



MEMORANDUM

DATE: 29 June 2023

TO: Corri Spiegel, City Administrator
Mallory Merritt, CFO/Assistant City Administrator

FROM: Hanna Whitehurst, Budget Analyst

RE: FY 2023 Monthly Financial Update – Through April 2023

Below is a summary report of the City’s main operating funds as of April 30, 2023 for FY 2023. Information is provided for the General Fund, Trust & Agency Fund, Local Options Sales Tax Fund, and Employee Health Fund. As the year advances, projections continue to stabilize.

General Fund Expenditures

As of the end of April, General Fund operating departments ended below expected spending levels. With 83.3% of the year completed, 81.2% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are in line with expected budget levels. The expected level of payroll costs as of the end of April is 79.2%, and payroll costs are currently at 79.3%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	336,673	273,089	81.1%
Mayor's Office	129,792	97,874	75.4%
Finance	1,595,963	1,351,991	84.7%
Administration	897,387	676,937	75.4%
Information Technologies	-	(31,144)	-
Human Resources	818,719	583,729	71.3%
Comm. & Econ. Dev.	646,002	467,426	72.4%
Civil Rights	392,806	245,755	62.6%
Dev. & Nbhd. Svc. Dept.	2,163,497	1,654,866	76.5%
Public Works	3,320,965	3,065,578	92.3%
Police Department	20,008,361	15,990,376	79.9%
Fire Department	13,738,702	11,778,176	85.7%
Parks & Recreation	4,623,693	3,335,994	72.1%
Library	2,720,232	2,223,777	81.7%
Total	51,392,792	41,714,423	81.2%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	15	0.6%
Human Resources	-	60	N/A
Civil Rights	-	352	N/A
Community Dev	-	36	N/A
DNSD	2,000	11,232	561.6%
Public Works	67,500	46,772	69.3%
Police	570,858	378,721	66.3%
Fire	211,100	888,798	421.0%
Parks	29,500	28,728	97.4%
Library	5,135	3,049	59.4%
Total	888,693	1,357,763	152.8%

There is currently one department with a variance of more than 3.0% above the expected expenditure rate of 83.3%: Public Works (92.3%) which is due to continued expenses related to the Annie Wittenmyer building and an increase in fuel expenditures. Also, there are seven departments currently 5.0% or more below the expected expenditure rate: Mayor's Office (75.4%), Administration (75.4%), Human Resources (71.3%), Community and Economic Development (72.4%), Civil Rights (62.6%), Development and Neighborhood Services (76.5%), and Parks and Recreation (72.1%).

The Overtime Summary Report shows six departments with a variance of more than 3.0% above the expected expenditure rate for overtime. Although Civil Rights, Human Resources, and Community and Economic Development have higher than budgeted overtime, no additional overtime has been incurred since August. The Development and Neighborhood Services Department (561.6%) is above expected overtime expenditures due to overtime costs related to inspections and code enforcement. The Fire Department (421.0%) has higher-than-expected overtime expenditures due to an unusual number of employee vacancies occurring in the first half of the Fiscal Year. Ten new firefighters started shift in April, and it is anticipated to help reduce overtime expenditures. The Parks Department (97.4%) is above expected overtime expenditures due to overtime costs associated with parks operations and aquatics recreation programs.

General Fund Revenue

Below is a chart detailing other major revenues. In relation to FY 2022 YTD, other major revenue sources are up 1.7%. First, licenses and permits are down 34.7% which is more reflective of typical averages; FY 2022 was higher due to permits associated with Amazon construction. Uses of money and property is up 164.5% due to rent revenues and the timing of the allocation of interest payments. Fines and forfeits are down 20.6% due to a change in accounting methodology recommended by the City's auditors and a decrease in overall revenue collected which will continue to be monitored closely as the year progresses. Cable TV Franchise is up 32.4% due to the timing of payments received. All categories' projections are exceeding budgeted revenues except for Cable TV Franchise which should have negligible impact to the General Fund.

These revenue sources will be closely monitored on a monthly basis in relation to budget.

SUMMARY OF MAJOR NON-TAX REVENUE SOURCES					
Department	Budget	YTD	Current Projection	YTD Change from FY 2022	% of Budget Collected
Cable TV Franchise	720,000	422,782	619,621	32.4%	58.7%
Casino Development Fee	1,200,000	1,121,863	1,633,800	-4.8%	93.5%
Licenses & Permits	1,924,100	2,035,148	2,461,282	-34.7%	105.8%
Charges for Services	3,838,908	3,940,286	5,269,778	18.8%	102.6%
Uses of Money & Property	776,300	1,438,437	2,029,215	164.5%	185.3%
Fines & Forfeits	1,255,500	1,208,637	1,600,067	-20.6%	96.3%
Total	9,714,808	10,167,153	13,613,763	1.7%	104.7%

Local Option Sales Tax Fund Revenue

The below chart displays the revenue categories for the Local Option Sales Tax Fund as of the end of April. The majority of this fund's revenue comes from the sales tax disbursements from the state. Local Options Sales Tax revenue is trending above budget, with 103.6% of the revenue already collected through the end of April.

SUMMARY OF LOCAL OPTION SALES TAX FUND			
Department	Budget	YTD	% of Budget Collected
Other Taxes (Sales Tax)	17,007,500	17,592,065	103.4%
Charges for services	85,000	124,752	146.8%
Use of Monies & Prop	15,000	12,839	85.6%
Miscellaneous	-	1,055	N/A
Total	17,107,500	17,730,711	103.6%

Trust & Agency Fund

As of the end of April, Trust & Agency Fund expenditures are in line with expected budget levels. The expected level of expenditures as of the end of April is 81.4%. Trust & Agency benefits are currently at 79.6% which is below the expected budget of 81.4%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,500,569	1,188,278	79.2%
IPERS	1,396,818	997,948	71.4%
Employee Insurance	11,280,709	9,433,432	83.6%
MFPRSI	6,050,380	4,598,036	76.0%
Deferred Compensation	21,216	-	0.0%
RHSP	876,409	697,644	79.6%
Fit Pay	131,000	-	0.0%
Total	21,257,101	16,915,337	79.6%

Employee Health Insurance Fund

As of the end of April, claims for FY 2023 are 7.7% lower than claims in FY 2022. Claims expenditures are currently trending \$3K in line with the original budget of \$15.5 million.

HEALTH CLAIMS PROJECTION MODEL							
	FY 2021	FY 2022	Average	% Total	Cum. %	FY 2023	Year End Projection
July	1,077,507	940,733	932,074	7.82%	7.82%	1,040,152	13,298,378
August	1,328,983	1,515,769	1,057,208	8.87%	16.69%	1,114,579	12,907,703
September	1,181,074	1,442,449	968,109	8.12%	24.82%	893,377	12,282,135
October	1,104,134	1,114,280	980,346	8.23%	33.04%	1,010,406	12,282,099
November	1,213,605	1,209,077	958,028	8.04%	41.08%	1,272,687	12,976,475
December	1,126,545	2,951,600	1,248,575	10.48%	51.56%	1,245,375	12,754,894
January	964,700	970,399	918,658	7.71%	59.27%	1,785,197	14,107,873
February	1,115,936	1,402,591	837,157	7.03%	66.30%	1,490,882	14,861,749
March	1,139,423	1,403,597	1,092,924	9.17%	75.47%	1,968,083	15,663,486
April	1,137,471	1,215,023	1,024,355	8.60%	84.06%	1,253,418	15,552,830
May	1,155,054	1,355,162	1,026,768	8.62%	92.68%		
June	1,395,190	1,245,079	1,157,640	9.71%	102.39%		
Total	13,939,622	16,765,759	11,916,597	100.00%	N/A	13,074,156	

FY 2024 Budget Update

During the month of May, the City Council amended the FY 2023 Budget, and it was submitted to the County Auditor's Office for certification. Additionally, the Finance team continued the development of the FY 2024 Budget Book, which will be submitted to the GFOA for review in June.