



Agenda

San Miguel Community Services District

Organization & Personnel Committee Meeting

FRIDAY, NOVEMBER 4, 2016 9:00 A.M.

SMCSD Boardroom 1150 Mission St. San Miguel, CA 93451

Cell Phones: As a courtesy to others, please silence your cell phone or pager during the meeting and engage in conversations outside the Boardroom.

Americans with Disabilities Act: If you need special assistance to participate in this meeting, please contact the CSD Clerk at (805) 467-3388. Notification 48 hours in advance will enable the CSD to make reasonable arrangements to ensure accessibility to this meeting. Assisted listening devices are available for the hearing impaired.

Public Comment: When public attendance is over ten (10) persons, the following policies will go into effect: Any person wishing to address the Board or Standing Committee, please complete a "Request to Speak" form located at the podium in the boardroom in order to address the Board of Directors on any agenda item. Comments are limited to three minutes, unless you have registered your organization with CSD Clerk prior to the meeting.

If you wish to speak on an item not on the agenda, you may do so under "Oral Communications." Any member of the public may address the Board of Directors on items on the Consent Calendar. Please complete a "Request to Speak" form as noted above and indicate which item number you wish to address.

Meeting Schedule: Regular Board of Director meetings are generally held on the fourth Thursday of each month at 7:00 P.M in the CSD boardroom. The Agenda's are posted on the CSD's website at: www.sanmiguelcsd.org

Agendas: Agenda packets are available for the public inspection 72 hours prior to the scheduled meeting at the Counter/ San Miguel CSD, Fire Station located at 1150 Mission St., San Miguel, during normal business hours. Any agenda-related writings or documents provided to a majority of the Board of Directors after distribution of the agenda packet are available for public inspection at the same time at the counter/ San Miguel CSD, Fire Station located at 1150 Mission St., San Miguel, Ca during normal business hours.

I. Call to Order- 9:00 AM

II. Pledge of Allegiance Director _____

III. Roll Call: Members Present: Chair Green _____ Director Kalvans _____

IV. Oral and Written Communications: Persons wishing to speak on a matter not on the agenda may be heard at this time; however, no action will be taken until placed on a future agenda. Speakers are limited to three minutes. Please complete a "Request to Speak" form and place in basket provided.

V. AGENDA

1. Review and Discuss Salary Adjustment for non-management, non-confidential staff members eligible for step increase in compensation

Staff Recommendation: Discuss and make a recommendation that the Board approve salary adjustment for 2 staff members eligible for step increases and authorize General Manager to make adjustments based on satisfactory annual performance evaluation.

M _____ S _____

2. Review and Discussion of Existing District Contractual Agreements

Staff Recommendation: Review and Discuss Existing District Contractual Agreements.

M _____ S _____

VI. COMMITTEE COMMENT

This section is intended as an opportunity for Committee members to make brief announcements, request information from staff, request future agenda item(s) and/or report on their own activities related to District business. No action is to be taken until an item is placed on a future agenda.

VII. ADJOURNMENT

STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO) ss.
COMMUNITY OF SAN MIGUEL)

I, Tamara Parent, Account Clerk II/Operations Coordinator of San Miguel Community Services District, hereby certify that I caused the posting of this agenda at the SMCS D district office on October 28, 2016.

Date: October 28, 2016

Tamara Parent

Tamara Parent, Account Clerk II/Operations Coordinator



San Miguel Community Services District Organization & Personnel Committee

Staff Report

November 4, 2016

AGENDA ITEM: VI. 1

**SUBJECT: Discuss Salary Adjustment for non-management, non-confidential staff
Member eligible for step increase in compensation**

STAFF RECOMMENDATION:

Discuss and make recommendation to Board approving salary adjustment for 2 staff members eligible for step increase and authorize General Manager to make adjustments based on satisfactory annual performance evaluation.

BACKGROUND:

Annual performance evaluation of active District personnel is required by District Personnel Policies. Prior to commencement of a change in status, a merit or step pay increases, a salary adjustment request is required to be reviewed by Operations & Personnel Committee and to provide a recommendation for Board consideration.

An annual performance evaluation of Utility Operator 2, David Tracey's position, has been completed. David Tracey as Utility Operator 2 was last reviewed for a merit increase in January 2016, which was late for the annual review and resulted in retroactive pay back to September 2015. Mr. Tracey has completed operator certification training and testing as specified in 2015-2016 goals. Specific goals in skill training and performance have been identified for his next performance evaluation period.

Personnel Policies state that step or merit increase in compensation may be authorized based on General Manager's recommendation with a satisfactory annual performance evaluation. This request is seeking authorization for a step increases effective with next payroll period, after Board approval, made retroactive if needed, from current Step 1 (\$17.94) to Step 2 (\$18.84) for Mr. Tracey.

An annual performance evaluation of Bookkeeper/Accounting, Michelle Farrar's position, has been completed. Specific objectives in skill training and work performance have been identified for her next performance evaluation period.

Personnel Policies state that step or merit increase in compensation may be authorized based on General Manager's recommendation with a satisfactory performance evaluation. Michelle as Bookkeeper/Accounting has being reviewed for mid-introductory period. This salary adjustment will align the position and salary schedule to Step 1, \$21.09 hourly for that position and will become effective upon Board approval.

FISCAL IMPACT:

The cost of this merit or step increase is \$3,962 gross yearly or \$330.17 gross per month. Merit increases were anticipated and projected for the FY 2016-17 Personnel budget expenses.

ACTION DISCUSSION:

Staff recommends that the Committee discuss and recommend to the Board to authorize the General Manager to award step/merit increase in compensation to Utility Operator 2 and Bookkeeper/Accounting effective retroactive to September 1, 2016.

PREPARED BY:

Darrell W. Gentry

General Manager

Attachments:

- A. Compensation Step Schedule

APPENDIX "A" - COMPENSATION STEP SCHEDULE August 30 2016

CLASSIFICATION	RANGE	Existing	PROPOSED	Existing	PROPOSED	Existing	PROPOSED	Existing	PROPOSED	Existing	PROPOSED	Existing	PROPOSED	Existing	PROPOSED	BARGAINING UNIT
		STEP 1	Step 1	STEP 2	STEP 2	STEP 3	STEP 3	STEP 4	STEP 4	STEP 5	STEP 5	at step 1	at step 1	at step 5	at step 5	
Administrative																
Account Clerk 1/Accounting (vacant)	hourly	\$0.00	\$14.99	\$0.00	\$15.74	\$0.00	\$16.53	\$0.00	\$17.35	\$0.00	\$18.22	\$0	\$15,590	\$0	\$18,949	NM-NC
Account Clerk 2/Operations Coordinator	hourly	\$0.00	\$18.22	\$0.00	\$19.13	\$0.00	\$20.09	\$0.00	\$21.09	\$0.00	\$22.15	\$0	\$37,899	\$0	\$46,066	NM-C
Accountant (vacant)	yrly	\$18.00	\$22.15	\$18.90	\$23.25	\$19.85	\$24.42	\$20.25	\$25.64	\$20.66	\$26.92	\$37,440	\$23,033	\$0	\$27,997	M-C
Bookkeeper/Accounting	hourly	\$0.00	\$21.09	\$0.00	\$22.15	\$0.00	\$23.26	\$0.00	\$24.42	\$0.00	\$25.44	\$0.00	\$21,934	\$0.00	\$26,458	NM-C
Utility																
Utility Worker	hourly	\$0.00	\$12.75	0	\$13.39	0	\$14.06	0	\$14.76	0	\$15.50	\$0	\$13,260	\$0	\$16,118	NM NC
Utility Operator 1	hourly	\$14.00	\$15.50	\$16.00	\$16.27	\$17.50	\$17.09	\$19.00	\$17.94	\$20.50	\$18.84	\$29,120	\$32,235	\$42,640	\$39,182	NM-NC
Utility Operator 2 (new)	hourly	\$0.00	\$17.94	\$0.00	\$18.84	\$0.00	\$19.78	\$0.00	\$20.77	\$0.00	\$21.81	\$0	\$37,316	\$0	\$45,358	NM-NC
Utility Operator 3 (new)	hourly	\$0.00	\$20.77	\$0.00	\$21.81	\$0.00	\$22.90	\$0.00	\$24.04	\$0.00	\$25.24	\$0	\$43,198	\$0	\$52,508	NM-NC
Utility Crew Supervisor	hourly	\$23.00	\$26.51	\$25.25	\$27.83	\$27.50	\$29.22	\$29.75	\$30.68	\$31.25	\$32.22	\$47,840	\$55,133	\$65,000	\$67,015	NM - C
Contractual																
General Manager	(contract)															N/A
Asst Fire Chief	(contract)															N/A
Fire Chief	(contract)															N/A

NOTES:

NM-C = Non-Management - Confidential
 NM-NC = Non-Management -Non Confidential
 MC = Management - Confidential

Step 1 assumes full time hours
 Step 5 assumes full time hours at 5 years

Account Clerk -full time --vacant. (Existing beginning rate=\$14.99, max rate=\$18.22) with 2% COLA granted 10/22/2015

Account Clerk 1/Accounting position is a vacant, new part-time only

Bookkeeper/Accounting position is a new title and part-time position at \$19.00. Michelle Farrar --Bookkeeper/Accounting should be at Step 1.

Account Clerk 2/Operations Coordinator is new descripr; Tamara Parent -- from Account Clerk to Account Clerk 2/Operations Coordinator

Utility Operator 1 is new description

Utility Operator 2 & 3 positions are new David Tracey -- from Utility Operator to Utility Operator 2

Utility Worker position is new as part-time (temporary now) only.



San Miguel Community Services District Organization & Personnel Committee

Staff Report

November 4, 2016

AGENDA ITEM: VI. 2

SUBJECT: Review and Discussion of Existing District Service-Related Contractual Agreements

STAFF RECOMMENDATION:

Review and Discuss existing service related contractual agreements with direction given to General Manager.

BACKGROUND:

The District has, since its formation in 2000, used a variety of contractual agreements for professional services needed. This report is a “global” review of existing service-related agreements that are a matter of record. The purpose of this review is to provide a comprehensive report and status of these existing contractual agreements.

Committee may determine that there is further direction to be given to General Manager for further analysis or additional information. Committee may also make a recommendation to the Board for their consideration.

The existing service related contractual agreements, currently, are in 3 categories:

- a) Legal
- b) Accounting/Finance
- c) Professional Services

a) Legal Services:

ChurchwellWhite is District General Counsel and has served in that capacity for the past year. There is no limited to term of a negotiated agreement and based on fixed monthly expenses plus travel. The monthly retainer fee is \$2,500 applied to General Counsel services with a not to exceed \$50,000 yearly. Special Counsel services, such as litigation in the Steinbeck case and recent personnel matters, are based on higher hourly rates, \$250/hour, for these special counsel services. Hourly rates are subject to a CPI increase and adjustment.

Services provided are routine General Counsel, Legislative and Lobbying, secretarial, word processing and clerical. Outside Counsel, if required by District and firm are agreed to, can be

provided by or obtained at negotiated hourly rate cost. Services may be terminated by either party with 30-day advance written notice. There are no other legal service contracts.

b) Accounting/Finance:

The District has retained independent audit services for annual fiscal year audit report preparations. Crosby Company was awarded a 3-year term, 2014-15, 2015-16 and 2016-17 audit periods, for these services. The cost of these services is \$7,800 for each audit report completed. The 2014-15 Audit Report is completed and accepted. 2015-16 audit work has yet to begin by Auditor. Crosby Company is an independent contractor to the District.

F & B Committee completed a review and discussion agenda item at its October 25th meeting and is providing a recommendation to the Board. A copy of the F & B Committee report is attached for the Committee's review.

There are no other financial or accounting service-related contract agreements.

c) Professional Services:

Administration

The General Manager position is an open-ended term agreement subject to termination for cause or no cause with written notification. Contractor is Darrell Gentry serving in this capacity at the equivalent of \$47.50 hourly rate and based on full-time hours, approximate 2080 hours annually, with no benefits or retirement costs by District. As GM contract specifies GM receives same holidays and sick leave as other employees. Contract specifies 27 days of paid vacation leave annually with no roll-over or accrual beyond 27 days. Annually, vacation leave begins new each May of the current year. The contract agreement for permanent position was entered into May 2015. Position is considered a full time employee subject to terms of existing contract agreement.

Scope of Services includes day-to-day administration of District operations, budgeting, personnel matters, including supervision, training and performance evaluation. Clerk to the Board for all documents, meeting minutes, agenda preparation, operational analysis and reporting, meeting attendance, policy and resolution documentation, long-range and strategic planning, assure state and federal regulatory compliance reporting.

Engineering

The Wallace Group is serving as District Engineer and has been in this capacity since February 2000, shortly after formation of SMCS D. The services provided by existing contract are an on-call basis, including: general engineering advice, representation of District at meetings as directed by District, review and plan checking of maps, plans, permits and other documents as directed, water operation consultation and assistance, engineering design work, administration of District utility and public works projects as directed by District.

These services are provided based on hourly rate schedule which provides for a CPI adjustment with notice by Wallace Group. The last adjustment was done early 2014. The existing contract agreement may be terminated by either party with 30-day written notice.

The District is currently seeking and receiving bid proposals from civil engineering firms for these District Engineering services. Wallace Group was also, by their request, given a bid package for their consideration in preparing a bid proposal response.

Fire

There are two contract agreements for fire protection services, the Fire Chief and Assistant Fire Chief positions. The Fire Chief position is held by Rob Roberson and Assistant Fire Chief position is held by Kelly Dodds.

Fire Chief Scope of Services—A 3-year contract agreement was executed by District and Fire Chief in September 2015. Chief is presently in the 2nd year of this agreement term. Provisions of contract agreement specify: part-time duties as fire chief, responsibility for day-to-day administration, firefighter training, representation of District as may be directed, attendance at Board meetings as needed, annual compensation, duties, benefits, performance evaluation, fitness for duty, uniform/firefighting gear and vehicle use. Contract also allows for other employment by Chief.

Annual compensation schedule calls for yearly rate of:
\$21,780 for FY 2015-16,
\$22,433.40 for FY 2016-17 and
\$23,106.40 for FY 2017-18.

This compensation is paid on a fixed monthly cost basis which is budgeted. Fire Chief position is paid the first of each month. This contract agreement may be terminated, in writing, by either party for cause or no cause.

Assistant Fire Chief Scope of Services—The prior contract agreement with Kelly Dodds was extended in early 2015 along with Fire Chief contract. No new agreement terms have been concluded by both parties. The prior contract agreement specifies a fixed annual compensation of \$14,850 which is paid the first of each month.

This position involves part-time, on call basis for specified fire protection services, including but not limited to: plan check reviews, inspections as directed by Chief, assisting with firefighter training, filling-in for Fire Chief in his absence, assisting Fire Chief with long-range planning and operational needs, preparing analysis and reports as directed, answering public questions, attending Board meetings as Assistant Fire Chief in Chief's absence and representing the District with outside the District agencies as may directed by Fire Chief or General Manager.

Terms of a new agreement have not been agreed-to by either party at this time. This contract agreement may be terminated, in writing, by either party for cause or no cause. In this case, there could be a withdrawal of any renewal of service contract, if so determined

as needed by the Board with a reduction in budgeted costs. Otherwise, negotiations by Assistant Fire Chief and General Manager may be directed to continue negotiations in order to reach a mutual agreement.

There are no other fire protection service-related contract agreements.

FISCAL IMPACT:

There are no costs associated with this review of existing service-related contract agreements.

ACTION DISCUSSION:

Staff recommends that the Committee review and discuss with any recommendations that may need Board consideration and/or action.

PREPARED BY:

Darrell W. Gentry

General Manager

Attachments: F & B Committee Report for October 25, 2016 meeting



San Miguel Community Services District Finance & Budget Committee Staff Report

October 25, 2016

AGENDA ITEM: V. 4

SUBJECT: Discuss and Give Direction regarding financial auditing services for FY 2015-16 and FY 2016-17

STAFF RECOMMENDATION:

Review and Discuss giving direction to General Manager regarding ongoing financial auditing services for FY 2015-16 and FY 2016-17.

BACKGROUND:

The District entered into a 3-year term, early 2015, for engaging the services of Crosby Company as an independent auditor for FYs 2014-15, 2015-16 and 2016-17 at an annual cost of \$7,800. This selection was done via the RFP process and selection by the Board. Completion of the FY 2014-15 Independent Audit was critically delayed and long overdue by the time the Board accepted the 2014-15 Audit Report, September 2016. As Committee members may recall there was two meetings held with the Auditor. These meetings included discussion of the status of audit work and what was causing delays.

As General Manager, there are remaining concerns about continued services:

A. Poor performance and commitment to schedule

For the recently completed 2014-15 Audit Report, Mr. Crosby consistently committed, to the Committee and Board, that he would complete certain specific tasks by a date certain, only to have that date be missed. His explanations were that the previous auditor had not provided data and documents in a timely manner. While this is essentially true, the delays by prior auditor could and should have been avoided in the Auditor's preparatory time to start and complete the audit.

Repeatedly, there were vacations, other client priorities and associated issues with those clients, which apparently attributed to causing his start delay and prep work for SMCS D. In other words, SMCS D was not given a high priority even to the extent of providing another person in his firm to assist with preliminary work, like securing the data and information from the previous auditor. Mr. Crosby, personally, visited District office four times to confer with District Bookkeeper, Account Clerk and General Manager. Only one time did staff observed work being done involving District books and records at our office. Other scheduled visits were for the purpose of reviewing, verifying and documenting financial records for the audit report. There remains a concern that Mr. Crosby may not perform in a satisfactory manner for the next 2 audit terms. Satisfactory manner means providing adequate company personnel or resources to begin and complete the annual audits on time and on budget. Staff did document the number of occasions when

documents, usually documents already provided, were mailed, emailed, faxed or hand delivered to his office for audit use.

B. Poor communication with District

There were repeated occasions when multiple contacts were made with his office or himself that were ignored or never answered. As General Manager, it became necessary to hand deliver boxes of auditing information personally to his office, which represented a duplication previously provided. There were also numerous occasions with the District Bookkeeper being frustrated with his inability to clearly and precisely asked for desired documents or records. A situation that exists today for the FY 2015-16 Audit work to be done but not started. This is a concern which signals a potential delay again.

C. Difficulties with obtaining a proper Management Discussion Letter and Advisory Notices

It is customary and required, by accounting standards and practices, that an independent audit provide a detailed Management Discussion Letter which had to be requested repeatedly of the Auditor by the Board. Typically, this letter is routine and expected as a part of any Audit, not just federal agencies as was claimed. Mr. Crosby was also requested, by General Manager and later by Board members, to provide this letter in advance of any Committee and/or Board meeting that would consider approval of the annual audit. Mr. Crosby had claimed, at public meetings, that he stopped preparing and providing such letters. Also a duty of an independent governmental auditor is to advise the District of any changes in GASB requirements and practices that would materially impact the District, in terms of costs or complying with new requirements in advance of the next audit period. Mr. Crosby has not provided such advisories to anyone at the District. As General Manager, it has been necessary to acquire this information independently of an advisory notice by the Auditor. There are significant changes in 2-3 key GASB requirements that the District will need to prepare for.

Options:

Committee could request that the Board:

- 1) require Mr. Crosby to provide documentation that his firm has adequate personnel and resources to perform the required work on schedule without delays and re-open consideration of the terms of awarded contract for purpose of addressing these stated and any other concerns about performance, or
- 2) Recommend that the District General Counsel evaluate these stated circumstances for possible consideration of contract termination or modification.

Staff is requesting a discussion by the F & B Committee and to provide any direction for action deemed appropriate and necessary for these circumstances, including making a recommendation to the Board of Directors.

PREPARED BY:

Darrell W. Gentry

General Manager