



# ADMINISTRATION AND FINANCE

## STAFF REPORT

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To: SBWMA Board Members  
From: Joe La Mariana, Executive Director  
Date: March 22, 2018 Board of Directors Meeting  
Subject: Resolution Authorizing the Executive Director to Extend the Employment Terms for Marshall Moran as the Interim Senior Finance Manager

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### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2018-12 attached hereto authorizing the following action: **Resolution Authorizing the Executive Director to Extend the Employment Terms with Marshall Moran to provide temporary part time coverage for the open position of Senior Finance Manager.**

### Analysis

As of January 26, 2018, the position of Senior Finance Manager (SFM) has been vacant. The recruitment for a permanent replacement is underway. To help fill this important staffing gap, Marshall Moran has agreed to provide part-time coverage, as needed. He was the Finance Manager at SBWMA from 2008 to 2015 and helped develop our current financial systems and procedures with the Recology and SBR contracts and is uniquely qualified to assist the agency in this vital coverage. Mr. Moran was initially hired as a non-benefitted, temporary employee in February under the authority of the Executive Director's \$50,000 contract limit. \$34,200 has been actually realized for these services to date. Staff projects that the \$50,000 approved contract limit will be exceeded in early April. At Board direction, Mr. Moran is serving in a lead role in the FY18/19 Budget development, rather than the support role that was originally envisioned. This move benefits the agency in two ways—1) we get the maximum institutional financial and budget development knowledge from Mr. Moran and 2) the Agency does not pay \$24k projected cost for outside services (in fact, these monies are now being redirected to fund Mr. Moran's services).

It is now evident that, due to the need for an extended recruitment period to fill the vacant SFM, additional time and cost above this limit is needed although the final total cost is difficult to determine because of the unknown timing and background of a permanent replacement (currently estimated for July. It should be noted that, beginning in April, the cost of Mr. Moran's professional services will be partially offset by the vacant position's planned salary and benefits of \$15,500 per month. . Mr. Moran's current SFM coverage responsibilities include:

1. Daily coverage of financial, payroll and HR/benefits administration issues as needed.
2. Review and approve the very detailed monthly invoice and commodity revenue payment from SBR and prepare the monthly billing to Recology for disposal at Shoreway. These monthly invoices average between \$1.7M and \$1.9M.
3. Prepare the detailed Draft FY18/19 budget in collaboration with the Executive Director, including all supporting schedules, reserve calculations, analysis and drafting the staff report for the April 22<sup>nd</sup> Board

meeting and discussion at the April Finance Committee meeting. Drafting the staff report and providing senior-level staff support for the Board and Executive Director at the June 28<sup>th</sup> Board meeting during the Board's consideration of the FY18/19 Budget.

4. Manage the annual Recology and SBR Rate Application review process starting in June with the ultimate goal of providing our agencies with the recommended 2019 customer rate adjustment at the September 29<sup>th</sup> Board meeting.
5. Work with City of San Carlos, and auditors, on issues arising from the preparation of fiscal and calendar year financial statements.
6. Ensure all bond covenant required reports are prepared and filed on time.
7. Assist in the evaluation and selection of the Agency's Senior Finance Manager candidates. Once hired, orient and train the new Finance Manager and assist, as needed, during the transition period.
8. Additional related projects as may be requested by the Executive Director.

In addition to Mr. Moran's SFM coverage assignment, Staff strongly recommends that Mr. Moran's services be expanded to include two additional critical categories of professional services (see **Table 1** for detail). They are:

- Managing the 2019 Contractor's Compensation Adjustment Application review process (aka: "Annual Rate review")—estimated at 153 hours, or \$27,540.
- Providing orientation and training to new Sr. Finance Manager (targeted start date: July 15<sub>+</sub>)—estimated at 216 hours, or \$38,880.

### **Fiscal Impact**

The estimated total cost of the employment of Marshall Moran as Interim SFM is \$171,217 which includes 1) about five months of interim SFM coverage 2) managing the 2019 Contractor's Compensation Adjustment Application process and 3) providing critical orientation/training for the newly seated SFM through September 2018. This cost is partially offset by \$52,815 savings from the open position which is assumed to be filled by July 15, 2018 with a net cost of \$118,403. Mr. Moran's time will only be requested and billed as needed. Please note that these services project to have a net variance to the adopted FY17/19 Budget of -\$46,005. The FY18/19 estimated costs will be factored into the Agency Budget. Moran is paid as an employee at a rate of \$180 per hour (with no benefits).

Table 1						
Moran's Estimated Employment Cost						
	Estimated # Hours			TOTAL HOURS	Rate / Hr	TOTAL COST
	Finance Manager	Training New FM	Rate App Review			
<b><u>FY17/18</u></b>						
Jan (actual)	9			9	\$ 180	\$ 1,620
Feb (actual)	104			104	\$ 180	\$ 18,720
Mar	154			154	\$ 180	\$ 27,720
Apr - (1/2 out)	135			135	\$ 180	\$ 24,300
May - (out)	0			0	\$ 180	\$ -
Jun	84	63		147	\$ 180	\$ 26,460
<b>TOTAL FY17/18</b>	<b>486</b>	<b>63</b>	<b>0</b>	<b>549</b>		<b>\$ 98,820</b>
<b><u>FY18/19</u></b>						
Jul	42	42	42	125	\$ 180	\$ 22,537
Aug	27	53	53	133	\$ 180	\$ 24,000
Sep	29	57	57	144	\$ 180	\$ 25,860
<b>TOTAL FY18/19</b>	<b>97</b>	<b>153</b>	<b>153</b>	<b>402</b>		<b>\$ 72,397</b>
<b>TOTAL GROSS</b>						<b>\$ 171,217</b>
SAVINGS FROM VACANCY TO 7/15/2018						<b>\$ (52,815)</b>
<b>NET COST TO AGENCY</b>						<b>\$ 118,403</b>

Attachments:  
Resolution 2018-12



## RESOLUTION NO. 2018-12

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS AUTHORIZING THE EXECUTIVE DIRECTOR TO EXTEND THE EMPLOYMENT TERMS WITH MARSHALL MORAN TO PROVIDE TEMPORARY COVERAGE OF THE OPEN FINANCE MANAGER POSITION AND ASSIST AND TRAIN THE NEW SENIOR FINANCE MANAGER WHEN HIRED

**WHEREAS**, the South Bayside Waste Management Authority (SBWMA) Board of Directors has considered employing Marshall Moran for the purpose of providing the following services:

Interim Finance Manager while the position is unfilled and provide training and ongoing support for the new Senior Finance Manager when hired from February 2018 through September 2019 as needed, including:

1. Daily coverage of financial, payroll and HR issues as needed.
2. Review and approve the very detailed monthly invoice and commodity revenue payment from SBR and prepare the monthly billing to Recology for disposal at Shoreway.
3. Prepare the detailed FY18/19 budget with the Executive Director and staff input including support schedules.
4. Manage the annual Recology and SBR Rate Application review process starting in June.
5. Work with City of San Carlos on audit issues arising from the financial fiscal and calendar year preparation of financial statements.
6. Ensure all bond covenant required reports are prepared and filed on time.
7. Assist in the evaluation of Finance Manager candidates. Train the new Finance Manager once hired and assist as needed during the transition period.
8. Additional projects as requested by the Executive Director.

**NOW, THEREFORE BE IT RESOLVED** that the South Bayside Waste Management Authority hereby authorizes the Executive Director to employ Marshall Moran.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 22nd day of March, 2018, by the following vote:

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton					Menlo Park				
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				
Hillsborough					West Bay Sanitary Dist				

I HEREBY CERTIFY that the foregoing Resolution No. 2018- 12 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on March 22, 2018.

ATTEST:

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Charlie Bronitsky, Chairperson of SBWMA

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Cyndi Urman, Board Secretary