

RFP Q&A

Combined MSR/SOI Study for the City of Davis and Associated CSAs

Date	Question and Response
11/17/14	<p>Question:</p> <p>We have assessed your RFP and intend to submit a responsive proposal. First, however, we would appreciate your responses to the questions listed below at your earliest convenience.</p> <p>In the focus issues listed in Exhibit A, page 3 you state, “Yolo LAFCo believes that there is significantly more to be gained from an in depth review of the financial situation of the three CSAs and their financial relationship with the City of Davis...” The MSR examples cited in the RFP contain relatively cursory (and generally MSR-level) financial analyses, but the RFP alludes to the need for a more robust analysis. We had assumed that a municipal economist would not be needed on the team, but wanted your answers to the following questions before making a final decision:</p> <ol style="list-style-type: none"> 1. We understand that the RFP asks for an analysis of basic City services (water, sewer) and the interrelationship between the City and the CSAs. In order to make all the applicable findings, what level of analysis of the City of Davis finances and service levels will be required? Should the MSR adopt the prior information and findings from the 2007 MSR in order to reach a conclusion as to the adequacy of other services? 2. Does LAFCo anticipate that a consolidation of one or more of the CSAs with the City will be recommended based on financial issues?
	<p>Answer:</p> <ol style="list-style-type: none"> 1. We don’t expect more than a typical MSR level of financial analysis. The point that we were attempting to make is that we don’t expect LAFCo’s review to add a lot of insight to the City of Davis’ financial issues beyond what they already know, so don’t do more than is necessary to provide sufficient information to support required determinations under CKH. Regarding the CSAs, there have been ongoing issues between the City of Davis and the CSAs it provides services to, primarily regarding the fee structure (some of which has been litigated). There seems to be disparity between some of the City’s fees for service and what can be collected due to Prop 218 requirements – not to the point that the CSAs cannot function, there’s just ongoing squabbling. There are likely other issues that we’re probably not even aware of yet. This area may require more in-depth analysis (not necessarily financial). We don’t know if LAFCo can assist in resolving some of these issues, but we’d like to try. The MSR can reference information from a previously adopted one if that helps avoid redundancy in making a determination regarding the adequacy of services. 2. Not based on financial issues, no. LAFCo could potentially make that recommendation for other reasons but it would likely never survive the protest process.