



Comptroller

Budget Reduction Scenarios

Steering & Rules Committee
Common Council File No. 221521
March 31, 2023



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2023 Adopted Budget	\$4,418,537
O&M FTEs	41.00
2023 Adopted Budget (less Fringes)	\$3,142,853
2023 Net Salary Budget	\$2,834,853
2% Wage Increase	\$56,697
Adjusted 2023 Net Salary Budget	\$2,891,550
2023 O&M FTE Average Salary	\$70,526
2023 Operating/Equip/Special Funds	\$308,000
2023 Est. Revenue	\$510,000

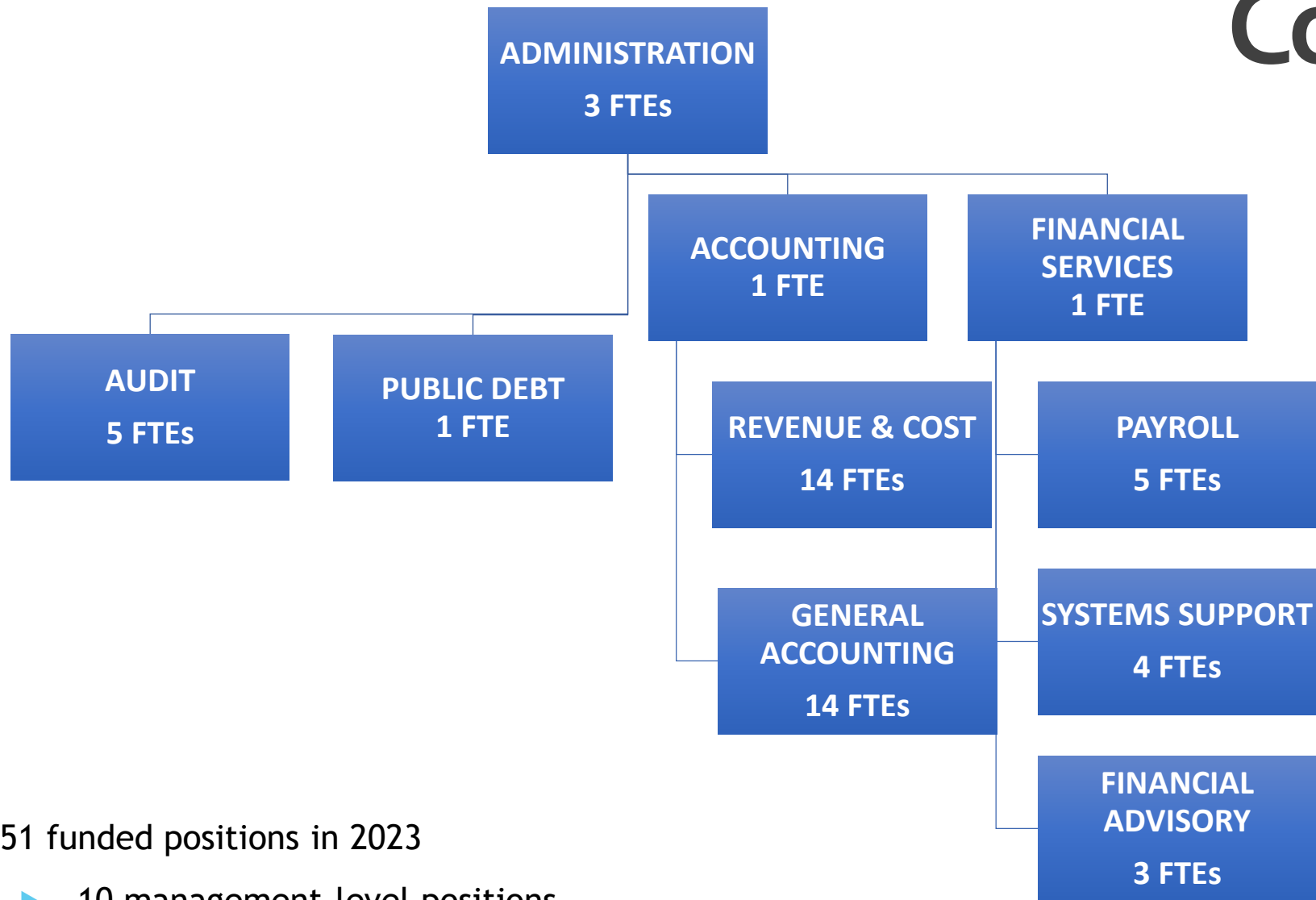
	Total Reduction	Non-Salary Amount	Salary Amount	Est. FTE Reduction
10%	\$314,285	\$30,800	\$283,485	4
20%	\$628,571	\$61,600	\$566,971	8
25%	\$785,713	\$77,000	\$708,713	10

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Revenue by Service

Service	2023 Est. Revenue
Public Charge-General Gov't Misc.	\$420,000
Services to Water-Other	\$90,000
Total Est. Revenue	\$510,000

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- ▶ 51 funded positions in 2023
 - ▶ 10 management-level positions
 - ▶ 41 non-management positions

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Core Services

- ▶ **General Accounting**
Processes vouchers/IRI's, prepares Annual Comprehensive Financial Report, account for tax deed properties
- ▶ **Revenue & Cost**
Oversight of Federal and State grants and associated financial reporting, process vouchers, prepare Single Audit
- ▶ **Payroll Administration**
Process City payroll, audit all payroll time entry for accuracy and compliance
- ▶ **Internal Audit**
Performs operational, financial and IT compliance audits of City departments
- ▶ **Financial Advisory**
Prepares State-required financial reports, provides independent revenue estimates for City Budget, calculates fringe/indirect rates and sewer user rates, analyzes and reviews TIDs and TID amendments, certifies tax levies of all taxing jurisdictions and independently confirms tax rates
- ▶ **Public Debt**
Manages the City's Debt program, ensures ongoing compliance with IRS and SEC requirements, executes bond sales to finance the City's capital program
- ▶ **Systems Support**
Administers, performs upgrades, and provides support for the City's financial and human resources information systems; provides technical support for Comptroller network and equipment; conducts Citywide training for FMIS users

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Budget Reduction 10% Impacts

	Total Reduction	Est. FTE Reduction
10%	\$314,285	4
20%	\$628,571	8
25%	\$785,713	10

▶ Operating & Equipment Budget

- ▶ No printed copies of property tax brochure, Annual Comprehensive Financial Report, Popular Annual Financial Report, Single Audit Report
- ▶ Cut Training budget by 50%
- ▶ Reduction to Consultant-led Audits
- ▶ Reduction to replacement of computers, laptops, and other technology

▶ Salaries

- ▶ Most core services of the Comptroller's Office are mandatory due to State/Federal law, terms of grants, SEC/lender requirements. Others functions include vendor payments and payroll administration
- ▶ Eliminating four positions from the Comptroller's Office would require meaningful reductions in effectiveness in some of the following areas:
 - ▶ On time payments to vendors
 - ▶ Timely and accurate processing of payroll
 - ▶ Completion of financial reporting to the State (required for State Aids including Transportation Aids)
 - ▶ Timely and accurate billing
 - ▶ Monitoring of grants
 - ▶ Revenue analysis and estimation
 - ▶ Audits of City operational, financial and IT processes
 - ▶ Citywide training and support for financial and human resource management systems

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Budget Reduction: 20 & 25% Impacts

	Total Reduction	Est. FTE Reduction
10%	\$314,285	4
20%	\$628,571	8
25%	\$785,713	10

▶ Operating & Equipment Budget

- ▶ No printed copies of property tax brochure, Annual Comprehensive Financial Report, Popular Annual Financial Report, Single Audit Report
- ▶ Cut Training budget by 50%
- ▶ Significant reduction to Consultant-led Audits
- ▶ Reduction to replacement of computers, laptops, and other technology

- ▶ Budget reductions on this scale would jeopardize the City's ability to carry out essential financial functions and meet basic standards of financial controls
- ▶ Eliminating 4 or 6 more positions from the Comptroller's Office would result in an inability or significantly reduced ability to perform several of these critical functions:
 - ▶ On time payments to vendors
 - ▶ Timely and accurate processing of payroll
 - ▶ Completion of financial reporting to the State (required for State Aids including Transportation Aids)
 - ▶ Timely and accurate billing
 - ▶ Monitoring of grants
 - ▶ Revenue analysis and estimation
 - ▶ Audits of City operational, financial and IT processes
 - ▶ Citywide support and training for financial and human resource management systems

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Additional Comments & Summary

- ▶ The nature of the work performed by the Comptroller's Office means the service impacts resulting from these reductions would not be concentrated in any one area of the City.
- ▶ The Comptroller's Office has been and will continue to fully cooperate with both of the administration's efficiency studies.
- ▶ The upcoming Enterprise Resource Program (ERP) upgrade will provide opportunities to review Citywide business practices for efficiencies and cost savings.
- ▶ In summary, a 10% reduction would present significant challenges and would not be sustainable over the long-term. A 20% or 25% reduction would prevent the Comptroller's Office from performing many essential functions and is not practical.

