



Office of the City Manager

CONSENT CALENDAR

June 12, 2007

To: Honorable Mayor and  
Members of the City Council

From: *PK* Phil Kamlarz, City Manager

Submitted by: David W. Hodgkins, Director of Human Resources

Subject: Classification: Revenue Development Officer

RECOMMENDATION

Adopt a Resolution to amend Resolution No. 61,840–N.S., Classification and Salary Resolution for Public Employees Union Local One, to establish the Classification of Revenue Development Officer with a salary range of \$6,395 – 7,730 per month effective June 24, 2007. On July 1, 2007 classifications represented by Public Employees Union Local One will receive a 5% cost of living adjustment.

FISCAL IMPACTS OF RECOMMENDATION

The Department of Finance will eliminate an Accountant II position in FY 2008 and apply the savings to fund the incremental increase in salary and benefits for this new classification of Revenue Development Officer. The total cost based on the FY 2008 salary is \$23,875 to be funded from budget account code 010-3101-410.11-01.

CURRENT SITUATION AND ITS EFFECTS

The Finance Department is charged with increasing the annual sales and use tax revenues to the City. In fiscal year 2005 and fiscal year 2006 the Department completed the first and second phases of the City's "Use Tax Project". The third and final phase of this project is underway and requires a new classification to focus on increasing city revenues. The Acting Director of Finance, in consultation with the City Manager, has proposed the creation of a replacement classification, responsible for the Treasury division and revenue generation. The incumbent hired into a position in this classification will be charged with increasing the receipt of sales taxes, which are collected by the county and distributed to public agencies such as Berkeley. In addition, the person hired into this position will assist the Director in maximizing the investments from funds in the Retiree Medical Trust Fund and other city owned funds. The Revenue Development Officer will also manage a staff of three accounting office support personnel in the treasury, and will assist the Director in carrying out investment duties, projecting future revenues and analyzing the City's investment policy. Under the previous Department of Finance structure, the class of Deputy Director was responsible for a substantial portion of the revenue-related tasks and responsibilities to be assigned to the Revenue

Development Officer. The revenue generation component of this position is a unique function that will involve auditing revenue sources and financial records, and identifying and collecting non-payment and underpayment of fees, taxes and revenues.

#### BACKGROUND

There are 64 employees in the Finance Department comprised of four divisions, plus the Office of the Director, which provide direct services to City residents and support to all City Departments. Revenue Development, which will include existing Treasury functions, will become another division.

The Accounting division has eight (8) employees who maintain the City's general ledger and prepare internal and external financial statements and reports. The Customer Service division has sixteen (16) employees who provide front line counter and phone service for parking citations, miscellaneous bill payments and administration of business licenses. The General Services division has eight (8) employees who manage citywide procurement activities. The Revenue Collection division has seventeen (17) employees who provide billing and collection services for refuse and most other City services. And finally, the Office of the Director has fifteen (15) employees responsible for investments and the treasury. Four of these employees will form a Revenue Development division, to be overseen by the proposed Revenue Development Officer.

This is not a reclassification of an existing position. The position will be filled through a competitive examination process.

The Personnel Board discussed the proposal at its May 7, 2007 meeting. By a unanimous vote, (Bess, Dixon Chan, Eblé, Robinson, Silver, – yes; Reyes, Smith, – absent), the Board recommended the following:

1. Establish the classification of Revenue Development Officer, exempt from the overtime provisions of the Fair Labor Standards Act (FLSA), in Representation Unit M (Career Management), with a monthly salary range of \$6,395 - 6,699 - 7,029 - 7,372 - 7,730.

#### RATIONALE FOR RECOMMENDATION

It has been the policy of the City to maintain and revise the classification and salary schedule on a regular basis to accommodate assignment of new duties and responsibilities, to maintain competitive salaries and, when applicable, to comply with regulatory requirements.

#### ALTERNATIVE ACTIONS CONSIDERED

None.

#### CONTACT PERSON

David W. Hodgkins, Director of Human Resources, 981-6805

Robert S. Kraus, Senior Human Resources Analyst, 981-6820

Attachments:

1. Resolution and Exhibit A: Salary Schedule
2. Personnel Board Item (5/7/07) with attachments

RESOLUTION NO. ##,###-N.S.

CLASSIFICATION: REVENUE DEVELOPMENT OFFICER

WHEREAS, the Acting Director of Finance has established a goal of increasing the City's revenue; and

WHEREAS, the Acting Director of Finance, in consultation with the City Manager, has recommended that the class of Revenue Development Officer be established charged with developing additional funding sources for the City; and

WHEREAS, the duties and responsibilities related to the analysis of the city's investment policy will be assigned to the new classification of Revenue Development Officer; and

WHEREAS, Public Employees Union Local One has reviewed and responded to the proposal to establish the classification of Revenue Development Officer; and

WHEREAS, the Personnel Board recommended on May 7, 2007 to establish the classification of Revenue Development Officer, exempt from the overtime provisions of the Fair Labor Standards Act (FLSA), in Representation Unit M (Career Management), with a monthly salary range of \$6,395 - 6,699 - 7,029 - 7,372 - 7,730; and

WHEREAS, sufficient funds will be available in FY 2008 in budget code 010-3101-410.11-01.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that Resolution No. 61,840-N.S., Classification/Salary Resolution for Public Employees Union Local One, is amended to establish the class of Revenue Development Officer with a salary range as shown on Exhibit A, effective June 24, 2007.

**Exhibit A**

**Salary Schedule**

<b>Job Code</b>	<b>Unit</b>	<b>Class</b>	<b>FLSA</b>	<b>A</b>	<b>B</b>	<b>Steps C</b>	<b>D</b>	<b>E</b>	<b>Effective Date</b>
2122	M	Revenue Development Officer	E	\$6,395	\$6,699	\$7,029	\$7,372	\$7,730	06/24/07
				\$6,714	\$7,034	\$7,380	\$7,741	\$8,117	07/01/07



Human Resources Dept.

May 7, 2007

To: Members of the Personnel Board

From: David W. Hodgkins, Director of Human Resources

Subject: Recommendation to Establish the Classification of Revenue Development Officer Effective June 1, 2007

#### Background and Classification

Robert Hicks, Acting Director of Finance, has requested that the City establish a new classification of Revenue Development Officer in the Finance Department to manage revenue-generating activities and subsume some of the duties and responsibilities assigned to the classification of Treasury Manager that was abolished in May 2004.

Robert Hicks, former Deputy Director of Finance was appointed Acting Director of Finance in September 2006 when the previous Director of Finance left the City. The Deputy Director of Finance position has remained vacant and the department is undergoing a multi-year reorganization that will result in the creation of a new classification to replace the Deputy Director. At this time, the Director of Finance has five divisions in addition to the Office of the Director: Customer Service, Revenue Collection, General Services, Accounting, and a Treasury function (See Attachment B).

Mr. Hicks, in conjunction with the City Manager, has established the goal of bringing more revenue into the City and increasing the General Fund by \$1 million over the next three years. In addition, there is a need to delegate the work of the Treasury function so that the Director can provide the necessary oversight and direction for the entire Finance Department, with five divisions and 64 employees. Therefore, Mr. Hicks has proposed establishment of a new Revenue Development Division to be managed by the proposed classification of Revenue Development Officer. This classification would be a division head reporting to the Director of Finance.

The Revenue Development Officer will be dedicated to developing and expanding the City's revenue-generating activities, managing a staff of three accounting office support personnel in

**Subject: Revenue Development Officer**

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the treasury, and will also assist the Director in carrying out investment duties, projecting future revenues and analyzing the City’s investment policy. Under the previous Department of Finance structure, the class of Deputy Director was responsible for a substantial portion of the revenue-related tasks and responsibilities to be assigned to the Revenue Development Officer. The revenue generation component of this position is a unique function that will involve auditing revenue sources and financial records, and identifying and collecting non-payment and underpayment of fees, taxes and revenues.

A classification specification is attached (Attachment A) for the Board’s review.

SALARY

To determine a salary recommendation for this new class, we contacted other public agencies for similar organization of responsibilities, but were unable to find exact matches due to the unique functions and scope of this classification. As an alternative salary-setting methodology, we looked at internal salaries for similar classifications within the City. A major characteristic of the Revenue Development Officer is the performance of a wide variety of revenue audits to identify and collect monies owed for non-payment or underpayment of taxes. On the basis of this major auditing job component we propose to set the salary at 5% above the Senior Auditor due to the broader scope of revenue-generating and supervisory responsibilities. The incumbent who fills this position will oversee one of five units and assist the Director of Finance in all aspects of revenue-generation.

The internal salary structure illustrated in the chart below provides a comparison in the salaries of other classes in the Finance Department.

Unit	Class	FLSA	Salary Schedule				
			A	B	C	D	E
Z1	Director of Finance	E	\$0	\$0	\$10,124	\$0	\$13,918
Z1	Deputy Director of Finance	E	\$0	\$0	\$7,800	\$0	\$10,250
M	Accounting Manager	E	\$7,391	\$7,760	\$8,148	\$8,555	\$8,983
M	Customer Service Manager	E	\$6,895	\$7,232	\$7,573	\$7,940	\$8,321
M	Revenue Collection Manager	E	\$6,895	\$7,232	\$7,573	\$7,940	\$8,321
M	General Services Manager	E	\$7,043	\$7,395	\$7,771	\$8,162	\$8,579

The Revenue Development Division is the smallest division in Finance with four staff comprised of the proposed Revenue Development Officer, one Accounting Office Specialist Supervisor, and two Office Specialist II’s. The other divisions have a combination of professional and office/accounting support staff: Customer Service (16), Revenue Collection (17), Accounting (8), and General Services (8).

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The proposed salary range is as follows:

<b>Job Code</b>	<b>Unit</b>	<b>Class</b>	<b>FLSA</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>Effective Date</b>
2122	M	Revenue Development Officer	E	\$6,395	\$6,699	\$7,029	\$7,372	\$7,730	06/01/07

We have reviewed this class and the proposed salary with Public Employee Union Local One in meetings held on March 27 and April 26, 2007. The union supports our final proposal as noted on Attachment C.

**Recommendation:**

Therefore, the Personnel Board is requested to recommend the following to the City Council:

1. Establish the classification of Revenue Development Officer, exempt from the overtime provisions of the Fair Labor Standards Act (FLSA), in Representation Unit M (Career Management), with a monthly salary range of \$6,395-6,699-7,029- 7,372-7,730 effective June 1, 2007.

**Attachments (3)**

- A. Revenue Development Officer Classification
- B. Department of Finance Organizational Chart
- C. Local One Response

cc: David Abel, Human Resources Manager  
Bob Hicks, Acting Director of Finance  
Robert S. Kraus, Senior Human Resources Analyst

## **Attachment A**

City of Berkeley  
Class No. 2122  
June 2007

### **REVENUE DEVELOPMENT OFFICER**

#### **DEFINITION**

Under general direction, manages the Finance Department Revenue Development Division; manages revenue generating activities; performs revenue audits and sales and use tax compliance reviews; develops and expands the City's use tax direct payment permit program; and monitors City tax payments and coordinates and processes the short and long-term investment of surplus funds. Assists the Finance Director in the analysis of revenues, development of revenue projections and investment activities and performs related work as required.

#### **CLASS CHARACTERISTICS**

This is a division head classification responsible for planning, organizing and directing the programs and activities of the Revenue Development Division within the Finance Department. The incumbent supervises a small staff and has management responsibility for this division, which provides for the development and expansion of the City's revenue generating activities including sales and use tax revenue-generating programs. The Revenue Development Officer coordinates and conducts internal and external audits of financial records for fees, taxes, and other revenue sources; performs a wide variety of revenue audits to identify and collect for non-payment and underpayment of taxes and revenues; identifies and corrects sales tax misallocations, unlicensed businesses, and City Transfer Tax revenue discrepancies; reviews and enforces lease agreements; and performs audits of parking lot operators and hotels for accuracy of tax payments.

The Revenue Development Officer assists the Finance Director in investment operations and in developing and modifying revenue projections. This classification is distinguished from the Finance Director which has overall management responsibility for all of the functions of the Finance Department, which include Accounting, Treasury, Revenue Collection, Customer Services, General Services, automated Systems Support, and Accounts Payable.

#### **EXAMPLES OF DUTIES**

The following list of duties is intended only to describe the various types of work that may be performed, the level of technical complexity of the assignment(s) and is not intended to be an all-inclusive list of duties. The omission of a specific duty statement does not exclude it from the position if the work is consistent with the concept of the classification, or is similar or closely related to another duty statement.

1. Review and monitor city revenue sources, such as taxes, fees, permits, investment and other income, and perform variance and trend analysis for modification of revenue projections and reporting to the City Manager and City Council;
2. Select, direct, assign, supervise and evaluate professional, technical and administrative support staff, and provide for their training in carrying out the department's mission;
3. Assist the Finance Director in carrying out investment duties and responsibilities, including the preparation of quarterly and annual investment reports, revenue projections and in the analysis of General Fund and other funds' revenues, and investment policy updates or revisions;
4. Perform discovery audits to identify businesses operating in the City without a valid business license, determine the amounts owed and bill for amounts due, including penalties and interests;
5. Identify and correct sales and use tax reporting errors of businesses that are not properly registered as Berkeley accounts with the California State Board of Equalization (BOE), or due to omissions and improper reporting to state and county pools;
6. Plan, develop, implement and administer procedures for receipt of money from the public for licenses, fees, taxes and other accounts receivable and revenues from other City departments;
7. Audit data transmitted from the California State Board of Equalization to determine if sales tax revenues were misallocated to other cities, and prepare documentation for reimbursement;
8. Coordinate and make presentations on the City's Use Tax Direct Pay and Construction Sub-permit programs to businesses and organizations;
9. Conduct revenue audits to identify non-payment or underpayment of parking lot tax, transfer tax, transient occupancy tax, and payments due under Marina lease agreements;
10. Recommend and assist in the implementation of new or revised cash management systems, and participate in the development and maintenance of computerized data bases to facilitate the review or audit of misallocations or under payment of City revenues;
11. Review a variety of accounting, statistical, and narrative financial reports, including business cost studies, master fee schedule, treasury reports, and revenue forecasts requiring analysis and interpretation of source data, and prepare a variety of complex financial statements and reports;
12. Perform internal control reviews, risk assessments, and surprise cash counts at the City's cash handling sites; and

13. Perform related duties as assigned.

## QUALIFICATIONS

Note: The level and scope of knowledge, skills, and abilities listed below are related to job duties as defined under Class Characteristics.

### Knowledge of:

1. California State Board of Equalization (BOE) regulations and policies and procedures related to use taxes and sales taxes;
2. Principles and practices of effective employee supervision including selection, training, evaluation, discipline, motivation, and team building and employee development programs;
3. Revenue auditing techniques;
4. Principles and methods of finance administration, particularly in the areas of investments, budgeting and auditing;
5. State, county and city laws, codes and regulations related to taxes and other revenue;
6. Automated financial management systems and their characteristics and applications;
7. Personal computer, data processing and software applications;
8. Modern office procedures, practices, methods, and equipment; and
9. Principles and practices of supervision, training, and evaluation.

### Skill in and ability to:

1. Develop, organize, direct, and participate in activities relating to effective methods of revenue auditing;
2. Identify, recommend, and implement improvements to cash handling, revenue or investment accounting methods and procedures;
3. Plan, organize, assign, direct, review, and evaluate the work of assigned staff;
4. Identify problems, analyze situations and financial data, to develop forecasts, trends, etc., and recommend effective courses of actions/solutions/alternatives;
5. Analyze and interpret financial data and accounting records;
6. Prepare clear and concise administrative and financial reports;

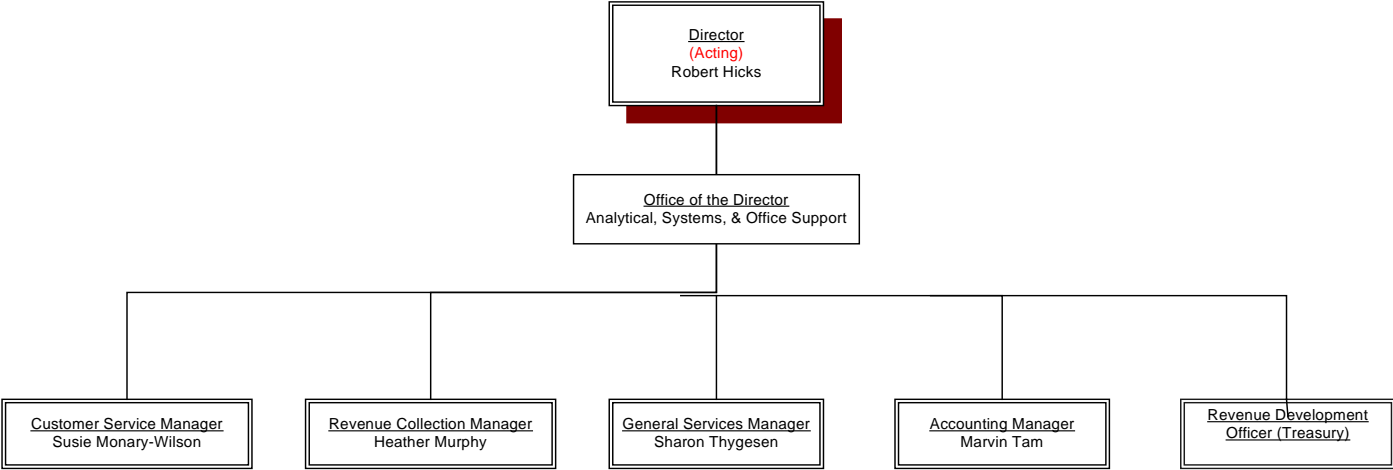
7. Understand, interpret, and apply complex Federal, State and City policies, procedures, laws regulations and ordinances;
8. Use a personal computer and related software in a financial setting;
9. Communicate financial concepts and issues clearly and concisely, both orally and in writing;
10. Establish and maintain effective working relationships with others; and
11. Apply concepts such as fractions, percentages, ratios, and proportions to practical situations.

**A TYPICAL WAY OF GAINING THE KNOWLEDGE AND SKILLS OUTLINED ABOVE IS:** Possession of a Bachelor's Degree from an accredited college or university in accounting, or closely related field, and three (3) years of increasingly responsible professional accounting experience preferably in a governmental setting with one (1) year at a supervisory level. Three (3) years in conducting revenue audits in a government setting is desirable.

Tuesday, May 01, 2007



# FINANCE DEPARTMENT



Total Department Approved FTE: 64.

Attachment C

-----Original Message-----

**From:** Brenman, Eric  
**Sent:** Monday, April 30, 2007 5:12 PM  
**To:** Abel, David; Kraus, Robert  
**Cc:** Hicks, Robert; Hodgkins, David; 'krollins@peu1.org'  
**Subject:** REVENUE DEVELOPMENT OFFICER

Dave/Rob:

This is to confirm, as discussed, that Local One agrees with and supports the proposed Revenue Development Officer specification as drafted (with reference to the Revenue Development Unit/Division (as opposed to the "Treasury Division")) as well as the proposed salary range. Thanks for HR's and Finance Department's assistance and collaboration on this matter.

**Eric Brenman, President**  
**Public Employees Union Local One**