



**CITY OF DAVENPORT**  
Office of Finance Administration  
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**MEMORANDUM**

October 4, 2017

**TO:** Corri Spiegel, City Administrator  
Brandon Wright, CFO/Assistant City Administrator

**FROM:** Lauren Gonner, Budget & Performance Officer

**RE:** FY 2018 Monthly Financial Update – Through August 2017

Below is a summary report of the city's main operating funds as of August 31, 2017 for FY 2018. Information is provided for the General Fund, Trust & Agency Fund, and Employee Health Fund. As the year advances, accuracy of year end projections should continue to increase.

**GENERAL FUND**

As of the end of August, General Fund operating departments ended below expected spending levels. With 17.0% of the year completed, 12.7% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 12.8% of budgeted levels, which is slightly above the expected level of 11.5%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	341,026	77,629	22.8%
Mayor's Office	122,625	12,882	10.5%
Finance	1,301,067	150,460	11.6%
Administration	828,011	97,626	11.8%
Human Resources	684,524	77,327	11.3%
CPED	779,532	72,898	9.4%
Civil Rights	320,092	34,970	10.9%
NSD	852,720	93,907	11.0%
Public Works	4,439,942	397,397	9.0%
Police Department	17,884,747	2,311,345	12.9%
Fire Department	12,323,075	1,618,592	13.1%
Parks	3,874,042	605,540	15.6%
Library	2,457,728	313,095	12.7%
<b>Total</b>	<b>46,209,131</b>	<b>5,863,668</b>	<b>12.7%</b>

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	36	1.4%
Public Works	60,500	6,137	10.1%
Police	400,920	62,867	15.7%
Fire	80,800	68,310	84.5%
Parks	25,500	4,627	18.1%
<b>Total</b>	<b>570,320</b>	<b>141,977</b>	<b>24.9%</b>

There is currently one department with a variance of more than 3.0% above the expected expenditure rate of 17.0%. The City Council (22.8%) is above the expected expenditure rate due to one-time payments to the Iowa League of Cities, National League of Cities, and Bi-State Regional Commission. The majority of the City Council's professional services budget and contributions to other agencies is spent within the first quarter. There are eight departments currently falling 5.0% or more below the expected expenditure rate of 17.0%: Mayor's Office (10.5%), Finance (11.6%), Administration (11.8%), Human Resources (11.3%), CPED (9.4%), Civil Rights (10.9%), NSD (11.0%), and Public Works (9.0%).

The Overtime Summary Report shows one department with a variance of more than 3% above the expected expenditure rate for overtime. The Fire Department (84.5%) has higher-than-expected overtime expenditures due to existing employment vacancies. Additionally, the entire salaries/benefits budget for the Fire Department is at 13.2%, falling above the expected level of 11.5% due to educational incentive spending at the beginning of the fiscal year.

Below is a chart of major revenues. Overall, other revenue sources are up by 9.5% compared to last year as of the end of August. The Cable TV Franchise payment is received on a quarterly basis with the first FY 2018 disbursement to be received in October. Casino Development Fee revenue is up 5.1% over last year. Licenses and Permits are down by 2.4% due to a decrease in electrical, plumbing, and HVAC permits. The Charges for Services category is up 32.5% due to increased rental inspection and demolition of condemned property revenue. Use of Money & Property is 4.2% lower due to a decrease in Annie Wittenmyer and Junior Theatre rent. Fines & Forfeits are 38.8% lower due to a decrease in speed camera fines and alarm fines.

<b>SUMMARY OF MAJOR NON-TAX REVENUE SOURCES</b>				
<b>Department</b>	<b>Budget</b>	<b>YTD</b>	<b>Current Projection</b>	<b>YTD Change from FY17</b>
Cable TV Franchise	860,000	-	860,000	0.0%
Casino Development Fee	1,106,000	100,952	1,148,486	5.1%
Licenses & Permits	1,662,200	651,756	2,151,756	-2.4%
Charges for Services	3,621,721	1,167,140	3,967,140	32.5%
Uses of Money & Property	265,200	39,359	286,246	-4.2%
Fines & Forfeits	1,584,500	149,486	1,450,000	-38.8%
<b>Total</b>	<b>9,099,621</b>	<b>2,108,693</b>	<b>9,863,628</b>	<b>9.5%</b>

#### **TRUST & AGENCY FUND**

As of the end of August, Trust & Agency Fund expenditures are slightly above expected budget levels. The expected level of expenditures as of the end of August is 14.3%. Trust & Agency benefits are currently at 14.4%.

<b>BENEFIT SUMMARY</b>			
<b>Benefit</b>	<b>Budget</b>	<b>YTD</b>	<b>%</b>
FICA	1,324,887	167,277	12.6%
IPERS	1,198,429	122,736	10.2%
Employee Insurance	9,468,613	1,549,080	16.4%
MFPRSI	5,888,005	733,048	12.4%
RHSP	767,049	108,128	14.1%
<b>Total</b>	<b>18,646,983</b>	<b>2,680,269</b>	<b>14.4%</b>

**EMPLOYEE HEALTH INSURANCE FUND**

As of the end of August, claims for FY 2018 are 6.1% higher compared to claims in FY 2017. Claims expenditures are currently trending above the original budget of \$13.8M. Finance staff will be closely monitoring this fund during the year and process any additional necessary budget amendments.

<b>HEALTH CLAIMS PROJECTION MODEL</b>							
	<b>FY 2016</b>	<b>FY 2017</b>	<b>Average</b>	<b>% Total</b>	<b>Cum. %</b>	<b>FY 2018</b>	<b>Year End Projection</b>
<b>July</b>	593,689	987,634	790,662	5.74%	5.74%	1,028,520	13,345,020
<b>August</b>	1,531,968	1,268,782	1,400,375	10.17%	15.92%	1,365,802	14,600,860
<b>September</b>	1,043,002	1,222,855	1,132,929	8.23%	24.15%	-	-
<b>October</b>	929,330	911,337	920,334	6.69%	30.83%	-	-
<b>November</b>	1,008,371	1,052,726	1,030,549	7.49%	38.32%	-	-
<b>December</b>	1,108,713	1,620,755	1,364,734	9.91%	48.23%	-	-
<b>January</b>	822,507	934,651	878,579	6.38%	54.61%	-	-
<b>February</b>	1,025,947	952,427	989,187	7.19%	61.80%	-	-
<b>March</b>	1,635,616	1,433,899	1,534,758	11.15%	72.95%	-	-
<b>April</b>	984,051	964,101	974,076	7.08%	80.02%	-	-
<b>May</b>	1,533,360	1,239,008	1,386,184	10.07%	90.09%	-	-
<b>June</b>	1,443,588	1,284,901	1,364,245	9.91%	100.00%	-	-
<b>Total</b>	13,660,142	13,873,076	13,766,609	100.00%		2,394,322	

**FY 2019 BUDGET UPDATE**

During the month of August, budget staff held the FY 2019 Core Competency presentations and prepared for the FY 2019 Budget Kickoff meeting. Additionally, staff received FY 2019 business plans from each department and worked on financial planning for FY 2019.