

Office of Financial Services

2021 Budget Presentation to the Saint Paul City Council

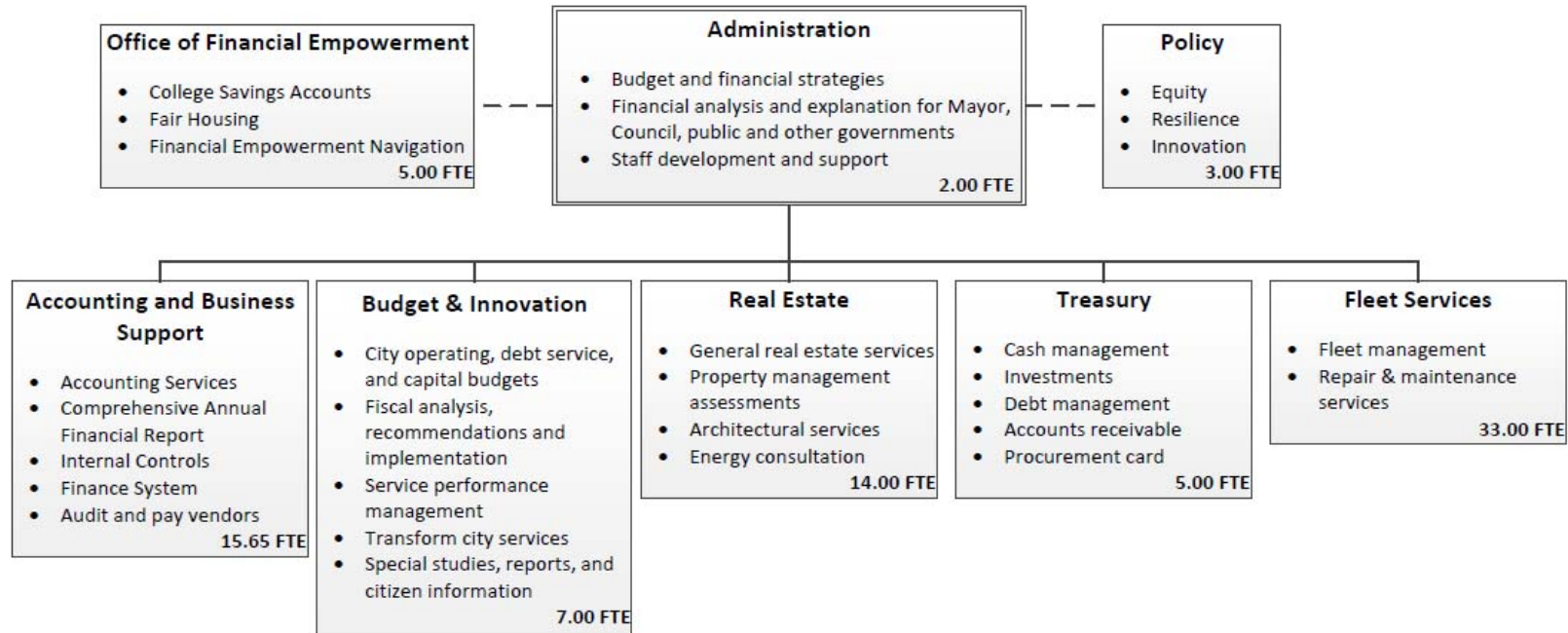
October 28, 2020

Agenda

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- ❑ OFS Overview
- ❑ 2020 Update
- ❑ 2021 Proposed Budget
- ❑ Program Updates

OFS Org Chart

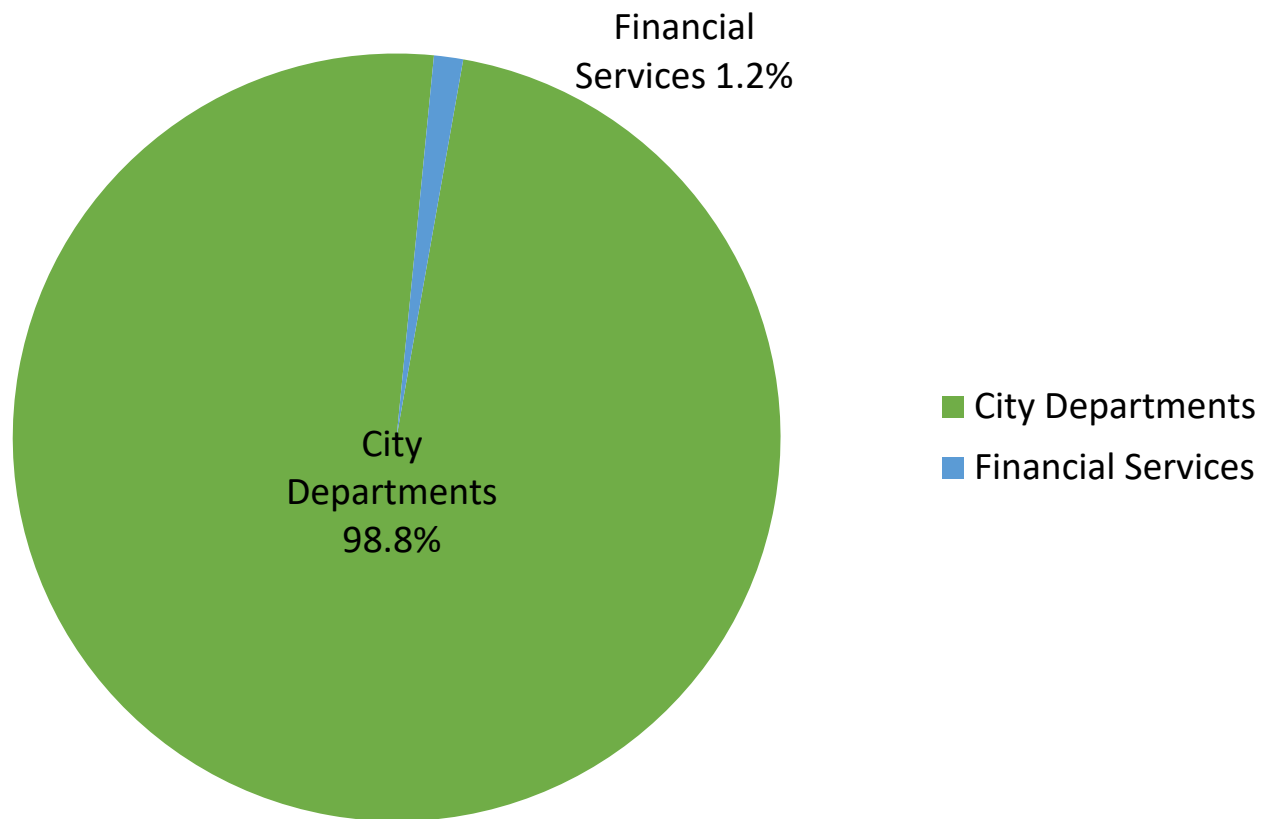


(Total 84.65 FTE)

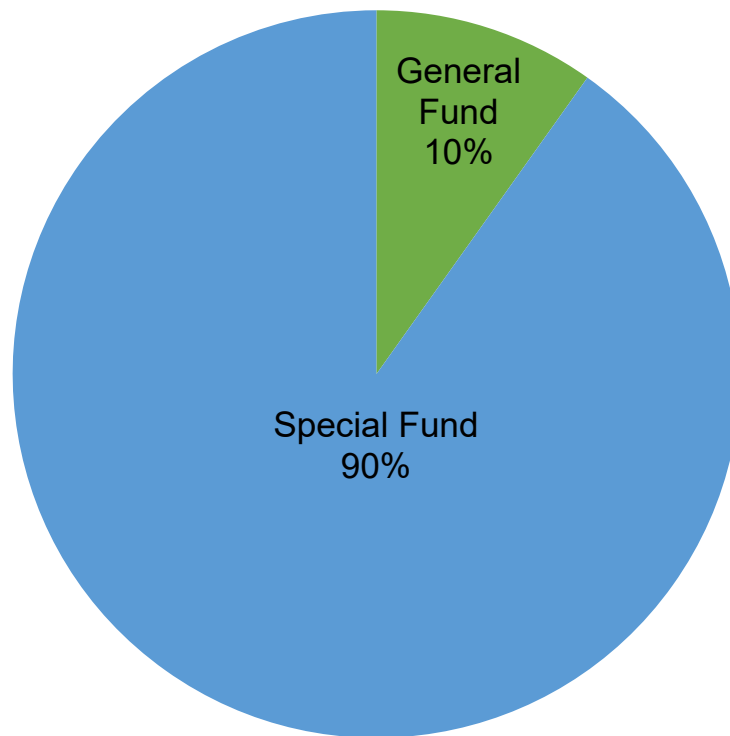
2.45 FTE included in this total are budgeted in Debt Service

City General Fund

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OFS General Fund and Special Funds



Special Fund Operations:

- Fleet Services
- Real Estate
- Assessments
- Treasury Division
- Internal Borrowing

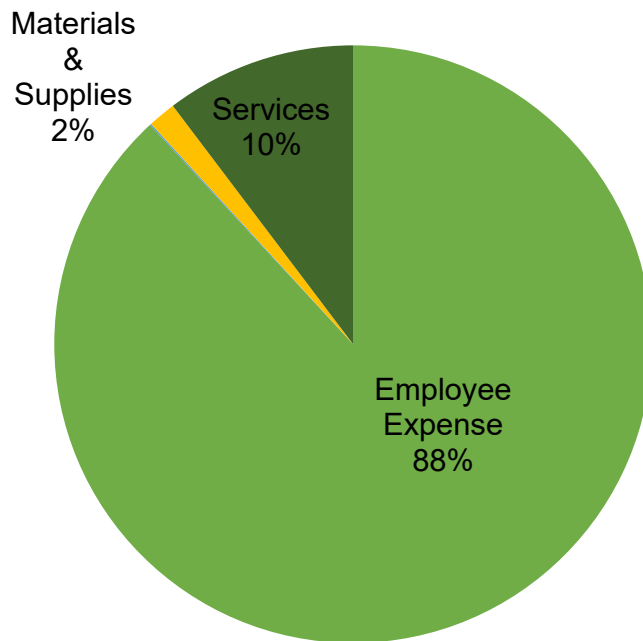
General Fund Operations:

- Accounting
- Budget
- Business Support
- Innovation

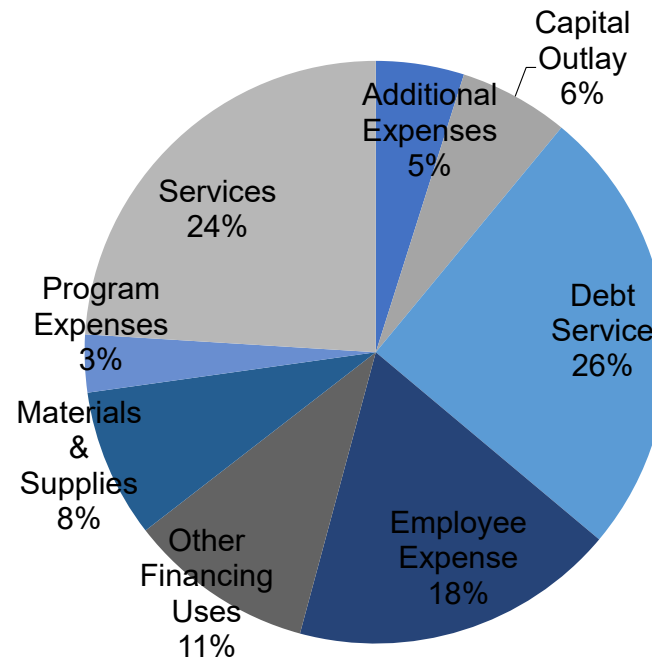
OFS Expense Categories

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General Fund



Special Fund



Financial Summary – General Fund

	2019 Actuals	2020 Adopted	2021 Proposed	% Change 20 vs. 21	FTE
General Fund	\$3,398,179	\$4,504,625	\$4,109,409	-8.8%	28.95

Significant General Fund Changes in Previous Budgets		
2020	OFE: Acceleration of BankOn accreditation	\$30,000
2020	OFE: Support for Outreach Coordinator	\$33,985

Financial Summary – Special Funds

	2019 Actuals	2020 Adopted	2021 Proposed	% Change	FTEs
200 - City Grants	\$58,596	\$763,174	\$103,771	-86.4%	1.00
211 - General Gov't Special Projects	\$2,365,004	\$3,420,670	\$2,485,522	-27.3%	
215 - Assessment Financing	\$4,422,221	\$6,673,173	\$7,156,874	7.2%	
700 - Internal Borrowing	\$2,413,845	\$8,512,599	\$8,613,194	1.2%	
710 - Central Service Fund	\$7,296,522	\$7,085,651	\$7,259,106	2.4%	20.25
731 - Fleet Services	\$9,292,509	\$11,745,764	\$12,021,076	2.3%	32.00
Total:	\$25,848,697	\$38,201,031	\$37,639,543	-1.5%	53.25
Net Debt Service Subtotal:	\$126,489,067	\$47,985,974	\$57,967,218	20.8%	2.45

Significant Special Fund Changes in Previous Budgets		
2020	OFE: Returning Home Pilot	\$110,000
2020	Green Fleet investment	\$210,000

2020 Budget Update

- How has COVID-19 and the civil unrest impacted your 2020 operations and budget?
- Operational impacts:
 - ▣ City Hall and CHA offices closed to the public
 - ▣ Office staff working remotely
 - ▣ CHA maintenance and Fleet staff onsite, socially distanced
 - ▣ Check runs on Tuesdays and Fridays with staggered teams
 - ▣ Reduced front desk hours

2020 Budget Update

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- How has COVID-19 and the civil unrest impacted your 2020 operations and budget?
- Support for citywide initiatives
 - ▣ Bridge Fund
 - ▣ Fine and Fee Relief
 - ▣ Simultaneous 2020 and 2021 budget processes
 - ▣ CARES-Coronavirus Relief Fund
 - ▣ Emergency Operations Center Support
 - ▣ Enhanced cleaning protocols
 - ▣ Citywide HVAC upgrades

2020 Budget Update

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Cost Containment Strategies

Program	2020 \$ Change
Vacancy savings:	(\$507,430)
Deputy Director – full year	(\$169,719)
Innovation Manager – full year	(\$176,359)
Innovation Analyst – full year	(\$85,826)
Accounting Clerk – partial year	(\$21,229)
Chief Budget Analyst – partial year	(\$54,297)
OFE: BankOn acceleration grant flexibility	(\$30,000)
City Hall Annex rent reduction	(\$153,000)

2021 Budget Changes

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Program	2021 \$ Change
Personnel reductions:	
1 Deputy Director FTE	(\$164,553)
1 Innovation Manager FTE	(\$163,249)
1 Innovation Analyst FTE	(\$125,994)
1 Treasury Cash Analyst FTE	(\$120,185)
0.15 FTE Accounting staffing changes	(\$18,879)
Other spending reductions	(\$48,020)
Total Reduction:	(\$640,879)

Reduction of Deputy Director

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Fiscal Impact				FTEs	Funding
General Fund		Special Fund		Additional (if applicable)	One-time (yes/no)
Spending	Revenue	Spending	Revenue	(1.0)	No
-\$164,553					

Description

- Elimination of Deputy Director of Accounting and Business Support

Service Impact

- Impact: Less shared oversight over two critical divisions.
- Implementation plan: OFS senior leadership team will take direct role in managing these two divisions. We have begun strategy sessions to identify opportunities for collaboration and streamlining of shared services.

Reduction of Innovation Staff

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Fiscal Impact				FTEs	Funding
General Fund		Special Fund		Additional (if applicable)	One-time (yes/no)
Spending	Revenue	Spending	Revenue	(2.0)	No
-\$289,243					

Description

- Elimination of Innovation Manager vacancy -\$163,249
- Elimination of Innovation Analyst vacancy -\$125,994

Service Impact

- Impact: The duties of the vacant Innovation Manager have been merged with the Chief Innovation Officer. Holding the Innovation Analyst vacant will limit the number of process improvement projects this group will be able to undertake next year.
- Implementation plan: The 2021 budget for the Citywide Technology and Innovation fund preserved substantial resources for service redesign projects next year. That fund will be maximized to support these citywide efforts to supplement existing Innovation staff.

Treasury Staff Adjustments

Fiscal Impact				FTEs	Funding
General Fund		Special Fund		Additional (if applicable)	One-time (yes/no)
Spending	Revenue	Spending	Revenue	(1.0)	No
-\$120,184		-\$102,337	\$17,847		

Description

- Elimination of special fund Treasury Cash Analyst -\$102,337
- Shift general fund Treasury staff to special fund -\$120,184

Service Impact

- Impact: Shifting staff to a special fund will place increased pressure on special fund revenues. Elimination of an Analyst position will limit Treasury's ability to provide non-core services to departments including implementation of new processes such as electronic payment options, alternative/socially responsible investment options, and other department support around training and enhancements.
- Implementation plan: OFS is pursuing a payment tool with our banking partner that would provide additional rebate revenue. This revenue would be used to support additional efforts to streamline payment processes citywide.

Accounting Staff Adjustments

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Fiscal Impact				FTEs	Funding
General Fund		Special Fund		Additional (if applicable)	One-time (yes/no)
Spending	Revenue	Spending	Revenue	1	No
-\$18,879					

Description

- Reduction in 0.15 FTE hours in Accounting team

Service Impact

- Impact: Senior accountant to reduce hours. Combined with other retirements, OFS will be losing skilled employees and institutional knowledge.
- Implementation plan: Recruitment and retention of skilled accountants is challenging in this highly competitive field. OFS is in preliminary conversations with HR to reorganize the Accountant job class to allow for more flexibility and better recruitment.

Non-Salary Spending Reductions

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Fiscal Impact				FTEs	Funding
General Fund		Special Fund		Additional (if applicable)	One-time (yes/no)
Spending	Revenue	Spending	Revenue		No
-\$48,020					

Description

- Reduction in budget for training and consultants in Business Support area.

Service Impact

- Impact: This reduction will primarily impact OFS's support of the Infor financial system. It will limit the department's ability to bring in consultants to fix known bugs, train staff, and make process improvements.
- Implementation plan: After successfully completing a major Infor upgrade, Infor operations are currently stable. We intend to rely more heavily on city staff for ongoing system optimization.

Program Updates and Plans

- Real Estate:
 - ▣ Energy Loan Program
 - ▣ Facilities Management
- Fleet:
 - ▣ EV/Hybrid electrification of passenger fleet
 - ▣ Fuel and data systems centralization
 - ▣ Equipment leases
- Electronic Payments