



# MEMORANDUM

**DATE:** October 28, 2020

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

**FROM:** Meghan Murray, Budget Analyst

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

Below is a summary report of the city’s main operating funds as of September 30, 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 September, General Fund operating departments ended below expected spending levels. With 25.2% of the year completed, 22.6% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 22.1% of budgeted levels, which is less than the expected level of 23.1%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	344,306	111,203	32.3%
Mayor's Office	127,397	34,187	26.8%
Finance	1,443,877	285,320	19.8%
Administration	918,494	154,426	16.8%
Human Resources	748,530	168,545	22.5%
Comm. & Econ. Dev.	642,246	147,978	23.0%
Civil Rights	344,703	65,502	19.0%
Dev. & Nbhd. Svc. Dept.	1,945,251	447,046	23.0%
Public Works	2,548,412	587,244	23.0%
Police Department	19,254,407	4,598,871	23.9%
Fire Department	13,254,608	2,991,725	22.6%
Parks & Recreation	4,281,101	789,715	18.4%
Library	2,784,063	607,575	21.8%
<b>Total</b>	<b>48,637,395</b>	<b>10,989,337</b>	<b>22.6%</b>

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	-	0.0%
Public Works	67,500	11,440	16.9%
Police	570,858	228,311	40.0%
Fire	211,100	170,644	80.8%
Parks	29,500	3,568	12.1%
<b>Total</b>	<b>881,558</b>	<b>413,963</b>	<b>47.0%</b>

There is currently one department with a variance of more than 3.0% above the expected expenditure rate of 25.2%. The City Council (32.3%) is above the expected expenditure rate due to one-time payments to the Iowa League of Cities and National League of Cities. There are four departments currently falling 5.0% or more below the expected expenditure rate of 25.2%,

Finance (19.8%), Administration (16.8%), Civil Rights (19.0%), and Parks and Recreation (18.4%).

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 (80.8%) has higher-than-expected overtime expenditures due to employees out on injury/medical leave, and the Police Department (40.0%) 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 6.3% compared to last year as of the end of September. The Cable TV Franchise first quarterly payment has not been received. Casino Development Fee revenue is up 1.6% compared to FY 2020. The Licenses and Permits category is up by 40.1%. The Charges for Services category is down by 16.5% 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 47.4% due to a decrease in Roosevelt and Junior Theatre rent. Fines and forfeits is down by 19.8% 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	-	760,000	0.0%
Casino Development Fee	1,200,000	229,326	1,243,939	1.6%
Licenses & Permits	1,919,300	657,525	2,064,778	40.1%
Charges for Services	3,462,890	1,097,590	3,422,861	-16.5%
Uses of Money & Property	790,200	48,464	790,200	-47.4%
Fines & Forfeits	1,146,000	379,302	1,500,000	-19.8%
<b>Total</b>	<b>9,278,390</b>	<b>2,412,207</b>	<b>9,781,778</b>	<b>-6.3%</b>

### **Trust & Agency Fund**

As of the end of September, Trust & Agency Fund expenditures are below expected budget levels. The expected level of expenditures as of the end of September is 24.2%. Trust & Agency benefits are currently at 23.7%.

<b>BENEFIT SUMMARY</b>			
<b>Benefit</b>	<b>Budget</b>	<b>YTD</b>	<b>%</b>
FICA	1,422,752	309,247	21.7%
IPERS	1,324,599	257,305	19.4%
Employee Insurance	11,197,959	2,829,739	25.3%
MFPRSI	6,097,442	1,363,970	22.4%
RHSP	832,540	194,578	23.4%
<b>Total</b>	<b>20,875,292</b>	<b>4,954,839</b>	<b>23.7%</b>

## Employee Health Insurance Fund

As of the end of September, claims for FY 2021 are 6.78% higher than claims in FY 2020. Claims expenditures are currently trending below the original budget of \$15.8 million.

HEALTH CLAIMS PROJECTION MODEL							
	FY 2019	FY 2020	Average	% Total	Cum. %	FY 2021	Year End Projection
July	1,301,936	1,165,155	921,801	7.82%	7.82%	1,079,442	13,796,566
August	931,009	1,203,114	1,008,518	8.56%	16.38%	1,328,983	14,699,850
September	1,035,706	977,833	922,289	7.83%	24.21%	1,181,074	14,825,203
October	1,652,578	1,388,887	963,165	8.18%	32.39%		
November	1,130,025	1,111,402	924,253	7.84%	40.23%		
December	1,102,052	1,189,299	1,143,175	9.70%	49.93%		
January	1,219,386	1,235,191	912,139	7.74%	57.68%		
February	1,285,767	1,115,559	780,877	6.63%	64.30%		
March	1,143,703	1,481,989	1,069,112	9.07%	73.38%		
April	1,148,181	1,311,637	1,004,103	8.52%	81.90%		
May	1,211,226	706,360	996,322	8.46%	90.36%		
June	1,201,077	1,347,286	1,135,974	9.64%	100.00%		
Total	14,362,646	14,233,712	11,781,729	100.00%		3,589,499	

## FY 2022 Budget Update

During the month of September, budget staff hosted the FY 2022 Budget Kickoff meeting. After the Budget Kickoff meeting, departments started to enter budget requests for the FY 2022 budget and staff prepared the FY 2022 Budget Department Review meetings.