



MEMORANDUM

DATE: February 11, 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 January 2022

Below is a summary report of the city’s main operating funds as of January 31, 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 January, General Fund operating departments ended slightly below expected spending levels. With 58.3% of the year completed, 57.0% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 56.9% of budgeted levels, which is below the expected level of 60.2%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	321,993	191,713	59.5%
Mayor's Office	142,184	78,489	55.2%
Finance	1,540,582	926,084	60.1%
Administration	821,019	441,186	53.7%
IT	-	(172,030)	-
Human Resources	774,280	470,029	60.7%
Comm. & Econ. Dev.	674,019	366,763	54.4%
Civil Rights	363,387	194,741	53.6%
Dev. & Nbhd. Svc. Dept.	2,109,768	1,147,933	54.4%
Public Works	3,271,879	1,678,828	51.3%
Police Department	19,560,634	11,267,233	57.6%
Fire Department	13,384,572	8,006,500	59.8%
Parks & Recreation	4,337,550	2,348,895	54.2%
Library	2,784,616	1,585,637	56.9%
Total	50,086,483	28,532,002	57.0%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	33	1.3%
Human Resources	-	30	-
CED	-	192	-
DNSD	2,000	7,345	367.3%
Public Works	67,500	26,268	38.9%
Police	570,858	262,117	45.9%
Fire	211,100	629,597	298.2%
Parks	29,500	23,204	78.7%
Library	5,135	202	3.9%
Total	888,693	948,989	106.8%

Overall, there are no departments that are exceeding expected budget amounts. There is currently one department falling 5.0% or more below the expected expenditure rate of 58.3%, Public Works (51.3%).

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 has 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 (367.3%) is above expected overtime expenditures due to overtime costs related to inspections and code enforcement. The Fire Department (298.2%) has higher-than-expected overtime expenditures due to employees out on injury/medical leave. Finally, the Parks and Recreation Department (78.7%) is above expected overtime levels due to overtime related to parks operations and recreation programs.

General Fund Revenue

As of the end of January, the General Fund has received \$20.5M in current property taxes, which is 3.1% higher than FY 2021 YTD. Below is a chart detailing other major revenues. In relation to FY 2021 YTD, other major revenue sources are up 35.8%. First, Cable TV Franchise revenue is received on a quarterly basis, and the second disbursement was received in January. Next, Casino Development Fee revenues are down 6.1% compared to FY 2021 YTD, but are anticipated to stabilize in the upcoming months. Licenses and permits is up 93.7% due to higher building permits associated with Amazon construction. Charges for services is up 37.5% which can be attributed to an increase in rental inspections completed. Also, Uses of Money and Property are down 16.0% YTD, and is projected to be slightly under budget. Finally, Fines & Forfeits is up 10.6% 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	303,055	670,200	-	39.9%
Casino Development Fee	1,200,000	648,714	1,334,865	-6.1%	54.1%
Licenses & Permits	1,919,300	2,397,425	3,363,739	93.7%	124.9%
Charges for Services	3,851,072	2,497,863	3,883,791	37.5%	64.9%
Uses of Money & Property	789,040	397,173	722,254	-16.0%	50.3%
Fines & Forfeits	1,255,500	1,093,758	1,943,459	10.6%	87.1%
Total	9,774,912	7,337,987	11,918,308	35.8%	75.1%

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 January. 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 88.0%, which is above the expected budget YTD.

SUMMARY OF LOCAL OPTION SALES TAX FUND			
Department	Budget	YTD	% of Budget Collected
Other Taxes (Sales Tax)	16,607,500	14,579,674	87.8%
Charges for services	80,000	105,368	131.7%
Use of Monies & Prop	15,000	8,786	58.6%
Total	16,702,500	14,693,828	88.0%

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	103,591	59.2%	57.3%
Airport - Fuel	31,100	21,136	68.0%	57.1%
Clean Water Fees	3,120,000	1,469,570	47.1%	42.9%
Solid Waste Fees	6,732,500	2,918,672	43.4%	41.4%
Rivers Edge - Ice Rentals & Admissions	345,000	95,033	27.5%	48.7%
River's Edge - Turf Rentals & Admissions	130,000	65,015	50.0%	75.1%
River's Edge - Concessions	50,000	30,821	61.6%	63.7%
Golf - Green Fees	800,000	601,458	75.2%	58.1%
Golf - Concessions	210,000	151,365	72.1%	61.9%
Transit - Grants	1,775,000	1,357,729	76.5%	11.0%
Transit - Passenger Charges	431,000	215,301	50.0%	61.3%
Parking - Ramps & Fees	1,074,100	528,707	49.2%	59.4%
Parking - Fines	120,000	61,765	51.5%	43.6%
Sewer Fees - Residential	19,688,000	9,732,196	49.4%	43.3%
Sewer Fees - Industrial	3,317,000	2,639,442	79.6%	58.9%
Road Use Tax	12,800,000	6,807,432	53.2%	49.9%
Local Option Sales Tax	16,600,000	14,485,896	87.3%	52.6%
Employee Health - Recovery	-	1,598,323	N/A	N/A

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 59.2%. Trust & Agency benefits are currently at 57.4% which is slightly below the expected budget.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,435,911	819,487	57.1%
IPERS	1,333,186	683,352	51.3%
Employee Insurance	11,010,857	6,572,487	59.7%
MFPRSI	6,419,005	3,594,758	56.0%
Deferred Compensation	16,836	-	0.0%
RHSP	847,030	487,609	57.6%
Fit Pay	131,000	-	0.0%
Total	21,193,825	12,157,693	57.4%

Employee Health Insurance Fund

As of the end of January, claims for FY 2022 are 12.8% higher than claims in FY 2021. Claims expenditures are currently trending about \$151K below 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%	1,116,035	15,435,279
November	1,111,402	1,213,605	942,338	7.91%	40.39%	1,209,077	15,406,780
December	1,189,299	1,126,545	1,142,136	9.58%	49.97%	1,826,517	16,106,903
January	1,235,191	964,700	915,424	7.68%	57.65%	970,399	15,643,933
February	1,115,559	1,115,936	801,818	6.73%	64.38%		14,009,001
March	1,481,989	1,139,423	1,073,507	9.01%	73.39%		12,289,449
April	1,311,637	1,137,471	1,012,438	8.50%	81.89%		11,014,385
May	706,360	1,155,054	1,006,243	8.44%	90.33%		9,984,776
June	1,347,286	1,395,190	1,152,175	9.67%	100.00%		9,019,382
Total	14,233,712	13,939,622	11,916,597	100.00%		9,019,382	

FY 2023 Budget Update

During the month of January, the city held budget workshops for the FY 2023 Budget. Additionally, the Finance Department worked to finalize various allocations and reports for the FY 2023 Budget. The public hearing for the FY 2023 Budget will be held on March 16, 2022.