



DATE: June 30, 2019

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

FROM: Meghan Murray, Budget Analyst

RE: FY 2019 Monthly Financial Update – Through May 2019

Below is a summary report of the city's main operating funds as of May 31, 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 May, General Fund operating departments ended slightly below expected spending levels. With 91.7% of the year completed, 88.0% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 89.1% of budgeted levels, which is above the expected level of 88.5%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	338,424	303,480	89.7%
Mayor's Office	126,725	97,543	77.0%
Finance	1,419,053	1,256,461	88.5%
Administration	828,607	635,083	76.6%
Human Resources	697,411	615,520	88.3%
CPED	835,034	722,275	86.5%
Civil Rights	326,270	276,267	84.7%
NSD	852,496	731,446	85.8%
Public Works	3,411,121	2,417,752	70.9%
Police Department	18,178,346	16,978,151	93.4%
Fire Department	12,598,923	11,423,701	90.7%
Parks	4,018,537	3,428,422	85.3%
Library	2,640,545	2,349,697	89.0%
Total	46,271,492	41,235,798	89.1%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	1,639	63.0%
Public Works	63,935	84,323	131.9%
Police	570,858	375,311	65.7%
Fire	186,100	535,102	287.5%
Parks	29,500	32,066	108.7%
Total	852,993	1,028,441	120.6%

Currently, there are no departments with a variance of more than 3.0% above the expected expenditure rate of 91.7%. There are six departments currently falling 5.0% or more below the expected expenditure rate of 91.7%: Mayor's Office (77.0%), Administration (76.6%), Community Planning and Economic Development (86.5%), Civil Rights (84.7%), Neighborhood Services Department (85.8%), and Parks (85.3%).

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 (131.9%) has higher-than-expected overtime expenditures due to seasonal operations. The Parks and Recreation Department (108.7%) has higher levels of overtime due to pool operations in the beginning of the fiscal year and recent flood events. The Fire Department (287.5%) has higher-than-expected overtime expenditures due to existing employment vacancies and employees out on



injury/medical leave.

Below is a chart of major revenues. Overall, other revenue sources are up by 0.5% compared to last year as of the end of May. 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 20.7% compared to FY 2018. Licenses and Permits are down by 13.8% due to a decrease in building permits. The Charges for Services category is down 8.1% due to a decrease in rental inspection and demolition of condemned property. Use of Money & Property is up 45.0% due to better than expected returns on interests from pooled investments. Fines and Forfeits are up 17.9% due to an increase in speed camera fine revenue. This increase in speed camera revenue is due to a change in accounting practices. Prior to FY 2019 the revenue was recorded less expense. Beginning in FY 2019 revenues and expenses are recorded separately.

SUMMARY OF MAJOR NON-TAX REVENUE SOURCES				
Department	Budget	YTD	Current Projection	YTD Change from FY18
Cable TV Franchise	810,000	575,116	767,435	1.2%
Casino Development Fee	986,000	977,642	1,088,080	20.7%
Licenses & Permits	1,845,700	1,938,748	2,102,782	-13.8%
Charges for Services	3,820,279	3,410,659	3,770,880	-8.1%
Uses of Money & Property	388,200	694,809	894,547	45.0%
Fines & Forfeits	1,485,500	1,746,336	1,905,286	17.9%
Total	9,335,679	9,343,310	10,529,010	0.5%

Trust & Agency Fund

As of the end of May, Trust & Agency Fund expenditures are slightly above expected budget levels. The expected level of expenditures as of the end of May is 90.1%. Trust & Agency benefits are higher than the expected level at 92.1%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,410,195	1,186,174	84.1%
IPERS	1,278,202	1,001,417	78.3%
Employee Insurance	9,621,785	9,128,161	94.9%
MFPRSI	5,889,030	5,384,443	91.4%
RHSP	791,294	783,338	99.0%
Total	18,990,506	17,483,533	92.1%

Road Use Tax Fund

Below is a chart showing overtime expenditures in the Road Use Tax Fund. The city has spent \$470,848 in overtime, which is 153.7% 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	470,848	153.7%
Total	306,250	470,848	153.7%



Overall, 82.7% 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. All of the listed Public Works divisions are currently below the expected expenditure rate of 91.7%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Division	Budget	YTD	%
Public Works Admin	630,691	537,852	85.3%
Engineering	2,027,187	1,448,739	71.5%
Streets	6,792,241	6,062,696	89.3%
Fleet	1,560,147	1,279,577	82.0%
Traffic Engineering	385,505	272,112	70.6%
Signals/Street Lighting	1,610,528	1,153,020	71.6%
Total	13,006,299	10,753,996	82.7%

Flood Fund

Below is a chart showing expenditures in the Flood Fund. As of the end of May, the city has spent \$916,145 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 (\$41,291), flood ramps and walkways (\$11,591), sand and sand bags (\$54,149), and pump equipment for sewer maintenance (\$20,145).

Flood Fund Expenditures	
Category	YTD
Salaries & Benefits	719,577
Supplies & Services	196,568
Total	916,145

Employee Health Insurance Fund

As of the end of May, claims for FY 2019 are 1.1% lower than claims in FY 2018. Claims expenditures are currently trending slightly below the original budget of \$14.6 million.



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%	1,211,226	14,588,761
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%		13,161,569	

FY 2020 Budget Update

During the month of May, budget staff finished preparation of the FY 2020 Budget document and submitted to the Government Finance Officers Association for review and award of the Distinguished Budget Presentation Award. Additionally, planning for FY 2021 is underway. Staff is currently working on FY 2021 salary allocations. The FY 2021 Budget Calendar will be available during early July.