

MEMORANDUM

DATE: 20 November 2023

TO: Mallory Merritt, Interim City Administrator

FROM: Matthew Cullinan, Management Analyst II

RE: FY 2024 Monthly Financial Update – Through September 2023

Below is a summary report of the City's main operating funds as of September 30, 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 September, General Fund operating departments ended below expected spending levels. With 25% of the year completed, 23.2% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 21.9% of budgeted levels, which is slightly above the expected level of 21.3% due to one-time payments in July associated with collective bargaining agreements. This is expected to stabilize as the year progresses.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	337,783	93,173	27.6%
Mayor's Office	131,471	26,872	20.4%
Finance	1,693,260	358,708	21.2%
Administration	942,179	180,626	19.2%
Human Resources	827,600	185,135	22.4%
Comm. & Econ. Dev.	1,232,186	134,669	10.9%
Civil Rights	442,367	84,844	19.2%
Dev. & Nbhd. Svc. Dept.	2,210,913	441,108	20.0%
Public Works	3,572,384	877,316	24.6%
Police Department	20,873,717	5,032,551	24.1%
Fire Department	14,295,621	3,346,810	23.4%
Parks & Recreation	4,511,074	1,075,192	23.8%
Library	2,680,966	615,443	23.0%
Total	53,751,521	12,452,447	23.2%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	-	0.0%
Human Resources	200	21	10.5%
DNSD	2,000	5,632	281.6%
Public Works	72,500	11,267	15.5%
Police	570,858	106,779	18.7%
Fire	311,100	185,742	59.7%
Parks	29,500	14,021	47.5%
Library	5,135	51	1.0%
Total	888,693	323,513	36.4%

There are currently no departments with a variance of more than 3.0% above the expected expenditure rate of 25%. There are three departments currently 5.0% or more below the expected expenditure rate: Administration (19.2%), Community and Economic Development (10.9%), and Civil Rights (19.2%).

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 (281.6%) is above expected overtime expenditures due to overtime costs related to inspections and code enforcement. The Fire Department (59.7%) 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 (47.5%) 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 24.5%. First, Uses of Money & Property is up 316.7% due to increased interest rates on the City's investments compared to the same period last year. As of the end of September, the city has not received Cable TV Franchise revenue; this is normal and expected to stabilize. Other revenues are tracking in line with projections.

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 2023	% of Budget Collected
Cable TV Franchise	630,000	-	-	0.0%	0.0%
Casino Development Fee	1,400,000	241,636	1,827,991	-6.5%	17.3%
Licenses & Permits	1,974,000	863,397	2,771,371	5.8%	43.7%
Charges for Services	4,351,775	1,691,797	5,773,279	13.1%	38.9%
Uses of Money & Property	1,084,300	656,495	2,625,980	316.7%	60.5%
Fines & Forfeits	1,292,000	284,280	1,366,045	3.6%	22.0%
Total	10,732,075	3,737,605	14,364,666	24.5%	34.8%

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 September. 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 26.0% collected through the end of September.

SUMMARY OF LOCAL OPTION SALES TAX FUND			
Department	Budget	YTD	% of Budget Collected
Other Taxes (Sales Tax)	17,007,500	4,436,741	26.1%
Charges for services	85,000	10,774	12.7%
Use of Monies & Prop	15,000	986	6.6%
Miscellaneous	-	4,865	N/A
Total	17,107,500	4,453,366	26.0%

Trust & Agency Fund

As of the end of September, Trust & Agency Fund expenditures are slightly below expected budget levels. The expected level of expenditures as of the end of September is 23.3%, and Trust & Agency expenditures are currently at 23.1%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,566,037	345,758	22.1%
IPERS	1,471,400	283,140	19.2%
Employee Insurance	11,509,780	2,815,062	24.5%
MFPRSI	5,921,544	1,313,343	22.2%
RHSP	1,040,000	251,937	24.2%
Fit Pay	140,000	-	0.0%
Total	21,648,761	5,009,240	23.1%

Employee Health Insurance Fund

As of the end of September, claims for FY 2024 are 19.02% higher than claims in FY 2023 for the same time period. However, claims expenditures are currently trending \$371,000 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%	1,289,954	15,228,910
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%		
Total	16,765,759	16,406,860	12,435,454	100.00%	N/A	3,627,901	