

TO: Monica Castro, Director of Finance, City of San Luis

FROM: Igor Shegolev, Technical Advisor, CPS HR Consulting

SUBJECT: Finance Department Restructuring Memo

This memorandum documents the methodology and findings for the City of San Luis, Arizona (the City) **Finance Department's restructuring study**. This document includes the project details, sources of data, and rationale used by the CPS HR Consulting (CPS HR) team when determining the appropriate model for the finance departmental structure.

BACKGROUND

The City of San Luis, Arizona retained CPS HR to conduct a base compensation study, which included identifying relevant labor market segments, matching selected benchmark classifications to similar market benchmarks, and collecting and aggregating the data parameters of the market. During this study, CPS HR reviewed the job classification of Assistant to Director of Finance and Finance Manager and advised City leadership of the various models of departmental structure observed in the comparator agencies. This memo provides an overview of study tasks, a conceptual framework for the analysis of this specific job classification and the market comparison analyses. The study included the following benchmark classifications:

BENCHMARK CLASSIFICATIONS

1. Assistant to Director of Finance
2. Finance Manager

OBSERVATIONS & RECOMMENDATIONS

For classification and compensation studies for the City, CPS HR generally uses a standard list of comparator municipalities with approximately similar population size and close proximity to the City (e.g., City of Yuma, City of Casa Grande, Town of Marana, etc.). Results of the relevant labor market showed no significant variance in pay ranges between job classification of Assistant to Director of Finance and Finance Manager.

Both benchmarks represent the second level of authority in the Finance Department and are responsible for planning, coordination, and management of the City's multiple finance and accounting functional areas. The current Assistant to Director of Finance oversees accounting operations, including accounts payable, general ledger, accounts receivable, financial reporting, and payroll. **Due to the multiple functional areas of the finance department, it is common in the departmental structures to have the functional finance manager split the functional units, such as accounting, billing and collections, risk management, contracts, financial analysis, procurement, budgeting, etc.**

Based on the observations of various practices in local and state government agencies, developing two positions of Finance Manager or Assistant to Finance Director is warranted as long as it improves management oversight and operational effectiveness of the agency's finance function.

The title preference typically is a prerogative of the agency leadership. In our analysis, both Finance Manager or Assistant to Finance Director job classifications maintain similar external market value and can be assigned to the same pay grade (currently Grade 206).

<i>Grade</i>	<i>Min</i>	<i>Mid</i>	<i>Max</i>
206	\$78,634	\$98,292	\$117,951

Should the City decide to proceed with the revision of the Finance Department's organizational structure and developing two management-level positions of either Finance Manager or Assistant to Director of Finance, we recommend dividing all major departmental functions (e.g., accounting, financial analysis, budgeting, contracting, procurement, risk management, etc.) the way it is most effective and beneficial to the City's operations. CPS HR will be available to answer any questions or provide additional information related to this memo.