

MEMO | FY 2020 Monthly Financial Update – Through October 2019



DATE: November 22, 2019

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

FROM: Meghan Murray, Budget Analyst

RE: FY 2020 Monthly Financial Update – Through October 2019

Below is a summary report of the city’s main operating funds as of October 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 October, General Fund operating departments ended slightly below expected spending levels. With 33.4% of the year completed, 35.1% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 30.4% of budgeted levels, which is slightly less than the expected level of 30.7%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	342,266	137,095	40.1%
Mayor's Office	121,633	37,083	30.5%
Finance	1,435,384	438,674	30.6%
Administration	744,160	198,597	26.7%
Human Resources	765,459	203,880	26.6%
CPED	866,634	400,496	46.2%
Civil Rights	333,497	93,321	28.0%
NSD	1,570,218	541,480	34.5%
Public Works	2,329,012	652,910	28.0%
Police Department	19,268,410	6,190,960	32.1%
Fire Department	12,843,221	4,018,622	31.3%
Parks	4,096,662	1,470,691	35.9%
Library	2,683,066	829,414	30.9%
Total	47,399,622	15,213,223	32.1%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	39	1.5%
Public Works	60,000	14,151	23.6%
Police	570,858	139,212	24.4%
Fire	186,100	189,544	101.9%
Parks	29,500	8,871	30.1%
Total	849,058	351,817	41.4%

There are currently two departments with a variance of more than 3.0% above the expected expenditure rate of 33.4%. The City Council (40.1%) 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 (46.2%) is above the expected expenditure rate due to a one-time payment to Quad Cities First. There are four departments currently falling 5.0% or more below the expected expenditure rate of 33.4%, City Administration (26.7%), Human Resources (26.6%), Civil Rights (28.0%), and Public Works (28.0%).

The Overtime Summary Report shows one department with a variance of more than 3.0% above the expected expenditure rate for overtime. The Fire Department (101.9%) has higher-than-expected overtime expenditures due employees out on injury/medical leave.



Below is a chart of major revenues. Overall, other revenue sources are up by 10.3% compared to last year as of the end of October. Cable TV Franchise has received its first payment of the year and it is slightly below last year's payment at this time at -0.5%. Casino Development Fee revenue is down 35.9% compared to FY 2019 because the October revenue has not yet been reported. The Licenses and Permits are up by 21.7% due to an increase in building, HVAC, plumbing, and electrical permits. The Charges for Services category is up by 14.0% due to an increase in rental inspections and licenses. Uses of Money & Property is down 30.9% because the interest from pooled investments has not been fully realized. Fines and forfeits is up 43.3% because of a change in accounting practices at the beginning of the calendar year; this 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	186,651	760,000	-0.5%
Casino Development Fee	1,100,000	225,709	1,250,000	-35.9%
Licenses & Permits	1,911,600	614,761	2,012,764	21.7%
Charges for Services	3,681,920	1,448,780	3,940,453	14.0%
Uses of Money & Property	753,200	115,459	964,000	-30.9%
Fines & Forfeits	1,186,000	644,806	1,550,000	43.3%
Total	9,392,720	3,236,166	10,477,217	10.3%

Trust & Agency Fund

As of the end of October, Trust & Agency Fund expenditures are slightly above expected budget levels. The expected level of expenditures as of the end of October is 32.3%. Trust & Agency benefits are currently at 33.5% due to higher-than-expected employee insurance costs (36.0%).

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,360,955	433,848	31.9%
IPERS	1,278,772	361,035	28.2%
Employee Insurance	10,676,467	3,840,544	36.0%
MFPRSI	5,845,144	1,807,317	30.9%
RHSP	825,192	256,398	31.1%
Total	19,986,530	6,699,142	33.5%



Employee Health Insurance Fund

As of the end of October, claims for FY 2020 are 3.9% 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%	977,833	13,785,495
October	1,049,823	1,652,578	1,204,579	8.54%	32.62%	1,388,887	14,655,264
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%		4,735,150	

FY 2020 Budget Update

During the month of October, budget staff began revenue forecasting for the FY 2021 Budget. Budget staff reviewed the departmental budget requests while preparing for the department budget meetings that are held in November.