



DATE: May 20, 2019

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

FROM: Meghan Murray, Budget Analyst

RE: FY 2019 Monthly Financial Update – Through April 2019

Below is a summary report of the city's main operating funds as of April 30, 2019 for FY 2019. Information is provided for the General Fund, Trust & Agency Fund, Employee Health Fund, Road Use Tax Fund, and Flood Fund. As the year advances, accuracy of year-end projections should continue to increase.

General Fund

As of the end of April, General Fund operating departments ended slightly below expected spending levels. With 83.3% of the year completed, 79.4% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 78.6% of budgeted levels, which is slightly below the expected level of 80.8%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	338,424	285,445	84.3%
Mayor's Office	126,725	88,717	70.0%
Finance	1,419,053	1,154,831	81.4%
Administration	827,919	600,118	72.5%
Human Resources	697,411	558,777	80.1%
CPED	843,841	653,872	77.5%
Civil Rights	326,270	253,751	77.8%
NSD	852,496	675,877	79.3%
Public Works	3,432,087	2,169,315	63.2%
Police Department	18,522,637	15,539,410	83.9%
Fire Department	12,602,459	10,466,152	83.0%
Parks	4,032,850	3,083,106	76.4%
Library	2,836,850	1,672,073	58.9%
Total	46,859,022	37,201,444	79.4%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	1,639	63.0%
Public Works	63,935	66,803	104.5%
Police	570,858	261,804	45.9%
Fire	596,100	451,985	75.8%
Parks	29,500	28,031	95.0%
Total	1,262,993	810,262	64.2%

Currently, there are no departments with a variance of more than 3.0% above the expected expenditure rate of 83.3%. There are seven departments currently falling 5.0% or more below the expected expenditure rate of 83.3%: Mayor's Office (70.0%), Administration (72.5%), Community Planning and Economic Development (77.5%), Civil Rights (77.8%), Public Works (63.2%), Parks (76.4%), and Library (58.9%).

The Overtime Summary Report shows three departments with a variance of more than 3.0% above the expected expenditure rate for overtime. The Public Works Department (104.5%) has higher-than-expected overtime expenditures due to seasonal operations. The Parks and Recreation Department (95.0%) has higher levels of overtime due to pool operations in the beginning of the fiscal year and recent flood events.



Below is a chart of major revenues. Overall, other revenue sources are down by 2.9% compared to last year as of the end of April. The second quarterly disbursement of Cable TV Franchise revenue was received and is up 1.2% compared to FY 2018. Casino Development Fee revenue is up 19.3% compared to FY 2018. Licenses and Permits are down by 22.7% due to a decrease in building permits. The Charges for Services category is down 6.5% due to a decrease in rental inspection and demolition of condemned property. Use of Money & Property is up 44.3% due to better than expected returns on interests from pooled investments. Fines and Forfeits are up 10.3% due to an increase in speed camera fine revenue.

SUMMARY OF MAJOR NON-TAX REVENUE SOURCES				
Department	Budget	YTD	Current Projection	YTD Change from FY18
Cable TV Franchise	810,000	575,116	768,000	1.2%
Casino Development Fee	986,000	872,199	1,161,408	19.3%
Licenses & Permits	1,845,700	1,622,600	1,886,582	-22.7%
Charges for Services	3,820,279	3,038,141	3,850,211	-6.5%
Uses of Money & Property	388,200	492,568	858,107	44.3%
Fines & Forfeits	1,485,500	1,560,948	1,905,286	10.3%
Total	9,335,679	8,161,572	10,429,594	-2.9%

Trust & Agency Fund

As of the end of April, Trust & Agency Fund expenditures are slightly above expected budget levels. The expected level of expenditures as of the end of April is 82.1%. Trust & Agency benefits are higher than the expected level at 84.0%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,410,195	1,084,776	76.9%
IPERS	1,278,202	913,840	71.5%
Employee Insurance	9,621,785	8,309,876	86.4%
MFPRSI	5,889,030	4,923,428	83.6%
RHSP	791,294	721,530	91.2%
Total	18,990,506	15,953,450	84.0%

Road Use Tax Fund

Below is a chart showing overtime expenditures in the Road Use Tax Fund. The city has spent \$456,274 in overtime, which is 149.0% of the total overtime budget and is above the target for this time of year.

ROAD USE TAX FUND OVERTIME			
Department	Budget	YTD	%
Public Works	306,250	456,274	149.0%
Total	306,250	456,274	149.0%



Overall, 81.3% of budgeted expenditures in the Road Use Tax Fund have been spent. Below is a chart detailing expenditures by division in the Road Use Tax Fund. Many of the divisions are currently below the expected expenditure rate of 83.3% with the exception of Streets. This is primarily due to the money spent on weather-related activities, such as salt purchases and overtime for snow hours. In years where there is above average snowfall, it is typical to see higher levels of Road Use Tax operating expenditures in Streets and other divisions.

OVERALL DEPARTMENT BUDGET SUMMARY			
Division	Budget	YTD	%
Public Works Admin	631,213	491,208	77.8%
Engineering	2,027,187	1,327,346	65.5%
Streets	6,071,367	5,735,286	94.5%
Fleet	1,560,147	1,180,138	75.6%
Traffic Engineering	394,611	223,791	56.7%
Signals/Street Lighting	1,612,794	1,045,766	64.8%
Total	12,297,319	10,003,535	81.3%

Flood Fund

Below is a chart showing expenditures in the Flood Fund. As of the end of April, the city has spent \$390,283 from the Flood Fund. The salaries and benefits category is predominantly spent on employee overtime costs due to the flood. The supplies and services expenditures were spent on equipment and professional services needed to help fight the flood like security services from Per Mar Security (\$15,262), pump rental for the compost facility (\$2,022), sand and sand bags (\$54,149), and pump equipment for sewer maintenance (\$13,560).

Flood Fund Expenditures	
Category	YTD
Salaries & Benefits	292,713
Supplies & Services	97,570
Total	390,283

Employee Health Insurance Fund

As of the end of April, claims for FY 2019 are 2.2% higher than claims in FY 2018. Claims expenditures are currently trending slightly above the original budget of \$14.6 million. Finance staff will be closely monitoring this fund during the year and process any additional budget amendments necessary.



HEALTH CLAIMS PROJECTION MODEL							
	FY 2017	FY 2018	Average	% Total	Cum. %	FY 2019	Year End Projection
July	987,634	1,028,523	873,841	7.67%	7.67%	1,301,936	16,976,799
August	1,268,782	1,341,054	999,512	8.77%	16.44%	931,009	13,581,788
September	1,222,855	1,073,151	909,292	7.98%	24.42%	1,035,706	13,384,718
October	911,337	1,049,823	877,385	7.70%	32.12%	1,652,578	15,321,010
November	1,052,726	1,589,164	894,029	7.85%	39.97%	1,130,025	15,140,675
December	1,620,755	1,386,196	1,142,791	10.03%	50.00%	1,102,052	14,307,723
January	934,651	1,184,769	863,655	7.58%	57.58%	1,219,386	14,542,074
February	952,427	900,818	716,294	6.29%	63.86%	1,285,767	15,123,975
March	1,433,899	1,006,190	1,031,615	9.05%	72.92%	1,143,703	14,814,639
April	964,101	1,123,564	969,363	8.51%	81.42%	1,148,181	14,676,920
May	1,239,008	1,334,069	1,002,096	8.79%	90.22%		
June	1,296,147	1,051,347	1,114,711	9.78%	100.00%		
Total	13,884,322	14,068,668	11,394,583	100.00%		11,950,343	

FY 2020 Budget Update

During the month of April, staff continued preparations on the FY 2020 budget document, and it will be submitted to the Government Finance Officers Association (GFOA) in May for review of the Distinguished Budget Award. The FY 2019 Budget Amendment was also completed in May and will be certified by the County Auditor on May 28, 2019.