



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

November 7, 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 September 2017

Below is a summary report of the city's main operating funds as of September 30, 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 September, General Fund operating departments ended below expected spending levels. With 25.2% of the year completed, 23.0% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 24.1% of budgeted levels, which is slightly above the expected level of 23.1%. The slightly higher-than-expected amount is due to one-time payments for educational incentives and sick leave refunds at the beginning of the year for the Public Safety Departments.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	341,026	102,751	30.1%
Mayor's Office	122,625	24,685	20.1%
Finance	1,301,067	282,324	21.7%
Administration	828,011	173,233	20.9%
Human Resources	684,524	129,897	19.0%
CPED	779,532	112,831	14.5%
Civil Rights	320,092	65,821	20.6%
NSD	852,720	177,260	20.8%
Public Works	4,088,993	562,177	13.7%
Police Department	17,884,747	4,344,976	24.3%
Fire Department	12,323,075	2,906,745	23.6%
Parks	3,874,042	1,055,844	27.3%
Library	2,457,728	599,465	24.4%
<b>Total</b>	<b>45,858,182</b>	<b>10,538,009</b>	<b>23.0%</b>

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	36	1.4%
Public Works	60,500	9,138	15.1%
Police	400,920	165,617	41.3%
Fire	80,800	76,761	95.0%
Parks	25,500	7,060	27.7%
<b>Total</b>	<b>570,320</b>	<b>258,612</b>	<b>45.3%</b>

There is currently one department with a variance of more than 3.0% above the expected expenditure rate of 25.2%. The City Council department (30.1%) 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 four departments currently falling 5.0% or more

below the expected expenditure rate of 25.2%: Mayor’s Office (20.1%), Human Resources (19.0%), CPED (14.5%), and Public Works (13.7%).

The Overtime Summary Report shows three departments with a variance of more than 3% above the expected expenditure rate for overtime. The Police Department (41.3%) has higher-than-expected overtime expenditures due to staff time involved with investigations. The Fire Department (95.0%) has higher-than-expected overtime expenditures due to existing employment vacancies. Additionally, the entire salaries/benefits budget for the Fire Department is at 24.0%, falling above the expected level of 23.1% due to educational incentive spending at the beginning of the fiscal year. The Parks Department (27.7%) has higher levels of overtime primarily due to pool operations. As the pools have now closed for the season, overtime levels should stabilize within the Parks and Recreation Department.

Below is a chart of major non-tax revenue sources in the General Fund. Overall, non-tax revenue sources are down 0.6% compared to last year as of the end of September. 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 down 12.4% over last year. Licenses and Permits are up 0.02%. Charges for Services are up 5.1% due to an increase in rental inspections. Use of Money & Property is 3.2% lower due to a decrease in Junior Theatre rent. Fines & Forfeits are 14.0% lower due to a decrease in speed camera fines and alarm fines. In whole, these non-tax revenue sources are still trending slightly above the FY 2018 Budget.

<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	-	810,000	0.0%
Casino Development Fee	950,000	157,446	865,231	-12.4%
Licenses & Permits	1,662,200	816,008	2,151,756	0.02%
Charges for Services	3,621,721	1,205,950	3,967,140	5.1%
Uses of Money & Property	265,200	59,475	296,444	-3.2%
Fines & Forfeits	1,584,500	306,445	1,450,000	-14.0%
<b>Total</b>	<b>8,943,621</b>	<b>2,545,324</b>	<b>9,540,571</b>	<b>-0.6%</b>

### **TRUST & AGENCY FUND**

As of the end of September, Trust & Agency Fund expenditures are slightly below expected budget levels. The expected level of expenditures as of the end of September is 24.2%. Trust & Agency benefits are currently at 24.0%.

<b>BENEFIT SUMMARY</b>			
<b>Benefit</b>	<b>Budget</b>	<b>YTD</b>	<b>%</b>
FICA	1,324,887	317,759	24.0%
IPERS	1,198,429	245,040	20.4%
Employee Insurance	9,468,613	2,312,790	24.4%
MFPRSI	5,888,005	1,389,051	23.6%
RHSP	767,049	218,630	28.5%
<b>Total</b>	<b>18,646,983</b>	<b>4,483,270</b>	<b>24.0%</b>

## EMPLOYEE HEALTH INSURANCE FUND

As of the end of September, claims for FY 2018 are 0.34% lower 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 budget amendments necessary.

HEALTH CLAIMS PROJECTION MODEL							
	FY 2016	FY 2017	Average	% Total	Cum. %	FY 2018	Year End Projection
July	593,689	987,634	790,662	5.74%	5.74%	1,028,520	13,345,020
August	1,531,968	1,268,782	1,400,375	10.17%	15.92%	1,365,802	14,600,860
September	1,043,002	1,222,855	1,132,929	8.23%	24.15%	1,073,151	14,201,941
October	929,330	911,337	920,334	6.69%	30.83%	-	-
November	1,008,371	1,052,726	1,030,549	7.49%	38.32%	-	-
December	1,108,713	1,620,755	1,364,734	9.91%	48.23%	-	-
January	822,507	934,651	878,579	6.38%	54.61%	-	-
February	1,025,947	952,427	989,187	7.19%	61.80%	-	-
March	1,635,616	1,433,899	1,534,758	11.15%	72.95%	-	-
April	984,051	964,101	974,076	7.08%	80.02%	-	-
May	1,533,360	1,239,008	1,386,184	10.07%	90.09%	-	-
June	1,443,588	1,284,901	1,364,245	9.91%	100.00%	-	-
Total	13,660,142	13,873,076	13,766,609	100.00%		3,467,473	

## FY 2019 BUDGET UPDATE

During the month of September, budget staff hosted the FY 2019 Budget Kickoff meeting. After the Budget Kickoff meeting, departments started to enter budget requests for the FY 2019 budget and the budget team worked on the development of the FY 2019 equipment replacement program. Additionally, applications for outside agency funding opened in September.