

TO: Personnel Board

FROM: Mike Lipski, Human Resources

DATE: December 3, 2018

SUBJECT: Treasury and Revenue Manager

The Mayor's Office and Finance Director have requested the creation of a new civil service classification of "Treasury and Revenue Manager" to replace the retiring City Treasurer and summarized this change in the recently adopted 2019 City operating budget. The City Treasurer is currently a CG21, non-civil service, Department Head position, charged with overseeing the operations of the Treasurer's Office. However, the incumbent is retiring in June 2019 and as a result; the Mayor's Office is looking at this as an opportunity to restructure the operations of the Finance Department and Treasurer's Office. As such, a new position description has been submitted for further review. After a thorough review of the PD, and several conversations with the Finance Director, Human Resources Director and Deputy Mayor Enis Ragland, I recommend the creation of a new classification of Treasury and Revenue Manager, and a new 1.0 FTE of Treasury and Revenue Manager to be created within the Finance Department operating budget. Upon the current City Treasurer's retirement, the classification and position of City Treasurer will be deleted.

Currently, the City Treasurer supervises the Treasurer's Office, which consists of a Financial Operations Leadworker, two Account Clerks, an Administrative Clerk, and a Clerk Typist. The City Treasurer is responsible for the collection, deposit, and disbursement of City funds consistent with governing professional standards and the public interest, incorporating oversight of strategic cash management and investment strategies. The Treasurer's Office collects annual property taxes and receives payment of other City monies, including utility bills, licenses, etc. Finally, the Treasurer's Office is responsible for investing money and monitoring the City's cash flow.

Because of the impending retirement and subsequent vacancy, the question is whether it makes sense to move the Treasurer's Office under the direct supervision of the Finance Director. While State law requires the City to have a Treasurer designated, it is not uncommon for this work to be included in a Finance Department. In fact, when HR has conducted salary studies of Department Head positions, in most cases, the Treasurer is located within the Finance Department. Most recently, in 2014, of the cities outside of Wisconsin who responded, only 4 of 11 cities had an independent City Treasurer. Within Wisconsin, only 3 of 10 respondents had an independent City Treasurer position. When considering the work of the two agencies (Treasurer's Office and Finance), it makes sense that the Treasurer function could be overseen within the larger Finance Department. This work interacts with the Finance Department in ensuring that the City has the money to pay for items outlined in the City's budget, developed and overseen by the Finance Department.

Because the recommendation is to move the Treasurer function under the Finance Director, City ordinances will be updated to reflect the role of the Finance Director as the City Treasurer. However, it is still necessary to have a position perform the work outlined above, including

overseeing the employees of the Treasurer’s Office. As such, I recommend creating a new classification of Treasury and Revenue Manager. This classification will primarily perform the work of the City Treasurer classification, but under the oversight and direction of the Finance Director.

Since the work is not changing significantly, the question becomes placement within the City’s compensation plan. Currently, the City Treasurer is paid a salary equivalent to the range of CG18, R15. However, in CG21, the spread of the salary range is broader than in CG18. The 2019 salary range for the City Treasurer is \$87,359-\$117,935 while the range for a newly hired CG18 employee in Range 15 is only \$87,359-\$105,183. An employee in CG18, R15 would have to be in the position for over 25 years to make \$117,000, whereas a newly hired City Treasurer in CG21 could negotiate that salary immediately. In looking at the 2014 salary survey, Madison had the lowest top salary for a City Treasurer among the external comparables, by over \$12,000. Because placing the position within the civil service and associated salary schedule will narrow the range that a newly hired employee can negotiate, it is appropriate to consider moving the new Treasury and Revenue Manager up one range to CG18, R16. This recommended placement is a range below the Budget and Program Evaluation Manager and Accounting Services Manager, both in Finance. However, unlike the Treasury and Revenue Manager, the other two managers are supervising staffs of professional employees, which supports their placement in a higher range. This placement is also one range higher than the Risk Manager in Finance, who only supervises one individual. Placement in Range 16 will allow a newly hired employee to negotiate a starting salary up to \$110,340, which should make the position more competitive in recruiting.

For the above reasons, I recommend creating a new classification of Treasury and Revenue Manager in CG18, R16, and creating a new FTE of Treasury and Revenue Manager in the Finance Department budget. The intent is to recruit for the position immediately to allow for cross-training with the existing City Treasurer for up to 3 months. Upon retirement, the City Treasurer classification and position will be deleted.

We have prepared the necessary Resolution to implement these recommendations.

Editor’s Note:

Compensation Group/Range	2019 Annual Minimum (Step 1)	2019 Annual Maximum (Step 5)	2019 Annual Maximum +12% longevity
21/15	\$87,359	\$117,935	
18/16	\$91,560	\$110,340	\$123,581

cc: Enis Ragland – Deputy Mayor
 David Schmiedicke – Finance Director
 Harper Donahue, IV – Human Resources Director