



DATE: April 1, 2019

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

FROM: Meghan Murray, Budget Analyst

RE: FY 2019 Monthly Financial Update – Through January 2019

Below is a summary report of the city's main operating funds as of January 31, 2019 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 January, General Fund operating departments ended slightly below expected spending levels. With 58.3% of the year completed, 56.1% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 53.7% of budgeted levels, which is slightly below the expected level of 53.8%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	338,424	193,285	57.1%
Mayor's Office	126,725	55,667	43.9%
Finance	1,419,053	804,187	56.7%
Administration	827,919	403,946	48.8%
Human Resources	697,411	355,239	50.9%
CPED	843,841	486,065	57.6%
Civil Rights	326,270	174,570	53.5%
NSD	852,496	452,964	53.1%
Public Works	3,432,087	1,509,388	44.0%
Police Department	18,522,637	10,376,469	56.0%
Fire Department	12,602,459	7,079,076	56.2%
Parks	4,032,850	2,228,465	55.3%
Library	2,836,850	1,464,701	51.6%
Total	46,859,022	25,584,022	54.6%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	6	0.2%
Public Works	63,935	30,012	46.9%
Police	570,858	188,815	33.1%
Fire	196,100	314,626	160.4%
Parks	29,500	20,198	68.5%
Total	862,993	553,657	64.2%

Currently, there are no departments with a variance of more than 3.0% above the expected expenditure rate of 58.3%. There are six departments currently falling 5.0% or more below the expected expenditure rate of 58.3%: Mayor's Office (43.9%), Administration (48.8%), Human Resources (50.9%), Neighborhood Services Division (53.1%), Public Works (44.0%), and Library (51.6%).

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 (160.4%) has higher-than-expected overtime expenditures due to existing employment vacancies and employees out on injury/medical leave. The Parks and Recreation Department (68.5%) 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 6.2% compared to last year as of the end of January. The second quarterly disbursement of Cable TV Franchise revenue was received and is up 102.6% compared to FY 2018. This change is due to last year's quarterly disbursement being received in February. Casino Development Fee revenue is up 15.5% compared to FY 2018. Licenses and Permits are down by 39.6% due to a decrease in building permits. The Charges for Services category is down 16.3% due to a decrease in rental inspection and demolition of condemned property. Use of Money & Property is down 1.5% 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 42.8%.

SUMMARY OF MAJOR NON-TAX REVENUE SOURCES				
Department	Budget	YTD	Current Projection	YTD Change from FY18
Cable TV Franchise	810,000	384,762	768,000	102.6%
Casino Development Fee	986,000	582,621	1,176,224	15.5%
Licenses & Permits	1,845,700	881,067	1,696,188	-39.6%
Charges for Services	3,820,279	2,114,048	3,630,425	-16.3%
Uses of Money & Property	443,200	271,597	700,000	-1.5%
Fines & Forfeits	1,485,500	1,194,838	1,600,000	42.8%
Total	9,390,679	5,428,933	9,570,837	-6.2%

Trust & Agency Fund

As of the end of January, Trust & Agency Fund expenditures are slightly above expected budget levels. The expected level of expenditures as of the end of January is 57.1%. Trust & Agency benefits are slightly higher than the expected level at 57.8%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,407,435	732,594	52.1%
IPERS	1,275,032	613,921	48.1%
Employee Insurance	9,621,785	5,830,898	60.6%
MFPRSI	5,889,030	3,300,171	56.0%
RHSP	791,294	496,727	62.8%
Total	18,984,576	10,974,311	57.8%

Road Use Tax Fund

Below is a chart showing overtime expenditures in the Road Use Tax Fund. The city has spent \$164,345 in overtime, which is 53.7% of the total overtime budget and is slightly below the target for this time of year.

ROAD USE TAX FUND OVERTIME			
Department	Budget	YTD	%
Public Works	306,250	164,345	53.7%
Total	306,250	164,345	53.7%



Overall, 52.6% of budgeted expenditures in the Road Use Tax Fund have been spent. Below is a chart detailing expenditures by division in the Road Use Tax Fund. Many of the divisions are currently below the expected expenditure rate of 58.3% with the exception of Streets. This is primarily due to the money spent on weather related activities, such as salt purchases and overtime for snow hours. In years where there is above average snowfall, it is typical to see higher levels of Road Use Tax operating expenditures in Streets and other divisions.

OVERALL DEPARTMENT BUDGET SUMMARY			
Division	Budget	YTD	%
Public Works Admin	631,213	304,905	48.3%
Engineering	2,027,187	909,207	44.9%
Streets	6,071,367	3,572,686	58.8%
Fleet	1,560,147	786,297	50.4%
Traffic Engineering	394,611	168,656	42.7%
Signals/Street Lighting	1,612,794	720,758	44.7%
Total	12,297,319	6,462,509	52.6%

Employee Health Insurance Fund

As of the end of January, claims for FY 2019 are 2.9% higher 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%	1,219,386	14,542,074
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%		8,372,692	

FY 2020 Budget Update

During the month of January, staff held a budget workshop for the FY 2020 budget. Additionally, the budget team worked to prepare the FY 2020 City Administrator's Recommended Budget that was presented and adopted by the City Council in February.