



THOMAS P. DiNAPOLI
COMPTROLLER

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
110 STATE STREET
ALBANY, NEW YORK 12236

ELLIOTT AUERBACH
DEPUTY COMPTROLLER
DIVISION OF LOCAL GOVERNMENT
AND SCHOOL ACCOUNTABILITY
Tel: (518) 474-4037 Fax: (518) 486-6479

May 2021

Honorable Edward Sundquist, Mayor
Members of the City Council
City of Jamestown
200 East Third Street
Jamestown, NY 14701

Report Number: S9-21-6

Dear Mayor Sundquist and Members of the City Council:

The COVID-19 pandemic (pandemic) has had various levels of impact on the financial operations of local governments across New York State. Some local governments have seen little to no impact on their financial operations, while others have seen more significant impacts due to reductions and/or increases to their revenues and/or expenditures. This has led to some local governments having to reduce or eliminate some services and temporarily or permanently reduce staff positions. In addition, some local officials have decided to delay capital projects, which could result in future delays to other projects to maintain and improve local government infrastructures.

The pandemic has also created a difficult environment for officials to develop annual budgets given the unknowns of future financial impacts. The pandemic increases the need for local officials to more closely monitor their budgeted estimates for revenues and expenditures against actual results, and modify their budgetary estimates accordingly, when warranted, during the course of their fiscal year.

To assess whether local officials adequately considered the impact of the pandemic on their financial operations while developing their 2021 fiscal year budgets, our office conducted reviews of 20 adopted budgets of various counties, cities, towns and villages across the State. The City of Jamestown (City) is one of the local governments included in our review.

The objective of the review was to provide an independent evaluation of certain aspects of the adopted budget. Our review addressed the following question related to the City's adopted budget for the 2021 fiscal year:

- Did officials adequately assess the impact of the pandemic on financial operations while developing estimates for significant revenues and expenditures in the 2021 adopted budget?

Summary of Findings

Our review found that officials adequately assessed the impact of the pandemic on financial operations while developing estimates for significant revenues and expenditures in the 2021 adopted budget.

However, in consideration of the continually new and evolving impacts caused by the pandemic, City officials should carefully monitor their budgeted to actual revenues and expenditures and make amendments to the budget as needed throughout the year.

Methodology

To accomplish our objective in this review, we requested your adopted budget and other pertinent information. We interviewed officials and reviewed the adopted budget to gain an understanding of the budget development process and to determine whether any estimates in the adopted budget were adjusted by officials due to the potential impact the pandemic could have on financial operations. We identified and examined for reasonableness significant estimated revenues and expenditures¹ and estimated revenues and expenditures below our established threshold that could more likely be impacted by the pandemic. We also identified any significant new revenue or expenditure estimates, made appropriate inquiries and reviewed supporting documentation to assess whether the estimates were realistic and reasonable. In addition, we evaluated the amount of fund balance and/or reserves appropriated in the adopted budget to be used as a financing source and determined whether these amounts were available and sufficient for that purpose.

The scope of our review does not constitute an audit under generally accepted government auditing standards (GAGAS). We do not offer comments or make specific recommendations on public policy decisions, such as the type and level of services under consideration to be provided.

Background

The City of Jamestown is located in Chautauqua County. The elected nine-member City Council (Council) is the City's legislative branch. The Mayor is the City's chief executive officer, budget officer and administrative officer and is generally responsible for the administration and supervision of City affairs. The City Comptroller (Comptroller) is responsible for supervising the City's fiscal affairs. The City Charter outlines the powers and duties of the Council, Mayor and Comptroller.

The Mayor is the budget officer for the City, who works closely with the Comptroller to develop the City budget. The Comptroller requests estimates from department heads to use in the preparation of the tentative budget that is submitted to the Mayor for review. Once the Mayor

¹ For this review, we established significant estimated revenues and expenditures to be those consisting of 5 percent or more of a fund's total budget estimates.

reviews the tentative budget, it is presented to the Council. The Council makes any necessary revisions to the tentative budget and prepares the preliminary budget. The City holds a public hearing on the preliminary budget and then makes final revisions, if needed, prior to adopting the budget. The Comptroller’s duties also include budget monitoring and quarterly budget-to-actual reporting to the Mayor and City Council.

The City’s general fund is its operating fund. The City provides various services to its residents, including general government support, street maintenance, parks and recreation programs, along with police and fire protection. The City's operations are predominately financed by real property taxes, sales tax and State aid.

Following is the 2021 adopted budget figures for the City’s general fund along with the 2020 adopted budget total for comparative purposes.

Figure 1: 2021 Adopted Budget				
Fund	Appropriations and Provisions for Other Uses	Financing Sources		
		Estimated Revenues	Appropriated Fund Balance	Real Property Taxes
General	\$35,560,495	\$19,094,280	\$436,138	\$16,030,077
Total for 2021	\$35,560,495	\$19,094,280	\$436,138	\$16,030,077
Total for 2020	\$36,517,704	\$20,532,780	\$0	\$15,984,924

Our review found that while developing 2021 budgetary estimates for significant revenues and expenditures, City officials adequately considered the pandemic’s impact on financial operations. If you have any questions on the scope of our work, please feel free to contact Julie Landcastle, Chief Examiner of the Statewide and Regional Projects Unit, at (607) 721-8306.

Sincerely,

Elliott Auerbach
Deputy Comptroller

cc: Ryan Thompson, City Comptroller
Jennifer Williams, City Clerk/Treasurer
Jeffrey D. Mazula, Regional Chief Examiner