



MEMORANDUM

DATE: January 29, 2021

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

FROM: Meghan Murray, Budget Analyst

RE: FY 2021 Monthly Financial Update – Through December 2020

Below is a summary report of the city’s main operating funds as of December 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 December, General Fund operating departments ended below expected spending levels. With 50.4% of the year completed, 48.2% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 47.8% of budgeted levels, which is less than the expected level of 50.0%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	344,306	182,946	53.1%
Mayor's Office	127,397	71,897	56.4%
Finance	1,443,877	691,123	47.9%
Administration	918,494	345,974	37.7%
Human Resources	748,530	368,583	49.2%
Comm. & Econ. Dev.	642,246	284,575	44.3%
Civil Rights	344,703	155,325	45.1%
Dev. & Nbhd. Svc. Dept.	1,945,251	945,580	48.6%
Public Works	2,548,412	941,897	37.0%
Police Department	19,254,407	9,946,372	51.7%
Fire Department	13,254,608	6,465,637	48.8%
Parks & Recreation	4,281,101	1,743,495	40.7%
Library	2,784,063	1,313,346	47.2%
Total	48,637,395	23,456,750	48.2%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	111	4.3%
Public Works	67,500	5,467	8.1%
Police	570,858	397,347	69.6%
Fire	211,100	377,573	178.9%
Parks	29,500	9,679	32.8%
Total	881,558	790,177	89.6%

There is currently one department with a variance of more than 3.0% above the expected expenditure rate of 50.4%. The Mayor’s Office (56.4%) is above expected expenditure rate due to changes 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

50.4%, Administration (37.7%), Community and Economic Development (44.3%), Civil Rights (45.1%), Public Works (37.0%), and Parks and Recreation (40.7%).

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 (178.9%) has higher-than-expected overtime expenditures due to employees out on injury/medical leave, and the Police Department (69.6%) 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 50.0%.

As of the end of December, the General Fund has received \$21.9M in property tax payments, which is 5.7% higher than FY 2020. Below is a chart detailing other major revenue sources. Overall, the other major revenue sources are down 7.8% compared to last year as of the end of December. The Cable TV Franchise first quarterly payment has been received and is up by 5.5%. Casino Development Fee revenue is up by 3.6% compared to FY 2020. The Licenses and Permits category is up by 30.3%. The Charges for Services category is down by 23.4% 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 21.9% due to a decrease in Roosevelt and Junior Theatre rent. Fines and forfeits is down by 10.0% due to fewer speed camera fines collected compared to FY 2020. Although revenues are down compared to FY 2020, overall 51.6% of the budget for major revenue sources has been collected as of the end of December.

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	196,832	760,000	5.5%	25.9%
Casino Development Fee	1,200,000	556,752	1,385,338	3.6%	46.4%
Licenses & Permits	1,919,300	1,152,324	2,064,778	30.3%	60.0%
Charges for Services	3,462,890	1,579,051	2,869,212	-23.4%	45.6%
Uses of Money & Property	790,200	451,752	972,945	-21.9%	57.2%
Fines & Forfeits	1,146,000	851,455	1,500,000	-10.0%	74.3%
Total	9,278,390	4,788,166	9,552,273	-7.8%	51.6%

Trust & Agency Fund

As of the end of December, Trust & Agency Fund expenditures are below expected budget levels. The expected level of expenditures as of the end of December is 50.2%. Trust & Agency benefits are currently at 49.5%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,422,752	670,678	47.1%
IPERS	1,324,599	564,212	42.6%
Employee Insurance	11,197,959	5,665,583	50.6%
MFPRSI	6,097,442	3,002,273	49.2%
RHSP	832,540	422,963	50.8%
Total	20,875,292	10,325,709	49.5%

Employee Health Insurance Fund

As of the end of December, claims for FY 2021 are 0.35% higher than claims in FY 2020. Claims expenditures are currently trending \$1.7M 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%	1,130,947	14,575,030
November	1,130,025	1,111,402	924,253	7.84%	40.23%	1,213,605	14,749,575
December	1,102,052	1,189,299	1,143,175	9.70%	49.93%	1,126,545	14,085,888
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%		7,060,596	

FY 2022 Budget Update

During the month of December, staff continued budget projections for the FY 2022 Budget. The budget team worked to finalize all FY 2022 payroll projections and began reviewing budgets at the fund level in preparation for the three budget workshops held in January of 2021.