



# City Council and Internal Audit

FY'20 Budget Proposal

# Introduction

- ❑ My name is Eric Brewer, as the City's Internal Auditor reporting to City Council, I will be presenting the fiscal year 2020 budget proposal for City Council, the City's legislative body, and for Internal Audit which is contained within a separate cost center.



# City Council - Role

- ❑ City Council is the legislative branch for the City of Lansing.
- ❑ Responsible for the adoption and amendment of ordinances in accordance with the City Charter and State law.
- ❑ Vested with oversight and investigative powers and is charged with creating City policy through the adoption of resolutions.
- ❑ Conducts Committee of the Whole and regularly scheduled Committee meetings.
- ❑ Reviews proposals from the Administration and offers citizens an opportunity to make suggestions for the improvement of the City and City operations.
- ❑ Adopts an annual City budget, designating appropriations and the amount to be raised by taxation for general purposes and payment of principal and interest on its indebtedness.
- ❑ Works directly with other governmental, business, and community groups to resolve regional and neighborhood issues.

# City Council Performance Measures

- ❑ Council Members will develop protocols to respond in a timely manner to calls, emails and inquiries from constituents.
- ❑ Council Members will be prepared and attend the Council Committees they are assigned to.
- ❑ Council Members will be prepared and attend outside Boards and Commissions they are assigned and prepare reports to be shared with fellow Council Members and the public.
- ❑ Council Members will be prepared and attend Council Meetings.
- ❑ Council will establish additional ways to share information facilitating additional transparency to City government.
- ❑ Council will review during the budget process whether City Departments have met their Performance Budgeting and if not where they are lacking or have excelled.
- ❑ Upon the adoption of ordinances Council will work with the various Departments to ensure a procedure is developed for the training and implementation of the ordinance.



# Performance Metrics

<b>Resolutions Approved - Source LaserFiche - As of 4-30-2019</b>		
<b>Calendar Year</b>	<b>Resolution Approved</b>	<b>Record Number</b>
2019	132	Resolution 2019-1 To 2019-132
2018	324	Resolution 2018-1 To 2018-324
2017	308	Resolution 2017-1 To 2017-308

<b>Ordinances Approved - Source Council Action Items As of 4-30-2019</b>		
<b>Calendar Year</b>	<b>Ordinances Approved</b>	<b>Record Number</b>
2019	6	Ordinances 1243 To 1248
2018	23	Ordinances 1220 To 1242
2017	14	Ordinances 1206 To 1219

# Performance Metrics

City Council Meetings - Source City Council Proceedings Records - As of 4-30-2019			
Calendar Year	Number of Meetings	Special meetings	Total
2019	9	1	10
2018	27	0	27
2017	26	4	30

Committee Meetings - Source City Council Records - As of 4-30-2019			
Committee	CY 2017	CY 2018	CY 2019
COW	35	34	12
PUBLIC SAFETY	19	25	5
PUBLIC SERVICE	13	19	4
GENERAL SERVICE	13	28	5
DEVELOPMENT & PLANNING	18	21	6
INTERGOVERNMENTAL RELATIONS	NA	10	6
PERSONNEL	1	0	1
WAYS & MEANS	23	15	6
<b>Note - AD HOC Meeting Not Included</b>			

# City Council Proposed Budget Submitted to Mayor

- ❑ The City Council submitted a proposed budget that included 25 line items for a total requested amount of \$856,681 that is a 19.98% or \$142,681 increase from the prior year adopted budget of \$714,000.
  - ✓ The reason for the large proposed increase was primary due to additional funding requested for creation of a New Legislative Analyst Position funding amount of \$122,957.



# Mayor Proposed Budget for City Council

- ❑ The current Mayor's City Council proposed budget includes 25 line items for a total requested amount of \$730,000 that is a 2.2% or \$16,000 increase from the prior year adopted budget of \$714,000.

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Category	FY 2019 Actual	FY 2019 Adopted Budget	FY 2019 Projected	FY 2020 Proposed	% Change Adopted FY20 Proposed
Personnel	\$490,562	\$494,573	\$486,007	\$498,516	0.8%
Operating	\$187,221	\$219,427	\$186,773	\$231,484	5.5%
<b>Total</b>	<b>\$677,783</b>	<b>\$714,000</b>	<b>\$672,780</b>	<b>\$730,000</b>	<b>2.2%</b>



# City Council – Line Items

- ❑ These line items included items, such as:
  - ✓ Salaries for Councilmembers that are set by Elected Office Compensation Committee.
  - ✓ Two Paid Office Staff members paid per the city's salary schedules (Based off of Teamsters Local 214).
  - ✓ Fringe benefits calculated by the Finance Department based on social security rates and healthcare coverage, etc.
  - ✓ Councilmembers officeholder expense accounts that provide for \$2,000 for At Large and \$1,500 for Ward Councilmembers.
  - ✓ Overhead expenses for Information Technology, utilities, phone, insurance and bonds, etc.
  - ✓ Accounts set up for support of community projects, such as Promotion and Community funding that can be used to buy ads in program booklets for events and/or to help sponsor events, etc.

# City Council – Why Increase?

- ❑ The reason for the \$16,000 increase from the prior year budget is from:
  - ✓ 6.7% or 2,000 increase for Miscellaneous Operating Line Item
  - ✓ 2.0% or \$5,934 increase for Salaries Line Item
  - ✓ 9.5% or \$6,144 increase for Fringe Benefits Variable Line Item
  - ✓ 5.4% or \$4,273 increase for Information Technology Line Item
  - ✓ 26.5% or \$2,260 increase for Insurance & Bonds Line Item
  - ✓ 6.0% or \$3,024 increase for Utilities – City Hall Line Item
  - ✓ 6.7% or \$500 increase for Promotion Account Line Item
  - ✓ Increases offset by decrease in Fringe Benefits – Fixed of -6.3% or \$-8,135 Line Item



# Internal Audit - Role

- ❑ The Internal Auditor is established by City Charter to review the City's financial compliance in accordance with Council policy.
- ❑ The Internal Auditor works under the direction of the City Council in reviewing external audits of financial transactions and procedures.
- ❑ The Internal Auditor also performs routine audits of other City business.
- ❑ The Internal Auditor is appointed by and is responsible to the City Council.
- ❑ The mission of the Internal Auditor's office is to follow the City Charter, to improve the accountability for public funds and to improve operations of city government for the benefit of the citizens of the City of Lansing.

# Internal Audit - Budget Request

- ❑ The current Internal Audit proposed budget includes 8 line items for a total requested amount of \$196,000 that is a 0.6% or \$1,100 increase from the prior year adopted budget of \$194,900.

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Category	FY 2019 Actual	FY 2019 Adopted Budget	FY 2019 Projected	FY 2020 Proposed	% Change Adopted FY20 Proposed
Personnel	\$173,028	\$182,261	\$174,881	\$182,115	-0.1%
Operating	\$8,936	\$12,639	\$10,288	\$13,885	9.9%
<b>Total</b>	<b>\$181,964</b>	<b>\$194,900</b>	<b>\$185,169</b>	<b>\$196,000</b>	<b>0.6%</b>



# Internal Audit – Why Increase?

- ❑ The reason for the \$1,100 increase from the prior year budget is from:
  - ✓ 0.6% or \$2,086 increase for Salaries Line Item
    - ❖ Salary increase, as a result of following (Teamster Local 214).
  - ✓ 0.5% or \$77 increase for Fringe Benefits Variable Line Item
  - ✓ 5.4% or \$371 increase for Information Technology Line Item
    - ❖ Result of increase funding overall for Information Technology Department.
  - ✓ 26.5% or \$875 increase for Insurance & Bonds Line Item
    - ❖ Result of increase funding for Insurance and Bonds allocation.
  - ✓ **Increases offset by decrease in Fringe Benefits – Fixed of -3.3% or \$-2,309 Line Item**

# Any Questions?

