



CITY OF CHICAGO

COUNCIL OFFICE ON FINANCIAL ANALYSIS (COFA)

July 8, 2019

The Honorable Chairman Pat Dowell
Committee on Budget and Government Operations
121 N. LaSalle St, Ste 200
Chicago, IL 60602

Chairman Dowell:

On June 19, 2019 Alderman Matt O'Shea requested that COFA investigate the potential cost savings of combining the offices of the City Clerk and the City Treasurer. After discussing Alderman O'Shea's expectations for the study, it was agreed that COFA would not undertake a detailed audit of Clerk/Treasurer operations at this time, but rather give the best estimate it could from reviewing the departmental budgets.

Context

2019 Appropriation:

	FTE	TOTAL SALARIES	TOTAL APPROPRIATION
City Clerk	100	\$7,182,162	\$10,756,887
City Treasurer	30	\$2,718,230	\$4,134,722
TOTAL	130	\$9,900,392	\$14,891,609

Duplicated services/overlapping tasks or skillsets

There is little or no overlap between the two office's core functions.

The City Treasurer is described as the City's banker, and her primary duty is to invest funds of the City and its pension funds, and to maintain all records and accounts associated with the operating funds, as well as the escrow accounts associated with the trustee banks.

The City clerk maintains the City's official records, including the records of the City Council, its Committees and legislation, and administers several license and ID programs: vehicle stickers,

residential permit parking, dog licenses, automatic amusement device licenses, house share registration, Municipal ID, KIDS ID, and Medical ID.

While record-keeping is a significant part of all of the core functions of both offices, there is a big difference between the records kept in the Treasurer's office- which are similar to the records of a private bank- and those at the Clerk's office. Therefore, COFA does not believe there will opportunities for staff performing double-duty or sharing of specialized computer software.

However, the Treasurer's appropriation includes three FTEs with a combined salary of \$242, 304 for Economic Development. The appropriation for non-salary costs for that program is \$542,670. This part of the office is focused on public outreach, with the goal of improving financial literacy and connecting small businesses with financial resources. Meanwhile, the Clerk's license and ID programs offer her extensive public interaction and visibility. The Clerk has leveraged that resource for community advocacy and education, through programs such as the Pink New Deal, the Access Collaborative, and Mobile City Hall. The Treasurer's Economic Development programs could potentially benefit from greater access to the Clerk's visibility, and employees of the Clerk's office could potentially use their skills in public relations and customer service to perform some of the duties of the Treasurer's Economic Development program.

Administrative savings

The City Clerk and the City Treasurer are each paid \$133,545 per year. If the two offices were combined, one of those salaries could be eliminated.

In general, a potential source of savings from combining offices would be greater sharing of common resources such as copy machines, conference rooms, break rooms, etc. However, COFA does not see any potential for such saving in this case without a wholesale redesign of the first floor of City Hall. The two offices are located on opposite corners of the floor, separated by other offices and the main lobby. COFA has not conducted an audit of the space usage, but from casual observation the City Clerk's space appears fully utilized with no potential space to accommodate Treasurer's operations. Even without an audit, it is obvious that the Treasurer's current space has no room to accommodate the City Clerk's operations.

Each of the two offices has a number of staff performing administrative or executive duties not tied to specific programs in the Appropriation Ordinance. There could be some reduction in those positions if the offices were combined. However, this reduction would be limited by the divergence between the two offices' functions. Although these staff are not tied to specific programs, the nature of the programs does inform their work. To some degree, the physical separation of the offices could limit consolidation. Obviously, it would not be a hardship for a Deputy to go from one end of the floor to the other for a specific meeting, but that is different than the kind of routine interaction which would come from that Deputy working side-by-side with the Portfolio Managers.

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The Appropriations for administrative or executive staff without specific programs listed (other than the elected officials themselves) are:

CLERK

Administrative Services Officer II	1	\$116,280
Administrative Supervisor	2	\$97,920
Deputy City Clerk	1	\$129,072
Deputy Director	1	\$105,756
Director of License Administration	1	\$85,824
Project Coordinator	1	\$83,628
Projects Administrator	1	\$92,376
Secretary to City Clerk	1	\$74,160
Schedule Salary Adjustments		\$2,364
CLERK TOTAL	9	\$787,380

TREASURER

Assistant City Treasurer	1	\$124,056
Assistant to the City Treasurer	1	\$81,660
Assistant to the City Treasurer	1	\$68,052
Deputy City Treasurer	1	\$154,380
Director of Public Affairs	1	\$79,260
Executive Administrative Assist I	1	\$51,324
Schedule Salary Adjustments		\$1,666
TREASURER TOTAL	6	\$560,398

TOTAL OF BOTH OFFICES	15	\$1,347,778
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Each of the two offices has a Deputy, of whom the Treasurer's receives a higher salary. However, the Treasurer is essentially in the banking industry, and must pay accordingly to compete for talent. Given the differences in function, it is doubtful the two positions could be combined.

Conclusion

COFA sees no potential savings from shared facilities and common resources.

There would be a salary reduction of \$133,545 by eliminating one of the elected positions.

The only savings COFA anticipates from overlapping program goals, tasks or skills would be the opportunity to improve the effectiveness of the Treasurer's Economic Development program by leveraging the Clerk's public outreach, and by utilizing the Clerk's public communication skills in that program. We estimate that could reduce salaries in that program by one-third, or \$80,768, and non-personnel costs for that program by one-half, or \$150,183.

As for Administrative and Executive staff, the potential for consolidation would be limited for reasons stated above. COFA estimates a potential 20% reduction in salary costs between the two offices, or \$269,555.

In sum, we estimate a total salary reduction of \$483,863. We estimate that the savings in employee benefits and other non-salary personnel costs would be one-third of the salary savings, or \$161,289. The total estimated savings in non-personnel costs is \$150,183.

That makes for a total estimated annual savings of \$795,335.

In the short run, there would be transitional costs which would offset some of those savings. At the very least, there would be a cost for changes in signage, stationary, business cards, signs, promotional materials, and websites. Since we do not foresee major physical relocation of the offices, there would not be major costs in that regard, although it is a safe bet that someone would move. More significant, but difficult to estimate would be challenges and costs incurred to integrate records, procedures and cultures.

Sincerely,



Jonathan Silverstein
Council Office of Financial Analysis (COFA)

Cc: The Honorable Alderman Matt O'Shea
Tiffany Sostrin
Jeff Levine
Renee Barrera
Brian Freedman