



# MEMORANDUM

**DATE:** 13 October 2023

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

**FROM:** Matthew Cullinan, Management Analyst II

**RE:** FY 2024 Monthly Financial Update – Through August 2023

Below is a summary report of the City’s main operating funds as of August 31, 2023 for FY 2024. Information is provided for the General Fund, Trust & Agency Fund, Local Options Sales Tax Fund, and Employee Health Fund. As the year advances, projections are expected to stabilize.

## General Fund Expenditures

As of the end of August, General Fund operating departments ended below expected spending levels. With 16.7% of the year completed, 15.4% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 14.8% of budgeted levels, which is above the expected level of 13.7% due to one-time payments in July associated with collective bargaining agreements.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	337,783	76,156	22.5%
Mayor's Office	131,471	17,438	13.3%
Finance	1,693,260	224,170	13.2%
Administration	942,179	111,513	11.8%
Human Resources	827,600	124,965	15.1%
Comm. & Econ. Dev.	1,232,186	122,765	10.0%
Civil Rights	442,367	57,137	12.9%
Dev. & Nbhd. Svc. Dept.	2,210,913	283,611	12.8%
Public Works	3,572,384	254,304	7.1%
Police Department	20,873,717	3,547,442	17.0%
Fire Department	14,295,621	2,274,237	15.9%
Parks & Recreation	4,511,074	776,820	17.2%
Library	2,680,966	420,296	15.7%
<b>Total</b>	<b>53,751,521</b>	<b>8,290,854</b>	<b>15.4%</b>

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	-	0.0%
Human Resources	200	15	7.5%
DNSD	2,000	3,643	182.2%
Public Works	72,500	6,697	9.2%
Police	570,858	70,868	12.4%
Fire	311,100	147,220	47.3%
Parks	29,500	11,490	38.9%
Library	5,135	26	0.5%
<b>Total</b>	<b>888,693</b>	<b>239,959</b>	<b>27.0%</b>

There is currently one department with a variance of more than 3.0% above the expected expenditure rate of 16.7%: City Council (22.5%) which is due to multiple membership fees being paid in the beginning of FY 2024, but is expected to stabilize in the coming months. Also, there are two departments currently 5.0% or more below the expected expenditure rate: Community and Economic Development (10.0%), and Public Works (7.1%).

The Overtime Summary Report shows three departments with a variance of more than 3.0% above the expected expenditure rate for overtime. The Development and Neighborhood Services Department (182.2%) is above expected overtime expenditures due to overtime costs related to inspections and code enforcement. The Fire Department (47.3%) has higher-than-expected overtime expenditures due to an unusual number of employee absences from on-the-job injuries and other mandatory leaves. The Parks Department (38.9%) is above expected overtime expenditures due to overtime costs associated with parks operations and aquatics recreation programs, occurring during the summer months.

**General Fund Revenue**

Below is a chart detailing other major revenues. In relation to FY 2023 YTD, other major revenue sources are up 2.9%. First, licenses and permits are up 42.3% due to building related permits. As of the end of August, the city has not received Cable TV Franchise or Casino Development fee revenue; this is normal and expected to stabilize at the end of Q1. Other revenues are tracking in line with 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 2023</b>	<b>% of Budget Collected</b>	
Cable TV Franchise	630,000	-	-	0.0%	0.0%	
Casino Development Fee	1,400,000	-	-	0.0%	0.0%	
Licenses & Permits	1,974,000	561,777	2,441,247	42.3%	28.5%	
Charges for Services	4,351,775	1,064,187	4,703,941	2.6%	24.5%	
Uses of Money & Property	1,084,300	94,915	1,855,555	-4.8%	8.8%	
Fines & Forfeits	1,292,000	151,490	1,193,163	1.3%	11.7%	
<b>Total</b>	<b>10,732,075</b>	<b>1,872,369</b>	<b>10,193,906</b>	<b>2.9%</b>	<b>17.4%</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 August. 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 14.4% collected through the end of August.

SUMMARY OF LOCAL OPTION SALES TAX FUND			
Department	Budget	YTD	% of Budget Collected
Other Taxes (Sales Tax)	17,007,500	2,455,819	14.4%
Charges for services	85,000	6,563	7.7%
Use of Monies & Prop	15,000	27	0.2%
Miscellaneous	-	4,865	N/A
<b>Total</b>	<b>17,107,500</b>	<b>2,467,274</b>	<b>14.4%</b>

### Trust & Agency Fund

As of the end of August, Trust & Agency Fund expenditures are in line with expected budget levels. The expected level of expenditures as of the end of August is 15.3%, and Trust & Agency expenditures are currently at 15.3%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,566,037	231,040	14.8%
IPERS	1,471,400	182,420	12.4%
Employee Insurance	11,509,780	1,863,902	16.2%
MFPRSI	5,921,544	861,503	14.5%
RHSP	1,040,000	163,652	15.7%
Fit Pay	140,000	-	0.0%
<b>Total</b>	<b>21,648,761</b>	<b>3,302,517</b>	<b>15.3%</b>

### Employee Health Insurance Fund

As of the end of August, claims for FY 2024 are 8.5% higher than claims in FY 2023 for the same time period. However, claims expenditures are currently trending \$1.052M below the original budget of \$15.6 million.

HEALTH CLAIMS PROJECTION MODEL							
	FY 2022	FY 2023	Average	% Total	Cum. %	FY 2024	Year End Projection
July	940,733	1,040,152	938,078	7.54%	7.54%	1,057,152	14,013,936
August	1,515,769	1,114,579	1,060,395	8.53%	16.07%	1,280,795	14,547,823
September	1,442,449	893,377	963,958	7.75%	23.82%		
October	1,114,280	1,010,406	982,016	7.90%	31.72%		
November	1,209,077	1,272,687	975,509	7.84%	39.56%		
December	2,951,600	1,245,375	1,248,397	10.04%	49.60%		
January	970,399	1,785,197	966,799	7.77%	57.38%		
February	1,402,591	1,490,882	873,475	7.02%	64.40%		
March	1,403,597	1,968,083	1,141,544	9.18%	73.58%		
April	1,215,023	1,253,418	1,037,081	8.34%	81.92%		
May	1,355,162	1,845,860	1,072,273	8.62%	90.54%		
June	1,245,079	1,486,844	1,175,929	9.46%	100.00%		
<b>Total</b>	16,765,759	16,406,860	12,435,454	100.00%	N/A	2,337,947	