

**Charlotte County Board Of County Commissioners  
Agenda Item Summary**

**Item Number: F- 3**

**1 DEPARTMENT MAKING REQUEST**

Purchasing

**2 MEETING DATE**

11/25/2014 9:00:00 AM

**3 REQUESTED MOTION/ACTION**

Approve Change Order #1 for File #14-426, Utility Operational Audit for Charlotte County Utilities with KPMG LLP of Orlando, Florida, for an additional not-to-exceed amount of \$100,000 for Phase 3 activities adding two (2) additional risk areas for review. This change order is in accordance with the hourly rates established under the Florida State Contract, Management & Consulting Services #973-000-14-01.

**4 AGENDA**

**5 IS THIS ITEM BUDGETED ( IF APPLICABLE ) - No**

**Budget Action**

Funding for this expenditure comes from CCU Operating and Maintenance Fund - Professional Services - General.

**Financial Impact Summary Statement**

Funding for this expenditure comes from CCU Operating and Maintenance Fund - Professional Services - General.

**Detailed Analysis Attached -**

**Budget Officer-**

**6 BACKGROUND ( Why is this Action Necessary, and What Action will be accomplished )**

On September 23, 2014, the Board approved proceeding with an operational audit of the Charlotte County Utilities Operation. This audit is for the purpose of improving operations, fiscal sustainability and increasing customer satisfaction. KPMG is reviewing CCU's day-to-day operations and procedures and the development of recommendations on the productivity, cost-effectiveness and internal controls of the Department.

Phase 3 consists of a "Deeper Dive" Review and Analysis of three (3) identified key risk areas. At this time it is being requested that an additional two (2) key risk areas be reviewed. The price associated with these additional risk areas is a not-to-exceed amount of \$50,000 per risk area as defined in the original detailed scope of services on page 10 under "Project Budget".

**ATTACHMENTS:**

Name:

Description:

Type:

[Updated Charlotte County Response 9 16 14.pdf](#) Engagement Letter

Cover

Memo



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September 16, 2014

Ms. Kimberly A. Corbett, CPPB, C.P.M.  
Charlotte County Purchasing Division  
Budget & Administrative Services Department  
Charlotte County, Florida  
18500 Murdock Circle, Suite 344  
Port Charlotte, FL 33948-1094

**RE: Engagement Letter for Charlotte County, FL Organizational Review of the Utilities Department**

Dear Ms. Corbett:

KPMG LLP (KPMG) is pleased to submit this engagement letter to Charlotte County, FL (the County) for providing advisory consulting services to perform an organizational review of the Utilities Department. This engagement letter provides our understanding of the County's related needs and objectives, our engagement approach, and our relevant qualifications.

KPMG is proposing to assist the County using the State of Florida Management Consulting Services Contract # 973-000-14-01. The contract terms and conditions used in this document are managed by the Florida Department of Management Services and are located in the State Contracts, Agreements and Price Lists. The Management Consulting Service Contract #973-000-14-01 is incorporated herein by reference and maintained in the contract manager's file.

**Project Objectives**

The County seeks professional advisory services to assist County administration with the County's water, wastewater and reuse utility for the purpose of improving operations, fiscal sustainability and increasing customer satisfaction. KPMG understands the project objectives to be a review of the Charlotte County Utilities Department's (CCU or the Department) day-to-day operations and procedures and the development of recommendations on the productivity, cost-effectiveness, and internal controls of the Department.

KPMG proposes performing a high-level assessment of CCU operations to make high-level observations and identify key risk areas. The high-level assessment would be followed by a "Deeper Dive" analysis into the key risk areas to help ensure County resources for this engagement are focused on the highest value-added activities and work is completed in accordance with the County's desired timeline. Our methodologies and project approach are flexible to meet your needs and include components for developing custom recommendations, performing additional analysis, and outlining plans for action to help CCU better prepare for the future.



In executing this approach, KPMG will look at the organizational layers and spans of control of the CCU. We will identify apparent variances from current leading practices and industry standards across the three main Divisions within CCU. Our approach and deliverable will reflect a multi-dimensional assessment and view of the CCU, with recommendations for further analysis and improving operations as appropriate.

### KPMG Team Qualifications and Relevant Experience

KPMG has placed significant value and investment in helping public and private sector entities better manage organizational and operational issues.

In the following section, we have highlighted relevant KPMG projects that demonstrate our experience with local government utilities. All projects described in this section have involved members of this specific KPMG project team. The following chart highlights a sample of previous client engagements where similar services were provided.

Client	Scope of Services	Water Utility Experience	Organizational Design	Operational Efficiency Analysis	Cost Savings Analysis	Revenue Enhancement Study	Key Performance Measures
<b>Representative Public Sector Experience</b>							
City of Atlanta Department of Watershed Management	Operational and Performance Evaluation	✓	✓	✓	✓	✓	✓
Tampa Bay Water Department	Operations and Performance Audit	✓	✓	✓	✓	✓	✓
Collier County Public Utilities Division	Operational Assessment	✓	✓	✓	✓		✓
Miami-Dade Water and Sewer Department	Process and Systems Review	✓	✓	✓	✓		✓
District of Columbia Department of Public Works (PWS)	Work Management System Implementation	✓		✓	✓	✓	
Sarasota County Utilities Department (PWS)	Management Performance Audit	✓	✓	✓	✓		✓
Hillsborough County Water Department (PWS)	Operations and Performance Audit	✓	✓	✓		✓	✓



## **Project Reference**

### **City of Atlanta, Georgia**

Leslie Ward, City Auditor  
404-330-6804 (office)  
55 Trinity Ave SW  
Atlanta, GA 30303  
LWard1@AtlantaGa.gov

Additional references can be provided upon request.

## **Project Team**

At KPMG, our commitment to the County is best demonstrated by the strength of the engagement team we have selected to serve you. With this in mind, we have assembled a team of partners, managers, and staff who possess extensive experience serving government entities. The KPMG Team members are part of KPMG's State and Local Government Practice and have performed numerous organizational reviews and similar projects for utility departments and other public sector organizations around the country. We have helped clients improve operations, reduce costs, and enhance revenue streams. Our experience has provided us with insight into leading practices and lessons learned from around the country.

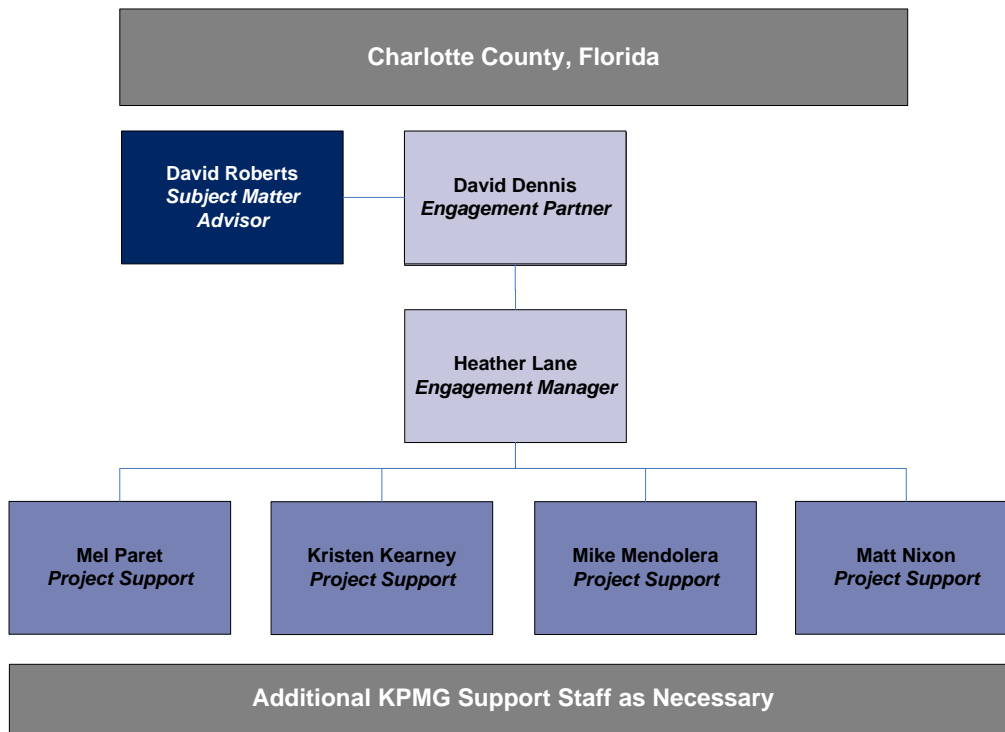
KPMG's State and Local Government Practice is dedicated to serving the specialized needs of state, local and tribunal government clients for over 50 years. With more than 1,000 professionals focused on serving the public sector, we provide services to 21 of the top 35 local government jurisdictions in the country. We know how to work with government agencies to gain insight into their specific issues so that we can meet their specific needs. Because the government sector professionals work extensively with public sector organizations, they understand the importance of public accountability. KPMG will leverage previous experience and benchmark data from sources like American Water Works Association and the Water Environment Federation during the review. KPMG brings our deep industry-specific knowledge to this engagement with the County.

To complement the skills and experience of the KPMG team members, Public Works Solutions (PWS) will serve as a subcontractor to KPMG for this engagement. KPMG and PWS have performed many similar engagements together and look forward to collaborating once again to serve Charlotte County. PWS is a specialized business consulting and technology firm dedicated to developing creative solutions to improve management and operations of municipal public works and solid waste agencies. The firm possesses in-depth management, financial and technology capabilities, especially with solid waste programs, based on almost 30 years of municipal utility consulting experience.



The focus of PWS is improving public works operations and services through streamlined business processes, performance measurement and practical information technology applications. To enhance project success and value, PWS strives to actively collaborate with various employee and stakeholder groups with routine training, support and presentations/meetings.

The following organization chart identifies our proposed team members and project roles.



## Project Workplan

The project workplan presents the various tasks we anticipate performing to successfully achieve objectives of the organizational review of CCU. Our approach consists of four phases and is based on our public sector experience and KPMG’s reputation for providing quality service. To this foundation, we will add effective project planning, critical information gathering and thoughtful analysis, necessary validation and valuable reporting skills to exceed your expectations. The following pages contain the details to our project workplan.

### **Phase 1 – Project Planning and Kickoff**

During Phase 1, KPMG will meet with key project stakeholders to reaffirm project goals, milestones and objectives. The meeting will include discussions about the data needs, interview list, project schedule, and roles and responsibilities of the KPMG team and the County staff. We will confirm that planned tasks are “sized” in a manner that can be



completed within the requested time frame and allow KPMG to meet overall project objectives.

#### **Phase 1 Tasks:**

- **Conduct Project Kickoff Meeting** – Introduce the KPMG team during the kick off meeting and confirm the County project manager and project goals, objectives, scope and workplan. Discuss data needs, project schedule, roles and responsibilities of the KPMG Team and County staff
- **Develop Project Management Tools** – Develop a draft Project Management tools and submit to the County. The Project Management tools will include a detailed scope, approach, risks, milestones, and communication plan. Collect County feedback to the draft Project Management tools. Finalize the Project Management tools as appropriate.

#### **Phase 1 Outputs:**

- Agreed upon project management tools (risk register, communication plan, project charter) and workplan
- Interview and data request list

#### **Phase 2 – Information Gathering and Current State High-Level Assessment**

In this phase we will focus on gathering information to understand CCU's current organization structure and how CCU operates internally and externally with stakeholders. We will then conduct a high-level assessment of current state operations, technology, high-level business workflows to identify key risk areas for further review and analysis in Phase 3. Identifying key risk areas for further analysis will help ensure County resources for this engagement are focused on the highest value-added activities, where greater opportunities exist for improvement towards the County's goals.

#### **Phase 2 Tasks:**

##### *Information Gathering*

- **Review Documentation** – Review existing organizational documentation (organization charts, business unit descriptions, position descriptions, process flows, previous audits, etc.)
- **Interview Key Staff** - Conduct interviews with CCU executives and management to understand executive position and business unit roles and responsibilities
- **Conduct Stakeholder Focus Groups** – Facilitate up to three outreach sessions with County designated stakeholders, including members of the public and business sector, for input on their opinions, priorities and expectations of CCU.
- **Survey CCU Employees** – Administer a job activity questionnaire to gauge the degree to which staff feel properly focused/directed/supported, efficiency of structure to accomplish objectives/mission; opportunities for improvement



### *Current State High-Level Assessment*

- **Assess Organizational Structure** – Assess the organizational structure to include a review of the CCU management team concentrating on appropriate number of staff members and experience levels. Review span of control ratios and communication channels within CCU and interrelationships and interdependencies within CCU's organizational structure. Evaluate the structure of the Department and the number of middle management and number of work teams as compared to industry leading practices.
- **Identify and Assess Key Workflows** – Confirm key processes within Operations, Business Services and Engineering Divisions. Conduct a high-level workflow analysis of agreed-upon key processes to determine key risk areas and opportunities. Review each division as to their use of in-house staff and outsourcing
- **Identify and Assess Effectiveness of Priority Software** – Perform a high-level assessment of the compatibility and effectiveness of existing software systems being used that are deemed a primary system by the County, in regards to simplicity of use, effectiveness of function, data sharing between systems and the development of performance measures
- **Review Operational and Customer Service KPIs to Assess Performance** – Identify and review readily-available data on operational and customer service KPIs, including response time and level of service for core services and compare current service levels with leading practices

### *Define Key Risk Areas*

- **Identify Key Risk Areas** – Based on activities performed for the current state high-level assessment including gaining an understanding of the County's risk ranking criteria and tolerances, identify approximately three to five key risks areas that present the County with the greatest opportunities for improvement and added value to constituents
- **Confirm Key Risk Areas with the County** - Review results of the current state high-level assessment with the County project sponsor and confirm key risks areas for KPMG to perform a "Deeper Dive" review and analysis during Phase 3

### **Phase 2 Outputs:**

- High-level summary of observations and recommendations regarding organization structure
- Summary of key risk areas proposed for Phase 3 "Deeper Dive" review and analysis

### **Phase 3 "Deeper Dive" Review and Analysis of Identified Key Risk Areas**

Phase 3 will provide a targeted assessment of CCU's key risk areas to better develop future state recommendations consistent with CCU's defined goals and objectives. We



will also complete further analysis of Phase 2 activities associated with identified key risk areas.

### **Phase 3 Tasks:**

#### *“Deeper Dive” Review and Analysis (To Occur For Each Identified Key Risk Area)*

- **Assess Operational and Customer Service KPIs** – Assess overall CCU staff effectiveness by comparing CCU KPIs to leading practice and peer metrics using American Water Works Association (AWWA) and Florida Benchmarking Consortium (FBC) ratios such as: customer accounts/employee, water produced per employee, wastewater processed per employee, customer service cost per account, operations and maintenance cost for water and water per account and per water volume handled. Conduct a gap analysis of CCU key performance data to common industry tracked key performance measures
- **Conduct Workflow Analysis** – Conduct a workflow analysis of key processes to identify observations and recommendations for improvement. While assessing the processes, KPMG will focus on the following process elements and objectives: efficiency, effectiveness, duplication of efforts, compliance, controls, control weaknesses and gaps, and inputs and outputs
- **Conduct Benchmark Comparisons** – Compare CCU’s current service delivery methodology to similar Florida utilities. Identify leading practices across Florida utilities and other peer organizations that provide relevant examples for enhancing CCU operations
- **Evaluate Effectiveness of Technology** – Assess the compatibility and effectiveness of existing software systems being used, in regards to simplicity of use, effectiveness of function, data sharing between systems and the development of performance measures
- **Assess Quality Control Measures and Procedures** – Review available quality assurance measures and quality control procedures related to each risk area. Conduct a high-level comparison of actual activities and operations to leading practice quality assurance measures and quality control procedures

#### *Summary of Observations and Recommendations*

- **Develop Observations and Recommendations** – Document observations from workplan activities completed for each risk area. Develop recommendations for enhancement of organizational structure and operations
- **Determine Priority Issues and Action Steps** – Define and prioritize operational and organizational structural issues based on County provided criteria and create action steps for associated modifications to CCU’s strategic plan
- **Define Resource Needs to Achieve Recommendations** – Identify areas where performance and effectiveness can be enhanced and define approximate resources needed to achieve recommendations





### **Phase 3 Outputs:**

- Summary of observations and high-level recommendations

### **Phase 4 Reporting and Recommendations**

During Phase 4 we will develop a report to summarize our project approach, current state observations, and recommendations for future state to support the County's strategic goals.

### **Phase 4 Tasks:**

- **Develop Draft Report** – Prepare draft Organization Review Report deliverables
- **Solicit County Feedback** – Present the draft deliverables to the County project sponsor and allow an opportunity for review, comment, and approval prior to issuing final deliverables
- **Develop Final Report** – KPMG will consider comments received from the County project sponsor and present our final deliverables to the County

### **Phase 4 Deliverables:**

- Organization Review Draft Report
- Final Organization Review Report within two weeks of receiving the County's approval and/or comments to the Draft Report
- High-level executive summary
- Presentation of high-level executive summary to the Board of County Commissioners

### **Ongoing Client Communication**

We believe one of the keys to the successful completion of a project is to maintain regular, open and forthright dialogue with you. Our approach to this project will be characterized by close collaboration and continuous communication with appointed County liaisons resulting in a strong team between the County and our Team. KPMG will provide the County with bi-weekly status reports during the project that detail the following:

- Progress to-date, by task, for each bi-weekly reporting period
- Pending or resolved issues
- Deliverable schedule compliance



### **Engagement Project Management**

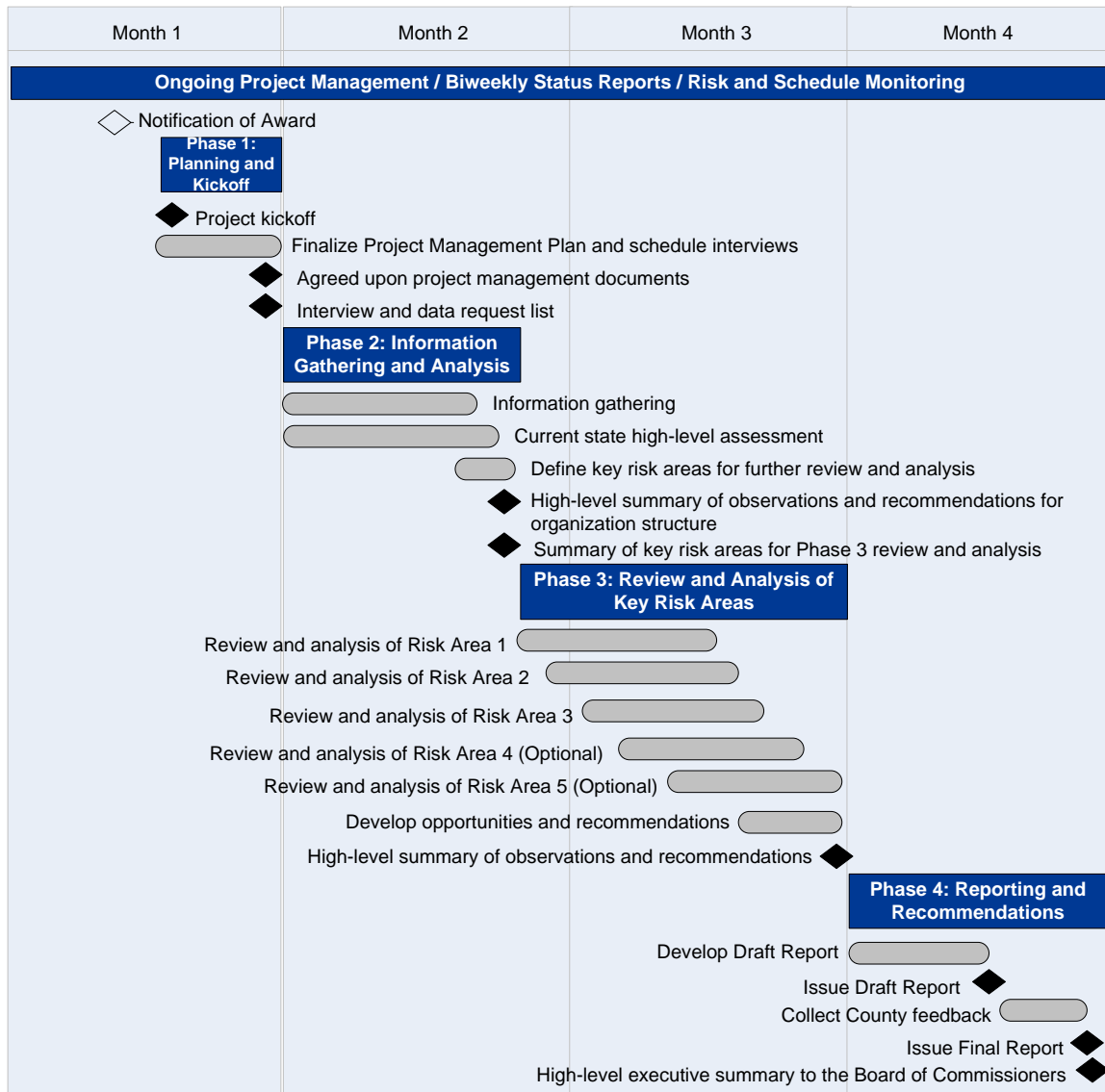
Our project management approach is designed to help the County meet the project's goals timely and within budget. To manage project information gathering and analysis, our Project Team is structured with clear lines of authority and will work with the County as a part of the overall engagement team. KPMG believes that working with the County and establishing the roles and expectations of team members is critical to the overall success of the project. KPMG's project management philosophy and emphasis on risk management is designed to protect the confidentiality of records and data, which may be transmitted electronically via e-mail or the Internet.

KPMG also believes that quality control and quality assurance are vital aspects to any engagement. Our reputation and the client's satisfaction depend on effective quality control and quality assurance management. KPMG has developed a series of internal quality control and assurance requirements, and training courses all KPMG personnel must attend. KPMG also maintains specific standards for the creation and maintenance of workpapers for all client engagements. The Engagement Partner, David Dennis, and the Engagement Manager, Heather Lane, will be responsible for the quality control and quality assurance of this engagement. Data analysis performed will be reviewed by the Engagement Manager to help ensure accurate information sources, reasonable data parameters, and meaningful results to research and analysis. The Engagement Partner and Engagement Manager will review client deliverables to provide quality assurance.

### **Estimated Timing**

The timing of deliverables will depend on the agreed upon detailed workplan, however, we estimate issuing formal draft reports approximately 90 days from project kickoff. KPMG can provide preliminary findings and recommendations in advance of any upcoming County Board meetings if needed. The timing is highly dependent on the project team's ability to gain timely and open access to County staff/documentation.

The chart on the following page provides a high-level timeline for the proposed project workplan.



## Project Budget

KPMG is excited about being part of Charlotte County’s project team. Our resource planning and costing have been completed with an eye toward adding insight and value to Charlotte County. Our fees are based on our current understanding of the work to be performed and the assumptions as stated within this engagement letter. Should your needs differ from our assumptions or understanding of the work, KPMG is willing to discuss those differences and make changes accordingly.

We estimate project team labor fees to not exceed \$249,650 to complete the services described in this engagement letter. Labor fees are inclusive of Phase 3 activities for three agreed-upon key risk areas. Upon approval by the County, Phase 3 activities may be performed for additional risk areas at a price not-to-exceed \$50,000 per risk area.

Our labor fees include all necessary production and other administrative costs. Labor fees do not include travel costs. We estimate project team travel costs to not exceed



\$24,400 to complete the services described in this engagement letter. Our travel costs will be billed in accordance with State of Florida travel regulations.

KPMG will invoice the County monthly for costs incurred. Invoices are due upon receipt. If unforeseen circumstances cause us to believe that our total fees will exceed the estimate provided, we will discuss this situation with you and agree upon an appropriate course of action.

KPMG's fees are based on time and materials for personnel involved in the engagement at hourly rates commensurate with the professional's level and experience as outlined in the Florida Management Consulting Services Contract # 973-000-14-01.

### **County Responsibilities**

Although KPMG personnel will perform key elements of the work, the County's participation is essential to the success of this engagement. In this regard, we assume the following:

- The County has designated a qualified management-level individual to serve as a day-to-day point of contact to facilitate the coordination of meetings and obtaining access to County staff, systems and documentation. This individual will be responsible and accountable for overseeing the engagement and evaluating the adequacy of the procedures performed by KPMG
- The County accepts responsibility for the substantive outcomes of this engagement and, therefore, has a responsibility to be in a position, in fact and appearance, to make an informed judgment on the results of this engagement
- The County will provide information and documentation regarding its organization, general operating environment, technical environment, and other relevant topics, as well as descriptions of relevant policies and procedures that address processes and controls
- The County will make timely decisions that involve management functions related to the engagement and accepts full responsibilities for such decisions
- The County will make available adequate workspace for the KPMG Team. The workspace shall include access to a telephone, printer/copier and internet connectivity

### **Other Matters**

The deliverables will be prepared based on information received from the County. No independent verification of this information will be made by KPMG and we assume no responsibility for the accuracy or reliability of the information provided to us. The deliverables will be intended solely for the use of the County and may not be provided to any third party without the written consent of KPMG and should not be relied upon for any other purposes, and will so be marked.

We disclaim any intention or obligation to update or revise the observations whether as a result of new information, future events or otherwise. Should additional



documentation or other information become available which impacts upon the observations reached in our deliverables, we reserve the right to amend our observations and summary documents, including deliverables, accordingly. The draft deliverables will be provided to the project sponsor for review, comment and approval prior to final delivery. KPMG may send final reports/deliverables electronically for the County's convenience. However, only the final hard-copy report should be viewed as our work product.

KPMG retains all ownership rights in any proprietary methodologies, methods, processes, or procedures of KPMG that pre-exist or were developed outside the scope of this Contract. If any such property of KPMG is contained in any of the deliverables hereunder, KPMG grants to the County a royalty-free, paid-up, non-exclusive, perpetual license to use such KPMG intellectual property in connection with the County's use of the deliverables.

The advice, recommendations, work product, and deliverables provided as part of this engagement will be developed for County management, and are not intended for use by any other party or for any other purpose, and may only be relied upon by County management and will be so marked. We disclaim any intention or obligation to update or revise the observations whether as a result of new information, future events or otherwise. Should additional documentation or other information become available which impacts upon the observations reached in our deliverables, we reserve the right to amend our observations and summary documents, including deliverables, accord.

The County acknowledges that KPMG uses third party service providers within and without the United States to provide at KPMG's direction administrative and clerical services to KPMG. These third party service providers may in the performance of such services have limited access to information, including but not limited to confidential information, received by KPMG from or at the request or direction of the County. KPMG represents to the County that each such third party service provider has agreed to conditions of confidentiality with respect to the County's information to the same or similar extent as KPMG has agreed to pursuant this Contract. KPMG has full responsibility to cause these third party service providers to comply with such conditions of confidentiality and KPMG shall be responsible for any consequences of their failure to comply. Accordingly, the County consents to KPMG's disclosure to a third party service provider and the use by such third party service provider of data and information, including but not limited to confidential information, received from or at the request or direction of KPMG for the purposes set forth herein. The County agrees that any claim relating to the services under the Contract may only be made against KPMG and not any third party service provider referred to above.

The County acknowledges and agrees that KPMG's services may include advice and recommendations; but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, the County. KPMG will not perform management functions or make management decisions for the County.



KPMG may communicate with the County by electronic mail or otherwise transmit documents in electronic form during the course of this engagement. The County accepts the inherent risks of these forms of communication (including the security risks of interception of or unauthorized access to such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). The County agrees that the final hardcopy version of a document, including a deliverable, or other written communication that KPMG transmits to the County shall supersede any previous versions transmitted electronically by KPMG to the County unless no such hard copy is transmitted.

In the instance the County shall request to conduct or use a third party to conduct security assessments to verify KPMG's compliance with security requirements, KPMG will make reasonable effort to be responsive to such inquiries for security assessments, but reserves the right to limit disclosure of details and nature of procedures, if it determines, in its sole judgment, that such disclosure would put at risk the confidentiality, availability or integrity of its own or its other clients' data.

Services provided are to be performed in accordance with AICPA Professional Standards, the County agrees that Contractor may retain a copy of County-owned information in its audit workpapers, retain such workpapers in accordance with applicable professional standards and provide access to its workpapers as provided for in AICPA ET 301 "Confidential Client Information". Notwithstanding any other provision of this contract, the Contractors workpapers prepared in accordance with AICPA Professional Standards are the exclusive property of the Contractor. To the extent that the services provided are to be performed in accordance with AICPA Professional Standards, the County agrees that Contractor may retain a copy of customer information in its workpapers, retain such workpapers in accordance with applicable professional standards and provide access to its workpapers as provided for in AICPA ET 301 "Confidential Client Information."

KPMG will provide our services in accordance with the terms and conditions of this letter. Such services will be performed under the Consulting Standards issued by the American Institute of Certified Public Accountants (AICPA) and are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagement as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services will not result in the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.

County is aware that Contractor may be providing assurance, tax and/or advisory services to other actual or potential vendors of the County. KPMG will perform an internal search for any potential client conflicts relating to any of the County's vendors identified by the County as having a role in connection with Contractor's performance of this Contract. The County hereby agrees that a vendor's status as a KPMG client does not impact KPMG's engagement to perform this Contract. KPMG will advise the County of any conflicts of interest that could prevent it from performing the Contract. However, KPMG is a large firm that is engaged by new clients on a daily basis and as a result it



cannot guarantee that, following its conflict search, an engagement for any other related party will not be accepted somewhere else in KPMG's firm. Should any new information come to the KPMG's attention, KPMG will promptly inform the County. KPMG shall perform this Contract in accordance with applicable professional standards.

We look forward to working with you and your staff and would be pleased to discuss this letter with you at any time. Please sign this letter below to indicate acceptance.

Very truly yours,

Accepted:

\_\_\_\_\_  
Authorized Signature

David L. Dennis  
Partner  
KPMG LLP

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**Attachment**

Attachment A – Project Team Resumes



## DAVID L. DENNIS

Partner

KPMG LLP  
111 N Orange Avenue  
Suite 1600  
Orlando, FL 32801

Tel 407-563-2227  
Fax 407-264-6171  
Cell 321-277-6566  
ddennis@kpmg.com

### Function and Specialization

David is experienced in conducting financial, operational and performance audits, cost allocation studies, management studies, performance measure projects, business case studies, user fee studies, customer and employee surveys and project management and quality assurance studies.

### Representative Clients

- Florida Department of Children & Families
- Florida Department of Financial Services
- Florida Department of Management Services
- Florida Department of Transportation
- Florida Department of Revenue
- Florida's Turnpike Enterprise
- Fulton County, GA
- Orange County, FL
- Miami-Dade County, FL
- City of Atlanta
- City of Orlando
- Georgia Department of Labor
- Georgia Office of Workforce Development
- Georgia Technology Authority
- Metro Atlanta Rapid Transit Authority
- Mississippi Department of Education

### Professional Associations

- Member, Florida Board of Accountancy
- Past Council Member, American Institute of Certified Public Accountants
- Past President, Executive Committee and Board of Governors, Florida Institute of Certified Public Accountants (FICPA)
- Trustee, FICPA Education Foundation
- Member, Association of Government Accountants
- Member, Government Finance Officers Association
- Member, Florida Government Finance Officers Association (FGFOA)

### Languages

English

### Education, Licenses & Certifications

- BS, magna cum laude, Indiana

### Background

David is a partner in KPMG's State and Local Government Advisory Services Practice. He has 35 years of professional experience with extensive experience in serving state and local governments. David is the lead partner for Florida and Georgia. Florida Governor Rick Scott appointed David to the Florida Board of Accountancy.

### Professional and Industry Experience

David has served as engagement partner on operational, costing, performance audit and financial audit engagements for numerous governments. David serves as the performance audit engagement partner for more than 50 performance audits for the US Department of Energy. David has led projects for State Human Service Agencies, State Workforce Agencies, State and Local Transportation Agencies, State Technology Agencies, State Departments of Finance and Administration and Major Local Governments.

#### ***City of Atlanta Watershed Department***

Served as the engagement partner on a performance audit of the City of Atlanta Watershed Department. The performance audit assessed the Department's key operations, capital program, and financial management. KPMG analyzed the efficiency and effectiveness in key operational areas; identified potential opportunities for cost savings and revenue enhancement; reviewed capital program and construction project management; and assessed financial management. KPMG reviewed specific organizational structures, staffing levels, business processes, and related costs.

#### ***Collier County, Florida***

The Collier County Board of County Commissioners engaged KPMG LLP (KPMG) at the request of the Public Utilities Division Administrator and the Utility Billing & Customer Service Department (UBCS Department or Department) to perform an assessment on specific business processes related to the operation and management of the UBCS Department. KPMG utilized its established business process assessment methodology and tools in conjunction with KPMG's extensive State and Local Government experience to conduct the process assessment.

#### ***Tampa Bay Water Authority***

Assisted in the management of a Yellow Book performance audit for the Tampa Bay Water District. The overall goal of the performance audit was to review operational and management controls and processes with a focus on measuring effectiveness, efficiency, compliance, and risk. The audit was organized into six main functional areas: Finance and Administration; Operations; Science, Engineering, and Long-Term Planning; Contracting; Construction; and Oversight and Compliance.

#### ***State of Florida, Department of Management Services – People First***

Served as the engagement partner for a team tasked with conducting an assessment and business case study for the People First Project. KPMG was tasked with conducting a business case study for the People First Project. The business case included a technology assessment (application platform), available





## David L. Dennis

Partner

University

- CPA in the State of Florida

options, and recommended operating model. The business case also included performance improvements, performance standards, procurement timelines, contingency plans, and transition plans.

### ***State of Florida, Department of Financial Services – Uniform Chart of Accounts***

Served as the engagement partner for a team to determine the statewide cost impact of adoption of a Uniform Chart of Accounts adoption and implementation. KPMG determined the statewide cost impact of implementing a Uniform Chart of Accounts across all state and local jurisdictions. The project included designing a survey tool to capture data necessary to complete the cost impact that was validated with a pilot survey and expanded to 2,271 state and local government entities. KPMG analyzed and validated the data in the survey, completed a cost impact calculation and presented results to the Department and the Florida Legislature.

### ***State of Florida, Department of Children and Families – SMS Feasibility***

Served as the engagement partner for a DCF feasibility study. KPMG was tasked with evaluating the feasibility of leveraging Text and SMS messages to receive and process child abuse allegation reports by the State of Florida Abuse Hotline Command Center.

### ***Metro Atlanta Rapid Transit Authority***

Serves as the engagement partner on a multi-year management and operational audit for MARTA. KPMG provided a combination of operational audits and strategic transformation services to assess and improve MARTA's overall operational and financial effectiveness. Key project objectives included: Analyzing current business processes and identifying specific near-term opportunities, identifying longer-term opportunities to improve overall effectiveness and efficiency, identifying new and enhanced methods of revenue generation, and driving sustainable, continuous improvement within MARTA. KPMG's efforts resulted in the identification of over \$50 million in annual cost-saving opportunities. KPMG was retained to assist in the implementation phase.

### ***Georgia Department of Labor – Financial Transformation***

KPMG performed a financial transformation project at GDOL that focused on three primary areas: financial systems review, operating environment assessment, and financial processes review. KPMG conducted a cost to perform key finance functions review, performed over 55 interviews within finance and top-level executives and reviewed various financial reports from more than 10 systems to assess challenges with the current financial systems state. KPMG developed over 70 financial processes within Financial Services: Budget, Accounts Payable, Accounts Receivable, Cash Management, Contract Administration, Grants Management, Payroll, Unemployment Insurance, and Other Accounting Functions. KPMG identified 50 recommendations and an implementation roadmap to assist in the reorganization and organizational financial process transformation.

### ***Georgia Lottery Corporation – Organizational Alignment Assessment***

KPMG's project objectives were to understand current and projected GLC business



## David L. Dennis

Partner

functions and requirements, understand GLC's current Strategic Plan with desired goals and objectives, assess GLC's current organizational structure, and identify opportunities to enhance GLC's organizational structure to strategically support GLC operations, goals, efficiency and customer satisfaction. Key tasks included conducting interviews with 30+ GLC executives and management, reviewing existing organizational documentation (organization charts, business unit descriptions, position descriptions, process flows, etc.), reviewing span of control ratios and communication channels within GLC, documenting and understanding interrelationships and interdependencies within GLC's organization structure, identifying organizational opportunities to enhance efficiency and effectiveness, reviewing 11 of the largest (top revenue) lotteries across the country, and developing recommended opportunities for enhancement.

### ***State of Mississippi, Department of Finance & Administration***

Served in the role of client partner on a project to assist in assessing performance of agencies that received ARRA funding. KPMG assisted DFA with the monitoring of internal controls of state agencies receiving American Reinvestment and Recovery Act (ARRA) funds. KPMG helped monitor that funds were spent according to federal requirements and regulations while maintaining the appropriate controls and reporting mechanisms necessary for accountability and transparency. As part of the assessment, KPMG conducted approximately 23 agency monitoring site visits and over 75 grants reviewed, accounting for over \$2 billion federal dollars. Specific tasks performed by KPMG included: developed a risk assessment tool that summarizes financial risk, internal controls, public interest risks, and operational and delivery risks within each state agency. Agency site visits were prioritized based on the total scoring of each individual grant and/or high risks in one or more individual areas.

### **Technical Skills**

Business Process Improvement, Business Case Studies, Performance Measurement, Activity Based Costing, and Federal Cost Allocation

### **Publications and Speaking Engagements**

- International Bridge, Tunnel & Turnpike Association – Developments in Governmental Accounting
- FICPA – Single Audit Update, The State of the Profession, Cost Allocation
- Intergovernmental Audit Forum – Current Issues in Governmental Auditing
- Association of Government Accountants – Survey of Finance Officers, OMB Circular
- National Association of Black Accountants – Women Issues in the Workplace
- KPMG PPP Industry Forum – Issues in States and Local Governments
- Florida Association of Court Clerks – Accounting in Florida Counties
- Indiana University – Managerial Cost Accounting –
- America's Infrastructure Series – The State of American Infrastructure.



## HEATHER R. LANE

Manager

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### Function and Specialization

Public Sector Strategic Advisory, Process and Performance Improvement, Operations Efficiency, Risk Advisory, and Grant Management Services

### Representative Clients

- Atlanta Public Schools
- Charlotte Area Transit System
- City of Atlanta, GA
- City of New York, NY
- City of Orlando, FL
- Companion Property & Casualty Insurance
- Eastern Band of Cherokee Indians
- Florida Association of County Clerks
- Fulton County, GA
- Georgia State Road and Tollway Authority
- Hillsborough County, FL
- MARTA
- Nissan North America
- Pokagon Band of Potawatomi Indians
- Seminole County, FL
- State of Florida
- State of Georgia
- State of Mississippi
- State of Texas
- U.S. Department of Energy

### Professional Associations

- Institute of Internal Auditors
- Georgia Government Finance Officers Association

### Education, Licenses & Certifications

- BS, Business Administration, Finance, Cum Laude, University of Florida

## Background

Heather is a manager in KPMG LLP's Atlanta, GA office. She is a member of the firm's Regulatory Compliance team with over 7 years providing services to Public Sector clients, with a focus on utilities, transportation, health and human services, and workforce development sectors.

## Professional and Industry Experience

Heather's clients include federal, state, and local governments, as well as private sector organizations. She has knowledge and experience in providing overall strategy and transformation support to public sector organizations. Specific areas of services include business process improvement, organizational design and review, cost analysis, risk identification, shared services and outsourcing, policies and procedures development, internal controls assessments, grant management, and governmental benchmarking. Her understanding of government includes transportation, human services, workforce development, utilities, and education.

## Performance and Operational Studies

- *City of Atlanta Department of Watershed Management* – KPMG conducted a performance audit of City of Atlanta's Department of Watershed Management. The performance audit assessed the Department's key operations, capital program, and financial management. KPMG analyzed the efficiency and effectiveness in key operational areas; identified potential opportunities for cost savings and revenue enhancement; reviewed capital program and construction project management; and assessed financial management. KPMG reviewed specific organizational structures, staffing levels, business processes, and related costs.
- *New York City Department of Environmental Protection* – Served as a subject matter advisor to provide Project Monitoring, Quality Assurance, Project Management, and Mentoring (PMQA) services for the Billing and Customer Information Tracking System. KPMG performed objective assessments of DEP's CIS Implementation Project. As a result of the PM/QA reviews, KPMG provided objective status and executive reporting on key observations and recommendations to the DEP CIS Director and appropriate DEP management, including risks or issues of critical or urgent nature that could jeopardize the successful implementation of the new system.
- *Georgia Department of Labor* - KPMG performed a financial transformation project at GDOL that focused on three primary areas: financial systems review, operating environment assessment, and financial processes review. KPMG conducted a cost to perform key finance functions review, performed over 55 interviews within finance and top-level executives and reviewed various financial reports from more than 10 systems to assess challenges with the current financial systems state. KPMG developed over 70 financial processes within Financial Services: Budget, Accounts Payable, Accounts Receivable, Cash Management, Contract Administration, Grants Management, Payroll, Unemployment Insurance, and Other Accounting Functions. KPMG identified 50 recommendations and an implementation roadmap to assist in the reorganization and organizational financial process transformation.
- *Seminole County, Florida* – KPMG assisted Seminole County, Florida in the



## HEATHER R. LANE

Manager

development of a comprehensive analysis of the cost of doing business for the Building Division and in the identification of the full cost of providing building inspection services. KPMG met with key County personnel to gain an understanding of the building fee process and documented the current process and existing fee structure to assist the County in identifying variances from full fee recovery.

- *Metropolitan Atlanta Rapid Transit Authority* – KPMG provided a combination of operational audits and strategic transformation services to assess and improve MARTA's overall operational and financial effectiveness. Key project objectives included: Analyzing current business processes and identifying specific near-term opportunities, identifying longer-term opportunities to improve overall effectiveness and efficiency, identifying new and enhanced methods of revenue generation, and driving sustainable, continuous improvement within MARTA. KPMG's efforts resulted in the identification of over \$50 million in annual cost-saving opportunities. KPMG was retained to assist in the implementation phase.
- *Charlotte Area Transit System* - Reviewed controls and procedures around procurement processes related to a \$52 million transportation contract for light rail vehicles. Analyzed utilization of technology in procurement record management and benchmarked procurement practices of local governments and transportation entities. Interview key procurement officials, reviewed procurement files, researched state and local regulations, assisted in the review of the FTA's Best Practices Procurement Manual, and examined transportation contracts. Evaluated procurement processes and controls to determine areas of risk and history of non-compliance with organization policies.
- *State of Mississippi Department of Finance and Administration* – KPMG assisted DFA with the monitoring of internal controls of state agencies receiving American Reinvestment and Recovery Act (ARRA) funds. KPMG helped monitor that funds were spent according to federal requirements and regulations while maintaining the appropriate controls and reporting mechanisms necessary for accountability and transparency. As part of the assessment, KPMG conducted approximately 23 agency monitoring site visits and over 75 grants reviewed, accounting for over \$2 billion federal dollars. Specific tasks performed by KPMG included: developed a risk assessment tool that summarizes financial risk, internal controls, public interest risks, and operational and delivery risks within each state agency. Agency site visits were prioritized based on the total scoring of each individual grant and/or high risks in one or more individual areas.
- *Fulton County, Georgia* – KPMG assisted the County with an organizational assessment of the Department of Health and Human Services. KPMG provided recommendations for improving business processes, maximizing revenue, reducing duplication of services and streamlining technology applications. KPMG examined the County's integrated care service delivery (ICSD) model approach, and its efforts toward developing a more client focused delivery mechanism across multiple health and human services programs within the County. KPMG reviewed organizational structures, assessed staffing and programs, identified operational improvements within administrative services, and documented a programmatic assessment within the County's ICSD model.

## DAVID G. ROBERTS

Director

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### Function and Specialization

David is a Director in the Government Advisory Practice specializing in organizational transformation, process improvement, sourcing evaluation, technology evaluation, risk assessments, organizational assessments, compliance audit and costing services.

### Representative Clients

- Georgia's Commission for a New Georgia
- Georgia Department of Labor
- Georgia Department of Public Health
- Georgia Lottery Corporation
- Georgia Ports Authority
- Georgia Regional Transportation Authority
- Georgia State Accounting Office
- Georgia State Road and Tollway Authority
- Georgia Technology Authority
- Fulton County, GA
- City of Atlanta, GA
- MARTA
- Atlanta Public Schools
- Florida's Turnpike Enterprise
- Florida Association of Court Clerks and Comptrollers
- Florida Department of Health
- Florida Department of Revenue
- Florida Agricultural and Mechanical University
- Tampa Bay Water
- Hillsborough and Collier Counties, FL
- City of Jacksonville, FL
- Texas Department of Transportation
- Virginia Department of Rail and Public Transportation
- US Department of Energy
- State of Mississippi
- University of North Carolina at Chapel Hill
- Pokagon Band of Potawatomi Indians
- Eastern Band of Cherokee Indians
- Navajo Nation

### Professional Associations

- Association of County Commissioners of Georgia
- Georgia Government Finance Officers Association
- Association of Government Accountants
- Leadership Atlanta Class of 2015 Nominee
- Board Member – Campfire

### Background

David is a Director in KPMG's Government Advisory Services practice in Atlanta, Georgia. He has been with KPMG for more than 13 years, providing strategic transformation, IT advisory, business process review, sourcing evaluation, performance audit, management review, supply chain assessments, compliance monitoring, risk assessments, and costing services for clients throughout the United States. David manages large transformation and strategy engagements for state and local governments.

### Professional and Industry Experience

- *Atlanta Department of Watershed* - Served as engagement manager to conduct a performance audit of the Department of Watershed Management. The audit assessed the Department of Watershed Management's key operations, capital program, and financial management. KPMG assessed the efficiency and effectiveness in key operational areas; potential opportunities for cost savings and revenue enhancement; capital program and construction project management; and financial management. KPMG reviewed specific organizational structures, staffing levels, business processes, and related costs.
- *Collier County Utility Billings and Customer Service Department*. – Served as team lead for a Management Review of the Department. The review consisted of reviewing specific business processes related to revenue collection and management within the Department and focused on controls; control weaknesses/gaps; inputs/outputs; efficiency; and effectiveness.
- *Tampa Bay Water Authority* – Assisted in the management of a Yellow Book performance audit for the Tampa Bay Water District. The overall goal of the performance audit was to review operational and management controls and processes with a focus on measuring effectiveness, efficiency, compliance, and risk. The audit was organized into six main functional areas: Finance and Administration; Operations; Science, Engineering, and Long-Term Planning; Contracting; Construction; and Oversight and Compliance.
- *Georgia Ports Authority* – Served as team lead to perform a performance audit and strategic review of the Georgia Ports Authority ("GPA"). He assessed the efficiency and effectiveness of the operations of GPA with a focus on the following key functional areas: Operations, Engineering and Maintenance, Trade Development, and Finance and Administration. The performance audit followed a 12-step work plan that included the following elements: internal and external interviews; analysis of GPA data, information, and systems; and the solicitation of Job Activity Questionnaires ("JAQs"). The purpose of the audit was to evaluate GPA's current operations and performance in relation to the State of Georgia's goals and objectives. The GPA performance audit included a review of management practices, operating controls, and procedures.
- *Georgia Lottery Corporation (GLC)* – Served as project manager for an Organizational Alignment Assessment of the Georgia Lottery Corporation. Key project objectives were to understand current and projected GLC business functions and requirements, understand GLC's current Strategic Plan with desired goals and objectives, assess GLC's current organizational structure, and identify opportunities to enhance GLC's organizational structure to strategically support GLC operations, goals, efficiency and customer satisfaction. Key tasks included conducting interviews with 30+ GLC executives and management, reviewing existing organizational documentation (organization charts, business

- Founding Board Member – Druid Hills Charter Cluster

#### **Education, Licenses & Certifications**

- BS Business Finance, University of Florida

unit descriptions, position descriptions, process flows, etc.), reviewing span of control ratios and communication channels within GLC, documenting and understanding interrelationships and interdependencies within GLC's organization structure, identifying organizational opportunities to enhance efficiency and effectiveness, reviewing 11 of the largest (top revenue) lotteries across the country, and developing recommended opportunities for enhancement.

- *Georgia Department of Labor (GDOL)* - Serving as project manager for financial transformation efforts within the agency's Financial Services Division. KPMG conducted over 55 interviews within Finance and top level executives and reviewed various financial reports from over 10 systems to assess challenges with the current financial systems state. KPMG developed over 70 financial processes within Financial Services: Budget, Accounts Payable, Accounts Receivable, Cash Management, Contract Administration, Grants Management, Payroll, Unemployment Insurance, and Other Accounting Functions. KPMG identified 50 recommendations and an implementation roadmap to assist in the reorganization and organizational financial process transformation.
- *Metropolitan Atlanta Rapid Transit Authority (MARTA)* - Served as engagement manager to provide a combination of operational audits and strategic transformation advisory services to assess and improve MARTA's overall operational and financial effectiveness. Key project objectives include: Analyzing current business processes and identifying specific near-term opportunities, identifying longer-term opportunities to improve overall effectiveness and efficiency, identifying new and enhanced methods of revenue generation, and driving sustainable, continuous improvement within MARTA.
- *Georgia Department of Public Health (DPH)* – Served as project manager to provide cost recovery assistance to DPH through recommendations in the areas of cost allocation methodology, recovery management processes, and time reporting. KPMG's assessment helped improve DPH effort reporting and cost recovery procedures to further enhance state federal recovery.
- *City of Atlanta* - Served as project manager for IT strategic assessment focusing on the following technical workstreams: Business Consolidation, Telecom, Network and Security, Oracle ERP Support, Revenue Systems, Supporting Contracts. Recommendations resulted in process improvements, enhanced controls, and significant identified potential savings.
- *Florida Department of Health* - Served as project manager to provide professional advisory services to assess current allocation processes and systems used to report County Health Department (CHD) program revenues and expenditures. KPMG assessed the data inputs, systems, methodologies, and reporting processes to allocate revenues and expenditures from the state to the local level. KPMG assessed operations and processes at the state central office and 6 sample county health departments representing varying demographics and needs in the state.

#### **Publications and Speaking Engagements**

- Speaker, Florida Association of Court Clerks and Comptrollers
- Speaker, Florida Government Finance Officers Association
- Speaker, Georgia Fiscal Managers Conference
- Referenced in Book "Smart Government - Bureaucracy With a Business Brain: Commission for a New Georgia"



## Melvin P. Paret

Principal

Public Works Solutions LLC  
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### Function and Specialization

Municipal utility operations, management,  
technology & financial services

### Professional Associations

- Solid Waste Association of No. America (Treasurer Virginia Chapter)
- Water Environment Federation (prev.)
- American Water Works Association (prev.)

### Education, Licenses & Certifications

- MPH, Environmental Sciences, Tulane University
- MBA, Accounting/Finance, Tulane University
- BA, Tulane University

## Background

Mel is a highly experienced management consultant having over 30 years of professional experience with municipal public works and utilities. Specializing in water, wastewater, solid waste and environmental programs, he has worked with a range of state and local governments and is skilled in performance evaluations, business process re-engineering, costs/rates/financing and information systems.

## Professional and Industry Experience

Mel worked 20 years with KPMG Consulting and served as the company's national resource for municipal utility services. In 2002, he founded Public Works Solutions LLC (PWS) and has consulted for several large clients such as Washington D.C., City of Atlanta, City of Phoenix, and The World Bank. As project manager on large multi-faceted projects, Mel directed diverse teams including consultants, auditors, engineering firms, law firms, investment bankers and software developers. He is experienced in making routine presentations, training sessions, stakeholder/client workshops and meetings and has briefed state governors, agency administrators, elected officials, and city mayors.

## Representative Project Experience

- *District of Columbia Department of Public Works.* Developed and implemented a time/attendance and work management system (Trakster) to track employee resources, activity-based costs, service outputs and other performance measures to enhance competitiveness of DC's Public Works operations. Conducts routine management and performance analyses and reporting for a wide range of public works operations and costs.
- *City of Atlanta.* Supported a department-wide performance audit requested by the City Council to review financial management, operations and the capital improvement program. Evaluated the Department's financial projections increasing water/sewer rates 80% over 4 years to support a multi-billion dollar capital program and operations associated with federal consent decrees.
- *Tampa Bay Water Authority.* Managed a governance study for this major wholesaler of water in southwest Florida. This study for the governor and mandated by the Florida legislature, involved developing options and recommendations for voting, allocation of water, financing, ownership, and rate-setting among Tampa Bay jurisdictions. The Authority implemented KPMG's recommendations for restructuring the regional water authority and began implementation of an \$800 million capital program including a new reservoir and de-salinization facility.
- *Miami-Dade County.* Managed comprehensive rate study for this large water and sewer utility serving more than 350,000 retail customers and wholesale water service to 14 municipalities. Project also included evaluating capital financing program, monthly billing alternatives, and low-income rate structures.
- *Sarasota County Utilities Department.* A management performance audit, commissioned by the Board, was conducted of the Utilities Department and a five year business plan was prepared to guide implementation for improving management of water/sewer services in conjunction with a \$100 million capital improvement program. In separate project, developed a strategic plan for major



## Melvin P. Paret

Principal

technology applications of the Department including billing/collection, customer services, work/asset management, and facility SCADA operations

- *Hillsborough County Water Department.* Managed a management and operational performance audit of the County's water and wastewater operations serving over 100,000 accounts. The work includes evaluation of organization, staffing, operations and use of technology.
- *Southwest Florida Water Management District.* Conducted an agency-wide management, organization, and operations study to identify means to improve efficiency and effectiveness. Also, managed a re-engineering and strategic technology project for the permitting and compliance functions of this agency regulating water use and wetlands for southwest Florida.
- *Washington Suburban Sanitary Commission.* Conducted evaluations of organizational alternatives and management practices to improve the efficiency and effectiveness of this large water and sewer authority servicing 2 suburban Washington counties.
- *South Florida Water Management District.* Conducted a state-wide study of reclaimed water services and customer costs to support the state's Water Management Districts' permitting efforts and conservation of water supplies.
- *Nassau County, New York.* Services included evaluation of existing utility assets, operations, financing, and cost and rate impacts of transferring a large private water utility to county ownership. Facilitated contract O&M specifications, financial planning, billing/financial systems transfer, and rate development.
- *City of Orlando.* Conducted a financial feasibility study to support a \$58 million bond issue for the wastewater system. This financing, supported by impact fees, was the first non-insured, rated issue of the City.
- *Washington Aqueduct (serving Washington DC and Northern Virginia).* Assessed the institutional and financial impacts of transferring ownership of wholesale water treatment/conveyance facilities from the U.S. Corps of Engineers to a separate water authority and implementing over \$500 million of needed capital improvements.
- *Milwaukee Metropolitan Sewer District.* Conducted a study of the District's O&M costs related to the City's O&M contract with United Water Services and the adequacy of funds for future equipment renewal and replacement requirements.
- *Broward County Department of Natural Resource Protection.* Developed a long-range information systems strategy for environmental permitting, compliance, laboratory, and geographic information systems (GIS) for this Florida environmental agency.





## KRISTEN A. KEARNEY

Senior Associate

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### Function and Specialization

Kristen is a member of Management Consulting Services practice, serving State and local governments.

### Representative Clients

- Alachua County, FL
- City of Orlando, FL
- California Public Employees' Retirement System
- Florida Department of Financial Services
- Florida Department of Children and Families
- Florida's Turnpike Enterprise
- Highlands County, FL
- Massachusetts Bay Transit Authority
- Miami-Dade Expressway Authority, FL
- Monroe County, FL
- New York Office of Information Technology
- Pensacola County, FL
- Pinellas County, FL
- Polk County, FL
- Puerto Rico Highway and Transportation Authority
- State of Mississippi Finance and Administration
- Tampa Bay Area Regional Transit Authority
- US Department of Energy
- Virginia Department of Rail and Public Transportation

### Professional Associations

- Florida Institute of Certified Public Accountants
- Florida Government Finance Officers Association

### Education, Licenses & Certifications

- BA, Magna Cum Laude, University of Central Florida

### Background

Kristen is a senior associate in the KPMG's Advisory Services practice with eight years of experience serving state and local government clients. She has served as project lead and facilitated in the aspects of planning, budgeting, delivery and performance improvements. Kristen has served state and local government clients within Florida and throughout the Country.

### Professional and Industry Experience

Kristen is experienced in the areas of process improvement, cost optimization, financial analysis, business and operational efficiencies and project management within governmental regulatory frameworks.

### Process Improvements and Cost Optimization

- Led study to analyze cost recovery, business process and benchmarking among eight peer organizations. Conducted a review of organizational operations including engineering, storm water, and sewer and drainage. Reviewed fees for services, funding structures and financial and departmental data to help determine and calculate functional costs, expenditures and fees for service. Developed recommendations to identify better practices based on costs, practices, technology and governmental environments through review of each organization.
- Lead multi-agency study to review business operations for cost savings opportunities for similar local Florida governmental agencies. The review included identification of management activities and core central service and operational department functions to identify and quantify cost savings through collaboration, consolidation, vendor or outsourcing opportunities for business process and functions.
- Developed project plan, vendor selection, implementation and monitoring efforts for a paper-to-electronic migration for organization's communication to over two-million recipients. Initial agency savings were approximately \$1,000,000 in the first year launched. Developed data analysis, reporting metrics and performance measures for variations over time, and comparatively with industry standards.
- Developed operational improvements for Florida government enterprise by refining supply chain processes. Conducted review and research of existing contracts between vendors, processes, warehousing and technology. Provided alternative methods to optimize and enhance business efficiencies through packaging process, electronic tool optimization and point of contact touch points between vendors, subcontractors and retailers. Reestablished roles, responsibly, materials and unproductive capital to reduce costs by \$100,000 annually.
- Reviewed and analyzed costing measures for County government fees. Interviewed client personnel and analyzed financial and non-financial data such as operating and capital costs, internal management practices, external reporting and interagency billing practices. Provided recommendations to adjust rate structures to recover full cost within governmental framework of applicable local, state and federal guidelines. This information was developed to help review or update fees to potentially reduce the amount of general fund subsidization for services.

### Costing Allocation Studies

- Served as project lead in the development of cost allocation plans for multiple state and local governments to determine the allocation of direct and indirect costs. This included providing guidance to governmental officials in the interpretation and use of the cost



## Kristen A. Kearney

Senior Associate

allocation plans to identify opportunities for efficiencies and accuracy. Assessed current organization structure, staffing, and functional areas of activities. Assisted to help define organizational service offering definitions, determine appropriate allocation methodologies within regulatory frameworks.

- Served project lead to analyze Florida Statewide agency cost allocation practices, including review of organizational structure, program services, methodology and technical processes. Reviewed allocation statistics, source documentation, allowable costs and allocation of costs to appropriate cost pools. Developed reporting overview and procedural guides. Identified recommendations for allocation methodologies, and provided suggestions to maximize reporting and data validation to state and programs.
- Served as project lead to review a consolidated organizational structure within the State of New York to assist with development of a cost allocation and chargeback frameworks within OMB A-87 regulations. Provided subject matter advisory services for accounting, allocation and financial process complexities. Provided recommendations to enhance accountability, efficiency and transparency.
- Served as project lead to review California agency process for cost allocation practices and procedures. Reviewed allocation of cost of labor, workload, and expense categories to refine methodologies based on current organizational assessments within the identified governmental regulatory framework. Developed updated Excel-based cost model, policy, and procedural manual materials. Worked with IT Departmental agency personnel to review if excel model application would translate to PeopleSoft for potential future migration and automation.

### **Project Management**

- Provided project management leadership and support for a multi-year project management engagement for State government department. Managed subcontractor, vendor, contracts and deliverables. Activities included contract monitoring, subcontract monitoring and compliance, on-going oversight of project roles and responsibilities, review of work products and deliverables, invoicing and contract close out.
- Coordinated and monitored the planning, review of state-wide public marketing programs. Tracked subcontractor compliance, budgeting adherence, approvals and implementation with total project expenditures over \$1,000,000 annually. Provided forecast of anticipated cost forecast, and monitored budget to actual expenditures. Reviewed sales data reports for tracking and accuracy purposes, to compare with campaign expenditures resulting in sales increases, and market trends over time.

### **Technical Skills**

- OMB A-87, OMB A-122, FAR 31
- Microsoft Office Suite, Adobe Photoshop, Dreamweaver, html



## MICHAEL C. MENDOLERA

Senior Associate

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### Function and Specialization

Michael is a member of the Financial Management Advisory practice specializing in State and Local Government.

### Representative Clients

- Commonwealth of Puerto Rico
- Georgia Department of Labor

### Professional Associations

- Ohio State Bar Association
- Cleveland Metro Bar Association

### Education, Licenses & Certifications

- JD, *Cum Laude*, Cleveland-Marshall College of Law
- BS, Business Administration, John Carroll University
- Bar Admissions: Georgia & Ohio

## Background

Michael is a senior associate in KPMG's Management Consulting State and Local Government advisory practice.

## Professional and Industry Experience

Prior to joining KPMG, Michael served as a Special Assistant to the Mayor of the City of Cleveland, Ohio for 8 years. Michael's focus during his public sector tenure included advising public officials on intergovernmental affairs, key legislative initiatives, community boards and commissions governance issues, international relations and large scale community event planning, including Cleveland's successful bid to host the 2016 Republican National Convention. He developed a strong understanding of municipal operations, including but not limited to, public utilities, public works, public safety, and capital projects while serving in the public sector.

## Project Management

- *Commonwealth of Puerto Rico* – Assisting KPMG in conducting a Tax Reform Assessment for the Commonwealth of Puerto Rico's Treasury Department (Department). The assessment includes analyzing the current tax structure, assessing the tax administration and compliance, creating macroeconomic models for the Puerto Rican economy based on data provided by Puerto Rico and assisting the Department in understanding the impact of proposed changes. KPMG's services include, but are not limited to, economic modeling, tax design, tax administration and organizational design and high level implementation planning. Current tasks include reviewing deliverables for quality assurance and providing project management oversight.

## Performance and Operational Studies

- *Georgia Department of Labor (GDOL)* - Assisted team in performing an agency-wide Financial Transformation engagement. The engagement included three areas: Financial Systems Review, Operating Environment Assessment, and Financial Processes Review. KPMG identified 50 recommendations and an implementation roadmap to assist in the reorganization and organizational financial process transformation.

## Other Activities

- Former Board member, Greater Cleveland Sports Commission
- Former Board Member, Greater Cleveland Film Commission
- Former Alternate, State of Ohio's District One Public Works Integrating Committee
- Participant, Marine Corps Executive Forum



## MATTHEW NIXON

Advisory State and Local Government  
Senior Associate

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### Function and Specialization

Matthew is a member of the Financial Management Advisory practice specializing in State and Local Government.

### Representative Clients

- Fulton County, GA
- MARTA
- State of Georgia
- Georgia Lottery Corporation
- Manatee County, FL
- Osceola County, FL

### Education, Licenses & Certifications

- B.A. Ursinus College

### Background

Matthew is a senior associate in the firm's State and Local Government Advisory practice.

### Professional and Industry Experience

Matt's clients include state and local organizations. He has knowledge and experience in business process improvement, government benchmarking, reviewing policies and procedures, and organizational reviews. His understanding of government includes gap assessment and intergovernmental relations.

### Operational Reviews and Assessments

- *Fulton County, Health and Human Services Department* – Staff member for a project in which KPMG assisted the County with an organizational assessment of the Department of Health and Human Services. KPMG provided recommendations for improving business processes, maximizing revenue, reducing duplication of services and streamlining technology applications. KPMG examined the County's integrated care service delivery (ICSD) model approach, and its efforts toward developing a more client focused delivery mechanism across multiple health and human services programs within the County. KPMG reviewed organizational structures, assessed staffing and programs, identified operational improvements within administrative services, documented a programmatic assessment within the County's ICSD model, and completed a review of the IT business environment.

### Organizational Assessments

- *Eastern Band of Cherokee Indians (EBCI)* – Primary staff member for a Human Resources Organizational Assessment of the Eastern Band of Cherokee Indians. Key project objectives were to review existing organizational structure and interrelationships, assess primary HR process workflows, and review existing IT systems environment and applications that support HR functionality. Key tasks included conducting more than 30 interviews with EBCI personnel, documenting 21 key current HR processes, mapping these processes, and developing observations and recommendations related to existing procedures and current functionality as well as related to improved functionality as a result of upgraded technology.
- *Georgia Lottery Corporation (GLC)* – Primary staff member for an Organizational Alignment Assessment of the Georgia Lottery Corporation. KPMG's project objectives were to understand current and projected GLC business functions and requirements, understand GLC's current Strategic Plan with desired goals and objectives, assess GLC's current organizational structure, and identify opportunities to enhance GLC's organizational structure to strategically support GLC operations, goals, efficiency and customer satisfaction. Key tasks included conducting interviews with 30+ GLC executives and management, reviewing existing organizational documentation (organization charts, business unit descriptions, position descriptions, process flows, etc.), reviewing span of control ratios and communication channels within GLC, documenting and understanding interrelationships and interdependencies within GLC's organization structure, identifying organizational opportunities to enhance efficiency and effectiveness, reviewing 11 of the largest (top revenue) lotteries across the country, and

developing recommended opportunities for enhancement.

### ***Performance Reviews, Transformations, and Implementation***

- *Metropolitan Atlanta Rapid Transit Authority* – KPMG provided a combination of operational audits and strategic transformation services to assess and improve MARTA's overall operational and financial effectiveness. Key project objectives included: Analyzing current business processes and identifying specific near-term opportunities, identifying longer-term opportunities to improve overall effectiveness and efficiency, identifying new and enhanced methods of revenue generation, and driving sustainable, continuous improvement within MARTA. KPMG's efforts resulted in the identification of over \$50 million in annual cost-saving opportunities. KPMG was retained to assist in the implementation phase.
- *Georgia Department of Labor (GDOL)* – KPMG's performed a financial transformation project at GDOL that focused on three primary areas: financial systems review, operating environment assessment, and financial processes review. KPMG conducted a cost to perform key finance functions review, performed over 55 interviews within finance and top-level executives and reviewed various financial reports from more than 10 systems to assess challenges with the current financial systems state. KPMG developed over 70 financial processes within Financial Services: Budget, Accounts Payable, Accounts Receivable, Cash Management, Contract Administration, Grants Management, Payroll, Unemployment Insurance, and Other Accounting Functions. KPMG identified 50 recommendations and an implementation roadmap to assist in the reorganization and organizational financial process transformation.

### ***Grant Management Assistance***

- *State of Georgia, Governor's Office of Workforce Development* – KPMG assisted GOWD with transition and monitoring of a \$90 million Workforce Investment Act (WIA) grant. KPMG is supporting GOWD in developing processes and controls to manage and administer the WIA grant. KPMG services include, but are not limited to, financial and programmatic preparation, including design and deployment of programmatic and financial monitoring tools, schedules, training GOWD staff to perform monitoring.

### ***Cost Analysis***

- Assisted the local governments with the preparation of Full Cost and OMB Circular A-87 central service cost allocation plans. Studies entailed the allocation of indirect costs for the development of overhead rates, the development of a Full Cost and A-87 allocation plans, and the assessment of direct cost charges to maximize recovery of costs, both direct and indirect. Representative Clients include: Highlands County Florida, Manatee County Florida, Osceola County Florida, and City of Orlando.