

Budget Reduction Scenarios

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



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

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

Comptroller **ADMINISTRATION** 3 FTEs **FINANCIAL ACCOUNTING SERVICES** 1 FTE 1 FTE **AUDIT PUBLIC DEBT REVENUE & COST** 1 FTE **PAYROLL** 5 FTEs 14 FTEs 5 FTEs **GENERAL** SYSTEMS SUPPORT **ACCOUNTING** 4 FTEs 14 FTEs **FINANCIAL ADVISORY** 51 funded positions in 2023 3 FTEs 10 management-level positions

41 non-management positions

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

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

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

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.

