



*City of Sonoma
Municipal Service Review and
Sphere of Influence Plan*

A PROPOSAL TO:
THE LOCAL AGENCY FORMATION COMMISSION
OF SONOMA COUNTY

Submitted by:
Policy Consulting Associates & Berkson Associates



April 14, 2021

Mark Bramfitt, Executive Officer
Sonoma LAFCO
111 Santa Rosa Avenue, Suite 240
Santa Rosa, CA 95404

RE: Proposal for Municipal Service Review and Sphere of Influence Study for The City of Sonoma

Dear Mark and Selection Committee,

Policy Consulting Associates (PCA), in collaboration with Berkson Associates (BA), appreciates the opportunity to submit this proposal for your consideration. This proposal demonstrates our combined proficiency in preparation of Municipal Service Reviews and Sphere of Influence Studies around the State. We propose to deliver to Sonoma LAFCO a well-researched, thoroughly analyzed, comprehensive, and constructive review of the services provided by the City of Sonoma. This document will provide necessary and useful policy tools to the Commission, valuable information to the public, and will benefit the City in its planning and service decisions.

A recipient of the 2017 CALAFCO Achievement Award and the author of two award-winning studies, PCA boasts over 30 years of combined LAFCO experience, a diverse MSR portfolio of over 500 individual service reviews, a proven record of project innovation, adaptability, and fiscal oversight, and expertise conducting comprehensive evaluation of, and making recommendations regarding, a variety of municipal services and governance structure alternatives. We have reviewed cities in Amador, Calaveras, Butte, Fresno, Lassen, Lake, Los Angeles, Colusa, Plumas, Yolo, and Yuba. The most comprehensive single-city MSRs were performed for the cities of Fresno and Chico. PCA and Berkson Associates have recently completed a review of four cities in Los Angeles County. Additionally, PCA is currently finishing the review of the City of Oroville. Many PCA-completed studies have led to significant policy advancements, including governance structure reorganizations and enhancements to service efficiency within agencies and regionwide.

Berkson Associates (BA) will partner with PCA to prepare the financial portion of the MSR and provide support on other project aspects. BA specializes in budget forecasting, fiscal impact analysis, evaluation of financial "Best Practices," and assessment of fiscal sustainability using the FISCALometer developed by Mr. Berkson. Mr. Berkson has participated in CALAFCO panels addressing a range of governance and fiscal topics and has spoken on issues and approaches to improving the efficiency and effectiveness of MSRs and on the use of fiscal indicators. Mr. Berkson was the principal in charge of preparing the first round of Sonoma LAFCO MSRs while a principal of Economic & Planning Systems. He also prepared the Plan of Service and Feasibility Study for the formation of a CSD in the Mark West area, and provided peer review of City of Santa Rosa annexation area public services and fiscal analyses.

Our collaborative team includes Oxana Wolfson, Jennifer Stephenson, and Jill Hetland of Policy Consulting Associates, and Richard Berkson of Berkson Associates. PCA and BA have a long history of successful collaboration, including the special studies that supported Orange County LAFCO's "Project of the Year" award from CALAFCO in 2019, as well as the recently completed comprehensive review of water and wastewater services in Napa County, and an evaluation of select cities in Los Angeles County, as was mentioned before. As a cohesive and efficient team of three principals supported by PCA staff, we guarantee on-time deliverables and effective results. We assert that we are free from conflicts of interest and will approach this service review independently and



neutrally. We invite a thorough review of our qualifications and look forward to further discussing our expertise and proposed approaches with the Selection Committee.

Sincerely,

Jennifer Stephenson

Jennifer Stephenson, Principal
Policy Consulting Associates, LLC.
310-936-2639



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Summary

Policy Consulting Associates, LLC (PCA) in collaboration with Berkson Associates (BA) proposes to prepare the Municipal Service Review and Sphere of Influence Study for the City of Sonoma.

As indicated by PCA's extensive municipal service review (MSR) experience, the firm excels at functional analysis organized in a format that is easily interpretable. Much of the established data collection process relies on our ability to easily and efficiently garner essential information from agency documents and central sources. In addition, we also possess proven practical experience coordinating large review projects with input from numerous agencies, and simultaneously fostering inter-agency communication and arbitrating cooperation on often contentious issues.

As part of its regular MSR work, PCA has conducted numerous city service reviews and SOI Updates for various LAFCOs around the State. Each MSR contained in-depth analysis and determinations covering the financial ability of the agencies to provide adequate levels of service, including financial constraints and cost avoidance opportunities; adequacy of services based on multiple indicators; and current and future capacity assessments. PCA has undertaken comprehensive MSRs for numerous cities, which required robust and reliable analysis and recommendations, as well as stakeholder facilitation. PCA has been involved in a variety of projects where the firm's principals were required to think creatively, find unique solutions for gridlocks frequently caused by divergent interests, and develop policy recommendations for specific local issues.

BA serves as a perfect complement to PCA's experience by offering in-depth fiscal proficiency. Richard Berkson is experienced in a full range of services related to the fiscal and financial evaluation of government services, the financing of public services and infrastructure, governance, and reorganizations. Similar PCA-BA collaborative experiences, with the most acclaimed being for an award-winning project in Orange County, and recently completed projects in Napa County and Los Angeles County, have proven to be of great success.

The MSR will be approached in three main phases consisting of the development of an administrative review draft (this phase includes data collection, analysis and drafting, review by the City), preparation of a public review draft based on the feedback LAFCO staff, and ultimately, production of a Final MSR that would incorporate public comments and input from the Commission. PCA will clearly summarize its findings in the form of the required MSR determinations, analysis and recommendations, and a Sphere of Influence Study.

The estimated overall cost of the project is \$41,070. This proposal estimates 286 hours of consultant time and includes a kick-off meeting with LAFCO staff and presentation of MSR findings at one Commission meeting. The entire project is estimated to be completed in about 8 months accounting for public holidays and dependent on receiving information in a timely manner. We will make the presentation at the January 5, 2022 Commission meeting and deliver the Final MSR shortly after adoption at the following meeting.

The consulting team is free from any conflicts of interest that may impair the ability to be impartial with regard to this project. This proposal remains valid for 90 days following April 14, 2021.



Qualifications

POLICY CONSULTING ASSOCIATES, LLC

Policy Consulting Associates offers excellent credentials. The principals have advanced degrees in related disciplines, high-level skills in economics and planning, as well as experience working for many California agencies and 29 LAFCOs around the State.

Policy Consulting Associates prepares interdisciplinary research studies, performance evaluations, as well as financial, regional, and long-term plans for a variety of public agencies in California. The firm was developed on the cornerstone of providing clear, concise, and cost-effective analysis for the public sector to better leverage limited financing. Together, the two principals, Oxana Wolfson and Jennifer Stephenson, offer a rich history of research and analytic experience having over 30 years of combined LAFCO involvement. PCA has authored nearly 500 Municipal Service Reviews for every possible municipal service provided by California public agencies, including backbone services such as fire, water, and wastewater, but also rare and unique services like cemetery, homelessness, vector control, library, and harbor services to name just a few. PCA's LAFCO experience also covers the spectrum of government structure options, including incorporation, annexation, detachment, consolidation, functional consolidation, and dissolution. PCA conducts applied research on performance, financing, growth, and optimal boundaries of government agencies that help policymakers make well-informed policy decisions.

PCA's reports are organized in a format that is easily interpretable for planning purposes. The firm prides itself in producing highly desired multi-agency comparative analysis reviews, which are included in nearly every MSR completed by PCA. PCA's other distinguished skills include fostering inter-agency communication, significantly minimizing the burden on agencies under review, arbitrating cooperation on contentious issues, thinking "outside the box," and creating original policy solutions depending on the needs of the community and client agency. This combination of skills and experience is reflected in numerous projects of both first and second generation MSRs. As part of these projects, PCA has conducted kick-off meetings, facilitated productive stakeholder input meetings, and presented informative findings and recommendations at Commission meetings.

PCA provides staff support services to seven LAFCOs, fulfills the duties of the Deputy Executive Officer for Sutter, Lassen, and Modoc LAFCOs, and serves as Executive Officer for Plumas LAFCo.

In addition to LAFCO studies, Stephenson and Wolfson have conducted benchmarking and performance evaluation studies comparing hundreds of cities throughout Southern California for the Southern California Association of Governments, and contributed to financing plans for multibillion-dollar transportation projects, economic cluster analyses, and privatization studies.



PCA Personnel Qualifications

JENNIFER STEPHENSON, MPP

Jennifer Stephenson will serve as a project manager and liaison between PCA and Sonoma LAFCO. She will meet with agency representatives, perform data analysis, draft MSR chapters, and present findings to the Commission. As Project Manager, Ms. Stephenson will coordinate closely with Sonoma LAFCO Staff.

Ms. Stephenson is a co-founder and Principal of PCA, where she is responsible for regional and municipal research analysis. She has technical expertise in benchmarking, performance evaluation, municipal budgeting, survey design, statistics, and economic modeling. As part of PCA, Jennifer has been involved in review studies for countless LAFCOs, including but not limited to Orange, Santa Clara, Alameda, Placer, and Fresno. She has co-authored incorporation studies, annexation studies, and infrastructure needs assessments. She earned her master's degree in public policy from Pepperdine University, where she was a Forstmann Scholar. Related experience includes:

- Serving as an Executive Officer of Plumas LAFCo.
- Serving as Deputy Executive Officer of Sutter, Lassen, and Modoc LAFCOs, and providing staff support services at seven LAFCOs.
- Author and/or project manager of over 250 municipal service reviews and other studies, all completed punctually, within budget, and with complete client satisfaction.
- Operating a successful business with an outstanding reputation for over 10 years, overcoming a period of recession in business start-up phase.
- Served as project manager for the Plumas, Santa Clara, Yolo, Amador, Mendocino, Lassen, Calaveras, and Alameda County special district and city MSRs, which covered water, wastewater, healthcare, law enforcement, and fire services, to name a few.
- CALAFCO University and Conference instructor of *Fiscal Health of Fire Protection Districts*, *Understanding Health Care Districts and the Role of LAFCo*, *Getting to the Nitty Gritty of Consolidation Options*, and *The New Normal- How the Economy is Affecting Service Provision*.
- Primary contributor and project manager of the CALAFCO award-winning Santa Clara Water Municipal Service Review.
- Stephenson assisted with fiscal analysis and analysis of service levels for governance studies conducted of annexation and cityhood in north Los Angeles County and in East Los Angeles.
- Contributed to multi-billion-dollar transportation financial plans for rail systems and goods movement.
- For a regional infrastructure needs assessment for the Southern California Association of Governments (SCAG), Stephenson analyzed transportation, air quality, water quality, open space, and parks in the 187-city SCAG region.
- Assisted with fiscal analysis and budget projections for economic and fiscal studies for the City of Beverly Hills.



PCA Personnel Qualifications

OXANA WOLFSON, MPP

Oxana Wolfson will be responsible for day-to-day internal coordination of the consulting team members. She will oversee data accumulation, review internal drafts, and tactically guide the development of the project as a whole. As an internal project manager, Ms. Wolfson will provide project finance management and ensure that the project adheres to established timelines.

Ms. Wolfson is a co-founder and principal of PCA, where she specializes in service benchmarking analysis, economic and growth analysis, and data collection coordination. She has technical expertise in data discovery, regulatory agency research, review of agency documents, qualitative and quantitative analysis, comparative analysis, government structure options evaluation, and policy solutions. She has completed service reviews for agencies in over 20 California counties and contributed to regional infrastructure finance studies. Oxana earned her Master's degree in Public Policy from Pepperdine University where she was a Forstmann Scholar. She received her B.A. summa cum laude from University of Nebraska. Related experience includes:

- Operating a successful business with an outstanding reputation for over 10 years, overcoming a period of recession in business start-up phase.
- Served as a co-author and co-project manager for the Napa Water and Wastewater MSR. Co-authoring and managing the Riverside County Healthcare MSR.
- Co-authored and served as a project manager for Calaveras County Fire MSR, Solano County Fire MSR, Solano County

RCD MSR, Placer Fire MSR, and City of Chico MSR.

- Co-authored MSRs for Alameda, Amador, Calaveras, Fresno, Lassen, Contra Costa, Colusa, Plumas, Mendocino, Santa Clara, Yuba, Plumas, Mendocino, Santa Clara, San Joaquin, Yuba, Yolo.
- Co-authored the award-winning Santa Clara Water MSR and Orange County San Juan Capistrano MSR.
- Instructor and moderator at CALAFCO University and staff workshops
- Co-authored a service evaluation and infrastructure needs assessment project on emergency services covering the entirety of Southern California for the Southern California Association of Governments.
- Coordinated databases for the regional infrastructure needs assessment project covering 187 cities and a multitude of special districts.
- Conducted analysis of the financial impact of defined benefit pension plans on municipalities.
- Served as an executive director to a Los Angeles-based nonprofit organization.
- Assisted with HIV/AIDS Finance and Cost Effectiveness Study at the Results for Development Institute in Washington, DC.
- Consulted for the Civil Society team at the World Bank on policy sessions at the 2008 Annual Meetings.
- Participated in campaign strategizing and voter response evaluation in California election campaigns.



PCA Personnel Qualifications

JILL HETLAND

Jill Hetland will provide daily operational and administrative support throughout the project. She will also assist by performing research, data collection, and contributing as a co-author and editor of the Municipal Service Review.

Ms. Hetland joins PCA with an extensive background in corporate communications and marketing. She has served as a copywriter and marketing consultant, in both for-profit and non-profit sectors, with an emphasis on content strategy, web design, records management, and financial stewardship. Ms. Hetland graduated from the University of Iowa with a B.A. in Communication and Media Studies. Related experience includes:

- Supplemental staff services for Plumas LAFCO.
- Served as a co-author of the Las Virgenes Municipal Service Review covering the cities of Agoura Hills, Calabasas, Hidden Hills, and Westlake Village for Los Angeles LAFCO.
- Primary author of the Feather River Resource Conservation District Municipal Service Review.
- Spearheading data collection and data management for the City of Oroville

Municipal Service Review, as well as facilitating communications as lead project liaison.

- Lead Research Assistant and co-author for the Riverside Healthcare Municipal Service Review.
- Editor and format manager for the Napa Water and Wastewater Municipal Service Review.
- Served as the primary research assistant and records manager for a 16,000 sq. ft. national archive facility
- Website manager for all projects as well as the forthcoming site design and rebrand for PCA.
- Managed website, all social media posts, blogs, and copy editing for a lifestyle brand with more than one million subscribers.
- Authored website content for an established retailer that saw a 353% overall revenue increase and a \$25 return per \$1 spent on ad copy.
- Designed and authored all web content for a small business that resulted in a 90% increase in organic traffic in the first month and 50% more engagement amongst users.
- Hired as a writer/editor from the top 1% of applicants for a five-star rated, digital marketing firm and Google Partner.



Qualifications

BERKSON ASSOCIATES

Berkson Associates (BA) is an urban economics consulting firm experienced in the full range of services related to the fiscal and financial evaluation of government services, the financing of public services and infrastructure, governance options and reorganizations. Mr. Berkson has completed numerous municipal service reviews and special studies of a variety of cities and special districts.

In association with PCA, Mr. Berkson recently completed an MSR special study for Orange County LAFCO to evaluate utility options for the City of San Juan Capistrano that extensively utilized performance measures to evaluate fiscal conditions. Recently, he completed a comprehensive fiscal review of eighteen cities and four special districts in Contra Costa County, reviewing and summarizing each agency's financial reports and creating fiscal performance measures based on League of Cities' methodologies, the California State Auditor's fiscal measures, and other industry standards. In collaboration with PCA, he recently completed MSRs for four cities on behalf of Los Angeles LAFCO.

BA has significant experience penetrating financial and planning documents to extract key information. This experience is essential for the preparation of LAFCO service review and feasibility documents. Mr. Berkson's prior and current MSRs and special studies demonstrate exhaustive analysis and summary of complex financial documents. Review of these documents is important to determine whether a city or agency is currently managing its resources effectively and whether it has the ability to annex territory and expand services. BA excels at analyzing, synthesizing and summarizing data and analysis from various sources, condensing complex information into concise, informative reports. Data sources and references are tracked and extensively footnoted in reports. BA has experience leading public workshops and making presentations to public entities and decision-makers, including presentations in the context of LAFCO service reorganization studies. Mr. Berkson has prepared "Frequently Asked Questions" (FAQ's) for LAFCO clients as part of public outreach efforts, and has led public workshops for city formation studies.

Mr. Berkson has worked on numerous studies requiring the evaluation of boundaries and service options for cities. All of BA's studies require careful consideration and balancing of divergent interests. Mr. Berkson has worked on studies analyzing a range of municipal services and service providers, including police, fire protection, recreation, public works and road maintenance, community and economic development.



BA Personnel Qualifications

RICHARD BERKSON, MPP

ABOUT

Richard Berkson, Principal of Berkson Associates, believes that sound policies and strategies require careful consideration of causality, creative problem solving, and incentive-based solutions. His practice is founded on 30+ years of experience providing clear and concise fiscal and financial analysis based on a solid understanding of local government organization (e.g., formation, annexation, and consolidation), capital improvement policy and programming, and urban economics (demographics, market & financial analysis).

EXPERTISE

Government Organization

Prepares governance feasibility and special studies addressing municipal incorporation, annexations, service reviews and special studies, special district formations, dissolutions and consolidations, and assists in the preparation of intergovernmental agreements including tax sharing. Creates detailed pro forma operational and capital budgets as well as analysis of reorganization issues, options and impacts upon existing agencies, and develops sustainable mitigation measures.

Fiscal and Economic Analysis

Analyzes and predicts fiscal and economic impacts of land uses, developments, and policies on municipal budgets. Designs fiscal models to evaluate public service and financing issues and develops mitigation measures for long-term fiscal sustainability. Forecast budgets and develop asset management policies and programs.

Public Finance

Prepares financing strategies and plans for a wide variety of public services and infrastructure projects, including development project-related infrastructure, area-wide capital improvement programs, public safety, and recreation facilities, as well as specific infrastructure projects. Financing techniques applied include formulation of area-specific and facility-specific development impact fees, special tax bonds, sales tax measures, and Infrastructure Financing Districts.

Market and Financial Analysis

Evaluates the market feasibility of a wide range of uses, including recreation, residential, office, industrial, retail, and hotel, as a part of development proposals, specific and general plans, and governance studies. Prepares initial market reviews as well as detailed pricing and absorption estimates, demographic forecasting, and development strategies. Constructs pro forma financial analysis of large-scale mixed-use projects, as well as individual business proposals.

EDUCATION

Master of Public Policy,
University of California,
Berkeley

Bachelor of Arts in Social
Science, University of
California, Berkeley

Undergraduate study in
Engineering, Massachusetts
Institute of Technology
(3 semesters)

AFFILIATIONS

CALAFCO,
Associate Member

PUBLIC SERVICE

Capital Program
Monitoring and Fiscal
Advisory Committee, Town
of San Anselmo; authored
the Town's Economic
Development Plan

HONORS AND AWARDS

Anaheim, CA, honoring
contribution to the success
of the Anaheim Resort
Project

PRIOR EMPLOYMENT

Founding Principal,
Economic and Planning
Systems, Inc. (EPS)





PCA References

PCA has an abundance of experience relevant to LAFCO, review of services, governance structure options and complex policy issues. In the last several years, PCA has been involved in an extensive number of MSR and SOI updates, including those focused on cities. Simultaneously, PCA has been providing Executive Officer, Deputy Executive Officer and LAFCO staff support services to several LAFCOs. The following provides a description and references for the positions held or projects completed.

Los Angeles LAFCO

PCA (in conjunction with BA) has recently completed the MSR and SOI Updates for the cities of Agoura Hills, Calabasas, Hidden Hills, and Westlake Village in Los Angeles County. All the municipal services provided by the cities were reviewed. The document is available at:

<https://sites.google.com/pcateam.com/msrsoi/the-report>

Contact: Paul Novak, Executive Officer
Address: 80 South Lake Avenue, Suite 870, Pasadena, CA 91101
Email: pnovak@lalafco.org
Phone: 626-204-6500

Napa LAFCO

PCA (in conjunction with BA) has recently completed the countywide water and wastewater review of all Napa County agencies. The document can be accessed at:

<https://sites.google.com/pcateam.com/napamsr/revised-clean-draft-final?authuser=0>

Contact: Brendon Freeman, Executive Officer
Address: 1030 Seminary Street, Suite B, Napa, CA 94559
Email: bfreeman@napa.lafco.ca.gov
Phone: 707-259-8645

Orange LAFCO

PCA has prepared an infrastructure assessment (part of a focused MSR) for Orange County LAFCO on the City of San Juan Capistrano's utility systems, evaluating alternative agencies that could potentially provide water and wastewater services to City residents. The project was adopted in November 2018 and received a CALAFCO project-of-the year award in 2019.

<http://oclafco.org/index.php/focused-msr/>

Contact: Carolyn Emery, Executive Officer
Address: 6277 N. Main Street, Suite 1050, Santa Ana, CA 92705
Email: cemery@oclafco.org
Phone: 714-640-5100



Placer LAFCo

PCA was hired to conduct an MSR and SOI study for fire providers in the western portion of the County. The report was adopted in June 2017. Oxana Wolfson managed this project. It resulted in the initiation of consolidations and collaborative financing efforts by several of the fire agencies.

<https://www.placer.ca.gov/DocumentCenter/View/7661/Placer-Fire-MSR-Public-Review-Draft-PDF>

Contact: Kris Berry, Executive Officer
Address: 110 Maple St, Auburn, CA 95603
Email: KBerry@placer.ca.gov
Phone: 530-889-4097

City of Chico

In 2018, PCA completed a comprehensive MSR on the City of Chico and a SOI Update that aligned City planning strategies and LAFCO policies. The project also aided in healing a once strained relationship between the two agencies.

<http://buttelafco.org/sites/default/files/resources/Final%20Chico%20MSR-SOI%20Plan%20%20Oct%202018.pdf>

Contact: Brendan Vieg, Chico Deputy Director Community Development
Address: P.O. Box 3420 Chico, CA 95927
Email: brendan.vieg@Chicoca.gov
Phone: 530-879-6806

Fresno LAFCo

PCA conducted a comprehensive MSR and an SOI update on the City of Fresno, with the main focus on the city expansion plans and the General Plan update that was taking place concurrently with the MSR. The project was adopted in July 2016.

<http://www.fresnolafco.org/documents/MSRs/Fresno%20MSR%20and%20SOI%20Update.pdf>

Contact: David Fey, Executive Officer
Address: 2607 Fresno Street, Suite B, Fresno, CA 93721
Email: dfey@fresnocountyca.gov
Phone: 559-600-0604

Yolo LAFCo

PCA conducted a focused MSR on the City of Davis and surrounding county service areas, which were affected by city services. The MSR was completed July 2016 and resulted in several improvements to operational and management efficiencies.

<https://www.yololafco.org/files/02425f10e/CityofDavisAssocCSAsMSRSOI.pdf>

Contact: Christine Crawford, Executive Officer
Address: 625 Court Street Suite 203, Woodland, CA 95695
Email: Christine.Crawford@yolocounty.org
Phone: 530-666-8048



Lassen, Modoc, Sutter, Calaveras, Lake, and Yuba LAFCoS

PCA works closely with Mr. Benoit in the seven counties where he provides Executive Officer services. PCA has conducted multiple MSR and SOI updates for these LAFCoS. In particular, PCA completed an in-depth review of fire services in Calaveras County that led to the consolidation of two fire districts in the County. In addition, Ms. Stephenson works under Mr. Benoit in Sutter, Lassen, and Modoc LAFCoS where she has provided Deputy Executive Officer and staff support services since 2014 to present.

https://www.calaveraslafco.org/uploads/1/1/4/5/11454087/adoptedcalaveras_fire_msr_final_no_mhfpd_downsized.pdf

Contact: John Benoit, Executive Officer
Address: P.O. Box 2694, Granite Bay, CA 95746
Email: j.benoit4@icloud.com
Phone: 707-592-7528

Amador LAFCo

PCA conducted a second round MSR update for all districts and cities in Amador County. The MSR update was completed in May 2014.

<https://www.amadorgov.org/government/lafco/municipal-services-review/final-msr-2014>

Contact: Roseanne Chamberlain, Executive Officer
Address: 810 Court Street, Jackson, CA 95642
Email: amador.lafco@gmail.com
Phone: 209-418-9377

Solano LAFCo

PCA has conducted a Municipal Service Review that focused on special districts providing fire protection services in the County. The MSR was adopted in 2014 and has resulted in multiple service improvements and governance structure reorganizations.

<https://www.solanolafco.com/Studies/MSR/SpecialDistricts/Fire%20MSR%202014.pdf>

Contact: Elliot Mulberg, former Executive Officer
Address: P.O. Box 582931
Email: Elliot@emulberg.com
Phone: 916-217-8393



Santa Clara LAFCo

In 2013, PCA finished the second-tier service review update for districts providing wastewater, open space and transportation services in Santa Clara County. Additionally, a countywide water MSR was completed in 2012 for LAFCo of Santa Clara County in conjunction with Baracco and Associates. Policy Consulting Associates acted as the day-to-day project manager and the authors of the special district reviews and SOI recommendations. As part of this review, LAFCo was able to identify certain districts that were failing to comply with State legal requirements and those districts in need of assistance to address aging infrastructure with significant capital needs.

<https://www.santaclaralafco.org/cities-and-special-districts/service-reviews/second-round/special-districts-service-review-phase-1>

<https://www.santaclaralafco.org/cities-and-special-districts/service-reviews/second-round/special-districts-service-review-phase-2>

<https://www.santaclaralafco.org/cities-and-special-districts/service-reviews/second-round/2011-countywide-water-service-review>

Contact: Neelima Palacherla, Executive Officer
Address: 777 North First Street, Suite 410, San Jose, CA 95112
Email: Neelima.Palacherla@ceo.sccgov.org
Phone: 408-993-4705



Berkson Associates References

Merced LAFCO

Berkson Associates has prepared numerous MSRs for Merced LAFCO, and currently is working with Economic and Planning Systems (EPS) on several Merced MSR updates including urban water/wastewater by cities and special districts. While principal of EPS, Mr. Berkson also managed several MSR updates for cities in Merced County.

MSR reports managed by Mr. Berkson (formerly principal of EPS):

<http://www.lafcomerced.org/MunicipalServiceReviews/>

Contact: Bill Nicholson, Interim Executive Officer
Address: 2222 M Street, Merced, CA 95340
Email: BNicholson@co.merced.ca.us
Phone: 209-385-7671

Contra Costa LAFCO

Mr. Berkson has prepared several Special Studies and MSRs for Contra Costa LAFCO, including a healthcare district MSR, Fire/EMS MSR, and recently completed the financial analysis for Contra Costa LAFCO's Countywide Cities Municipal Services Review. He currently is helping prepare LAFCO's Parks and Recreation MSR.

Countywide Cities MSR, Healthcare District MSR, and Fire/EMS MSR:

<http://contracostalafco.org/agencies/municipal-service-reviews/>

Contact: Lou Ann Texeira, Executive Officer
Address: 40 Muir Rd 1st Fl, Martinez, CA 94553
Email: LouAnn.Teixeira@LAFCO.ccounty.us
Phone: 925-335-1094

Orange County LAFCO

BA prepared a fiscal assessment (appendix to a focused MSR) for LAFCO of the City of San Juan Capistrano's utility systems, evaluating alternative agencies that potentially could provide water and wastewater services to City residents. Mr. Berkson currently is advising Orange County LAFCO on the preparation of Financial Indicators for Orange County cities and special districts.

BA (and PCA) Report: <https://oclafco.org/index.php/focused-msr/>

Contact: Carolyn Emery, Orange County LAFCO
Address: 6277 N. Main Street, Suite 1050, Santa Ana, CA 92705
Email: cemery@oclafco.org
Phone: 714-640-5100



Mountain House CSD

BA recently completed a financial feasibility study to evaluate the formation of a new city, including a 10-year budget forecast of costs and revenues for the city based on expansion of current CSD operations, staffing and facilities.

MHCSD Staff Report and Incorporation Feasibility Analysis:

https://berksonassociates.com/docs/Berkson_StaffRpt-Drft_MHCSD-Incorp_2020-10-02.pdf

Contact: Steven Pinkerton, CSD General Manager
Address: 201 E Main St, Mountain House, CA 95391
Email: spinkerton@sjgov.org
Phone: 209-831-2300

Solano LAFCO

In association with Economic and Planning Systems, Mr. Berkson forecasted assessment revenues to certain fire districts in the County, focusing on potential additional revenues that could result from district consolidations. This analysis helped LAFCO assess the financial viability of reorganizing these districts.

Contact: Rich Seithel, Executive Officer
Address: 675 Texas St. Suite 6700, Fairfield, California 94533
Email: rseithel@solanolafco.com
Phone: 707-439-3897

Los Angeles LAFCO

Berkson Associates (in conjunction with PCA) has recently completed the MSR and SOI Updates for the cities of Agoura Hills, Calabasas, Hidden Hills, and Westlake Village in Los Angeles County. All the municipal services provided by the cities were reviewed. The document is available at:

<https://sites.google.com/pcateam.com/msrsoi/the-report>

Contact: Paul Novak, Executive Officer
Address: 80 South Lake Avenue, Suite 870, Pasadena, CA 91101
Email: pnovak@lalafco.org
Phone: 626-204-6500

Napa LAFCO

Berkson Associates (in conjunction with PCA) has recently completed the countywide water and wastewater review of all Napa County agencies, including cities with enterprise activities. The document can be accessed at:

<https://sites.google.com/pcateam.com/napamsr/revised-clean-draft-final?authuser=0>

Contact: Brendon Freeman, Executive Officer
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Approach

PCA's primary objective on this project is to prepare an impartial MSR that not only meets the requirements of the Cortese-Knox-Hertzberg Act but also addresses the unique needs of the Commission. We view our role as providing a sound research basis for the Commission to consider as it reviews agency SOIs and considers changes of organization. A project is successful if it fulfills the Commission's needs, is informative to the public, and is useful to an agency as a practical tool and catalyst for positive change in service efficiency and effectiveness.

Data Discovery and Project Approach

As your project consultant, we aim to be respectful of the City under review and other stakeholders and to be efficient given the use of public funds for the project. We will provide accurate, consistent, comprehensive, and meaningful report on the agency in question.

Our recommended data collection process involves first reviewing the previous MSRs and other documents, archival material, and maps, as well as online information about the agencies including financial and planning documents. Our next step is to field a questionnaire with tailored requests for documents not available online and with questions about contract service provision, growth projections, major service-related issues, recommendations regarding the governance structure options and agency's sphere of influence or other potential LAFCO actions, and additional questions aimed at addressing the required seven MSR evaluation categories.

After reviewing the City's responses and available documents, PCA will conduct additional outreach to ensure that all of the City's needs and concerns are heard and understood. At the same time, we will gather additional missing information not found in the reviewed materials, fill in missing data/information gaps from the previous efforts, and follow up on current issues and regulatory changes. There is a number of indicators that we have found that are not typically available in public documents or in central data sources. For example, Berkson Associates applies fiscal indicators, or "FISCALometer," to gauge financial adequacy and to flag areas of concern that may influence future agency sustainability.

We have found, for several reasons, this collaborative approach to be more efficient than submitting multiple formal written questionnaires to the agencies. First, public documents already contain required information. Second, some agencies, owing to staff availability constraints, have difficulty providing information in a timely manner, particularly where long questionnaires are used. Third, this approach helps to identify key issues at an early stage of MSR preparation, enabling a more thorough evaluation.

Upon completion of data gathering, each city chapter will be drafted and sent to the respective city department for review to ensure accuracy of the information. This is important to avoid propagating erroneous information throughout the document, to circumvent comments before the public review stage, and make the agency an integral and collaborative part of the process. An administrative draft will then be created and sent to LAFCO staff for review, and upon incorporation of staff feedback a public review draft will be made available.



Proposed Scope

TASK 1: DATA COLLECTION AND REVIEW

As previously noted, PCA will review related documents and send out a questionnaire to request additional documents and any other information typically not available in these documents and central data sources. After reviewing the responses and documents, we will contact the City to obtain clarification on various topics of concern.

We propose to conduct a kick-off meeting with LAFCO staff at the beginning of this process to better guide our efforts, seek input on issues of relevance, and discuss other needs from LAFCO staff including mapping.

Deliverables: 1 kick-off meeting, and interviews of city staff.

TASK 2: ANALYSIS AND DRAFTING

Upon completion of data gathering, all the information will be reviewed and analyzed, and compiled together into an MSR. We propose that draft chapters be first sent to the respective city departments for review and input to ensure the accuracy of the information. This collaborative approach will also help reduce the number of potentially contentious comments and avoid surprises before the public review process commences.

Deliverables and meetings: MSR chapters to city departments for review.

TASK 3: ADMINISTRATIVE DRAFT MSR

Following the assembly of the chapters, PCA will have identified the key issues requiring focused attention during this MSR effort. This will enable the dedication of prioritized analytical time and detailed investigation of those issues of paramount concern. Drawing upon our experience reviewing a wide range of services, we will analyze adequacy and capacity based on rich statistical resources and sensitivity to the unique conditions under which the City of Sonoma operates. Upon conducting initial analysis and detailed review of certain aspects of the City's operations, PCA will be prepared to present preliminary findings. Preliminary findings will provide a precursor for likely determinations, as required in Government Code §56425 and 56430, to be adopted as part of the MSR.

The City's review will contain a description of the agency, a map of the existing service boundary and sphere of influence, location of the agency, description of organizational structure and staffing, governance and accountability discussion, an in-depth financial section, a portion dedicated to future growth and demand, and description of services provided by the agency, including adequacy and capacity. We propose to incorporate benchmarking against industry standards and a variety of meaningful indicators of infrastructure needs and service adequacy. The benchmarks and standards used are dependent upon the service under review.



The administrative draft MSR report will include a table of contents, an executive summary, overview chapter, specific service chapters, and recommended determinations. The SOI Study, with SOI analysis and recommended SOI determinations, will be also be prepared as part of this review.

Deliverables: Administrative draft for LAFCO staff review.

TASK 4: PUBLIC REVIEW DRAFT MSR

Based on LAFCO comments and edits received on the preliminary administrative draft MSR and SOI Study, PCA will make applicable changes to the document to ensure LAFCO satisfaction and submit the Draft MSR to Sonoma LAFCO for distribution to the Commission, the City, and the public for review and comment. PCA and BA will present draft findings and recommendations from the MSR at a LAFCO meeting.

Deliverables: Public review draft. Present the draft service review report to LAFCO at a public hearing.

TASK 5: FINAL DRAFT MSR

After the conclusion of the public review and comment period, PCA will address each comment received and make appropriate edits to the document satisfactory to LAFCO Staff and Commission. Changes to the document will be tracked and shown in the Final Draft version of the MSR and SOI Study.

After the adoption of the report, PCA will prepare the Final MSR.

Deliverables: Final Draft MSR. Provide Final MSR following adoption.



Completion Schedule

Should PCA begin work on the project by May 12, 2021, then it is anticipated that the Administrative Draft would be submitted to LAFCO staff October 15, 2021 and the Final MSR would be presented for adoption at the February 2, 2022 meeting. This schedule is dependent on receiving information and feedback from the agencies in a timely manner. We are willing to accommodate a revised schedule to meet the project’s needs, if desired by LAFCO or the City.

Milestone	Date
Task 1: Data Collection and Review	
Kickoff Meeting	5/12/21
Website and document review	5/21/21
Send initial RFI	5/24/21
Receive RFI responses from agencies	6/14/21
Phone interviews	Continuous
Analysis and drafting of service chapters	6/14/21-9/13/21
Send chapters to City for review	Continuous
Task 2: Administrative Draft MSR	
Receive reviewed chapters from City	10/1/21
Address City corrections and draft SOI Update	10/15/21
Administrative Draft MSR to LAFCO staff	10/15/21
Receive comments from LAFCO staff	11/5/21
Incorporate comments from LAFCO staff	11/19/21
Task 3: Public Review Draft MSR	
Release MSR for public review	11/19/21
Public comment period ends	1/5/22
Presentation at LAFCO meeting	1/5/22
Task 4: Final MSR	
Address public and Commission comments	1/26/22
Release of Draft Final	1/26/22
Adoption at Public Hearing	2/2/22
Finalize MSR and send to LAFCO	2/9/22

Time-saving Measures

In an effort to minimize the amount of time necessary to prepare the MSR, the team will work in unison to best leverage our resources during the drafting stage. By drafting in tandem, we will best be able to condense the drafting stage. We propose to rely on tables wherever possible to minimize time associated with data collection, drafting, editing and review of extensive text. Additionally, we propose that the City review their draft service chapters as they are finalized, as opposed to waiting until all chapters are completed. This will eliminate downtime in the schedule that would otherwise have been spent waiting on the City’s response. Finally, review of the draft report by the City prior to release will ensure consistency in the report and minimize comments during the public review period, shortening the time that is dedicated to addressing comments received and accelerating turnaround of the updated report for the Commission’s consideration.



Estimated Costs

PCA estimates the cost of preparing the City of Sonoma MSR and Sphere of Influence Plan will not exceed \$41,040. This proposal estimates 286 hours of consultant time, assumes a kick-off meeting with LAFCO and City staff and one presentation at a Commission meeting. The project estimate has been minimized based on efficiencies reaped via the cost reduction measures proposed below.

Cost-saving Measures

In order to minimize the cost of the project and ensure that the project remain within budget, we propose the following cost-saving measures:

- Conduct interviews with the City via phone or video conferencing to reduce related travel costs.
- Eliminate content that does not inform the MSR and SOI Update requirements for streamlining and efficient use of consultant time.
- Compile table-formatted requests for information for the City to limit agency staff time on open-ended questionnaires and minimize consultant time integrating information into the text of the report.
- Engage agency staff in the compiling of table data to the greatest extent possible to minimize time dedicated to data mining and ensure a greater focus on analysis.
- Make use of table presentation of information wherever possible in the report to minimize time associated with data collection, drafting, editing and review of extensive text.
- Minimize duplication of information that is included in previous MSRs to streamline review process, updating for more recent events and changes as needed.

Refer to the table on the following page for a breakdown of the costs by task, the hour estimates by task for the consultant time, and travel costs.

Policy Consulting Associates will submit monthly invoices to LAFCO for services rendered based on the hourly rate of personnel.



The current billing rates for key personnel are as follows:

Principal: \$155

Jennifer Stephenson will serve as project manager and liaison between PCA and Sonoma LAFCO. She will meet with LAFCO staff, perform data analysis, draft MSR chapters, and present findings to the Commission. She is available part-time for the duration of this project and will be available for all planned meetings. She will be available on a daily basis for response to questions and inquiries.

Principal: \$155

Oxana Wolfson will be responsible for project management and day-to-day internal coordination of the consulting team members. She will oversee data accumulation, review internal drafts, and tactically guide the development of the project.

Research Assistant: \$50

Jill Hetland will be responsible for data collection, organization, and mining. She will oversee archive management and draft relevant portions of the report.

Principal: \$235

Richard Berkson will be responsible for the financial portion of the MSR. He will gather, analyze and draft financial data, including information related to revenues and expenditures, financial reserves, infrastructure financing, findings regarding fiscal health and financial adequacy, and recommended improvements. He will also participate in interviews and present at meetings. He is available part-time for the duration of the project and will be available for all planned meetings.



City of Sonoma MSR Cost Breakdown						
Milestone	Total Cost	Management Hours	Author Hours	Research Assistant Hours	Finance Hours	Travel/ Other Costs
Task 1: Data Collection and Review						
Kickoff Meeting	\$780	2	0	0	2	\$0
Website and document review	\$870	0	0	8	2	\$0
Develop RFI	\$1,245	5	0	0	2	\$0
Phone Interviews	\$1,475	0	8	0	1	\$0
Analysis and drafting of service chapters	\$24,555	5	110	50	18	\$0
Drafting of determinations	\$1,785	0	10	0	1	\$0
Task 2: Administrative Draft MSR						
Address agency corrections	\$2,020	0	10	0	2	\$0
Drafting of Sphere of Influence Study	\$775	0	5	0	0	\$0
Finalize Admin draft MSR for LAFCO	\$775	5	0	0	0	\$0
Task 3: Public Review Draft MSR						
Address LAFCO comments in the MSR	\$2,020	0	10	0	2	\$0
Finalize Public Review Draft MSR	\$775	5	0	0	0	\$0
Presentation at LAFCO meeting #1	\$1,245	5	0	0	2	\$0
Task 4: Final MSR						
Address public and Commission comments	\$2,255	0	10	0	3	\$0
Compile final version of the MSR	\$465	3	0	0	0	\$0
Total	\$41,040	30	163	58	35	\$0



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