

**To:** Village of Dolton-Finance Committee  
**From:** Cristiano Miroballi, John Kasperek Co., Inc.  
**Date:** November 27, 2020  
**Subject:** October Financial Report Notes

After reviewing October's financial statements, there are some items that we want to make the Committee aware of:

- Revenues
  - The Village real estate taxes to fund general operations is \$444 thousand below prior year monies.
  - The months of November through January is when the Village operates from the surpluses created during August through October. With the Village losing over \$400 thousand of its general operational revenue that will place a significant burden on Village operations.
  - Sales, use, and income tax revenues are \$134 thousand above prior year. The Village has received 63% of its budgeted state income tax revenue. Since the fair tax amendment was not approved any increases in state income tax revenues will be minimal.
  - Video gaming revenue has restarted with the Village receiving a combined \$50 thousand for July and August. Due to the rising COVID-19 cases and Illinois movement into Phase 3 any additional revenues will be minimal.
  - Collection services for delinquent payments is down 64%. The Village could see some additional revenues with the extension deadlines passing for individual filing.
  - Total General Fund revenues is down over \$300 thousand compared to the previous year.
  - The Village water revenue is \$1.1 million below prior year. The difference is created from the prior year catch up billing for a large water user and the closures of businesses from COVID-19 resulting in less water usage.
- Expenditures
  - The Police Department salaries management has used 51% of its budgeted amount as of October, a \$157 thousand increased compared to the prior year. The 5% union raises for the employees included within this line item weren't budgeted.
  - The payroll line items for Patrol and Records Clerks is below prior year by \$300 thousand.
  - Overtime for the Fire Department is \$78 thousand above prior year because of minimum staffing requirements for senior position per the union contract. Until staffing positions are filled, the Village will continue to experience overtime for the Fire Department.
  - The Fire Department is \$30 thousand below prior year expenditures deducting pension contribution with the additional overtime.
  - The Public Works Department is \$200 thousand below prior year expenditures.
  - Public Works is budgeted \$100 thousand for new vehicles. The Village has discussed the need for 2 new snowplows which are about \$150 thousand each. The \$200 thousand savings could compensate for a portion of the new vehicle costs.

- Expenditures (Continued)
  - The Village has spent 53% of its budgeted amount for lawn care. With the winter season beginning soon, grass cutting will be stopping until the new year.
  - Due to the Village cost cutting and fiscal restraint the Village's General Fund has expended \$900 thousand less compared to the prior year
  - The majority of the Village's General Fund departments have expended 50% or less of their budgeted amounts, which is consistent with 6 months of expenditures.
- Other Considerations
  - The Village recently authorized the permanent transfer of cash balances related to special revenues from the General Fund into each special revenue fund. Those transfers have resulted in \$240 thousand of revenue in the special revenue funds and \$240 thousand of expenditures in the General Fund.
  - The Village has corrected its utility aged trail balance by district for the payment that was inputted incorrectly. The balance has changed from \$2.3 million to its previous balance of \$4.7 million.
  - The General Fund has decreased the amount owed to the Water Fund and some Special Revenue Funds, a \$324 thousand decrease.
  - In October, the Village implemented union raises for three of its contracts. The Village is currently in the process of calculating the amount owed to these employees. The surpluses that are currently being reported will be decreased/eliminated for the amount that is owed to each employee.
  - Due to the unpredictability of cash flow and the possible resurgence of the virus, the Village needs to maximize collection of its outstanding revenues and minimize as many expenditures/expenses as possible to ensure the Village will have reserves to operate effectively.