



# MEMORANDUM

**DATE:** January 19, 2022

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

**FROM:** Jalatama “Jolly” Omar, Budget Analyst

**RE:** FY 2022 Monthly Financial Update – Through December 2021

Below is a summary report of the city’s main operating funds as of December 31, 2021 for FY 2022. 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, projections are expected to stabilize.

## General Fund Expenditures

As of the end of December, General Fund operating departments ended slightly below expected spending levels. With 50.0% of the year completed, 49.2% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 48.9% of budgeted levels, which is below the expected level of 52.5%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	321,993	175,977	54.7%
Mayor's Office	142,184	68,303	48.0%
Finance	1,540,582	787,977	51.1%
Administration	821,019	383,749	46.7%
IT	-	(132,992)	-
Human Resources	774,280	397,790	51.4%
Comm. & Econ. Dev.	674,019	316,991	47.0%
Civil Rights	363,387	171,711	47.3%
Dev. & Nbhd. Svc. Dept.	2,109,768	982,170	46.6%
Public Works	3,271,879	1,480,178	45.2%
Police Department	19,560,634	9,652,286	49.3%
Fire Department	13,384,572	6,868,313	51.3%
Parks & Recreation	4,337,550	2,097,761	48.4%
Library	2,784,616	1,373,844	49.3%
<b>Total</b>	<b>50,086,483</b>	<b>24,624,060</b>	<b>49.2%</b>

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	33	1.3%
Human Resources	-	27	-
CED	-	192	-
DNDS	2,000	6,665	333.2%
Public Works	67,500	19,158	28.4%
Police	570,858	239,045	41.9%
Fire	211,100	534,983	253.4%
Parks	29,500	19,698	66.8%
Library	5,135	202	3.9%
<b>Total</b>	<b>888,693</b>	<b>820,002</b>	<b>92.3%</b>

Overall, there are no departments that are exceeding expected budget amounts. The Overtime Summary Report shows five departments with a variance of more than 3.0% above the expected expenditure rate for overtime. First, the Human Resources Department has incurred unexpected costs related to front desk staff but is not anticipated to be a continued expense. The Community and Economic Development Department incurred overtime costs during the month of December related to community event staffing. Also, the Development and Neighborhood Services Department (333.2%) is above expected overtime expenditures due to overtime costs related to inspections and code enforcement. The Fire Department (253.4%) has higher-than-expected overtime expenditures due to employees out on injury/medical leave. Finally, the Parks and Recreation Department (66.8%) is above expected overtime levels due to overtime related to parks operations and recreation programs.

### **General Fund Revenue**

As of the end of December, the General Fund has received \$22.8 in property tax payments, which is 4.2% higher than FY 2021 YTD. Below is a chart detailing other major revenues. In relation to FY 2021 YTD, other major revenue sources are up 34.6%. First, Cable TV Franchise revenue is received on a quarterly basis, and the first disbursement was received in November. Next, Casino Development Fee revenues are up 16.5% compared to FY 2021 YTD. Licenses and permits is up 95.0% due to higher building permits associated with Amazon construction. Charges for services is up 43.2% which can be attributed to an increase in rental inspections completed. Also, Uses of Money and Property are down 60.6% YTD, but are expected to stabilize in the coming months. Finally, Fines & Forfeits is up 11.2% due to an increase in speed camera fine collections compared to FY 2021 YTD.

Overall, major General Fund revenue sources are trending above budget projections. These revenue sources will be closely monitored on a monthly basis in relation to budget.

<b>SUMMARY OF MAJOR NON-TAX REVENUE SOURCES</b>					
<b>Department</b>	<b>Budget</b>	<b>YTD</b>	<b>Current Projection</b>	<b>YTD Change from FY 2021</b>	<b>% of Budget Collected</b>
Cable TV Franchise	760,000	160,312	687,202	-	21.1%
Casino Development Fee	1,200,000	648,714	1,334,865	16.5%	54.1%
Licenses & Permits	1,919,300	2,247,510	3,363,739	95.0%	117.1%
Charges for Services	3,851,072	2,261,579	3,925,754	43.2%	58.7%
Uses of Money & Property	789,040	178,133	526,455	-60.6%	22.6%
Fines & Forfeits	1,255,500	946,941	1,865,893	11.2%	75.4%
<b>Total</b>	<b>9,774,912</b>	<b>6,443,189</b>	<b>11,703,908</b>	<b>34.6%</b>	<b>65.9%</b>

### **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 December. The majority of this fund's revenue comes from the sales tax disbursements from the state. Local Options Sales Tax fund revenue is currently at 77.4%, which is above the expected budget YTD.

<b>SUMMARY OF LOCAL OPTION SALES TAX FUND</b>			
<b>Department</b>	<b>Budget</b>	<b>YTD</b>	<b>% of Budget Collected</b>
Other Taxes (Sales Tax)	16,607,500	12,818,028	77.2%
Charges for services	80,000	105,991	132.5%
Use of Monies & Prop	15,000	8,758	58.4%
<b>Total</b>	<b>16,702,500</b>	<b>12,932,777</b>	<b>77.4%</b>

### 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.

<b>SUMMARY MAJOR REVENUE BY FUND</b>				
<b>Department</b>	<b>Budget</b>	<b>YTD</b>	<b>% of Budget</b>	
			<b>Collected</b>	<b>Target</b>
Airport - Hangers / Operations	174,900	88,816	50.8%	48.8%
Airport - Fuel	31,100	17,250	55.5%	52.6%
Clean Water Fees	3,120,000	1,207,088	38.7%	34.6%
Solid Waste Fees	6,732,500	2,451,088	36.4%	34.9%
Rivers Edge - Ice Rentals & Admissions	345,000	78,920	22.9%	39.3%
River's Edge - Turf Rentals & Admissions	130,000	55,434	42.6%	64.7%
River's Edge - Concessions	50,000	27,750	55.5%	43.8%
Golf - Green Fees	800,000	601,812	75.2%	57.9%
Golf - Concessions	210,000	150,635	71.7%	61.5%
Transit - Grants	1,775,000	239,498	13.5%	9.0%
Transit - Passenger Charges	431,000	195,894	45.5%	51.4%
Parking - Ramps & Fees	1,074,100	453,479	42.2%	50.9%
Parking - Fines	120,000	46,370	38.6%	35.6%
Sewer Fees - Residential	19,688,000	8,383,097	42.6%	36.8%
Sewer Fees - Industrial	3,317,000	2,307,136	69.6%	50.8%
Road Use Tax	12,800,000	5,654,438	44.2%	42.0%
Local Option Sales Tax	16,600,000	12,724,250	76.7%	45.0%
Employee Health - Recovery	-	249,338	N/A	N/A

### Trust & Agency Fund

As of the end of December, Trust & Agency Fund expenditures are slightly below expected budget levels. The expected level of expenditures as of the end of December is 51.2%. Trust & Agency benefits are currently at 49.3% which is slightly below the expected budget.

<b>BENEFIT SUMMARY</b>			
<b>Benefit</b>	<b>Budget</b>	<b>YTD</b>	<b>%</b>
FICA	1,435,911	705,668	49.1%
IPERS	1,333,186	592,470	44.4%
Employee Insurance	11,010,857	5,616,984	51.0%
MFPRSI	6,419,005	3,106,432	48.4%
Deferred Compensation	16,836	-	0.0%
RHSP	847,030	421,402	49.8%
Fit Pay	131,000	-	0.0%
<b>Total</b>	<b>21,193,825</b>	<b>10,442,956</b>	<b>49.3%</b>

## Employee Health Insurance Fund

As of the end of December, claims for FY 2022 are 14.5% higher than claims in FY 2021. Claims expenditures are currently trending about \$312K above the original budget of \$15.8 million.

HEALTH CLAIMS PROJECTION MODEL							
	FY 2020	FY 2021	Average	% Total	Cum. %	FY 2022	Year End Projection
July	1,165,155	1,077,507	931,533	7.82%	7.82%	940,733	12,034,289
August	1,203,114	1,328,983	1,028,548	8.63%	16.45%	1,515,769	14,934,665
September	977,833	1,181,074	938,463	7.88%	24.32%	1,440,852	16,022,943
October	1,388,887	1,104,134	971,975	8.16%	32.48%	1,116,035	15,435,279
November	1,111,402	1,213,605	942,338	7.91%	40.39%	1,209,077	15,406,780
December	1,189,299	1,126,545	1,142,136	9.58%	49.97%	1,826,517	16,106,903
January	1,235,191	964,700	915,424	7.68%	57.65%		13,960,796
February	1,115,559	1,115,936	801,818	6.73%	64.38%		12,501,767
March	1,481,989	1,139,423	1,073,507	9.01%	73.39%		10,967,222
April	1,311,637	1,137,471	1,012,438	8.50%	81.89%		9,829,343
May	706,360	1,155,054	1,006,243	8.44%	90.33%		8,910,510
June	1,347,286	1,395,190	1,152,175	9.67%	100.00%		8,048,983
<b>Total</b>	<b>14,233,712</b>	<b>13,939,622</b>	<b>11,916,597</b>	<b>100.00%</b>		<b>8,048,983</b>	

## FY 2023 Budget Update

During the month of December, Finance staff continued budget projections for the FY 2023 Budget. The budget team worked to finalize all allocations, FY 2023 payroll projections, and began analyzing the operating budget at the fund level for the budget workshops held in January 2022.