



Peggy Steeno, CPA, MBA
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MEMORANDUM

TO: Common Council

FROM: Peggy Steeno, Finance Director

DATE: May 3, 2019

SUBJECT: Resolution approving: (1) 2018 Open Purchase Order Carryovers, (2) 2018 Departmental/Citywide Carryovers, (3) 2018 Fund Transfers, and (4) 2018 Fund Balance Designations

One of the final steps in the year end process requires an evaluation of the overall spending and receipting of funds from the year to arrive at year-end balances for the General Fund. The results of that analysis are as follows:

2018 BUDGET/PLAN

Unassigned Fund Balance 12/31/2017	\$8,485,216
Beginning Fund Balance 1/1/2018	\$45,210,773
Less: Net Deficit 2018 (Apply Fund Balance to balance Budget)	(\$600,000)
Less: Planned Reserve Spending-Per Council Prior Approval	<u>(\$800,000)</u>
Ending Fund Balance 12/31/2018	<u>\$43,810,773</u>

2018 ACTUAL YEAR-END RESULTS *

Beginning Fund Balance 1/1/2018	\$45,210,773
Plus: Net Surplus (2018 Operations/2017 Carryovers & Open PO's)	\$5,510,415
Less: Council Authorized Amount of \$2,694,500 to 2018 CIP	(\$2,694,500)
Less: Council Authorized Amount of \$2,461,400 to 2019 CIP	<u>(\$2,461,400)</u>
Ending Fund Balance 12/31/2018	<u>\$45,565,288</u>
Unassigned Fund Balance Estimate 2018	<u>\$10,634,336</u>

* Unaudited

In conjunction with completing the evaluation for 2018, the following items have been identified and reviewed, and are being submitted for your consideration:



- 1) Open Purchase Orders as of December 31, 2018 – Open purchase orders at the end of a fiscal year indicate additional funds that will likely need to be expended to complete the work started in the fiscal year. Specific examples of this are: (1) purchases of materials and supplies with long lead times and (2) services that were contracted during the fiscal year, but not yet complete. The attached list (*Attachment 1*) identifies all of the open Purchase Orders being requested for carry over. The total amount of the requested carry over for open Purchase Orders is included in the year-end numbers stated above.
 - ***Requested Approval - \$893,774.95 - Approval authorizes carry-forward of 2018 budget funds to pay for these items ordered in 2018 but not paid for until 2019.***

- 2) Carry Over Requests from Departments – Carry overs preserve funds from a prior year budget, for two reasons: (1) for items that were budgeted in the year, but not able to be spent before the end of the year, (2) for items that were not included in the budget, but are needed and being requested by the departments, (3) an amount of \$1,261,400 authorized by the Council on 11/20/2018 to partially fund the 2019 Capital Improvement Program, and (4) an amount of \$1,200,000 to deposit in the Capital Improvement Fund for 2020 CIP Projects. The requests, including the amounts and purposes are listed on the attached report (*Attachment 2*). The total amount of the requested carry overs is included in the year-end numbers stated above.
 - ***Requested Approval - \$2,871,104 - Approval authorizes carry forward of unspent 2018 budget funds as well as authorizes budget authority for those items not included in the 2018 Budget.***

- 3) Fund Transfers – The funds transfer process, an accounting entry only, includes utilizing funds from accounts within the General Fund that were underspent, as well as revenues and fund equity when necessary, to support the accounts that were overspent. The attached report (*Attachment 3*) shows the details of the accounts under- and overspent in 2018. Per State Statutes and the City of West Allis Budget Policy, Council approval is required. However, there is no financial impact due to this process as all of the spending has been included in the year-end numbers stated above.
 - ***Requested Approval - Approval authorizes underspent, budgeted funds to support overspent accounts.***

- 4) Fund Balance Designations – This is a process to complete designations of specific portions of the fund balance for specific purposes. The attached report (*Attachment 4*) outlines all of the transfers. Please refer to the ‘Transfers’ columns along with the references to the footnotes to view the detailed designations.
 - ***Requested Approval - Approval authorizes designations of Fund Balance for specific purposes.***

Please let me know if you have any question or need clarification on any of these items in advance of the Council Meeting on May 7th; otherwise, I look forward to discussing this item with you then.

Open Purchase Orders
As of December 31, 2018

<u>Fund</u>	<u>Dpt</u>	<u>Div</u>	<u>P.O. Number</u>	<u>Vendor Number</u>	<u>Vendor Name</u>	<u>Amount Outstanding</u>
100	45	1	142471	14790	LAKESIDE INTERNATIONAL TRUCKS INC	\$ 179,575.00
100	21	1	142265	33163	EWALD AUTOMTOVE GROUP	\$ 175,218.00
100	45	1	142472	14790	LAKESIDE INTERNATIONAL TRUCKS INC	\$ 120,475.00
100	45	1	142473	6205	MONROE EQUIPMENT INC	\$ 112,495.00
100	43	1	142480	11443	BARTLETT ARBORIST SUPPLY	\$ 50,447.90
100	45	1	142319	33163	EWALD AUTOMTOVE GROUP	\$ 47,087.00
100	11	2	142278	10736	BARRIER SECURITY SYSTEMS	\$ 39,999.45
100	42	1	134001	34790	AYRES ASSOCIATES INC	\$ 25,073.99
100	46	1	142449	33921	BENTLEY SYSTEMS INC	\$ 19,318.00
100	11	1	141487	10963	DOCUWARE CORPORATION	\$ 16,500.00
100	41	1	142113	10769	HARWOOD ENGINEERING CONSULTANTS	\$ 11,100.00
100	88	7	141504	10976	AZARIAN WRECKING, LLC	\$ 10,870.25
100	34	1	142481	11444	XAVUS SOLUTIONS	\$ 9,820.00
100	41	1	141980	11151	CINTAS CORPORATION NO. 2	\$ 8,530.23
100	11	2	142413	11399	UWM SCHOOL OF CONTINUING EDUCATION	\$ 7,200.00
100	11	4	142439	9752	ENTERPRISE SYSTEMS GROUP	\$ 6,933.00
100	35	7	142380	6420	STAPLES ADVANTAGE	\$ 6,191.27
100	88	11	140656	34790	AYRES ASSOCIATES INC	\$ 6,055.68
100	43	8	142070	10964	HOPPE TREE SERVICE	\$ 5,500.00
100	21	7	141816	11097	MIDWEST DEFENSE SOLUTION LLC	\$ 5,250.00
100	21	1	142326	28890	NAPA AUTO PARTS- WEST ALLIS	\$ 4,529.99
100	42	1	142354	11368	CLEAN HARBORS ENVIRONMENTAL SERVICE	\$ 3,989.53
100	30	3	142432	6034	MCKESSON MEDICAL-SURGICAL	\$ 3,418.70
100	11	1	142437	10128	BOMGAR CORPORATION	\$ 3,023.08
100	88	1	141180	10590	RAMBOLL ENVIRON US CORPORATION	\$ 2,890.02
100	45	1	142474	9542	SLEC INC	\$ 2,547.00
100	43	3	142125	11231	DTAK, LLC	\$ 2,150.00
100	42	38	140986	3670	ADVANCED DISPOSAL- MUSKEGO-C6	\$ 2,075.26
100	3	2	141640	4820	MANSKE PROCESS & INVESTIGATIONS LLC	\$ 1,912.00
100	11	1	142242	10001	HOMETOWN COMMUNICATIONS	\$ 1,320.00
100	11	4	142479	34860	MOTOROLA SOLUTIONS INC	\$ 1,254.60
100	21	1	142327	11356	PRECISION LIFT AND EQUIPMENT	\$ 1,025.00
						\$ 893,774.95

2018 RECOMMENDED BUDGET CARRY OVERS
 May 1, 2019

Department/Citywide Initiative	Project/Item Description	Reason	Reason for Carryover Request			Amount Requested	Amount Recommended
			2018 Budget Item - Not Completed - Significant Need	2019 Budget Item - Funding through Carryover / Other	Budgeted, High Priority Item - Needed in Advance of 2020 Budget		
Citywide Initiative-Council Approval	2019 Capital Improvement Program	Per 2019 CIP Approval		X		\$1,247,700.00	\$1,247,700.00
Citywide Initiative-Council Approval	2020 Capital Improvement Program	Per 2019 CIP Approval		X		\$13,700.00	\$13,700.00
Citywide Initiative-Council Request	Deposit for 2020 Capital Improvement Program	Pre-funding large, known items/not sending to FB		X		\$250,000.00	\$1,200,000.00
							\$2,461,400.00
Citywide Initiative-Council Request	Highway 100 Corridor Study	Immediate development needs		X		\$150,000.00	\$150,000.00
Administration	No Requests						
Assessor	No Requests						
Attorney	No Requests						
BINS	No Requests						
Clerk	No Requests						
Communications	No Requests						
Community Development	Neighborhood Small Grants	Grant Restriction	X			\$22,514.06	\$22,514.06
Engineering	Safety Improvements-CARRYOVER FROM 2017	10% Local Share for \$1.4 Million HSIP Grant	X			\$150,000.00	\$150,000.00
Engineering	DNR Site Closure	Regulatory Compliance			X	\$17,050.00	\$17,050.00
Finance	Special Assessments Aging & Collections System - CARRYOVER FROM 2017	Inoperable existing system, came to light during 2017 tax roll process	X			\$11,800.00	\$11,800.00
Finance	Add-on Accounts Receivable System - CARRYOVER FROM 2017	Track Retiree Health Insurance Accounts and Other Miscellaneous Receivables	X			\$2,000.00	\$0.00
Finance	Novatime Upgrade to Cloud Version & Addition of Advanced Scheduler - CARRYOVER FROM 2017	Need additional functionality to bring protective services onto timekeeping system	X			\$28,140.00	\$28,140.00
Fire	No Requests						
Health	No Requests						
Human Resources	No Requests						
Information Technology	No Requests						
Library	No Requests						
Mayor	No Requests						
Municipal Court	No Requests						
Police	Sidewalk Construction	Comply w/code with regard to prisoners	X			\$9,900.00	\$9,900.00
Public Works-Forestry	Boulevard Landscaped Bed Conversion	Install plant material in the five newly constructed large boulevard beds	X			\$7,100.00	\$7,100.00
Public Works-Forestry	Recycling of Stump Grindings	Need to Dispose of Stumps	X			\$13,200.00	\$13,200.00
Total Carry Overs							\$2,871,104.06

NOTE: All carry over requests are approved pending final accounting. If funds are not available after final accounting, no carry over will be made.

**CITY OF WEST ALLIS
2018 Funds Transfers
Budget Set at the Department**

DEPARTMENT		REMARKS
<i>To:</i>		
Mayor	(\$3,300.17)	Payroll (fund split issue only) & Conferences Over Budget
Human Resources	(\$64,832.87)	Payroll/Benefits (due to payouts and higher than budgeted starting pay for new employee) - Over Budget
City Clerk	(\$23,860.38)	Election worker pay - Over Budget
Police Department	(\$160,154.07)	Police Overtime - Over Budget (increased in 2019 Budget)
Bldg. Inspections & Neighborhood	(\$35,434.02)	Higher than expected costs for property maintenance/weeds/snow (revenues to offset) - Over
TOTAL OVER DRAFTS	<u>(\$287,581.51)</u>	
<i>From:</i>		
General Government	<u>\$287,581.51</u>	2018 Operational Surplus

2018 Budget versus Actual Summary by Department

Dpt	Department	Original Budget	Revised Budget	Total Expenses	Remaining Budget	% used
1	Common Council	\$252,096.00	\$252,096.00	\$226,050.36	\$26,045.64	89.67%
2	Mayor	\$129,165.00	\$129,165.00	\$132,465.17	(\$3,300.17)	102.56%
3	City Attorney	\$884,982.00	\$884,982.00	\$762,755.12	\$122,226.88	86.19%
4	Municipal Court	\$418,152.00	\$418,152.00	\$354,519.32	\$63,632.68	84.78%
5	City Assessor	\$421,767.00	\$421,767.00	\$342,358.54	\$79,408.46	81.17%
10	City Administrative Office	\$243,571.00	\$243,571.00	\$238,765.59	\$4,805.41	98.03%
11	Information Technology	\$1,999,527.00	\$1,999,527.00	\$1,853,065.30	\$146,461.70	92.68%
13	Human Resources	\$538,876.00	\$538,876.00	\$603,708.74	(\$64,832.74)	112.03%
14	Finance	\$892,511.00	\$892,511.00	\$745,980.30	\$146,530.70	83.58%
15	City Clerk	\$494,345.00	\$494,345.00	\$518,205.38	(\$23,860.38)	104.83%
20	Police & Fire Commission	\$39,500.00	\$39,500.00	\$34,331.77	\$5,168.23	86.92%
21	Police Department	\$18,059,344.00	\$18,059,344.00	\$18,219,498.07	(\$160,154.07)	100.89%
22	Fire Department	\$12,346,543.00	\$12,346,543.00	\$12,273,915.56	\$72,627.44	99.41%
23	Planning	\$490,208.00	\$490,208.00	\$413,992.62	\$76,215.38	84.45%
24	Bldg Insp & Neighbrhd Svc	\$1,362,957.00	\$1,362,957.00	\$1,398,391.02	(\$35,434.02)	102.60%
30	Health Department	\$2,263,954.00	\$2,263,954.00	\$2,113,239.98	\$150,714.02	93.34%
34	Senior Center	\$225,846.00	\$225,846.00	\$187,400.21	\$38,445.79	82.98%
35	Library	\$2,344,308.00	\$2,344,308.00	\$2,061,099.90	\$283,208.10	87.92%
40	Public Works Admin Office	\$380,024.00	\$380,024.00	\$305,794.65	\$74,229.35	80.47%
41	Building & Electrical	\$3,774,875.00	\$3,774,875.00	\$3,281,740.06	\$493,134.94	73.66%
42	Sanitation & Streets	\$3,938,815.00	\$3,938,815.00	\$3,179,168.27	\$759,646.73	80.71%
43	Forestry	\$1,608,021.00	\$1,608,021.00	\$1,358,449.61	\$249,571.39	84.48%
44	Inventory Services	\$172,105.00	\$172,105.00	\$160,746.16	\$11,358.84	93.40%
45	Fleet Services	\$1,513,962.00	\$1,513,962.00	\$1,278,746.16	\$235,215.84	84.46%
46	Engineering	\$1,420,322.00	\$1,420,322.00	\$1,161,923.82	\$258,398.18	81.81%
50	City Pomotion/Celebratns	\$68,225.00	\$68,225.00	\$54,991.85	\$13,233.15	80.60%
52	Undistrib Fringe Benefits	\$2,557,750.00	\$2,557,750.00	\$2,336,193.79	\$221,556.21	91.34%
56	Health Insurance	\$0.00	\$0.00	\$0.00	\$0.00	
88	General City Expense	\$1,663,965.00	\$1,663,965.00	\$662,616.45	\$1,001,348.55	39.84%
98	Transfers	\$0.00	\$0.00	\$3,868,315.81	(\$3,868,315.81)	
Total Expenses-All		\$60,505,716.00	\$60,505,716.00	\$60,128,429.58	\$377,286.42	
					Overall Budget Used:	93.77%

**CITY OF WEST ALLIS
SUMMARY OF FUND BALANCES
FINAL 12/31/2018**

		Balance 1/1/2018	2018 Projected Revenues (Expenses)	Transfers		Balance 12/31/2018	Resvrs To Be Used in 2019 Budget	Resvrs Re- tained for Apprtd./Re- strctd.purp.	Unapprtd./ Unrestr. Balance 1/1/2019
				In	Out				
GENERAL FUND									
Unrestricted Fund Balance									
371.10	Unassigned - General Fund Balance	\$8,485,216		\$0	\$0	\$10,634,336			\$10,634,336
	<i>2018 Actual Revenues</i>		\$61,682,945	\$1,705,810	4	\$0	4		
	<i>2018 Actual Expenses & Transfers</i>		(\$60,128,430)	\$419,009	5	\$0			
				\$1,486,862	2	\$650,000	1		
				\$155,000	12	\$423,404	6		
	Transfer to Capital Projects fund for CIP-2020 and later)		(\$1,200,000)	\$0		\$893,775	7		
				\$0		\$1,000,000	8		
				\$9,957,789	3	\$0			
				\$300,000	14	\$8,122,877	3		
				\$125,000	11	\$288,000	10		
				\$616,707	13	\$0			
				\$0		\$0			
371.20	Assigned for Contingency Fund	\$3,000,356	\$0	\$0		\$3,000,356	\$0		\$3,000,356
345.09	Assigned for Liability Insurance	\$1,200,000	\$0	\$0		\$1,200,000		\$1,200,000	
	Assigned for Land & Bldg.								
345.08	Acquisition	\$1,000,000	\$0	\$0		\$1,000,000		\$1,000,000	
	Assigned for Capital Projects related to public								
345.20	access, green initiatives & internal rehabs.	\$511,720	\$0	\$0		\$511,720		\$511,720	
	Assigned for Capital Replacements								
	such as boilers/carpet/roofs chillers	\$988,865	\$0	\$1,000,000	8	\$616,707	13	\$1,372,158	\$765,000
345.11	Assigned for Post Retirement Benefits	\$8,850,000	\$0	\$650,000	1	\$0		\$9,500,000	
345.02	Assigned for 27th Payroll	\$2,211,357	\$0	\$0		\$0		\$2,211,357	
345.06	Assigned for Workers' Comp. Ins.	\$1,500,000	\$0	\$0		\$0		\$1,500,000	
	Assigned for Gen'l Fund to be								
345.07	Applied to Reduce Tax Levy	\$1,590,000	\$0	\$0		\$0		\$1,590,000	
345.05	Assigned for Cap. Accum -General	\$0	\$0	\$0		\$0		\$0	
345.13	Assigned for Safety, Productivity/Oper. Improvmts	\$612,000	\$0	\$288,000	10	\$300,000	9	\$600,000	
	Assigned for Computer/Technology Improvements	\$736,399	\$0	\$0		\$155,000	12	\$581,399	\$0
	Assigned for Community & Econ Dev Investments	\$405,000	\$0	\$0		\$125,000	11	\$280,000	\$0
345.19	Assigned for Strategic Plan Implementation	\$100,392	\$0	\$0		\$0		\$100,392	
345.15	Assigned for Dental Insurance	\$50,000	\$0	\$0		\$0		\$50,000	
345.16	Assigned for Tax Refund	\$200,000	\$0	\$0		\$0		\$200,000	
	Assigned for Parks & Open Space Plan	\$100,000	\$0	\$0		\$0		\$100,000	\$0
	Assigned for "Zombie Properties"	\$100,000	\$0	\$0		\$0		\$100,000	
Committed Fund Balance									
345.10	for Carry-overs	\$1,705,810	\$0	\$423,404	6	\$1,705,810	4	\$423,404	
345.01	for Encumbrances	\$419,009	\$0	\$893,775	7	\$419,009	5	\$893,775	
Non-Spendable Fund Balance									
345.03	for Receivables	\$9,957,789	\$0	\$8,122,877	3	\$9,957,789	3	\$8,122,877	
345.04	for Inventory/Prepaid Items	\$1,486,862	\$0	\$1,593,517	2	\$1,486,862	2	\$1,593,517	
Total for General Fund		\$45,210,776	\$354,515	\$27,737,750		\$27,737,750		\$45,565,290	\$765,000
								\$31,165,599	\$13,634,692

FUND BALANCE NOTATIONS/TRANSFERS

1. Transfer to fund OPEB liability reserve
2. Transfer to Reserved Inventory/Prepays
3. Transfer to Reserve for Receivables-Misc Recv, Development Loans
4. Rev 2017 Transfer to Reserve for Carry-overs
5. Rev 2017 Transfer to Reserve for Encumbrances
6. 2018 Transfer to Reserve for Carry-overs
7. 2018 Transfer to Reserve for Encumbrances

8. Transfer to fund Reserve for Capital Replacements
9. Transfer to Fund 354-AssetWorks System per 2019 CIP
10. Transfer to fund Reserve for Safety, Productivity, Oper Improvements
11. Transfer to fund Burnham Pt study (2018 CIP) & RR Bridge (2019 CIP)
12. Transfer to Fund 352 per 2019 CIP (IT projects) & 2018 CIP MicrosoftOffice365
13. Transfer to Capital Projects Fund for Library HVAC, PW Roof (Bariantos), LED Lighting per 2018 CIP