



MEMORANDUM

DATE: March 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 February 2021

Below is a summary report of the city’s main operating funds as of February 28, 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 should continue to increase.

General Fund Expenditures

As of the end of February, General Fund operating departments ended below expected spending levels. With 66.7% of the year completed, 63.2% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 64.0% of budgeted levels, which is less than the expected level of 65.4%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	344,306	213,921	62.1%
Mayor's Office	127,397	94,918	74.5%
Finance	1,443,877	901,553	62.4%
Administration	918,494	460,481	50.1%
Human Resources	748,530	489,777	65.4%
Comm. & Econ. Dev.	642,246	367,767	57.3%
Civil Rights	344,703	201,215	58.4%
Dev. & Nbhd. Svc. Dept.	1,945,251	1,266,190	65.1%
Public Works	2,548,412	1,133,747	44.5%
Police Department	19,254,407	13,205,261	68.6%
Fire Department	13,254,608	8,488,911	64.0%
Parks & Recreation	4,281,101	2,204,584	51.5%
Library	2,784,063	1,723,846	61.9%
Total	48,637,395	30,752,170	63.2%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	117	4.5%
Public Works	67,500	43,177	64.0%
Police	570,858	481,493	84.3%
Fire	211,100	442,182	209.5%
Parks	29,500	14,972	50.8%
Total	881,558	981,940	111.4%

There is currently one department with a variance of more than 3.0% above the expected expenditure rate of 66.7%. The Mayor’s Office (74.5%) 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

66.7%, Administration (50.1%), Community and Economic Development (57.3%), Civil Rights (58.4%), Public Works (44.5%), and Parks and Recreation (51.5%).

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 (209.5%) has higher-than-expected overtime expenditures due to employees out on injury/medical leave, and the Police Department (84.3%) 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 65.4%.

General Fund Revenue

As of the end of February, the General Fund has received \$22.6M in property tax payments, which is 6.7% higher than FY2020. Below is a chart detailing other major revenues. Overall, 67.8% of other revenue sources have been collected as of the end of February. Cable TV Franchise revenue is received on a quarterly basis with the second disbursement received in February. 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.

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	1.7%	50.6%
Casino Development Fee	1,200,000	822,232	1,405,730	10.4%	68.5%
Licenses & Permits	1,919,300	1,310,400	2,064,778	13.3%	68.3%
Charges for Services	3,462,890	2,148,285	3,225,438	-17.1%	62.0%
Uses of Money & Property	790,200	492,648	942,664	-21.5%	62.3%
Fines & Forfeits	1,146,000	1,130,939	1,500,000	-10.2%	98.7%
Total	9,278,390	6,289,239	9,898,610	7.1%	67.8%

In relation to FY 2020, other major revenue sources are up 7.1%. However, charges for services is down 17.1% 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 21.5% due to a decrease in Roosevelt and Junior Theatre rent. Finally, Fines & Forfeits is down 10.2% due to fewer speed camera fines collected compared to FY 2020.

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 February. The majority of this fund's revenue comes from the sales tax disbursements. Typically, the revenue is at 58.2% of total Sales Tax revenue collected for the year as of the end of February. 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	11,721,232	70.6%
Charges for services	80,000	75,380	94.2%
Use of Monies & Prop	15,000	10,739	71.6%
Total	16,702,500	11,807,351	70.7%

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 instability in FY2021 due to the COVID-19 pandemic.

SUMMARY MAJOR REVENUE BY FUND				
Department	Budget	YTD	% of Budget Collected	Target
Airport - Hangers / Operations	\$ 171,800	\$ 117,631	68.5%	66.0%
Airport - Fuel	31,100	20,663	66.4%	58.1%
Clean Water Fees	3,030,000	1,681,905	55.5%	50.5%
Solid Waste Fees	6,540,000	3,348,995	51.2%	50.1%
Rivers Edge - Ice Rentals & Admissions	373,000	194,476	52.1%	65.2%
River's Edge - Turf Rentals & Admissions	156,000	57,590	36.9%	85.7%
River's Edge - Concessions	60,000	33,967	56.6%	91.3%
Golf - Green Fees	790,000	574,340	72.7%	58.1%
Golf - Concessions	215,000	111,980	52.1%	66.6%
Transit - Grants	1,730,000	625,988	36.2%	16.7%
Transit - Passenger Charges	467,100	182,182	39.0%	70.6%
Parking - Ramps & Fees	1,180,500	479,072	40.6%	67.6%
Parking - Fines	125,000	62,423	49.9%	77.6%
Heritage - Grants	600,000	433,113	72.2%	66.5%
Heritage - Rents	375,000	259,490	69.2%	66.2%
Sewer Fees - Residential	18,400,000	10,704,516	58.2%	51.4%
Sewer Fees - Industrial	3,100,000	2,413,102	77.8%	66.7%
Road Use Tax	12,500,000	7,821,006	62.6%	63.4%
Local Option Sales Tax	16,600,000	11,721,232	70.6%	58.2%
Employee Health - Recovery	-	869,415	N/A	N/A

Trust & Agency Fund

As of the end of February, Trust & Agency Fund expenditures are slightly below expected budget levels. The expected level of expenditures as of the end of February is 66.1%. Trust & Agency benefits are currently at 65.6%.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,422,752	882,458	62.0%
IPERS	1,324,599	737,937	55.7%
Employee Insurance	11,197,959	7,568,943	67.6%
MFPRSI	6,097,442	3,942,973	64.7%
RHSP	832,540	555,869	66.8%
Total	20,875,292	13,688,180	65.6%

Employee Health Insurance Fund

As of the end of February, claims for FY 2021 are 2.9% lower than claims in FY 2020. Claims expenditures are currently trending \$1.6M 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%	1,077,507	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%		
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%		9,112,484	

FY 2022 Budget Update

During the month of March, the City Administrator presented the Recommended Budget to City Council, and the public hearing was held on March 17, 2021. Additionally, City Council adopted the FY 2022 Budget on March 24, 2021. The development of the formal budget book is underway and will be submitted to the GFOA in June.