



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 May 2023

Below is a summary report of the City’s main operating funds as of May 31, 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 have continued to stabilize.

General Fund Expenditures

As of the end of May, General Fund operating departments ended below expected spending levels. With 91.7% of the year completed, 88.7% 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 May is 86.9%, and payroll costs are currently at 86.7%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	336,673	290,168	86.2%
Mayor's Office	129,792	106,996	82.4%
Finance	1,595,963	1,494,490	93.6%
Administration	897,387	739,633	82.4%
Information Technologies	-	(71,784)	-
Human Resources	818,719	680,620	83.1%
Comm. & Econ. Dev.	646,002	548,237	84.9%
Civil Rights	392,806	270,498	68.9%
Dev. & Nbhd. Svc. Dept.	2,163,497	1,805,065	83.4%
Public Works	3,320,965	3,351,591	100.9%
Police Department	20,008,361	17,443,117	87.2%
Fire Department	13,738,702	12,863,110	93.6%
Parks & Recreation	4,623,693	3,664,757	79.3%
Library	2,720,232	2,411,812	88.7%
Total	51,392,792	45,598,311	88.7%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	15	0.6%
Human Resources	-	62	N/A
Civil Rights	-	352	N/A
Community Dev	-	36	N/A
DNSD	2,000	11,576	578.8%
Public Works	67,500	52,869	78.3%
Police	570,858	436,997	76.6%
Fire	211,100	942,929	446.7%
Parks	29,500	31,009	105.1%
Library	5,135	3,049	59.4%
Total	888,693	1,478,894	166.4%

There is currently one department with a variance of more than 3.0% above the expected expenditure rate of 91.7%: Public Works (100.9%) 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 (82.4%), Administration (82.4%), Human Resources (83.1%), Community and Economic Development (84.9%), Civil Rights (68.9%), Development and Neighborhood Services (83.4%), and Parks and Recreation (79.3%).

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 (578.8%) is above expected overtime expenditures due to overtime costs related to inspections and code enforcement. The Fire Department (446.7%) has higher-than-expected overtime expenditures due to an unusual number of employee vacancies occurring in the first half of the Fiscal Year. The Parks Department (105.1%) 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 down 0.1%. First, licenses and permits are down 31.5% 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 160.9% due to rent revenues and the timing of the allocation of interest payments. Fines and forfeits are down 20.5% 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 down 8.7% due to the timing of payments received. Although several of these sources are down from FY 2022, all categories’ projections are exceeding budgeted revenues except for Cable TV Franchise which should have negligible impact to the General Fund, and 113.6% of budgeted revenues have been collected as of the end of May.

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	435,278	579,362	-8.7%	60.5%
Casino Development Fee	1,200,000	1,249,872	1,614,313	-5.0%	104.2%
Licenses & Permits	1,924,100	2,231,423	2,463,833	-31.5%	116.0%
Charges for Services	3,838,908	4,316,503	5,115,743	14.5%	112.4%
Uses of Money & Property	776,300	1,490,640	1,946,551	160.9%	192.0%
Fines & Forfeits	1,255,500	1,314,221	1,597,844	-20.5%	104.7%
Total	9,714,808	11,037,937	13,317,646	-0.1%	113.6%

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 May. The majority of this fund's revenue comes from the sales tax disbursements from the state. Local Options Sales Tax revenue is trending in line with budget with 115.7% collected through the end of May.

SUMMARY OF LOCAL OPTION SALES TAX FUND			
Department	Budget	YTD	% of Budget Collected
Other Taxes (Sales Tax)	17,007,500	19,668,012	115.6%
Charges for services	85,000	112,821	132.7%
Use of Monies & Prop	15,000	12,852	85.7%
Miscellaneous	-	1,055	N/A
Total	17,107,500	19,794,739	115.7%

Trust & Agency Fund

As of the end of May, Trust & Agency Fund expenditures are in line with expected budget levels. The expected level of expenditures as of the end of May is 89.4%. Trust & Agency benefits are currently at 89.7% which is slightly above the expected budget of 89.4%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,500,569	1,316,683	87.7%
IPERS	1,396,818	1,099,627	78.7%
Employee Insurance	11,280,709	10,689,802	94.8%
MFPRSI	6,050,380	5,049,752	83.5%
Deferred Compensation	21,216	6,603	31.1%
RHSP	876,409	767,553	87.6%
Fit Pay	131,000	133,187	101.7%
Total	21,257,101	19,063,206	89.7%

Employee Health Insurance Fund

As of the end of May, claims for FY 2023 are 3.9% lower than claims in FY 2022. Claims expenditures are currently trending \$549K above 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%	1,845,860	16,098,566
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	14,920,016	

FY 2024 Budget Update

During the month of June, the Finance team finalized the FY 2024 Budget Book, and it was submitted to the GFOA for review and is now available on the City's website.