Ventura Regional Sanitation District

FINANCE DEPARTMENT ORGANIZATIONAL REVIEW

January 2016

William C. Statler

Fiscal Policy ■ Financial Planning ■ Analysis ■ Training ■ Organizational Review

Ventura Regional Sanitation District
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Fiscal Policy ■ Financial Planning ■ Analysis ■ Training ■ Organizational Review

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Ventura Regional Sanitation District
FINANCE DIVISION ORGANIZATIONAL REVIEW

REPORT PURPOSE

This purpose of this report is to evaluate the Finance Department's staffing needs and organization as well as its policies, procedures and practices for possible improvements in effectiveness and efficiency.

The interest in doing so at this time stems from two factors:

- The General Manager's plan to review both the District's field operations and its internal support functions (such as finance, human resources and information technology) prior to his retirement in July 2016 in assisting with his successor's transition.

- Starting with Finance makes sense given significant vacancies, related use of temporary staffing and recent separation of a key position in the Finance operation (Accounting Supervisor). These factors make the Finance Department a good candidate for the first review, but not the last one.

Accordingly, in August 2015, the District contracted with William C. Statler to assess the Finance Department's organization, staffing needs and operations. This report presents the consultant's findings and recommendations. It is followed by an Appendix that includes an overview of the District and its finances along with supplemental information about the workscope, findings and consultant qualifications for this assessment.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

The Short Story. As detailed later in this report, there are five key findings and recommendations:

- **Staffing.** Fill vacant positions but do not backfill for long-term worker's compensation absence; and through attrition, reduce authorized staffing from 12.55 full-time equivalents (FTE) to 11.55.

- **Organization.** While authorized FTE staffing should remain the same, reorganize the Department into two main divisions: accounting and revenue.

- **Financial Management Software.** Implement the Budget module as soon as possible and evaluate financial management software options in three to five years.

- **Operations.** Streamline purchasing and accounts payable procedures while retaining appropriate internal controls; move forward with outsourcing payroll; and consider simplifying cost accounting and billing procedures.

- **Organizational Development.** Improve communications, both within the Departments and between departments; and consider a formal Fiscal Assistant rotation program.

CHALLENGES IN EVALUATING FINANCIAL OPERATIONS

The District is unique in its portfolio of services and related financial management needs, especially in the context of its billing and related cost accounting requirements. There may be no other special districts in California that provide the District's combination of services:

- Landfill
- Wastewater
- Water
- Custom contract services to other local agencies

As discussed below, this makes benchmarking the District's financial operations with comparable agencies especially challenging. It also means that the District's financial management needs are more complex and challenging than those of comparable-sized special districts.

An overview of the District and its finances is provided in Appendix A.

FINANCE DEPARTMENT STRENGTHS

By its nature, this report focuses on areas needing improvement in the District's financial operations. However, there are a number of organizational strengths, including:

- **Clean Audits**. The District has a longstanding history of receiving unqualified ("clean") audit opinions from its independent outside auditors, who have stated the District's financial statements fairly presents its financial condition and results of operations in conformity with generally accepted accounting principles.

- **No Material Internal Control Weaknesses.** The District's auditors have not found any material internal control weaknesses in the District's accounting procedures and operations.

- **Preparation of CAFR in Accordance with Highest Industry Standards.** The District exceeds generally accepted accounting principles by presenting its audited financial statements in the form of a Comprehensive Annual Financial Report (CAFR). For many years, the District has received the prestigious Award for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada.

The District and its Finance staff can be proud of their achievements in these areas.

WORKSCOPE AND METHODOLOGY

As presented in more detail in Appendix B, the workscope and methodology included:

- Document review, including audited financial reports, budget, policies and procedures.

- Interviews with Finance staff and stakeholders, including pre-interview survey.

- Benchmark analysis.

FINDINGS AND RECOMMENDATIONS

❶ Staffing: Fill Vacant Positions

The Finance Department currently has 12.55 authorized regular FTE's:

Finance Staffing	
Director	1.00
Management Analyst	3.80
Management Specialist	0.75
Fiscal Assistant	7.00
Total	12.55

Along with a long-term, workers' compensation-related absence, there are currently five regular FTE vacancies:

- Two Management Analysts
- Three Fiscal Assistants

That means there are six operational vacancies – almost half of the department's FTE's, which are currently being backfilled with temporary employees.

Recommendations. Based on an assessment of the Finance Department's operational needs under current financial management requirements, I recommend filling these five positions, but as discussed below, they should be organized differently. However, I do not recommend backfilling for the long-term worker's compensation absence position

(Fiscal Assistant). While this position needs to be formally retained pending resolution of the absence, through attrition authorized regular staffing should be reduced from 12.55 to 11.55 FTE's. There are three factors underlying this recommendation:

Operational Assessment

Given current financial management requirements and other organizational constraints, most notably billing and related cost accounting needs, current staffing levels are appropriate.

Staffing Benchmarks with Comparable Agencies

The need to fill vacant positions is underscored by the results of "benchmarking" Finance staffing in the District with comparable agencies. Appendix C details the approach taken in selecting comparable agencies and the results of the "benchmarking" analysis. As discussed in Appendix C, the eight selected agencies share the following characteristics with the District:

- Provide waste disposal services (solid waste and wastewater).

- Independent districts: have an independently appointed or elected Board of Directors; not governed by a city council or county board of supervisors.

- Similar sized organizations, with total revenues between $10 million and $30 million (compared with actual District revenues in 2013-14 of $20.5 million) and total authorized regular staffing between 57 and 109 FTE's (compared with the District's 78.15 FTE's).

- Favorable governance reputation.

After extensive research in identifying comparable agencies, the following eight agencies emerged as the best comparison agencies from a finance organization perspective (staffing and operating revenue information for each of them is provided in Appendix C), organized by the services they provide:

| Wastewater and Water | • South Tahoe Public Utility District |
| | • Yucaipa Valley Water District |

Wastewater	• Fairfield-Suisun Sewer District
	• Monterey Regional Water Pollution Control Agency
	• Vallejo Sanitation and Flood Control District
	• West County Wastewater District

| Solid Waste/Landfill | • Monterey Regional Waste Management District |
| | • Salinas Valley Solid Waste Authority |

As reflected in the following charts, even with the unique scope of services that the District provides and the complex billing and cost accounting services required of the Finance Department, the District's Finance staffing is in the mid-range of the comparable agencies when measured against the benchmarks of:
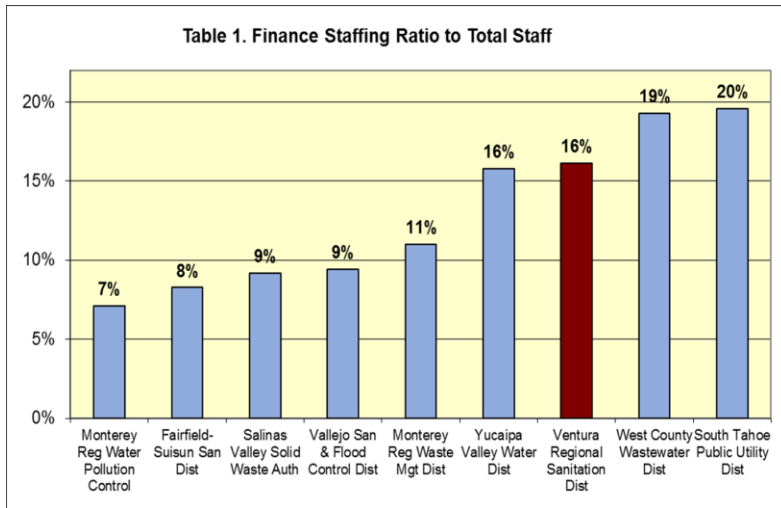
Table 1. Finance Staffing Ratio to Total Staff

- Finance staffing as ratio of total employees.

- Finance staffing per $1,000,000 of total revenues.

As shown in **Table 1**, with 12.55 FTE's, the District's Finance staffing is in the mid-range of the benchmark agencies when compared with the agency staff it supports.
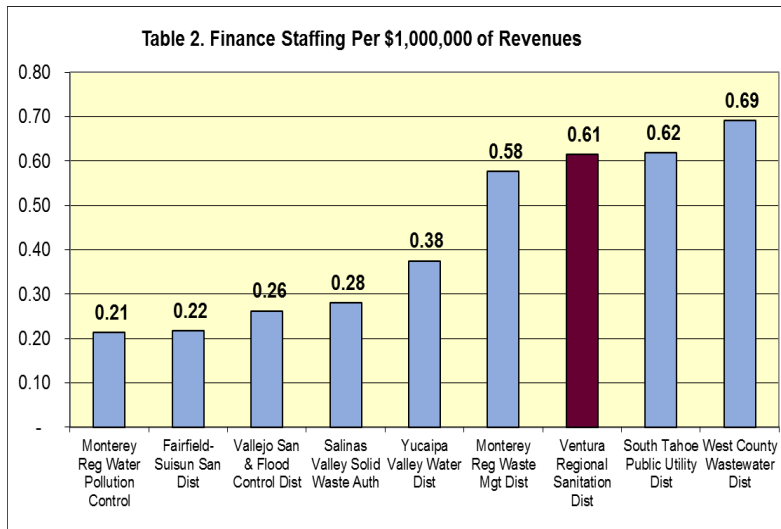
Table 2 shows similar results when compared with Finance staffing per $1,000,000 of revenues.

Table 2. Finance Staffing Per $1,000,000 of Revenues

There are three key factors affecting the District's staffing ratios compared with the benchmark agencies:

- **Cost accounting.** I estimate that 2.5 FTE's are required to meet the District's special cost accounting/billing requirements that other agencies do not have.

- **Billing and collection.** This is relatively simple for landfill operations; but very complex for the District's billing to the Triunfo Sanitation District and special contract services to other agencies.

- **Proposed reorganization and staffing.** With the proposed reorganization and reduced staffing over time via attrition by 1.0 FTE, the ratio will be even lower.

In short, adjusting for the added cost accounting/billing workload and the recommended reduction of 1.0 FTE via attrition, the District's Finance staffing ratios compare very favorably with the benchmark agencies.

Proposed Reorganization and Operational Improvements

As discussed below, with the proposed reorganization and operational improvements, the Finance Department should be able, via attrition, to reduce its authorized regular staffing by 1.0 FTE.

❷ **Organization: Reorganize Around Two Main Groups – Revenue and Accounting**

While authorized FTE staffing should remain the same for now, it is important that these resources be organized effectively. The following describes the current and proposed Finance Department organization.

Current Finance Department Organization

Table 3 below shows the current organization, which has 12.55 authorized FTE's.

Table 3. Current Finance Organization
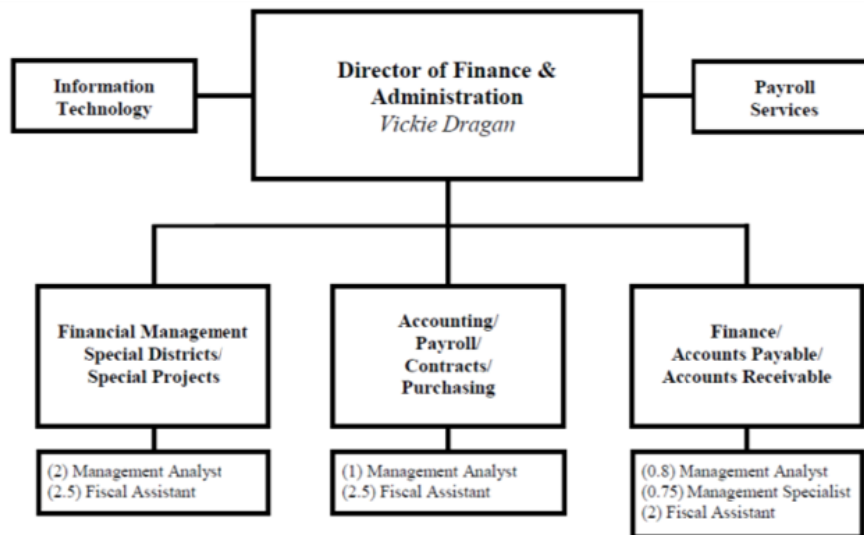
Compared with many Finance organizations, this is an unusual alignment of tasks, with mixed accounting and revenue functions; and separation for these functions for the special districts.

Proposed Finance Department Organization

Under the proposed organization, there would be two main operational groups for all financial services, each headed by a Management Analyst: Accounting and Revenue. It should be noted that with vacancies and temporary backfills, the Finance Department has been gravitating towards this model.
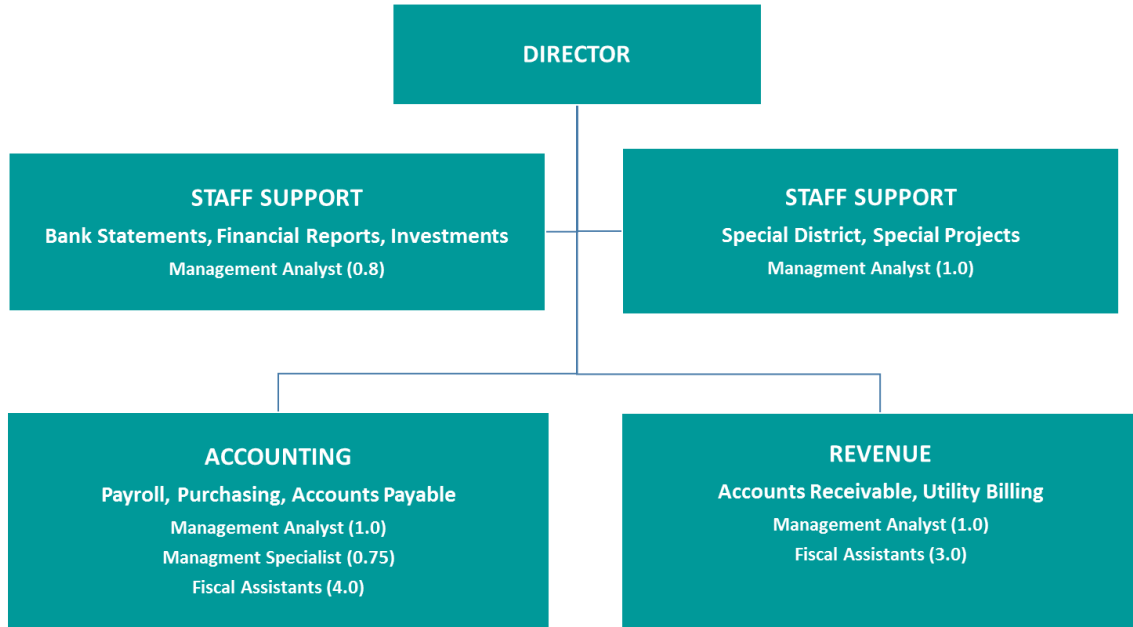
The other two Management Analysts would provide staff support services for special projects and unique special district needs; and the other would return to a prior staff role

of financial reporting and bank statement reconciliations. For a relatively small Finance organization like the District's, separating the responsibility for bank statement reconciliations from day-to-day operations is an especially important internal control procedure.

Table 4. Proposed Finance Organization

DIRECTOR

STAFF SUPPORT	STAFF SUPPORT
Bank Statements, Financial Reports, Investments	Special District, Special Projects
Management Analyst (0.8)	Managment Analyst (1.0)

ACCOUNTING	REVENUE
Payroll, Purchasing, Accounts Payable	Accounts Receivable, Utility Billing
Management Analyst (1.0)	Management Analyst (1.0)
Managment Specialist (0.75)	Fiscal Assistants (3.0)
Fiscal Assistants (4.0)	

Total authorized FTE's remain the same under the proposed organization (12.55). As discussed above, one Fiscal Assistant position is proposed for reduction via attrition. This position is included in the Accounting division.

While current employees may be assigned different tasks, no compensation or position title/duty changes will be needed to implement this new organization.

❸ Financial Management System

The District uses Great Plains, a Microsoft software product, as the core application of its financial management system. There are advantages and disadvantages to using Great Plains:

Advantages	Disadvantages
• Microsoft (MS) product: interfaces well with Excel and other MS applications. • Industry standard software used by many small to medium-size organizations, including local government.	Not designed for government • No fund accounting • Budget and encumbrances (open purchase orders and contracts) not an integral part of the General Ledger: requires use of subsidiary ledgers

As reflected above, while Great Plains is widely used in both the private and public sector, it is not designed for government. For many local government agencies that have relatively simple financial operations and only one fund (which is the case for many enterprise-type special districts), this is not a significant problem. However, the District has multiple funds and its financial operations are relatively complex.

For fund accounting purposes, the District has developed work-arounds that meet its needs (although this is not an ideal situation). It has also developed strategies for preparing summary financial reports via Excel. However, because it has not implemented the Budget module, there is no easy, on-line access to budget versus actual information. The lack of this type of readily accessible financial information, which is a core application in government-designed software, has been a source of deep frustration for the operating departments.

This doesn't mean that Great Plains cannot provide this type of information: it can. But budget information is not directly accounted for in the general ledger.

Consistent with the overall design of the Great Plains software (Table 5), the general ledger simply provides a framework for financial reporting: it does not contain detail information itself. It relies upon information linked to it via subsidiary ledgers ("modules").

If these modules are not installed, the information is not available to the general ledger.

In the case of the Budget module, this is typically used to prepare the budget; and once it is adopted, budget information is then downloaded to the general ledger. However, with Great Plains, even if the module is not used for budget preparation, the general ledger must still get its budget information from the Budget module. Once the module is installed, budget information can simply be entered into it in a similar fashion as it would via direct journal entry into the general ledger in most government-designed software.

Table 5. General and Subsidiary Ledgers

Stated simply, Great Plains can provide readily accessed budget versus actual information, but it requires installation of the Budget module to do so.

Recommendations. The District should implement the Budget module as soon as possible. While it may not find that it is useful for budget preparation, it is required for readily accessible budget vs actual information. That said, while there are work-arounds,
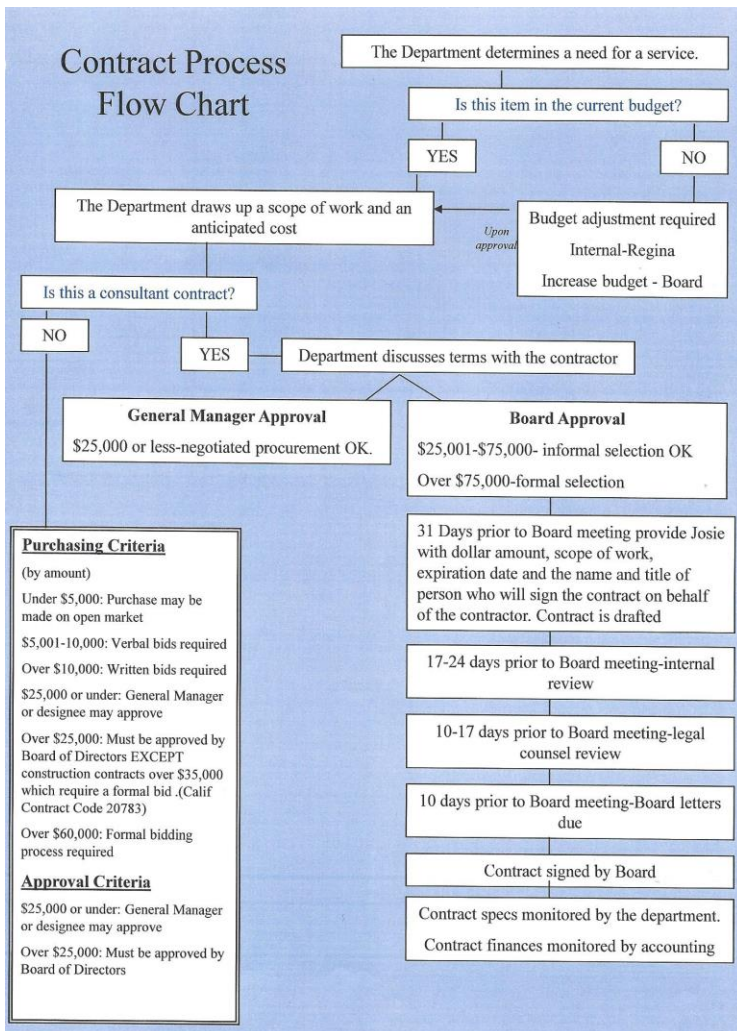
Great Plains is not designed for local governments – and there a many local government-designed financial management systems on the market. Accordingly, the District should evaluate its financial management needs within the next three to five years.

❹ **Operations: Streamline accounts payable and purchasing procedures while retaining appropriate internal controls; move forward with outsourcing payroll; and consider simplifying cost accounting and billing procedures.**

Before assessing the District's key financial operations and recommendations for improvements, it is important to note that Finance has done an excellent job of documenting procedures, both at a detailed "desk manual" level as well as high level summaries of key systems. Table 6 provides an example of contracting process summary. (While it is possible that the documented procedures are out of date or need to be revised, the fact the framework for this exists reflects well on the Finance Department's operations.)

Table 6. Contract Process Flow Chart

The following assesses key procedures and recommends improvements in five areas if Finance operations:

- Purchasing
- Accounts Payable
- Payroll
- Utility Billing
- Accounts Receivable

Purchasing

The District operates a largely decentralized system, where most purchases are initiated and managed by the operating departments, with centralized review by Finance. This is in the mainstream of practices for smaller local government agencies like the District.

The District's purchasing policies were last updated in 1989 – over 26 years ago. The following summaries policies for supplies, equipment and services (policies are different for consultant services and construction projects):

- **Open market: under $5,000**. No specific competitive bidding requirements.

- **Informal bidding, verbal quotes: $5,000 to $10,000**. Whenever possible, award based on three verbal quotes.

- **Informal bidding, written quotes: more than $10,000 to $60,000**. Whenever possible, award based on three written quotes.

- **Formal bidding: more than $60,000**. Formal bidding procedures are required ($35,000 or more for construction contracts).

- **Approval authorization.** Regardless of process, the General Manager or designee is authorized to approve purchases of $25,000 or less; Board approval is required for purchases of more than $25,000.

There are two unusual aspects to the District's purchasing policies:

- It is unusual to make a distinction for informal bids between verbal and written quotes.

- It is unusual to separate purchasing authority from the process. For example, under the District's policy, informal bidding can be used up to $60,000. However, Board approval is required for informal bidding that is $25,000 or more. Typically, Board approval is only required for formal bids, since timely award action is usually associated with informal bids.

Recommendations

- **Simplify the process.** Decentralized systems work best that are consistent and easily followed by the operating departments. Along with updating thresholds since they were last reviewed in 1989 for the passage of time, the District should integrate thresholds for all purchases: supplies, equipment, services, consultant contracts and construction projects; and link procedures with authority levels. For example, Board approval should only be required for formal bids; and approval authority should be clearly stated for open market purchases (department heads/designee) and informal bids (Purchasing Agent or General Manager). In short, along with threshold amounts, the process is defined by who has the authority to approve it.

- **Change when the Board is involved in the formal bid process.** Like many local governments, the Board is not involved in the purchasing process until the award stage. There are two problems with this late involvement:

  1. Detailed bid packages defining the items to be purchased and the process for doing so have already been prepared, limiting the Board's input into this and making any changes awkward at best (and most likely requiring the issuance of new invitations for bids or requests for proposals). This requires added staff

work, which was likely very extensive to begin with, and delays the purchase of needed supplies, equipment, services and improvements.

2. And when the Board does become involved, it is for the relatively simple ministerial task of determining who submitted the lowest bid.

It makes more sense to move the Board's involvement to an earlier stage in the formal bid process, where it can better exercise policy discretion: approval of the bid package and authorization to invite bids or request proposals.

This provides the Board with meaningful discretion on whether to purchase the item at all and at what cost; and to define the work scope and the term and conditions of the purchase. However, once these parameters are in place, this approach delegates to staff the ministerial action of determining who submitted the lowest bid. In those few cases where bids come in above budget or there are other unexpected issues (such as bidder protests), bid award would return to the Board. This revision will make purchasing more efficient while retaining appropriate internal controls and more meaningfully involving the Board in the purchasing process.

Accounts Payable

The current process generally consists of ten key steps:

1. Fiscal Assistant "A" processes the invoice for payment, matching the invoice to the purchase order or other approval document.

2. Fiscal Assistant A forwards invoice for review by a Management Analyst for review before routing it to the operating department for approval. (Since the on-site review, Fiscal Assistant "B" is now responsible for routing invoices to the operating departments.)

3. Department receives and approves invoice and routes back to Accounts Payable.

4. Management Analyst reviews invoice/account coding.

5. Fiscal Assistant "B" enters invoices into the system and runs transaction report.

6. Management Analyst reviews transaction report and makes/directs changes as needed.

7. Fiscal Assistant B schedules payment based on aging.

8. Management Analyst reviews check register.

9. Fiscal Assistant B prints checks.

10. Finance Director signs checks.

FINANCE DEPARTMENT ORGANIZATIONAL REVIEW

Assessment. The following characterizes this process:

- Until recently, the Management Analyst reviewing invoices was not the Fiscal Assistant's supervisor. Typically, you want work quality and quantity to be reviewed by the supervisor, and any changes directed by the supervisor, not a staff analyst who is out of the "chain of command."

- Excluding check signing, there are always three (and sometimes four) review steps in this process. Stated simply, this should not be necessary.

- There are significant, ongoing differences of opinion on account coding between operating and Finance staff. This is due in part to the District's extensive cost accounting for billing purposes (simpler systems would probably not result in so many disagreements). That said, this is far in excess of what occurs in most agencies, and results in reduced productivity and morale for both operating and Finance staff. While communication issues are addressed more fully under "Organizational Development," this is an example of where ineffective communications lead to lingering frustrations.

  This is not a case of unshared goals: the differences of opinion are based on mutual goals of ensuring that costs are correctly accounted for. Accordingly, two outcomes are needed here for a successful resolution. First, there needs to a frank discussion about the reasons why there are ongoing differences and development of a shared paradigm that will lessen disagreements. Second, where differences still emerge, these need to be resolved respectfully through direct communication, preferably face-to-face or at a minimum via phone calls (not email or voice mail, or ignored altogether).

- The separation of accounts payable processing and data entry is an "old school" view of technology, when batch systems were prevalent before "on-line" systems. However, based on follow-up reviews, this appears to be a relatively recent change in responding to staff turnover and temporary staff backfill.

- There is significant potential for time lapses, bottlenecks and "black holes" in routing invoices and supporting documents to and from the operating departments.

- It is not typical for the Finance Director to physically sign checks: this is most often done through facsimile signature when checks are printed. However, it would be appropriate for the Finance Director to review and sign the check register instead.

Recommendations. Based on this assessment, the following are recommended changes in accounts payable procedures:

- Reduce review by the Management Analyst. Likely candidates include: eliminating Step 2; reducing the number of reviews needed under Step 4 (see discussion under "Organizational Development"); and possibly eliminating Step 8.

- Review should be performed by the Fiscal Assistant's supervisor, not the staff Management Analyst.

- Organize accounts payable by alphabet, not task. With this approach, Fiscal Assistants perform all processing and data entry functions for assigned payables (for example, if there are two Fiscal Assistants assigned to accounts payable, one might handle vendors A-M and the other N-Z plus utilities and employee reimbursements). "Central" tasks like check printing should be rotated between Fiscal Assistants. This will help ensure that there are several staff who are well-trained in accounts payable when there are absences or vacancies.

- Discontinue aging of accounts payable. Given the time it normally takes to process accounts payable, and the very small interest earnings in delaying payments by a few days where there may be some days remaining for some vendors under "net 30" terms," the added step of aging simply isn't warranted. It is not only more efficient but provides an opportunity to dispel the perception (often a correct one) that due to red tape it "takes forever" to get paid by a government agency.

- The Finance Director should review and sign the check register rather than physically signing checks.

- In the longer term, the District should consider electronic routing for review and approval of invoices by operating departments.

Payroll

The following summarizes current key steps and responsibilities for payroll processing:

Human Resources

- Processes "Personnel Actions" (PA's), performs data entry and maintains payroll data base master files (salary, benefits, addresses, tax withholding).

Finance

- Coordinates time card entry.
- Reviews payroll changes (such as PA's) and reconciles to the payroll data base.
- Processes checks and direct deposits.
- Prepares detailed time/cost report for operations every week for operations.
- Prepares required payroll, quarterly and year-end reports for federal, state and county agencies.

Based on analysis and recommendations presented to the Board in April 2014, it is the District's goal to outsource payroll. With this approach:

- Human Resources payroll responsibilities will remain the same: payroll master files (and their update via data entry) will maintained on the contractor's network instead of the District's.

- On the other hand, most of Finance's responsibilities will be contracted-out – but not all of them: Finance will still be responsible for contract management; ongoing payroll review that timecards and PA's were submitted and processed correctly; bank statement reconciliations; and ultimately for ensuring that the District's payroll is properly prepared and reported.

Implementing this change has been significantly delayed pending changes in the County's retirement reporting requirements.

Recommendations. Typically, the cost/benefit tipping point for considering doing payroll via contract versus in-house is around 100 employees – and with 78.1 FTE's, the District is right at this decision point. The District took a close look at this issue in April 2014, and concluded that it would be more cost effective to out-source payroll. Other than delays in implementation due to anticipated (and still pending) County retirement reporting changes, there have been no changes in circumstances that would warrant revisiting this change. Accordingly, the District should move forward with this conversion, with two caveats:

- Prepare a detailed project plan (and adhere to it) that clearly and realistically set s forth key milestones (tasks and dates) and responsibility for achieving them (what/when/who).

- Stop being held hostage to the County's plan to change its retirement reporting requirements. The District has been in an "almost there" mode with the County for over a year (the Lucy, Charlie Brown and football image come to mind). Changes will be required regardless of whether the District's payroll system is in-house or contracted-out. In short, once vacant positions are filled and organizational changes are implemented, the District should move forward with this conversion regardless of the County's plans.

Lastly, Finance and the operating departments should discuss the value of the time-intensive detailed labor distribution and cost report prepared weekly by Finance, and whether it can be reduced to biweekly (concurrent with payroll) or eliminated altogether,

Utility Billing

The District makes extensive use of "best practices" and smart technology in its utility billing operations. These include:

- Very successful installation of remote meter reading ("AMR").

- Automated remittance processing that matches payments and stubs; posts the information to the utility billing ledger; and makes bank deposits.

Given this, there are no recommended improvements to the District's utility billing practices.

Accounts Receivable

As noted above, the District has a very complex cost accounting and billing system for its contracted services, most notably the Triunfo Sanitation District. Monthly billings are literally several inches thick, providing detailed cost information on labor, materials, contract services and equipment usage. Stated simply, this level of cost accounting and billing detail for operations in the District is unique. Operating costs are typically maintained for enterprise-type operations at the program level in setting customer rates (where whole people typically do whole things): detailed "job costing" records and reporting systems are not required for this.

It is unclear at best to me if there is commensurate value for the added costs required to support this detailed level of cost accounting and related billing. In my experience, there is a strong possibility that the forest is being missed for the trees.

On the other hand, this is apparently what the client wants; and this system was highly praised in a report prepared by Arroyo Associates in their service evaluation and benchmarking study prepared in December 2013.

Recommendation. Explore with Triunfo Sanitation District and other contract agencies if there are other less cost-intensive ways of meeting their information needs. This might include a hybrid approach under which relatively stable costs (like staffing and operations at the treatment plant) are accounted for at the program level; and costs that can vary significantly are accounted for on a job-costing basis.

❺ Organizational Development

Based on interviews with twenty-two District employees (eleven within the Finance Department and eleven "stakeholders" from the outside of the department) and the results of the pre-interview survey, it is clear that there are significant communication problems with in the Finance Department and with others outside of the department. This includes both the lack of communication; and when this does occur, ineffective communication. Passive/aggressive approaches leave lingering issues unaddressed and results in poor morale and reduced productivity. Lastly, this is not just a problem within the Finance Department: this appears to an organization-wide problem.

There are also deep pockets of mistrust and fear within the Finance Department. Whether warranted or not, there is the perception among many in the department that their opinions and contributions are not wanted or valued – and in fact would be received with disapproval if offered. This leads to a "just keep your head down" attitude among many Finance staff members, resulting in lost opportunities for continuous improvement. My probing of this issue was largely with the Finance staff, so this may not be an organization-wide concern.

Lastly, as with most organizations the District's size, there are cross-training and back-up concerns when absences and vacant positions arise.

Recommendations

Organization-wide communications training. This is not just a Finance problem: the entire organization will benefit from improved communication skills. I recommend bringing the trainer to the organization rather than sending staff out to training programs. There are several benefits with this approach:

- More cost effective due to economies of scale.

- Better control over scheduling and participation.

- Everyone hears the same thing, resulting in common vocabulary and communication skillset.

- Networking and team-building opportunities between departments.

Improved communication within the department. Along with straightforward and timely communication as specific issues arise, I recommend augmenting this with more structured communication opportunities, such as:

- Weekly "one-on-ones" with subordinate staff. Sharing of priorities, unexpected challenges and feedback on performance should be ongoing conversations, and not a once-a-year topic at annual reviews.

- Weekly/bi-weekly management staff meetings.

- Weekly/bi-weekly division meetings.

- Monthly all-department staff meetings. Consider rotating responsibility for meeting facilitation among all staff members and making periodic "field trips" to operating department locations/facilities.

- Quick "huddles" on "hot topics."

- Developing standard on-boarding "rituals" for new employees that include site visits to key District facilities. Establishing an effective new employee orientation program will be especially important as existing vacancies are filled.

Fiscal Assistant rotation. Ongoing, structured rotation promotes a more "holistic" view of the organization and institutionalizes cross-training and back-up for mission critical tasks. Successful rotation programs typically have the following features:

- Desk assignments typically last six months to two years, depending on complexity.

- Rotations are discussed, planned and scheduled with employees annually.

- There is a career series progression based on mastering of organization-specific assignments. For example, moving from Fiscal Assistant I to II depends on mastering two assignments; and moving from Fiscal Assistant II to III requires mastering at

least three assignments, with at least one in both divisions and one in an identified more technically difficult assignment.

This may be difficult to implement with current staff, who may have "found a home" in their current assignment and resistant to leaving their current position. However, filling three regular Fiscal Assistant positions with rotation as the "new normal" presents an excellent opportunity to implement this approach.

CONCLUSION

The Road Ahead

While there are challenges ahead of the District in implementing the changes recommended in this report, two things should be kept in mind:

- Given the staffing and organizational constraints that have faced the Finance Department, and the overall fiscal challenges that have faced the District organization as a whole, the Finance Department has still been able to successfully deliver day-to-day services and provide "best of class" work products in a number of areas.

- Charles Darwin observed that: "It is not the strongest of the species that survive, nor the most intelligent, but the ones most responsive to change." Being responsive to the changes ahead of District as it implements this report's recommendations will be the key to a successful outcome.

William C. Statler

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APPENDIX

A. District Overview
B. Workscope and Methodology
C. Comparative Staffing Benchmarks
D. Organizational Assessment Survey
E. Consultant Qualifications

DISTRICT OVERVIEW

The Ventura Regional Sanitation District helps meet the daily sanitation needs of more than 600,000 residents in Ventura County by providing solid waste/bio solids, water and wastewater services, either directly or via contract with its member agencies.
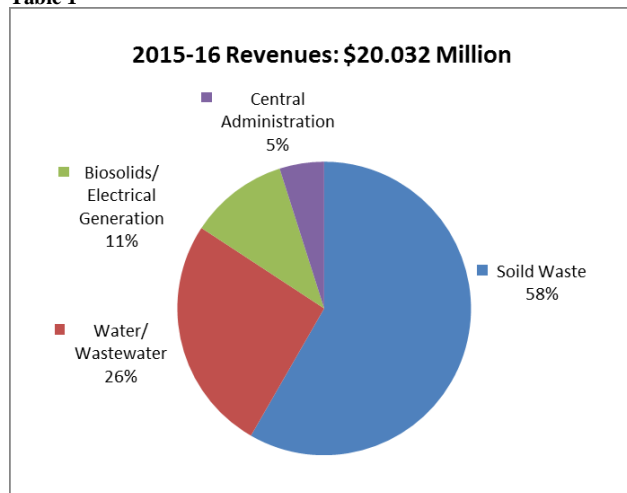
The District is governed by a nine-member Board of Directors composed of representatives from member agencies: Council members from eight cities and one representative selected by the eight special districts that receive services from the District. The District's operations are organized as follows:
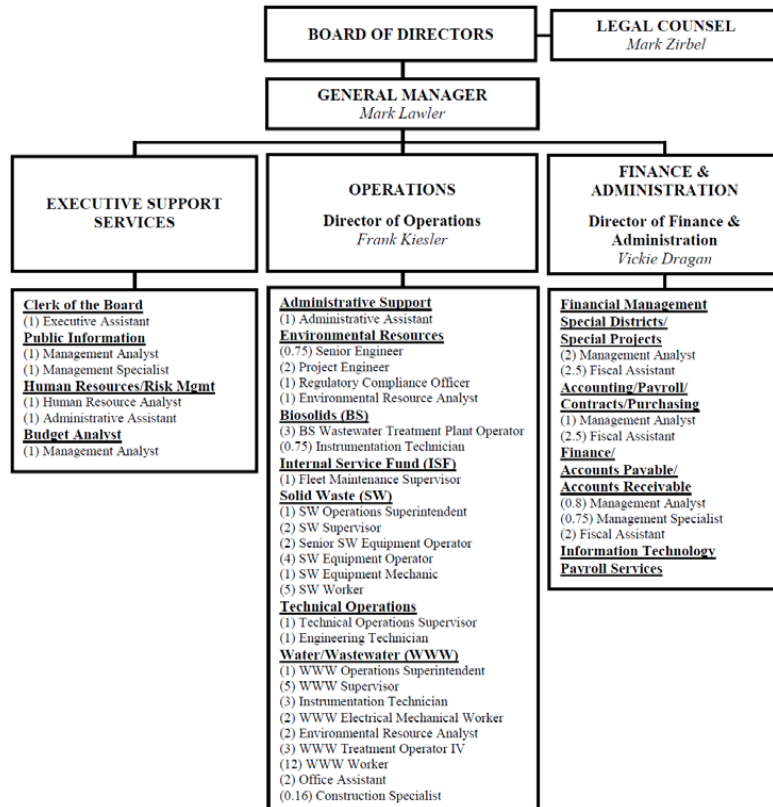
Revenues. The District does not receive any property or other tax revenues: since 1999, it is solely funded via service charges and other related revenues.

For 2015-16, projected revenues are $20,032,000. As shown in Table 1, its largest source of funding – about 60% of the total – comes from the District's solid waste operations.

Table 1

2015-16 Revenues: $20.032 Million

- Central Administration 5%
- Biosolids/ Electrical Generation 11%
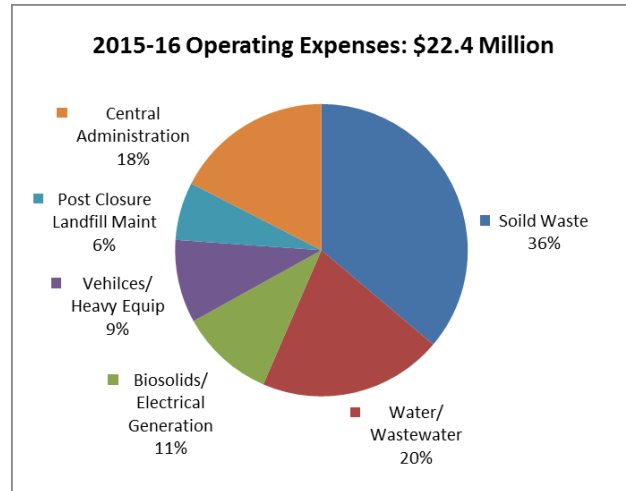- Water/ Wastewater 26%
- Soild Waste 58%

Expenses. Operating expenses for 2015-16 are projected at $22.4 million (including depreciation and amortization of $3.8 million).

As shown in Table 2, solid waste and related costs (landfill and closure) are the largest operating costs, accounting for 42% of expenses.
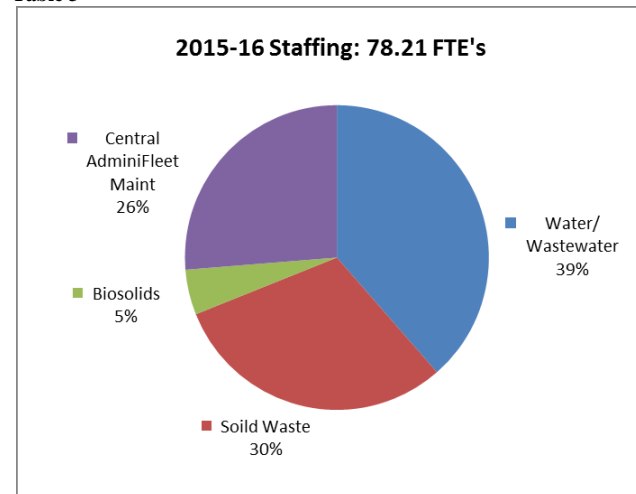
Capital improvement plan (CIP) expenditures in 2015-16 are projected at $8.5 million. The most significant projects are the Toland Road Landfill, Phase 4 ($3.8 million) and Gas Collection ($2.7 million) projects, which account for over 75% of CIP expenditures.

Staffing. For 2015-16, the District has 78.15 authorized full-time equivalent employees (FTE's). As shown in Table 3, about 75% of these positions are directly assigned to program operations.

Table 2

2015-16 Operating Expenses: $22.4 Million

- Central Administration 18%
- Post Closure Landfill Maint 6%
- Vehilces/ Heavy Equip 9%
- Biosolids/ Electrical Generation 11%
- Soild Waste 36%
- Water/ Wastewater 20%

Table 3

2015-16 Staffing: 78.21 FTE's

- Central AdminiFleet Maint 26%
- Biosolids 5%
- Water/ Wastewater 39%
- Soild Waste 30%

WORKSCOPE AND METHODOLOGY

As summarized below, the approved workscope identified seven basic tasks in reviewing the Finance Department organization, making recommendations and presenting the results.

1. **Project Kick-Off/ Data Gathering and Review**

   - Finalized workscope and schedule.

   - Began gathering and reviewing key financial and organizational documents, including 2015-16 Budget, most recent audited financial statements, fiscal policies, financial procedures and interim financial reports.

   - Project kick-off briefing with Finance staff and stakeholders. This was held before the staff interviews under Task 3. By briefing all key staff on the purpose of the project at the same time before beginning individual interviews, we can ensure that everyone receives the same background information; and individual interviews will go quicker, since the background on "what and why" and context for the interviews will have already been provided.

     This briefing was held on August 24, 2015.

2. **Review Key Policies, Plans and Reports**

   Reviewed key background documents such as:

   - 2015-16 Budget
   - Audited financial statements
   - Interim financial reports
   - Auditors' Management Letter and other supplemental auditor reports and recommendations
   - Budget and fiscal policies
   - Operating procedure manuals and other written materials on Finance operations and practices
   - Purchasing resolution
   - Job descriptions and other written materials on Finance's mission, goals, policies, organization, plans and practices
   - Organization-wide policies affecting the District's fiscal operations such as personnel rules and regulations

3. **Interview Key Staff and Auditors**

   Over a three-day period (August 25 to 27, 2015), interviewed key Finance staff and "internal customers and stakeholders" regarding:

   - Finance strengths and areas needing improvement.
   - Perceptions on the quality, reliability and timeliness of reports and services provided by Finance.

- Opinions on the reasons for areas needing improvements and possible solutions.
- Other areas that surfaced during the course of the interviews.

As determined in close consultation with District staff, twenty-two staff members were interviewed:

Finance

- Vickie Dragan, Director of Finance
- Jocelyn Bylsma, Management Analyst
- Regina Williams, Management Analyst
- Maria Guerra, Management Specialist
- Jaimee Constantino, Fiscal Assistant
- Diane Rodriguez, Fiscal Assistant
- Francine Rabago, Fiscal Assistant
- Aracely Smith, Fiscal Assistant (Temporary)
- Sarah Russell, Fiscal Assistant (Temporary)
- Yag Prajapati, Fiscal Assistant (Temporary)
- Diana Mitchell, Fiscal Assistant (Temporary)

Stakeholders

- Frank Kiesler, Director of Operations
- Richard Jones, Water/Wastewater Operations Superintendent
- Armando Luna, Water/Wastewater Supervisor
- Mark Norris, District Manager, Triunfo Sanitation and Saticoy Sanitary Districts
- Marissa Luna, Office Assistant
- Stephine Womack, Office Assistant
- Mark Lawler, General Manager
- Lisa McKinley, Management Specialist/Acting Clerk of the Board
- Janet Chu-Hooker, Human Resources Analyst
- Megan Walker, Administrative Assistant
- Mike Castro, Management Analyst

The interviews were preceded by an on-line survey instrument in order to better surface key areas for discussion in the interviews (See Appendix D).

In all cases, an overview of the project, and the purpose and use of the surveys and interviews, was discussed with all participants (this was largely addressed as part of the kick-off briefing).

4. **Document Operational Practices**

Working closely with Finance staff, documented key operations and practices, including:

- Accounts payable
- Purchasing
- Accounts receivable

- Payroll
- Financial reporting
- Monthly, quarterly and year-end closing procedures
- Bank statement reconciliations

5. Benchmark Finance Staffing and Services with Comparable Agencies

Worked closely with District staff in identifying eight similar agencies and compared key benchmarks of Finance services and staffing (See Appendix C).

6. Prepared Draft Report

Presented preliminary findings and recommendations to the General Manager, senior managers and Finance staff. An initial briefing was held with the General Manager on November 5, 2015. This was followed by issuance of the Draft report on November 25, 2015 and briefings with senior managers and Finance staff on "almost final results" on November 30, 2015.

7. Prepare and Issue Final Report (Pending)

- Incorporated staff comments and any changes from Task 6.

- Prepared and issued final report in an electronic format.

COMPARATIVE STAFFING BENCHMARKS

The Finance Department organizational review workscope calls for comparing key staffing benchmarks with comparable agencies. The following outlines the key factors considered in selecting the eight benchmark agencies:

Wastewater and Water

- South Tahoe Public Utility District
- Yucaipa Valley Water District

Wastewater

- Fairfield-Suisun Sewer District
- Monterey Regional Water Pollution Control Agency
- Vallejo Sanitation and Flood Control District
- West County Wastewater District

Solid Waste/Landfill

- Monterey Regional Waste Management District
- Salinas Valley Solid Waste Authority

Background

The key to effectively comparing one agency with another is to find agencies with similar characteristics. In the case of assessing the District's Finance Department, this means finding special districts that are comparable in:

- Services provided
- Budget and staffing
- Governance: independently elected or appointed Board of Directors

Once similar agencies are identified, comparisons can be made on a ratio basis, such as Finance staffing relative to total staffing or per $1,000,000 of revenues. However, these types of ratios are only meaningful where the benchmark agencies are in fact comparable using all three of the above criteria.

For the purpose of this review, the third criteria – independent governance – is especially critical. Otherwise-comparable solid waste, wastewater and water services that are part of a larger general purpose organization such as a county or city will have significantly different Finance staffing needs than an independent agency like the District.

For example, where special districts are governed a city council or county board of supervisors, central finance departments will provide key services like accounts payable, payroll, accounts receivable, general ledger, budget preparation and financial reporting to the entire organization. On the other hand, in-house Finance Departments for independent districts like the District need to provide these services directly.

For that reason, cities and counties that may make sense for benchmarking compensation for "market" purposes are not good fits in benchmarking internal services like finance.

Selected Benchmark Agencies

The following criteria were used in identifying candidate benchmark agencies:

- Provide waste disposal services (solid waste and wastewater).

- Independent special districts: have an independently appointed or elected Board of Directors; not governed by a city council or county board of supervisors.

- Similar sized organizations, with total revenues between $10 million and $30 million (compared with actual District revenues in 2013-14 of $20.5 million) and total regular staffing between 57 and 109 FTE's (compared with the District's 78.1 FTE's).

- Favorable governance reputation. (This was assessed at a high level by determining if the agency has received the GFOA award for excellence in financial reporting.)

As expected in scoping this analysis, finding comparable benchmark agencies that reflect these criteria was challenging. In fact, based on the wide net that was cast in surfacing candidate agencies, it is likely that the District is the only special district in the State that provides landfill, water and wastewater services.

There were three steps in selecting benchmark agencies:

Step 1: Identify special districts that provide waste disposal services

The State Controller's Office annually compiles financial information for every special district in the State. The most recent report is for the fiscal year ended 2012. Based on this report, of the 4,711 special districts in the State, there are 580 providing waste disposal services (wastewater and solid waste). Their annual operating revenues for solid waste services ranged from $3,834 in the Lemon Grove Sanitary District to $269.5 million in the Orange County Sanitary District.

Step 2: Narrow the field to candidate agencies

39 of these are independent districts (appointed or elected governing body, not governed by a city or county) with annual waste disposal operating revenues between $8 million and $49 million. Their annual average waste disposal operating revenue is $19.2 million, very close to the District's projected revenues of $20.0 million in 2015-16. However, as discussed below under Step 3, many of these agencies have much larger revenues when other services that they provide (most notably water) are considered.

Table 1 below summarizes the results of Step 2 based on information provided in the State Controller's report.

Table 1

Candidate Agencies: 2011-12 Waste Disposal Operating Revenues and Services			Solid Waste Services	
Agency	County	Operating Revenues	Wastewater	Solid Waste
Alameda County Waste Management Authority	Alameda	21,729,471		x
Central Marin Sanitation Agency	Marin	15,175,300	x	
Costa Mesa Sanitary District	Orange	10,526,301	x	x
Delta Diablo Sanitation District	Contra Costa	28,044,561	x	x
Dublin San Ramon Service District	Contra Costa	36,697,581	x	
East Valley Water District	San Bernardino	$10,635,342	x	
El Dorado Irrigation District	El Dorado	22,492,963	x	
Elsinore Valley Municipal Water District	Riverside	25,555,583	x	
Fairfield-Suisun Sewer District	Solano	22,007,985	x	
Goleta Sanitary District *	Santa Barbara	9,811,030	x	
Inland Empire Utilities Agency	San Bernardino	42,209,239	x	
Irvine Ranch Water District *	Orange	49,234,000	x	x
Jurupa Community Services District	Riverside	12,768,919	x	
Las Virgenes Municipal Water District	Los Angeles	17,288,202	x	x
Monterey Regional Waste Management District	Monterey	19,696,095		x
Monterey Regional Water Pollution Control Agency District	Monterey	20,017,701	x	
Moulton-Niguel Water District	Orange	17,046,564	x	
Napa Sanitation District	Napa	19,314,378	x	
Novato Sanitary District	Marin	14,889,691	x	x
Ojai Valley Sanitary District *	Ventura	8,072,941	x	
Oro Loma Sanitary District	Alameda	17,727,804	x	x
Padre Dam Municipal Water District	San Diego	14,651,454	x	
Ross Valley Sanitary District (Sanitary District No. 1)	Marin	16,828,891	x	
Salinas Valley Solid Waste Authority	Monterey	15,160,893		x
Santa Ana Watershed Project Authority	Orange	12,739,489	x	
Santa Margarita Water District	Orange	12,809,707	x	
Silicon Valley Clean Water (South Bayside System Authority)	San Mateo	17,072,193	x	
South Coast Water District	Orange	12,680,789	x	
South Orange County Wastewater Authority	Orange	23,888,020	x	
South Tahoe Public Utility District	El Dorado	10,912,578	x	
Union Sanitary District	Alameda	44,506,422	x	
Vallecitos Water District	San Diego	15,564,028	x	
Vallejo Sanitation and Flood Control District	Solano	26,660,957	x	
Victor Valley Wastewater Reclamation Authority	San Bernardino	12,481,761	x	
West Bay Sanitary District	San Mateo	17,072,193	x	
West County Wastewater District	Contra Costa	12,716,588	x	
Western Municipal Water District	Riverside	10,477,433	x	
Western Placer Waste Management Authority	Placer	19,756,721		x
Yucaipa Valley Water District	San Bernardino	10,390,285	x	

While slightly outside the revenue selection criteria of $10 million to $40 million in waste disposal operating revenues, these three agencies were included since they were also candidates for the compensation benchmark study currently underway.

Step 3. Select benchmark agencies

The final step is to further refine the data and select benchmark agencies that are the best fit. As noted above, the State Controller's report only identifies waste disposal operating revenues. Moreover, this data is not audited. Accordingly, the next step is to identify total revenues based on the most recent audited financial statements; and to identify staffing information.

Table 2 shows the results of this added screening, with the benchmark agencies highlighted. While none of these agencies provides all three services like the District (water, wastewater and landfill), they are a good fit from an organizational perspective and provide a meaningful basis of comparison with District's Finance Department.

Table 2

Finalist Agencies: Total Revenues and Full-Time Equivalent (FTE) Staffing

Agency	Operating Revenues			Other Revenues	Total Revenues	FTEs
	Wastewater	Solid Waste	Water			
Alameda County Waste Mgt Authority **		18,075,025		4,175,906	22,250,931	*
Central Marin Sanitation Agency ***	16,333,444			88,240	16,421,684	43.0
Costa Mesa Sanitary District	*	*	*	*	*	*
Delta Diablo Sanitation District	28,875,568	437,394		5,586,152	34,899,114	*
Dublin San Ramon Service District	22,904,298		30,575,807	14,470,063	67,950,168	113.0
East Valley Water District ***	16,552,666		15,351,609	384,546	32,288,821	69.0
El Dorado Irrigation District ***	21,358,767		27,147,844	21,344,951	69,851,562	215.0
Elsinore Valley Municipal Water District ***	22,831,226		48,018,729	13,125,018	83,974,973	163.0
Fairfield-Suisun Sewer District ***	22,867,455			161,265	23,028,720	60.5
Goleta Sanitary District	10,435,974			404,065	10,840,039	35.0
Inland Empire Utilities Agency	47,663,463			69,877,224	117,540,687	290.0
Irvine Ranch Water District ***	58,109,000		66,321,000	112,402	124,542,402	352.0
Jurupa Community Services District	16,289,249		31,702,852	22,654,886	70,646,987	145.5
Las Virgenes Municipal Water District ***	16,552,269		41,176,525	1,964,185	59,692,979	118.0
Monterey Regional Waste Management District		20,634,277		201,925	20,836,202	109.0
Monterey Regional Water Pollution Control Agency ***	24,811,231			1,022,694	25,833,925	77.5
Moulton-Niguel Water District ***	17,135,446		35,509,194	35,634,903	88,279,543	115.0
Napa Sanitation District ***	21,127,447			506,391	21,633,838	49.0
Novato Sanitary District ***	15,551,513	297,586		2,114,622	17,963,721	21.0
Ojai Valley Sanitary District	7,971,672			935,280	8,906,952	21.0
Oro Loma Sanitary District ***	18,306,664			773,881	19,080,545	45.0
Padre Dam Municipal Water District	16,016,064		43,035,859	8,013,211	67,065,134	*
Ross Valley Sanitary District ***	15,011,376			5,852,325	20,863,701	38.0
Salinas Valley Solid Waste Authority		15,980,945		56,799	16,037,744	49.0
Santa Ana Watershed Project Authority ***	11,243,430			3,085,758	14,329,188	24.0
Santa Margarita Water District ***	19,033,220		36,178,908	44,549,390	99,761,518	122.0
Silicon Valley Clean Water	33,530,273			2,845,129	36,375,402	80.6
South Coast Water District	12,210,786		18,850,612	7,473,241	38,534,639	87.0
South Orange County Wastewater Authority	18,702,350		36,614		18,738,964	61.0
South Tahoe Public Utility District ***	12,697,141		10,122,282	6,293,066	29,112,489	92.0
Union Sanitary District ***	46,509,437			180,041	46,689,478	128.5
Vallecitos Water District	15,128,763		26,031,460	17,908,515	59,068,738	
Vallejo Sanitation and Flood Control District ***	26,338,682			4,176,948	30,515,630	85.0
Victor Valley Wastewater Reclamation Authority ***	10,744,312			8,366,759	19,111,071	41.0
West Bay Sanitary District	19,517,078			181,922	19,699,000	27.0
West County Wastewater District ***	14,510,806			1,353,550	15,864,356	57.0
Western Municipal Water District ***	10,002,414		92,288,569	30,242,132	132,533,115	133.0
Western Placer Waste Management Authority	*	*	*	*	*	*
Yucaipa Valley Water District	10,984,358		10,421,030	2,618,656	24,024,044	57.0

* *Information not available in audited financial statements or budgets.*
** *Solely a planning agency.*
*** *Received the GFOA award for excellence in financial reporting.*

Benchmarking Results

Table 3 provides a summary of the benchmark agencies' total revenues and staffing (FTE's) compared with the District.

Table 3

Benchmark Agency Summary

| Agency	Revenue (In Millions)	Regular Staffing
Fairfield-Suisun Sewer District	$23.0	60.5
Monterey Regional Waste Management District	$20.8	109.0
Monterey Regional Water Pollution Control Agency	$25.8	77.5
Salinas Valley Solid Waste Authority	$16.0	49.0
South Tahoe Public Utility District	$29.1	92.0
Vallejo Sanitation and Flood Control District	$30.5	85.0
West County Wastewater District	$15.9	57.0
Yucaipa Valley Water District	$24.0	57.0
Ventura Regional Sanitation District	$20.5	78.1
Average (Excluding VRSD)	$23.1	73.4

APPENDIX C

Table 4 provides a summary of key Finance staffing ratios:

- Finance staffing as ratio of total employees.
- Finance staffing per $1,000,000 of total revenues

Table 4

Finance Staffing Benchmark Summary	Finance Regular Staffing	Finance Staffing Ratios	
Agency		Ratio to Total Staffing	Per $1,000,000 of Revenues
Fairfield-Suisun Sewer District	5.0	8.3%	0.22
Monterey Regional Waste Management District	12.0	11.0%	0.58
Monterey Regional Water Pollution Control Agency	5.5	7.1%	0.21
Salinas Valley Solid Waste Authority	4.5	9.2%	0.28
South Tahoe Public Utility District	18.0	19.6%	0.62
Vallejo Sanitation and Flood Control District	8.0	9.4%	0.26
West County Wastewater District	11.0	19.3%	0.69
Yucaipa Valley Water District	9.0	15.8%	0.38
Ventura Regional Sanitation District	12.6	16.1%	0.61

Table 5. Finance Staffing Ratio to Total Staffing

Table 1. Finance Staffing Ratio to Total Staff
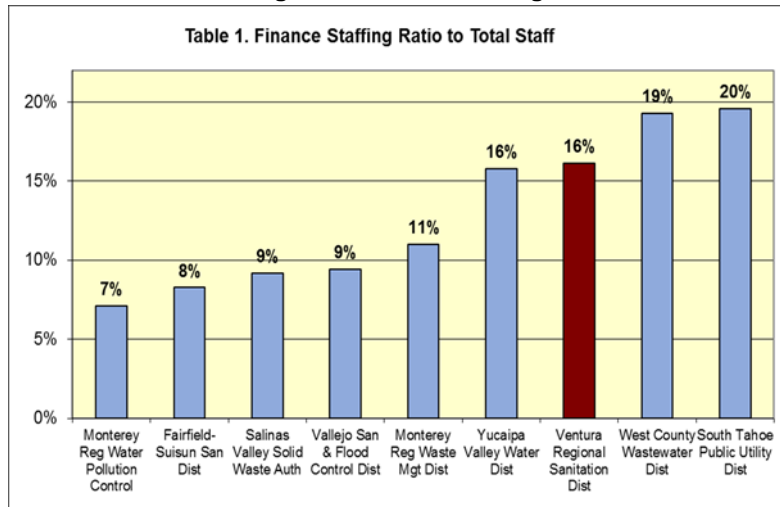
As shown in **Table 5**, with 12.55 FTE's, the District's Finance staffing is in the mid-range of the benchmark agencies when compared with the agency staff it supports.

Table 6 shows similar results when compared with Finance staffing per $1,000,000 of revenues.

There are three key factors affecting the District's staffing ratios compared with the benchmark agencies

- **Cost accounting.** I estimate that 2.5 FTE's are required to meet the District's special cost accounting/billing requirements that other agencies simply do not have.

Table 6. Finance Staffing Per $1,000,000 of Revenues

- **Billing and collection.** This is relatively simple for landfill operations; but very complex for the District's billing to the Triunfo Sanitation District and special contract services to other agencies.

- **Proposed reorganization and staffing.** With the proposed reorganization and reduced staffing over time via attrition by 1.0 FTE, the ratio will be even lower.

In short, adjusting for the added cost accounting/billing workload and the recommended reduction of 1.0 FTE via attrition, the District's Finance staffing ratios compare very favorably with the benchmark agencies.

ORGANIZATIONAL ASSESSMENT SURVEY

The following summarizes the results of the Finance organizational assessment survey that preceded the Finance Department and "stakeholder" interviews. As reflected below, both groups were asked the same ten questions so responses between them could be compared. (The survey received an excellent response: eleven Finance Department staff members and eleven "stakeholders" responded to it.)

As reflected in the summaries below, there are significant differences in how Finance staff view their services and how they are viewed by stakeholders.

❶ The Finance Department's financial policies, plans and reporting systems help the operating departments achieve their objectives and assure the District's long-term fiscal health.
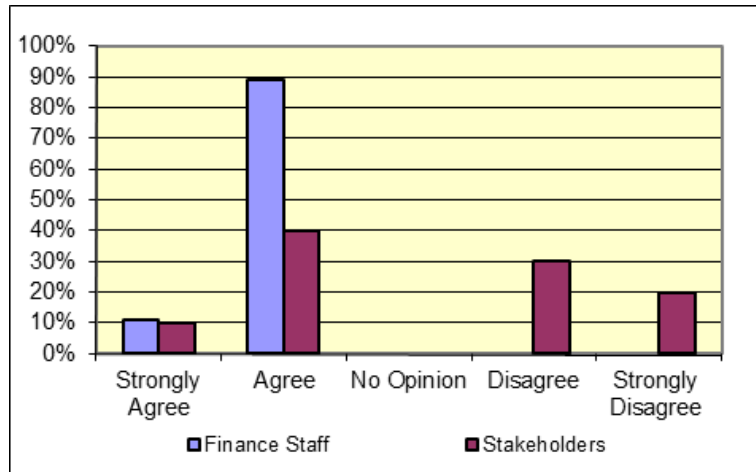
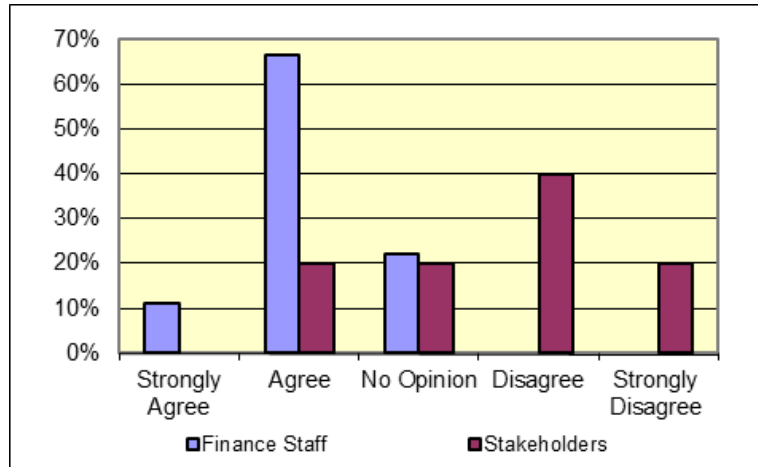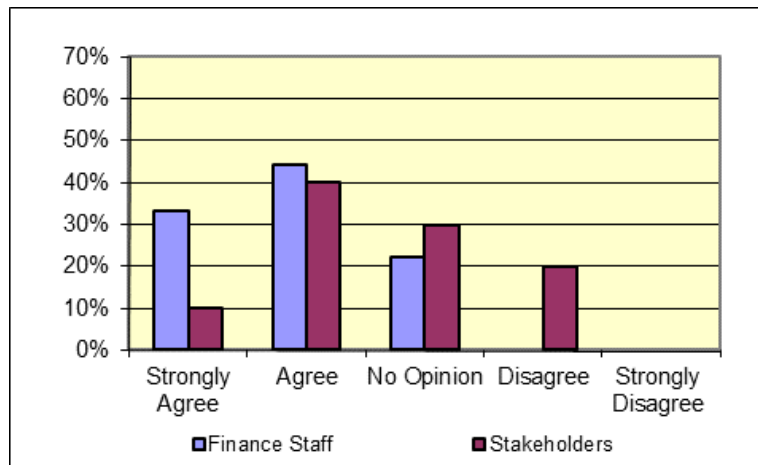❷ Finance Department staff provide great customer service.
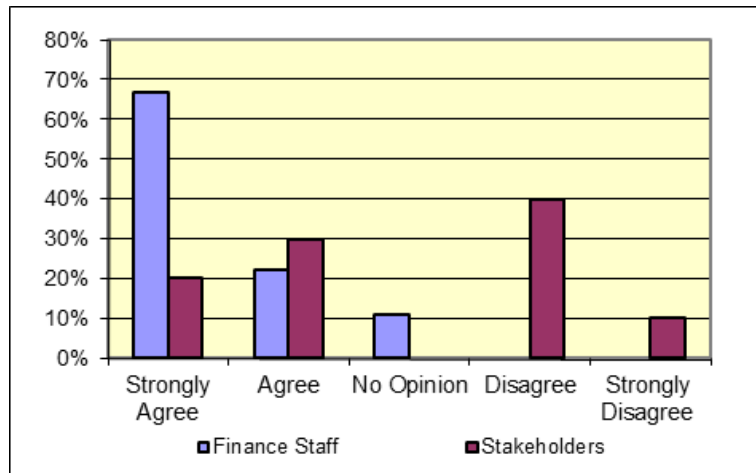
❸ Finance Department staff strive for quality in all endeavors and take pride in the results.
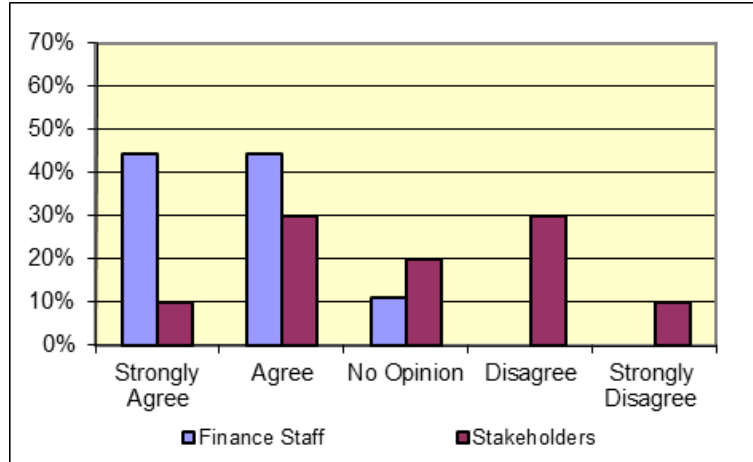
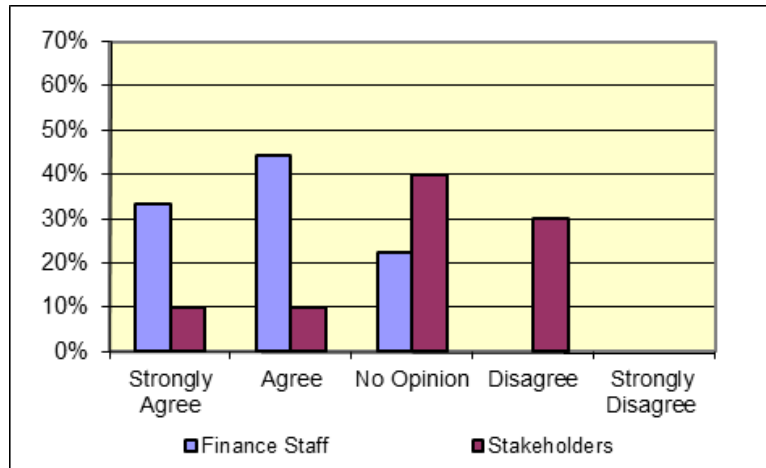❹ Financial reports are issued on a timely basis and provide meaningful information.

❺ Payroll payments to employees are timely and accurate; and when corrections are needed, they are processed promptly.
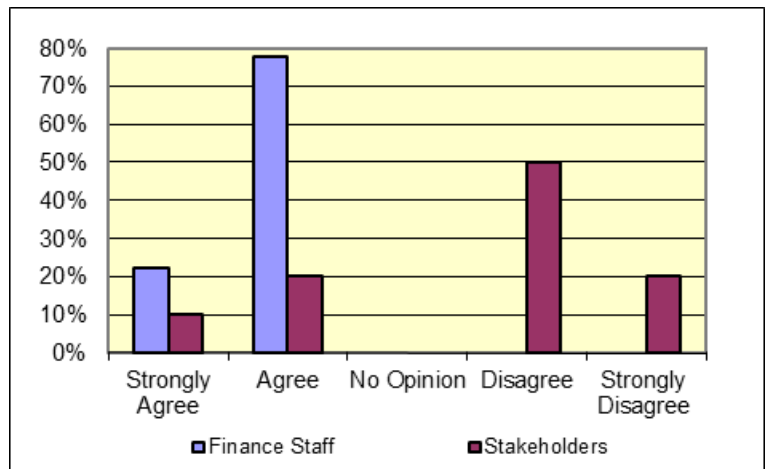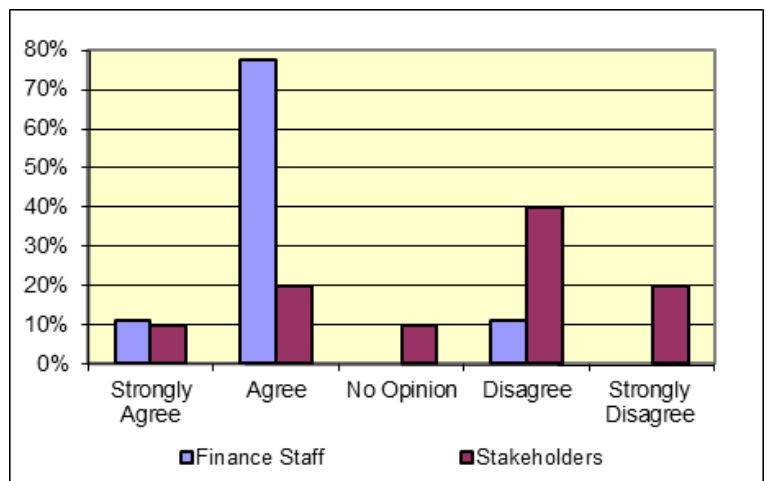
❻ Payments to vendors are timely and accurate.

❼ Finance Department staff respond quickly and respectfully to information requests.

❽ Finance Department staff are competent and knowledgeable about their assigned duties

The next two questions were open-ended, so there is no effective way of graphically presenting the responses. However, there are "themes." The following shows the "Top themes for each

question for the Finance Department staff and the stakeholders (number of responses in parenthesis). In general, they reinforce the results of the structured questions.

❾ What are the three best things about the Finance Department?

Top Themes	
Finance Department Staff	**Stakeholders**
• Teamwork/good staff (6) • Desk manuals (3) • Hard work attitude/committed to doing things right	• Teamwork (2) • Desk manuals • Helpful/accessible • Timely vendor payments/purchase order processing

❿ What are the top three areas where the Finance Department could improve in better serving the District?

As reflected below, there is consensus between Finance staff and stakeholders on the need for better communication, reduced reliance on temporary staff and updated policies and procedures.

Top Three Themes	
Finance Department Staff	**Stakeholders**
• Need appropriate staffing/rely too heavily on temporary staffing (7) • Cross-training/training in general (5) • Update policies and procedures (4) • Communication (3) • Stop putting out fires/plan ahead	• Communication (5) • Improve timeliness/accuracy of information (4) • More supportive/understanding of overall District mission (4) • Assignment stability/reliance on temporary staff (3) • Update policies and procedures (3) • Better financial reports (2) • More efficient processes/better use of technology (2) • Be more flexible • Better internal coordination

APPENDIX E

Consultant Qualifications

SENIOR FINANCIAL MANAGEMENT EXPERIENCE

Bill Statler has over 30 years of years of senior financial management experience, which included serving as the Director of Finance & Information Technology/City Treasurer for the City of San Luis Obispo for 22 years and as the Finance Officer for the City of Simi Valley for 10 years before that.

Under his leadership, the City of San Luis Obispo received national recognition for its financial planning and reporting systems, including:

- Award for Distinguished Budget Presentation from the Government Finance Officers Association of the United States and Canada (GFOA), with special recognition as an outstanding policy document, financial plan and communications device. *San Luis Obispo is one of only a handful of cities in the nation to receive this special recognition.*

- Awards for excellence in budgeting from the California Society of Municipal Finance Officers (CSMFO) in all four of its award budget categories: innovation, public communications, operating budgeting and capital budgeting. Again, S*an Luis Obispo is among a handful of cities in the State to earn recognition in all four of these categories.*

- Awards for excellence in financial reporting from both the GFOA and CSMFO for the City's comprehensive annual financial reports.

- Recognition of the City's financial management policies as "best practices" by the National Advisory Council on State and Local Budgeting.

The financial strategies, policies and programs he developed and implemented resulted in strengthened community services and an aggressive program of infrastructure and facility improvements, while at the same time preserving the City's long-term fiscal health.

CONSULTANT SERVICES

Strategic Plans, Fiscal Forecasts and Long-Term Financial Plans

- Strategic Planning: City of Monrovia (in collaboration with HSM Team)
- Council Goal-Setting: City of Willits (in collaboration with the HSM Team)
- Long-Term Financial Plan and Council Goal-Setting: City of Bell
- Long-Term Financial Plan: City of Salinas
- Long-Term Financial Plan: City of Camarillo
- Long-Term Financial Plan: City of Pismo Beach
- Long-Term Financial Plan: Bear Valley Community Services District

Organizational Analysis and Policy Advice

- Pro Bono Financial Management Transition Team and Policy Advice: City of Bell
- Preparation for Possible Revenue Ballot Measure: City of Monterey
- Fund Accounting Review: State Bar of California
- Financial Assessment: City of Guadalupe

- Financial Condition Assessment: City of Grover Beach
- General Fund Reserve Policy: City of Lompoc
- General Fund Reserve Policy: City of Willits
- Benchmark Analysis: City of Capitola
- Financial Management Improvements: City of Capitola
- Organizational Review: City of Willits (in collaboration with the HSM Team)
- Finance Division Organizational Review: Sacramento Metropolitan Fire District
- Finance Department Organizational Review: City of Ceres (in collaboration with national consulting firm)

Interim Finance Director

- City of Monterey
- San Diego County Water Authority
- City of Capitola

Other Financial Management Services

- Revenue Options Study: City of Greenfield
- Revenue Options Study: City of Pismo Beach
- Cost Allocation Plan: City of Greenfield
- Cost Allocation Plan: City of Guadalupe
- Cost Allocation Plan: City of Port Hueneme
- Cost Allocation Plan: City of Grover Beach
- Cost Allocation Plan Review: City of Ukiah
- Water and Sewer Rate Reviews: Avila Beach Community Services District
- Water and Sewer Rate Reviews: City of Grover Beach
- Joint Solid Waste Rate Review of Proposed Rates from South County Sanitary Company: Cities of Arroyo Grande, Grover Beach, Pismo Beach and Oceano Community Services District

PROFESSIONAL LEADERSHIP

- Member, Board of Directors, League of California Cities (League): 2008 to 2010

- Member, California Committee on Municipal Accounting: 2007 to 2010

- Member, GFOA Budget and Fiscal Policy Committee: 2005 to 2009

- President, League Fiscal Officers Department: 2002 and 2003

- President, CSMFO: 2001-12

- Member, Board of Directors, CSMFO: 1997 to 2001

- Chair, CSMFO Task Force on "GASB 34" Implementation

- Fiscal Officers Representative on League Policy Committees: Community Services, Administrative Services and Environmental Quality: 1992 to 1998

- Chair, Vice-Chair and Senior Advisor for CSMFO Committees: Technology, Debt, Career Development, Professional and Technical Standards and Annual Seminar Committees: 1995 to 2010

- Member, League Proposition 218 Implementation Guide Task Force

- Chair, CSMFO Central Coast Chapter: 1994 to 1996

TRAINER

- League of California Cities
- Institute for Local Government
- California Debt and Investment Advisory Commission
- Government Finance Officers Association of the United States and Canada
- California Society of Municipal Finance Officers
- Municipal Management Assistants of Southern California and Northern California
- National Federation of Municipal Analysts
- Probation Business Manager's Association
- Humboldt County
- California Association of Local Agency Formation Commissions

Topics included:

- Long-Term Financial Planning
- The Power of Fiscal Policies
- Financial Analysis and Reporting
- Fiscal Health Contingency Planning
- Effective Project Management
- Providing Great Customer Service in Internal Service Organizations: The Strategic Edge
- Strategies for Downsizing Finance
- Departments in Tough Fiscal Times
- Top-Ten Skills for Finance Officers
- Telling Your Fiscal Story: Tips on Making Effective Presentations
- What Happened in the City of Bell and What Can We Learn from It?
- Debt Management

- Transparency in Financial Management: Meaningful Community Engagement in the Budget Process
- Financial Management for Non- Financial Managers
- Preparing for Successful Revenue
- Ballot Measures
- Integrating Goal-Setting and the
- Budget Process
- Multi-Year Budgeting
- Financial Management for Elected Officials
- 12-Step Program for Recovery from Fiscal Distress
- Strategies for Strengthening Organizational Effectiveness

PUBLICATIONS

- *Planning for Fiscal Recovery,* Government Finance Review, February 2014

- *Guide to Local Government Finance in California*, Solano Press, July 2012 (Co- Author) www.solano.com

- *Managing Debt Capacity: Taking a Policy-Based Approach to Protecting Long-Term Fiscal Health*, Government Finance Review, August 2011

- *Fees in a Post-Proposition 218 World*, League of California Cites, City Attorney's Department Spring Conference, May 2010

- *Municipal Fiscal Health Contingency Planning*, Western City Magazine, November 2009

- *Understanding the Basics of County and City Revenue*, Institute for Local Government, 2008 (Contributor)

- *Financial Management for Elected Officials*, Institute for Local Government, 2010 (Contributor)

- *Getting the Most Out of Your City's Current Revenues: Sound Fiscal Policies Ensure Higher Cost Recovery for Cities*, Western City Magazine, November 2003

- *Local Government Revenue Diversification, Fiscal Balance/Fiscal Share and Sustainability*, Institute for Local Government, November 2002 (Co-Author)

- *Why Is GASB 34 Such a Big Deal?,* Western City Magazine, November 2000

- *Understanding Sales Tax Issues*, Western Cities Magazine, June 1997

- *Proposition 218 Implementation Guide*, League of California Cities, 1997 (Contributor)

HONORS AND AWARDS

- Cal-ICMA Ethical Hero Award (for service to the City of Bell)

- CSMFO Distinguished Service Award for Dedicated Service and Outstanding Contribution to the Municipal Finance Profession

- National Advisory Council on State and Local Government Budgeting: Recommended Best Practice (Fiscal Polices: User Fee Cost Recovery)

- GFOA Award for Distinguished Budget Presentation: Special Recognition as an Outstanding Policy Document, Financial Plan and Communications Device

- CSMFO Awards for Excellence in Operating Budget, Capital Improvement Plan, Budget Communication and Innovation in Budgeting

- GFOA Award of Achievement for Excellence in Financial Reporting

- CSMFO Certificate of Award for Outstanding Financial Reporting

- National Management Association Silver Knight Award for Excellence in Leadership and Management

- American Institute of Planners Award for Innovation in Planning

- Graduated with Honors, University of California, Santa Barbara

Visit my web site for additional information at www.bstatler.com