

Finance

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MEMORANDUM

TO: Mayor Lovell and City Council
FROM: Glenys Salas, Finance Director & Treasurer
DATE: 4/1/2019
RE: **Findings & Updates to the Recommended Budget**

As part of the FY2020 Budget process, City staff did their best to gather all relevant numbers and forecasts prior to finalizing the Directive and Recommended Budgets. However, new items are continuing to come in that relate to FY2020 and we want to maintain transparency with Council throughout the process on these new items and how they would impact both the total budget numbers and the estimated Mil Rate.

To that end, we will plan to present any new findings or savings along with the related department over the next few weeks. Those items that are changes to expenses or revenues will be added to the bottom of the Mil Rate calculator, which will be updated on the website and sent to Council prior to each Budget Workshop to have as a reference. Changes to expenses and revenues will not affect the published Directive and Recommended Budgets. Rather, these changes will all be available for Council to review as amendments to the Recommended Budget on May 6th, and available as part of the final Council approval on May 13th.

Change 1 – Account Transfer (no change to Department Budgets)

As part of my process to review the new General Ledger entry from Paychex, I have identified that we need to migrate employee allowance accounts from the “Operations Org” in each department budget to the “Payroll Org”. This is because Paychex programmatically assigns the accounts based on the employee’s org and the allowance object. To ensure the history stays with the accounts, I will be doing an account change. For example, 10482/500325/00000 will become 10480/500325/00000 and all history will flow with it. This transfer will need to take place prior to budget approval, as I will not be able to load in the payroll general ledger entries until the change is complete. This is a technical change with no net impact to department budgets.

Allowance Accounts need to transition to payroll orgs in order to post		
10412 - 500325 - 00000	→	10410 - 500325 - 00000
10442 - 500325 - 00000	→	10440 - 500325 - 00000
10572 - 500325 - 00000	→	10570 - 500325 - 00000
10462 - 500325 - 00000	→	10460 - 500325 - 00000
10482 - 500325 - 00000	→	10480 - 500325 - 00000
10482 - 500349 - 00000	→	10480 - 500349 - 00000
10492 - 500316 - 00000	→	10480 - 500316 - 00000
10496 - 500325 - 00000	→	10494 - 500325 - 00000
50103 - 500325 - 00000	→	50070 - 500325 - 00000

Change 2 – Duplicate Headcount in Public Works Budget

While completing the employee salary audit, two overlapping employees were budgeted for the same position. This amounts to a duplicate full-time headcount salary in the Public Works Mechanic Wages line 10480/500133/00000. By removing the duplicate headcount, the City will save \$49,025 and an estimated \$0.02 on the Mil Rate. This change has been added to the bottom of the updated Mil Rate Calculator