

Response to Town of Atherton's Request for Proposals

Fire Services Fiscal Review

March 31, 2017

Submitted by



Renne Sloan Holtzman Sakai
Public Management Group™

UFI URBAN FUTURES | Incorporated

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March 31, 2017

VIA Western Messenger

Ms. Theresa DellaSanta
City Clerk
Town of Atherton
91 Ashfield Road
Atherton, CA 94027

***Re: Proposal in Response to the Town of Atherton's RFP for
A Fire Services and Fiscal Review***

Dear Ms. DellaSanta:

Renne Sloan Holtzman Sakai LLP, Public Management Group™, is pleased to provide the enclosed response to the above-referenced Request for Proposals for a Fire Service and Fiscal Review. I will be the lead consultant on this project and project manager. Below is our contact information:

Firm Contact Information

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Consultant Contact Information

Bob Deis, Senior Consultant
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Public Management Group™ is the consulting division, working in tandem with Renne Sloan Holtzman Sakai LLP public law division, providing a myriad of cost-effective consulting services through a seamless combination of “practioner” consultants and attorneys as support. The Public Management Group™ (PMG) staff, consisting of 14 consultants, has extensive experience in all phases of local government. The public law division (35 attorneys) covers all aspects of public agency law, including Local Agency Formation Commission (LAFCO) and Joint Powers Authority (JPA) laws.

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We have formed a multi-disciplinary team that will perform the requested scope of work using best practices; but we also can aid in leveraging this information towards pursuing your goals. As the project lead, I have extensive experience in addressing difficult issues within and between public and private agencies. As a former County/City Manager, I have drawn upon my cost accounting background throughout my 34-year public service and now consulting career to analyze and negotiate satisfactory solutions for my employer or client. My most visible role was the City Manager of Stockton, taking them into an unavoidable bankruptcy and then designing and negotiating a complex restructuring with multiple parties to successfully exit bankruptcy. Stockton is now the 18th best fiscally situated large city in the country (out of 116 cities over 200,000 population).

Our firm's best fire services expert is Scott Kenley who has over 40 years of fire services experience. He was the Fire Chief of Brisbane and Lodi, CA. He also has been the Interim Fire Chief of Davis and Santa Maria, CA. He has demonstrated the unique combination of analytical, managerial and implementation skills to conduct various management audits and strategic plans for municipal and special district fire departments.

We are also adding a third member to the Atherton team, Michael Busch, CEO and owner of Urban Futures Incorporated. Mr. Busch and I have collaborated on multiple difficult projects, involving the cities of San Bernardino, Beaumont and Desert Hot Springs, CA. Mr. Busch and his staff have a unique complement of staff to assist in capital planning, public sector finances, fiscal restructuring and forecasting. We believe these skill sets are critical when evaluating and estimating property tax revenues and an Atherton fire department costing model. Given our experience working together, this partnership is a well-tested and seamless one that will benefit Atherton.

We possess the knowledge, experience and ability to provide the services requested, and that all the statements contained herein are true and accurate. We also have a unique team that has lived with their recommendations by implementing them to the benefit of our past employers and clients. We rarely just walk away after a study and have deep experience working with City Managers and City Councils in achieving their goals.

Both Mike and I have negotiated, designed and implemented fiscal restructurings that exceed \$2 billion in aggregate value. We have helped municipalities address intransigent issues, all to successful conclusions on behalf of our employers or clients.

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We look forward to meeting with Town staff to educate ourselves on this interesting project and seeing how we might help the Town of Atherton.

We thank you in advance for the Town's consideration of our Proposal and our qualifications.

Sincerely,



Bob Deis
Senior Consultant

CC: George Rodericks, Town Manager (grodericks@ci.atherton.ca.us) *via Email*

Section 1

Firm (Team) Introduction

FIRM AND TEAM INTRODUCTION

The Public Management Group consulting division (PMG) within the Renne Sloan Holtzman Sakai LLP law firm (RSHS) is pleased to provide you with this proposal to conduct a review/cost analysis of your fire services provided through the Menlo Park Fire District and the development/costing of an Atherton fire department. The PMG list of consultants brings extensive experience in assessing, designing, costing and implementing transformational change in local governments. However, we are “doubling down” on Atherton’s success and bringing in Michael Busch, CEO of Urban Futures to assist in the costing, possible financing scenarios and forecasting needs for this project. Before describing our suggested approach on this project, we would like to tell you more about PMG and the RSHS law firm along with Urban Futures. However, any project team is only as strong as the actual people assigned to it, so we discuss the qualifications of the project team members, as well.

A. Firm Profile of Renne Sloan Holtzman Sakai LLP (RSHS) and Public Management Group™ (PMG)

After serving as San Francisco’s city attorney for 16 years, Louise Renne started a law firm in 2004 with a passion to serve public agencies with the kind of pragmatic yet creative problem solving that public agencies require in the era of diminishing resources. We are probably best known for our work in labor and employment work—especially on high profile issues such as benefit reform, contracting out, insolvency, labor negotiations and restructuring. Yet, the Firm has always worked for over 100 cities in other ways, including affirmative litigation on behalf of cities, defending constitutional and charter issues, charter initiatives and legislation, to name a few. We also have attorneys that provide general counsel services to cities, LAFCO’s and JPA’s in the state. Our commitment is not solely to the organization we represent; it is to the vitality and sustainability of cities generally. We are now 35 attorneys strong where no task or issue is too difficult to address for our clients.

Cities and their challenges are complex and the Firm learned early on that legal advice is a small part of the solution. We recognize that your challenge is developing and marshaling the newest ideas; making those ideas a reality and constantly improving the ways cities conduct business. It is about getting ahead of issues and avoiding the need for attorneys. In this project, it is about costing and evaluating fire services under two scenarios, through the Menlo Park Fire District and a stand-alone Atherton Fire Department. Yet it is likely more than this. There are the host of operational and intangible variables that must be assessed in addition to costs. Furthermore, it is our collective team experience that many times you start a project with specific options in mind, but by gathering information and talking with stakeholders, other options present themselves. This is an experienced team that may uncover these options and adjust accordingly, if desired by the Town. For these reasons, we created the PMG consulting arm of the Firm soon after

establishing the law Firm. We currently have 14 non-attorney consultants and growing rapidly. Our consultants are all highly experienced practitioners many of whom sat in your shoes or those of municipal senior management. Their disciplines include: finance, human resources, labor relations, operational specialties (such as Fire, Police and Public Works) and executive city or county management. These consultants enable us to offer, “wrap around” services—proposing solutions that can be executed, and doing the hard work of making it all happen.

We have experience in delivering quality, actionable work products to our clients. The work we do is not an academic exercise; it is grounded in the real world of public sector accountability, a corporate values system, customer service, providing great services at a defensible price and producing better outcomes to Atherton residents.

Some of the specific objectives that we can provide our clients include:

- J Organizational Assessments—Analyzes organizational performance and practices vis-à-vis bench management practices. Identifies improvements to an operation’s efficiency, accountability and effectiveness. We also work with clients to implement recommendations.
- J Financial Planning, Budgeting and Analysis—Assists clients in analyzing their finances and planning for both a sustainable city and the effective use of public resources. We have assisted local governments that are in extreme financial distress providing road maps for recovery.
- J Creating New Departments, Sharing, Consolidation and Contracting of Services—Offering a more efficient way to provide services but requires good employee, operational and capital cost analyses and contract management principles.
- J Human Resource Support—This includes assessing the complex array of systems and processes to ensure compliance with state and federal law and City policy. It also ensures the right people are hired, supported and developed to satisfy the City’s mission. Given our consultants are fully integrated into our law Firm, we provide a unique “one-stop shop” where we can propose solutions that are buttressed by some of the most experienced lawyers in the state.
- J Organizational Development—Helps clients articulate and diagnose organizational norms and develop/implement specific plans to improve organizational cultures around good governance, high professional standards and performance.

-) Performance Management—Encompassing a wide range of management tools including: performance measurement, process management, employee performance evaluations and benchmarking.
-) Strategic and Business Planning—This can be a transformational tool to get consensus on the long-term goals of the City/Town and develop specific plans to achieve those goals. It can include facilitating City/Town Council or community goal setting.
-) Interim Executive Management—While this is not a primary part of our business model, we will go the extra yard and assist clients with interim executive capacity.

We offer a balance of perspectives with a practitioner’s bias and a proven track record. Each of our projects is tailored to the unique needs of each client and we have a deep understanding of local government environment.

B. Firm Profile of Urban Futures, Incorporated

Creating and costing a new Fire Department will likely include an evaluation of capital costs and the financing of potential start-up costs for such an endeavor. Your Scope of Work also requests the modeling of the Atherton sourced property tax revenues that support the Menlo Park Fire District. To this end, we propose a partnership with Urban Futures that is a tested one. I have personally worked with Urban Futures on difficult projects, including: The City of San Bernardino bankruptcy and the City of Beaumont fiscal restructuring and actions to return to solvency. We are now partnering to develop a fiscal plan for Desert Hot Springs’ return to solvency.

Mr. Busch and Urban Futures is the preeminent financial advisor and debt financing firm in California.

A small sample of Urban Futures’ experience include:

Financial Advisor to the cities of Millbrae, San Bernardino, Santa Ana, Riverside, Lake Elsinore, Beaumont, Commerce, Azusa, Monrovia, Pomona, Santa Fe Springs and Coachella issuing bonds totaling over \$1Billion.

The Financial Advisor that supported the City of San Bernardino through its entire bankruptcy restructuring which included among other things, a complete cost evaluation of disbanding that city’s in house fire department and contracting with the county.

Prepared budget stabilization and resiliency plans for the cities of Maywood, Adelanto, Desert Hot Springs, Rohnert Park and most recently via a partnership with RSHS, LLP for the City of Beaumont, CA.

Recently completed the financing analysis for the Atherton Civic Center Project which is scheduled to be presented to the Town Council on April 3rd.

Again, our proposed project team includes myself, Scott Kenley and Michael Busch. In the background is the law side of the Firm which has a robust labor and employee relations focus, a general counsel practice and a very specialized LAFCO/JPA focus. The RSHS PMG has a myriad of consultants ranging from all aspects of human resources, analytics for employee costs, police and fire management/operational practices. We have a robust compensation analytics section that will assist in the costing of the Atherton Fire model. Our firm has a practice of advocating for the client, no matter how difficult our mission. Again, in the background at Urban Futures there is a host of resources assisting in revenue/expenditure forecasting and financing approaches for capital costs.

C. Team Introduction

Specific to myself, I finished my 34-year public service career at Stockton, CA where I inherited a failed city from a governance, operational and financial perspectives (see Attachment A for further details of my biography). Unfortunately, there was no other option to filing for Chapter 9 protection to completely repair the organization and the community. This required complex “heavy lifting” to evaluate and renegotiate long standing labor MOU’s, intergovernmental agreements and financing commitments with Wall Street including large budget restructuring. We had to surgically cut the Fire Department in an older urban city without affecting public safety. It also required complex and sensitive negotiations with stakeholders who had huge interests in the outcomes. As they say, the “proof is in the pudding” and Stockton is now a top rated large city for its fiscal soundness. As a former city manager and county administrator I have sat on both sides of conflicts typically found in local government.

Since retiring in November 2013, I have consulted with Monterey County and the cities of Oxnard, San Bernardino, Beaumont and Desert Hot Springs. My two largest projects included organizational assessments of Oxnard and Beaumont, identifying hundreds of recommendations for improvement along with implementing the highest priorities. Costing of service levels and alternatives to the current service delivery model were key components of each project along with the Stockton bankruptcy issue. With support from my firm, we identified the various cost components of Beaumont’s compensation structure that were out of line with the labor market, thus fashioning a strategy to reduce costs. Personnel costs are typically the largest cost in fire agencies, thus our Analytics section will help to adequately cost the Atherton fire model as

requested in the scope of work. Other key components of the compensation costs category are the various legacy costs, especially CalPERS. This was a key issue in Stockton's bankruptcy, thus you will be hard pressed to find equivalent experience in this area. Of course, all of this required a close working relationship with the City Manager and City Council.

Scott Kenley, was a fire chief in Brisbane and Lodi. He is very familiar with the fire services milieu on the peninsula. He has performed an interim fire chief role in Davis and Santa Maria. He has completed fire management/operational audits for both Davis and Santa Maria, implementing much of what he recommended for those two cities. His proposed recommendations for the City of Davis resulted in a reduction in daily minimum staffing, increase in personnel responding on first alarm structure fires, and a reduction in the City's ISO grading from Class 4 to Class 2. Mr. Kenley has a reputation of speaking the truth, expecting best practices and furthering transparency in the fire services arena. He will give you sound advice around the "must haves" in a fire department vs. the "nice to haves" that may not be needed in Atherton. His biography can be found in Attachment B.

Michael Busch has been personally involved in the complete overhaul of the City of San Bernardino, as the lead financial advisor for that city of 200,000. He stayed with that city through a long difficult process. In their case, it required the "reverse engineering" of their fire department into a contract with the San Bernardino County Fire District for delivery of fire services. Yet, this required the exact type of analysis that Atherton is requesting on this project, ensuring adequate fire service delivery for the unique needs of that city but also evaluating the full costs of alternatives over a period. It is projected to save that city \$6 million annually.

Working for the City of Monterey Michael also completed an in-depth review of a water purchase agreement governing a proposed \$300 million water desalination project that is scheduled to serve the Monterey Peninsula. As part of the assignment, his team analyzed the proposed organizational and governance structure for the operation of the desalination plant and developed the City's negotiating position on the matter. His biography can be found as Attachment C.

Section 2

Approach

OUR APPROACH

While our general approach has similarities between projects, we customize the specific approach and work plan to fit the needs of the client while being respectful of the environment and history that we are stepping into to complete the desired scope of work. After our first meeting with the Town of Atherton and the Fire District, we will adjust our approach and Work Plan accordingly.

Learning and Listening. We will begin the project with a careful learning stage during which we listen and learn about the history and reasons behind this project. While we are very client focused, it is helpful to “hear the other side” when completing our work. By taking into account multiple sides to an issue, it has regularly helped us produce a more acceptable deliverable that aids in developing a policy decision. It has also helped us to provide advice on the path going forward for clients. We have used this approach to resolve many intransigent issues, always to the benefit of our client.



Through interviews and meetings with key personnel and a review of both data and written documentation, our team will develop a clear understanding of current operations, cost accounting, the Town’s needs and the Fire District’s operations. This learning phase will allow us to fully understand the operating constraints and impediments along with a realistic understanding of the options going forward.

Diagnosis. As we listen and learn, we will concentrate on how work is planned, managed and executed while also examining and analyzing the various cost inputs and components for delivering the service, including administrative overhead, support service levels, legacy costs, and cost allocation processes. Throughout this diagnosis process, we will continually evaluate and look for opportunities to strengthen program capacity for cost containment and recovery. We always apply best practices and metrics to whatever project that we undertake and we also provide frank assessments of the situation.

Opportunity Identification. When the investigation and data gathering activities are complete, we will analyze all aspects of each program’s operations, create a full cost accounting for program service delivery under the current Fire District model, and identify changes or options that will reduce or contain costs. We will provide full cost accounting for the Atherton Model along with options to reduce those costs, either in an upfront basis or by purchasing the District’s assets. We will always look for opportunities to collaborate with other jurisdictions to reduce the costs of our Town model.

Action. We have a strong bias for implementation. As practitioners, we have an orientation towards results and our work typically moves from sound analysis to concise, actionable recommendations. While this was not part of the project scope, we will keep our eye on challenges and opportunities that might impact your next phase on this issue. We believe this orientation towards action and producing positive change is why many of our clients maintain a long-term relationship with us.

Section 3

Project Experience

Please refer to narrative in
Section 2 for description of
Project (Team) Experience

Section 4

Work Plan

APPROACH TO SCOPE OF WORK

- A. What revenue does the Fire District receive from Atherton residents via property taxes and fees in support of fire services? The role of the consultant would be to validate the information and provide an analysis of data for FY 2016-17 as well as a predictive model for the future. In addition, the consultant would provide a summary of fees paid by Atherton residents in support of fire services.**

Work Plan Summary:

Our team will work collaboratively with all involved agencies to conduct the fiscal evaluation of the Fire District. The overall work plan we are proposing first calls for the collection of data through a variety of District, County and affiliated agencies, including the following:

Fire District Financial Information

-) Annual operating and capital budgets
-) Year-end financial statements
-) AB 1600 / cost allocation plans
-) Assessment district reports (if any)
-) Contracts for services

San Mateo County

-) Property tax assessment data for FY 14-15 through FY 16-17
-) Successor Agency pass through revenues from member agencies

CalPERS

-) Annual plan valuation reports for FY 14-15 through FY 16-17

Our team will analyze the data, apply our expertise about best practices, and create a comprehensive financial review focusing on FY 2016-17 data. We will review our preliminary analysis with management prior to finalizing our work, and we will conclude our work with preparation of a predictive model which will include 2 fiscal years of historical trends and 5-7 fiscal years of projected operational and capital costs.

B. What is the cost of providing basic fire protection services within the jurisdictional boundaries of the Town of Atherton from the Fire District? Beyond basic services, what other special services does the District provide to Atherton residents (i.e. hazmat, CERT, urban search/rescue, etc.)? In total, what do these add to the cost of basic fire services?

Work Plan Summary:

The General Approach will attempt to identify the fully loaded (direct and overhead) costs of the fire stations that serve Atherton. We will then prorate those costs using the calls-for-service ratios between Atherton and other entities for those same stations. The special services costs would likely be located in the District's training, overtime and other budgets. We would work with the District to allocate these costs based on a fair measure, if they are not identified separately as direct costs.

This methodology may have to be adjusted based on the level cooperation and cost accounting information from the Fire District.

Tasks and Steps

-) As in the other two deliverables, we would meet with District representatives relative to the scope of the project, the need for District cooperation and to gather the following information:
 - o Identification of a District contact person;
 - o Response data for the last three calendar years - broken down by call processing, turnout time, travel time, and total call time;
 - o Distribution of calls by station – last three years;
 - o Distribution of calls by City/County – last three years;
 - o Breakdown of individual personnel costs for all District personnel – by rank/administrative position;
 - o All District documents relative to any analysis of response times, station locations, etc. including, but not limited to, Standards of Response Cover, station analysis, etc.
 - o Solicit the District's input on our costing methodology
-) Meet with Town representatives to:

- Identify committee or staff person that would be acting as the Project Manager for the Town.
 - Recap meeting with District representatives, assessing the perceived level of cooperation, additional data needed, and the need for follow-up meetings with the District;
 - Identify and agree on methodology for calculating cost of services provided to the Town of Atherton;
 - Identify next steps.
-) Review data provided by District and develop draft for review by Town representatives.
-) Submit draft costing analysis to Town representatives.
-) If we can get agreement with the District on the use of “draft work products”, we would like to solicit their opinion on results.
-) Address issues raised by Town representatives, consider District feedback and complete final draft of cost of services provided to the Town of Atherton.
-) Submit final draft to Town for review.

It is anticipated that the Menlo Park Fire District will be cooperative in providing the necessary data required to complete this section of the project. A key component in this Section is reaching agreement with Town representatives on the methodology for computing cost of services provided to the Town of Atherton. Included in the time estimated for this Section is at least one follow-up meeting with District representatives to address questions and/or clarify data.

C. If there were not a Fire District and the Town were responsible for providing fire services independently, what would the cost of those services look like? What are the options? Would an additional fire station need to be built and staffed? If so, where would it be? What would it cost? What is the annual cost? What are the long-term cost models? What are the added liabilities? Are there any added benefits? The consultant will be tasked with preparing a fire service model for the Town if the Town were responsible for providing fire services itself. The consultant would need to take into consideration programs and services currently provided, programs and services necessary for a Town service model (inclusive of overhead), and long-term debt/liability. The consultants would also need to project initial capital required to build the

2nd fire station (if consultants determine need) and other issues related to initial costs versus ongoing long-term costs.

Work Plan Summary:

The team will be relying on the calls for service data from the Fire District and the recent Standards of Coverage review completed by Citygate to develop the optimal fire station configuration in Atherton. If we recommend moving or adding fire stations, we would work with your planning staff to determine possible parcels as candidates. The cost of land will be an important upfront cost component.

We would develop staffing models for each fire station to satisfy basic fire service needs along with the necessary apparatus and space needs for full functioning fire stations. Our personnel related costs will be applied based on labor market standards in the area, which we can develop in our firm. With respect to the next biggest capital cost i.e. apparatus, most people do not understand that when you create a fleet of vehicles for the first time, you budget for the upfront acquisition but you also amortize the eventual replacement of the vehicle to have adequate funds at the end of their lifecycle. Construction and operating costs will be developed using most recent metrics in the area.

Urban Futures, with their financial advisory expertise will evaluate financing options for Atherton to spread the upfront costs over a period.

With respect to services beyond the basics, we will evaluate and cost an Atherton staffed model, but we will seek possible partnership opportunities to reduce costs and increase effectiveness. We also need to assess mutual aid issues. Below is the proposed process to address the development of a stand-alone Town of Atherton Fire Department.

Tasks and Steps

-) Use Fire Service Industry norms to identify minimum levels of service; number of stations and their desired locations.
-) Conduct a cursory Standard of Response Cover to determine number and distribution of fire stations.
-) Identify automatic and mutual aid needs relative to response into and out of the Town limits of Atherton.
-) Identify administrative needs and number of non-safety positions.

-) Identify apparatus and equipment needs.
-) Develop minimum staffing levels, recommended overhead positions, required apparatus and equipment, other operating costs and overtime hours needed to assess total cost of a Town of Atherton stand-alone Fire Department.
-) The fire station costs will be highly dependent upon the recommended location. If the one Atherton station should stay put, we would develop a rough estimate of a purchase price. Any new construction costs would be estimated using any recent station construction experience in the area. We have numerous clients that likely have completed stations recently.
-) Our firm's Analytics staff will develop a compensation model based on what we think are the labor market salaries and benefits required to staff your own department. Our attorney would also review our assumptions vis-à-vis labor law to ensure our assumptions are reasonable.
-) We would identify a total cost Atherton Fire Model that assumes cash acquisition of capital assets. Urban Futures would then identify a cost estimate assuming prudent and reasonable financing options to spread the upfront capital costs over time.
-) A draft report that estimates the total costs of an Atherton Fire Departments would be shared with Town representatives for input. Upon making any requested adjustments, we would share a draft with the District to solicit their input—again this is contingent on agreements over the use of a draft work product
-) A comprehensive final draft that covers all three deliverables will be shared with the City Manager and other staff for final input. This report will then be shared with the City Council subcommittee and then ultimately the full City Council.

As requested in your RFP, the next page (Table 1) details our estimates for billable hours broken out by major task.

TABLE 1

Atherton Fire Services Fiscal Review Proposal	Scott Kenley	Mike Busch	Bob Deis	Adam Benson	David Siris	Total Hours By
30-Mar-17	Billable Hours	Work Item				
Validate Property Tax & Other Revenues From Atherton to District						
Data Collection					16	
Review Fire District Financial Information		4			6	
Review County Property Tax Assessments for Fire District Services		6			4	
Prepare Financial Analysis		6			12	
Prepare Predictive Model		6			14	
Grant Total for Revenue Estimation		22			52	74
Fire District Cost Estimates to Serve Atherton						
Estimate for Basic Fire Services						
Meet with Fire District representatives (kick off)	6	6	6			
Meet with Town representatives (kick off)	4		4			
Analyze data and draft costing of services report	32	4	8			
Review draft with Town representatives	4	4	4			
Address issues raised by Town Representataives	4		2			
Submit Final Draft	2		2			
Subtotal	52	14	26			92
Estimate for Special Fire Services						
Hazmat	1					
Fire Marshall	2		1			
CERT	1					
Urban Search/Rescue	1					
Subtotal	5		1			6
Grand Total District Costs to Atherton	57	14	27			98
Costing Atherton Fire Model						
Fire Station Quantity and Location						
Conduct cursory Standards of Response Cover	12					
Identify automatic and mutual aid needs	2					
Identify admin. needs & number of non-safety positions	2					
Identify apparatus and equipment needs	4					
Develop stand-alone minimum requirements for stand-alone Town of Atherton Fire Department	8					
Develop estimated fire station costs	2	2	4			
Develop Compensation Model			2	14		
Compile Total Cost Estimates (Cash Basis)	2	2	12			
Compile Total Cost Estimates (Financing Basis)		8	1			
Develop Draft Report	2	2	8			
Meet with staff to review Draft Report	4	4	4			
Make adjustments based on staff direction	2	2	2			
Meet with District for input	4		4			
Meet with staff with final draft	4	4	4			
Grand Total Estimate for Atherton Fire Model	48	24	41	14		127
Presentation to Council Subcommittee (including Pow	9	9	9			27
Meet w/ full City Council	5	5	5			15
Meet w/District to Review Draft	4	4	4			12
2 Public Meetings	10	10	10			30
Grand Total Estimate for Meetings/Presentations	28	28	28			84
Grant Total Entire Project	133	88	96	14	52	383

Section 5

Key Staff

KEY STAFF

As mentioned above, the project lead will be myself, Bob Deis, Senior Consultant for the Public Management Group™ division of the RSHS, LLP law firm.

Our fire services subject management expert is Scott Kenley, Consultant for the Public Management Group™.

Our financing, debt, revenue and costing expert is Michael Busch, CEO of Urban Futures.

To assist in the compensation related cost development, we will be using Adam Benson, Senior Consultant in our Analytics section of the Public Management Group™ (see Attachment D for his biography). We will likely ask for a cursory review of our assumption by our firm's labor attorneys.

To assist in the modeling of revenues, financing options and related items, Mr. David Siris, CPA, Principal of the Urban Futures firm will provide the analytics (see Attachment E for his biography).

Section 6

References

REFERENCES

City of Oxnard

Maria Hurtado

(former) Deputy City Manager
(now) Asst. City Manager for Hayward, CA
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Maria.Hurtado@hayward-ca.gov

City of Oxnard, provide comprehensive organizational assessment with 129 recommendations, caught many substantive poor fiscal management practices that if left unattended would have cause severe fiscal distress for the City, assisted CMO in the implementation of many recommendations, completed audit of all City HR processes, rewrote all policies and procedures, assisted in budget development and now updating their performance management system

City of Beaumont

Todd Parton

City Manager
(951) 769-8515 Ext. 496
550 E. Sixth St.
Beaumont, CA 92223
TParton@ci.beaumont.ca.us

As a team, Bob Deis and Michael Busch assisted the City in analyzing the cause of that city's insolvency, developed new Finance Policies to reduce likelihood of a repeat occurrence, developed their budget, recommended strategies for bringing costs in line with revenues, completed a comprehensive plan to work their way out of insolvency and assisted in negotiating settlements for claims/court judgments that exceeded more than \$80 million.

City of Davis
Steve Pinkerton
(former) City Manager
(now) General Manager of Incline Village General Improvement District (IVGID)
(775-832-1206)
893 Southwood Blvd
Incline Village, NV 89451
sjp@ivgid.org

In the City of Davis Mr. Kenley was successful in integrating the services provided by the City of Davis Fire department and the University of California at Davis Fire Department under one administrative structure. The Fire Chief for the UCD Fire Department became the Fire Chief of both departments under a “Shared Management Agreement.” Scott’s ability to think outside the box was instrumental in developing alternatives to the long-standing relationship between the City and the UC that was inhibiting the collaboration necessary to maximize the services provided by both agencies. As stated previously, the recommendations implemented because of Mr. Kenley’s audit realized the following: 1) the City realized a \$1,000,000 reduction in annual cost; 2) a complete boundary drop between the City and UC resulted in a reduction in response times for both agencies; and, 3) the City’s ISO grading dropped for a Class 4 to a Class 2.

City of San Bernardino
Mark Scott
City Manager
(909) 384-5122
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Scott_ma@sbcity.org

As the City’s Financial Advisor, assisted the City of San Bernardino through several revenue enhancement plans, restructuring of long-term debt and evaluate adjustments to delivery of services within the City. Throughout the City’s bankruptcy process, prepared a 20-year financial forecast which included funding for vitally needed public safety improvements within police and fire services. Ultimately, the City’s financial plan was accepted by the City’s creditors and bankruptcy court.

In addition to financial forecasting, we played an integral player in the negotiations to contract fire and solid waste services as well as long term debt obligation restructuring. Our review of the fire service delivery issue was very like what is involved in this engagement. While these actions will realize significant cost savings, the City is also focused on raising additional revenue sources to support an appropriate level of service in the community.

Section 7

Disclosures

DISCLOSURES

Neither firm has any past or current conflicts of interest that may impact our performance of the anticipated work. However, East Palo Alto and the City of Menlo Park are clients of the law firm. We provide labor relations and employment advice for those cities. We believe our relationship with those cities will add credibility to the Atherton project.

Section 8

Professional Fees

(Please see separate cost proposal in sealed envelope—as requested)



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PRACTICE AREAS

Labor & Employee Relations

HR Management

Financial Management

Operations Consulting

EDUCATION

Lewis and Clark College, MPA

CA State University, Sacramento, BS

Bob Deis

Senior Consultant

EXPERIENCE

Mr. Deis, Senior Consultant, has spent 34 years in public service managing the finances of cities and counties in California, Oregon, and Washington. During his career, he managed a city with only 200 employees and a county with 5,000 employees. Throughout his entire career, whether he was an accountant or city/county manager, Mr. Deis has managed the finances of local governments by using his technical and strategic skills to understand financial statements and transform the organization's financial position and operating culture. He has addressed a myriad of intransigent and complex issues that, until his arrival, were not being addressed.

Mr. Deis has provided consultant advice to various local governments in transition, including San Bernardino and Oxnard, CA covering the development of strategic plans, organizational assessments and strategies for recovering from organizational and financial distress.

RELATED EXPERIENCE

Mr. Deis recently retired as the city manager of Stockton, CA, where the City Council in their own words said that Bob was "the architect of Stockton's recovery". He inherited an insolvent city of 300,000 that was chaotic and in distress from operational, budget and governance perspectives. In 3.5 years, he assembled a new management team and created a new high-performing organizational culture. He put the city on a path to solvency by taking the severe but necessary step of seeking bankruptcy protection, restructured and eliminated massive short and long term obligations, and passed a unique revenue measure. He also oversaw the creation and implementation of the Marshall Plan on Crime, a unique approach to a problem that has plagued Stockton for years.

Prior to Stockton, Mr. Deis was the County Administrator of Sonoma County where he developed the county's first strategic plan that guided multiple successful initiatives, including: addressing an unsustainable OPEB unfunded liability, creating their first Criminal Justice Master Plan and initiating a new approach for investing in "upstream" programs to prevent more expensive "downstream" criminal justice and human service costs.

In 1996, Mr. Deis became the third city manager in Shoreline, WA as they just celebrated their first anniversary as a City. He inherited a chaotic environment and in four years implemented a new management team, a budget with substantial reserves, a well funded capital improvement program, a new general plan, and new operating policies and practices, creating a diverse community with a new sense of cohesion and pride.

In 1985, Mr. Deis began working for Washington County where he was part of a team that designed and implemented a strategic plan that transformed the entire organization and community. His focus was gaining special legislation, managing their budget process, soliciting voter approval for additional revenues on multiple occasions, and then implementing custom approaches to addressing unique needs of a county responsible for both urban and rural services. These efforts led to multiple bond upgrades. He also spearheaded a one-of-a-kind performance evaluation and new compensation system that supported the new organizational values of the senior management team.

In 1979 Mr. Deis served as an intern within the Finance Department of the City of Sacramento and ultimately became an Accountant/Auditor. He then moved on to the City of Eugene, Oregon where he focused on long-term financial planning and generating additional resources for the city.

PRESENTATIONS AND PUBLICATIONS

Mr. Deis has made many presentations at the New York Federal Reserve Bank, the International City/County Manager's Association (ICMA) annual conference, at various League of CA Cities annual conferences, the USC Price School of Public Policy and Lafayette College, covering topics such as, strategies to avoid fiscal distress in cities, transforming cities during financial crisis, paradigm shifts in compensation practices, strategies for city managers during stressful times and how cities can recover from bankruptcy.

Bob has been published in the Wall Street Journal, Sacramento Bee, Public Administration Review and Bond Buyer.



Scott Kenley

Consultant

EXPERIENCE

Mr. Kenley provides expert consulting services in the areas of labor relations and Fire Service Management. His experience includes labor relations, contract negotiations, training, and strategic and organizational planning in the delivery of fire and life safety services. He has testified as a fire management and operations expert in arbitration proceedings.

Some of Mr. Kenley's recent accomplishments include:

- Successfully negotiating collective bargaining agreements on behalf of cities, counties, and special districts with safety and non-safety bargaining units
- Developing collective bargaining strategies and objectives in collaboration with senior policy makers and elected officials
- Participation in mediation efforts resulting in the successful settlement of outstanding contract disputes
- Testifying in interest arbitration proceedings concerning fire management and operational issues
- Conducting Management Audits of Municipal Fire agencies
- Serving as Interim Fire Chief for Municipal Fire Agencies
- Developing and conducting Assessment Centers for promotional opportunities – Fire Captain, Fire Division Chief, Fire Chief
- Conducting Self-Assessment and Standards of Cover analysis of fire department operations

RELATED EXPERIENCE

Prior to joining the firm, Mr. Kenley served as the Fire Chief for the cities of Brisbane and Lodi. He has more than forty years of fire service experience. He was the chair of curriculum development for the Management Series of the State Fire Marshal's certification program, including a primary contribution in the development of the State of California Fire Chief Certification process. He continues to provide fire service analysis to several fire agencies through his own consulting organization, Swk & Associates, as well as an associate of Fireforce One.

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EDUCATION

University of La Verne, MS

Columbia Pacific University, BA



Michael Busch

Michael P. Busch joined Urban Futures following a successful career in municipal government. Mr. Busch is the firm owner and serves as the Chief Executive Officer managing day-to-day operations. Mr. Busch's background consists primarily of Assistant and Deputy City Manager, Chief Financial Officer and Project Manager positions. As such, he has extensive experience in Strategic Planning, Municipal Finance, Economic Development and project implementation. Under his current role and a municipal advisor, Mr. Busch has assisted dozens of agencies with the issuance of over \$2 billion in tax exempt debt offerings and implementation of several economic development and infrastructure projects. Because of his unique experience in the public and private sector, Mr. Busch utilizes his experience in the areas of municipal finance and management to assist client agencies with the successful development and implementation of capital planning, developer negotiations, fiscal restructuring and forecasting, as well as capital project implementation.

In addition to the above, Mr. Busch served as adjunct faculty for the University of Southern California Price School of Public Policy.

KEY PROJECTS AND ACCOMPLISHMENTS INCLUDE:

- Financial Advisor for the City of San Bernardino Bankruptcy Restructuring
- Financial Advisor to the California Communities Total Road Improvement Program and the Delinquency Property Tax Funding Program
- Recently served as Financial Advisor to the Cities of San Bernardino, Santa Ana, Lake Elsinore, Commerce, Azusa, Monrovia, Pomona, Santa Fe Springs, Millbrae and Coachella issuing bonds totaling over \$1 Billion
- Prepared Budget Stabilization and Resiliency Plans for the Cities of Maywood, Adelanto, Desert Hot Springs, Rohnert Park and most recently Beaumont

EDUCATION:

B. A., Urban and Regional Planning – California State Polytechnic University, Pomona
M.P.A., (Finance and Public Works emphasis) – California State University, Long Beach

PROFESSIONAL AFFILIATIONS:

- California Society of Municipal Finance Officers (CSMFO)
- Past President – Municipal Management Association of Southern California (MMASC)

- Past Chair – Cal-ICMA
- Past Secretary / Treasurer – California Utility Executive Management Association (CUEMA)
- Member – International City/County Management Association (ICMA)
- Executive Board Member – Boys and Girls Club of Coachella Valley



Adam Benson, CEBS

Senior Consultant

EXPERIENCE

Mr. Benson joined the firm's Public Management Group™ (PMG) after spending five years with Public Financial Management, Inc. (PFM), a national leader in providing independent financial advice as well as investment advisory, management, and consulting services to local and state governments and non-profit clients nationally.

While at PFM, Mr. Benson worked closely with Renne Sloan Holtzman Sakai LLP (RSHS) attorneys and consultants developing evidence for fact-finding and interest arbitration proceedings. In addition to assisting municipalities with workforce analytics, Mr. Benson has experience developing long-range financial plans and budget projection models, identifying financial risks and challenges, and developing practical recommendations tailored to meet his clients' needs.

At PMG, Mr. Benson combines his background in public finance, labor relations, and employee benefits to provide California public agencies with strategic and operational planning, direction, and advice for bargaining.

RELATED EXPERIENCE

Mr. Benson has extensive work experience in both public and private sector employment. Mr. Benson previously worked as an Underwriting Specialist at Cigna, Inc., a national health insurance and health services company, where he was responsible for pricing and managing employer-sponsored benefit programs. Before that, Mr. Benson served as a Legislative Assistant to a member of the Philadelphia City Council and also as a Legislative Assistant to a member of the New York State Senate.

Mr. Benson has also earned the Certified Employee Benefit Specialist (CEBS) designation awarded by the International Foundation of Employee Benefit Plans and the Wharton School of the University of Pennsylvania.

SELECTED PRESENTATIONS AND PUBLICATIONS

- Presenter, "Navigating Negotiations and Fact-Finding for Finance Professionals," Municipal Finance Institute (2014)
- Co-author, "Managing Public-Sector Retiree Health-Care Benefits Under the Affordable Care Act," Government Finance Review (2013)
- Presenter, "Negotiation Preparation and Fact-finding in the Post AB-646 Era," Northern California Chapter of the International Public Management Association – Human Resources (2013)
- Contributor, "Addressing the National Pension Crisis: It's Not a Math Problem," The PFM Group (2013)

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EDUCATION

University of Pennsylvania, MPA &
Certificate in Public Finance

George Washington University, BA

CERTIFICATIONS

Certified Employee Benefits Specialist

Retirement Plan Associate

Group Benefits Associate

PUBLIC SECTOR COMPENSATION STUDIES

Mr. Benson has performed and directed many public sector compensation studies, both limited and broad in scope, over his career in California and throughout the country. Recent California local government clients have included, but are not limited to, the following:

- City of Concord
- City of East Palo Alto
- City of Livermore
- City of Menlo Park
- City of Monterey
- City of Napa
- City of Oxnard
- City of Santa Rosa
- City of Sunnyvale
- Town of Los Gatos



David Siris

David is a Certified Public Accountant licensed in the State of California. He spent over eight years with both national and local public accounting firms as an audit supervisor. A vast majority of his clients were government agencies including counties, cities, and special districts. He has experience and knowledge of government auditing/accounting and single audits including compliance with Yellow Book and OMB-A133 standards. During his time as an auditor he helped lead a team to perform and complete past due audits for the City of Stockton in order for them to complete its bankruptcy/AB 506 process. Recently, David has been engaged by the City of Beaumont as part of the team developing the Workout Plan to Sustainability.

Education: David holds a Bachelors of Business Administration in Finance from California State University, Fullerton.