



CITY OF DAVENPORT
Office of Finance Administration
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MEMORANDUM

January 4, 2018

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

FROM: Lauren Gonner, Budget & Performance Officer

RE: FY 2018 Monthly Financial Update – Through November 2017

Below is a summary report of the city's main operating funds as of November 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 November, General Fund operating departments ended below expected spending levels. With 41.9% of the year completed, 38.8% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 39.0% of budgeted levels, which is slightly above the expected level of 38.5%. The slightly higher-than-expected amount is due to overtime and 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	152,388	44.7%
Mayor's Office	122,625	43,101	35.1%
Finance	1,301,067	514,013	39.5%
Administration	828,011	288,643	34.9%
Human Resources	684,524	247,337	36.1%
CPED	779,532	221,736	28.4%
Civil Rights	320,092	118,866	37.1%
NSD	852,720	291,404	34.2%
Public Works	4,443,492	1,535,806	34.6%
Police Department	17,884,747	7,083,187	39.6%
Fire Department	12,323,075	4,774,174	38.7%
Parks	3,874,042	1,682,432	43.4%
Library	2,457,728	989,899	40.3%
Total	46,212,681	17,942,986	38.8%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	36	1.4%
Public Works	60,500	15,630	25.8%
Police	400,920	252,418	63.0%
Fire	80,800	120,718	149.4%
Parks	25,500	10,668	41.8%
Total	570,320	399,470	70.0%

There are currently no departments with a variance of more than 3.0% above the expected expenditure rate of 41.9%. There are six departments currently falling 5.0% or more below the expected expenditure rate of 33.7%: Mayor's Office (35.1%), Administration (34.9%), Human Resources (36.1%), CPED (28.4%), Neighborhood Services Department (34.2%), and Public Works (34.6%).

The Overtime Summary Report shows three departments with a variance of more than 3% above the expected expenditure rate for overtime. The Police Department (63.0%) has higher-than-expected overtime expenditures due to staff time involved with investigations. The Fire Department (149.4%) has higher-than-expected overtime expenditures due to existing employment vacancies. However, the entire salaries/benefits budget for the Fire Department is at 39.0%, falling slightly above the expected level of 38.5% due to educational incentive spending at the beginning of the fiscal year. The Parks and Recreation Department (41.8%) has higher levels of overtime primarily due to pool operations.

Below is a chart of major non-tax revenue sources in the General Fund. Overall, non-tax revenue sources are down 1.3% compared to last year as of the end of November. The first quarterly disbursement of Cable TV Franchise revenue was received in November and is down 7.8% compared to FY 2017, which can be attributed mainly to alternative TV viewing methods. Casino Development Fee revenue is down 14.2% from last year because the revenue was not reported in November. The deficit is expected to be made up with the December transaction. Licenses and Permits are down 4.2% due to a decrease in HVAC and electrical permits. Charges for Services are up 5.2% due to increased rental inspection and rental license revenue. Use of Money & Property is 6.9% lower due to a decrease in Junior Theatre and Annie Wittenmyer rent. Fines & Forfeits are 5.8% 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 estimate.

SUMMARY OF MAJOR NON-TAX REVENUE SOURCES				
Department	Budget	YTD	Current Projection	YTD Change from FY17
Cable TV Franchise	860,000	189,900	780,000	-7.8%
Casino Development Fee	950,000	234,756	802,756	-14.2%
Licenses & Permits	1,662,200	1,108,209	2,151,756	-4.2%
Charges for Services	3,621,721	1,825,385	3,967,140	5.2%
Uses of Money & Property	265,200	101,500	292,540	-6.9%
Fines & Forfeits	1,584,500	538,035	1,496,826	-5.8%
Total	8,943,621	3,997,785	9,491,018	-1.3%

TRUST & AGENCY FUND

As of the end of November, Trust & Agency Fund expenditures are slightly below expected budget levels. The expected level of expenditures as of the end of November is 40.2%. Trust & Agency benefits are currently at 39.6%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,324,887	517,310	39.0%
IPERS	1,198,429	410,788	34.3%
Employee Insurance	9,468,613	3,852,084	40.7%
MFPRSI	5,888,005	2,258,918	38.4%
RHSP	767,049	351,904	45.9%
Total	18,646,983	7,391,004	39.6%

EMPLOYEE HEALTH INSURANCE FUND

As of the end of November, claims for FY 2018 are 11.7% 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 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%	1,028,523	13,346,173
August	1,531,968	1,268,782	1,400,375	10.17%	15.92%	1,341,054	14,449,944
September	1,043,002	1,222,855	1,132,929	8.23%	24.15%	1,073,151	14,100,579
October	929,330	911,337	920,334	6.69%	30.83%	1,049,823	13,977,854
November	1,008,371	1,052,726	1,030,549	7.49%	38.32%	1,589,164	15,348,348
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%		6,081,715	

FY 2019 BUDGET UPDATE

During the month of November, staff met with all departments to review all budget requests and the CIP technical committee met to review all capital project requests. The budget team is currently working to finalize all FY 2019 payroll projections and reviewing budgets at the fund level in preparation for the upcoming budget workshops in January.