

MEMO | FY 2020 Monthly Financial Update – Through August 2019



DATE: September 19, 2019

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

FROM: Meghan Murray, Budget Analyst

RE: FY 2020 Monthly Financial Update – Through August 2019

Below is a summary report of the city’s main operating funds as of August 31, 2019 for FY 2020. 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 slightly above expected spending levels, which is primarily due to the expenditure of the allocated costs at the beginning of the fiscal year. With 16.7% of the year completed, 18.9% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 16.0% of budgeted levels, which is slightly above the expected level of 15.4%. This is can attributed to the education incentive payout that happens earlier in the year and should stabilize as the year progresses.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	342,266	85,919	25.1%
Mayor's Office	121,633	17,161	14.1%
Finance	1,435,384	230,075	16.0%
Administration	744,160	88,272	11.9%
Human Resources	765,459	108,380	14.2%
CPED	866,634	252,511	29.1%
Civil Rights	333,497	41,692	12.5%
NSD	1,570,218	256,511	16.3%
Public Works	2,639,012	258,829	9.8%
Police Department	19,268,410	2,896,825	15.0%
Fire Department	12,843,221	1,992,826	15.5%
Parks	4,096,662	776,467	19.0%
Library	2,683,066	420,469	15.7%
Total	47,709,622	7,425,937	15.6%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	39	1.5%
Public Works	60,000	9,228	15.4%
Police	570,858	71,557	12.5%
Fire	186,100	92,490	49.7%
Parks	29,500	6,214	21.1%
Total	849,058	179,528	21.1%

There are currently three departments with a variance of more than 3.0% above the expected expenditure rate of 16.7%. The City Council (25.1%) is above the expected expenditure rate due to one-time payments to the Iowa League of Cities and National League of Cities. The Community Planning and Economic Development department (29.1%) is above the expected expenditure rate due to a one-time payment to Quad Cities First. There is one department currently falling 5.0% or more below the expected expenditure rate of 16.7%, Public Works (9.8%).

The Overtime Summary Report shows two departments with a variance of more than 3.0% above the expected expenditure rate for overtime. The Fire Department (49.7%) has higher-than-expected overtime expenditures due employees out on injury/medical leave. The Parks and Recreation Department (21.1%) has higher levels of overtime primarily due to pool operations in the beginning of the fiscal year.



Below is a chart of major revenues. Overall, other revenue sources are up by 35.6% compared to last year as of the end of August. Cable TV Franchise has not yet received any revenue. Casino Development Fee revenue is down 17.4% compared to FY 2019. The Licenses and Permits are up by 31.4% due to an increase in building, HVAC, plumbing, and electrical permits. The Charges for Services category is up by 40.8% due to an increase in rental inspection and licenses. Use of Money & Property is down 7.6% because the interest from pooled investments has not been fully realized. Fines and forfeits is up 70.0% because of a change in accounting practices at the beginning of the calendar year; this large percent change increase is expected to decrease as the year progresses.

SUMMARY OF MAJOR NON-TAX REVENUE SOURCES				
Department	Budget	YTD	Current Projection	YTD Change from FY19
Cable TV Franchise	760,000	-	760,000	0.0%
Casino Development Fee	1,100,000	115,105	1,220,000	-17.4%
Licenses & Permits	1,911,600	347,494	2,095,000	31.4%
Charges for Services	3,681,920	1,058,978	3,905,000	40.8%
Uses of Money & Property	753,200	44,811	964,000	-7.6%
Fines & Forfeits	1,186,000	327,139	1,100,000	70.0%
Total	9,088,179	1,400,147	9,374,912	35.6%

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 16.2%. Trust & Agency benefits are currently at 16.5% due to higher-than-expected employee insurance costs (17.3%).

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,360,955	226,602	16.7%
IPERS	1,278,772	177,907	13.9%
Employee Insurance	10,676,467	1,849,716	17.3%
MFPRSI	5,845,144	918,691	15.7%
RHSP	825,192	130,302	15.8%
Total	19,986,530	3,303,218	16.5%



Employee Health Insurance Fund

As of the end of August, claims for FY 2020 are 5.7% lower than claims in FY 2019. Claims expenditures are currently trending below the original budget of \$15.8 million.

HEALTH CLAIMS PROJECTION MODEL							
	FY 2018	FY 2019	Average	% Total	Cum. %	FY 2020	Year End Projection
July	1,028,523	1,301,936	1,106,031	7.84%	7.84%	1,165,316	14,954,731
August	1,341,054	931,009	1,180,282	8.37%	16.21%	1,203,114	14,475,431
September	1,073,151	1,035,706	1,110,571	7.87%	24.08%		
October	1,049,823	1,652,578	1,204,579	8.54%	32.62%		
November	1,589,164	1,130,025	1,257,305	8.91%	41.54%		
December	1,386,196	1,102,052	1,369,668	9.71%	51.25%		
January	1,184,769	1,219,386	1,112,935	7.89%	59.14%		
February	900,818	1,285,767	1,046,337	7.42%	66.55%		
March	1,006,190	1,143,703	1,194,597	8.47%	75.02%		
April	1,123,564	1,148,181	1,078,615	7.65%	82.67%		
May	1,334,069	1,211,226	1,261,434	8.94%	91.61%		
June	1,051,347	1,201,077	1,182,857	8.39%	100.00%		
Total	14,068,668	14,362,646	14,105,212	100.00%		2,368,430	

FY 2020 Budget Update

During the month of August, staff prepared the FY 2021 Budget Kick-off Presentation. Departments will be working on inputting FY 2021 budget amounts into the city's financial software for further review by staff from the Finance and City Administration Departments.