

# Saddle Creek Community Services District

## Special Meeting of September 14, 2017

### AGENDA SUPPORTING DATA

#### 7. DISCUSSION AND ACTION ITEMS

- e. Approval of updated 2017/18 management objectives to include directives from the annual management performance evaluation process

#### **Recommended Motion**

I move to approve the updated 2017/18 management objectives to include directives from the annual management performance evaluation process.

#### **Background**

Each year, the Board and General Manager jointly develop management (performance) objectives. These objectives serve as a vehicle to ensure that management is moving the District in a direction aligned with the Board's vision, and also serves as a basis for evaluation of the District and management performance. The Management Performance Report for 2016/17 is included to detail progress on existing and past objectives, and for public information.

The last slate of management objectives was adopted by the Board on January 17, 2017. Since that time, much has taken place with Measure A, conversion to a fiscal year budget, loss of the Board Clerk and much more. In completion of the annual performance evaluation for the general manager in 2016 and 2017, additional management objectives were brought forward by the Board. To ensure that the full board and public has an opportunity to understand and the Board approve the full list of management objectives, we have listed them all together in one location, attached.

Management will review the objectives for clarity and uniformity in understanding, seek additional or modified objectives, and/or reorganize the priority of objectives listed.

# Saddle Creek Community Services District

Management Performance Report 2016-17

Peter J. Kampa, General Manager

July 22, 2017

## 1 REPORT OVERVIEW

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### 1.1 OVERVIEW

Kampa Community Solutions, LLC (herein referred to as KCS) was retained by the Saddle Creek Community Services District in June 2014, with Peter Kampa, Certified Special District Administrator (SDA) assigned to serve as General Manager. I am pleased to present the District Board of Directors with this third Management Performance Report that provides a snapshot of the “State of the District”, measures accomplishment of approved management goals and objectives, and identifies areas where our team has dealt with important and new issues that were not previously anticipated. The last section of this report also contains recommendations for future management actions to continue the positive progress of the District.

The Saddle Creek CSD Measure A consumed nearly a full time management effort from fall 2016, through late April 2017. The conversion to a fiscal year budget cycle, planning and preparation of the 2017/18 Preliminary Budget and preparing for the first levy of Measure A special taxes and planning the implementation of the first phase of road improvements has consumed full time management efforts between May through current. Although actions related to Measure A were included in the approved 2017 management objectives, collectively we may have overestimated the ability to accomplish all other objectives concurrently with the absolute priority placed on the success of Measure A. In the future, it is recommended that more frequent review and update of management objectives be undertaken, perhaps in the form of a written monthly manager’s report.

This report is to be made public to inform our community on the performance of the District over the past year, to assist the Board of Directors in conducting its annual performance evaluation of the manager and to set priorities for the upcoming year.

### 1.2 TRANSPARENCY

Although the Board will meet with its manager in a closed session meeting to openly discuss the personal performance of Peter Kampa, this report and any actions related to District planning, policy, priorities and management workplans must be discussed in open session. In addition, any modifications to the contractual arrangement with Kampa Community Solutions, LLC must be discussed in open public meetings. The written performance evaluation process forms are confidential documents to be discussed only among the Board and manager in Closed Session, with original forms on file in the District’s confidential personnel records.

### 1.3 ESTABLISHING THE BOARD’S COLLECTIVE VISION

For an elected Board that changes over time, building and maintaining trust and confidence in management is a complex and ongoing task. Each newly elected or appointed Board member comes

into the position with some form of individual vision of how things will work, and what outcomes they expect. Since all Board actions and direction occur by majority vote in meetings, management has a challenge in assisting the Board in “vision consensus-building”; effectively leading a process where each director has individual input and where directive outcomes are supported by the Board majority.

An understanding of the role and responsibility of the Board and management is critical to the success of the relationship, and is supported by clear communication in the articulation of goals and objectives for the District. The first ever slate of management objectives was developed by the Board in October 2014, and was intended to provide the General Manager with clear direction on priorities that reflect the collective vision of the Board. The management objectives have been revised and updated each year, and management/District performance evaluated as well. The process, which includes this Performance Report, appears to maintain the board/manager communication at desired levels.

#### 1.4 NOTEWORTHY ACCOMPLISHMENTS FOR THE YEAR

Summarized below and described in more detail in the following sections of this report are several key accomplishments for the past year:

1. Secured Castle & Cooke cooperation and funding of full day time attendant at gatehouse
2. Received solid, clean annual (financial) audits in 2015 and 2016; with no material weaknesses identified and consistently addressing and reducing the number of deficiency findings
3. Developed the first ever set of draft Board bylaws and reserve policies
4. Promoted and cooperated with Castle & Cooke in production of revised and clarified wetlands documentation for public information and to educate CCWD of wetlands water requirements
5. Achieved full compliance with state and CCWD drought requirements with only turf loss
6. Developed water cost sharing agreement with Saddle Creek II Maintenance Association
7. Commissioned, directed and completed an updated Pavement Condition Report
8. Secured voter approval of Measure A
9. Maintained expenses within budget to hold reserves on target while replacing critical equipment
10. Zero reportable work related injuries and no liability or legal claims filed against the District
11. Adopted a communication plan and implemented website and email notification upgrades

## 2 PERFORMANCE TO MANAGEMENT OBJECTIVES

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In September 2016, the Board completed a performance evaluation of the General Manager, which included several separate goals identified for completion. On January 17, 2017 the Board adopted management objectives intended to reflect the priority work for the upcoming 18 months and beyond. The January Management Objectives did not contain all of the goals outlined in the Board’s 2016 performance evaluation, and there were some repeated objectives. Below is an overview/status update of accomplishment of both the objectives from the 2016 performance evaluation and the approved Management Objectives. Redundant objectives were omitted. Each bulleted item representing a summary statement of the adopted Management Objective and its current status is provided in italic text.

## 2.1 GOALS IDENTIFIED (BY BOARD) IN 9-2016 PERFORMANCE EVALUATION

- ▶ **Establish values and reserve accounts for all future funding needs** – Completed. *There is additional evaluation and documentation needed as described in the [Recommendations](#) section of this report below.*
- ▶ **Board Clerk request Board agenda items** - Partially accomplished. This item was discussed with the Clerk before her departure from the District and for a short time, advance requests were sent. However, the performance was short lived, and after her departure, the procedure was never completely implemented. I will establish this as a Board Clerk priority from the beginning in the future.
- ▶ **Deliver agenda packet by Friday before the Meeting** – Partially met. The preparation and posting of the agenda has occurred consistently on the Friday before the Board meeting. Unfortunately I was made aware that some agendas were not posted in a timely manner even though prepared and distributed to the Clerk on time. Due to the complexity of the agenda items over the past year, especially related to Measure A, a significant management effort was required for the preparation of the Board agenda materials/packets. In an effort to provide well thought out proposals and options for the Board for each agenda item, I have spent an unusual amount of time over the past year writing agenda supporting materials. I will better organize time and agenda items in the future to allow for more timely agenda packet distribution.
- ▶ **Establish CSD goals and objectives for 2016-2017** – Completed. This was completed through the efforts of Darlene DeBaldo; presented to the Board and approved on January 17, 2017.

## 2.2 GOALS IDENTIFIED BY GM IN 9-2016 PERFORMANCE EVALUATION

- ▶ **Improve communication within our community/organize town hall type meetings** – Completed 5 meetings.

## 2.3 ON-GOING GOALS (THESE ARE OVERALL JOB RESPONSIBILITIES - TO BE CONTINUED BY GM)

- ▶ **Participate and stay abreast of trends** – Peter Kampa has continued active membership and participation on the CSDA Board of Directors and its committees. He participates actively on specific CSDA Task Forces for Public Works and Special District Consolidation related to new legislation. Kampa remains as an instructor for the Special District Leadership Academy and provided management topic presentations at the General Manager Leadership Summit and annual CSDA Conference.
- ▶ **Manage District Budget** – In 2015 and 2016, expenses came in under budget and annual investments were made in replacement of critical equipment. The financial position of the District continues to improve within the funding amounts available prior to approval of Measure A.
- ▶ **Advise the Board of Directors on plans and policies** – The majority of management effort in late 2016 and so far in 2017 has been expended on the planning, design, implementation and policy decisions related to Measure A. A professional financial planning firm was contracted to ensure that Measure A was developed in accordance with procedural requirements for new taxes.
- ▶ **Meet regularly with Board President** – Incomplete. Since the beginning of the

year, I have met four times face to face with President Larry Hoffman, although we have discussed matters over the phone and by email as well.

- ▶ **Oversee and evaluate CSD staff – In progress.** This effort is ongoing with performance evaluations of management staff currently due. Additional attention to personnel matters are further discussed below, and are needed to ensure ongoing compliance with laws, an efficient and productive workforce, employee safety, performance management and updated personnel policies.
- ▶ **Improve website - Completed.** Much additional information has been added to the website, an email notification button added to receive notification of site updates as published, a Facebook page developed and linked to the website, and all materials updated on a regular basis.
- ▶ **Pursue available grant funds – Completed to the extent possible.** The District has stayed engaged in the water use efficiency and other grants available through participation in the Tuolumne-Stanislaus IRWMP; however the grant funding received through this program by the Tuolumne County Resource Conservation District was re-allocated from intended irrigation and landscape improvement reimbursements, to hiring staff, purchasing a mobile water conservation exhibit trailer and expanded rebates for water efficient toilets and showerheads. Unfortunately, the District will not enjoy the level of benefit from these grants as expected.
- ▶ **District Investments – Ongoing and completed.** Investment of funds continue to be in compliance with law and Board directives, and financial reports are provided to the Board on a monthly basis.
- ▶ **Work closely with allied agencies – Ongoing and completed.** The District has worked cooperatively with Castle & Cooke over the past year in resolution to the entrance gate staffing issue. The District and Castle & Cooke cooperated in the efforts to develop revised wetlands reports to resolve drought related water conflicts with CCWD. The largest public engagement effort for the year was working with residents in the development of Measure A and in proposing related Board actions on-the-fly following town hall meetings. Public input regarding the Measure A implementation schedule and the creation of an ongoing process for public involvement were developed as cooperative responses to extensive public input.

## 2.4 FIRST SIX MONTH GOALS

- ▶ **Bank Signature Cards – Incomplete.** Will be completed by August 1, 2017
- ▶ **Hire Board Clerk – Completed on Interim basis.** Interim Clerk hired with advertisement for regular position scheduled for the week of July 24, 2017.
- ▶ **Develop Presentation on parcel tax initiative – Completed.** Presentations and extensive informational materials were developed upon creation of Measure A, and revised/published several times as needed based on Board actions and public input through email, phone calls and five town hall meetings.

- ▶ **Ensure vote on parcel tax in May, 2017 – Completed.** All requirements for the creation, voter approval and effective implementation of Measure A have been met; and the election results certified by the Board.
- ▶ **Develop plan for drought tolerant landscaping – In progress/need direction.** This effort was put on hold by direction of the Board during the town hall meetings and related Board actions including the Measure A Implementation Plan, which required that public input be sought to determine the level of public support for a major landscape conversion prior to its implementation. Additional Board direction is necessary on this matter, as it was staff’s understanding that the Landscape Ad Hoc Committee was developed to determine whether there was public support for a drought tolerant landscape conversion project. In recent Board discussions, statements were made to the effect that this Committee was formed to “design” the landscape project itself. Management’s recommendation is to place this item on an upcoming agenda for further discussion and action prior to dedicating significant staff effort to a public process that may not be aligned with the vision of Board majority.
- ▶ **Implement “New CSD Board Member” orientation – Completed with full implementation pending.** In September 2015, the Board received a copy of the final Board Orientation program. The Program as presented recommends that new board members receive orientation in their first 30 days in office. Past Director Owen Bramlett was the last new Board member to receive the formal orientation. Directors Roger Golden and Darlene DeBaldo have yet to receive the orientation since their election last year.

## 2.5 TWELVE TO 18 MONTH GOALS

- ▶ **CSD office facility – Not completed/need direction.** No effort has been expended on this project, since Board discussion during the crafting and modifications of Measure A budgets were made with the assumptions that we were not building any new facilities, such as a district office. Additional Board input and direction is needed in this area as further described in the [Recommendations](#) section below.
- ▶ **Implement a Capital Improvement Plan – In progress.** The development of a Capital Improvement Plan (CIP) has been on management’s radar and approved objectives since 2014, however since the District has not previously had funding to implement a CIP, its priority has taken a back seat to projects such as Measure A. The District currently maintains a list of capital assets for depreciation calculation purposes that includes an item description, date purchased and useful life. This asset list was used to establish the Equipment Replacement Reserve amounts and required funds accumulation timing. The asset list includes equipment such as vehicles, carts, sprayers, tractors, mowing equipment and related items. Additional actions recommended for the equipment assets is described further [below](#).

The District also owns a variety of storage buildings, roads, storm drains, street lights and conduits, irrigation systems, entrance building, gates and other capital

assets that have a useful life, are depreciated and will need to be replaced when worn out in the future. The Infrastructure Replacement Reserve contained in Measure A provided funding for the ultimate replacement of these assets. Additional actions related to the development of a CIP for infrastructure is detailed [below](#).

- ▶ **Improve and automate records management system** – Slowly progressing and partially completed – Prior to the approval of Measure A, operations staff numbers had to be reduced and hiring an experienced Board Clerk with the time and capabilities to organize District records was out of our financial reach. Although we had budgeted a small amount for the hiring of such a professional on a one time basis to organize records, this method became less feasible as the records maintenance is an ongoing affair and the management time required to implement the process became less and less with other higher priorities coming into play, such as Measure A. Board resolutions, policies, minutes, agendas/packets, contracts and other important documentation are now being kept in organized electronic files; both on a computer hard drive and in the cloud as backup and file sharing program.
- ▶ **Involve Community in Goal and Priority Setting** – Completed. The community became very involved in the design and implementation of Measure A and in conjunction, an Advisory Committee was developed to provide input into and measure community interest in Measure A implementation priorities. This community involvement was a major factor in the success of Measure A.
- ▶ **Conduct asset inventory** – See CIP above.
- ▶ **Develop a list of entities and listing CSD priorities** – Not complete. This will immediately be assigned to the interim Board Clerk as part of the records project.

### 3 STATE OF THE DISTRICT

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Management believes that overall, the District is in a better position than we were in 2014, 2015 and 2016, as a government service provider, from a financial, administrative and operational perspective. With the planning, evaluation, design, crafting and approval of approval of Measure A, we now have plans for long term improvement of infrastructure, replacement of equipment when necessary, and the improvement and maintenance of critical district records. Future Boards and managers will no longer have to guess on the level of appropriations to be received from Castle & Cooke in completing our services.

The District financial systems, budgeting and expenditure practices have resulted in the development of a positive fund balance (undesignated revenue available for services) that will provide for and expedite the implementation of Measure A improvements. The District continues to deliver solid services and is steadily planning for the future. The actions detailed below will ensure that we continue that progress into the future.

## **4 RECOMMENDED ACTIONS (MANAGEMENT OBJECTIVES)**

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The following are recommended by management to further define previously approved management objectives, or for consideration by the Board to be added as new management directives for the upcoming year.

### **4.1 RECEIVE BOARD INPUT AND DIRECTION ON:**

- 4.1.1 Drought tolerant landscape conversion project. Place consideration of this item on a near future agenda.
- 4.1.2 The need for permanent office and meeting facilities. Place consideration of this item on a future agenda at the discretion of the Board
- 4.1.3 The desired process and schedule for the development of Management Objectives and their status reporting to the Board

### **4.2 ENGAGE PROFESSIONAL HUMAN RESOURCES CONSULTING ASSISTANCE**

- 4.2.1 Personnel policy review and update
- 4.2.2 Performance improvement plan development and documentation
- 4.2.3 As needed counseling to managers and supervisor

### **4.3 PERFORM FINANCIAL ANALYSIS OF SERVICES AND IDENTIFY/MITIGATE NEGATIVE COST IMPACTS OR REVENUE**

- 4.3.1 Potential (road) encroachment permit process and fee structure
- 4.3.2 Potential implementation of refuse collection services and franchise agreement
- 4.3.3 Review staffing levels and salaries; potential for contracting
- 4.3.4 Finalize Reserve Policies with amounts from infrastructure and equipment studies

### **4.4 ENGAGE AN ENGINEERING FIRM TO DEVELOP PROGRAMS TO REDUCE FUTURE COSTS**

- 4.4.1 Develop road construction standards to be used for all new road construction
- 4.4.2 Develop a written road maintenance program
- 4.4.3 Develop an infrastructure replacement cost and schedule to validate the Infrastructure Reserve amounts and timing

### **4.5 FORMALIZE THE EQUIPMENT ASSET LIST INTO A WRITTEN UPGRADE AND REPLACEMENT PLAN TO BE USED TO VALIDATE THE EQUIPMENT RESERVE**

- 4.5.1 Upgrade Board Clerk PC and laptop immediately, install appropriate software, and lease appropriate office copier.

**SADDLE CREEK COMMUNITY SERVICES DISTRICT  
MANAGEMENT GOALS AND OBJECTIVES 2017-2019  
EFFECTIVE SEPTEMBER 2017**

**1. On-going Objectives (These are overall job responsibilities - to be continued by GM)**

- Participate in regional, state and national meetings and conferences to stay abreast of trends and technology related to District Operations
- Oversees the preparation of the annual budget for the District
- Seek advance input from Board members in development of the meeting agenda, and deliver meeting materials a minimum of three days in advance of regular board meetings
- Advises the Board of Directors on issues, programs and financial status, prepares and recommends long and short-range plans for District service provision, capital improvements and funding; and directs the development of specific proposals for action regarding current and future District needs
- Meet regularly with Board President regarding district matters and to receive input regarding community issues
- Oversee and evaluate CSD staff; update job descriptions and define individual responsibilities
- Improve website to notify residents when new items are added or updated.
- Pursue available grant funds whenever appropriate, as a means of preserving its resources for other needed priorities.
- Invest available funds in accordance with District Investment Policy and state law so as to safeguard District funds, meet District liquidity needs and achieve the highest prudent return on investment and report to the Board quarterly.
- Work closely with allied agencies, i.e. Castle & Cooke, CCWD, etc. to achieve CSD goals and objectives. SEE #4.
- Continuously improve the quality and usability of information available on website, coordinating with HOA and others to clarify responsibilities when possible

**2. September 2017 – March 2018 (6 month goals)**

- Develop cost effective plan for drought tolerant landscaping.
- Implement “New CSD Board Member” orientation in a timely manner.
- Implement Pavement Improvement Program
- Establish Fiscal Reserves for critical equipment and infrastructure replacement as a result of Measure A passage, including upgrade of Board Clerk PC and laptop immediately and install appropriate software, and lease appropriate office copier.
- Begin to develop drought tolerant landscaping project
- Continue to improve communication with CSD Staff and Board President
- Develop a process to document and track responses to Board recommendations and public input and concerns in monthly General manager’s reports and ongoing Q&A documents
- Second Gate: Research with C&C and County as to what funds are available, where they reside, and how they can be accessed.
- Monitor SB1 Tax allocation in an effort to influence distribution to Special Services Districts.
- Complete personnel handbook update and development
- Improve and automate records management system

### 3. September 2017 to February 2019 (18 month Goals)

- ~~Begin Search and financing for CSD yard, office and meeting facility~~
- Implement a Capital Improvement Plan
- ~~Improve and Automate records management system~~
- Involve Community in a Goals and Priority Setting Session
- Conduct asset inventory with condition index
- Develop Road construction standards and encroachment permit process for Board approval
- Finalize reserve policies
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### 4. Develop a list of entities with which the district has some contact or interaction and a defined CSD position on the relationship with each including:

- CCWD
- Army Corps of Engineers
- District Residents
- Castle & Cooke
- \* Calaveras County Tax Collector
- District Supervisor
- J.S. West ?