

TO: Board of Estimates

FROM: Michael Lipski, Human Resources

DATE: October 15, 2010

SUBJECT: Creation of Water Utility Financial Manager

The Water Utility General Manager, T. Heikkinen, has requested that one position of Water Utility Financial Manager (CG18 Range 15) be created at the Water Utility to oversee the financial and customer service operations of the Utility. The Utility had a position of Financial Manager until 2004, when the incumbent retired. At that time, the former WU General Manager decided not to fill the Financial Manager position but rather to reallocate the duties and responsibilities among a professional Accountant, the Customer Services Supervisor, and the General Manager. After being at the Utility for over two years, current General Manager Heikkinen has concluded that this arrangement is not the most efficient and effective and that a higher-level manager over the financial and customer service areas is required. Based on a review of the position description (attached) and conversations with Mr. Heikkinen, I recommend the following:

- One position of Water Utility Financial Manager, CG18-15, should be created within the Water Utility's budget.
- Upon filling the position of WU Financial Manager, the current Accountant 4 position, CG18-12, should be deleted to fund the new Financial Manager position.
- The Accountant 4 incumbent has agreed to a voluntary demotion to the Customer Service Supervisor position, CG18-11, which will be vacated at the end of 2010 due to the incumbent's retirement. The Accountant 4 salary will be red-circled so that no loss of compensation will occur.

The Water Utility Financial Manager has responsibility for "...planning, coordinating, and directing the functions, staff and activities of the Financial Section of the Madison Water Utility." (See attached class specification) This position is responsible for financial forecasting, administration and coordination of the annual Utility financial audit, and using the Utility's computer modeling software to determine the impact of capital investments and operating expenditures to determine the appropriateness of utility rates. The position prepares required paperwork for a rate increase and provides required presentations to political bodies in the City and the State regarding rates, expenditures, operating rules, and levels of service. The position has a professional Accountant 2 and a para-professional Water Utility Account/Computer Specialist to assist with the financial operations. In addition to the financial performance of the Utility, this position is responsible for overseeing the Customer Service area and the Meter Shop. The Customer Service area is responsible for all Utility billing as well as customer support. The Meter Shop installs and maintains water meters throughout the City. The Financial Manager, in addition to supervision responsibilities, is responsible for researching and recommending improvements in technology, such as automated metering. There is a Customer Services Supervisor who assists with the staff supervision in the customer service and meter areas.

It is intended that the Financial Manager will perform the same range of functions with the same level of authority as the former position. Based on this, I conclude that the classification remains appropriately placed in CG18-15. The existing Accountant 4 position will be deleted in order to fund the new position, and the Accountant 4 incumbent has agreed to a voluntary demotion to the Customer Services Supervisor position which will be vacant at the end of 2010 due to retirement of the incumbent. The attached organizational chart shows the new structure in the Financial Section.

We have prepared the necessary Resolution to implement this recommendation.

Attachments

Compensation Group/Range	2010 Annual Minimum (Step 1)	2010 Annual Maximum (Step 5)	2010 Annual Maximum +12% longevity
18/12	\$62,073	\$74,938	\$83,928
18/15	\$71,499	\$86,088	\$96,408

cc: Tom Heikkinen-Water Utility General Manager