



# MEMORANDUM

**DATE:** September 29, 2020

**TO:** Corri Spiegel, City Administrator  
Mallory Merritt, Assistant City Administrator

**FROM:** Meghan Murray, Budget Analyst

**RE:** FY 2021 Monthly Financial Update – Through August 2020

Below is a summary report of the city’s main operating funds as of August 31, 2020 for FY 2021. 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 below expected spending levels. With 17.0% of the year completed, 15.1% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 15.1% of budgeted levels, which is less than the expected level of 15.4%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	344,306	82,240	23.9%
Mayor's Office	127,397	22,875	18.0%
Finance	1,443,877	197,090	13.7%
Administration	918,494	92,531	10.1%
Human Resources	748,530	118,048	15.8%
Comm. & Econ. Dev.	642,246	74,293	11.6%
Civil Rights	344,703	43,896	12.7%
Dev. & Nbhd. Svc. Dept.	1,945,251	285,802	14.7%
Public Works	3,821,679	518,232	13.6%
Police Department	19,254,407	3,116,646	16.2%
Fire Department	13,254,608	2,030,939	15.3%
Parks	4,281,101	547,939	12.8%
Library	2,784,063	400,977	14.4%
<b>Total</b>	<b>49,910,662</b>	<b>7,531,508</b>	<b>15.1%</b>

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	-	0.0%
Public Works	67,500	4,903	7.3%
Police	570,858	168,605	29.5%
Fire	211,100	134,173	63.6%
Parks	29,500	2,426	8.2%
<b>Total</b>	<b>881,558</b>	<b>310,107</b>	<b>35.2%</b>

There is currently one department with a variance of more than 3.0% above the expected expenditure rate of 17.0%. The City Council (23.9%) is above the expected expenditure rate due to one-time payments to the Iowa League of Cities and National League of Cities. There are two

departments currently falling 5.0% or more below the expected expenditure rate of 17.0%, Administration (10.1%) and Community and Economic Development (11.6%).

The Overtime Summary Report shows two department with a variance of more than 3.0% above the expected expenditure rate for overtime. The Fire Department (63.6%) has higher-than-expected overtime expenditures due to employees out on injury/medical leave, and the Police Department (29.5%) is above expected overtime expenditures due to overtime costs associated with ongoing investigations and the number of employees on injury/medical leave.

Below is a chart of major revenues. Overall, the revenue sources are down 12.2% compared to last year as of the end of August. The Cable TV Franchise first quarterly payment has not been received. Casino Development Fee revenue is up 6.5% compared to FY 2020. The Licenses and Permits category is up by 36.8%. The Charges for Services category is down by 21.8% due to a decrease in pool admissions, special events, and self-sustaining program attendance. However, there is also an expenditure reduction related to staffing that is anticipated to balance the revenue reduction (ie: summer pools staff was not hired). Uses of Money & Property is down 28.0% due to a decrease in Roosevelt and Junior Theatre rent. Fines and forfeits is down by 37.7% due to fewer speed camera fines collected compared to FY 2020.

<b>SUMMARY OF MAJOR NON-TAX REVENUE SOURCES</b>				
			<b>Current</b>	<b>YTD Change</b>
<b>Department</b>	<b>Budget</b>	<b>YTD</b>	<b>Projection</b>	<b>from FY 2020</b>
Cable TV Franchise	760,000	-	760,000	0.0%
Casino Development Fee	1,200,000	122,611	1,200,000	6.5%
Licenses & Permits	1,919,300	475,534	2,062,794	36.8%
Charges for Services	3,462,890	828,016	3,363,710	-21.8%
Uses of Money & Property	790,200	32,261	790,200	-28.0%
Fines & Forfeits	1,146,000	203,720	1,300,000	-37.7%
<b>Total</b>	<b>9,278,390</b>	<b>1,662,142</b>	<b>9,476,704</b>	<b>-12.2%</b>

### **Trust & Agency Fund**

As of the end of August, Trust & Agency Fund expenditures are below expected budget levels. The expected level of expenditures as of the end of August is 16.2%. Trust & Agency benefits are currently at 15.8%.

<b>BENEFIT SUMMARY</b>			
<b>Benefit</b>	<b>Budget</b>	<b>YTD</b>	<b>%</b>
FICA	1,422,752	207,333	14.6%
IPERS	1,324,599	168,857	12.7%
Employee Insurance	11,197,959	1,881,224	16.8%
MFPRSI	6,097,442	902,699	14.8%
RHSP	832,540	129,614	15.6%
<b>Total</b>	<b>20,875,292</b>	<b>3,289,727</b>	<b>15.8%</b>

## Employee Health Insurance Fund

As of the end of August, claims for FY 2021 are 1.67% higher than claims in FY 2020. Claims expenditures are currently trending 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%	1,079,442	13,796,566
August	931,009	1,203,114	1,008,518	8.56%	16.38%	1,328,983	14,699,850
September	1,035,706	977,833	922,289	7.83%	24.21%		
October	1,652,578	1,388,887	963,165	8.18%	32.39%		
November	1,130,025	1,111,402	924,253	7.84%	40.23%		
December	1,102,052	1,189,299	1,143,175	9.70%	49.93%		
January	1,219,386	1,235,191	912,139	7.74%	57.68%		
February	1,285,767	1,115,559	780,877	6.63%	64.30%		
March	1,143,703	1,481,989	1,069,112	9.07%	73.38%		
April	1,148,181	1,311,637	1,004,103	8.52%	81.90%		
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%		2,408,425	

## FY 2022 Budget Update

During the month of August, staff prepared salary and benefit projections, revenue analyses, and other related items in preparation for the FY 2022 Budget Kick-off with department management teams. Departments will be working on inputting FY 2022 Budget amounts into the city's financial software for further review by staff.