

TO: Personnel Board

FROM: Emaan Abdel-Halim, Human Resources

DATE: 5 August 2015

SUBJECT: Engineering Financial Manager – Engineering Division

At the request of City Engineer Rob Phillips, I conducted a position study of the Engineering Financial Manager (#1104; CG18-12) in the Engineering Division, currently occupied by Mr. Steve Danner-Rivers. The request for this position to be reclassified is based on the increased oversight of the payroll function, the increased complexity of multiple budgets, the addition of MUNIS responsibilities, and additional staff supervision. Based on conversations with Mike Dailey, Assistant City Engineer; Wayne Block, Transit Financial Manager; the incumbent, and upon reviewing the incumbent's current position description as well as other classifications in the City, I recommend deleting the classification of Engineering Financial Manager in CG18-R12 and recreating it in Range 14, and then reclassifying Mr. Danner-Rivers into the recreated classification.

Mr. Danner-Rivers started working for the City in 2003 as a Transit Accountant at Metro. In 2006, he transferred to Engineering as an Accountant 2 and was later promoted to the Engineering Financial Officer (CG18, R10) in 2007. In this position, Mr. Danner-Rivers was responsible for the public works contracts, payments and related paperwork as well as oversight of Engineering's payroll function. In 2009, the Engineering Financial Officer position was reclassified to the current Engineering Financial Manager in Range 12.

A review of the classification specification for the Engineering Financial Manager identifies the work as:

... **responsible professional, administrative and managerial work** in the Engineering Division, **developing, coordinating, analyzing and managing the division's financial programs**, including the Sewer and Stormwater Utilities, and providing administrative services for division operations. Under the general direction of the City Engineer and Assistant City Engineer, the employee in this class **develops and administers the division's financial activities** and **provides all necessary internal, City and regulatory agency reports**, and assists in development and/or analysis of division programs, operations and functions. Work is characterized by **regular use of independent judgment, discretion and initiative**. As part of the division's management team the position participates in review, decision making and policy development for division operations.

At the time of the reclassification in 2009, the financial management of Engineering utilities (sewer, stormwater and landfill) shifted from the Finance Department to Engineering. Since 2010, Mr. Danner-Rivers takes the lead in setting the utilities' rates, which go to Board of Public Works for approval, and to the Board of Estimates and Common Council for final adoption of any rate changes. The rate structure for each utility requires complex cost assessments and analysis, and involves multi-tiered rate structures and components. The evaluation of the three utilities' rate structures is done on an annual basis. All billing for the three utilities is coordinated through the Water Utility for inclusion on residents' Madison Municipal Services bill. If these rates are challenged, Mr. Danner-Rivers is responsible for presenting and defending the case to the Public Service Commission. Lastly, the number of budgets that this position is responsible for creating and maintaining have grown with four operating budgets (one for each section of Engineering) and six capital budgets. The biggest change in budgeting comes from the facilities section with projects expanding and becoming more complex overall. Additionally, Mr. Danner-Rivers is required to

work directly with outside auditors to provide requested information for the varying number of inquiries related to the ten budgets he manages.

During the course of this study, I reviewed the responsibilities and duties for the Water Utility Financial Manager (CG18, R15), the Transit Financial Manager (CG44, R14), and the Principal Accountant (CG18, R14) in Finance for comparison.

The class spec for the Water Utility Financial Manager defines the work as:

...highly responsible professional and managerial work in planning, coordinating and directing the functions, staff and activities of the Administration Section of the Madison Water Utility. The Administration Section comprises the following units: Finance and Accounting, Customer Service and Billing, and Meter Operations. The employee in this class **oversees** and is responsible for the **Water Utility's financial health and performance**, including all necessary internal, City and Public Service Commission required financial reports. The work entails the **overall management of the financial planning, accounting, billing, customer service, metering, and field service functions.** The work also requires the **review and approval of rate increase applications to the Wisconsin Public Service Commission.** Work is characterized by a **high degree of judgment, discretion, and initiative.** As a member of the Utility's Management Team, this position participates in the formulation of Utility policy and the identification and resolution of issues pertaining to management. Work is performed under the general supervision of the Water Utility General Manager.

This position is a high level manager in the Water Utility with responsibility over 3 different sections—Finance, Customer Service/Billing, and Meter Operations. This includes direct oversight of five staff within the Finance and Accounting unit; and through a mid level manager, eighteen staff within the Customer Service and Meter Operations. The Water Utility Financial Manager requires a high level of aptitude in applying professional accounting and public finance principles and policies to manage the financial performance and ensure the financial health and stability of the Utility. Additionally, the rate applications for the Water Utility are prepared and presented to the Water Utility Board, Board of Estimates, Common Council and Public Service Commission for final approval and adoption. Unlike Engineering's three utilities, the Water Utility is subject to greater oversight by the Public Service Commission as a regulatory agency, including at the time of setting rates. Overall, the Water Utility Financial Manager has the broad scope of supervision and the higher level of financial planning which places the position in the higher range of CG 18, Range 15.

The next comparison I reviewed is the Transit Financial Manager, which oversees Metro Transit's financial, fiscal and general administrative systems for the agency. This position directly supervises two professional Accountants and six Account Clerks. A majority of the revenue funding for Metro comes from federal grants, and state and city funds. Mr. Block oversees the management of the federal funds and the required reporting functions through one of his professional Accountants. The other professional Accountant is responsible for the payroll function of over 500 Metro employees, with the support of the Account Clerks on staff. In general, the Transit Financial Manager maintains the overall management of Metro's accounting operations, financial reporting and budgeting and capital asset accounting. Additionally, Mr. Block is responsible for determining the impact of rate changes, while adhering to the Federal Transit Administrations protocols and standards. He will make recommendations to Metro's management team for decision-making on any proposed rate changes, with final approval and adoption made by the Board of Estimates and Common Council.

Lastly for comparison purposes, I reviewed the Principal Accountant position in the Finance Department. This comparable was identified when the Engineering Financial Officer position was reclassified in 2009. At that time, the positions were determined to be similar due to the “advanced program supervisor level” work characterized by the specialized duties for the work in the Engineering Division. Additionally, the class spec for the Principal Accountant defines the work as:

...highly responsible professional, managerial, supervisory, and administrative work in planning, coordinating and directing the accounting functions within the Finance department. ... **Work is characterized by significant technical and supervisory responsibility for the development and implementation of the specified accounting area.** The work is performed under the limited supervision of the Accounting Services Manager and participates in the **formulation of accounting and financial policies and procedures** as part of the Finance Department’s Management Team. Work is characterized by a **high degree of independent judgment, discretion and considerable initiative.**

While the Principal Accountants report to the Accounting Services Manager (CG18, Range 17), they do retain some decision-making authority, large project management, and provide supervision to lower level staff. These duties are all consistent with the position expectations of the Engineering Financial Manager. Overall, Mr. Danner-Rivers holds the sole position within Engineering that oversees a large variety of complex budgets, in addition to the payroll function for the Division. The duties performed are in line with those of the Transit Financial Manager and the Principal Accountants in Range 14. However, I did not find that they rise to the level of the Water Utility Financial Manager in Range 15; mostly due to the breadth of the Water Utility position and the greater oversight of the Water Utility by the PSC.

For the reasons outlined in this memo, I am therefore recommending that the position of Engineering Financial Manager be reclassified into CG 18, Range 14 within the Engineering budget, and the incumbent, Mr. Danner-Rivers, be reallocated to the new position. The necessary resolutions to implement these recommendations have been drafted.

Editor’s Note:

Compensation Group/Range	2015 Annual Minimum (Step 1)	2015 Annual Maximum (Step 5)	2015 Annual Maximum +12% longevity
18/12	\$67,421	\$81,395	\$91,163
18/14	\$74,121	\$89,231	\$99,938

cc: Rob Phillips – City Engineer
 Mike Dailey – Assistant City Engineer
 Mike Lipski – HR Services Manager
 Steve Danner-Rivers – Incumbent