

MEMO | FY 2019 Monthly Financial Update – Through August 2018



DATE: September 1, 2018

TO: Corri Spiegel, City Administrator
Brandon Wright, CFO/Assistant City Administrator

FROM: Meghan Murray, Budget Analyst

RE: FY 2019 Monthly Financial Update – Through August 2018

Below is a summary report of the city’s main operating funds as of August 31, 2018 for FY 2019. 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 slightly above expected spending levels. With 16.67% of the year completed, 15.8% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 16.3% of budgeted levels, which is slightly above the expected level of 15.4%. This is can attributed to the education incentive payout that happens earlier in the year and should stabilize as the year progresses.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	338,424	87,214	25.8%
Mayor's Office	126,725	12,775	10.1%
Finance	1,419,053	234,408	16.5%
Administration	827,919	102,316	12.4%
Human Resources	697,411	85,496	12.3%
CPED	843,841	103,168	12.2%
Civil Rights	326,270	50,539	15.5%
NSD	852,496	121,883	14.3%
Public Works	4,629,356	644,921	13.9%
Police Department	18,522,637	2,877,468	15.5%
Fire Department	12,602,459	2,063,802	16.4%
Parks	4,032,850	762,509	18.9%
Library	2,836,850	429,615	15.1%
Total	48,056,291	7,576,113	15.8%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	600	-	0.0%
Public Works	60,500	5,688	9.4%
Police	570,858	52,534	9.2%
Fire	186,100	106,696	57.3%
Parks	29,500	10,210	34.6%
Total	847,558	175,127	20.7%

There are currently two departments with a variance of more than 3.0% above the expected expenditure rate of 18.4%: City Council (25.8%) and Parks (18.9%). There is one department currently falling 5.0% or more below the expected expenditure rate of 15.4%: Mayor’s Office (10.1%).

The Overtime Summary Report shows four departments with a variance of more than 3.0% above the expected expenditure rate for overtime. The Fire Department (57.3%) has higher-than-expected overtime expenditures due to existing employment vacancies and employees out on injury/medical leave. The Parks and Recreation Department (34.1%) has higher levels of overtime primarily due to pool operations in the beginning of the fiscal year.



Below is a chart of major revenues. Overall, other revenue sources are down by 33% compared to last year as of the end of August. However, the current projection for FY 2019 still meets the budget target. Cable TV Franchise is has not yet received any revenue. Casino Development Fee revenue is up 94.3% compared to FY 2018. The Licenses and Permits are down by 59.4% due to a decrease in building permits. The Charges for Services category is down 35.7% due to a decrease in rental inspection and demolition of condemned property. Use of Money & Property is up 23.2% due to a higher increase from investment returns allocation. Fines and forfeits is up 17.5%, however this category is expected to fall well below the revenue target for FY 2019 due to a recent Iowa Supreme Court decision that limits the city's ability to collect outstanding tickets.

SUMMARY OF MAJOR NON-TAX REVENUE SOURCES				
Department	Budget	YTD	Current Projection	YTD Change from FY18
Cable TV Franchise	810,000	-	810,000	0.0%
Casino Development Fee	830,000	159,869	996,097	94.3%
Licenses & Permits	1,845,700	264,476	1,600,000	-59.4%
Charges for Services	3,728,779	750,284	3,700,000	-35.7%
Uses of Money & Property	388,200	48,479	453,246	23.2%
Fines & Forfeits	1,485,500	177,039	1,815,569	17.5%
Total	9,088,179	1,400,147	9,374,912	-33.0%

Trust & Agency Fund

As of the end of August, Trust & Agency Fund expenditures are slightly above expected budget levels. The expected level of expenditures as of the end of August is 16.04%. Trust & Agency benefits are currently at 16.7%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,368,979	223,736	16.3%
IPERS	1,275,032	177,685	13.9%
Employee Insurance	9,621,785	1,658,711	17.2%
MFPRSI	5,889,030	976,536	16.6%
RHSP	791,294	132,129	16.7%
Total	18,946,120	3,168,797	16.7%



Employee Health Insurance Fund

As of the end of August, claims for FY 2019 are 30% lower than claims in FY 2018. Claims expenditures are currently trending below the original budget of \$14.6 million.

HEALTH CLAIMS PROJECTION MODEL							
	FY 2017	FY 2018	Average	% Total	Cum. %	FY 2019	Year End Projection
July	987,634	1,028,523	873,841	7.67%	7.67%	1,301,936	16,976,799
August	1,268,782	1,341,054	999,512	8.77%	16.44%	931,009	13,581,788
September	1,222,855	1,073,151	909,292	7.98%	24.42%		
October	911,337	1,049,823	877,385	7.70%	32.12%		
November	1,052,726	1,589,164	894,029	7.85%	39.97%		
December	1,620,755	1,386,196	1,142,791	10.03%	50.00%		
January	934,651	1,184,769	863,655	7.58%	57.58%		
February	952,427	900,818	716,294	6.29%	63.86%		
March	1,433,899	1,006,190	1,031,615	9.05%	72.92%		
April	964,101	1,123,564	969,363	8.51%	81.42%		
May	1,239,008	1,334,069	1,002,096	8.79%	90.22%	-	-
June	1,296,147	1,051,347	1,114,711	9.78%	100.00%		
Total	13,884,322	14,068,668	11,394,583	100.00%		2,232,945	

FY 2020 Budget Update

During the month of August, staff prepared the FY 2020 Budget Kick-off Presentation. Departments will be working on inputting FY 2020 budget amounts into the city's financial software for further review by staff from the Finance and City Administration Departments.