



# MEMORANDUM

**DATE:** February 23, 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 January 2021

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

## General Fund

As of the end of January, General Fund operating departments ended below expected spending levels. With 58.3% of the year completed, 55.8% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 56.3% of budgeted levels, which is less than the expected level of 57.7%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	344,306	198,983	57.8%
Mayor's Office	127,397	83,526	65.6%
Finance	1,443,877	791,979	54.9%
Administration	918,494	398,632	43.4%
Human Resources	748,530	426,428	57.0%
Comm. & Econ. Dev.	642,246	325,970	50.8%
Civil Rights	344,703	179,133	52.0%
Dev. & Nbhd. Svc. Dept.	1,945,251	1,105,680	56.8%
Public Works	2,548,412	1,073,724	42.1%
Police Department	19,254,407	11,565,716	60.1%
Fire Department	13,254,608	7,517,293	56.7%
Parks & Recreation	4,281,101	1,976,934	46.2%
Library	2,784,063	1,518,895	54.6%
<b>Total</b>	<b>48,637,395</b>	<b>27,162,894</b>	<b>55.8%</b>

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	111	4.3%
Public Works	67,500	32,866	48.7%
Police	570,858	429,534	75.2%
Fire	211,100	404,164	191.5%
Parks	29,500	12,679	43.0%
<b>Total</b>	<b>881,558</b>	<b>879,355</b>	<b>99.8%</b>

There is currently one department with a variance of more than 3.0% above the expected expenditure rate of 58.3%. The Mayor’s Office (65.6%) 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

58.3%, Administration (43.4%), Community and Economic Development (50.8%), Civil Rights (52.0%), Public Works (42.1%), and Parks and Recreation (46.2%).

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 (191.5%) has higher-than-expected overtime expenditures due to employees out on injury/medical leave, and the Police Department (75.2%) 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 58.3%.

As of the end of January, the General Fund has received \$22.3M in property tax payments, which is 6.3% higher than FY 2020. Below is a chart detailing other major revenue sources. Overall, the other major revenue sources are down 8.0% compared to last year as of the end of January. The Cable TV Franchise first quarterly payment has been received and is up by 5.5%. Casino Development Fee revenue is up by 7.2% compared to FY 2020. The Licenses and Permits category is up by 22.0%. The Charges for Services category is down by 21.7% 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 21.4% due to a decrease in Roosevelt and Junior Theatre rent. Finally, fines and forfeits is down by 10.6% due to fewer speed camera fines collected compared to FY 2020. Although revenues are down compared to FY 2020, overall 58.2% of the budget for major revenue sources has been collected as of the end of January, and is tracking in alignment with budgeted amounts.

<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>	<b>% of Budget Collected</b>
Cable TV Franchise	760,000	196,832	760,000	5.5%	25.9%
Casino Development Fee	1,200,000	690,865	1,389,667	7.2%	57.6%
Licenses & Permits	1,919,300	1,237,422	2,064,778	22.0%	64.5%
Charges for Services	3,462,890	1,816,511	3,042,062	-21.7%	52.5%
Uses of Money & Property	790,200	472,796	962,331	-21.4%	59.8%
Fines & Forfeits	1,146,000	989,308	1,500,000	-10.6%	86.3%
<b>Total</b>	<b>9,278,390</b>	<b>5,403,734</b>	<b>9,718,838</b>	<b>-8.0%</b>	<b>58.2%</b>

### **Trust & Agency Fund**

As of the end of January, Trust & Agency Fund expenditures are slightly below expected budget levels. The expected level of expenditures as of the end of January is 58.0%. Trust & Agency benefits are currently at 57.4%.

<b>BENEFIT SUMMARY</b>			
<b>Benefit</b>	<b>Budget</b>	<b>YTD</b>	<b>%</b>
FICA	1,422,752	776,467	54.6%
IPERS	1,324,599	650,300	49.1%
Employee Insurance	11,197,959	6,603,607	59.0%
MFPRSI	6,097,442	3,475,070	57.0%
RHSP	832,540	486,964	58.5%
<b>Total</b>	<b>20,875,292</b>	<b>11,992,407</b>	<b>57.4%</b>

## Employee Health Insurance Fund

As of the end of January, claims for FY 2021 are 3.3% lower than claims in FY 2020. Claims expenditures are currently trending \$1.9M 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%	1,104,134	14,492,241
November	1,130,025	1,111,402	924,253	7.84%	40.23%	1,213,605	14,682,929
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%	964,700	13,867,730
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%		
<b>Total</b>	<b>14,362,646</b>	<b>14,233,712</b>	<b>11,781,729</b>	<b>100.00%</b>		<b>7,998,483</b>	

## FY 2022 Budget Update

During the month of January, staff held budget workshops for the FY 2022 budget. Additionally, the budget team worked to prepare the FY 2022 City Administrator's Recommended Budget. The public hearing will be held on March 17, 2021.