



# San Bernardino County

## Legislation Text

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**File #: 2986, Agenda Item #: 13**

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### **REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION**

**October 6, 2020**

#### **FROM**

**ENSEN MASON, Auditor-Controller/Treasurer/Tax Collector**

#### **SUBJECT**

Employment Contracts for Auditor-Controller/Treasurer/Tax Collector Accountant II and III

#### **RECOMMENDATION(S)**

1. Approve the following employment contracts to provide service and support to the Auditor-Controller/Treasurer/Tax Collector's Property Tax Division for the period of October 10, 2020, through October 6, 2023, with the option to extend the term for a maximum of three successive one-year periods:
  - a. Josue Verdin, Accountant II, for the estimated annual cost of \$75,629 (Salary - \$50,419, Benefits - \$25,210).
  - b. Lucero Salazar, Accountant III, for the estimated annual cost of \$94,287 (Salary - \$62,858, Benefits - \$31,429).
2. Authorize the Auditor-Controller/Treasurer/Tax Collector to execute amendments to the contracts to extend the contract term for a maximum of three successive one-year periods on behalf of the County, subject to review by County Counsel.
3. Direct the Auditor-Controller/Treasurer/Tax Collector to transmit all amendments in relation to this contract to the Clerk of the Board of Supervisors within 30 days of execution.

(Presenter: Douglas R. Boyd, Assistant Auditor-Controller/Treasurer/Tax Collector, 382-7004)

#### **COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Improve County Government Operations.**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

#### **FINANCIAL IMPACT**

Approval of the recommended employment contracts will not result in the use of additional Discretionary General Funding (Net County Cost). Sufficient appropriation and revenue have been included in the Auditor-Controller/Treasurer/Tax Collector's (ATC) 2020-21 budget and will be included in future recommended budgets.

#### **BACKGROUND INFORMATION**

The existing Tax Collector (TROL) and Property Tax (PI) legacy systems were written in the 1980s and were declared obsolete in 2004. The County still relies on these systems to prepare and extend the annual tax charge; and collect, allocate, and distribute approximately \$3.4 billion of tax revenue to the hundreds of taxing agency accounts in San Bernardino County. While we have been able to get additional years from the system by applying patches, it is becoming more difficult to address changing business requirements. In September

2019, ATC began documenting the system business requirements to develop a Request for Proposal (RFP) to replace TROL and PI with a new system. This is a very large and complex project that requires the appropriate resources and time to plan a successful robust system that will serve the County for the next 30 years.

Due to the technical experience and staffing resources needed, project timeline, and funding limitations, ATC will utilize existing staff with technical property tax experience on the legacy system replacement project and will employ a contract Accountant II and III to perform regular operational property tax functions.

The Accountant II contract position will be responsible for performing various property tax functions related to RDA dissolution mandates ATC is required to perform, such as tracking tax increment revenue by RDA project area, calculating RDA pass-through based on contractual or statutory terms, conducting Redevelopment Property Tax Trust Funds (RPTTF) apportionment tasks and calculations, reviewing Recognized Obligation Payment Schedules (ROPS) and Department of Finance determination letters to calculate and apportion authorized amounts, performing desk audits on ROPS Prior Period Adjustment reports submitted by RDA Successor Agencies, and documenting and reporting findings. This position will also handle taxing agency and consultant requests, which include audit confirmations, preparing ad hoc reports, cash flow analysis, and compiling information for bond disclosures. The Accountant II contract position will handle RDA dissolution tasks for RDA successor agencies that are ranked low-to-medium risk in the complexity scale in contrast to the Accountant III positions that handle the high-risk agencies.

The Accountant III contract position will be responsible for performing various property tax functions, such as compiling assessed valuation reports, calculating property tax rates, extending the tax charge, checking and proofing the tax rolls by code area, calculating the AB-8 factors, allocating the taxes collected, calculating the annual VLF growth and unitary and supplemental factors, preparing revenue estimates, monitoring LAFCO jurisdictional changes and processing corresponding revenue shifts, preparing and assisting taxing agencies with cash flow projections, preparing CAFR schedules, and processing accruals and preparing fee studies. The position will also be responsible for preparing and submitting various state mandated reports to various state agencies, such as the State Controller's Office, Department of Finance, and Legislative Analyst's Office, including the homeowner's exemption claim and SB-90 reimbursement claim. The position will also assist in reviewing legislation, identifying impact to existing procedures, and making recommendations to management.

Recommendation No. 1 will allow ATC to utilize the recommended employment contracts to employ an Accountant II and Accountant III to continue performing the mandated property tax functions needed to service the taxpayers and taxing agencies of the County without disruption while we place existing staff with technical property tax experience on the legacy system replacement project.

Recommendation No. 2 will allow ATC to execute a maximum of three successive one-year amendments to the employment contracts with the selected candidates as provided for in the contracts. The employment contracts can be terminated by either party at any time without cause, with 14 days prior written notice. The contracts may be terminated immediately by the County, for just cause.

### **PROCUREMENT**

Internal candidates were considered for the Accountant II position, and ATC recommends the appointment of Josue Verdin due to his property tax experience. He is currently a Public Service Employee (PSE) in the ATC Property Tax Division and, over the past year, has been successfully performing the duties for which the contract Accountant II will be responsible.

Mr. Verdin meets the qualifications for the Accountant II position. He has a Bachelor of Arts degree in business administration with an accounting concentration and a Master of Science degree in Accounting with a minor in finance from California State University, San Bernardino (GPA 3.9, Summa Cum Laude). He is currently in the process of obtaining his Certified Public Accountant license.

Mr. Verdin started with ATC's Property Tax Division in August 2019 and was trained on the RDA dissolution cycle and corresponding mandates ATC is responsible for. He has experience performing RDA trust fund reconciliations, pass-through calculations, tracking and calculating the administrative costs, performing desk audits on the ROPS Prior Period Adjustment reports, and preparing ad hoc reports for agency and consultant requests. The work product he produces is well organized and of good quality. He has good analytical skills and advanced Excel skills, and he is a fast learner. His experience would allow him to perform the contract Accountant II duties immediately without requiring additional training, which would allow existing staff to focus more of their attention on the legacy system replacement project.

A formal recruitment was completed for the Accountant III position. Five candidates were interviewed, and ATC recommends the appointment of Lucero Salazar due to her skills and experience, which exceed the minimum qualifications of the classification. The Accountant III position is responsible for a variety of complex property tax functions, calculations, and reporting mandates.

Ms. Salazar has over nine years of professional level accounting experience in the private sector performing various accounting functions, such as accounts payable, payroll, preparing cash flows, benchmark and forecast reports, auditing claims, preparing accruals, journal entries, reconciliations, and financial reports. She was also responsible for procurement and handling vendor contracts for five UPS facilities.

#### **REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Cynthia O'Neill, Supervising Deputy County Counsel, 387-5455) on September 15, 2020; Human Resources (Mark DeBoer, Assistant Director, 387-5570) on September 15, 2020; Finance (Carl Lofton, Administrative Analyst, 387-5404) on September 22, 2020; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on September 22, 2020.