



DATE: November 6, 2018

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

FROM: Meghan Murray, Budget Analyst

RE: FY 2019 Monthly Financial Update – Through September 2018

Below is a summary report of the city's main operating funds as of September 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 September, General Fund operating departments ended slightly above expected spending levels. With 25.1% of the year completed, 26.5% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 23.5% of budgeted levels, which is slightly above the expected level of 23.1%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	338,424	104,855	31.0%
Mayor's Office	126,725	17,831	14.1%
Finance	1,419,053	339,943	24.0%
Administration	827,919	154,995	18.7%
Human Resources	697,411	131,795	18.9%
CPED	843,841	280,310	33.2%
Civil Rights	326,270	72,332	22.2%
NSD	852,496	183,562	21.5%
Public Works	3,432,087	546,079	15.9%
Police Department	18,522,637	4,300,952	23.2%
Fire Department	12,602,459	3,018,602	24.0%
Parks	4,032,850	1,098,555	27.2%
Library	2,836,850	649,306	22.9%
Total	46,859,022	10,899,117	23.3%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	-	0.0%
Public Works	60,500	9,616	15.9%
Police	570,858	87,089	15.3%
Fire	186,100	124,904	67.1%
Parks	29,500	11,534	39.1%
Total	849,558	233,143	27.4%

There are currently two departments with a variance of more than 3.0% above the expected expenditure rate of 25.1%: City Council (31%), Community Planning and Economic Development (33.2%). 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 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 23.1%: Mayor's Office (14.1%), Administration (18.7%), Human Resources (18.9%), and Public Works (15.9%).

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 (67.1%) has higher-than-expected overtime expenditures due to existing employment vacancies and employees out on injury/medical



leave. The Parks and Recreation Department (39.1%) 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 20.2% compared to last year as of the end of September. However, the current projection for FY 2019 still meets the budget target. The Cable TV Franchise payment is received on a quarterly basis with the first FY 2019 payment to be received in October. Casino Development Fee revenue is up 5.4% compared to FY 2018. The Licenses and Permits are down by 54% due to a decrease in building permits. The Charges for Services category is down 12.1% due to a decrease in rental inspection and demolition of condemned property. Use of Money & Property is down 38.8% 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 up 30.9%; however, this category is expected to struggle to meet its budget target 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	-	810,000	0.0%
Casino Development Fee	830,000	165,938	920,000	5.4%
Licenses & Permits	1,845,700	375,184	1,600,000	-54.0%
Charges for Services	3,728,779	1,059,818	3,900,000	-12.1%
Uses of Money & Property	388,200	59,819	700,000	-38.8%
Fines & Forfeits	1,485,500	402,312	1,400,000	30.9%
Total	9,088,179	2,063,071	9,330,000	-20.2%

Trust & Agency Fund

As of the end of September, Trust & Agency Fund expenditures are slightly above expected budget levels. The expected level of expenditures as of the end of September is 24.1%. Trust & Agency benefits are currently at 24.9%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,407,435	324,919	23.1%
IPERS	1,275,032	267,680	21.0%
Employee Insurance	9,621,785	2,495,824	25.9%
MFPRSI	5,889,030	1,440,334	24.5%
RHSP	791,294	193,538	24.5%
Total	18,984,576	4,722,295	24.9%



Employee Health Insurance Fund

As of the end of September, claims for FY 2019 are 2.5% 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%	1,046,206	13,427,715
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%		3,279,151	

FY 2020 Budget Update

During the month of September, budget staff hosted the FY 2020 Budget Kickoff meeting. After the Budget Kickoff meeting, departments started to enter budget requests for the FY 2020 budget and staff prepared the FY 2020 Budget Department Review meetings.