the fullest extent allowed by law, Ridgeline shall indemnify, defend with counsel acceptable to the Client, and hold harmless the Client and its officers, officials, employees, agents and volunteers from and against any and all liability, loss, damage, claims, suits, actions, arbitrations proceedings, administrative proceedings, regulatory proceedings, civil penalties and fines, taxes, expenses and costs (including, without limitation, attorney's fees and costs and fees of litigation) (collectively, "Liability") of every nature, whether actual, alleged or threatened, arising out of Ridgeline's performance of the Services, its misclassification of its employees (as independent contractors) who provide services under this Agreement, or its failure to comply with any of its obligations contained in this Agreement, except to the extent such Liability caused by the sole negligence or willful misconduct of the Client or its officers, officials, employees, agents or volunteers.

Ridgeline's obligation to defend and indemnify shall not be excused because of Ridgeline's inability to evaluate Liability or because Ridgeline evaluates Liability and determines that Ridgeline is not liable to the claimant. Ridgeline must respond within thirty (30) days to the tender of any claim for defense and indemnity by the Client, unless this time has been extended by the Client. If Ridgeline fails to accept or reject a tender of defense and indemnity within thirty (30) days, in addition to any other remedy authorized by law, so much of the money due Ridgeline under and by virtue of this Agreement as shall reasonably be

considered necessary by the Client, may be retained by the Client until disposition has been made of the claim or suit for damages, or until Ridgeline accepts or rejects the tender of defense, whichever occurs first.

With respect to third party claims against Ridgeline, Ridgeline waives any and all rights of any type to express or implied indemnity against the Indemnitees.

Notwithstanding the forgoing, to the extent this Agreement is a "construction contract" as defined by California Civil Code section 2783, as may be amended from time to time, such duties of Ridgeline to indemnify shall not apply when to do so would be prohibited by California Civil Code Section 2782.

If any term of portion of this section is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, said section shall be interpreted to allow the broadest indemnity permitted by law.

This obligation to defend and indemnify the Client set forth here is binding on the successors, assigns or heirs of Ridgeline and shall survive the termination or completion of this Agreement or this section or final payment to the fullest extent and duration allowed by law.

**SECTION X. INDEPENDENT CONTRACTOR; NO THIRD-PARTY BENEFICIARY**

- A. Ridgeline, its employees, officers and representatives at all times shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint venturers of the Client by virtue of this Agreement or any actions or services rendered under this Agreement. This Agreement shall not be construed as an agreement for employment. Nothing in this Agreement is intended or shall be construed to give any person, other than the Parties hereto, their successors and permitted assigns, any legal or equitable rights, remedy, or claim under or in respect of this Agreement or any provisions contained herein.
  
- B. Ridgeline acknowledges that Ridgeline: (1) is free from the control and direction of the Client in connection with the performance of the Services; (2) performs Services outside the usual course of the Client's business; and (3) is customarily engaged in an independently established trade, occupation, or business of the same nature as Ridgeline performs for the Client, and has the option to perform such work for other entities. Ridgeline shall have no authority to contract for or otherwise bind the Client.

**SECTION XI. DISPUTE RESOLUTION**

- A. If any dispute arises between the parties as to proper interpretation or application of this Agreement, the parties shall first meet and confer in a good faith attempt to resolve the matter between themselves. If the dispute is not resolved by meeting and conferring, the matter shall be submitted for formal mediation to a mediator selected mutually by the parties. The expenses of such mediation shall be shared equally between the parties. If the dispute is not or cannot be resolved by mediation, the parties may mutually agree (but only as to those issues of the matter not resolved by mediation) to submit their dispute to arbitration. Before commencement of the arbitration, the parties may elect to have the arbitration proceed on an informal basis; however, if the parties are unable so to agree, then the arbitration shall be conducted in accordance with the rules of the American Arbitration Association. The decision of the arbitrator shall be binding, unless within thirty (30) days after issuance of the arbitrator's written decision, any party files an

action in court. Venue and jurisdiction for any such action between the parties shall lie in the Superior Court for the County of \_\_\_\_\_.

- B. In the event of any controversy, claim or dispute relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

**SECTION XII. APPLICABLE LAW**

This Agreement shall be construed, enforced, and administered according to the laws of the State of California. Ridgeline and the Client agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to pursuing other action.

**SECTION XIII. ENTIRE AGREEMENT; SEVERABILITY**

This Agreement represents the entire agreement between the Client and Ridgeline and may not be amended or modified except in writing signed by both parties. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

**SECTION XIV. EXECUTION; COUNTERPARTS**

Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party. This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same document.



## APPENDIX B

### DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER INFORMATION RIDGELINE MUNICIPAL STRATEGIES, LLC

#### **I. Introduction**

Ridgeline Municipal Strategies, LLC (hereinafter, referred to as “Ridgeline”) is a registered municipal advisor with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2.

The MSRB is the primary rulemaking body for the municipal securities industry in general and municipal advisors in particular. Their website can be accessed at [www.msrb.org](http://www.msrb.org). The website includes, among other things, the municipal advisory client brochure, which describes protections that are provided by the MSRB’s rules and the process for filing complaints with appropriate regulatory authorities. The municipal advisory client brochure can be accessed at:

<http://www.msrb.org/~media/Files/Resources/MSRB-MA-Clients-Brochure.ashx?la=en>.

In accordance with MSRB rules, this disclosure statement is provided by us to each client prior to the execution of our advisory agreement with written disclosures of all material conflicts of interests and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c)(ii). Ridgeline employs a number of resources to identify and subsequently manage actual or potential conflicts of interest in addition to disclosing actual and potential conflicts of interest provided herein.

#### ***Fiduciary Duty***

Ridgeline has a fiduciary duty to the Client and must provide both a Duty of Care and a Duty of Loyalty that includes the following.

##### *Duty of Care:*

- Exercise due care in performing its municipal advisory activities;
- Possess the degree of knowledge and expertise needed to provide the Client with informed advice;
- Make a reasonable inquiry as to the facts that are relevant to the Client’s determination as to whether to proceed with a course of action or that form the basis for any advice provided to the Client; and,
- Undertake a reasonable investigation to determine that we are not providing any recommendations on materially inaccurate or incomplete information.
- We must have a reasonable basis for:
  - Any advice provided to or on behalf of the Client;
  - Any representations made in a certificate that we sign that will be reasonably foreseeably relied upon by the Client, any other party involved in the municipal securities transaction or municipal financial product, or investors in the Client’s securities; and,
  - Any information provided to the Client or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

*Duty of Loyalty:*

We must deal honestly and with the utmost good faith with the Client and act in the Client's best interests without regard to the financial or other interests of Ridgeline. We will eliminate or provide full and fair disclosure (included herein) to the Client about each material conflict of interest (as applicable). We will not engage in municipal advisory activities with the Client, as a municipal entity, if we cannot manage or mitigate our conflicts in a manner that permits us to act in the Client's best interest.

*How We Identify and Manage Conflicts of Interest*

**Code of Ethics.** Ridgeline requires all of its employees to conduct all aspects of our business with the highest standards of integrity, honesty and fair dealing. All employees are required to avoid even the appearance of misconduct or impropriety and avoid actual or apparent conflicts of interest between personal and professional relationships that would or could interfere with an employee's independent exercise of judgment in performing the obligations and responsibilities owed to a municipal advisor and our clients.

**Policies and Procedures.** Ridgeline has adopted policies and procedures that include specific rules and standards for conduct. Some of these policies and procedures provide guidance and reporting requirements about matters that allow us to monitor behavior that might give rise to a conflict of interest. These include policies concerning the making of gifts and charitable contributions, entertaining clients, and engaging in outside activities, all of which may involve relationships with clients and others that are important to our analysis of potential conflicts of interest.

**Supervisory Structure.** Ridgeline has both a compliance and supervisory structure in place that enables us to identify and monitor employees' activities, both on a transaction and firm-wide basis, to ensure compliance with appropriate standards. Prior to undertaking any engagement with a new client or an additional engagement with an existing client, appropriate municipal advisory personnel will review the possible intersection of the client's interests, the proposed engagement, our engagement personnel, experience and existing obligations to other clients and related parties. This review, together with employing the resources described above, allows us to evaluate any situations that may be an actual or potential conflict of interest.

**Disclosures.** Ridgeline will disclose to clients those situations that it believes would create a material conflict of interest, such as:

- 1) any advice, service or product that any affiliate may provide to a client that is directly related to the municipal advisory work of Ridgeline;
- 2) any payment made to obtain or retain a municipal advisory engagement with a client;
- 3) any fee-splitting arrangement with any provider of an investment or services to a client;
- 4) any conflict that may arise from the type of compensation arrangement we may have with a client; and
- 5) any other actual or potential situation that Ridgeline is or becomes aware of that might constitute a material conflict of interest that could reasonably be expected to impair our ability to provide advice to or on behalf of clients consistent with regulatory requirements.

If Ridgeline identifies such situations or circumstances, we will prepare meaningful disclosure describing the implications of the situation and how we intend to manage the situation. Ridgeline will also disclose any legal or disciplinary events that are material to a client's evaluation or the integrity of our management or advisory personnel. Ridgeline will provide this disclosure (or a means to access this information) in



writing prior to starting our proposed engagement, and will provide such additional information or clarification as the client may request. Ridgeline will also advise clients in writing of any subsequent material conflict of interest that may arise, as well as the related implications, its plan to manage that situation, and any additional information such client may require.

## **II. General Conflict of Interest Disclosures**

### ***Disclosure of Conflicts Concerning the Firm's Affiliates***

Ridgeline does not have any affiliates that provide any advice, service, or product to or on behalf of the Client that is directly or indirectly related to the municipal advisory activities to be performed by Ridgeline.

### ***Disclosure of Conflicts Related to the Firm's Compensation***

Ridgeline has not made any payments directly or indirectly to obtain or retain the Client's municipal advisory business.

Ridgeline has not received any payments from third parties to enlist Ridgeline's recommendation to the Client of its services, any municipal securities transaction or any municipal finance product.

Ridgeline has not engaged in any fee-splitting arrangements involving Ridgeline and any provider of investments or services to the Client.

From time to time, Ridgeline may be compensated by a municipal advisory fee that is or will be set forth in an agreement with the client to be, or that has been, negotiated and entered into in connection with a municipal advisory service. Payment of such fee may be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal or par amount of municipal securities or municipal financial product. While this form of compensation is customary in the municipal securities market, it may be deemed to present a conflict of interest since we may appear to have an incentive to recommend to the client a transaction that is larger in size than is necessary. Further, Ridgeline may also receive compensation in the form of a fixed fee arrangement. While this form of compensation is customary, it may also present a potential conflict of interest if the transaction ultimately requires less work than contemplated and we are perceived as recommending a more economically friendly pay arrangement. Finally, Ridgeline may contract with clients on an hourly fee basis. If Ridgeline and the client do not agree on a maximum amount of hours at the outset of the engagement, this arrangement may pose a conflict of interest as we would not have a financial incentive to recommend an alternative that would result in fewer hours. Ridgeline manages and mitigates all of these types of conflicts by disclosing the fee structure to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives, and financial circumstances.

### ***Disclosure Concerning Provision of Services to State and Local Government, and Non-Profit Clients***

Ridgeline regularly provides financial advisory services to state and local governments, their agencies, and instrumentalities, and non-profit clients. While our clients have expressed that this experience in providing services to a wide variety of clients generally provides great benefit for all of our clients, there may be or may have been clients with interests that are different from (and adverse to) other clients. If for some reason any client sees our engagement with any other particular client as a conflict, we will mitigate this conflict by engaging in a broad range of conduct, if and as applicable. Such conduct may include one or any combination of the following: 1) disclosing the conflict to the client; 2) requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, including the client's needs, objectives and financial circumstances; 3)

implementing procedures that establishes a “firewall” that creates physical, technological and procedural barriers and/or separations to ensure that non-public information is isolated to particular area such that certain governmental transaction team members and supporting functions operate separately during the course of work performed; and 4) in the rare event that a conflict cannot be resolved, we will withdraw from the engagement.

***Disclosure Related to Legal and Disciplinary Events***

As registered municipal advisors with the SEC and the MSRB, pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2, our legal, disciplinary and judicial events are required to be disclosed on our forms MA and MA-I filed with the SEC, in ‘Item 9 Disclosure Information’ of form MA, ‘Item 6 Disclosure Information’ of form MA-I, and if applicable, the corresponding disclosure reporting page(s). To review the foregoing disclosure items and material change(s) or amendment(s), if any, clients may electronically access Ridgeline filed forms MA and MA-I on the SEC’s Electronic Data Gathering, Analysis, and Retrieval system, listed by date of filing starting with the most recently filed at [www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html).

Ridgeline does not have any legal or disciplinary events or disciplinary history on its Form MA and Form(s) MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgements, liens, civil judicial actions, customer complaints, arbitrations, and civil litigation. There have been no material changes to a legal or disciplinary event disclosure on any form MA or Form MA-I filed with the SEC.

***Disclosure Related to Recommendations***

If Ridgeline makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the Client and is within the scope of the engagement, Ridgeline will determine, based on the information obtained through reasonable diligence of Ridgeline whether a municipal securities transaction or municipal financial product is suitable for the Client. In addition, Ridgeline will inform the Client of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which Ridgeline reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the Client; and,
- whether Ridgeline has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the Client’s objectives.

If the Client elects a course of action that is independent of or contrary to the advice provided by Ridgeline, Ridgeline is not required on that basis to disengage from providing services to the Client.

***Disclosure Related to Record Retention***

Pursuant to the SEC record retention regulations, Ridgeline is required to maintain in writing, all communications and created documents between Ridgeline and the Client for five (5) years.

**III. Specific Conflicts of Interest Disclosures – Client**

To our knowledge, following reasonable inquiry, as of the commencement of the Project, we are not aware of any actual or potential conflict of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the Client in accordance with applicable standards of conduct of MSRB Rule G-42. If we become aware of any potential conflict of interest that arises after this disclosure, we will disclose the detailed information in writing to the Client in a timely manner.

Ridgeline does not act as principal in any of the transactions related to its role / work on the Project.

Ridgeline does not have any other engagements or relationships that might impair Ridgeline's ability to either render unbiased and competent advice to or on behalf of the Client, or to fulfill our fiduciary duty to the Client, as applicable.



## STATEMENT OF QUALIFICATIONS

### OUR BACKGROUND



Ridgeline Municipal Strategies, LLC (“Ridgeline”) is an independent and customer-focused registered municipal advisory and financial consulting firm specializing in debt issuance, pension cost optimization, revenue generation, and quantitative strategies for California public agencies. Our firm was founded in 2021 in Northern California on the principle of serving our clients with integrity, excellence, and execution. Our vision is to simplify complex municipal finance matters for our clients. Please visit our website: [www.RidgelineMuni.com](http://www.RidgelineMuni.com) to learn more about our firm.

With an unwavering commitment to the highest standards of service, we approach each client relationship with a wholistic view rooted in a deep understanding of financial markets, local government dynamics, community development, strategic planning, and quantitative analysis. Today's unpredictable economic reality and mounting fiscal pressures call for creative solutions to enable public agencies to continue providing essential public services.

The principal of our firm has participated in issuance of over 150 municipal credit facilities, including bonds, bank loans and private placements, that raised approximately \$1 billion in financing proceeds for public agencies.

We specialize in municipal advisory, municipal securities regulatory compliance, pension optimization solutions, infrastructure financing strategies, utility rate and fees studies, fiscal analysis and strategy, and other types of quantitative analysis for the public finance sector.

Ridgeline approaches solving clients' financing objectives and challenges from a long-term perspective, because not every municipal issue can and should be resolved by issuing debt. A comprehensive approach and understanding of the big picture involves proper planning, operating, budgeting, and staffing policies and solutions.

Ridgeline is a registered Municipal Advisor with the U.S. Securities and Exchange Commission (“SEC”) and Municipal Securities Rulemaking Board (“MSRB”).

## OUR EXPERTISE AND STRATEGIES



**PROJECT TYPES:** Ridgeline helps municipalities finance public and public-private (P3) projects, such as water, wastewater, irrigation, and drainage facilities and improvements, government buildings, airport and transportation facilities, school campuses and student housing, community facilities and infrastructure projects, recreational and non-profit facilities, police and fire stations, parking structures, solid waste facilities, marinas, harbors and ports, etc.

**DEBT ISSUANCE STRATEGIES:** We offer assistance with issuance of a wide range of municipal financing instruments and credit facilities, including:

- certificates of participation (COPs)
- installment sale obligations
- water and wastewater revenue bonds
- lease-purchase agreements
- general obligation bonds
- Mello-Roos and assessment district bonds
- tax allocation bonds
- pension obligation bonds
- lines of credit, etc.

Our services cover the entire spectrum of debt issuance process:

- *Financing Program Development* (initial debt needs assessment, review of outstanding debt obligations, determination of possible debt alternatives, borrowing capacity calculation, development of financing plan, education of governing bodies and general public);
- *Definition of Financing Terms* (determination of debt issuance strategy, financing structure, features, method of sale)



- *Financing Team Coordination* (coordination of legal requirements with bond counsel; assistance during underwriter / placement agent and any other third party selection; assistance with preparation of requests for proposals);
- *Evaluation of Financial Proposals*;
- *Documentation Preparation* (review of offering documents and continuing disclosure requirements);
- *Credit Rating / Enhancement and/or Lender Due Diligence Support* (bond rating strategy development and presentation, assessment of bond insurance suitability, support during lender due diligence process);
- *Debt Sale Process Coordination* (team management during pre-sale and pricing, transaction closing management);
- *Ongoing Post-Issuance Support* (continuing disclosure and annual debt reporting support, refunding opportunities monitoring; long-range planning for capital improvements financing and debt structuring, etc.).

**Federal and State Government Loan Advisory and Management:** Federal and State Subsidization Programs such as the USDA, WIFIA, TIFIA, and SRF offer subsidized financing solutions for water, wastewater, solid waste, storm drainage, and transportation projects, as well as for essential community facilities (city halls, courthouses, police and fire stations, schools, hospitals, medical clinics, libraries, etc.). Ridgeline knows how to utilize and combine these programs with other funding sources to maximize their benefits for your community.

**Issuer Compliance Support:** CalMuni Advisors provides various types of compliance support services for agencies with outstanding debt obligations, including keeping track of the continuing disclosure requirements, preparation of continuing disclosure reports and listed event notices (such as tax base reporting, debt service coverage calculations, insurance and credit rating change notices, etc.), as well as the annual debt reporting compliance support.

**PENSION COST OPTIMIZATION STRATEGIES:** Ridgeline has developed a deep expertise in pension liability analysis and optimization strategies and is actively helping California public agencies get their pension costs under control and generate substantial cash flow savings through utilizing a wide variety of tools and strategies, including optimization of funding practices, additional discretionary contributions, refundings, as well as development of comprehensive pension liability management plans.

**REVENUE GENERATION AND QUANTITATIVE STRATEGIES (FINANCIAL CONSULTING SERVICES):** Ridgeline supports its clients with various types of financial analysis and quantitative studies, including utility rate and fee studies, feasibility analysis, nexus and development impact fees studies, economic impact and fiscal impact analysis, infrastructure financing plans, cash flow modeling, and public-private partnership negotiation support.



**OUR APPROACH**



Ridgeline brings its customers many years of municipal finance experience and supplements it with knowledge and perspectives gained in other fields, which translates into a high degree of industry-specific expertise reinforced by creative solutions. The guiding principles of our work approach are integrity, excellence, and execution.

We view our primary role as a partner to public agencies, delivering information, expertise, analysis, and advice, enabling our clients to develop a framework for informed decision-making. We work closely with the clients' staff and take the necessary time to define project scope and schedule, identify available resources and constraints, and determine optimal outcomes. If selection of third-party consultants is required, we seek to find the right balance between managing costs and reducing

unnecessary demands on client staff time to ensure that limited resources are concentrated on the most value-add tasks.

In financing transactions, Ridgeline evaluates alternative debt structures and compares the merits and challenges of each of them, balancing the need for cost optimization with clients' time and staffing constraints and being mindful of the toll that complexity can take on local municipalities. The result of this approach is the customer-centric financing strategy that adds to the fiscal resiliency of our clients.

Our comprehensive approach and expertise allow us to not only support our clients during the debt issuance process, but also provide strategic financial planning and extensive quantitative analysis services.

#### **NO BROKER-DEALER AFFILIATION**

Ridgeline has no affiliation, ownership or preferred relationship with any broker-dealer. We are subject to and strictly abide by the rules pertaining to activities of independent registered municipal advisors, which prohibit payment and/or receiving of finder's fees, fee splitting, referral payments, or other contractual arrangements that present either a real or perceived conflict of interest.

#### **NO LITIGATION STATEMENT**

Ridgeline has no pending litigation or investigations from the U.S. Justice Department, SEC, FINRA, NASD, MSRB, or any other regulatory agency and is not aware of any such pending potential litigations or investigations.

#### **PROFESSIONAL LICENSES IN GOOD STANDING**

Ridgeline certifies that neither the firm nor any of its municipal advisors have had their authorization to operate as a municipal advisor or licenses denied, suspended, revoked or restricted by any federal, state or local department or agency. In addition, Ridgeline has no record of unsatisfactory performance as evidence by complaints filed with the SEC or any other federal or state agency with jurisdiction over the services provided by the firm.

#### **ISSUANCE INDEPENDENCE**

Ridgeline certifies that it does not participate in any activities that directly pertain to the underwriting or purchasing of any debt or bonds issued by its clients while contracted for services as a Municipal Advisor.



## **STATEMENT OF OWNERSHIP**

Ridgeline is an independently-owned registered municipal advisor firm structured as a limited liability company. Ridgeline does not have any affiliates, subsidiaries, parent and/or sister companies.

## REPRESENTATIVE ASSIGNMENTS



### DEBT ISSUANCE STRATEGIES

Ridgeline and its principal have participated in close to 150 municipal financing transactions that generated approximately \$1 billion in financing proceeds for public agencies. The representative transactions are shown below<sup>1</sup>.

#### Cities

- City of Reedley – \$15,650,000 – Wastewater Revenue Obligation – Refunding of outstanding debt (L,\*)
- City of Los Angeles – \$15,000,000 – Lease-Purchase Agreement – Streetlight LED conversion financing (L,\*)
- City of Lathrop – \$11,500,000 – Water Revenue Obligation – Refunding of outstanding debt (L,\*)
- City of Palmdale – \$11,400,000 – Installment Sale Agreement, Lighting District Assessments – Street lights acquisition financing (L,\*)
- City of Mountain View – \$11,100,000 – Wastewater Revenue Obligation – Wastewater system improvements financing (L,\*)
- City of Washougal (WA) – \$10,000,000 – Water and Wastewater Revenue Bonds – Refunding of outstanding debt (L,\*)
- City of Madera – \$9,000,000 – Water Revenue Obligation – Refunding of outstanding debt (L,\*)
- City of Torrance – \$8,675,000 – Installment Sale Agreement, Water Revenue Obligation – New groundwater well financing (L,\*)
- City of Concord – \$8,850,000 – Certificates of Participation / Lease-Purchase Agreement – Refunding of outstanding debt (L,\*)
- City of Hayward – \$5,500,000 – Certificates of Participation / Lease-Purchase Agreement – New fire station and community clinic financing (L,\*)
- City of Roseburg (OR) – \$4,840,000 – Full Faith and Credit Obligation – Pension UAL refunding (L,\*)
- City of San Marcos – \$3,575,000 – Certificates of Participation / Lease-Purchase Agreement – Refunding of outstanding debt (L,\*)
- City of Waterford – \$3,100,000 – Installment Sale Agreement, Water Revenue Obligation – Water system acquisition and improvements financing (L,\*)
- City of Algona (WA) – \$3,000,000 – Limited Tax General Obligation Bonds – New city hall / community center financing (L,\*)

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<sup>1</sup> Transactions marked as (MA) indicate work performed in capacity as a municipal advisor, (L) indicate work performed in capacity as a lender, and (\*) indicated worked performed at while being employed at other organizations. Unless specified, financing transactions pertain to issuers located in California.

- City of Prineville (OR) – \$2,950,000 – Full Faith and Credit Obligation – Pension UAL refunding (L,\*)
- City of Grass Valley – \$2,400,000 – Certificates of Participation / Lease-Purchase Agreement – Pension UAL Refunding (L,\*)
- City of Dinuba – \$2,360,000 – Water Revenue Obligation – Refunding of outstanding debt (L,\*)
- City of Santa Fe Springs – \$1,800,000 – Water Revenue Obligation – Refunding of outstanding debt (L,\*)
- City of Dos Palos – \$1,350,000 – Water Revenue Obligation – Refunding of outstanding debt (L,\*)
- City of Rio Vista – \$1,100,000 – Wastewater Revenue Obligation – Refunding of outstanding debt (L,\*)

### Counties

- County of Plumas – \$15,300,000 – Certificates of Participation / Lease-Purchase Agreement – Refunding of outstanding debt (L,\*)
- County of Kern – \$11,200,000 – Certificates of Participation / Lease-Purchase Agreement (two separate credit facilities) – Refunding of outstanding debt (L,\*)
- County of Madera – \$10,000,000 – Multiple Credit Facilities – Facility improvements and equipment acquisition financing (L,\*)

### Water and Sanitation Districts

- South Coast Water District – \$25,000,000 – Line of Credit – Interim capital improvements financing (L,\*)
- Rosamond Community Services District – \$13,000,000 – Wastewater Revenue Obligation – Wastewater system improvements financing (L,\*)
- Triunfo Sanitation District – \$10,000,000 – Lease-Purchase Agreement – Water line acquisition financing (L,\*)
- Tehachapi-Cummings County Water District – \$7,000,000 – Installment Sale Agreement, Water Revenue Obligation – Water system upgrades financing (L,\*)
- Rio Linda / Elverta Community Water District – \$3,870,000 – Installment Sale Agreement, Water Revenue Obligation – New well construction financing (L,\*)
- Oceano Community Services District – \$906,000 – Revenue Obligation – Pension UAL refunding (MA,\*)

### Fire Districts

- Lake Valley Fire Protection District – \$10,950,000 – Revenue Obligation – Pension UAL refunding (MA,\*)
- Bonita Sunnyside Fire Protection District – \$5,127,000 – Revenue Obligation – Pension UAL refunding (MA,\*)
- Lakeside Fire Protection District – \$4,585,000 – Certificates of Participation / Lease-Purchase Agreement – Fire station renovation financing (L,\*)
- Multnomah County Rural Fire Protection District No. 10 (OR) – \$4,000,000 – Full Faith and Credit Obligation – New fire station financing (L,\*)

- Ebbetts Pass Fire Protection District – \$3,518,500 – Revenue Obligation – Pension UAL refunding (MA,\*)
- Borrego Springs Fire Protection District – \$1,850,000 – Revenue Obligation – Pension UAL refunding (MA,\*)
- Penn Valley Fire Protection District – \$1,035,000 – Lease-Purchase Agreement – Pension UAL refunding (MA,\*)

### School Districts

- Santa Ana Unified School District – \$15,000,000 – Certificates of Participation / Lease-Purchase Agreement – New school improvements financing (L,\*)
- Imperial County Office of Education – \$9,000,000 – Certificates of Participation / Lease-Purchase Agreement – New facilities financing (L,\*)
- Beardsley School District – \$5,500,000 – General Obligation Bonds – Refunding of outstanding debt (L,\*)
- Linden Unified School District – \$4,650,000 – Certificates of Participation / Lease-Purchase Agreement – Refunding of outstanding debt (L,\*)
- Fort Bragg Unified School District – \$4,500,000 – General Obligation Bonds – Refunding of outstanding debt (L,\*)
- Mother Load Union School District – \$3,800,000 – Certificates of Participation / Lease-Purchase Agreement – School campus upgrades financing (L,\*)
- Mountain View – Los Altos Union High School District – \$3,000,000 – Certificates of Participation / Lease-Purchase Agreement – Refunding of outstanding debt (L,\*)
- Live Oak Unified School District – \$1,550,000 – Certificates of Participation / Lease-Purchase Agreement – Refunding of outstanding debt (L,\*)
- Cinnabar Elementary School District – \$1,450,000 – Certificates of Participation / Lease-Purchase Agreement – Refunding of outstanding debt (L,\*)

### Land-Secured Financing

- County of San Joaquin Community Facilities District (Vernalis) – \$28,000,000 – Mello-Roos CFD Bonds – New freeway interchange financing (L,\*)
- Corona-Norco Unified School District Public Financing Authority – Multiple Community Facilities Districts – \$20,900,000 – Mello-Roos CFD Bonds – Refunding of outstanding debt (L,\*)
- Rocklin Unified School District – \$9,950,000 – Mello-Roos CFD Bonds – Refunding of outstanding debt (L,\*)
- County of Riverside – Various Community Facilities Districts – \$6,800,000 – Mello-Roos CFD Bonds – Refunding of outstanding debt (L,\*)
- Rocklin Public Financing Authority – \$5,050,000 – Marks-Roos Special Tax Obligation – Refunding of outstanding debt (L,\*)
- City of Norco Community Facilities District No. 97-1 – \$4,600,000 – Mello-Roos CFD Bonds – Refunding of outstanding debt (L,\*)
- City of Hercules Reassessment District No. 2005-1 – \$3,000,000 – Assessment District Bonds – Refunding of outstanding debt (L,\*)

## Higher Education

- Claremont Graduate University – \$12,500,000 – General Obligation Bonds – Refunding of outstanding debt (L,\*)
- Chaffey Community College District – \$10,000,000 – Certificates of Participation / Lease-Purchase Agreement – New solar project financing (L,\*)
- The Evergreen State College (WA) – \$4,200,000 – Housing System Revenue Bonds – Refunding of outstanding debt (L,\*)

## Healthcare

- Family Healthcare Network – \$20,200,000 – Revenue Obligation Bonds – Refunding of outstanding debt and new capital improvements financing (L,\*)
- Kaweah Delta Health Care District – \$32,000,000 – Revenue Obligation Bonds – Refunding of outstanding debt (L,\*)
- Omni Family Health – \$11,080,000 – Revenue Obligation Bonds – Refunding of outstanding debt and new capital improvements financing (L,\*)
- North Sonoma County Health Care District – \$12,700,000 – Certificates of Participation / Lease-Purchase Agreement / Parcel Tax Assessment – Refunding of outstanding debt and new hospital improvements financing (L,\*)
- Tahoe Forest Hospital District – \$8,000,000 – Lease Agreement – Equipment acquisition financing (L,\*)
- Public Hospital District No. 1, Chelan County (WA) – \$7,900,000 – Unlimited Tax General Obligation Bonds – Refunding of outstanding debt (L,\*)

## Tax Allocation / Tax Increment Financing

- Downtown Railyard Venture, LLC – \$36,500,000 – Assignment of Owner Participation Agreement Payments – New Infrastructure Improvements Financing (L,\*)
- Successor Agency to the Redevelopment Agency of the City of Chino – \$17,000,000 – Tax Allocation Bonds – Refunding of outstanding debt (L,\*)
- Successor Agency to the Santa Fe Springs Community Development Commission – \$16,215,000 – Tax Allocation Bonds – Refunding of outstanding debt (L,\*)
- Mission Viejo Community Development Financing Authority – \$15,300,000 – Tax Allocation and Sales Tax Revenue Bonds – Refunding of outstanding debt (L,\*)
- Successor Agency to the San Juan Capistrano Community Redevelopment Agency – \$9,180,000 – Tax Allocation Bonds – Refunding of outstanding debt (L,\*)
- Redevelopment Agency of the City of Sparks, NV – \$7,340,000 – Tax Increment Revenue Bonds – Refunding of outstanding debt (L,\*)
- Capitol Area Development Authority – \$6,100,000 – Tax Allocation Bonds – Refunding of outstanding debt (L,\*)

- Successor Agency to the Redevelopment Agency of the City of Hollister – \$5,190,000 – Tax Allocation Bonds – Refunding of outstanding debt (L,\*)
- City of Lebanon Urban Renewal Agency (OR) – \$4,230,000 – Tax Increment Revenue Bonds – New infrastructure improvements financing (L,\*)
- Urban Renewal Agency of the City of Estacada (OR) – \$1,900,000 – Tax Increment Bonds – Downtown area street improvements financing (L,\*)

### Other Agencies / Financing Types

- Sacramento Project Finance, Inc. – \$14,000,000 – Solid Waste Disposal Revenue Bonds – Refunding of outstanding debt for sewer waste to fertilizer facility (L,\*)
- Charter School Capital, Inc. – \$7,000,000 – Revolving Line of Credit – Working capital financing for charter schools (L,\*)
- Port of Edmonds (WA) – \$4,000,000 – Special Revenues Obligation Bonds – Refunding of outstanding debt (L,\*)
- Public Utility District No. 1 of Pend Oreille County – \$3,500,000 – Fiber-Optic Internet System Revenue Financing – New high speed internet infrastructure improvements financing (L,\*)
- Port of Port Angeles (WA) – \$3,300,000 – Limited Tax General Obligation Bonds – Refunding of outstanding debt (L,\*)
- Southgate Recreation and Park District – \$2,650,000 – Certificates of Participation / Lease-Purchase Agreement – New park construction financing (L,\*)
- Cordova Recreation and Park District – \$2,450,000 – Certificates of Participation / Lease-Purchase Agreement – Refunding of outstanding debt (L,\*)
- Capitol Area Development Authority – \$2,400,000 – Gross Revenue Obligation – Refunding of outstanding debt (L,\*)
- Shasta Regional Transportation Agency – \$950,000 – Lease-Purchase Agreement – Headquarters building acquisition financing (L,\*)

### PENSION COST OPTIMIZATION STRATEGIES

Ridgeline and its principal have worked with dozens of public agencies to help them optimize their pension cost and unfunded liability payments. We have assisted the following agencies with the refunding of their unfunded pension liabilities:

- Lake Valley Fire Protection District – \$10,950,000 – Revenue Obligation – Pension UAL refunding (MA,\*)
- Bonita Sunnyside Fire Protection District – \$5,127,000 – Revenue Obligation – Pension UAL refunding (MA,\*)
- City of Roseburg (OR) – \$4,840,000 – Full Faith and Credit Obligation – Pension UAL refunding (L,\*)
- Ebbetts Pass Fire Protection District – \$3,518,500 – Revenue Obligation – Pension UAL refunding (MA,\*)
- City of Prineville (OR) – \$2,950,000 – Full Faith and Credit Obligation – Pension UAL refunding (L,\*)

- City of Grass Valley – \$2,400,000 – Certificates of Participation / Lease-Purchase Agreement – Pension UAL refunding (L,\*)
- Borrego Springs Fire Protection District – \$1,850,000 – Revenue Obligation – Pension UAL refunding (MA,\*)
- Penn Valley Fire Protection District – \$1,035,000 – Certificates of Participation / Lease-Purchase Agreement – Pension UAL refunding (MA,\*)
- Oceano Community Services District – \$906,000 – Revenue Obligations – Pension UAL refunding (MA,\*)

Educational and consulting services on pension liabilities have been provided to the following agencies:

- Amador Transit
- Antelope Valley Transit Authority
- Auburn Area Recreation and Park District (\*)
- Branciforte Fire Protection District (\*)
- Byron Bethany Irrigation District (\*)
- Butte County Mosquito and Vector Control District (\*)
- City of Beaumont (\*)
- City of Cotati (\*)
- City of Fort Bragg (\*)
- City of Fortuna (\*)
- City of Jackson (\*)
- City of Mission Viejo
- City of Mount Shasta (\*)
- City of Newman (\*)
- City of Oakdale (\*)
- City of Red Bluff (\*)
- City of Rohnert Park (\*)
- City of Suisun City (\*)
- City of Woodland (\*)
- County of Del Norte (\*)
- County of Glenn (\*)
- County of Plumas (\*)
- County of Sierra (\*)
- Georgetown Fire Protection District (\*)
- Greater Vallejo Recreation District (\*)
- Groverland Community Services District (\*)
- Lakeport County Fire Protection District
- Lakeside Fire Protection District
- Linden-Peters Fire Protection District (\*)
- Montecito Fire Protection District (\*)
- Nevada County Consolidated Fire District (\*)
- North County Fire Protection District (\*)
- North Salinas Valley Mosquito Abatement District (\*)

- Pajaro Valley Fire Protection District (\*)
- Rancho Adobe Fire Protection District (\*)
- Rio Linda / Elverta Community Services District (\*)
- Salida Fire Protection District (\*)
- San Benito County Water District (\*)
- Santa Cruz Metropolitan Transit District
- Scotts Valley Fire Protection District (\*)
- Town of Loomis (\*)
- Truckee Fire Protection District (\*)
- Tuolumne Utilities District (\*)

## REVENUE GENERATION AND QUANTITATIVE STRATEGIES

Ridgeline offers public agencies, private entities, and public-private partnerships a wide range of financial consulting services related to revenue generation and quantitative strategies. Below is a sample list of completed projects:

### *SPRING LAKE SPECIFIC PLAN, Woodland, CA (\*)*

Project Description: New community with 4,000 residential units and 240,000 sf of commercial space on 1,100 acres.

Services Provided: Financing strategy development, feasibility analysis, cash flow projections, development impact fee calculation, reimbursement mechanism for owner-funded infrastructure oversizing; affordable housing, transit, parks, and fire services policy development; public / private negotiations support.

### *FORT ORD MILITARY BASE REDEVELOPMENT, Monterey, CA (\*)*

Project Description: Resort community with 2 hotels, golf course, and 400 residential units.

Services Provided: Public / private negotiations support; developer pro forma analysis.

### *METRO AIR PARK, Sacramento, CA (\*)*

Project Description: 21M sf business park development near Sacramento International Airport on 1,900 acres.

Services Provided: Economic impact analysis.

### *EMPIRE RANCH, Folsom, CA (\*)*

Project Description: Final round of Mello Roos CFD bond financing for 3,100 residential units.

Services Provided: Special tax revenue projections and bonding capacity calculation.

### *FOREST RANCH ACTIVE ADULT COMMUNITY, Foresthill, CA (\*)*

Project Description: Active adult community with 2,200 units and golf course on 1,500 acres.



Services Provided: Market study and community design development; economic and fiscal impact analysis.

*MARTIS VALLEY COMMUNITY PLAN, Placer County, CA (\*)*

Project Description: Resort community near Truckee with 8,600 residential units, 320,000 sf of commercial space, 5-star hotel, golf courses, and winter recreation facilities.

Services Provided: Economic impact and fiscal analysis; EIR development alternatives feasibility review; cash flow and land valuation modeling.

*DORRIS LUMBER HIGHEST AND BEST USE STUDY, Sacramento, CA (\*)*

Project Description: Surplus property of a lumber mill on 28 acres in redevelopment area.

Services Provided: Market analysis for highest and best use of parcel; valuation of parcel based on highest and best use under various scenarios.

*WILDWOOD RIDGE, Nevada County, CA (\*)*

Project Description: New community of 352 residential units that defaulted on Mello-Roos CFD bond debt obligations.

Services provided: Property value assessment for default workout.

*MORGAN CREEK GOLF AND COUNTRY CLUB, Placer County, CA (\*)*

Project Description: Private golf course residential community of 449 residential units and joint venture with surrounding property owners.

Services Provided: Budget and pro forma model development; administration of joint venture budgeting and cash flows.

*CALIFORNIA STATE UNIVERSITY PLACER, Placer County, CA (\*)*

Project Description: Proposed campus of the California State University system and surrounding residential and office development.

Services Provided: Regional economic impact analysis.

*EL DORADO COUNTY WATER DEMAND PROJECTIONS, El Dorado County, CA (\*)*

Project Description: Water agency request for water demand projections through buildout.

Services Provided: Growth scenario development and projections; water supply and demand modeling.

*NEW PORT CONTAINER TERMINAL, St. Petersburg, Russia (\*)*

Project Description: New container terminal at the Port of St. Petersburg (\$485 million development budget).

Services Provided: Financial model development; preparation of financing plan; financing strategy development.

*OREL CEMENT PLANT, Orel, Russia (\*)*

Project Description: New cement plant with 2 million ton / year capacity and \$552 million development budget.

Services Provided: Financial model development; preparation of financing plan; financing strategy development.

Other projects (\*): Mather Airforce Base Redevelopment Financing, Sunrise Douglas Specific Plan Financing, City of Elk Grove Affordable Housing Policy, Tracy Gateway Business Park Economic Impact Analysis, Roseville Condominium Conversion Analysis, City of Placerville Sewer Rates Analysis; Dayton Valley Country Club Financial Model Development; NorCal Sports City Cash Flow Modeling; Woodland Automall Fiscal Impact Analysis; school facility financing plans; affordable housing programs, etc.

## **CONTACT INFORMATION**



You can reach us at:

(916) 250-1590

[info@RidgelineMuni.com](mailto:info@RidgelineMuni.com)

Ridgeline Municipal Strategies, LLC

P. O. Box 634

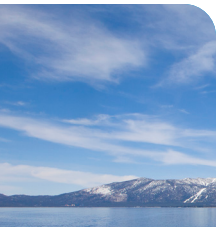
Loomis, CA 95650

# North Tahoe Fire Protection District and Meeks Bay Fire Protection District

Proposal to

## Develop a Fiscal Study

August 31, 2021





August 31, 2021

Ms. Shawn Crawford  
Office Manager/Clerk of the Board  
Meeks Bay Fire Protection District  
PO Box 189  
Tahoma, California 96142

**Re: *Proposal to Develop a Fiscal Study for North Tahoe Fire Protection District and Meeks Bay Fire Protection District Operations***

Dear Ms. Crawford:

Willdan Financial Services (“Willdan”) understands that the North Tahoe Fire Protection District (“NTFPD”) and Meeks Bay Fire Protection District (“MBFPD”) seek the services of an outside consultant to develop a fiscal study to help determine whether or not to consolidate the Districts. It is anticipated that the analysis will include the projection of operating costs and revenues for the independent operation of each District and a proposed reorganized single District. An evaluation of the long-term sustainability of the Districts independently and combined will be conducted as well. Consultant responsibilities will also include the preparation of a report and presentation at public meetings.

Our team has completed numerous assignments for public and private clients specific to the fiscal and economic impact of a variety of policy initiatives including development, incorporation and reorganizations. Services have ranged from very simple “back of the envelope” calculations to assist in the framing of negotiations or planning, to extensive modeling of fiscal impacts. Similarly, Willdan’s evaluation of economic impacts has ranged from calculating the generation of jobs from descriptions of proposed projects, to extensive modeling of direct and indirect impacts using commercially available modeling packages.

A senior project team of subject matter experts has been assembled for this engagement, in order to be responsive to the needs of NTFPD and MBFPD. Managing Principal James Edison will serve in the role of principal-in-charge, while Project Manager Carlos Villarreal will manage the work plan, and Mr. Marc Walker will provide technical advice drawing upon his 38 years of fire service/administration and emergency management experience. Furthermore, our team is skilled in the facilitation of high-quality community engagement with all types of stakeholders to build consensus around priorities and catalytic strategies as a critical component in supporting decision-making and developing a unified direction.

Established on June 24, 1988, Willdan Financial Services is one of the largest public sector financial and economic consulting firms in the United States. Since that time, we have helped over 1,500 public agencies successfully address a broad range of policy, fiscal, financial and infrastructure challenges. Willdan Financial Services is an operating division within Willdan Group, Inc. (WGI), which was founded in 1964 as an engineering firm working with local governments. Today, WGI is a publicly traded company (NASDAQ ticker: WLDN).

We appreciate this opportunity to serve the North Tahoe Fire Protection District and Meeks Bay Fire Protection District. Please feel free to contact Managing Principal James Edison, to discuss any aspect of our proposal and/or arrange for an interview with our team. He can be reached at (510) 853-2612 or via email at [jedison@willdan.com](mailto:jedison@willdan.com).

Sincerely,

**WILLDAN FINANCIAL SERVICES**



Chris Fisher  
Vice President and Director



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## Firm Profile

Established in 1988, Willdan Financial Services is one of the largest public sector economic and financial analysis consulting firms in the United States. Since that time we have helped over 1,500 public agencies successfully address a broad range of infrastructure and other challenges.

Willdan Financial Services, a California Corporation, is an operating division within Willdan Group, Inc. (WGI), which was founded in 1964 as an engineering firm working with local governments. Today, WGI is a publicly-traded company (NASDAQ ticker: WLDN). WGI, through its subsidiaries, provides professional technical and consulting services that ensure the quality, value and security of our nation's infrastructure, systems, facilities, and environment. The firm has pursued two primary service objectives since its inception—ensuring the success of its clients and enhancing its surrounding communities.

A financially stable company, Willdan has annual revenues in excess of \$400 million and over 1,400 employees working in over 25 states across the U.S. Our employees include a number of nationally recognized subject matter experts for all areas related to the broadest definition of connected communities — a team who will be committed to contribute their expertise throughout the duration of the proposed engagement.

Willdan has solved economic, engineering and energy challenges for local communities and delivered industry-leading solutions that have transformed government and commerce. Today, we are leading our clients into a future accelerated by change in resources, infrastructure, technology, regulations, and industry trends.

## Willdan Financial Services

Willdan Financial Services' staff of over 70 full-time employees supports their clients by conducting year-round workshops and on-site training to assist them in keeping current with the latest developments in our areas of expertise. Willdan assists local public agencies by providing the following services:

**Founded in 1964**

**50+ Offices Nationwide**

**1,500+ Municipal/Government Client**

**Unique Stakeholders Engaged 1,000+**

**Catalytic Investment/Development \$10 Billion**

**Member of ULI, IEDC, APA, ICSC, CNU**

**Multi-Skilled Team**

- Economic Developers
- Real Estate Market Analysts
- Financial Feasibility Consultants
- Strategic Planning & Implementation Experts
- Community Engagement Experts

### Willdan Financial Services

#### Services

- User fee studies
- Cost allocation studies
- Utility rate and cost of service studies
- Real estate economic analysis
- Feasibility studies
- Municipal advisory services
- Arbitrage rebate and continuing disclosure
- Economic development strategic plans
- Development impact fee establishment and analysis
- Fiscal and economic impact analysis
- District administration services
- Property tax audits
- Tax increment finance district formation and amendment
- Housing development and implementation strategies
- Debt issuance support
- Long-term financial plans and cash flow modeling



## Project Team

Our management and supervision philosophy for the project team is very simple: staff every position in sufficient numbers with experienced personnel to deliver a superior product and convey results to decision makers in meetings, on time and on budget. With that philosophy in mind, we have selected experienced professionals for the proposed engagement. We are confident that our team possesses the depth of experience that will successfully fulfill the desired work performance. Outlined below are the team members proposed for this engagement, as well as their role and responsibility.

Project Team		
Key Team Member	Experience	Project Responsibilities
James Edison, JD, MPP Managing Principal	25 years of experience conducting hundreds of fiscal and economic impact and financial feasibility studies across the United States and abroad	<ul style="list-style-type: none"> <li>Review revenue sources and projections</li> <li>Attend key meetings and deliver public presentations</li> <li>Identify project issues and solutions</li> <li>Quality assurance &amp; control</li> </ul>
Carlos Villarreal, MPP Project Manager	15 years of experience conducting fiscal impact analyses, economic analysis, development impact fees, public facilities financing plans, stakeholder outreach and GIS analysis for hundreds of public agencies	<ul style="list-style-type: none"> <li>Collect and analyze key demographic and operating data</li> <li>Identify and analyze potential impacts of each proposed alternative</li> <li>Develop financial model of project operating costs and revenues</li> </ul>
Marc Walker Technical Advisor	38 years of fire service and administration experience including strategic planning, budget and capital improvement planning.	<ul style="list-style-type: none"> <li>Provide guidance specific to necessary facilities, equipment and staff for each proposed alternative</li> <li>Review operating plans and cost estimates of alternatives</li> </ul>

## Resumes

Provided on the following pages are resumes for each member of the proposed project team.

## James Edison, JD, MPP

### Managing Principal

#### Education

*Juris Doctorate,  
University of  
California, Berkeley,  
School of Law*

*Master of Public Policy,  
Goldman School of  
Public Policy, University  
of California, Berkeley*

*Bachelor of Arts,  
magna cum laude,  
Harvard University*

#### Professional Registrations

*Member of State Bar,  
California*

*Licensed Real Estate  
Broker, California*

#### Affiliations

*Council of Development  
Finance Agencies*

*CFA Society of  
San Francisco*

*Seaside Institute*

*Congress for the  
New Urbanism*

*International Economic  
Development Council  
(IEDC)*

*ULI – the Urban  
Land Institute*

*25 Years' Experience*

Mr. Edison specializes in the nexus between public and private, with particular expertise in public-private partnerships, and the benefits of economic development to municipalities and state, provincial, regional, and national governments. He has particularly deep expertise in land use economics with a specialty in finance and implementation, including fiscal impact and the public and private financing of infrastructure and development projects, both in the United States and internationally. He has worked for both public and private clients on the implementation of public-private transactions, providing market and fiscal analysis, finance strategies, and negotiation support. His public-sector experience includes local and regional economic impact studies, fiscal impact evaluations, new government formation strategies, and the creation of impact fees, assessments, and special taxes to fund infrastructure and public facilities. Mr. Edison has conducted numerous evaluations of the economic and fiscal impact of specific plans and consulted on a wide variety of land use planning topics related to community revitalization and the economic and fiscal impacts of development. He has evaluated markets for entire new towns as well as for individual proposed residential, retail, entertainment, office, R&D, hotel, and mixed-use projects throughout the western United States and abroad.

As a former bond attorney, Mr. Edison understands the legal underpinnings and technical requirements of public financing instruments, and has advised both public and private clients on the use of individual instruments and the interaction between those instruments and the needs of developers and project finance. He has also conducted project feasibility studies for a wide range of development, often in connection with community revitalization or expansion efforts. He has conducted fiscal impact evaluations in a wide range of contexts, including specific plans, individual development projects, community revitalization programs, annexations and government reorganizations.

### Project Experience

**Alameda Point Development Corporation, CA – Alameda Point Conceptual Financing Plan:** Mr. Edison assisted the Alameda Point Development Corporation on a number of assignments related to the financing of infrastructure at Alameda Point, the feasibility of development, the financing of services, fiscal impacts and mitigation, and selection of developers.

**County of Monterey, CA – East Garrison Specific Plan Financing and Implementation:** East Garrison, located on the easternmost portion of the former Fort Ord in Monterey County, consisted of approximately 1,400 residential units, including single family detached, town homes, apartments, and affordable housing, a town commercial center and arts facilities. Mr. Edison assisted the developer and the County with a wide range of financing issues, including the availability and structuring of public finance, fiscal mitigation measures, economic impacts, the implementation of affordable housing, and the negotiation of business terms between the developer and the County. He also assisted the developer in negotiations with the Fort Ord Reuse Authority regarding the base-wide capital improvement program and the structuring of the payment of impact fees generated by the development.

**County of Napa, CA – Napa Pipe Specific Plan Analysis:** Mr. Edison evaluated infrastructure finance requirements for the Napa Pipe project in southern Napa County, consisting of approximately 500,000 square feet of commercial development, 3,000 residential units, and a hotel. An infrastructure financing strategy was provided that drew upon the resources of the project itself and other financing mechanisms such as special assessments. The fiscal and economic impact of the project on the County was analyzed, and an urban decay analysis was prepared that evaluated the impact on retail businesses in the City of Napa.

**County of Imperial, CA – Solar Farm Fiscal and Economic Analysis:** Mr. Edison was engaged by the County of Imperial to evaluate the fiscal and economic impacts of a series of proposed solar-voltaic facilities (or “solar farms”) on land near the City of Calipatria, which is within the County. For each, Mr. Edison calculated the tax revenues and service expenditures accruing to the County from development of the project. He also estimated the economic impacts of the project using IMPLAN, including the impact of the construction and ongoing operation of the solar farm, along with the negative impact of the removal of the project site from agricultural production.

*J. Edison*

*Resume Continued*

**City of Fort Lauderdale, FL – Citywide Economic Development Strategic Plan:** Mr. Edison served in the role of senior public incentives advisor for the City's Economic Development Strategic Plan. This citywide plan includes an Economic Development Profile Report; as well as identification and recommendation of potential citywide economic development incentive programs for business retention and recruitment that are applicable to six geographic sub-areas and citywide; an entrepreneurial development and empowerment strategy, a targeted industry growth strategy, and a retail recruitment strategy; an implementation program and "economic dashboard" benchmarking metrics to measure the success of strategies and initiatives; and sources and uses of funding to support plan implementation (grants and other alternative funding opportunities allocated to each of the plan's five-year implementation horizon).

**City of Waco, TX – Comprehensive Plan Fiscal Impact Analysis:** Prepared a fiscal analysis that examined the implications of the City's most recent Comprehensive Plan. To test the fiscal sustainability of the Comprehensive Plan, prototype developments were formulated that captured the fiscal implications of a number of development patterns. The analysis measured the fiscal costs and revenues generated by development, with a range of development variables including development type and geographically specific policies (such as residential tax abatements in targeted areas).

**Niagara Frontier Transportation Authority (NFTA), NY – Consolidation Study Adaptive Reuse Market Analysis & Cost-Benefit Analysis:** Conducted a cost-benefit analysis of the potential relocation/disposition of seven properties owned and operated by the NFTA. Identified operational benefits, cost savings and strategies for operating facilities along with procedures for implementing multiple consolidation scenarios. The analysis included assessments of historic transit-oriented redevelopment and reuse potential of the DL&W Terminal building, operating costs, fiscal and economic impact, and local real estate market conditions.

**San Francisco, CA – Hunters Point Naval Shipyard:** Engaged by the Lennar Corporation to structure the infrastructure financing of the first phase of development at the former Hunters Point Naval Shipyard, Mr. Edison devised an allocation strategy to allow a share, approximately \$8 million, of environmental and other pre-development costs for the entire shipyard to be allocated to the bonds issued in connection with the first phase of development.

**County of Riverside, CA – Comprehensive Impact Fee Update:** Mr. Edison led the effort to establish a comprehensive fee program for the County, including facilities fees for fire, police, parks, criminal justice, libraries and traffic. Prepared the technical and analytical documents necessary to calculate the fee and establish the necessary nexus to collect it, as well as presented the fees during public hearings to the County Board of Supervisors. Willdan was re-selected in 2019, through competitive bid, to prepare an update to the study.

## Carlos Villarreal, MPP

### Project Manager

#### Education

Master of Public Policy,  
Goldman School of  
Public Policy, University  
of California, Berkeley

Bachelor of Arts,  
Geography, University of  
California, Los Angeles;  
Minor in Public Policy  
and Urban Planning

#### Areas of Expertise

Fiscal Impact Analyses

Development Impact  
Fees

Public Facilities  
Financing Plans

GIS Analysis

15 Years' Experience

Mr. Villarreal is a project manager at Willdan. He possesses extensive experience documenting nexus findings for development impact fees, preparing capital improvement plans, facilitating stakeholder involvement, and analyzing the economic impacts of fee programs. He has supported adoption of fee programs funding a variety of facility types, including, but not limited to, transportation, parks, library, fire, law enforcement and utilities.

### Project Experience

**Alameda Point Development Corporation, CA – Alameda Point Conceptual Financing Plan:** Mr. Villarreal served as the financial analyst for the Alameda Point Development Corporation on a number of assignments related to the financing of infrastructure at Alameda Point, the feasibility of development, the financing of services, fiscal impacts and mitigation, and selection of developers.

**City of Waco, TX – Comprehensive Plan Fiscal Impact Analysis:** Mr. Villarreal served as the lead financial analyst in the preparation of a fiscal analysis that examined the implications of the City's most recent Comprehensive Plan. To test the fiscal sustainability of the Comprehensive Plan, Willdan formulated prototype developments that captured the fiscal implications of a number of development patterns. The analysis measured the fiscal costs (such as police services) and revenues (such as property taxes) generated by development, with a range of development variables including development type and geographically specific policies (such as residential tax abatements in targeted areas).

**City of Jacksonville (DIA), FL – Downtown Market Feasibility Analysis:** Mr. Villarreal is currently serving as the economic analyst for this engagement. He is providing data collection and analysis and is responsible for the development of the economic model.

**M-NCPPC, VA – Prince George's Plan 2035 (Evaluation 2019):** Mr. Villarreal served as the economic analyst and GIS specialist on M-NCPPC's evaluation of Plan 2035's assessment of the progress against goals related to Countywide "Indicators of Success." Willdan created a demographic and economic benchmarking dashboard to measure the success of key indicators and growth management goals.

**City of Roseville, CA – Specific Plan Fiscal Studies:** Supporting analyst for the fiscal impact analyses of Diamond Plaza Rezone, Paseo del Norte Rezone, and Hewlett Packard Area Rezone projects. The goal of each analysis was to determine the fiscal impact of the proposed land use change. The results of the analysis allowed the City to determine what kind of financial mitigation was needed from proposed new development under each new land use scenario to support City service standards.

**Kern Council of Governments, CA – Regional Alternative Funding Program:** Mr. Villarreal served in the role of project manager for the establishment of Regional Alternative Funding Program for Kern COT Kern, which consisted of a deficiency analysis and nexus study to fund transportation projects within the County of Kern.

**City of Riverbank, CA – Tax Sharing Program:** Served as the lead financial analyst on the Riverbank project. Willdan reviewed the City's tax sharing agreement and gathered tax sharing agreements and other data from a range of other jurisdictions. A fiscal model was constructed based on a range of hypotheticals to estimate the net fiscal revenue the City receives from new development. A technical memorandum was prepared with estimated fiscal impacts of current tax sharing agreements and potential impacts of modified agreement.

**City of Emeryville, CA – Comprehensive Update and Fee Burden Analysis for Park and Recreation and General Government Facilities:** Served as project manager to prepare an updated development impact fee study for facilities specific to general government, as well as park and recreation. The project included a fee burden analysis specific to new development in other local Bay Area cities, and examined the aggregate impact of plan check, permit, school developer and impact fees on six prototype projects.

**City of Sierra Madre, CA – Public Facilities Fee Study:** Willdan was retained to prepare impact fee documentation for the City of Sierra Madre. The documentation included several fee categories, including a park facilities fee and a Quimby In-Lieu Fee for parkland dedication. The analysis documented two separate park-related fees; one based on the Quimby Act and the other based on the *Mitigation Fee Act*.

C. Villarreal

Resume Continued

The City could collect the fee based on a standard of 3.0 acres per 1,000 residents if the development was subject to the Quimby Act land dedication requirement. For all other development, the City could collect based on the existing standard through the *Mitigation Fee Act*. The City would only collect one of the two fees depending on which fee was appropriate.

**County of San Joaquin, CA – Traffic Impact Mitigation Fee Update Report:** Conducted a nexus analysis for an impact fee study updating the County’s existing Transportation Impact Mitigation Fee (TIMF) program. In addition to the nexus analysis, the study included an investigation of available alternative funding sources, including local, state, and federal sources. The TIMF included projects from the San Joaquin Council of Governments’ (SJCOG) Regional Transportation Plan, Regional Transportation Improvement Program, and other transportation planning documents.

**County of Stanislaus, CA – Impact Fee Study Update:** Mr. Villarreal served in the role of project manager for a study updating the County’s existing impact fee program that included a range of facilities; public protection, library and park facilities. The study also included a transportation facilities impact fee, with different fees calculated for two zones within the County. Considerable stakeholder outreach was an integral component of this project.

**City of Morgan Hill, CA – Impact Fee Study Update:** Mr. Villarreal served as the project manager for an update to the City’s existing nexus study, including parks and recreation, general government, fire, police, library, traffic, and storm drain fee categories. The project scope included considerable stakeholder outreach.

**City of Long Beach, CA – Park Impact Fee Update:** Willdan assisted with an update to the City’s existing park impact fees in 2013, with Mr. Villarreal serving in the role of project manager. The project included updating demographic data and facility planning in order to properly update park facility standards. Mr. Villarreal used this information to then calculate impact fees for single family and multi-family residential dwelling units and prepare a nexus study documenting the revised fees and all required legal findings under the *Mitigation Fee Act*. Willdan was retained again in 2017 to perform an additional update to the park impact fee.

## Marc Walker

### Education

BS, Fire & Safety Engineering, University of Cincinnati

Professional Development Series, FEMA Emergency Management Institute, 2012

Fire Service Institute, Arizona State University, 2005

100, 200, 300, 400, 700 & 800 National Incident Management System Training, FEMA

Over 30 emergency management courses, FEMA

### Certifications

American Water Works Association (AWWA) for the Utility Risk and Resilience Program

Homeland Security Exercise and Evaluation Program (HSEEP)

### Office Location

Temecula, CA

38 Years' Experience

## Technical Advisor

Mr. Marc Walker has over 38 years of experience in fire service and administration, and emergency management, including 32 years with the Chandler Fire Department that served a population of approximately 260,000. During his 32 years with the City of Chandler, Arizona he served as Assistant Chief over the Fire Operations Division, Preparedness and Prevention Division, City Emergency Manager, Fire Marshal, and Terrorism Liaison Officer.

Mr. Walker possesses experience specific to emergency preparedness, critical infrastructure protection, information technology, fire protection codes, business continuity plans, record management systems (RMS), computer aided dispatch systems (CAD), strategic planning, budget, and capital improvement planning. He has also provided media communication and presentations to a variety of audiences including employees, internal departments and external customers.

## Work Experience

Mr. Walker started as a firefighter and rose up through the ranks of Captain, Battalion Chief, and his last assignment as Assistant Chief. During his time as Assistant Chief provided direct oversight of the Fire Operations Division for nine years, and the Emergency Preparedness and Prevention Division for nine years. While assigned to Preparedness and Prevention he also served as the City Emergency Manager for six years which included responsibility for citywide emergency management planning, training and exercises. He then served as Fire Marshal for six years and Terrorism Liaison Officer for six years. Mr. Walker also chaired the City Information Technology Oversight Committee for five years.

## Category of Experiences

**Town of Payson, AZ – Risk and Resiliency Assessment and Emergency Response Plan;** May 2021

**Town of Gilbert, AZ – Fire County Island Rate Study;** May 2019

**Town of Kearney, AZ – Town Council Emergency Management Tabletop Exercise;** April 2019

**Verde Valley Fire District, AZ – Financial Management Plan;** March 2019

**City of Queen Creek, AZ – Active Shooter Management Staff Tabletop Exercise;** June 2018

**Prince William County Service Authority, VA –** Mr. Walker participated in the following in conjunction with PWCSA: Tabletop Exercise, Workshop, Seminar, Drills June 2017; Functional Exercise February 2016; Continuity of Operations Plan (COOP) February 2016; Multi-year Training and Exercise Plan (MYTEP) May 2015; Emergency Response Plan (ERP) January 2015

**Minneapolis, MN; Water Treatment & Distribution Services –** Emergency Response Plan (ERP); Completed December 2016

**City of Chandler, AZ –** Led and/or coordinated effort for the following:

- Emergency Operations Plan (EOP): Wrote three update plans that all met FEMA requirements
- Continuity of Operations Plan/Continuity of Government Plan (COOP/COG): Wrote the plan for the FD, and worked with departments on their plans
- Department of Homeland Security Threat Hazard Identification & Risk Assessment (THIRA): Performed THIRA's for critical infrastructures in the City of Chandler, AZ
- Participated in Federal Full-scale Exercise through FEMA as a regional Emergency Operations Center Director

## Project Understanding and Approach

The North Tahoe Fire Protection District (“NTFPD”) and Meeks Bay Fire Protection District (“MBFPD”), collectively the Districts, are currently investigating the feasibility of consolidating the two agencies. It is our understanding that a LAFCO consolidation study has been prepared recommending the following two proposed alternatives/scenarios to be further explored within this fiscal study.

- **Scenario #1:** NTFPD and MBFPD continue to operate independently; or
- **Scenario #2:** Consolidate the Districts into a single agency/entity.

The objectives of the financial analysis are to assess the long-term fiscal feasibility of the two Districts, both independently and combined. The impacts evaluated will include those associated with each District’s revenue and expenditures, including operations, capital, and revenue. The analysis will estimate the property tax and other revenue received by each District and service costs, both as separate entities and combined. Willdan expects that the revenue will be mostly similar, and that the bulk of the analytical work will be to understand the operational and fiscal implications of consolidation.

Our approach to financial projections and analysis for local government agencies is to avoid overly complex models that obscure the primary factors that affect fiscal conditions. We have found that key revenue and cost variables tend to have a high degree of correlation with one or two economic or policy drivers sufficient to construct a robust model. Moreover, we have found that elected officials and the public prefer straightforward approaches that clearly link policy choices to outcomes.

The County of Placer and the County of El Dorado will be asked to provide a full profile of revenue generation from the two existing Districts, including both property and sales tax flows, and Willdan will use existing planning data to project future revenue and service growth. Willdan will work with the Districts to understand current and future staffing needs under both scenarios and the fiscal implications of each.

Willdan’s approach will be to provide an analysis that is as simple and straightforward as possible while retaining the sensitivity to discern the key policy question, the fiscal implications of consolidation and the sustainability of the Districts both combined and as separate entities.

## Scope of Work

We want to ensure that our scope of services is responsive to the needs of the Districts and specific local circumstances. We will work with the Districts to revise our proposed scope based on input prior to approval of a contract, and as needed during the course of the study.

### Task 1: Gather Data and Refine Approach

**Objective:** Ensure that data will support an analysis of tax revenues generated in each District, both currently and in the future, and costs of services. Ensure that approach will meet policy objectives of the study and work with staff to investigate and resolve issues related to our approach.

**Description:** During this task, request and review the following operating data from each District or if not available conduct the research necessary to gather the data. Please note, it will be necessary for each District to provide the data outlined below.

- Review existing documentation, including budget data and other relevant information (such as revenue generated via property taxes and fees supporting fire services, cost and call data, available fire and emergency response data from comparable/nearby jurisdictions, etc.);
- Internal organizational information (i.e. organizational charts, salary listings by position; detailed benefit information by position) and direct billing schedules;
- Determine land use and service population projections; and
- Identify fiscal data for the year to be used as a basis for estimating the cost impacts of growth within the service boundaries of each District.

**Meetings:** A combined meeting with select staff from both Districts to kick-off the analysis, review data needs, and discuss approach.

**Deliverable:** Information requests to both Districts, as needed.

### Task 2: Project Operating Costs and Revenue

**Objective:** Develop operating costs and revenue for two separate scenarios. These findings will be used in subsequent tasks to evaluate the long-term fiscal sustainability of the proposed scenarios.

**Description:** Project operating costs and revenues under two separate scenarios/alternatives: 1) each District continues to operate independently; or 2) the Districts are consolidated into a single agency/entity.

We will calculate per capita factors by dividing total annual revenues or costs by the appropriate service population. Service population will include the current residential, projected tourists during peak winter and summer seasons, and employment population of each District. Employment will be weighted appropriately to reflect impacts relative to residents for each revenue or cost line item. The model will multiply these per capita factors by the projected addition to the service population of each District to calculate per capita fiscal impacts.

Operating cost and revenue factors will be developed, and property tax projections will rely on the existing County (Placer and El Dorado) property tax roll. To the extent there are other revenues, such as contractual services or general fund contributions, Willdan will assume these continue unless directed otherwise. Modeling will incorporate constraints on assessed value imposed by Proposition 13.

Service cost factors will rely on call data, population proportion factors, or other relevant demand data, and interviews with District staff about service demands, as well as level of service, within the service boundaries.



## Task 3: Produce, Test and Refine Model

**Objective:** Produce model using data gathered in previous tasks.

**Description:** Produce a fiscal impact model evaluating the two proposed scenarios, and will utilize operating cost and revenue inputs developed in Tasks 1 and 2. The model will show projected revenues and expenditures at an appropriate time horizon (typically five to ten years, but can be modified as needed). The model will also itemize the revenues and expenditures to better illustrate key factors affecting feasibility.

Preliminary model results will be presented to District staff for discussion of key issues and suggestions to improve the analysis. One iteration of model refinements is anticipated during this task.

**Deliverable:** Tables showing model assumptions and results.

## Task 4: Prepare and Present Report

**Objective:** Communicate the findings, results and recommendations of the analysis.

**Description:** The purpose of the report developed for the proposed fiscal study for operations is to determine whether the Districts could continue to operate independently or would a combined/consolidated district be more sustainable over time. The report will identify the key factors supporting the proposed recommendations, as well as the potential need for a special benefit assessment, special tax, or similar taxing mechanism for implementation.

Prepare administrative draft report explaining all results, description of approach, and assumptions. Deliver draft to District staff for comment, modify as appropriate, and prepare a final draft.

The report prepared at the conclusion of this study will meet the Plan for Services fiscal requirements found in California Government Code 56653, which may be utilized for a potential Local Agency Formation Commission reorganization.

**Meetings:** Three public meetings to present the research, analysis and findings to the following governing bodies: one NTFPD Board meeting; one MBFPD Board meeting; and one meeting with the El Dorado County LAFCO (if requested).

**Deliverable:** One (1) administrative draft report and one (1) final draft report.

## Staff Support

To complete our tasks, we will need the cooperation of District staff. We suggest that each District assign a key individual to represent them as the project manager who can function as our primary contact. We anticipate that each project manager will:

- Coordinate responses to requests for information;
- Coordinate review of work products; and
- Help resolve policy issues.

Willdan will rely on the validity and accuracy of the District's data and documentation to complete this study. Willdan will rely on the data as being accurate without performing an independent verification of accuracy and will not be responsible for any errors that result from inaccurate data provided by the client or a third party.

## Cost Proposal

Based upon the scope of work identified herein, Willdan proposes a **fixed fee of \$32,985.00** to prepare the proposed fiscal study for NTFPD and MBFPD operations. The table below provides a breakdown of this fee by task and project team member, and also includes optional services.

North Tahoe & Meeks Bay Fire Protection Districts Fiscal Study for Operations						
Cost Proposal						
	J. Edison Principal-in- Charge	C. Villarreal Project Manager	M. Walker Technical Advisor			
	\$ 240	\$ 165	\$ 210	Hours	Cost	
Task 1: Gather Data & Refine Approach	9.0	15.0	4.0	28.0	\$ 5,475	
Task 2: Project Operating Costs & Revenue	12.0	22.0	2.0	36.0	6,930	
Task 3: Produce, Test & Refine Model	18.0	28.0	2.0	48.0	9,360	
Task 4: Prepare & Present Report	24.0	28.0	4.0	56.0	11,220	
<b>Total Hours &amp; Costs</b>	<b>63.0</b>	<b>93.0</b>	<b>12.0</b>	<b>168.0</b>	<b>\$ 32,985</b>	

### Notes:

- The fee denoted above includes attendance at up to four in-person meetings with District staff and the respective governing bodies.
- Attendance at more than four meetings will be billed at a per meeting fee: \$1,500 per meeting; attendance at additional remote/video conference meetings or presentations will be \$850 per meeting.
- Comprehensive written responses to resolve conflicts or preparation of more than one set of major revisions to the draft report, will be classified as additional services, and may require additional billing at hourly rates stated in the hourly rate schedule listed below. These additional fees shall only take effect once the fixed fee stated above has been exceeded.
- Our fixed fee includes all direct expenses associated with the project.
- We will invoice the District monthly based on percentage of project completed.
- Additional services may be authorized by the District and will be billed at our then-current hourly overhead consulting rates.

The District(s) shall reimburse Willdan for any costs Willdan incurs, including without limitation, copying costs, digitizing costs, travel expenses, employee time and attorneys' fees, to respond to the legal process of any governmental agency relating to the District(s) or relating to the project. Reimbursement shall be at Willdan's rates in effect at the time of such response.

### Additional Services

Our current hourly rates are listed below.

Willdan Financial Services	
Position	Hourly Rate
Group Director	\$250
Managing Principal	\$240
Managing Principal	\$185
Senior Project Manager	\$165
Project Director	\$165
Senior Project Analyst	\$135
Senior Analyst	\$125
Analyst II	\$110
Analyst I	\$100

## Client References

### Project Experience

Willdan has completed numerous assignments for public and private clients specific to the fiscal and economic impact of a variety of policy initiatives including development, incorporation, and reorganizations. Services have ranged from very simple “back of the envelope” calculations to assist in the framing of negotiations or planning, to extensive modeling of fiscal impacts. Similarly, Willdan’s evaluation of economic impacts has ranged from calculating the generation of jobs from descriptions of proposed projects, to extensive modeling of direct and indirect impacts using commercially available modeling packages.

Willdan also provides demographic and economic studies in connection with specific plans, general plans, master plans, and other efforts. Willdan has completed dozens of such assignments around the globe. Recent examples of our Fiscal and Economic Impact Analysis experience are listed below:

- Imperial County Fiscal and Economic Impact Analysis, Imperial County, CA
- Monterey Downs Fiscal & Economic Impact Analysis, Monterey Downs, LLC
- Napa Pipe Specific Plan Analysis, Napa, CA
- Los Gatos Business Park Fiscal & Economic Impact Analysis, Los Gatos, CA
- Economic Consultant Services for the Former Redevelopment Project Areas, including Pro Forma Review & Analysis, City of Oakland, CA
- Alameda Point Conceptual Financing Plan, Alameda Point Development Corporation, CA
- Riverbank Tax Sharing Program, Riverbank, CA
- Service Plan and Fiscal Analysis for the Proposed Annexation of Unincorporated North Richmond, Richmond, CA
- Waco Comprehensive Plan Fiscal Impact Analysis, Waco, TX
- Homestead Downtown Revitalization Fiscal and Economic Impact Analysis, City of Homestead, FL
- Metropolitan Washington Airports Authority 2012 Economic Impact Study, Metropolitan Washington Airports Authority, Washington, DC

### Client References

Provided below are client references for projects that demonstrate our ability to provide the requested services. We are proud of our reputation for customer service and encourage you to contact our past clients regarding our commitment to excellence.

#### Rodeo-Hercules Fire Protection District, CA | Fire Impact Fee Study

Willdan assisted the Rodeo-Hercules Fire Protection District with an update to their fire impact fees. The fee is charged in two jurisdictions, the City of Hercules and the unincorporated community of Rodeo. The fees were adopted by the City Council in September 2009 and presented to the Board of Directors in December 2009.

Willdan was retained by the District again in 2017 to update the fire impact fee, which included an evaluation of the existing facility inventory and future facility needs.

**Contact Information:** Fire Chief Bryan Craig  
Tel #: (510) 799-4561; Email: [craig@rhfd.org](mailto:craig@rhfd.org)

## City of Alameda, CA | Alameda Point Financial Analysis

The City of Alameda hired Willdan to assist with a variety of tasks related to the planning and development of Alameda Point, a former naval air station. The City took title to approximately 1,400 acres of land and water from the Navy on June 4, 2013. They began the process of preparing a master development plan, master infrastructure plan, and an Environmental Impact Report for the development of Alameda Point and required assistance on a range of issues related to land use economics, including a fiscal impact analysis of the planned development, an infrastructure financing plan, and a feasibility analysis to estimate whether the contemplated development could sustain the burden of infrastructure needed to rehabilitate the base. Willdan has assisted the City with negotiations with the developers of the first two parcels slated for development. The project team, led by Managing Principal James Edison, also prepared the facilities financing plan and fiscal impact analysis.

Willdan prepared a fiscal impact analysis examining the general fund revenues (such as property taxes, sales taxes, and a variety of general sources) and expenditures (such as public safety, maintenance, park services, and other items) that would be generated by the planned development at Alameda Point. Willdan prepared a model estimating the general overall impact, as well as a more detailed model examining an imagined phase 1. The effort included estimates of the assessed and market values of development, demographic forecasts, and estimated sales taxes generated by development. Willdan presented the analysis to the City Council at several public meetings.

Willdan also prepared a conceptual infrastructure financing plan for Alameda Point. Willdan worked with the City and engineering staff to estimate phases of development and prepared an analysis of the infrastructure financing revenue that would be available. The analysis included estimates of developer equity, as well as financing sources such as assessments and special taxes.

Finally, Willdan prepared a feasibility analysis that examined the burden of assessments and special taxes that would be required (based on the infrastructure financing plan) and estimated whether development would be able to bear the burden and what price the City could forecast for the land.

**Contact Information:** Jennifer Ott, City of Hayward Deputy City Manager  
(formerly the Alameda Point Chief Operating Officer)  
Tel #: (510) 583-4000; Email: [jennifer.ott@hayward-ca.gov](mailto:jennifer.ott@hayward-ca.gov)

## County of Napa, CA | Napa Pipe Specific Plan Analysis

Mr. Edison assisted the County of Napa and the developer of Napa Pipe with the Napa Pipe Specific Plan, consisting of approximately 500,000 square feet of commercial development, 3,000 residential units, and a hotel. Willdan prepared a market assessment that evaluated the feasibility and value creation of the uses contemplated for the Plan. Willdan developed an infrastructure financing strategy that drew upon the resources of the project itself and other financing mechanisms such as special taxes and assessments. Also analyzed the fiscal and economic impact of the project on Napa County, and prepared an urban decay analysis that evaluated the impact on retail businesses in the City of Napa. Mr. Edison presented the findings to the County Board of Supervisors and Napa's City Council.

**Contact Information:** Keith Rogal, President  
Napa Development Partners, LLC  
Tel #: (707) 251-0123; Email: [keith@rogal.net](mailto:keith@rogal.net)

## County of Monterey, CA | East Garrison Project Financing and Implementation

East Garrison, located on the easternmost portion of the former Fort Ord in Monterey County, California, consisted of approximately 1,400 residential units, including single family detached, townhomes, apartments and affordable housing, a town commercial center and arts facilities. Mr. Edison assisted the developer and the County with a wide range of economic issues, including the availability and structuring of public finance, fiscal mitigation measures, economic impacts, the implementation of affordable housing, and the negotiation of business terms between the developer and the County. He also assisted the developer in negotiations with the Fort Ord Reuse Authority (FORA) regarding the base wide capital improvement program and the structuring of the payment of impact fees generated by the development. Mr. Edison presented this information to the County Board of Supervisors, County staff, and the FORA Board on multiple occasions.

**Contact Information:** Keith McCoy, President  
Urban Community Partners  
Tel #: (510) 541-7800; Email: [keith.mccoy@urbancommunitypartners.com](mailto:keith.mccoy@urbancommunitypartners.com)



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