



AGENDA MEMORANDUM

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: May 19, 2014

RE: March, 2014 Treasurer's Report Analysis

The eleven month budget comparison report shows the General Fund tracking below budget in expenditures. However, the report includes the budget amendments to FY 13-14 adopted by the Board. After eleven months, expenditures should be at a 91.67% level. At the end of March, however, actual expenditures were at 85.69% of budget, or under by \$769,738. There is only one department that appears to be overspent and it is Code Enforcement. However, this department only accounted for one employee and that employee transferred to a different department in August, 2013, so there have not been any expenditures booked to this department since then. The budget amendment reduced the Code Enforcement budget to what was actually spent through August. The General Fund shows an operating deficit of \$1.99 million but this is lower than the prior month's deficit of \$2.46 million. This has been how the General Fund typically operates - showing large operating deficits at the start of the fiscal year and these deficits slowly reduce until we typically end up in a surplus position for the year.

On the revenue side, most General Fund departmental revenues are at or above the anticipated budget of 91.67%. The three areas that are under budget - General Administration, Village President and Public Property - are that way due to timing. General Administration revenues are explained in detail in the following paragraph. Virtually all revenues under Village President are liquor licenses and the majority of these revenues come in during April. Since staff can look at April's actual numbers, liquor license revenues come in higher than budget so there is no cause for concern over this revenue item. In Public Property, there is a State Grant for the lighting improvements that were done in FY 13-14 but the Village has not yet received. However, this grant will be booked into FY 13-14's revenues since all the work was completed and the Village is waiting for the State to send payment.

Under the General Administration area is where State shared revenues - income and sales taxes - are recorded. Due to the lag in receiving these revenues - 3 months for sales taxes and 4 months for income taxes - these two items appear to be significantly under budget. However, this is a timing issue and staff is confident all budgeted revenues will be received. Staff knows the accrual amounts the Village will receive through February for sales and income taxes even

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though we have not actually received the payments. Adding these amounts to the prior year's amounts for March, revenues from these two areas through March total \$2.08 million of unrecorded revenue. Applying these revenues means the General Fund was operating at a surplus of \$92,414 rather than a deficit of \$1,988,539 by the end of March, 2014. Staff is confident the General Fund will finish the year with a surplus and the operating deficit at this time is due to timing.

Other funds' revenues are running as expected. The Police Pension Fund continues to have impressive market value gains and this continued through the end of the fiscal year. The Rt. 50 TIF Fund is doing better than budget but almost all revenues come from incremental property taxes. Incremental property taxes are not part of the Village's tax levy but are paid to the Village as they are received by the County so there is no reliable estimate of what will be received from year-to-year except to use trend analysis of prior years' receipts. Staff has been conservative with budgeting revenues for the Rt. 50 TIF Fund and will continue to do so. The Capital Projects Fund revenues appear low due to minimal activity occurring in the fund. The operating deficit in this fund will turn to a break even by the end of the fiscal year.

On the expenditure side, the total amount expended through March is now running very close to budget for the remaining budgeted funds. The Motor Fuel Tax and Capital Projects Funds have all projects completed for the fiscal year. The remaining funds have minimal costs remaining for the last month of the year and staff is confident all funds will come in under budget.

As of the end of March, the Sewer Fund ran an eleven month deficit of \$142,464. This is an improvement from February which had a deficit of \$191,137. The fund has a cash level of \$194,855, an improvement from February's amount of \$146,181. Staff will continue to monitor the fund's activity, particularly a need for a transfer from the General Fund, and report it to the Board.

If any members of the Board have any questions about this or any other fiscal matter for the Village, please contact me at your convenience. Thank you.

VILLAGE OF BRADLEY
Fiscal Year '13/'14 Budget

ELEVEN MONTH BUDGET COMPARISON

<u>REVENUES</u>	<u>FY 13/14 ELEVEN MONTH ACTUAL</u>	<u>FY 13/14 BUDGET</u>	<u>PERCENT COLLECTED</u>
General Corporate Fund			
General Administration	7,630,893	10,977,112	69.52%
Village President	17,800	55,000	32.36%
Village Clerk	37,433	26,850	139.42%
Public Benefit	55,408	61,450	90.17%
Police Department	437,896	445,089	98.38%
Code Enforcement	30,650	32,000	95.78%
Fire Department	679,519	650,832	104.41%
Public Property	10,701	54,601	19.60%
Public Works	7,313	4,750	153.97%
Building Standards	<u>131,290</u>	<u>130,000</u>	100.99%
Totals	9,038,904	12,437,684	72.67%
Capital Projects Funds	68,306	1,370,000	4.99%
Revolving Loan Fund	18,891	14,266	132.42%
Rt. 50 TIF	908,271	825,000	110.09%
Motor Fuel Tax Fund	419,509	450,123	93.20%
Police Pension Fund	2,230,390	1,447,269	154.11%
Fire Pension Fund	91,471	100,893	90.66%
Sewer Fund	<u>2,027,879</u>	<u>2,067,654</u>	98.08%
Total Fund Revenues	14,803,621	18,712,889	79.11%

VILLAGE OF BRADLEY
Fiscal Year '13/'14 Budget

ELEVEN MONTH BUDGET COMPARISON

<u>EXPENDITURES</u>	<u>FY 13/14 ELEVEN MONTH ACTUAL</u>	<u>FY 13/14 BUDGET</u>	<u>PERCENT EXPENDED</u>
General Corporate Fund			
General Administration	658,824	799,553	82.40%
Benefits	369,014	439,394	83.98%
Board of Trustees	38,528	41,807	92.16%
Village President	20,010	27,205	73.55%
Village Administrator	151,106	168,608	89.62%
Legal	63,646	79,399	80.16%
Village Clerk	20,381	27,736	73.48%
Village Treasurer	163,408	194,586	83.98%
Public Benefit	963,362	1,049,418	91.80%
Police Department	4,571,102	5,114,507	89.38%
Code Enforcement	22,292	22,803	97.76%
Fire and Police Commission	7,072	7,805	90.61%
Fire Department	1,562,506	1,716,573	91.02%
Public Property	228,804	290,098	78.87%
Public Works	1,445,063	1,764,892	81.88%
Building Standards	457,329	527,360	86.72%
Economic Incentive/Development	127,845	224,200	57.02%
Information Technology	<u>144,651</u>	<u>159,277</u>	90.82%
Sub-total General Fund	11,014,943	12,655,221	87.04%
Transfer to Capital Projects for Lil's Park Improvements	<u>12,500</u>	<u>213,963</u>	100.00%
Total General Fund	11,027,443	12,869,184	85.69%
Capital Projects Funds	272,983	1,567,000	17.42%
Rt. 50 TIF	1,066,449	1,286,935	82.87%
Motor Fuel Tax Fund	416,549	422,000	98.71%
Police Pension Fund	810,577	896,052	90.46%
Fire Pension Fund	18,127	19,353	93.67%
Sewer Fund	<u>2,170,343</u>	<u>2,628,862</u>	82.56%
Total Fund Expenditures	15,782,472	19,689,386	80.16%

VILLAGE OF BRADLEY
Fiscal Year '13/'14 Budget

ELEVEN MONTH FUND BALANCE ANALYSIS

FUND BALANCE	Beginning Fund Balance	Fiscal Year Activity	Ending Fund Balance
General Corporate Fund	9,274,844		
Revenues		9,038,904	
Expenditures		<u>11,027,443</u>	
Net Activity		(1,988,539)	7,286,305
Capital Projects Funds	169,527		
Revenues		68,306	
Expenditures		<u>272,983</u>	
Net Activity		(204,678)	(35,151)
Retirement Separation Fund	383,630		
Revenues		346	
Expenditures		<u>24,820</u>	
Net Activity		(24,474)	359,156
Revolving Loan Fund	1,807,808		
Revenues		18,891	
Expenditures		<u>0</u>	
Net Activity		18,891	1,826,699
Rt. 50 TIF	1,345,766		
Revenues		908,271	
Expenditures		<u>1,066,449</u>	
Net Activity		(158,178)	1,187,588
Motor Fuel Tax Fund	401,509		
Revenues		419,509	
Expenditures		<u>416,549</u>	
Net Activity		2,960	404,470
Police Pension Fund	11,961,329		
Revenues		2,230,390	
Expenditures		<u>810,577</u>	
Net Activity		1,419,812	13,381,142
Fire Pension Fund	444,175		
Revenues		91,471	
Expenditures		<u>18,127</u>	
Net Activity		73,344	517,519
Sewer Fund	1,854,514		
Revenues		2,027,879	
Expenses		<u>2,170,343</u>	
Net Activity		(142,464)	1,712,050