



AGENDA MEMORANDUM

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: May 6, 2015

RE: February, 2015 Treasurer's Report Analysis

The ten-month budget comparison report shows a deficit in the General Fund in the amount of \$3.1 million. The month of February saw General Fund expenditures exceed revenues by \$61,540.68. The reason for this monthly deficit was the Village did not receive an income tax payment from the State.

Comparing last year to this year, General Fund revenues are slightly lower (\$7.67 million this year versus \$7.75 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 February (\$9.62 million this year versus \$10.19 million last year). However, last year there was \$452,000 spent for the new fire truck that brings last year's expenditures down to \$9.74 million. Altogether, after removing grant revenues and expenditures related to the new fire truck, current year revenues are running about \$250,000 higher than last year and current year expenditures are about \$120,000 less than last year. So, the General Fund is operating \$370,000 better (\$250,000 + \$120,000) in FY 2015 than FY 2014 through January.

Costs are running lower than expected in the General Fund due to position vacancies. Building Standards has a position that has been vacant for about 7 months that was filled in January 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 for a part of this year but it currently has 1 vacancy 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 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).

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However, the majority of the \$1 million facility improvements were not done in FY 14-15 and only a much smaller amount was carried over into FY 15-16, meaning the General Fund may not be spending those funds as originally planned.

On the expenditure side, most departments in the General Fund are running at or below budget (83.34%). Through February, 22 of 26 payrolls have occurred, which is 84.62% of salary costs for the fiscal year. This means those departments that have almost all of their costs associated with personnel will, most likely, run slightly higher than budget. However, this is a timing issue and will work out by the end of the fiscal year. General Administration - at 87.94% - is higher due to the annual payment of the liability insurance in December. Legal - at 86.82% - is higher due to contractual legal services running higher than expected. Public Benefit - at 90.31% - 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. All other funds, with the exception of the MFT Fund, are under budget through February, 2015. The MFT Fund is higher than budget because all expenditures for the fiscal year have been recognized, so this is a timing issue. A budget amendment was passed to cover the excess spending in the MFT Fund.

On the revenue side, February saw General Fund revenues climb by \$686,239. The Village did not receive an Income Tax payment from the State in February so we are now back to a 4-month lag in receipts (the lag should be at 2 months). Five 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 what was expected. 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 market volatility of early 2015 will impact these funds so gains will be minimal in the remaining two months of the fiscal year.

The Sewer Fund continues to operate at a surplus for the fiscal year. However, the second semi-annual depreciation expense of \$187,500 will be recognized in April that will cause the fund to go back to a deficit position. For the month of February, revenues exceeded expenses by \$23,257. All debt payments for the fiscal year have been made. Operating revenues are just slightly above budget. The fund's cash on hand was \$490,212, an increase of \$14,807 from the January cash balance of \$475,405. 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

TEN MONTH BUDGET COMPARISON

<u>REVENUES</u>	<u>FY 14/15 TEN MONTH ACTUAL</u>	<u>FY 14/15 BUDGET</u>	<u>PERCENT COLLECTED</u>
General Corporate Fund			
General Administration	6,816,301	11,264,078	60.51%
Village President	2,400	57,000	4.21%
Village Clerk	21,647	21,900	98.84%
Public Benefit	18,967	43,040	44.07%
Police Department	350,065	634,767	55.15%
Fire Department	292,461	409,500	71.42%
Public Property	13,151	15,500	84.85%
Public Works	4,933	5,000	98.65%
Building Standards	<u>151,070</u>	<u>159,500</u>	94.71%
Totals	7,670,994	12,610,285	60.83%
Capital Projects Fund	69,396	1,408,170	4.93%
Retirement Separation Fund	292	150	194.86%
Retirement Insurance Fund	1,150,598	2,300,000	50.03%
Revolving Loan Fund	9,373	13,337	70.28%
Rt. 50 TIF	1,024,530	900,300	113.80%
Motor Fuel Tax Fund	391,133	403,349	96.97%
Police Pension Fund	2,012,517	1,424,123	141.32%
Fire Pension Fund	117,374	130,564	89.90%
Sewer Fund	<u>2,074,865</u>	<u>2,793,767</u>	74.27%
Total Fund Revenues	14,521,072	21,984,045	66.05%

VILLAGE OF BRADLEY
Fiscal Year '14/'15 Budget

TEN MONTH BUDGET COMPARISON

<u>EXPENDITURES</u>	<u>FY 14/15 TEN MONTH ACTUAL</u>	<u>FY 14/15 BUDGET</u>	<u>PERCENT EXPENDED</u>
General Corporate Fund			
General Administration	488,596	555,619	87.94%
Benefits	123,843	269,768	45.91%
Board of Trustees	35,251	42,156	83.62%
Village President	18,940	26,634	71.11%
Village Administrator	145,209	173,444	83.72%
Legal	264,107	304,199	86.82%
Village Clerk	13,628	23,893	57.04%
Village Treasurer	150,341	203,827	73.76%
Public Benefit	982,344	1,087,790	90.31%
Police Department	4,272,339	5,395,629	79.18%
Fire and Police Commission	9,279	19,205	48.31%
Fire Department	967,781	1,315,170	73.59%
Public Property	147,716	887,750	16.64%
Public Works	1,298,837	1,668,980	77.82%
Building Standards	475,015	690,675	68.78%
Economic Incentive/Development	109,004	154,700	70.46%
Information Technology	<u>119,703</u>	<u>149,463</u>	80.09%
Department Totals	9,621,932	12,968,902	74.19%
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	10,771,932	15,503,902	69.48%
Capital Projects Fund	228,872	1,432,713	15.97%
Retirement Separation Fund	9,042	15,000	60.28%
Retirement Insurance Fund	188,045	250,740	75.00%
Rt. 50 TIF	875,377	1,350,740	64.81%
Motor Fuel Tax Fund	424,750	411,500	103.22%
Police Pension Fund	716,655	887,569	80.74%
Fire Pension Fund	4,896	6,775	72.26%
Sewer Fund	<u>2,051,609</u>	<u>3,204,957</u>	64.01%
TOTALS:	15,271,177	23,063,896	66.21%

VILLAGE OF BRADLEY
Fiscal Year '14/'15 Budget

TEN MONTH FUND BALANCE ANALYSIS

FUND BALANCE	Beginning Fund Balance	Fiscal Year Activity	Ending Fund Balance
General Corporate Fund	9,369,275		
Revenues		7,670,994	
Expenditures		<u>10,771,932</u>	
Net Activity		(3,100,937)	6,268,338
Capital Projects Fund	175,231		
Revenues		69,396	
Expenditures		<u>228,872</u>	
Net Activity		(159,476)	15,755
Retirement Separation Fund	356,956		
Revenues		292	
Expenditures		<u>9,042</u>	
Net Activity		(8,749)	348,207
Retirement Insurance Fund	0		
Revenues		1,150,598	
Expenditures		<u>188,045</u>	
Net Activity		962,552	962,552
Revolving Loan Fund	1,915,437		
Revenues		9,373	
Expenditures		<u>0</u>	
Net Activity		9,373	1,924,810
Rt. 50 TIF	1,414,322		
Revenues		1,024,530	
Expenditures		<u>875,377</u>	
Net Activity		149,153	1,563,475
Motor Fuel Tax Fund	521,989		
Revenues		391,133	
Expenditures		<u>424,750</u>	
Net Activity		(33,617)	488,372
Police Pension Fund	13,337,267		
Revenues		2,012,517	
Expenditures		<u>716,655</u>	
Net Activity		1,295,862	14,633,129
Fire Pension Fund	521,141		
Revenues		117,374	
Expenditures		<u>4,896</u>	
Net Activity		112,478	633,618
Sewer Fund	2,058,376		
Revenues		2,074,865	
Expenses		<u>2,051,609</u>	
Net Activity		23,257	2,081,633