



MEMORANDUM

DATE: June 14, 2021

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

FROM: Jalatama “Jolly” Omar, Budget Analyst

RE: FY 2021 Monthly Financial Update – Through April 2021

Below is a summary report of the city’s main operating funds as of April 30, 2021 for FY 2021. Information is provided for the General Fund, Trust & Agency Fund, Local Options Sales Tax Fund, other major revenues, and Employee Health Fund. As the year advances, year-end projections continue to show overall stability.

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, 79.0% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 76.8% of budgeted levels, which is less than the expected level of 80.8%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	344,306	254,474	73.9%
Mayor's Office	127,397	123,344	96.8%
Finance	1,443,877	1,150,076	79.7%
Administration	918,494	570,761	62.1%
Human Resources	748,530	612,572	81.8%
Comm. & Econ. Dev.	642,246	472,537	73.6%
Civil Rights	344,703	254,987	74.0%
Dev. & Nbhd. Svc. Dept.	1,945,251	1,564,675	80.4%
Public Works	2,548,412	1,620,334	63.6%
Police Department	19,254,407	16,335,888	84.8%
Fire Department	13,254,608	10,563,428	79.7%
Parks & Recreation	4,281,101	2,728,425	63.7%
Library	2,784,063	2,154,141	77.4%
Total	48,637,395	38,405,643	79.0%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	212	8.2%
Public Works	67,500	54,680	81.0%
Police	570,858	601,041	105.3%
Fire	211,100	562,138	266.3%
Parks	29,500	19,744	66.9%
Total	881,558	1,237,815	140.4%

There is currently one department with a variance of more than 3.0% above the expected expenditure rate of 83.3%. The Mayor’s Office (96.8%) is above expected expenditure rate due to changes in staffing allocations between the Mayor’s Office, City Council, and Administration.

There are seven departments currently falling 5.0% or more below the expected expenditure rate of 83.3%: City Council (73.9%), Administration (62.1%), Community and Economic Development (73.6%), Civil Rights (74.0%), Public Works (63.6%), Parks and Recreation (63.7%), and Library (77.4%).

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 (266.3%) has higher-than-expected overtime expenditures due to employees out on injury/medical leave, and the Police Department (105.3%) is above expected overtime expenditures due to overtime costs associated with ongoing investigations and the number of employees on injury/medical leave. While overtime is high for the Fire Department and Police Department, both departments' total salary and benefits are currently at or slightly below the expected expenditure rate of 80.8%: Police (81.2%) and Fire (76.4%).

General Fund Revenue

As of the end of April, the General Fund has received \$39.3M in property tax payments, which is 10.8% higher than FY 2020. Below is a chart detailing other major revenues. In relation to FY 2020, other major revenue sources are down 12.2%. First, charges for services is down 20.9% compared to FY 2020 due to a decrease in pool admissions, special events, and self-sustaining program attendance. Second, Uses of Money & Property is down 36.9% due to a decrease in Roosevelt and Junior Theatre rent. Finally, Fines & Forfeits is down 17.3% due to fewer speed camera fines collected compared to FY 2020. However, Fines & Forfeits is above budget projections due to higher than expected speed camera fine revenue. Cable TV Franchise revenue is received on a quarterly basis with the third disbursement expected for the month of May. Cable TV Franchise revenue is in line with revenue projections.

Overall, major General Fund revenue sources are in line with budget projections. Although revenues are down compared to FY 2020, 79.0% of major revenues have been collected as of the end of April which is slightly below the expected rate of 83.3%.

SUMMARY OF MAJOR NON-TAX REVENUE SOURCES					
Department	Budget	YTD	Current Projection	YTD Change from FY 2020	% of Budget Collected
Cable TV Franchise	760,000	384,736	760,000	1.5%	50.6%
Casino Development Fee	1,200,000	929,299	1,195,935	8.7%	77.4%
Licenses & Permits	1,919,300	1,747,196	2,064,778	8.1%	91.0%
Charges for Services	3,462,890	2,497,272	3,067,042	-20.9%	72.1%
Uses of Money & Property	790,200	530,857	746,101	-36.9%	67.2%
Fines & Forfeits	1,146,000	1,242,653	1,500,000	-17.3%	108.4%
Total	9,278,390	7,332,013	9,333,856	-12.2%	79.0%

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. Typically, the revenue is at 73.2% of total sales tax revenue collected for the year as of the end of April. However, Local Options Sales Tax fund revenue is currently at 95.0%, which is above the expected budget. Overall, Local Option Sales Tax revenue is trending well-above budget due to a higher revision in the monthly disbursement from the State of Iowa and a true-up payment.

SUMMARY OF LOCAL OPTION SALES TAX FUND			
Department	Budget	YTD	% of Budget Collected
Other Taxes (Sales Tax)	16,607,500	15,783,772	95.0%
Charges for services	80,000	78,880	98.6%
Use of Monies & Prop	15,000	11,395	76.0%
Total	16,702,500	15,874,047	95.0%

Major Revenues by Fund

Other major revenue sources are also monitored, and the below chart summarizes them and displays the percent collected YTD and compares to its expected target percentage over a four year average. Funds with a variance of more than five percent above their expected level are highlighted in green, while funds with a variance of more than five percent below their expected level are highlighted in red. It is important to note that River's Edge, Golf concessions, transit passenger charges, and parking fees and fines have experienced some impact in FY 2021 due to the COVID-19 pandemic.

SUMMARY MAJOR REVENUE BY FUND				
Department	Budget	YTD	% of Budget Collected	Target
Airport - Hangers / Operations	\$ 171,800	\$ 147,330	85.8%	82.9%
Airport - Fuel	31,100	20,663	66.4%	62.7%
Clean Water Fees	3,030,000	2,184,144	72.1%	66.9%
Solid Waste Fees	6,540,000	4,412,357	67.5%	65.7%
Rivers Edge - Ice Rentals & Admissions	373,000	217,554	58.3%	89.3%
River's Edge - Turf Rentals & Admissions	156,000	73,361	47.0%	94.6%
River's Edge - Concessions	60,000	42,399	70.7%	99.6%
Golf - Green Fees	790,000	702,450	88.9%	70.0%
Golf - Concessions	215,000	130,926	60.9%	74.2%
Transit - Grants	1,730,000	1,041,418	60.2%	35.5%
Transit - Passenger Charges	467,100	244,417	52.3%	85.5%
Parking - Ramps & Fees	1,180,500	601,002	50.9%	84.3%
Parking - Fines	125,000	74,993	60.0%	103.8%
Heritage - Grants	600,000	538,768	89.8%	82.9%
Heritage - Rents	375,000	345,463	92.1%	83.4%
Sewer Fees - Residential	18,400,000	13,576,783	73.8%	66.6%
Sewer Fees - Industrial	3,100,000	2,998,069	96.7%	83.5%
Road Use Tax	12,500,000	10,931,428	87.5%	74.3%
Local Option Sales Tax	16,600,000	15,656,448	94.3%	73.2%
Employee Health - Recovery	-	1,574,185	N/A	N/A

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 82.1%. Trust & Agency benefits are currently at 81.8% which is slightly below the expected budget of 82.1%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,422,752	1,099,256	77.3%
IPERS	1,324,599	915,957	69.1%
Employee Insurance	11,197,959	9,427,083	84.2%
MFPRSI	6,097,442	4,923,886	80.8%
RHSP	832,540	711,514	85.5%
Total	20,875,292	17,077,697	81.8%

Employee Health Insurance Fund

As of the end of April, claims for FY 2021 are 6.5% lower than claims in FY 2020. Claims expenditures are currently trending \$1.9M below the original budget of \$15.8 million.

HEALTH CLAIMS PROJECTION MODEL							
	FY 2019	FY 2020	Average	% Total	Cum. %	FY 2021	Year End Projection
July	1,301,936	1,165,155	921,801	7.82%	7.82%	1,077,507	13,771,835
August	931,009	1,203,114	1,008,518	8.56%	16.38%	1,328,983	14,688,039
September	1,035,706	977,833	922,289	7.83%	24.21%	1,181,074	14,817,211
October	1,652,578	1,388,887	963,165	8.18%	32.39%	1,104,134	14,486,267
November	1,130,025	1,111,402	924,253	7.84%	40.23%	1,213,605	14,678,119
December	1,102,052	1,189,299	1,143,175	9.70%	49.93%	1,126,545	14,082,013
January	1,219,386	1,235,191	912,139	7.74%	57.68%	964,700	13,864,375
February	1,285,767	1,115,559	780,877	6.63%	64.30%	1,115,936	14,170,766
March	1,143,703	1,481,989	1,069,112	9.07%	73.38%	1,139,423	13,971,148
April	1,148,181	1,311,637	1,004,103	8.52%	81.90%	1,137,471	
May	1,211,226	706,360	996,322	8.46%	90.36%		
June	1,201,077	1,347,286	1,135,974	9.64%	100.00%		
Total	14,362,646	14,233,712	11,781,729	100.00%		11,389,378	

Budget Update

During the month of May, the City Council amended the FY 2021 Budget, and it was submitted to the State of Iowa. Additionally, the Finance team continued the FY 2022 Budget Book development process, which was submitted to the GFOA for review in June.