
MEMO

TO: Finance Committee
FROM: John Hoft-March, Budget Manager
DATE: May 13, 2013
SUBJECT: Summary 1st Quarter 2013 Budget to Actual Variance

Following is a brief analysis of all operating departments which have expended more than 25% of their budgets as of the end of the 1st quarter: All comparisons are with respect to ¼ of the full year amended budget. All departments not listed are at or below 25% of budget.

- Legal Services - 29%, due to the timing of elections expenses (elections program is 41% expended due to the fact that the budget is spread evenly over the year while the expenses tend to cluster around the dates of the elections) and to a number of non-linear expenses (Reserve Class B liquor license rebate, postage purchases, disability payment).
- Unclassified - 36%, attributable to the City's share of Valley Transit. A transfer to VT is made monthly throughout the year based on the budgeted gross deficit, not including state and federal transportation funds. A portion is returned to the City periodically during the year as state and federal operating grants are received. This is consistent with other municipalities' participation in Valley Transit operating expense.
- Public Works - overall, DPW is at approximately 20% of budget. However, owing to the number and severity of winter storms in the first quarter of 2013, the Snow & Ice Control program is 86% expended. Personnel have been diverted from other programs, resulting in personnel expense for Snow & Ice being \$52,000 over its annual budget. This, in turn, causes DPW's total general fund personnel expense to be approximately 28% of the annual budget. Excluding Snow & Ice, all other DPW general fund programs together are at 21% of their personnel budget. All other expenses for Snow & Ice combined are at 73% of budget.
- Risk Management - 43%, due to timing of insurance renewals and to workers' compensation and general / auto liability claims.

The following special revenue fund is more than 25% expended:

- HOME Homeowner Rehab - 139%, due to timing of projects. This is a grant fund for which expenditures depend on the progress of the various projects being funded and is not evenly spread across the year. Expense in excess of the annual budgeted amount represents use of prior periods' fund balance, which is restricted solely to this purpose.