This brief is provided to inform the board, staff, and public of the details of an agenda item that requires action from the board. The President of the Board will provide board members, staff, and the public the opportunity to ask questions about this topic when this agenda item is announced.

**Date:** 25 February 2022

**Originator:** General Manager

**Purpose of Brief:** Discuss and Approve the Option of Outsourcing Bookkeeping and Administrative Services

**Supporting Documents Included:**

Att. A. Proposal from Cline and Associates

Att. B. List of Outsourced and Retained Task Options

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1. **Description:**

With Tiana’s Bradley’s resignation, the District has several options to continue to provide bookkeeping and administrative services.

1. Outsource full bookkeeping and senior administrative (Board Support) services and hiring a part-time office administrator to support field operations (water consumption/meter reads, required reports, easements, grant deeds, policies, other admin files)
2. Outsource bookkeeping support and hire a full-time administrator to support the board (agendas, packets, minutes, postings) and all other administrative requirements.
3. Hire a new full time Office Manager, experienced in, and qualified in QuickBooks, audits, contracting, and other necessary programs
4. Some combination of the above.
5. **Reason for Recommended Board Action -** (*Consider compliance, cost savings, fixing a problem*):

Before hiring Tiana, the District went through three part-time administrators in the preceding 4 years. In recent years, the District has been considering an additional part-time administrative assistant but was not successful in finding an appropriate candidate in the current labor market.

Trying to find a full time person with Tiana’s skills and capabilities is a challenge in the Portola labor market, especially for a short turn around need.. If we would find an appropriate candidate, there is no assurance that person would be with us for any extended period. In the short term, especially with the changes in billing expected with the executed rate change, the District needs a proven and reliable bookkeeping capability. Outsourcing bookkeeping and senior administrative services provides an immediate short-term solution, and the probability of long-term reliable professional services.

1. **Anticipated Impacts to the District (negative and/or positive) -** (*Consider financial impact, change in procedures, customer and staff communication, and effect if recommendations are not adopted*):

Options for professional bookkeeping and administrative support in Eastern Plumas County are limited. Cline and Associates holds a similar support contract with the Nakoma Community Association (NCA) with a strong and verifiable performance record. Holding the NCA contract also provides synergy in terms of a shared customer data base, access to property turnovers and escrow requirements, and administrative files.

Cline and Associates’ monthly cost is comparable to what the District currently pays Tiana Bradley in salary plus benefits, and saves in worker’s comp insurance, payroll taxes, and possible related equipment and licensing fees.

However, the District would still require hiring a part-time (50%) administrator to support field operations including meter read processing, maintenance of easements, grant deeds, policies, other admin files, and supporting operational reports. The part-time position would result in some increase in administrative costs over current administration. In the rate study analysis, a part-time office assistant was factored in which means the recommended increase in rates covers both the outsourcing solution and a part time office assistant.

1. **Anticipated Impacts to the Customer –** *Standby, Residential, Commercial***:**

Minimal impact to the customer. Cline and Associates provides professional billing services to the community. Their experience, cross training, and bookkeeping expertise will provide for reliable billing and customer support.

1. **Recommendation (s):** Given the immediacy of the requirement, Staff recommends Option A, accepting Cline and Associates proposal for bookkeeping and administrative services on an annual contract. Contracting with Cline will assure continuity of billing services and provide the District 12-months to determine whether this arrangement fully meets the needs of the District and its customers.

While the District staff can manage retained tasks in the short term, Staff request authorization to continue recruiting efforts for a half-time administrator to support operations and develop strong working relationships with Cline and Associates.