

# Comptroller's Office

2023 Budget Overview

Finance & Personnel Committee

September 29, 2022

# Performance Measures

<b>Key Performance Measures</b>	<b>2021 Actual</b>	<b>2022 Projected</b>	<b>2023 Planned</b>
Percent of actual revenues to revenue estimate	99%	100%	100%
Internal audit work products	10	10	8
Unqualified audit opinion by the city's independent auditor	Yes	Yes	Yes
Bond Rating	A/AA-	A/AA-	A/AA-

# 2023 Budget Summary

	<b>2022 Adopted Budget</b>	<b>2023 Proposed Budget</b>	<b>Amount Change</b>	<b>Percent Change</b>
FTEs – O&M	44.00	41.00	-3.00	-6.8%
FTEs - Other	8.00	10.00	2.00	25.0%
Salaries & Wages	\$2,989,195	\$2,834,853	-\$154,342	-5.2%
Fringe Benefits	1,375,030	1,275,684	-99,346	-7.2%
Operating Expenditures	185,000	258,000	73,000	39.5%
Equipment	10,000	50,000	40,000	400.0%
Special Funds	0	0	0	0.0%
<b>TOTAL</b>	<b>\$4,559,225</b>	<b>\$4,418,537</b>	<b>-\$140,688</b>	<b>-3.1%</b>

## Key Budget Changes

- Contract with professional audit firms for all City IT audits to ensure industry-specialized IT audit expertise
  - Eliminate 2 positions
- Eliminate vacant Accounting Program Assistant II in General Accounting

# Special Purpose Accounts

<b>Account</b>	<b>2022 Adopted Budget</b>	<b>2023 Proposed Budget</b>	<b>Amount Change</b>	<b>Percent Change</b>
Annual Payment to DNR	\$7,100	\$7,100	\$0	0.0%
Boards and Commission Reimbursement	16,000	16,000	0	0.0%
Contribution Fund	3,200,000	2,900,000	-300,000	-9.4%
Firemen's Relief Fund	175,000	177,000	2,000	1.1%
Reserve for 27th Payroll	1,500,000	1,500,000	0	0.0%
<b>TOTAL</b>	<b>\$4,898,100</b>	<b>\$4,600,100</b>	<b>-\$298,000</b>	<b>-6.1%</b>

# Revenues

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<b>Category</b>	<b>2022 Adopted Budget</b>	<b>2023 Proposed Budget</b>	<b>Amount Change</b>	<b>Percent Change</b>
Charges for Services	\$560,000	\$510,000	-\$50,000	-8.9%
<b>TOTAL</b>	\$560,000	\$510,000	-\$50,000	-8.9%



**CITY OF MILWAUKEE  
COMPTROLLER**

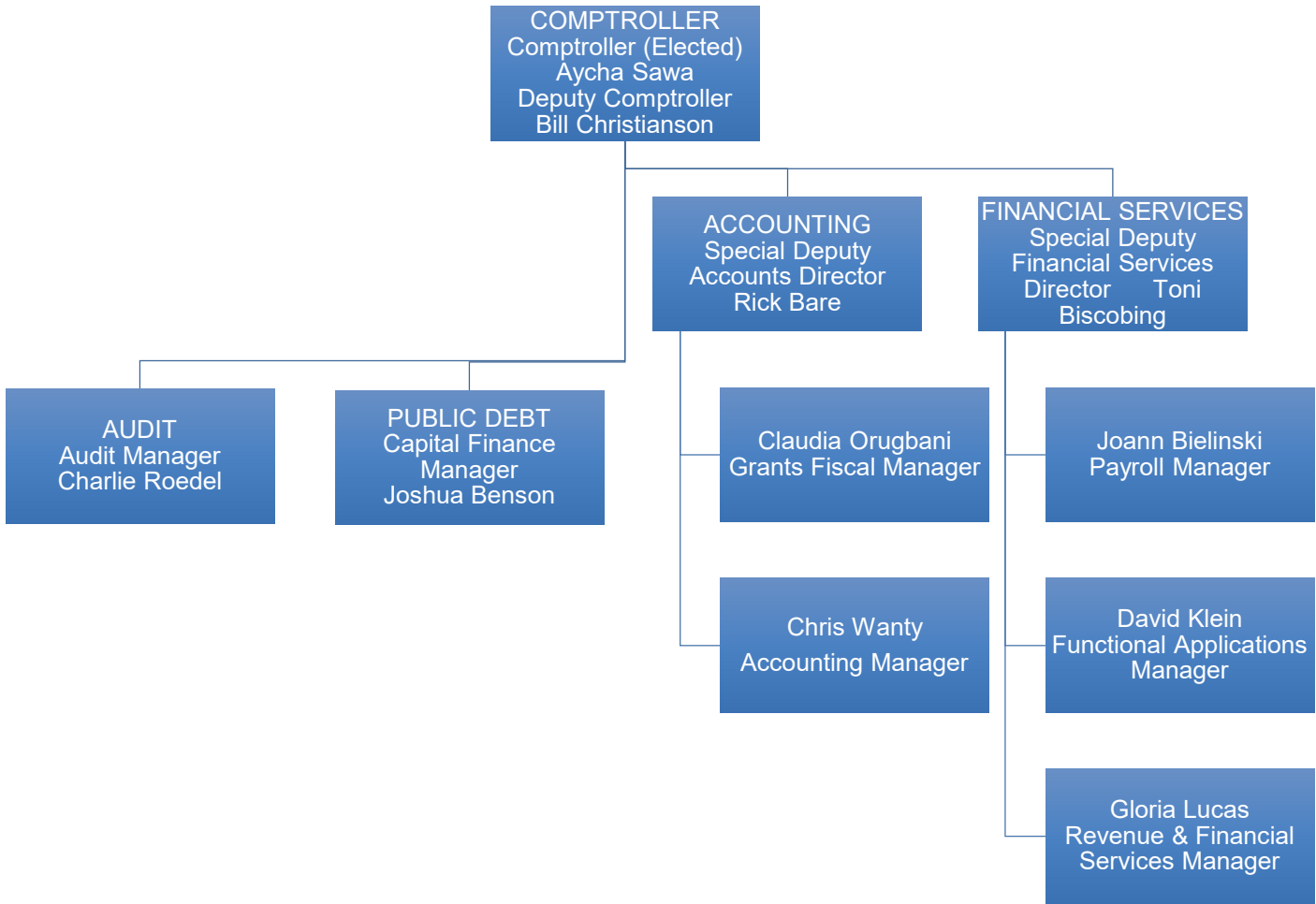
**2023 Budget Hearing**

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# City of Milwaukee Comptrollers Office







Administration oversees and manages the Comptroller's Office which is empowered with the financial oversight of the City

- Senior Management Team
  - Comptroller
  - Deputy Comptroller
  - Accounting Director
  - Financial Services Director
- Applied for GFOA's Certificate of Achievement for Excellence in Financial Reporting for 2021 financial statements (ACFR)

# General Accounting



General Accounting establishes accounting policies and procedures for all City departments

- Processed 73,377 vouchers representing \$1.2 billion in payments
- Processed 2,245 journals representing 22,715 journal entry lines
- Processed 1,437 Interdepartmental Requisition and Invoices (IRIs)
- Maintain information for over 8,000 current suppliers
- Account for 3,658 Tax Deed properties valued at \$44 million
- **City Budget** – analyze, reconcile and load into FMIS
- **Financial Reporting** – responsible for preparing Annual Comprehensive Financial Report (ACFR) with unmodified (clean) external audit opinion and responsible for submitting ACFR for GFOA Certificate of Achievement



Revenue and Cost exercises fiscal administrative oversight for the City's federal and state grants and sub-awards granted to other entities

- Completed 36 subrecipient desk reviews and issued management decisions within the compliance period
- Conducted 8 site and preliminary reviews
- Processed 11,271 cost reports and AP vouchers
- Completed grant funds financial statements for the annual financial report and other required grant reports
- **Financial Reporting** – Completed/passed single audit report timely with no deficiencies in internal controls - \$163 million expenditures



Payroll Administration manages Citywide employee payments and taxation

- Produces over 190,000 documents annually
- Process over \$460 million in pay annually
- Collected over \$102 million in employment taxes
- Process over \$93 million in deductions annually
- Audits all payroll time entry to assure it is paid according to MCO and laws
- Offers expert advice and training in payroll and taxation, including knowledge of other state tax laws necessary to administer payroll



Internal Audit performs operational, financial, IT, and compliance audits of City departments

- Passed 2019-2021 Yellow Book Peer Review in 2022 with highest rating possible
- Will complete 7 Audits (3 consultant-led) in 2022 including the Audit of Municipal Court Case Filings, which identified ~8k missing citations that should result in judgment amounts of ~\$1M
- Completed 3 Annual Reports in 2022: Annual Work Plan, Fraud Hotline Annual Report, and Annual Audit Finding Follow-Up
- Plan 5 Audits for 2023 plus 3 annual reports above
  - Reduction in audits driven by under-filling every staff position due to inability to attract Senior Auditor and Auditor-level candidates



Financial Services provides independent financial analysis

- Prepares independent revenue estimates for City's Budget
- Calculates Citywide fringe benefit and indirect cost rates
- Calculates sewer user rates for recovery of sewer service charges
- Compiles annual Municipal Financial Report which is the basis for State Transportation Aids
- Certifies tax levies for all taxing jurisdictions and prepares Comptroller's Annual Combined Property Tax Report
- Analyzed and reviewed 8 TIDs and Amendments year to date



Public Debt manages the City's \$1 billion debt program

- Refunding for \$620,000 in interest rate savings
- Manages City's access to sources of liquidity
- Executes bond sales to finance the City's capital program
- Ongoing compliance with IRS and SEC requirements
- Maintains relationships with Rating Agencies and Investors



Systems Support administers the Citywide financial and human resources information systems and provides IT support throughout the Comptroller's Office

- Provides functional assistance citywide for finance and HR applications
- Oversees internal financial reporting and provides analysis regarding financial system data
- Supports remote work needs for Comptroller staff
- **Completed** application upgrades in 2022 for FMIS and HRMS systems.



# Racial Equity & Inclusion Growth Strategy



## Three Growth Pillars: *How will we scale in the future?*

### Commitment and Foundation

- Revise Diversity Statement to be more inclusive
- Leadership engagement
- Create safe space for open conversations
- Training for Comptroller's REI Leaders



### Workforce

- Expand outreach efforts to diverse communities for job recruitment
- Develop internal and external policies that encourage inclusion and participation from all employees



### Community Involvement

- Combat language barriers through translated reports for Hmong and Spanish speaking families
- Update websites to reflect translation



*What has been done in the last 12 months and what will be done*



## Highlights

- Assessment completed 01/31/2022
- Equity and Inclusion Statement included with Office Work Rules beginning 2022
- REI Leadership training with YWCA
- Utilized results from REI Survey to create Growth Strategy
- Access to Language Line



## Focus

- Commitment and foundation
  - Formalize Growth Strategy for internal and external stakeholders
- Workforce
  - Training
  - Policies and procedures
- Community access to financial reports
  - Popular Annual Financial Report
  - Fraud Hotline