



AGENDA MEMORANDUM

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: March 4, 2015

RE: December, 2014 Treasurer's Report Analysis

The eight-month budget comparison report shows a deficit in the General Fund in the amount of \$3.1 million. The month of December saw General Fund expenditures exceed revenues by \$377,900.33. The reason for the noticeable increase in spending in December came from three areas: the settling of the FOP contract and the retroactive pay going back to 5-1-2013 (\$127,620.68); the annual payment of the Village's liability insurance (\$218,093.00); and purchase of road salt (\$40,543.77). Altogether, these three items were \$386,257.45.

Comparing last year to this year, General Fund revenues are almost the same (\$6.12 million this year versus \$6.19 million last year) but last year there was \$333,000 in revenues from the grant that paid for the new fire truck. General Fund operating expenditures are less this year through December (\$8.099 million this year versus \$8.12 million last year). However, last year there was \$452,000 spent for the new fire truck that brings last year's expenditures down to \$7.66 million. Altogether, after removing grant revenues and expenditures related to the new fire truck, current year revenues are running about \$260,000 higher than last year and current year expenditures are about \$435,000 more than last year. However, of this \$435,000 increase in expenditures compared to last year, \$386,257.45 has been attributed to items that were not spent as of December, 2013. If the \$386,257.45 is removed from the current year, FY 2015 expenditures are only \$48,743 higher than FY 2014 through December.

Costs are running lower than expected due to position vacancies. Building Standards has a position that has been vacant for about 6 months and another that has been vacant for over a year; Public Works has a position that has been vacant all fiscal year and another that has been vacant for almost 2 years; Police has seen its sworn force with 2 vacancies this year but it is now at full capacity and dispatch has several vacancies this year that were filled for most of last fiscal year. This means that current year expenditures would be considerably higher had these vacancies been filled. This, in turn, would have pushed the current deficit in the General Fund even deeper. For FY 14-15, the General Fund was budgeted with a deficit of almost \$2.9

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million so we are operating as expected. However, this budgeted deficit is due to \$3 million in one-time expenditures (\$2 million for retiree health insurance and \$1 million for facility improvements). As we approach the FY 15-16 budget preparation cycle, further detail and explanation on the issues having long-term impacts on the General Fund will be presented to the Board.

On the expenditure side, most departments in the General Fund are running at or below budget (66.7%). General Administration - at 78.47% - is higher due to the annual payment of the liability insurance. Board of Trustees - at 71.15% - is higher than expected due to the timing of costs for the IML Annual Conference being paid in October. Public Benefit - at 89.17 - is high because this is where the Police and Fire Pension employer costs are tracked. These costs are funded through property taxes and since all tax revenues for the fiscal year have been received, the corresponding costs have been incurred. Economic Incentive - at 70.46% - is also a timing issue. The rebate for Taylor Dodge ended in the 3rd quarter, 2014 so costs associated with it will all be recognized already. Lastly, Information Technology - 67.54% - is running high due to the unforeseen costs of needed technology upgrades in the fiscal year. All other funds are under budget except for the Fire Pension Fund. The Fire Pension Fund is a timing issue. Major annual costs - audit, memberships, training, etc. - occur during the first half of the fiscal year.

On the revenue side, December saw General Fund revenues climb by \$766,108. Unfortunately, we did not receive an Income Tax payment from the State in November so we are now back to a 4-month lag in receipts (the lag should be at 2 months). Four of the departmental revenue centers in the General Fund are under budget. Some are due to timing (Village President), others were impacted by changes after the adoption of the FY 14-15 budget, some are out of the Village's control (fines waived/not enforced at the County courts) and others (ambulance receipts) are running lower than in previous years. During the budget review process and preparation for the FY 15-16 Budget, any areas that are lagging will be tightly scrutinized to determine if these lags are explainable or if they are permanent. Other funds' revenues are running as expected. The Capital Projects Fund is running low due to activities not yet started. The pension funds continue to perform better than budget but the recent market volatility will impact these funds in early 2015.

The Sewer Fund continues to operate at a deficit. However, for the month of December, revenues exceeded expenses by \$3,231. All debt payments for the fiscal year have been made. Operating revenues are just slightly below budget. The fund's cash on hand was \$454,922, an increase of \$3,231 from the November cash balance of \$451,691. Staff will continue to closely monitor the fund's activity 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 '14/'15 Budget

EIGHT MONTH BUDGET COMPARISON

<u>REVENUES</u>	<u>FY 14/15 EIGHT MONTH ACTUAL</u>	<u>FY 14/15 BUDGET</u>	<u>PERCENT COLLECTED</u>
General Corporate Fund			
General Administration	5,426,805	11,264,078	48.18%
Village President	2,400	57,000	4.21%
Village Clerk	21,354	21,900	97.51%
Public Benefit	17,053	43,040	39.62%
Police Department	295,070	634,767	46.48%
Fire Department	206,197	409,500	50.35%
Public Property	10,750	15,500	69.35%
Public Works	3,698	5,000	73.96%
Building Standards	<u>138,584</u>	<u>159,500</u>	86.89%
Totals	6,121,912	12,610,285	48.55%
Capital Projects Fund	53,441	1,408,170	3.80%
Retirement Separation Fund	261	150	174.19%
Retirement Insurance Fund	1,150,510	2,300,000	50.02%
Revolving Loan Fund	7,599	13,337	56.98%
Rt. 50 TIF	1,024,346	900,300	113.78%
Motor Fuel Tax Fund	313,474	403,349	77.72%
Police Pension Fund	1,673,419	1,424,123	117.51%
Fire Pension Fund	109,663	130,564	83.99%
Sewer Fund	<u>1,779,393</u>	<u>2,793,767</u>	63.69%
Total Fund Revenues	12,234,017	21,984,045	55.65%

VILLAGE OF BRADLEY
Fiscal Year '14/'15 Budget

EIGHT MONTH BUDGET COMPARISON

<u>EXPENDITURES</u>	<u>FY 14/15 EIGHT MONTH ACTUAL</u>	<u>FY 14/15 BUDGET</u>	<u>PERCENT EXPENDED</u>
General Corporate Fund			
General Administration	435,971	555,619	78.47%
Benefits	87,234	269,768	32.34%
Board of Trustees	29,995	42,156	71.15%
Village President	15,947	26,634	59.87%
Village Administrator	113,265	173,444	65.30%
Legal	193,230	304,199	63.52%
Village Clerk	11,296	23,893	47.28%
Village Treasurer	125,298	203,827	61.47%
Public Benefit	970,014	1,087,790	89.17%
Police Department	3,532,886	5,395,629	65.48%
Fire and Police Commission	7,334	19,205	38.19%
Fire Department	812,257	1,315,170	61.76%
Public Property	111,687	887,750	12.58%
Public Works	1,049,069	1,668,980	62.86%
Building Standards	394,035	690,675	57.05%
Economic Incentive/Development	109,004	154,700	70.46%
Information Technology	<u>100,943</u>	<u>149,463</u>	67.54%
Department Totals	8,099,466	12,968,902	62.45%
Transfer - Capital Improvement Fund	0	235,000	0.00%
Transfer - Retirement Insurance Fund	<u>1,150,000</u>	<u>2,300,000</u>	50.00%
Total General Fund	9,249,466	15,503,902	59.66%
Capital Projects Fund	106,896	1,432,713	7.46%
Retirement Separation Fund	2,431	15,000	16.20%
Retirement Insurance Fund	150,624	250,740	60.07%
Rt. 50 TIF	864,602	1,350,740	64.01%
Motor Fuel Tax Fund	193,216	411,500	46.95%
Police Pension Fund	557,339	887,569	62.79%
Fire Pension Fund	4,886	6,775	72.12%
Sewer Fund	<u>1,791,426</u>	<u>3,204,957</u>	55.90%
TOTALS:	12,920,886	23,063,896	56.02%

VILLAGE OF BRADLEY
Fiscal Year '14/'15 Budget

EIGHT MONTH FUND BALANCE ANALYSIS

FUND BALANCE	Beginning Fund Balance	Fiscal Year Activity	Ending Fund Balance
General Corporate Fund	9,369,275		
Revenues		6,121,912	
Expenditures		<u>9,249,466</u>	
Net Activity		(3,127,554)	6,241,721
Capital Projects Fund	175,231		
Revenues		53,441	
Expenditures		<u>106,896</u>	
Net Activity		(53,455)	121,776
Retirement Separation Fund	356,956		
Revenues		261	
Expenditures		<u>2,431</u>	
Net Activity		(2,169)	354,787
Retirement Insurance Fund	0		
Revenues		1,150,510	
Expenditures		<u>150,624</u>	
Net Activity		999,885	999,885
Revolving Loan Fund	1,915,437		
Revenues		7,599	
Expenditures		<u>0</u>	
Net Activity		7,599	1,923,036
Rt. 50 TIF	1,414,322		
Revenues		1,024,346	
Expenditures		<u>864,602</u>	
Net Activity		159,744	1,574,066
Motor Fuel Tax Fund	521,989		
Revenues		313,474	
Expenditures		<u>193,216</u>	
Net Activity		120,258	642,247
Police Pension Fund	13,337,267		
Revenues		1,673,419	
Expenditures		<u>557,339</u>	
Net Activity		1,116,080	14,453,347
Fire Pension Fund	521,141		
Revenues		109,663	
Expenditures		<u>4,886</u>	
Net Activity		104,777	625,918
Sewer Fund	2,058,376		
Revenues		1,779,393	
Expenses		<u>1,791,426</u>	
Net Activity		(12,033)	2,046,343