



DATE: February 5, 2019

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

FROM: Meghan Murray, Budget Analyst

RE: FY 2019 Monthly Financial Update – Through December 2018

Below is a summary report of the city's main operating funds as of December 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 December, General Fund operating departments ended slightly above expected spending levels. With 50.4% of the year completed, 47.7% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 46.0% of budgeted levels, which is slightly below the expected level of 46.2%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	338,424	175,866	52.0%
Mayor's Office	126,725	47,475	37.5%
Finance	1,419,053	698,458	49.2%
Administration	827,919	348,460	42.1%
Human Resources	697,411	297,172	42.6%
CPEd	843,841	439,408	52.1%
Civil Rights	326,270	151,829	46.5%
NSD	852,496	376,853	44.2%
Public Works	3,432,087	1,351,445	39.4%
Police Department	18,522,637	8,478,579	45.8%
Fire Department	12,602,459	5,941,500	47.1%
Parks	4,032,850	1,988,081	49.3%
Library	2,836,850	1,258,867	44.4%
Total	46,859,022	21,553,993	46.0%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	6	0.2%
Public Works	63,935	25,199	39.4%
Police	570,858	169,545	29.7%
Fire	196,100	240,404	122.6%
Parks	29,500	18,046	61.2%
Total	862,993	453,200	52.5%

Currently, no departments with a variance of more than 3.0% above the expected expenditure rate of 50.4%. There are six departments currently falling 5.0% or more below the expected expenditure rate of 50.4%: Mayor's Office (37.5%), Administration (42.1%), Human Resources (42.6%), Neighborhood Services Division (44.2%), Public Works (39.4%), and Library (44.4%).

The Overtime Summary Report shows two departments with a variance of more than 3.0% above the expected expenditure rate for overtime. The Fire Department (122.6%) has higher-than-expected overtime expenditures due to existing employment vacancies and employees out on injury/medical leave. The Parks and Recreation Department (61.2%) 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 19.9% compared to last year as of the end of December. The first quarterly disbursement of Cable TV Franchise revenue was received in November and is down 1.2% compared to FY 2018, which can be attributed mainly to alternative TV viewing methods. Casino Development Fee revenue is up 33.8% compared to FY 2018. Licenses and Permits are down by 39.8% due to a decrease in building permits. The Charges for Services category is down 11.9% due to a decrease in rental inspection and demolition of condemned property. Use of Money & Property is down 51.2% because the interest from pooled investments has not been fully realized. Once the revenue is realized, it is expected to exceed FY 2018 levels. Fines and Forfeits are 26.7% lower due to a recent Iowa Supreme Court decision that limits the city's ability to collect outstanding, automated enforcement tickets.

SUMMARY OF MAJOR NON-TAX REVENUE SOURCES				
Department	Budget	YTD	Current Projection	YTD Change from FY18
Cable TV Franchise	810,000	187,609	752,000	-1.2%
Casino Development Fee	986,000	482,973	1,085,133	33.8%
Licenses & Permits	1,845,700	776,385	1,722,818	-39.8%
Charges for Services	3,820,279	1,840,541	3,716,174	-11.9%
Uses of Money & Property	388,200	124,491	700,000	-51.2%
Fines & Forfeits	1,485,500	665,916	1,300,000	-26.7%
Total	9,335,679	4,077,915	9,276,125	-19.9%

Trust & Agency Fund

As of the end of December, Trust & Agency Fund expenditures are slightly above expected budget levels. The expected level of expenditures as of the end of December is 48.3%. Trust & Agency benefits are slightly higher than the expected level at 49.5%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,407,435	629,992	44.8%
IPERS	1,275,032	531,026	41.6%
Employee Insurance	9,621,785	5,010,826	52.1%
MFPRSI	5,889,030	2,834,031	48.1%
RHSP	791,294	392,741	49.6%
Total	18,984,576	9,398,616	49.5%



Employee Health Insurance Fund

As of the end of December, claims for FY 2019 are 4.2% lower than claims in FY 2018. Claims expenditures are currently trending slightly below the original budget of \$14.6 million. Finance staff will be closely monitoring this fund during the year and process any additional budget amendments necessary.

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%	1,035,706	13,384,718
October	911,337	1,049,823	877,385	7.70%	32.12%	1,652,578	15,321,010
November	1,052,726	1,589,164	894,029	7.85%	39.97%	1,130,025	15,140,675
December	1,620,755	1,386,196	1,142,791	10.03%	50.00%	1,102,052	14,307,723
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%		7,153,306	

FY 2020 Budget Update

During the month of December, staff continued budget projections for the FY 2020 Budget. The budget team worked to finalize all FY 2020 payroll projections and began reviewing budgets at the fund level in preparation for the three budget workshops held in January and February of 2019.