



DATE: October 16, 2019

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

FROM: Meghan Murray, Budget Analyst

RE: FY 2020 Monthly Financial Update – Through September 2019

Below is a summary report of the city’s main operating funds as of September 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 September, General Fund operating departments ended slightly below expected spending levels. With 25.2% of the year completed, 24.1% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 23.0% of budgeted levels, which is slightly less than the expected level of 23.1%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	342,266	104,894	30.6%
Mayor's Office	121,633	27,076	22.3%
Finance	1,435,384	336,366	23.4%
Administration	744,160	147,891	19.9%
Human Resources	765,459	159,240	20.8%
CPED	866,634	318,648	36.8%
Civil Rights	333,497	68,380	20.5%
NSD	1,570,218	402,227	25.6%
Public Works	2,329,012	471,267	20.2%
Police Department	19,268,410	4,630,681	24.0%
Fire Department	12,843,221	3,031,227	23.6%
Parks	4,096,662	1,116,216	27.2%
Library	2,683,066	629,353	23.5%
Total	47,399,622	11,443,466	24.1%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	39	1.5%
Public Works	60,000	12,019	20.0%
Police	570,858	108,683	19.0%
Fire	186,100	128,939	69.3%
Parks	29,500	7,772	26.3%
Total	849,058	257,452	30.3%

There are currently two departments with a variance of more than 3.0% above the expected expenditure rate of 25.2%. The City Council (30.6%) 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 (36.8%) is above the expected expenditure rate due to a one-time payment to Quad Cities First. There are two departments currently falling 5.0% or more below the expected expenditure rate of 25.2%, City Administration (19.9%) and Public Works (20.2%).

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 (69.3%) has higher-than-expected overtime expenditures due employees out on injury/medical leave.



Below is a chart of major revenues. Overall, other revenue sources are up by 15.6% compared to last year as of the end of September. Cable TV Franchise has not yet received any revenue. Casino Development Fee revenue is up 3.0% compared to FY 2019. The Licenses and Permits are up by 23.2% due to an increase in building, HVAC, plumbing, and electrical permits. The Charges for Services category is up by 23.7% due to an increase in rental inspection and licenses. Use of Money & Property is down 35.8% because the interest from pooled investments has not been fully realized. Fines and forfeits is up 12.3% because of a change in accounting practices at the beginning of the calendar year; 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	-	760,000	0.0%
Casino Development Fee	1,100,000	225,709	1,298,004	3.0%
Licenses & Permits	1,911,600	462,107	2,012,764	23.2%
Charges for Services	3,681,920	1,312,380	3,850,000	23.7%
Uses of Money & Property	753,200	92,082	964,000	-35.8%
Fines & Forfeits	1,186,000	451,957	1,100,000	12.3%
Total	9,392,720	2,544,235	9,984,768	15.6%

Trust & Agency Fund

As of the end of September, Trust & Agency Fund expenditures are slightly above expected budget levels. The expected level of expenditures as of the end of September is 24.2%. Trust & Agency benefits are currently at 25.1% due to higher-than-expected employee insurance costs (26.9%).

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,360,955	329,837	24.2%
IPERS	1,278,772	268,321	21.0%
Employee Insurance	10,676,467	2,867,164	26.9%
MFPRSI	5,845,144	1,365,497	23.4%
RHSP	825,192	192,452	23.3%
Total	19,986,530	5,023,271	25.1%



Employee Health Insurance Fund

As of the end of September, claims for FY 2020 are 2.4% higher 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%		
November	1,589,164	1,130,025	1,257,305	8.91%	41.54%		
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%		3,346,263	

FY 2020 Budget Update

During the month of September, budget staff hosted the FY 2021 Budget Kickoff meeting. After the Budget Kickoff meeting, departments started to enter budget requests for the FY 2021 budget and staff prepared the FY 2021 Budget Department Review meetings.