



# MEMORANDUM

**DATE:** November 30, 2020

**TO:** Corri Spiegel, City Administrator  
Mallory Merritt, Assistant City Administrator

**FROM:** Meghan Murray, Budget Analyst

**RE:** FY 2021 Monthly Financial Update – Through October 2020

Below is a summary report of the city’s main operating funds as of October 31, 2020 for FY 2021. 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 October, General Fund operating departments ended below expected spending levels. With 33.7% of the year completed, 29.6% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 29.2% of budgeted levels, which is less than the expected level of 30.8%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	344,306	128,376	37.3%
Mayor's Office	127,397	45,578	35.8%
Finance	1,443,877	390,049	27.0%
Administration	918,494	213,625	23.3%
Human Resources	748,530	227,376	30.4%
Comm. & Econ. Dev.	642,246	157,246	24.5%
Civil Rights	344,703	94,366	27.4%
Dev. & Nbhd. Svc. Dept.	1,945,251	594,096	30.5%
Public Works	2,548,412	455,245	17.9%
Police Department	19,254,407	6,155,908	32.0%
Fire Department	13,254,608	4,005,835	30.2%
Parks & Recreation	4,281,101	1,109,692	25.9%
Library	2,784,063	832,690	29.9%
<b>Total</b>	<b>48,637,395</b>	<b>14,410,082</b>	<b>29.6%</b>

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	81	3.1%
Public Works	67,500	13,894	20.6%
Police	570,858	271,578	47.6%
Fire	211,100	224,440	106.3%
Parks	29,500	5,332	18.1%
<b>Total</b>	<b>881,558</b>	<b>515,325</b>	<b>58.5%</b>

There is currently one department with a variance of more than 3.0% above the expected expenditure rate of 33.7%. The City Council (37.3%) is above the expected expenditure rate due to one-time payments to the Iowa League of Cities and National League of Cities. There are six departments currently falling 5.0% or more below the expected expenditure rate of 33.7%,

Finance (27.0%), Administration (23.3%), Community and Economic Development (24.5%), Civil Rights (27.4%), Public Works (17.9%), and Parks and Recreation (25.9%).

The Overtime Summary Report shows two departments with a variance of more than 3.0% above the expected expenditure rate for overtime. The Fire Department (106.3%) has higher-than-expected overtime expenditures due to employees out on injury/medical leave, and the Police Department (47.6%) is above expected overtime expenditures due to overtime costs associated with ongoing investigations and the number of employees on injury/medical leave.

Below is a chart of major revenues. Overall, the revenue sources are down 11.5% compared to last year as of the end of October. The Cable TV Franchise first quarterly payment has been received and is down 0.8%. Casino Development Fee revenue is up 3.3% compared to FY 2020. The Licenses and Permits category is up by 41.5%. The Charges for Services category is down by 32.0% due to a decrease in pool admissions, special events, and self-sustaining program attendance. However, there is also an expenditure reduction related to staffing that is anticipated to balance the revenue reduction (ie: summer pools staff was not hired). Uses of Money & Property is down 38.2% due to a decrease in Roosevelt and Junior Theatre rent. Fines and forfeits is down by 17.7% due to fewer speed camera fines collected compared to FY 2020.

<b>SUMMARY OF MAJOR NON-TAX REVENUE SOURCES</b>				
<b>Department</b>	<b>Budget</b>	<b>YTD</b>	<b>Current Projection</b>	<b>YTD Change from FY 2020</b>
Cable TV Franchise	760,000	185,140	760,000	0.8%
Casino Development Fee	1,200,000	340,846	1,200,000	3.3%
Licenses & Permits	1,919,300	879,901	2,064,778	41.5%
Charges for Services	3,462,890	1,087,334	2,869,212	-32.0%
Uses of Money & Property	790,200	71,388	790,200	-38.2%
Fines & Forfeits	1,146,000	534,504	1,500,000	-17.7%
<b>Total</b>	<b>9,278,390</b>	<b>3,099,113</b>	<b>9,184,190</b>	<b>-11.5%</b>

### **Trust & Agency Fund**

As of the end of October, Trust & Agency Fund expenditures are below expected budget levels. The expected level of expenditures as of the end of October is 32.3%. Trust & Agency benefits are currently at 31.7%.

<b>BENEFIT SUMMARY</b>			
<b>Benefit</b>	<b>Budget</b>	<b>YTD</b>	<b>%</b>
FICA	1,422,752	411,401	28.9%
IPERS	1,324,599	345,765	26.1%
Employee Insurance	11,197,959	3,764,284	33.6%
MFPRSI	6,097,442	1,826,925	30.0%
RHSP	832,540	259,372	31.2%
<b>Total</b>	<b>20,875,292</b>	<b>6,607,747</b>	<b>31.7%</b>

As of the end of October, claims for FY 2021 are 0.31% lower than claims in FY 2020. Claims expenditures are currently trending below the original budget of \$15.8 million.

<b>HEALTH CLAIMS PROJECTION MODEL</b>							
	<b>FY 2019</b>	<b>FY 2020</b>	<b>Average</b>	<b>% Total</b>	<b>Cum. %</b>	<b>FY 2021</b>	<b>Year End Projection</b>
<b>July</b>	1,301,936	1,165,155	921,801	7.82%	7.82%	1,079,442	13,796,566
<b>August</b>	931,009	1,203,114	1,008,518	8.56%	16.38%	1,328,983	14,699,850
<b>September</b>	1,035,706	977,833	922,289	7.83%	24.21%	1,181,074	14,825,203
<b>October</b>	1,652,578	1,388,887	963,165	8.18%	32.39%	1,130,947	14,575,030
<b>November</b>	1,130,025	1,111,402	924,253	7.84%	40.23%		
<b>December</b>	1,102,052	1,189,299	1,143,175	9.70%	49.93%		
<b>January</b>	1,219,386	1,235,191	912,139	7.74%	57.68%		
<b>February</b>	1,285,767	1,115,559	780,877	6.63%	64.30%		
<b>March</b>	1,143,703	1,481,989	1,069,112	9.07%	73.38%		
<b>April</b>	1,148,181	1,311,637	1,004,103	8.52%	81.90%		
<b>May</b>	1,211,226	706,360	996,322	8.46%	90.36%		
<b>June</b>	1,201,077	1,347,286	1,135,974	9.64%	100.00%		
<b>Total</b>	14,362,646	14,233,712	11,781,729	100.00%		4,720,446	

### **FY 2022 Budget Update**

During the month of October, budget staff began revenue forecasting for the FY 2022 Budget. Budget staff reviewed the departmental budget requests while preparing for the department budget meetings that are held in November.