



DATE: April 17, 2019

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

FROM: Meghan Murray, Budget Analyst

RE: FY 2019 Monthly Financial Update – Through March 2019

Below is a summary report of the city's main operating funds as of March 31, 2019 for FY 2019. Information is provided for the General Fund, Trust & Agency Fund, Employee Health Fund, and Road Use Tax Fund. As the year advances, accuracy of year-end projections should continue to increase.

General Fund

As of the end of March, General Fund operating departments ended slightly below expected spending levels. With 75.0% of the year completed, 72.6% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 72.2% of budgeted levels, which is slightly below the expected level of 73.1%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	338,424	251,428	74.3%
Mayor's Office	126,725	78,219	61.7%
Finance	1,419,053	1,036,404	73.0%
Administration	827,919	555,327	67.1%
Human Resources	697,411	505,682	72.5%
CPED	843,841	607,207	72.0%
Civil Rights	326,270	231,493	71.0%
NSD	852,496	611,868	71.8%
Public Works	3,432,087	2,003,049	58.4%
Police Department	18,522,637	13,846,158	74.8%
Fire Department	12,602,459	9,515,489	75.5%
Parks	4,032,850	2,816,354	69.8%
Library	2,836,850	1,952,179	68.8%
Total	46,859,022	34,010,857	72.6%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	6	0.2%
Public Works	63,935	62,478	97.7%
Police	570,858	241,062	42.2%
Fire	196,100	417,374	212.8%
Parks	29,500	26,851	91.0%
Total	862,993	747,771	86.6%

Currently, there are no departments with a variance of more than 3.0% above the expected expenditure rate of 75.0%. There are five departments currently falling 5.0% or more below the expected expenditure rate of 75.0%: Mayor's Office (61.7%), Administration (67.1%), Public Works (58.4%), Parks (69.8%), and Library (68.8%).

The Overtime Summary Report shows three departments with a variance of more than 3.0% above the expected expenditure rate for overtime. The Public Works Department (97.7%) has higher-than-expected overtime expenditures due to seasonal operations. The Fire Department (212.8%) has higher-than-expected overtime expenditures due to existing employment vacancies and employees out on injury/medical leave. It is anticipated that the Fire Department will exceed its annually adopted budget due to higher-than-normal employee costs. A budget amendment will be introduced to cover the expected overage. The Parks and Recreation Department (91.0%) 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 1.5% compared to last year as of the end of March. The second quarterly disbursement of Cable TV Franchise revenue was received and is up 1.3% compared to FY 2018. Casino Development Fee revenue is up 31.4% compared to FY 2018. Licenses and Permits are down by 24.8% due to a decrease in building permits. The Charges for Services category is down 11.4% due to a decrease in rental inspection and demolition of condemned property. Use of Money & Property is up 45.5% due to better than expected returns on interests from pooled investments. Fines and Forfeits are up 37.0% due to an increase in speed camera fine revenue.

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	1.3%
Casino Development Fee	986,000	750,430	1,139,880	31.4%
Licenses & Permits	1,845,700	1,465,163	1,874,616	-24.8%
Charges for Services	3,820,279	2,741,779	3,838,949	-11.4%
Uses of Money & Property	388,200	462,312	770,611	45.5%
Fines & Forfeits	1,485,500	1,452,567	1,905,286	37.0%
Total	9,335,679	7,257,013	10,297,342	-1.5%

Trust & Agency Fund

As of the end of March, Trust & Agency Fund expenditures are slightly above expected budget levels. The expected level of expenditures as of the end of March is 74.1%. Trust & Agency benefits are slightly higher than the expected level at 75.9%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,407,435	983,090	69.8%
IPERS	1,275,032	827,135	64.9%
Employee Insurance	9,621,785	7,493,212	77.9%
MFPRSI	5,889,030	4,446,221	75.5%
RHSP	791,294	656,703	83.0%
Total	18,984,576	14,406,361	75.9%

Road Use Tax Fund

Below is a chart showing overtime expenditures in the Road Use Tax Fund. The city has spent \$433,427 in overtime, which is 141.5% of the total overtime budget and is above the target for this time of year.

ROAD USE TAX FUND OVERTIME			
Department	Budget	YTD	%
Public Works	306,250	433,427	141.5%
Total	306,250	433,427	141.5%



Overall, 70.5% 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 75.0% 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	428,208	67.8%
Engineering	2,027,187	1,192,253	58.8%
Streets	6,071,367	4,834,809	79.6%
Fleet	1,560,147	1,070,464	68.6%
Traffic Engineering	394,611	207,562	52.6%
Signals/Street Lighting	1,612,794	940,432	58.3%
Total	12,297,319	8,673,728	70.5%

Employee Health Insurance Fund

As of the end of March, claims for FY 2019 are 2.3% higher than claims in FY 2018. Claims expenditures are currently trending slightly 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%	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%	1,285,767	15,123,975
March	1,433,899	1,006,190	1,031,615	9.05%	72.92%	1,143,703	14,814,639
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%		10,802,162	

FY 2020 Budget Update

During the month of March, staff began preparations on the FY 2020 budget document, and it will be submitted to the Government Finance Officers Association (GFOA) in May for review of the Distinguished Budget Award.