



**DATE:** January 14, 2018

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

**FROM:** Meghan Murray, Budget Analyst

**RE:** FY 2019 Monthly Financial Update – Through November 2018

Below is a summary report of the city's main operating funds as of November 30, 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 November, General Fund operating departments ended slightly above expected spending levels. With 41.7% of the year completed, 38.4% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 38.4% of budgeted levels, which is slightly below the expected level of 38.5%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	338,424	157,902	46.7%
Mayor's Office	126,725	38,265	30.2%
Finance	1,419,053	570,894	40.2%
Administration	827,919	286,892	34.7%
Human Resources	697,411	234,619	33.6%
CPED	843,841	388,518	46.0%
Civil Rights	326,270	120,910	37.1%
NSD	852,496	314,872	36.9%
Public Works	3,432,087	991,420	28.9%
Police Department	18,522,637	7,099,616	38.3%
Fire Department	12,602,459	4,966,793	39.4%
Parks	4,032,850	1,743,345	43.2%
Library	2,836,850	1,071,377	37.8%
<b>Total</b>	<b>46,859,022</b>	<b>17,985,423</b>	<b>38.4%</b>

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	6	0.2%
Public Works	63,935	17,590	27.5%
Police	570,858	145,351	25.5%
Fire	196,100	198,517	101.2%
Parks	29,500	15,204	51.5%
<b>Total</b>	<b>862,993</b>	<b>376,668</b>	<b>43.6%</b>

There are currently two departments with a variance of more than 3.0% above the expected expenditure rate of 41.7%: City Council (46.7%), Community Planning and Economic Development (46.0%). The City Council department is above the expected expenditure rate due to one-time payments to the Iowa League of Cities and National League of Cities. The Community Planning and Economic Development Department is above the expected expenditure rate due to a one-time payment to Quad Cities First. There are four departments currently falling 5.0% or more below the expected expenditure rate of 33.7%: Mayor's Office (30.2%), Administration (34.7%), Human Resources (33.6%), and Public Works (28.9%).

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 (101.2%) has higher-than-expected overtime expenditures due to existing employment vacancies and employees out on injury/medical



leave. The Parks and Recreation Department (51.5%) 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 21.4% compared to last year as of the end of November. However, the current projection for FY 2019 is still anticipated to meet the overall budget target. 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 35.7% compared to FY 2018. The Licenses and Permits are down by 41.2% due to a decrease in building permits. The Charges for Services category is down 13.4% due to a decrease in rental inspection and demolition of condemned property. Use of Money & Property is down 25.2% 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 37.9% 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	830,000	390,889	1,208,650	35.7%
Licenses & Permits	1,845,700	652,002	1,600,000	-41.2%
Charges for Services	3,728,779	1,580,387	3,686,294	-13.4%
Uses of Money & Property	388,200	104,429	700,000	-25.2%
Fines & Forfeits	1,485,500	463,266	1,400,000	-37.9%
<b>Total</b>	<b>9,088,179</b>	<b>3,378,582</b>	<b>9,346,944</b>	<b>-21.4%</b>

### Trust & Agency Fund

As of the end of November, Trust & Agency Fund expenditures are slightly above expected budget levels. The expected level of expenditures as of the end of November is 40.2%. Trust & Agency benefits are slightly higher than the expected level at 41.3%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,407,435	531,002	37.7%
IPERS	1,275,032	445,648	35.0%
Employee Insurance	9,621,785	4,171,807	43.4%
MFPRSI	5,889,030	2,367,805	40.2%
RHSP	791,294	317,187	40.1%
<b>Total</b>	<b>18,984,576</b>	<b>7,833,449</b>	<b>41.3%</b>



### Employee Health Insurance Fund

As of the end of November, claims for FY 2019 are 0.5% lower than claims in FY 2018. Claims expenditures are currently trending above 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%		
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%		6,051,254	

### FY 2020 Budget Update

During the month of November, staff met with all departments to review all budget requests and the CIP technical committee met to review all capital project requests. The budget team is currently working to finalize all FY 2019 payroll projections and reviewing budgets at the fund level in preparation for the upcoming budget workshops in January.