

**FINANCE AND BUDGET COMMITTEE
OCTOBER 15, 2020
CITY OF PLATTSBURGH COMMON COUNCIL CHAMBERS
MINUTES
4:15 PM**

Roll Call: Chair Councilor Kelly, Councilor Moore, Mayor Read

Others Present: Councilor Gibbs (arrived after Roll Call), Councilor McFarlin (arrived after Roll Call), Councilor Brodi (arrived after Roll Call)

Absent: Councilor Barbell

1. REPORTS FROM DEPARTMENT REPRESENTATIVES AND DISCUSSION WITH COUNCILORS:

Chamberlain Marks gave budget narrative for Finance office and report made part of the minutes of this meeting.

2. AGENDA ITEMS BROUGHT FORWARD FROM DEPARTMENTS TO BE APPROVED BY COMMITTEE AND RECOMMENDED TO COUNCIL:

1. Request from Director of Community Development Matthew Miller that Council approves the award of construction contract for Plattsburgh Farmers' and Crafters' Market relocation portion of downtown area improvement projects.
2. Request from Director of Community Development Matthew Miller that Planner Malana Tamer be named the City of Plattsburgh's Responsible Local Official and Primary Login Holder for the purposes of access and use of the Internet Government Solutions (IGS) Equitable Business Opportunities (EBO) system.

By Councilor Kelly; Seconded by Councilor Moore
(RC) Roll call: Chair Councilor Kelly, Councilor Moore, Mayor Read
(All voted in the affirmative)

3. OLD BUSINESS: None

4. NEW BUSINESS: None

Motion to Adjourn by Councilor Kelly; Seconded by Councilor Moore
(RC) Roll call: Chair Councilor Kelly, Councilor Moore, Mayor Read
(All voted in the affirmative)

MEETING ADJOURNED: 4:41 pm



Richard A. Marks
City Chamberlain

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Date: 10/15/2020

To: Common Council

From: Richard Marks

Subject: Budget Review

2020 has been a better year for the Finance/Data Processing functions due to three factors – 1. The move to City Hall has been further settled, correcting errors made in the set-up of the customer service area, as well as, resolving the personnel disruptions that occurred during 2018 & 2019; 2. The elimination of all the manual, off-the-books, accounting systems using dated processes that didn't utilize the City's business system and its various features; and 3. The completion of the right-staffing process for the efficiency of the business functions of the City's Finance Office. This is a repeat of the statement from 2019 as a completion of the work from that year continued into 2020.

Those three factors have provided for working better within the 2020 budget than the office was able to do in 2019 and provided the stability to work within the 2021 budget figures included herein with a modest .5% increase in both functions, primarily in the over-time budget lines. However, the 2020 virus crisis took its toll on the Finance Office staffing in that 2 highly trained and essential personnel were furloughed proving it impossible to keep up with the current volume of transactions, making it difficult to re-open the customer service counter in the Finance Office and making it nearly impossible to complete the work for the balance of 2020, while providing for 23 weeks of time-off for the union office staff, that is until the 2 furloughed personnel were returned to work instead of being laid-off at the end of July of 2020.

The budgets being presented for 2021, at the direction of the Mayor, are considering the office with full staffing that will provide for all of the functions and services that were provided to City customers that were available before the virus crisis, while the second version required one less staff position that will necessitate the customer service counter being closed to walk-in utility customer payments and that all utility payment transactions be directed to the City's lock-box processor or through the electronic payment features available on the City's web site.

That second budget option will require that all utility customer service functions be handled through email or voice mail messages so that phone traffic and walk-in traffic can't take away from the time required to process payments and invoicing. One caveat to this process is that between February 15th and July 15th the office must remain open to collect property taxes while the utility customer payments will have to be forwarded to the lock box processor at either additional courier cost or acceptance be refused and/or returned to customers to have them send their payments to the City's lock-box directly. The other payments being made at City Hall will also require that the payment counter be left open at some point in time during the week – examples are parking ticket payments, property tax payment agreement payments, CD loan payments and the various other direct payments for other City functions and services.

The department needs to continue with the current processing efficiencies with the current staffing as the customer base shifts to the electronic payment methods for utility and property tax payments the City has made available. Currently, there are 684 utility customer accounts established under the auto-pay method out of 13,480 utility accounts. There are roughly 2,500 utility payments being processed monthly through the City's lock-box, while on-line payments through the City's web site amount to another 3,000 payments per month. The objective is to make these alternate methods of payment grow in the 2021 and forward from then as we've been doing for the past several years.

The next objective for 2021 is to acquire a new inserting machine to replace the eleven year-old machine that has begun failing on a regular basis. The need for a new machine is two-fold, in that the existing one fails regularly and hand-stuffing envelopes will consume days of time for two or three office staff and the upgrade to a new machine offers more efficient processing of multiple page invoices while maintaining consistent postage rates. The new machine will offer software capability for on-the-fly inserting changes based on the invoice criteria coding being processed. This new feature will be tested to determine if it can eliminate manual sorting of utility invoicing to separate multiple page invoices for hand-stuffing or re-inserting through the machine under a different job specification with the purpose of saving 2 to 3 hours of manual sorting per invoice run or roughly 24 to 36 hours per month of one person's time.

The third objective for 2021 is to plan, train personnel and implement the system changes necessary to fulfill the idea of a one-stop counter location that will be able to accept transactions related to multiple departments within City Hall. This will require significant system modifications, as well as, significant training of existing personnel in addition to a significant building project to locate a central counter for the records required to handle the various types of transactions at one counter location.

The objective in the 'austere' version of the Finance and Data Processing budgets included in the June 25, 2020, version of the Mayor's budget was to reduce the headcount by a person and completely eliminate over-time from both departments. The headcount reduction is not possible as of January 1st, 2021, as it will remain to be seen what the outcome of closing the counter and night drop-box to utility payments and how quickly the customer base shifts to that change and how much additional coordination will be required to move the payments to the correct receipt point. In addition it will remain to be seen how quickly we can accomplish the one-stop counter location and employee training and system enhancements required to accomplish that task. Eventually with the advent of these changes the vacancy of a position could be accomplished through attrition within a year or two.

The budgets supplied are the numbers based on the actual costs to be encountered in 2021 for either budget, but they differ from the Mayor's budget revisions as there is an additional \$50,000 added to Data Processing telephone costs and additional payroll costs of roughly \$50,000 moved from the Finance budget that are unsubstantiated and haven't been communicated to me. Also, a change in the compiling the Mayor's budget during the June 25th, 2020, version was the reduction in postage cost from \$53,500 to \$47,500 based on the assumption that e-Billing for the City's system will grow to the point that postage will decrease dramatically. Unfortunately, the number of customers that have agreed to e-Bills amounts is roughly 1,140, about an increase of 40 since the virus crisis took hold in March of 2020 and no matter how much the customer service staff encourage customers to switch to e-Bills, there is a resistance to converting – consequently the postage has to be increased to the requested amount of \$53,500 to avoid a budget shortfall in 2021.

The two budgets are included in this correspondence with the full staffing version being at \$814,441 and the reduced staffing version with no overtime budget version is at \$759,150, both compared to the 2020 budgeted total of \$812,313.

City of Plattsburgh
Finance & Data Processing Department Costs
For Period Ended December 31, 2021

Finance Budget:

Regular Payroll	See employee detail schedule	\$ 303,531
Overtime Pay	3% of payroll estimated usage	9,106
Non-Pay Comp.	2 health insurance buyouts - 24.38%	1,216
Office supplies	Envelopes, pens & other general supplies	3,200
Telephone	Ten total phone extensions and dedicated lines	9,910
Contract Services	Building rent & charge-backs from MLD	-
	Burke Group - GASB 75 report for 2019	7,000
	Cathedral Corp. property tax invoice printing & files	2,000
	Shred-Ex - document & records shredding	1,200
	Annual domain fee for City of Plattsburgh-NY.Gov	-
		10,200
Printing & Copying	Symquest managed printing contract	2,920
	Tyler Technologies - printed stock	500
	Printing supplies other (receipter ribbons, etc)	700
	Printing paper (colored paper for forms)	450
		4,570
Fees for Services	Munistat - annual SEC reporting	3,500
	Filing, title search & legal fees - foreclosures	2,000
	Merchant services fees	200
		5,700
Postage	Mailing A/P payments & general correspondence	2,000
	Mail notices for delinquent taxes and utilities	1,600
	Cathedral Corp - property tax invoice postage	1,450
		5,050
Operating expenses		\$ 352,482

Data Processing Budget:

Regular Payroll	See employee detail schedule	\$ 225,476
Overtime Pay	3% of payroll estimated usage	6,764
Non-Pay Comp.	2 health insurance buyouts @ 75.62%	3,785
Office supplies	Widow & return envelopes & perforated paper for utility invoicing	10,925
Telephone	Five total phone extensions and dedicated lines	4,792
Contract Services	Tyler Technologies - Munis software & hosting	99,727
	OpenGov annual software expenses	18,000
	Glens Falls National - lockbox fees - moved to fees	10,850
	Mail Finance - annual leases mail handling equip.	1,150
	Northeast Mailing - bulk mailer software renewal	240
	TAG Solutions - endpoint virus software	240
		129,967
Printing & Copying	Symquest managed printing contract plus supplies	2,450
Fees for Services	Glens Falls National - lockbox fees - moved fr svcs	22,800
	Mail handling equipment servicing	1,500
		24,300
Postage	Pre-sorted first class mail permit fees for all invoices & notices	53,500
Operating expenses		\$ 461,959
Total Finance and Data Processing		\$ 814,441

City of Plattsburgh
 Finance & Data Processing Department Costs
 For Period Ended December 31, 2021

Finance Budget:

Regular Payroll	See employee detail schedule	\$ 293,948
Overtime Pay	3% of payroll estimated usage	-
Non-Pay Comp.	2 health insurance buyouts - 24.38%	1,216
Office supplies	Envelopes, pens & other general supplies	3,200
Telephone	Ten total phone extensions and dedicated lines	9,910
Contract Services	Building rent & charge-backs from MLD	-
	Burke Group - GASB 75 report for 2019	7,000
	Cathedral Corp. property tax invoice printing & files	2,000
	Shred-Ex - document & records shredding	1,200
	Annual domain fee for City of Plattsburgh-NY.Gov	-
		<u>10,200</u>
Printing & Copying	Symquest managed printing contract	2,920
	Tyler Technologies - printed stock	500
	Printing supplies other (receipt ribbons, etc)	700
	Printing paper (colored paper for forms)	450
		<u>4,570</u>
Fees for Services	Munistat - annual SEC reporting	3,500
	Filing, title search & legal fees - foreclosures	2,000
	Merchant services fees	200
		<u>5,700</u>
Postage	Mailing A/P payments & general correspondence	2,000
	Mail notices for delinquent taxes and utilities	1,600
	Cathedral Corp - property tax invoice postage	1,450
		<u>5,050</u>
Operating expenses		<u><u>\$ 333,793</u></u>

Data Processing Budget:

Regular Payroll	See employee detail schedule	\$ 195,638
Overtime Pay	3% of payroll estimated usage	-
Non-Pay Comp.	2 health insurance buyouts @ 75.62%	3,785
Office supplies	Widow & return envelopes & perforated paper for utility invoicing	10,925
Telephone	Five total phone extensions and dedicated lines	4,792
Contract Services	Tyler Technologies - Munis software & hosting	99,727
	OpenGov annual software expenses	18,000
	Glens Falls National - lockbox fees - moved to fees	-
	Mail Finance - annual leases mail handling equip.	10,850
	Northeast Mailing - bulk mailer software renewal	1,150
	TAG Solutions - endpoint virus software	240
		<u>129,967</u>
Printing & Copying	Symquest managed printing contract plus supplies	2,450
Fees for Services	Glens Falls National - lockbox fees - moved fr svcs	22,800
	Mail handling equipment servicing	1,500
		<u>24,300</u>
Postage	Pre-sorted first class mail permit fees for all invoices & notices	53,500
Operating expenses		<u><u>\$ 425,357</u></u>
Total Finance and Data Processing		<u><u>\$ 759,150</u></u>



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Date: 5/26/2020

To: Common Council

From: Richard Marks

Subject: Budget Reports

1. Analyze the positives and negatives of implementing the 2021 budget.

2020 has been a better year for the Finance/Data Processing functions again due to three factors – 1. The move to City Hall has been further settled, correcting errors made in the set-up of the cramped/noisy customer service area, as well as, resolving the personnel disruptions occurring during 2018 & 2019; 2. The elimination of all the manual, off-the-books, accounting systems and the dated processes that didn't utilize the City's business system and its various features; 3. The completion of the right-staffing process for the efficiency of the business functions of the City's Finance Office. This is a repeat of the statement from 2019.

Those three factors have provided for working better within the 2020 budget than the office was able to do in 2019 and will provide the stability to work within the 2020 budget figures provided with a modest .5% increase in both functions, primarily in the over-time budget lines. However, the 2020 virus crisis has taken its toll on the Finance Office staffing in that 2 highly trained and essential personnel have been furloughed making it difficult to keep up with the current volume of transactions, will make it impossible to re-open the customer service counter in the Finance Office and will make it nearly impossible to complete the work for the balance of 2020 as well as provide for 23 weeks of time-off for the union office staff.

The budgets being presented for 2021 are considering the office with full staffing, once again, that will provide for all of the functions and services that were provided to City customers as were available before the virus crisis, while another version provides for one less staff position that will require that the customer service counter remains closed to walk-in public traffic and that all payment transactions will be handled from mail, night drop-box and electronic features.

The second option will require that all customer service functions will be handled through voice mail messages and subsequent returned calls so that phone traffic and walk-in traffic can't take away from the time required to process payments and invoicing to the volume that the City has to provide for.

Due to the high time-off requirements dictated by the union contract it will be necessary to provide for coverage of critical functions with one of the highly trained staff members that have been furloughed to be returned to work at full time.

The two budgets are included in this correspondence with the full staffing version being at \$814,441 and the reduced staffing version with no overtime budget version is at \$759,150, both compared to the 2020 budgeted total of \$812,313.

Department Heads Budget Review Outline

1. **Brief overview of mayors budget**
 - a. What did you do this year that is noteworthy?
 - b. How well did you do it?
 - c. What difference did it make?
2. **Identify three top department outcomes you would propose for 2021**
 - a. identify existing data to monitor progress
 - b. Identify additional data necessary to measure outcomes
3. **Adopt mayors' budget or suggest modifications**
 - a. Identify revenue neutral changes
 - b. Items that will need additional funding
 - c. Plans to offset increased costs with reduced spending in other budget items
 - d. Make any suggested changes in the form of budget resolutions
4. **Identify new approaches to operations**
 - a. Describe one program/function in the Department where there is the potential to test new approaches
 - b. Improve efficiency
 - c. Reduce costs
 - d. Enhance customer experience
 - e. Timeline for these actions

3.d. Suggested changes: as noted in the budget narrative page 2 and to restore eliminated position –

Decrease – General Fund CDP Reimb	00001128-2801	\$99,986.00
Increase – Finance Regular Payroll	11310000-1100	\$61,960.00
Increase - Data Processing Postage	11680000-4750	\$ 6,000.00
Increase – Data Processing Print & Copy	11680000-4431	\$ 800.00
Decrease – Data Processing Regular Payroll	11680000-1200	\$23,599.00
Decrease – Data Processing Telephone	11680000-4414	\$50,000.00
Increase – General Fund Property Taxes	0000110-1001	\$95,147.00