



MEMORANDUM

DATE: April 26, 2021

TO: Corri Spiegel, City Administrator
Mallory Merritt, CFO/Assistant City Administrator

FROM: Jalatama “Jolly” Omar, Budget Analyst

RE: FY 2021 Monthly Financial Update – Through March 2021

Below is a summary report of the city’s main operating funds as of March 31, 2021 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 are continuing to increase.

General Fund Expenditures

As of the end of March, General Fund operating departments ended below expected spending levels. With 75.0% of the year completed, 71.0% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 71.5% of budgeted levels, which is less than the expected level of 73.1%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	344,306	230,391	66.9%
Mayor's Office	127,397	106,982	84.0%
Finance	1,443,877	1,008,635	69.9%
Administration	918,494	516,942	56.3%
Human Resources	748,530	552,054	73.8%
Comm. & Econ. Dev.	642,246	394,919	61.5%
Civil Rights	344,703	232,537	67.5%
Dev. & Nbhd. Svc. Dept.	1,945,251	1,426,345	73.3%
Public Works	2,548,412	1,377,326	54.0%
Police Department	19,254,407	14,736,995	76.5%
Fire Department	13,254,608	9,522,630	71.8%
Parks & Recreation	4,281,101	2,468,662	57.7%
Library	2,784,063	1,941,538	69.7%
Total	48,637,395	34,515,955	71.0%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	117	4.5%
Public Works	67,500	51,589	76.4%
Police	570,858	551,238	96.6%
Fire	211,100	496,032	235.0%
Parks	29,500	18,027	61.1%
Total	881,558	1,117,004	126.7%

There is currently one department with a variance of more than 3.0% above the expected expenditure rate of 75.0%. The Mayor’s Office (84.0%) is above expected expenditure rate due to changes in staffing allocations between the Mayor’s Office, City Council, and Administration. There are five departments currently falling 5.0% or more below the expected expenditure rate of

75.0%: City Council (66.9%), Finance (69.9%), Administration (56.3%), Community and Economic Development (61.5%), Civil Rights (67.5%), Public Works (54.0%), Parks and Recreation (57.7%), and Library (69.7%).

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 (235.0%) has higher-than-expected overtime expenditures due to employees out on injury/medical leave, and the Police Department (96.6%) is above expected overtime expenditures due to overtime costs associated with ongoing investigations and the number of employees on injury/medical leave. While overtime is high for the Fire Department and Police Department, both departments' total salary and benefits are currently at or slightly below the expected expenditure rate of 73.1%: Police (73.3%) and Fire (71.5%).

General Fund Revenue

As of the end of March, the General Fund has received \$24.2M in property tax payments, which is 4.2% higher than FY 2020. Below is a chart detailing other major revenues. In relation to FY 2020, other major revenue sources are down 8.2%. First, charges for services is down 17.2% compared to FY 2020 due to a decrease in pool admissions, special events, and self-sustaining program attendance. Second, Uses of Money & Property is down 37.6% due to a decrease in Roosevelt and Junior Theatre rent. Finally, Fines & Forfeits is down 8.2% due to fewer speed camera fines collected compared to FY 2020. However, 78.0% of other revenue sources have been collected as of the end of March. Cable TV Franchise revenue is received on a quarterly basis with the third disbursement expected for the month of April. Cable TV Franchise revenue is in line with revenue projections. Charges for service is trending lower mainly due to reduced Parks activities. Fines & Forfeits is above budget projections due to higher than expected speed camera fine revenue.

Overall, major General Fund revenue sources are in line with budget projections. Although revenues are down compared to FY 2020, 78.0% of major revenues have been collected as of the end of March which is above the expected rate of 75.0%.

SUMMARY OF MAJOR NON-TAX REVENUE SOURCES					
Department	Budget	YTD	Current Projection	YTD Change from FY 2020	% of Budget Collected
Cable TV Franchise	760,000	384,736	760,000	1.5%	50.6%
Casino Development Fee	1,200,000	929,299	1,390,691	8.7%	77.4%
Licenses & Permits	1,919,300	1,731,856	2,064,778	13.4%	90.2%
Charges for Services	3,462,890	2,433,779	3,271,338	-17.2%	70.3%
Uses of Money & Property	790,200	514,620	824,113	-37.6%	65.1%
Fines & Forfeits	1,146,000	1,242,653	1,748,000	-8.5%	108.4%
Total	9,278,390	7,236,943	9,810,920	-8.2%	78.0%

Local Option Sales Tax Fund Revenue

The below chart displays the revenue categories for the Local Option Sales Tax Fund as of the end of March. The majority of this fund's revenue comes from the sales tax disbursements from the state. Typically, the revenue is at 66.3% of total Sales Tax revenue collected for the year as of the end of March. Overall, Local Option Sales Tax revenue is trending well above budget due to a higher revision in the monthly disbursement from the State of Iowa.

SUMMARY OF LOCAL OPTION SALES TAX FUND			
Department	Budget	YTD	% of Budget Collected
Other Taxes (Sales Tax)	16,607,500	14,472,033	87.1%
Charges for services	80,000	77,500	96.9%
Use of Monies & Prop	15,000	11,369	75.8%
Total	16,702,500	14,560,902	87.2%

Major Revenues by Fund

Other major revenue sources are also monitored, and the below chart summarizes them and displays the percent collected YTD and compares to its expected target percentage over a four year average. Funds with a variance of more than five percent above their expected level are highlighted in green, while funds with a variance of more than five percent below their expected level are highlighted in red. It is important to note that River's Edge, Golf concessions, transit passenger charges, and parking fees and fines have experienced some impact in FY 2021 due to the COVID-19 pandemic.

SUMMARY MAJOR REVENUE BY FUND				
Department	Budget	YTD	% of Budget Collected	Target
Airport - Hangers / Operations	\$ 171,800	\$ 132,218	77.0%	74.3%
Airport - Fuel	31,100	20,663	66.4%	62.7%
Clean Water Fees	3,030,000	1,929,748	63.7%	58.6%
Solid Waste Fees	6,540,000	3,930,219	60.1%	59.1%
Rivers Edge - Ice Rentals & Admissions	373,000	205,308	55.0%	80.8%
River's Edge - Turf Rentals & Admissions	156,000	66,735	42.8%	92.7%
River's Edge - Concessions	60,000	40,383	67.3%	99.6%
Golf - Green Fees	790,000	600,882	76.1%	60.5%
Golf - Concessions	215,000	113,715	52.9%	67.8%
Transit - Grants	1,730,000	1,031,361	59.6%	18.5%
Transit - Passenger Charges	467,100	211,003	45.2%	79.0%
Parking - Ramps & Fees	1,180,500	528,179	44.7%	76.5%
Parking - Fines	125,000	65,428	52.3%	90.2%
Heritage - Grants	600,000	483,751	80.6%	74.5%
Heritage - Rents	375,000	291,690	77.8%	74.9%
Sewer Fees - Residential	18,400,000	12,288,713	66.8%	60.1%
Sewer Fees - Industrial	3,100,000	2,695,055	86.9%	73.5%
Road Use Tax	12,500,000	8,252,504	66.0%	68.7%
Local Option Sales Tax	16,600,000	14,344,709	86.4%	66.3%
Employee Health - Recovery	-	1,574,460	N/A	N/A

Trust & Agency Fund

As of the end of March, Trust & Agency Fund expenditures are in line with expected budget levels. The expected level of expenditures as of the end of March is 74.1%. Trust & Agency benefits are currently at 73.7%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,422,752	988,905	69.5%
IPERS	1,324,599	826,455	62.4%
Employee Insurance	11,197,959	8,503,565	75.9%
MFPRSI	6,097,442	4,440,889	72.8%
RHSP	832,540	621,684	74.7%
Total	20,875,292	15,381,498	73.7%

Employee Health Insurance Fund

As of the end of March, claims for FY 2021 are 5.7% lower than claims in FY 2020. Claims expenditures are currently trending \$1.8M below the original budget of \$15.8 million.

HEALTH CLAIMS PROJECTION MODEL							Year End
	FY 2019	FY 2020	Average	% Total	Cum. %	FY 2021	Projection
July	1,301,936	1,165,155	921,801	7.82%	7.82%	1,077,507	13,771,835
August	931,009	1,203,114	1,008,518	8.56%	16.38%	1,328,983	14,688,039
September	1,035,706	977,833	922,289	7.83%	24.21%	1,181,074	14,817,211
October	1,652,578	1,388,887	963,165	8.18%	32.39%	1,104,134	14,486,267
November	1,130,025	1,111,402	924,253	7.84%	40.23%	1,213,605	14,678,119
December	1,102,052	1,189,299	1,143,175	9.70%	49.93%	1,126,545	14,082,013
January	1,219,386	1,235,191	912,139	7.74%	57.68%	964,700	13,864,375
February	1,285,767	1,115,559	780,877	6.63%	64.30%	1,115,936	14,170,766
March	1,143,703	1,481,989	1,069,112	9.07%	73.38%	1,139,423	13,971,148
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%		10,251,907	

Budget Update

During the month of April, the City Council set the public hearing date amending the FY 2021 Budget for May 19, 2021. In preparation for this amendment process, the Finance team has completed the city's operational amendments, CIP amendments, and personnel amendments for FY 2021. Additionally, the Finance team continued the FY 2022 Budget Book development process, which will be submitted to the GFOA for review in June.