



Date: June 8, 2023
To: Board of Directors
From: David Aranda, Interim General Manager
Subject: Approval to Request Proposals from Vendors to Perform the Financial Analysis for KPPCSD and KFPD as Required by LAFCO in the Consolidation Process

Recommendation

Direct the General Manager to request a proposal from three firms for a financial analysis of both KPPCSD and KFPD that meets the LAFCO requirements

Background

On April 24, 2023, there was a joint meeting between KPPCSD and KFPD in which the Executive Director for LAFCO presented the various requirements in the process of consolidation between the two districts. There were several questions asked and several concerns, the primary one consisting of financial questions.

The KPPCSD Board of Directors has invited the KFPD to join KPPCSD in exploring the options and issues regarding consolidation, and it is hoped that KFPD will elect to work together on the project.

To many, including this General Manager, a financial analysis must be accomplished in order to meet LAFCO requirements, but more importantly to determine if consolidation is even viable based on the financial condition of each agency. By moving forward in having the financial analysis performed many questions will be answered, including if the concept of consolidation should move forward.

I have reached out to three recommended companies that perform the financial analysis for governmental agencies considering consolidation, reorganization, etc. The response I received varied in estimated pricing from \$15,000 to \$50,000 that would cover both agencies. It is hoped that each of the firms will send a proposal prior to the July 13th board meeting so the proposals can be discussed and possibly pursued.