

September 17, 2010

TO: Claudia Hazelhurst

FROM: Laura Conant

RE: Supplemental Review of Sales Tax Auditor

Market and Internal Comparison

I have completed an additional review and confirmation of the information provided in Donna Smith's audit of the Auditor position. As Donna stated in her report, there is not a comparable position in the market to the Auditor with the additional duties of legislative analysis. While there are some positions that are comparable to the advanced Auditor and lead responsibilities, there are not enough matches to create a benchmark. Because the Auditor is a benchmark position to which we align degreed, professional, non-supervisory positions of a financial nature, Donna's recommendation was to continue to use the Auditor benchmark but to align the new Auditor/Analyst position 10% above the benchmark in order to account for higher level duties that will now be performed in that position.

Market

Donna collected job descriptions from all of the market cities that match to the City's current Auditor benchmark. Nine of our ten cities have an Auditor match that performs the primary functions which include: auditing the financial records of taxpaying businesses to ensure that local sales, use, accommodations and admissions taxes are properly and timely paid, writing and following audit procedures, researching tax laws and assisting in the interpretation of relevant city codes, and recommending tax exempt status to the Finance Director. The positions matched at this level typically require a Bachelor's degree and 2 years of previous experience in auditing. Several of the matches at this level include positions that perform other duties such as lead responsibility (Ft. Collins, Englewood), internal auditing and work on the CAFR (Longmont, Pueblo), reviewing building permits (Westminster, Englewood), and budgeting (Englewood). A comparison of the City's current auditor pay shows the City of Grand Junction is 1.76% above market.

Three of the market cities, Arvada, Pueblo and Thornton, have positions that are comparable to the new audit responsibilities of our position. These positions are higher level than the benchmark match but do not have direct supervisory responsibility. They require a minimum of four years of experience. The average adjusted monthly maximum of these three positions is \$5,233 and all have a lower maximum rate than the recommended monthly maximum for our new position, \$5,587.

Two other cities have higher level supervisory positions in the sales tax area. I do not consider these to be a match due to the fact that they have direct supervision over lower level staff. Even with that responsibility, one of the cities (Westminster) pays below the recommended rate for our position.

Internal Alignment

Because there is not a way to tie the position with its new responsibilities directly to market, we are using the market data only to guide the recommendation for internal alignment. The question to be answered is what is the internal value of the Auditor position with the added responsibilities and how does that internal value align with other positions in Financial Operations and Citywide?

As a general guideline, lead positions are typically aligned 10% above the subordinate position. The Auditor will be leading the work of the Accountant/Analyst and the Taxpayer Support Specialist. The recommended rate is 15% above the Accountant/Analyst and 30% above the Taxpayer Support Specialist.

Generally positions that have direct supervisory responsibility pay higher than those that have lead responsibility. The Accounting Supervisor is in a pay range that is 10% above the recommended rate. I view the Accounting Supervisor to have a higher level of responsibility in supervision and scope. A differential of 10% between these jobs is appropriate. The recommended rate is equivalent to the Customer Service Supervisor which could be justified based on the education level required of the Auditor as compared to the Customer Service Supervisor.

As Donna related in her audit report, the Financial Operations Manager compared the legislative responsibilities of the new Auditor position to the Staff Attorney. The recommended rate is 7.5% below a Staff Attorney. This differential also seems justified based on the education level and scope of legislative work required of the Staff Attorney.

Recommendation

My review of the market data and internal alignment leads me to confirm the recommendation given by Donna Smith of placing the Auditor in a range 88, \$67,040 per year.

Following review of this information the City Manager placed the position in range 92 - 5% above recommended and 15% above the incumbent's former pay.

Accounting Supervisor
Sonya range 96
Purchasing Supervisor 94
Staff Attorney 94
Customer Service Sup 88

September 10, 2010

TO: Claudia Hazelhurst
FROM: Donna Smith
RE: Review of Auditor Position

Background

With the recent vacancies of the Tax Enforcement Officer and the Administrative Assistant, the Financial Operations Manager reassigned job duties and responsibilities within the division. This reassignment resulted in the higher level duties of the Tax Enforcement Officer being assigned to the Auditor. The Tax Enforcement Officer position will be filled at a lower level and has been re-titled Taxpayer Support Specialist. Based on the reassignment of the tax enforcement duties and the new responsibilities that the Auditor has been performing the Financial Operations Manager requested a review of the Auditor position.

Changes to the Position

The Financial Operations Manager has assigned new responsibilities and expectations to the Auditor position. These additional duties will include taking on the higher level duties of the Tax Enforcement Officer including; determining tax delinquencies and collecting outstanding liabilities, conducting aspects of seizure of businesses, preparing court summons to taxpayers, and preparing sales and use tax documentation. In addition, she will be leading audit work for two other employees, the Taxpayer Support Specialist and the Accountant/Analyst.

The Auditor will also be the legislative liaison for the City interacting with higher level staff, City Council and outside agencies. In this role the Auditor will research, analyze and interpret state and federal legislation and report to the City Manager the potential impact to the City. She will prepare white papers on items of interest for City Council and City Administration. The legislative liaison duties will comprise of about 35% of work being performed in the Auditor position. These duties are not typically assigned to the auditor in other organizations; however, the incumbent has the skills and ability to perform these tasks which are an asset to the City.

The Auditor will also be spending about 15% of her time on performing financial and economic analysis. She will identify potential federal and state funding including; grants, loans, and bonding opportunities, prepare quarterly financial reports, monitor current and estimate future revenue stream, and report on economic indicators.

Market and Internal Comparison

The Tax Enforcement Officer was currently aligned equal to the Auditor in compensation prior to the changes. The scope of duties that were shifted from the Tax Enforcement Officer to the Auditor increased the workload of the position but not the complexity of the job. Therefore, an increase in pay for those new responsibilities would not be warranted. However, the additional analytical duties of the legislative liaison role and lead responsibility over lower level staff that are being added to the Auditor

position are higher level and could support a reclassification for this position. There are no matches to a specific position associated with these duties for our benchmark cities.

An internal review of the legislative duties was done to determine which position has performed this work in the past. It appears most recently a small portion of the work was done by the eliminated Management Analyst. However, the research and analytical work was performed only at the state level. The other positions that perform analytical duties similar to the new duties of the Auditor position are Human Resources Analyst and Staff Attorney. Both positions require monitoring, analyzing, and reporting on current legislation and regulations to determine the effect they may have on our organization. However, the Staff Attorney performs a broader scope of analytical work and requires a higher level of education. The Human Resources Analyst does not report analytical information directly to the Administration and City Council.

Recommendation

Historically, the Auditor position has been a benchmark for the City. I would recommend that the benchmark remain the same since it is a good match to our market cities. The incumbent's position with new responsibilities included would be more closely aligned with the range 88. This would be 2.5% above a Human Resources Analyst and 7.5% below a Staff Attorney and would be the same range as the Customer Service Supervisor. I would recommend that this position remain in the Auditor benchmark with an internal alignment of 10% above the benchmark. I would also recommend a change in title to Auditor/Analyst in order to recognize this difference from the typical Auditor position in our benchmark.

The proficient annual salary for the Auditor in the new range is \$67,040. The budget impact of this change in 2010 will be an increase of \$2,529 and \$7,271 in 2011 based on the proficient rate of pay. This is an increase of 10% to the incumbent. The overall impact of the reorganization in Financial Operations would be a \$255.00 decrease to the 2011 budget.

These additional duties were designed around the skills and aptitude of the incumbent. Should the employee leave, the job should be reevaluated. Since these changes to the position are recent an evaluation of the recommendation could be reviewed in the future.

Throughout the City there are other employees who are doing higher level duties, but because of the economic times are being paid at their current job description rate. The City Manager needs to determine if this is the right time to implement this recommendation.

