

Reply to Common Council File No. 150084
From DOA Budget and Management Division

May 1, 2015

Ref: 15019

Common Council File Number 150084 contains a communication sponsored by the Finance and Personnel Committee Chair to amend the 2015 positions ordinance to add three positions to the Milwaukee Water Works Business Unit.

This file is being introduced in order to make organizational changes that will ensure continuity and maintain financial integrity following the retirement of the Water Revenue Manager. The incumbent, Mr. Richard Rasmussen, recently retired and had 34 years of experience and invaluable expertise in utility billing operations. In his position of Water Revenue Manager, Mr. Rasmussen took on additional responsibilities beyond the original scope of his position as the business environment evolved over his tenure. These additional duties include an increased number of bankruptcy proceedings and law changes related to bankruptcy that increased his workload, the addition of four new wholesale customers over the last 15 years, and account administration for Municipal Services charges that were added to the water bill. Mr. Rasmussen concentrated solely on these expanded duties and the unique skills and responsibilities associated with the billing systems. His retirement prompted Water Works to recognize the extreme difficulty in replacing him with one person possessing that skill set and the limitation of singular responsibility of these critical functions. In order to improve the internal process to include cross training and backup systems, Water Works is using this retirement as an opportunity to adjust the organizational structure of the Water Works Customer Service, Billing and Revenue Collections work unit. This change will implement prudent financial management principles by separating the responsibility for billing and collection among different positions. This adjustment includes creating three new positions. The new positions include one Water Billing Supervisor and two Water Billing Specialists. These positions will be assigned the billing and pre-billing "quality control" tasks previously performed by the Water Revenue Manager. This change will allow the Water Revenue Manager to focus on administration of the overall work unit. Adding these three positions is necessary to implement these improvements.

The annual fiscal impact of adding these three positions is approximately \$224,626. This includes \$158,187 in salary costs and \$66,439 in fringe benefit costs. The actual fiscal impact in 2015 will be approximately \$130,000, since the new employees will not be starting until late May 2015. There is no fiscal impact on the general city budget because the Milwaukee Water Works is an Enterprise Fund. There will be no increased expenses for the Water Works in 2015 because the Water Works will fund these positions using salary and fringe benefit authority that is available as a result of higher than usual turnover in the department.

RECOMMENDATION: PLACE ON FILE COMMON COUNCIL FILE NUMBER 150084. APPROVE THE PERTINENT CHANGES TO THE SALARIES AND POSITIONS ORDINANCE.



Bill Christianson
Fiscal Planning Specialist Senior

BJC:dmr
Finance/speedreplies/150084sr