



## **AGENDA**

### **STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT CERES FPD AD HOC COMMITTEE MEETING**

Date: Wednesday, February 26, 2025  
Time: 2:30 PM  
Place: Modesto Fire Administration, 409 12<sup>th</sup> St, Modesto CA

#### **COMMITTEE MEMBERS**

Charles Neal, Board Director  
Richard Murdock, Board Director  
Clint Bray, Deputy Fire Chief

Danielle Denczek, Committee Member  
Gary Marchy, Committee Member  
Amanda McCormick, Board Clerk

\*While the Stanislaus Consolidated Fire Protection District welcomes and encourages participation at the Committee meetings, it would be appreciated if you would limit your comments to five minutes so everyone may be heard. The general public, under Item 3 - Public Comment Period, may address matters not on the posted agenda. The Committee may consider adding the item to a future agenda for consideration.

All District public meetings are conducted in accessible locations.

- 1. CALL TO ORDER**
  - 1.1 Welcome by the Chair. Please stand for the Pledge of Allegiance.
  - 1.2 Roll Call of Committee Members
- 2. APPROVAL OF AGENDA**
- 3. PUBLIC COMMENT PERIOD**
- 4. DISCUSSION**
  - 4.1 Discussion with LAFCO
  - 4.2 Discussion and Consideration of Hiring Consultant
- 5. ANNOUNCEMENTS**
  - 5.1 Next Ceres FPD Ad-Hoc Meeting Date: TBD
- 6. ADJOURNMENT**

I, Amanda McCormick, Clerk of the Stanislaus Consolidated Fire Protection District Board of Directors, do hereby declare that the foregoing agenda for the February 26, 2025, 2:30 PM meeting of the SCFPD Ceres FPD Ad Hoc Committee will be posted at the administrative offices of the Stanislaus Consolidated Fire

Protection District, 2755 Third St, Ceres, CA, and at meeting location at least 72 hours prior to the meeting date.

Dated: February 18, 2025

*Amanda McCormick /S/*

Amanda McCormick, Clerk of the Board

# Proposed Ceres Fire Protection District and Oakdale Fire Protection District Annexation into Stanislaus Consolidated Fire Protection District

## Scope of Work for Financial Advisory Services

February 18, 2025

Prepared by:



**Capitol | PFG**

*Crafting Optimal Financial Solutions*

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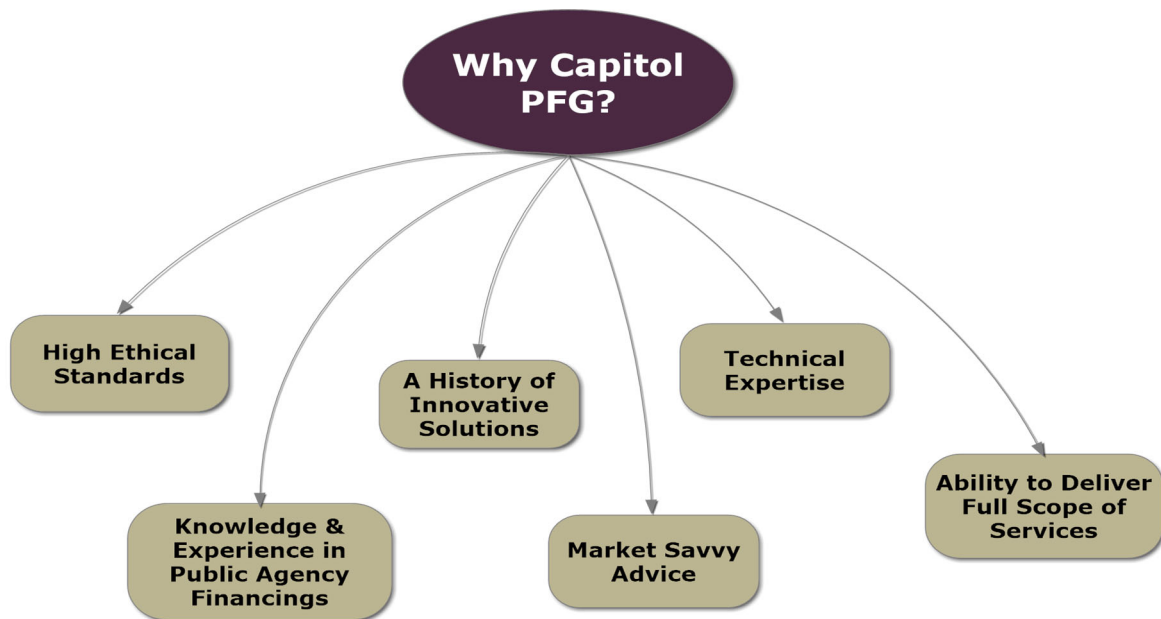
## FIRM PROFILE

Capitol Public Finance Group (Capitol PFG) is a full service, independent public financial advisory firm based in Roseville, providing comprehensive consulting services to public agencies in California. We pride ourselves on providing innovative, cost effective, and ethical solutions to all clients. We have a proven track record for providing our clients with an exceptional level of service.

Our services are delivered using a team-based approach. We are client-oriented and deliver our analysis in an effective and understandable manner. Capitol PFG strives for successful interactions with staff, constituents, and other consultants.

Capitol PFG was incorporated in California as a limited liability corporation in February 2005 and was created as a financial advisory firm specializing in public agency finance. Capitol PFG is owned and operated by Jeffrey Small (34 years of public finance experience), Cathleen Dominico (25 years of public finance experience) and Christopher Terry (25 years of public finance experience). The three partners of the firm provide direct consultation to our public agency clients and oversight of all company work product to ensure high quality standards are met.

Our firm is unique in that we represent a wide range of public agency clients. Active clients include fire districts, cities, counties, county offices of education, community college districts, school districts, sewer districts, water districts and community service districts. We have extensive experience with several local agencies in Stanislaus County. This knowledge and experience will be used to support the potential fire district reorganization.



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**Services Provided by Capitol PFG**

<b>Strategic Consulting Services</b>
Asset Management
Bond and Developer Fee Expenditure Tracking
Bond and Tax Measure Planning and Analysis
Capital Improvement Financial Planning
Construction Project Delivery Method Selection
Debt Administration
Debt/Bond Issuance Committee Formation and Support
Development Impact Fee Study Preparations
Development Mitigation
Facility Master Planning
Facility Use Fee Study Preparation
Financial Communication Strategies and Presentations
General Financial Analysis
Mello-Roos District (CFD) Formation
Local Agency Reorganization
Property Tax Analysis
Redevelopment Analysis
Renewable Energy and Conservation Project Analysis
Site Acquisition Negotiations
State and Federal Grant Funding Identification

<b>Debt Issuance Services</b>
<b>Capital Financings:</b> <i>General Obligation Bonds, Certificates of Participation, Revenue Bonds, Special Tax Bonds, Assessment Bonds, Lease-Purchases, USDA Rural Development Loans, etc.</i>
<b>Cash Flow Financings:</b> <i>Tax and Revenue Anticipation Notes, Bond Anticipation Notes, Grant Anticipation Notes, etc.</i>
<b>Specialty Energy Financings:</b> <i>Clean Renewable Energy Bonds, Qualified Energy Conservation Bonds, California Energy Commission Loans, etc.</i>
<b>Debt-Related Services:</b> <i>Bond Pricing, Continuing Disclosure, Best Practices, Refinance Monitoring, etc.</i>

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## **CAPITOL PFG CAN PROVIDE ITS FINANCIAL EXPERTISE TO THE BENEFIT OF THE STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT, CERES FIRE PROTECTION DISTRICT, AND OAKDALE RURAL FIRE PROTECTION DISTRICT T FOR THE POTENTIAL FIRE SERVICES REORGANIZATION**

There are several components to the reorganization of local agencies. The County Local Agency Formation Commission (LAFCO) will ultimately be the agency responsible for accepting or denying a proposal for reorganization. In order to implement a reorganization, the following must be completed:

- Financial Feasibility Analysis
- Tax Sharing Agreements
- Map and Legal Description of Reorganized Agency
- Governing Board Resolutions to Reorganize
- LAFCO Application
- California Environmental Quality Act (CEQA) Compliance

Capitol PFG can assist the Districts throughout the entire process and is able to take the lead on developing several of the required items. For those items not directly produced by Capitol PFG, our firm is able to assist with the facilitation of delivering the item. An overview of the services that can be provided by Capitol PFG are provided below:

### **Financial Feasibility Analysis**

Prior to expending resources for other components of the potential reorganization, Capitol PFG recommends completing a Financial Feasibility Analysis to determine whether the reorganization is financially viable for each of the affected agencies. There are several areas that must be considered to ensure the long-term financial viability of the new agency.

Specifically, Capitol PFG can prepare a Financial Feasibility Analysis that will include the following information:

- Evaluation of Revenues
  - Tax base demographics
    - Assessed values and resulting property tax revenues
    - Sales tax base and applicable revenue stream
    - Recommendations for transferring taxes to the restructured local agency
  - Voter/landowner approved revenues
    - Sales taxes, assessments, and special taxes
  - Capital revenues
    - Mitigation/impact fees, special taxes, etc.
  - Other revenues
    - e.g., Proposition 172 funds, cost recovery charges, grants, etc.
- Evaluation of Expenditures

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- Salaries and benefits
  - Operations
  - Insurance
  - Capital
  - Other
  
  - Analysis of Assets
    - Fund Balances and Reserves
    - Facilities
    - Apparatus/Vehicles
    - Replacement Plan and Funding
    - Ownership
  
  - Liabilities
    - Debt
    - Pension and OPEB obligations

An analysis of the information described above will provide information on the current financial status of each agency, an assessment of the assets of each agency and the ongoing funding status for repair and replacement, the financial implications of a potential consolidation using past financial trends as an indicator of future finances combined with known changes to the financial model based on the consolidation, and recommendations for tax sharing. This analysis will provide the foundation for the required tax sharing agreement, as well as the LAFCO application.

Capitol PFG has extensive experience analyzing and developing financial models for public agencies in California related to both reorganization/consolidation efforts as well as ongoing budgetary planning. Based on our past experience, as part of our scope of services, we provide guidance and recommendations as to potential financial pitfalls that the agencies could run into over the long run.

### ***Anticipated Deliverables***

- Staff Meetings
- Financial Feasibility Study Report
- Governing Body Communications and Presentations

### **Tax Sharing Agreement**

In conjunction with legal counsel, Capitol PFG can advise on the financial components of the Tax Sharing Agreement. These services will include:

- Obtaining and analyzing information provided by the County Auditor-Controller's Office
- Working with the Auditor-Controller's Office on tax sharing implementation
- Financial modeling to demonstrate tax sharing options and the impacts on each agency
- Working with each District's staff to develop assumptions used in the financial models and provide a sensitivity analysis to help determine the best tax sharing option

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- Coordinating with legal counsel to ensure that the language included in the legal Tax Sharing Agreement reflects the financial terms agreed upon by both agencies
  - Facilitating discussions with Stanislaus County staff to understand and accept the tax sharing terms

### ***Anticipated Deliverables***

- Analysis of Tax Sharing Options
- Staff and Legal Counsel Meetings
- Language and exhibits for Tax Sharing Agreement
- Governing Body Communications and Presentations

### **LAFCO Application**

Capitol PFG can complete the LAFCO Application on behalf of each agency. Information needed for this application includes:

- Description of the proposed reorganization and reason for proposal
- Plan for service
- Description of boundaries
- Creation of list of affected properties and neighboring properties
- Land use and service area provider descriptions
- Tax Sharing Agreement description
- Financial Feasibility Study findings and recommendations
- Determination of environmental compliance

### ***Anticipated Deliverables***

- LAFCO Application for each District's Board of Directors approval
- Coordination with LAFCO staff
- Coordination with legal counsel, map provider, and CEQA consultant on obtaining necessary documents
- Governing Body Communications and Presentations, as needed

### **Support with Other Required Items**

Beyond the specific items Capitol PFG can provide to both agencies, our firm can provide support and can facilitate the other items required for reorganization. Capitol PFG can identify and coordinate with a firm to prepare the necessary boundary map and legal description that will be included in the LAFCO application. Additionally, Capitol PFG can coordinate with legal counsel on the creation of the Tax Sharing Agreement (as described above) and the resolution necessary to submit the application to LAFCO. Finally, Capitol PFG can identify and coordinate with a CEQA consultant on environmental compliance required in the LAFCO application.

It will also be likely that our firm's services will be needed for conversations with LAFCO staff, County staff, and other interested parties. We are available to assist and provide content for these ongoing meetings and discussions.



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Capitol PFG's experience with the fire service combined with our experience in consolidation/reorganization efforts can be applied to assist both agencies in developing long-term solutions to several issues that may arise during the reorganization process. Many of our clients believe that this is the most valuable service we provide as it helps them work through unanticipated problems in an initial agreement to reduce the likelihood of future disputes and challenges. Our perspective is different from that of legal counsel and considers the financial nuances that public agencies face.

### **Assigned Staff**

Quality service and personal relationships are essential in serving our public agency clients. As such, in order to ensure high quality work and service levels, Capitol PFG operates based on a team approach with the principals of the firm taking direct responsibility for review and delivery of client work. This ensures a high level of quality control and aids in the development of long-standing client relationships.

The firm's three principals, Cathy Dominico, Jeff Small and Chris Terry have seamlessly operated in a joint capacity for almost 25 years. Cathy leads the firm's strategic consulting efforts while Jeff leads the firm's financial transactions. Chris provides additional client support on analytical and operational matters. All three of the firm's principals are authorized to sign agreements and represent Capitol PFG in any matters related to this request for proposal.

For the specific scope of services contemplated in this proposal, Cathy Dominico and Jeff Small, would work cooperatively as the project leads and would be the primary contacts for the District.

### **Cathy Dominico, Managing Partner, Strategic Consulting Services**

- Directs strategic consulting services to Capitol PFG clients, including facility and financial planning, comprehensive analytic reports, and communication strategies
- Experience with public agency reorganization efforts including fiscal analysis, tax sharing agreement negotiations, and implementation
- Approximately 25 years in public finance and 20 years at Capitol PFG
- Bachelor of Science degree from the University of California, Davis

### **Jeffrey Small, Esq., Municipal Advisor Principal**

- Provides debt issuance and strategic consulting services
- Approximately 34 years in public finance and 20 years at Capitol PFG
- Bachelor of Arts Degree from the University of Arizona; Juris Doctor from California Western School of Law
- Registered with the U.S. Securities & Exchange Commission as a Municipal Advisor Representative and Principal (Series 50 and 54 Licenses).
- Attorney and active member of the California Bar Association
- Member, Placer County Conservation Authority Advisory Committee
- Member, Auburn Rotary Club

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### **Chris Terry, Municipal Advisor Representative**

- Provides debt issuance services, analytical support, and administrative services to the firm and its clients
- Approximately 25 years in public finance and 20 years at Capitol PFG
- Bachelor of Science Degree from the University of California, Davis
- Registered with the U.S. Securities & Exchange Commission as a Municipal Advisor Representative (Series 50 License).

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## **GENERAL FEE STRUCTURE**

Capitol PFG has a standard hourly rate of \$215 for all strategic financial planning services and ad hoc on-call work, billed on a monthly basis. The scope of services described in this document would fall into this category. Capitol PFG is happy to provide hourly consulting services based on a not-to-exceed amount basis. For initial services related to the development of a Financial Feasibility Study, we would propose a not-to-exceed amount of \$35,000. The agencies will only be billed for actual time spent.

If the Financial Feasibility Study provides an indication that the reorganization is feasible, Capitol PFG will bill at our standard hourly rate of \$215 for all other services. It is estimated that the total cost of this proposed reorganization will be approximately \$70,000-\$90,000, including the Financial Feasibility Study. However, that cost estimate could vary based on the extent of negotiations related to the Tax Sharing Agreement, the unique requirements of Stanislaus County LAFCO, and whether an in depth CEQA analysis is required.