



DATE: December 19, 2019

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

FROM: Meghan Murray, Budget Analyst

RE: FY 2020 Monthly Financial Update – Through November 2019

Below is a summary report of the city’s main operating funds as of November 30, 2019 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 November, General Fund operating departments ended slightly below expected spending levels. With 41.6% of the year completed, 40.1% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 38.0% of budgeted levels, which is slightly less than the expected level of 38.5%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	342,266	155,899	45.5%
Mayor's Office	121,633	46,382	38.1%
Finance	1,435,384	567,032	39.5%
Administration	744,160	262,584	35.3%
Human Resources	765,459	264,985	34.6%
CPED	866,634	464,686	53.6%
Civil Rights	333,497	116,974	35.1%
NSD	1,570,218	665,751	42.4%
Public Works	2,329,012	879,406	37.8%
Police Department	19,268,410	7,669,141	39.8%
Fire Department	12,843,221	5,112,635	39.8%
Parks	4,096,662	1,758,225	42.9%
Library	2,683,066	1,035,778	38.6%
Total	47,399,622	18,999,478	40.1%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	39	1.5%
Public Works	60,000	19,569	32.6%
Police	570,858	202,405	35.5%
Fire	186,100	250,364	134.5%
Parks	29,500	9,862	33.4%
Total	849,058	482,239	56.8%

There are currently two departments with a variance of more than 3.0% above the expected expenditure rate of 41.6%. The City Council (45.5%) is above the expected expenditure rate due to one-time payments to the Iowa League of Cities and National League of Cities. The Community Planning and Economic Development department (53.6%) is above the expected expenditure rate due to a one-time payment to Quad Cities First. There are three departments currently falling 5.0% or more below the expected expenditure rate of 41.6%, City Administration (35.3%), Human Resources (34.6%), and Civil Rights (35.1%).

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 (134.5%) has higher-than-expected overtime expenditures due to employees out on injury/medical leave.



Below is a chart of major revenues. Overall, other revenue sources are up by 22.7% compared to last year as of the end of November. Cable TV Franchise has received its first payment of the year and it is slightly below last year's payment. Casino Development Fee revenue is up by 11.0% compared to FY 2019. The Licenses and Permits category is up by 22.6% due to an increase in building, HVAC, plumbing, and electrical permits. The Charges for Services category is up by 20.7% due to an increase in rental inspections and licenses. Uses of Money & Property is up by 44.9% primarily due to increased revenue from pooled investments. Fines and forfeits is up 36.5% because of a change in accounting practices at the beginning of the calendar year related to automated traffic enforcement violations; this percent change increase is expected to decrease as the year progresses.

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	-0.5%
Casino Development Fee	1,100,000	433,719	1,308,820	11.0%
Licenses & Permits	1,911,600	799,093	2,052,905	22.6%
Charges for Services	3,681,920	1,908,763	4,054,382	20.7%
Uses of Money & Property	753,200	272,338	1,053,002	44.9%
Fines & Forfeits	1,186,000	793,911	1,550,000	36.5%
Total	9,392,720	4,394,475	10,779,109	22.7%

Trust & Agency Fund

As of the end of November, Trust & Agency Fund expenditures are slightly above expected budget levels. The expected level of expenditures as of the end of November is 40.4%. Trust & Agency benefits are currently at 41.9% due to higher-than-expected employee insurance costs (45.0%).

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,360,955	538,822	39.6%
IPERS	1,278,772	450,826	35.3%
Employee Insurance	10,676,467	4,808,114	45.0%
MFPRSI	5,845,144	2,253,737	38.6%
RHSP	825,192	321,249	38.9%
Total	19,986,530	8,372,748	41.9%



Employee Health Insurance Fund

As of the end of November, claims for FY 2020 are 3.5% 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%		
January	1,184,769	1,219,386	1,112,935	7.89%	59.14%		
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%		5,846,552	

FY 2020 Budget Update

During the month of November, staff met with all departments to review all budget requests and the CIP technical committee met to review all capital project requests. The budget team is currently working to finalize all FY 2021 payroll projections and reviewing budgets at the fund level in preparation for the upcoming budget workshops in January.