



Date: January 11, 2024
To: Board of Directors
From: David Aranda, Interim General Manager
Subject: Discussion and Possible Direction Regarding the Agreement to Engage Ridgeline in a Financial Study Regarding Reorganization

Background

At the December Board of Directors meeting, the Board voted to approve the proposal from Ridgeline to carry out a financial study to determine the feasibility of the reorganization of both agencies. The approval by the KPPCSD Board of Directors was contingent upon the Kensington Fire Protection District (KFPD) approving the proposal as well. The attached email describes what took place at the KFPD board meeting in December.

The approval of the Ridgeline proposal will appear again on the January KFPD agenda. I would recommend that the KPPCSD reiterate the desire to jointly have Ridgeline perform the financial study as outlined in the proposal, and the KPPCSD Board wait to see what the results of the KFPD board meeting reveal.

Exhibits

- Copy of email dated December 22, 2023 from Dmitry Semenov, Ridgeline Municipal Strategies to David Aranda and Mary Morris-Mayorga re “A Few Thoughts”

From: Dmitry Semenov <dsemenov@ridgelineuni.com>

Sent: Friday, December 22, 2023 11:42 AM

To: David Aranda <DAranda@kppcsd.org>; Mary Morris-Mayorga <mmayorga@kensingtonfire.org>

Subject: A Few Thoughts

Mary and David,

Thank you to both of you for reaching out yesterday. I had great conversations with you and that sparked some thoughts that I wanted to share with you.

1. It appears to me that the current attitudes of two members of the fire district board make it problematic for the consolidation effort to move forward. Bringing two agencies together will be a monumental task even if everyone is rowing in the same direction. With strong internal opposition it will be frustrating and painful in the best case and pretty darn impossible (and one of the worst experiences of the lifelong careers for everyone involved) in the worst case scenario.
2. With that, the first step should be on the fire district side to work with its board and other key decisionmakers to make sure that the district can approach the process with an open mind and willingness to work together (both districts need to have that, but the police district so far seems to be ready to do that). Without that, anything we do would be just a pursuit of pain and wasted effort.
3. Once there is willingness to work together on both sides, the districts would need to come together and do the following:
 - a. Perform strategic assessment / planning on a stand-alone basis and honestly look at what strengths, weaknesses, threats and opportunities you face if you stay as separate agencies.
 - b. Once there is clarity of what your individual situations are, the districts can perform a joint assessment and planning session (or a series of sessions) to discuss what the consolidated agency looks like and lay out any concerns on the table. Similarly, an honest look at the consolidated strengths, weaknesses, threats, and opportunities will need to be done.

At the end of this strategic planning effort, you will have a much better idea of whether or not you want to continue exploring the consolidation.

4. Only after that would it make sense to do the fiscal analysis. Having clarity on the individual and joint visions will make the fiscal analysis so much easier and useful. And the fiscal study will help illuminate any financial things to work through.

So, how can Ridgeline help you make this process a success?

1. With the current attitude of the two fire district board members, I don't think we can. As long as these board members have the attitude that they displayed in the last meeting, trying to do a fiscal study will be a waste of your money and of your and our time. Somehow the attitude of the fire district board needs to change, whether it is through the addition of another member, retirement of these two members, or an attitude adjustment of these two members. Until that happens, we are not prepared to commence the work, as we cannot guarantee that we can provide a good service for you.
2. Once there is willingness to work together on both sides, if you would like (and we would absolutely love to do it), we can help you go through the strategic assessment and planning process. We can facilitate the planning sessions and make sure that all key issues are brought to

the surface and honestly discussed and evaluated. After the sessions, we can put together the roadmap for the next steps.

3. After that we will do the fiscal analysis and help you evaluate the financial realities of the individual and joint plans.
4. Finally, once the decisions are made on whether the districts will continue to exist as individual entities or move forward to consolidate, we can prepare the strategic plan (consolidated) or plans (individual) based on the prior work.

If this is something that is of interest, let's the three of us have a call after the holidays and discuss the logistics of the process. Mary mentioned that the new board member will be appointed on January 11 and maybe we can talk after at least that is known. Then Mary will need to get to work with her board.

That being said, I think it is safe to say that Mary can inform the board that we will not be presenting on January 17. Also, as I mentioned, I will be out of the country in February and the earliest that we can meet with the fire district board is in March (assuming that the process is moving forward per the discussion above).

Have a Merry Christmas and an amazing New Year!



Dmitry Semenov | Principal



Ridgeline Municipal Strategies, LLC
2213 Plaza Drive, Rocklin, CA 95765
(916) 250-1590 | dsemenov@ridgelinemuni.com

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