



MEMORANDUM

DATE: January 4, 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 November 2021

Below is a summary report of the city’s main operating funds as of November 30, 2021 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. As the year advances, projections are expected to stabilize.

General Fund Expenditures

As of the end of November, General Fund operating departments ended below expected spending levels. With 41.7% of the year completed, 37.9% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 37.6% of budgeted levels, which is below the expected level of 41.0%. Payroll costs are expected to return to anticipated levels in the coming months.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	321,993	140,630	43.7%
Mayor's Office	142,184	51,427	36.2%
Finance	1,540,582	567,296	36.8%
Administration	821,019	289,903	35.3%
IT	-	(190,495)	-
Human Resources	774,280	291,346	37.6%
Comm. & Econ. Dev.	674,019	255,342	37.9%
Civil Rights	363,387	127,914	35.2%
Dev. & Nbhd. Svc.	2,109,768	775,163	36.7%
Public Works	3,271,879	1,164,663	35.6%
Police Department	19,560,634	7,448,949	38.1%
Fire Department	13,384,572	5,276,161	39.4%
Parks & Recreation	4,337,550	1,732,837	39.9%
Library	2,784,616	1,068,855	38.4%
Total	50,086,483	18,999,991	37.9%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	33	1.3%
Human Resources	-	25	-
CED	-	192	-
DNSD	2,000	5,883	294.2%
Public Works	67,500	13,550	20.1%
Police	570,858	187,026	32.8%
Fire	211,100	399,081	189.0%
Parks	29,500	15,127	51.3%
Library	5,135	148	2.9%
Total	888,693	621,067	69.9%

Overall, there are no departments that are exceeding expected budget amounts. There are currently five departments falling 5.0% or more below the expected expenditure rate of 41.7%, Mayor's Office (36.2%), Administration (35.3%), Civil Rights (35.2), Development and Neighborhood Services (36.7%), and Public Works (35.6%).

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 is not anticipated to be a continued expense. The Community and Economic Development Department incurred overtime costs during the month of November related to community event staffing. Also, the Development and Neighborhood Services Department (294.2%) is above expected overtime expenditures due to overtime costs related to inspections and code enforcement. The Fire Department (189.0%) has higher-than-expected overtime expenditures due to employees out on injury/medical leave. Finally, the Parks and Recreation Department (51.3%) is above expected overtime levels due to overtime related to parks operations and recreation programs.

General Fund Revenue

As of the end of November, the General Fund has received \$20.9M in property tax payments, which is 1.2% 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 46.0%. First, Cable TV Franchise revenue is received on a quarterly basis, and the first disbursement was received in November. Next, Casino Development Fee revenues are up 16.3% compared to FY 2021 YTD. Licenses and permits is up 109.6% due to higher building permits associated with Amazon construction. Charges for services is up 57.0% which can be attributed to an increase in rental inspections completed. Also, Uses of Money and Property are down 31.7% YTD, but are expected to stabilize in the coming months. Finally, Fines & Forfeits is down 6.3% due to a decrease 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	160,312	687,202	-	21.1%
Casino Development Fee	1,200,000	528,263	1,334,865	16.3%	44.0%
Licenses & Permits	1,919,300	2,148,678	3,363,739	109.6%	112.0%
Charges for Services	3,851,072	2,037,044	3,925,754	57.0%	52.9%
Uses of Money & Property	789,040	150,365	896,379	-31.7%	19.1%
Fines & Forfeits	1,255,500	646,549	1,673,372	-6.3%	51.5%
Total	9,774,912	5,671,210	11,881,311	46.0%	58.0%

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 November. 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 66.9%, which is above the expected budget. During the month of November, the City received an annual true-up payment of \$4.1M.

SUMMARY OF LOCAL OPTION SALES TAX FUND			
Department	Budget	YTD	% of Budget Collected
Other Taxes (Sales Tax)	16,607,500	11,054,717	66.6%
Charges for services	80,000	118,504	148.1%
Use of Monies & Prop	15,000	7,991	53.3%
Total	16,702,500	11,181,212	66.9%

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	73,809	42.2%	42.0%
Airport - Fuel	31,100	17,250	55.5%	38.9%
Clean Water Fees	3,120,000	946,082	30.3%	26.4%
Solid Waste Fees	6,732,500	1,778,252	26.4%	25.6%
Rivers Edge - Ice Rentals & Admissions	345,000	57,848	16.8%	26.1%
River's Edge - Turf Rentals & Admissions	130,000	36,634	28.2%	37.6%
River's Edge - Concessions	50,000	20,437	40.9%	32.2%
Golf - Green Fees	800,000	573,988	71.7%	56.1%
Golf - Concessions	210,000	154,800	73.7%	61.9%
Transit - Grants	1,775,000	239,498	13.5%	7.6%
Transit - Passenger Charges	431,000	166,505	38.6%	42.5%
Parking - Ramps & Fees	1,074,100	382,546	35.6%	43.1%
Parking - Fines	120,000	38,054	31.7%	29.8%
Sewer Fees - Residential	19,688,000	6,326,640	32.1%	27.1%
Sewer Fees - Industrial	3,317,000	1,969,254	59.4%	44.0%
Road Use Tax	12,800,000	4,641,495	36.3%	34.6%
Local Option Sales Tax	16,600,000	10,961,246	66.0%	35.6%
Employee Health - Recovery	-	193,481	N/A	N/A

Trust & Agency Fund

As of the end of November, Trust & Agency Fund expenditures are slightly below expected budget levels. The expected level of expenditures as of the end of November is 41.4%. Trust & Agency benefits are currently at 39.5% which is slightly below the expected budget.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,435,911	544,474	37.9%
IPERS	1,333,186	456,622	34.3%
Employee Insurance	11,010,857	4,669,215	42.4%
MFPRSI	6,419,005	2,384,441	37.1%
Deferred Compensation	16,836	-	0.0%
RHSP	847,030	323,164	38.2%
Fit Pay	131,000	-	0.0%
Total	21,193,825	8,377,917	39.5%

Employee Health Insurance Fund

As of the end of November, claims for FY 2022 are 5.1% higher than claims in FY 2021. Claims expenditures are currently trending \$1.2M 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	13,783,965
August	1,203,114	1,328,983	1,028,548	8.63%	16.45%	1,515,769	14,630,610
September	977,833	1,181,074	938,463	7.88%	24.32%	1,440,852	14,749,323
October	1,388,887	1,104,134	971,975	8.16%	32.48%	1,116,035	14,444,853
November	1,111,402	1,213,605	942,338	7.91%	40.39%	1,209,077	14,621,486
December	1,189,299	1,126,545	1,142,136	9.58%	49.97%		14,071,504
January	1,235,191	964,700	915,424	7.68%	57.65%		13,869,849
February	1,115,559	1,115,936	801,818	6.73%	64.38%		14,153,608
March	1,481,989	1,139,423	1,073,507	9.01%	73.39%		13,968,839
April	1,311,637	1,137,471	1,012,438	8.50%	81.89%		13,908,602
May	706,360	1,155,054	1,006,243	8.44%	90.33%		13,887,131
June	1,347,286	1,395,190	1,152,175	9.67%	100.00%		13,939,622
Total	14,233,712	13,939,622	11,916,597	100.00%		6,222,466	

FY 2023 Budget Update

During the month of November, staff met with departments to review all budget requests and the CIP technical committee met to review all capital project requests. The budget team is currently working to finalize all FY 2023 payroll projections and reviewing budgets at the fund level in preparation for the upcoming budget workshops in January.