



MEMORANDUM

DATE: June 1, 2022

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

FROM: Jalatama “Jolly” Omar, Budget Analyst

RE: FY 2022 Monthly Financial Update – Through April 2022

Below is a summary report of the city’s main operating funds as of April 30, 2022 for FY 2022. Information is provided for the General Fund, Trust & Agency Fund, Local Options Sales Tax Fund, other major revenues, and Employee Health Fund.

General Fund Expenditures

As of the end of April, General Fund operating departments ended slightly below expected spending levels. With 83.3% of the year completed, 80.3% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 79.2% of budgeted levels, which is in line with the expected level of 79.5%. For context, this is primarily due to one-time payouts. Also, full-time salaries are trending below budget (77.2%), compared to the expected target YTD (79.5%).

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	321,993	254,536	79.1%
Mayor's Office	142,184	110,836	78.0%
Finance	1,540,582	1,280,328	83.1%
Administration	821,019	628,397	76.5%
IT	-	(72,202)	-
Human Resources	774,280	645,999	83.4%
Comm. & Econ. Dev.	674,019	526,062	78.0%
Civil Rights	363,387	280,912	77.3%
Dev. & Nbhd. Svc. Dept.	2,109,768	1,641,789	77.8%
Public Works	3,271,879	2,559,569	78.2%
Police Department	19,560,634	15,807,137	80.8%
Fire Department	13,384,572	11,068,171	82.7%
Parks & Recreation	4,337,550	3,242,968	74.8%
Library	2,784,616	2,245,454	80.6%
Total	50,086,483	40,219,956	80.3%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	161	6.2%
Human Resources	-	59	-
CED	-	192	-
DNSD	2,000	9,567	478.3%
Public Works	67,500	37,213	55.1%
Police	570,858	361,618	63.3%
Fire	211,100	794,900	376.6%
Parks	29,500	30,946	104.9%
Library	5,135	477	9.3%
Total	888,693	1,235,131	139.0%

Overall, there are no departments that exceed the expected budget targets. There are currently seven departments falling 5.0% or more below the expected expenditure rate of 83.3%, The Mayor's Office (78.0%), City Administration (76.5%), Community and Economic Development (78.0%), Civil Rights (77.3%), Development & Neighborhood Services (77.8%), Public Works (78.2%), and Parks & Recreation (74.8%).

The Overtime Summary Report shows five departments with a variance of more than 3.0% above the expected expenditure rate for overtime. First, the Human Resources Department incurred unexpected costs related to front desk staff but has not been a continued expense. The Community and Economic Development Department incurred overtime costs during the fall related to community event staffing. Also, the Development and Neighborhood Services Department (478.3%) is above expected overtime expenditures due to overtime costs related to inspections and code enforcement. The Fire Department (376.6%) has higher-than-expected overtime expenditures due to employees out on injury/military leave. Finally, the Parks and Recreation Department (104.9%) is above expected overtime levels due to overtime related to parks operations and recreation programs.

General Fund Revenue

As of the end of April, the General Fund has received \$35.6M in current property taxes, which is 2.5% higher than FY 2021 YTD (\$34.7M). Below is a chart detailing other major revenues. In relation to FY 2021 YTD, other major revenue sources are up 19.4%. First, Cable TV Franchise revenue is received on a quarterly basis and the third quarterly disbursement is expected to be received in May. Next, Casino Development Fee revenues are up 8.8% compared to FY 2021 YTD. Licenses and permits is up 59.4% due to higher building permits associated with Amazon construction. Charges for services is up 22.4% which can be attributed to an increase in rental inspections completed. Also, Uses of Money and Property are down 14.6% YTD, but is expected to stabilize in the coming months. Finally, Fines & Forfeits is up 4.7% due to an increase in speed camera fine collections compared to FY 2021 YTD.

Overall, major General Fund revenue sources are trending above budget projections. These revenue sources will be closely monitored on a monthly basis in relation to budget.

SUMMARY OF MAJOR NON-TAX REVENUE SOURCES					
Department	Budget	YTD	Current Projection	YTD Change from FY 2021	% of Budget Collected
Cable TV Franchise	760,000	319,276	507,297	-	42.0%
Casino Development Fee	1,200,000	1,178,278	1,555,435	8.8%	98.2%
Licenses & Permits	1,919,300	3,116,556	3,762,404	59.4%	162.4%
Charges for Services	3,851,072	3,316,662	3,883,791	22.4%	86.1%
Uses of Money & Property	789,040	543,737	786,602	-14.6%	68.9%
Fines & Forfeits	1,255,500	1,500,956	1,860,067	4.7%	119.6%
Total	9,774,912	9,975,466	12,355,596	19.4%	102.1%

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 April. The majority of this fund's revenue comes from the sales tax disbursements from the state. Local Options Sales Tax Fund revenue is currently at 115.4%, which is above the expected budget for FY 2022. These numbers include a \$4.1M true-up payment received from the State of Iowa in November. Excluding the true-up payment, the LST Fund is at 90.6% which is higher than the 4-year average of 72.3% YTD.

SUMMARY OF LOCAL OPTION SALES TAX FUND			
Department	Budget	YTD	% of Budget Collected
Other Taxes (Sales Tax)	16,607,500	19,152,956	115.3%
Charges for services	80,000	110,801	138.5%
Use of Monies & Prop	15,000	13,528	90.2%
Total	16,702,500	19,277,285	115.4%

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.

SUMMARY MAJOR REVENUE BY FUND				
Department	Budget	YTD	% of Budget Collected	Target
Airport - Hangers / Operations	174,900	148,612	85.0%	82.8%
Airport - Fuel	31,100	33,839	108.8%	63.1%
Clean Water Fees	3,120,000	2,291,081	73.4%	68.1%
Solid Waste Fees	6,732,500	4,742,220	70.4%	65.9%
Rivers Edge - Ice Rentals & Admissions	345,000	318,631	92.4%	85.1%
River's Edge - Turf Rentals & Admissions	130,000	85,671	65.9%	94.7%
River's Edge - Concessions	50,000	35,839	71.7%	97.5%
Golf - Green Fees	800,000	713,152	89.1%	70.1%
Golf - Concessions	210,000	167,425	79.7%	70.5%
Transit - Grants	1,775,000	2,283,098	128.6%	33.4%
Transit - Passenger Charges	431,000	319,585	74.1%	85.8%
Parking - Ramps & Fees	1,074,100	756,071	70.4%	84.6%
Parking - Fines	120,000	118,813	99.0%	83.6%
Sewer Fees - Residential	19,688,000	15,090,374	76.6%	67.5%
Sewer Fees - Industrial	3,317,000	3,609,607	108.8%	82.5%
Road Use Tax	12,800,000	10,083,492	78.8%	71.6%
Local Option Sales Tax	16,600,000	18,979,016	114.3%	72.3%
Employee Health - Recovery	-	1,598,323	N/A	N/A

Trust & Agency Fund

As of the end of April, Trust & Agency Fund expenditures are slightly below expected budget levels. The expected level of expenditures as of the end of April is 81.5%. Trust & Agency benefits are currently at 81.2% which is in line with the expected budget.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,435,911	1,150,190	80.1%
IPERS	1,333,186	956,608	71.8%
Employee Insurance	11,010,857	9,375,733	85.1%
MFPRSI	6,419,005	5,033,463	78.4%
Deferred Compensation	16,836	6,537	38.8%
RHSP	847,030	688,037	81.2%
Fit Pay	131,000	130,730	99.8%
Total	21,193,825	17,210,568	81.2%

Employee Health Insurance Fund

As of the end of April, claims for FY 2022 are 14.5% higher than claims in FY 2021. Claims expenditures are currently trending about \$132K above the original budget of \$15.8 million.

HEALTH CLAIMS PROJECTION MODEL							
	FY 2020	FY 2021	Average	% Total	Cum. %	FY 2022	Year End Projection
July	1,165,155	1,077,507	931,533	7.82%	7.82%	940,733	12,034,289
August	1,203,114	1,328,983	1,028,548	8.63%	16.45%	1,515,769	14,934,665
September	977,833	1,181,074	938,463	7.88%	24.32%	1,440,852	16,022,943
October	1,388,887	1,104,134	971,975	8.16%	32.48%	1,117,746	15,440,547
November	1,111,402	1,213,605	942,338	7.91%	40.39%	1,209,077	15,411,016
December	1,189,299	1,126,545	1,142,136	9.58%	49.97%	1,826,517	16,110,327
January	1,235,191	964,700	915,424	7.68%	57.65%	970,399	15,646,901
February	1,115,559	1,115,936	801,818	6.73%	64.38%	1,402,590	16,190,176
March	1,481,989	1,139,423	1,073,507	9.01%	73.39%	1,403,597	16,115,379
April	1,311,637	1,137,471	1,012,438	8.50%	81.89%	1,215,023	15,927,138
May	706,360	1,155,054	1,006,243	8.44%	90.33%		14,438,292
June	1,347,286	1,395,190	1,152,175	9.67%	100.00%		13,042,303
Total	14,233,712	13,939,622	11,916,597	100.00%		13,042,303	

FY 2023 Budget Update

During the month of May, the City Council amended the FY 2022 Budget, and it was submitted to the County Auditor's Office for certification. Additionally, the Finance team continued the development of the FY 2023 Budget Book, which will be submitted to the GFOA for review in June.