



MEMORANDUM

DATE: February 28, 2020

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

FROM: Meghan Murray, Budget Analyst

RE: FY 2020 Monthly Financial Update – Through January 2019

Below is a summary report of the city’s main operating funds as of January 31, 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 January, General Fund operating departments ended slightly above expected spending levels. With 58.3% of the year completed, 58.7% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 56.5% of budgeted levels, which is slightly less than the expected level of 57.7%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	342,266	206,988	60.5%
Mayor's Office	121,633	65,021	53.5%
Finance	1,435,384	860,868	60.0%
Administration	744,160	407,964	54.8%
Human Resources	765,459	382,239	49.9%
CPED	866,634	612,549	70.7%
Civil Rights	333,497	181,601	54.5%
NSD	1,570,218	955,977	60.9%
Public Works	2,329,012	1,261,916	54.2%
Police Department	19,268,410	11,409,871	59.2%
Fire Department	12,843,221	7,588,767	59.1%
Parks	4,096,662	2,364,507	57.7%
Library	2,683,066	1,518,140	56.6%
Total	47,399,622	27,816,408	58.7%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	39	1.5%
Public Works	60,000	36,311	60.5%
Police	570,858	289,491	50.7%
Fire	186,100	349,277	187.7%
Parks	29,500	16,253	55.1%
Total	849,058	691,371	81.4%

There is currently one department with a variance of more than 3.0% above the expected expenditure rate of 58.3%. The Community Planning and Economic Development department (70.7%) is above the expected expenditure rate due to a one-time payment to Quad Cities First.

There is one department currently falling 5.0% or more below the expected expenditure rate of 58.3%, Human Resources (49.9%).

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 (187.7%) has higher-than-expected overtime expenditures due to employees out on injury/medical leave.

Below is a chart of major revenues. Overall, these revenue sources are up by 5.0% compared to last year as of the end of January. Cable TV Franchise is down (51.5%) compared to last year's payment at this time because the second quarterly disbursement has not yet been received. Casino Development Fee revenue is up 10.6% compared to FY 2019. The Licenses and Permits category is up by 15.2% due to an increase in building, HVAC, plumbing, and electrical permits. The Charges for Services category is up by 9.7% due to an increase in rental inspections and licenses. Uses of Money & Property is up 42.6% because there was increase in interest from pooled investments. Fines and forfeits is down by 8.3% 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	186,651	760,000	-51.5%
Casino Development Fee	1,100,000	644,568	1,254,237	10.6%
Licenses & Permits	1,911,600	1,014,679	1,995,146	15.2%
Charges for Services	3,681,920	2,321,587	3,972,372	9.7%
Uses of Money & Property	753,200	601,724	1,053,002	42.6%
Fines & Forfeits	1,186,000	1,106,181	1,550,000	-8.3%
Total	9,392,720	5,875,390	10,584,757	5.0%

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 58.1%. Trust & Agency benefits are currently at 60.2% due to higher-than-expected employee insurance costs (63.0%).

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,360,955	796,316	58.5%
IPERS	1,278,772	669,043	52.3%
Employee Insurance	10,676,467	6,723,810	63.0%
MFPRSI	5,845,144	3,368,843	57.6%
RHSP	825,192	479,388	58.1%
Total	19,986,530	12,037,400	60.2%

Employee Health Insurance Fund

As of the end of January, claims for FY 2020 are 1.2% 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%		
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%		8,271,042	

FY 2021 Budget Update

During the month of January, staff held budget workshops for the FY 2021 budget. Additionally, the budget team worked to prepare the FY 2021 City Administrator's Recommended Budget that will be adopted by the City Council in March.