



# COUNTY OF HUMBOLDT

For the meeting of: 3/16/2021

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File #: 21-320

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**To:** Board of Supervisors

**From:** County Administrative Office

**Agenda Section:** Time Certain Matter

SUBJECT:

1:30 p.m. - A Status Update of the Macias Gini & O'Connell LLP Project Deliverables

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive and file a status update report on the progress of the Macias Gini & O'Connell (MGO) LLP project deliverables as adopted by the Board of Supervisors on December 8, 2020; and
2. Provide further direction to staff if appropriate.

SOURCE OF FUNDING:

General Fund

DISCUSSION:

At the Nov. 23, 2020 Board of Supervisors Special Meeting, among many actions taken by your Board, your Board directed county Human Resources (HR)/Risk Management to return with position classification work, potential operations realignment recommendations, analysis of a potential staffing study and include supplemental budgets if necessary.

At the Dec. 8, 2020 Board of Supervisors Meeting, your Board approved a Professional Services Agreement with Macias Gini & O'Connell LLP (MGO) to provide interim financial advisory services, to the county as follows, but are not limited to:

- Assist with the development of the Internal Service Fund (ISF) charges for fiscal year (FY) 2020-21 and 2021-22;
- Assist in development and implementation of corrective actions to address audit findings from the Single Audit Reports for the year ended June 30, 2019. It should be noted the Scope of Work also called for assistance in development and implementing corrective actions to address findings for the year ended June 30, 2020. Thus, upon the issuance of the FY ending June 30, 2020 Single Audit, MGO will aid the county in addressing the findings, if any;
- In collaboration with county HR/Risk Management, participate in the Auditor-Controller's (AC) Office staffing study;

- Develop and implement financial strategies for resolving fiscal problems; provide direction, support and advice to department/agency representatives and other officials regarding fiscal problems;
- Provide other financial related tasks to improve the county's financial position and internal controls;
- Develop and implement strategies for fiscal problems;
- Perform long-range financial planning to ensure state and federal cost reports claim the maximum allowable amount.

The purpose of today's agenda report is to report back to your Board on the status and progress made with respect to the following projects related to MGO's financial advisory scope of services:

- Internal Services Funds
- AC Office Staffing Study

Since Dec. 9, 2020 to present, ISF managers/department heads and County Administrative Office personnel continuously met with MGO regarding FY 2020-21 ISF journal entry submissions, supporting documents, written procedures, reconciliations and analysis; and, continuously met and worked with ISF managers to analyze FY 2021-22 ISF budget submissions, providing input and documenting procedures.

With respect to the Auditor-Controller's Office Staffing Study, the comprehensive staffing study is county HR/Risk Management's attempt to be strategic in the approach to a staffing challenge through the examination of work, department structure, and classification needs in addressing long-term and sustainable solutions. In collaboration with the Director of HR/Risk Management, from Dec.9, 2020 to present, MGO and county HR developed a project work plan, timelines, a matrix of the department's personnel skill sets, duties, responsibilities, and related potential gaps, as well as a matrix of comparative peer agency information.

Transparency is about collaboration and active engagement in the projects as directed by your Board. Due to challenging schedules and organizational deadlines, after multiple outreach efforts, MGO, AC and HR/Risk Management met on March 11, 2021 for a kick-off meeting in relation to the AC Staffing Study. During this meeting, project expectations, outcomes of the study, the project's Work Plan and related sub-tasks were reviewed and discussed. The objective of the study is to assess the Office's existing staffing level, develop observations and recommendations. The analysis will include duties, staffing levels and number of positions. During the kick-off meeting, the Auditor-Controller encouraged and agreed with MGO and HR that all Auditor-Controller's Office's staff should partake in the interviews. It was also agreed that the Auditor-Controller will work in collaboration with MGO to identify times and dates in which MGO will conduct the staff interviews, which are planned to be scheduled in the next two weeks. Additionally, the Auditor-Controller will also be scheduled for a one-on-one interview with MGO to further discuss the duties that she has been performing as well as the Office's operations, organization and structure as part of the comprehensive staffing assessment.

At the conclusion of the Staffing Study's Kick Off Meeting, the Auditor-Controller also agreed to meet

with MGO to initially discuss the ISF project, to discuss the objectives, status and next steps of that project, followed by a larger group discussion with the County Administrative Office, MGO and the Auditor-Controller's Office.

As part of our continued efforts to keep these critical projects moving forward, the participation and engagement with the ACO, MGO, County Administrative Office and HR/Risk Management will be vital to the overall success of these projects as approved and directed by your Board.

The AC has not approved this agenda item as she was not in agreement with the statements as written.

**FINANCIAL IMPACT:**

The Board approved contract was for \$250,000. A total of \$99,482.95 has been invoiced through Feb. 28, 2021.

**STRATEGIC FRAMEWORK:**

This action supports your Board's Strategic Framework by providing community-appropriate levels of service .

**OTHER AGENCY INVOLVEMENT:**

County Human Resources/Risk Management

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

The Board could receive and file this report and direct staff other direction

**ATTACHMENTS:**

None

**PREVIOUS ACTION/REFERRAL:**

Board Order No.: B-1, H-3

Meeting of: 11/23/20, 12/8/20

File No.: 20-1533, 20-1577