

CITY OF CHARLOTTESVILLE, VIRGINIA

CITY COUNCIL AGENDA



Agenda Date: December 1, 2014

Action Required: Appointment

Presenter: Maurice Jones, City Manager

Staff Contacts: Maurice Jones, City Manager

Title: **Director of Department of Finance Appointment**

Background:

The Finance Department provides comprehensive financial management, accounting and reporting, manages the payroll, procurement and warehouse, utility billing and collection, and the real estate assessment office. In addition, risk management, utility rate determinations for water, wastewater and gas, and debt management functions fall under the purview of the Finance Department, as well as the Disadvantaged Business Enterprises Program.

The Department also provides financial accounting services to the Jefferson-Madison Regional Library and the Charlottesville Industrial Development Authority through a contractual arrangement and other related matters. The Department operates with 40 staff members and a \$2.8 million budget, with overall responsibility for the City's total budget of \$150.7 million. In addition, the Director of Finance has co-oversight responsibility for the City's Retirement System, currently at approximately \$100 million with the City Treasurer.

The Director of Finance is an integral part of the City's management team:

- Serves as the leader in the development of strategies, policies and practices, and procedures regarding strategic financial management approaches to conducting business; participates in preparation, monitoring and analyses of the operating budget and CIP, supervises debt management, business planning, utility rate analysis and real estate assessments; and establishes other sound financial management practices as needed.
- Develops and recommends long-term financial policies designed to ensure adequate resources to meet anticipated operating capital requirements.
- Advises departments on appropriate financial strategies to accomplish near and long-term capital projects.

- Works with the City Treasurer on appropriate investment and cash management strategies so as to assure maximum return on investments.
- Manages the wide range of divisions in the Finance Department, with expertise in managing the preparation of the City's CAFR and strong mentoring skills in finance and accounting.

Discussion:

After serving eight years as the City's Director of Finance, Bernard Wray will be retiring at the end of 2014. Mr. Wray has provided excellent leadership during his time with the City and has left the department in a strong position for the next Director.

The City Manager's Office began the search for a new Finance Director this past summer. After receiving 50 applications for the position, a team from the City Manager's Office and the Human Resources Director interviewed nine applicants via phone. The team narrowed the pool to six for in-person interviews with three panels comprised of representatives from the City Manager's Office, Department Directors (also known as the LEADTEAM) and staff from the Finance Department.

The face to face interviews were followed by another round of phone interviews which ultimately lead to the finalist for the position, Mr. Christopher Cullinan. Mr. Cullinan has over 18 years of financial management experience in both the public and private sector. He is currently serving as the Acting Chief Financial Officer of the Washington Suburban Sanitary Commission (WSSC).

WSSC provides water and wastewater service to over 1.8 million people in the counties of Montgomery and Prince George's in the state of Maryland. The Commission has an annual budget of \$1.3 billion and a six year capital budget of \$4 billion.

His appointment will mark a return to the City for Mr. Cullinan after serving as the City's budget director in the late 1990s and early 2000s. A copy of Mr. Cullinan's resume is attached.

The City Council is responsible for the appointment of the Director of Finance as outlined in the code section provided below.

Sec. 11-91. - Appointment; term.

The council shall appoint a director of finance, who shall hold office at the pleasure of the council and be removable at the will of the council.

(Code 1976, § 2-64)

Alignment With the City Council Vision:

Smart, Citizen-Focused Government

The delivery of quality services is at the heart of Charlottesville's social compact with its citizens. Charlottesville's approach to customer service ensures that we have safe neighborhoods, strong schools, and a clean environment. We continually work to employ the optimal means of delivering services, and our decisions are informed at every stage by effective communication and active citizen involvement. Citizens feel listened to and are easily able to find an appropriate forum to respectfully express their concerns.

Budgetary Impact:

The proposed salary for the new director is \$138,000, close to \$5,500 less than the current director's salary. The position of Director of Finance is in the FY 2015 general fund budget, so the appointment will not have a significant impact on the budget.

Recommendation:

The City Manager recommends the appointment of Mr. Cullinan as the new Director of Finance.

Alternatives:

The Council could choose not to make the appointment and ask the City Manager to initiate a new search.

Attachments:

Mr. Cullinan's Resume

RESOLUTION
Appointment of the Director of Finance

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Charlottesville that Christopher Cullinan is appointed Director of Finance effective January 5, 2015.

Christopher V. Cullinan

1164 5th St NE ■ Washington, DC 20002 ■ Mobile Phone: 301.466.2033 ■ Email: cvcullinan@yahoo.com

Seasoned public finance professional with over 18 years of public finance experience in the public and private sectors. Possesses unique combination of leadership experience with technical expertise and the ability to communicate with internal and external stakeholders.

Experience

WASHINGTON SUBURBAN SANITARY COMMISSION (WSSC) — LAUREL, MARYLAND

Acting Chief Financial Officer, 6/2013 to Present

Budget Group Leader, 9/2012 to 5/2013

Leads and directs the Commission's financial functions, policies, and planning. Manages a staff of 60 finance professionals comprised of five groups: Accounting, Budget (operating and capital), Disbursements (accounts payable and payroll), Retirement and Investments (employee retirement plan and OPEB), and Revenue.

Leads and Manages All Aspects of Commission's Finances

- Oversees development and adoption of the Commission's annual operating budget and six-year capital improvements program. The Commission's FY'15 budget totals \$1.3 billion and includes a 5.5% rate increase which was the lowest rate increase in seven years.
- Directs Accounting Group staff and works with external auditors in the preparation of the annual audit.
- Responsible for debt issuances and on-going disclosures. The Commission's most recent issuance of \$200 million of bonds in spring 2014 including presentations to all three rating agencies in New York City reaffirming the Commission's AAA rating. Also led the issuance of \$50 million of short-term sewer notes in winter 2014.
- Led Disbursements Group staff, Financial Advisors, and Bond Counsel in the replacement of the liquidity providers for the Commission's short-term note program.
- Oversaw the Commission's first comprehensive utility rate study in fifteen years including development of RFP, selection of consultant, and development of study and rate model.
- Serves as ex-officio member of Employee Retirement Plan (\$700 million in assets) and OPEB Board of Trustees (\$60 million in assets).
- Represents the Commission on financial matters before Commissioners, elected officials, State of Maryland, customers, external stakeholders, and media.

Provides Long-range Fiscal Planning and Develops Financial Policies

- Currently leading the development and implementation of a Pipeline Investment Fee to fund the Commission's water and sewer pipe replacement programs. This effort has included briefings for elected officials, customers, and media.
- Led WSSC staffing of Subgroup on Unserved and Underserved Areas as a part of the Bi-County Infrastructure Funding Working Group.
- Directs preparation of long-term financial scenarios as part of Spending Affordability process with Montgomery and Prince George's Counties.
- Negotiated contract with Mattawoman/Panda Energy's use of WSSC effluent in power production.

Actively Participates in Commission-wide Initiatives

- Serves on steering committees for several strategic initiatives including Supply Chain Management, Asset Management Program, and Call Center Reorganization.
- Advises senior WSSC Management on financial implications of a variety of subjects including supply chain management, position control, Asset Management Program (AMP), Hiring Review Committee (HRC), and Personnel Management Advisory Committee (PMAC).
- Selected to serve on interview committees for Director of Intergovernmental Relations, Regional Water and Wastewater Manager, and Chief of Customer Relations.
- Prepared fiscal impact statements on proposed state legislation for Intergovernmental Relations Office.

Budget Preparation, Analysis, and Monitoring

- Directed the formulation, preparation and administration of the Commission's \$1.3 billion operating and capital budgets.
- Developed budget with rate increases lower than those adopted by the two counties while including funds for COLA and merit increases.
- Led formal budget presentations to the Commissioners, elected officials, and customers.
- Recommended changes to the budget format by aligning dollar amounts, workyears, goals, and activities around the Commission's strategic initiatives. This will result in a customer-friendly budget which communicates the value of the services provided by WSSC.

- Monitored the Commission's budget and prepared Monthly Financial Status Report, including any recommended adjustment, for the Commissioner's monthly meeting.
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TISCHLERBISE, INC — BETHESDA, MARYLAND

Principal, 1/2006 to 8/2012

Consultant, 10/2001 to 12/2005

Principal in fiscal, economic and planning consulting firm specializing in cost of growth issues including impact fees, capacity charges, utility rate studies and financial plans, user fees, cost allocation plans, fiscal impact analysis, capital improvement planning, and related revenue strategies. Led consulting engagements with 100 local governments in 15 states on cost of growth and infrastructure financing issues including water, wastewater, and storm water.

Financial Analysis

- Led development of impact fees, capacity fees, and one-time charges for infrastructure capacity.
- Assisted in the cost of service analysis and preparation of utility rates for water, wastewater, and reclaimed water utilizing cost allocation methodologies from the American Water Works Association (AWWA) and the Water Environment Federation (WEF).
- Analyzed the fiscal impacts of socio-economic trends such as Census data, demographics, billing records, and demand characteristics including average day demands and peak demands.
- Projected infrastructure needs based on projected land use assumptions, projections of new development and demand, and capacity requirements.
- Prepared multi-year cash flow analyses for operating and infrastructure costs showing timing between when expenditures occur and revenues accrue and identifying funding gaps and carrying costs.
- Designed and delivered user-friendly financial models in Microsoft Excel utilizing Visual Basic to clients for performing updates or conducting "what-if" financial scenarios.
- Developed capital improvement programs for a variety of public infrastructure.
- Priced public services and infrastructure utilizing a variety of methodologies including fixed costs, average costs, peaking factors, base costs, and capacity costs.
- Developed cost allocation models incorporating all applicable cost layers including direct costs, indirect costs, administrative overhead, and depreciation/capital replenishment.

Policy Development and Implementation

- Regularly presented complex, technical issues to elected officials, public executives, professional staff, citizens, and stakeholders.
- Recommended policies to achieve fiscal sustainability including rate stabilization funds, fund balance/reserve funds, and infrastructure maintenance and replacement.
- Evaluated financing strategies including traditional charges (impact fees, taxes) and more innovative revenue approaches (user fees/utility rates/tolls).

Project Management

- Served as project manager responsible for start-up, needs assessment and stakeholder analysis, client relations, deliverables, and quality control/assurance.
 - Led multiple successful business development efforts including proposal writing, marketing, and contract pricing and negotiation.
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CITY OF CHARLOTTESVILLE, VIRGINIA — CHARLOTTESVILLE, VIRGINIA

Budget Director, 5/1998 – 9/2001

Budget Analyst, 10/1996 – 4/1998

Budget Preparation and Analysis

- Led the development, analysis, and adoption of the City's \$150 million annual budget, including \$80 million General Fund, \$30 million Utility Funds (including water, wastewater, and natural gas) and \$35 million-5 year Capital Improvements Program.
- Led the design and development of a new budget system for the City, including instruction manuals and training materials.
- Developed a communications plan for the budget including presentations to City Council, community forums, Neighborhood Leadership Institute, various media outlets, and developed budget information for the City's website.

Capital Improvement Planning

- Initiated reform of the City's Capital Improvement Program, resulting in a decision-making matrix and process that was aligned with the City's strategic focus on neighborhoods and citizen involvement.
- Developed City's first Technology Improvement Program for systematic procurement and replacement of the City's technology infrastructure.

- Guest lectured on capital improvement budgeting and planning at University of Virginia School of Architecture.

Financial Management

- Performed day-to-day management of the City's budget including appropriations, requests for funds, transfers, and monitoring and analysis of revenues and expenditures, including the City's water, wastewater, and natural gas utilities.
- Participated in all aspects of the City's AAA-rated financial management including development of a long-term financial model for the City and preparation of financial reports and bond issues.

CITY OF INDIANAPOLIS, INDIANA — INDIANAPOLIS, INDIANA

Department of Public Safety, Interim Chief Financial Officer, 5/1996 – 8/1996

- Led the preparation, development, and adoption of \$180 million budget for the Department of Public Safety, including police, fire, and emergency management.

Education

INDIANA UNIVERSITY – BLOOMINGTON, INDIANA; SCHOOL OF PUBLIC AND ENVIRONMENTAL AFFAIRS (SPEA)

Master of Public Affairs – Public Financial Management, 5/1996

Relevant Course Work: Public Financial Management, Government Accounting, Debt Management and Markets, Budgeting, Microeconomics, Statistics, Public Management, Revenue Systems and Structures, Comparative Fiscal Analysis

EARLHAM COLLEGE – RICHMOND, INDIANA

Bachelors of Arts – Political Science, 6/1993

Speaking Engagements

Presentations at national conferences on a variety of public finance and infrastructure related topics, including:

- "Developing a Collaborative, Sustainable Infrastructure Renewal Plan", American Water Works Association Annual Conference, 2014.
- "Planning for the Bottom Line", American Planning Association Annual Conference, 2010.
- "Surviving an Impact Fee Challenge", National Impact Fee Roundtable, 2009.
- "Alternative Impact Fee Calculations", National Impact Fee Roundtable, 2008.
- "Including Interest Costs in Impact Fees", National Impact Fee Roundtable, 2008.
- "Development Fee Calculations", Arizona Chapter of American Planning Association Annual Conference, 2008.
- "Cost of Growth: From Assessment to Implementation", International City/County Management Association Annual Conference, 2008.
- "Cost of Growth vs. Fiscal Impact Analysis", Arizona City/County Management Association Summer Conference, 2006.
- "The Cost of Growth: It's Not Just the Capital Costs", American Planning Association Annual Conference, 2006.
- Developed the curriculum and conducted workshops for appointed and elected officials in Wyoming and McDowell counties in West Virginia on improving local government financial management, including water and sewer utilities.

Affiliations

Member, Government Finance Officers Association (GFOA).

Member, Maryland Government Finance Officers Association (MDGFOA).

Planning Committee Member, Utility CFO Forum.

Board of Directors, Growth and Infrastructure Consortium, 2009-2011.

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