



# Memorandum

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: August 13, 2021  
 TO: Board of Directors  
 FROM: General Manager  
 SUBJECT: Organizational Structure

**RECOMMENDATION:** Seek committee input on continuation of current organizational structure to guide recruitment of Director of Finance and Administration.

### BACKGROUND

In 2013, the District had \$19.7 million in annual revenues; in year just ended revenues were over \$42 million. Over the past 5 years alone, revenue has nearly doubled. Staffing levels have remained essentially consistent since 2012 with a current total of 116 employees. The District has added new functions in our operations and new state policies and regulations have changed the District's mission. This led to the District's adoption of our Strategic Plan in 2014 – "Turn Waste into Resources". It was necessary to align the organization and fill the key role vacancies to fulfill the District's mission.

The previous organizational structure assigned oversight of all operational functions to the Assistant GM. This included engineering & compliance functions, and management of the District's joint ventures and partnerships, including composting, landfill gas management, sand extraction and aggregate crushing, and (at the time) operation of the anaerobic digestion facility. Additionally, the GM and Assistant GM shared oversight of Finance/Accounting and Administrative Services. The current GM determined this structure to be unsustainable, given the expansion of the District's operations, and called for an organizational realignment.

### DISCUSSION

The District experienced a substantial amount of growth over the past five fiscal years in both revenue and in personnel to staff the upgraded MRF. These changes to the District's operations compelled the alignment of the senior leadership level to the current organization structure to lead and direct the expanded operations and effectively manage the increased financial obligations. The current structure established a Leadership Team, which includes the GM, four Directors and the HR Manager – all responsible for setting Business Strategy, Business Management, and providing the requisite independent management and compliance oversight of the Operation Team. The senior leadership level consists of four newly titled positions: Director of Finance & Administration, Director of Operations, Director of Engineering and Compliance/District Engineer, Director of Communications, and Human Resources Manager.

Staff is seeking Board direction as to whether to maintain the current existing organizational structure, or leave open the possibility for the new GM to change the organizational structure to their liking. If the current structure is identified as acceptable by the Board, staff can begin the recruitment of the Director of Finance and Administration on the heels of the GM recruitment. If the Board wishes to leave the organizational structure open to the next GM, then this recruitment should be delayed. If delayed, staff projects the Director of Finance and Administration position (or whatever the new title would be) would be filled late in the calendar year.

## FINANCIAL IMPACT

No financial impact to be evaluated at this time

## STRATEGIC PLAN

The following were the findings staff projected as to the implementation of the current leadership structure. Staff believes the objectives outline in the 2015 realignment were realized.

*The District's Strategic Plan, adopted in 2014, identifies several key elements for our people and our organization. Under our People pillar, the key elements are as follows:*

*People: An engaged and talent workforce allows us to pursue the District's mission.*

- 1. Utilize an intentional and mindful process in the recruitment, development, and growth of our people.*
- 2. Build a high performance, safety-oriented culture.*
- 3. Promote the health and well being of our employees.*

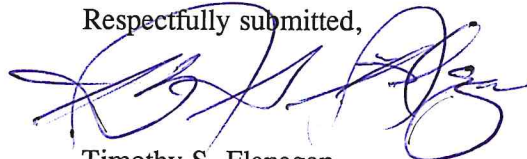
*To this end, staff believes that the purpose of the organizational alignment changes proposed will*

- 1. Align Business Management functions and Operations functions*
- 2. Promote Leadership Team Development*
- 3. Promote Operation Team Development thru a fully staffed, engaged, and collaborative Management Team*
- 4. Develop a Management Succession Planning for the future of District*

## CONCLUSION

Staff believes that the challenges and opportunities facing the District over the next few years will necessitate a continued evaluation of management team functions and responsibilities. Staff believes the current structure has helped the District to achieve its Vision and Mission: to Turn Waste Into Resources in the most cost effective and environmentally sound manner to benefit the community and support the continued evolution of sustainable business practices. That being said, with the current recruitment of both a GM and Director of Finance and Administration, staff wanted to inform the Board as to their opportunity to weigh in on organizational structure and recruitment of key leadership positions.

Respectfully submitted,



Timothy S. Flanagan