



MEMORANDUM

DATE: March 19, 2020

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

FROM: Meghan Murray, Budget Analyst

RE: FY 2020 Monthly Financial Update – Through February 2019

Below is a summary report of the city’s main operating funds as of February 29, 2020 for FY 2020. 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 February, General Fund operating departments ended slightly below expected spending levels. With 66.7% of the year completed, 66.4% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 64.2% of budgeted levels, which is slightly less than the expected level of 65.4%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	342,266	226,270	66.1%
Mayor's Office	121,633	74,113	60.9%
Finance	1,435,384	965,989	67.3%
Administration	744,160	460,716	61.9%
Human Resources	765,459	442,570	57.8%
CPED	866,634	672,945	77.7%
Civil Rights	333,497	198,827	59.6%
DNSD	1,570,218	1,100,972	70.1%
Public Works	2,329,012	1,392,820	59.8%
Police Department	19,268,410	12,972,449	67.3%
Fire Department	12,843,221	8,605,966	67.0%
Parks	4,096,662	2,620,340	64.0%
Library	2,683,066	1,723,331	64.2%
Total	47,399,622	31,457,308	66.4%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	39	1.5%
Public Works	60,000	41,253	68.8%
Police	570,858	329,069	57.6%
Fire	186,100	383,676	206.2%
Parks	29,500	18,258	61.9%
Total	849,058	772,295	91.0%

There are currently two departments with a variance of more than 3.0% above the expected expenditure rate of 66.7%. The Community Planning and Economic Development department (77.7%) is above the expected expenditure rate due to a one-time payment to Quad Cities First

and the Development and Neighborhood Services department (70.1%) due to nuisance abatement costs. There are four departments currently falling 5.0% or more below the expected expenditure rate of 66.7%, Mayor's Office (60.9%), Human Resources (57.8%), Civil Rights (59.6%), and Public Works (59.8%).

The Overtime Summary Report shows one department with a variance of more than 3.0% above the expected expenditure rate for overtime. The Fire Department (206.2%) has higher-than-expected overtime expenditures due to employees out on injury/medical leave.

Below is a chart of major revenues. Overall, the revenue sources are up by 4.1% compared to last year as of the end of February. Cable TV Franchise is down 1.7% compared to last year's payment at this time because the second quarterly disbursement came in slightly lower than last year. Casino Development Fee revenue is up 12.7% compared to FY 2019. The Licenses and Permits category is up by 7.9% due to an increase in building, HVAC, plumbing, and electrical permits. The Charges for Services category is up by 5.7% due to an increase in rental inspections and licenses. Uses of Money & Property is up 41.7% because there was increase in interest from pooled investments. Fines and forfeits is down by 16.9% due to fewer speed camera fines collected compared to FY 2019.

SUMMARY OF MAJOR NON-TAX REVENUE SOURCES				
Department	Budget	YTD	Current Projection	YTD Change from FY19
Cable TV Franchise	760,000	378,320	760,000	-1.7%
Casino Development Fee	1,100,000	744,468	1,281,781	12.7%
Licenses & Permits	1,911,600	1,157,030	1,885,006	7.9%
Charges for Services	3,681,920	2,590,680	3,934,031	5.7%
Uses of Money & Property	753,200	627,303	1,295,104	41.7%
Fines & Forfeits	1,186,000	1,107,020	1,550,000	-16.9%
Total	9,392,720	6,604,821	10,705,922	4.1%

Trust & Agency Fund

As of the end of February, Trust & Agency Fund expenditures are slightly above expected budget levels. The expected level of expenditures as of the end of February is 66.2%. Trust & Agency benefits are currently at 68.5% due to higher-than-expected employee insurance costs (71.9%).

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,360,955	901,717	66.3%
IPERS	1,278,772	757,514	59.2%
Employee Insurance	10,676,467	7,673,631	71.9%
MFPRSI	5,845,144	3,814,213	65.3%
RHSP	825,192	547,224	66.3%
Total	19,986,530	13,694,299	68.5%

Employee Health Insurance Fund

As of the end of February, claims for FY 2020 are 2.9% lower than claims in FY 2019. Claims expenditures are currently trending below the original budget of \$15.8 million.

HEALTH CLAIMS PROJECTION MODEL							
	FY 2018	FY 2019	Average	% Total	Cum. %	FY 2020	Year End Projection
July	1,028,523	1,301,936	1,106,031	7.84%	7.84%	1,165,316	14,954,731
August	1,341,054	931,009	1,180,282	8.37%	16.21%	1,203,114	14,475,431
September	1,073,151	1,035,706	1,110,571	7.87%	24.08%	977,833	13,785,495
October	1,049,823	1,652,578	1,204,579	8.54%	32.62%	1,388,887	14,655,264
November	1,589,164	1,130,025	1,257,305	8.91%	41.54%	1,111,402	14,558,386
December	1,386,196	1,102,052	1,369,668	9.71%	51.25%	1,189,299	14,077,231
January	1,184,769	1,219,386	1,112,935	7.89%	59.14%	1,235,191	14,349,399
February	900,818	1,285,767	1,046,337	7.42%	66.55%	1,115,559	14,629,483
March	1,006,190	1,143,703	1,194,597	8.47%	75.02%		
April	1,123,564	1,148,181	1,078,615	7.65%	82.67%		
May	1,334,069	1,211,226	1,261,434	8.94%	91.61%		
June	1,051,347	1,201,077	1,182,857	8.39%	100.00%		
Total	14,068,668	14,362,646	14,105,212	100.00%		9,386,601	

FY 2020 Budget Update

Finance staff is evaluating the impact of the COVID-19 emergency on the FY 2020 budget and will be preparing a report for City Administration.

FY 2021 Budget Update

During the month of February, staff held the final budget workshop for the FY 2021 budget. The budget team prepared the corresponding city council agenda items, and the FY 2021 Maximum Property Tax Levy was formally adopted by the city council and the FY 2021 budget is set to be adopted at the end of March.