



AGENDA MEMORANDUM

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: June 2, 2014

RE: April, 2014 Treasurer's Report Analysis

The twelve month budget comparison report shows the General Fund tracking below budget in expenditures. However, the report was prepared before any adjustments and accruals were made to the fiscal year for audit purposes. Given this fact, expenditures will rise but staff is confident the General Fund will not go over budget. No department is over budget and staff is confident this will be the case after all year-end adjustments are made. The Transfer to Capital Projects amount of \$213,963 contains \$125,000 to fund the FY 14-15 infrastructure improvement program and the remaining \$88,963 is the transfer of park escrow monies for improvements at Lil's Park. This is the second year the Village has used "excess" annual General Fund operating surplus to fund this project. The Board has defined "excess" annual General Fund operating surplus as annual surplus over \$100,000. Staff is confident that the General Fund's annual surplus will be at least \$100,000, even after this transfer.

On the revenue side, most General Fund departmental revenues are at or above the anticipated budget of 100%. One area that is under budget - General Administration - is that way due to timing and the explanation is in the following paragraph. Code Enforcement revenues were \$650 short of budget for the year due to the property inspection program being placed on hold. Actual adjudication revenues for code enforcement were over budget by \$325 but the budget for property inspections was set at \$3,500 and no revenues were recognized in FY 13-14. 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 taxes and March for income taxes even though we have not actually received the payments. Adding these amounts to the prior year's amounts, revenues from these two areas through April total \$2.1 million of

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unrecorded revenue. Applying these revenues means the General Fund was operating at a surplus of approximately \$20,000 rather than a deficit of \$2,082,785 by the end of April, 2014. There are also miscellaneous revenues that have yet to be recorded in the General Fund for FY 13-14 totaling almost \$150,000. Given these factors, 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 had impressive market value gains and this will have a positive impact on the tax levy request for 2015. 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. The MFT Fund has one allotment that came in after the end of the fiscal year that will bring that fund into a surplus position for the year. The Fire Pension Fund almost achieved its budgeted revenue amount, reaching the 94.95% revenue level. Market value gains were not as frequent in this fund as in the Police Pension Fund due to legal restrictions on what the portfolio can do with its money.

On the expenditure side, the total amounts expended through April are all under budget, except for the Police Pension Fund which is right on budget. Looking at the Fund Balance Analysis schedule, most funds are in a surplus position for FY 13-14 operations. The General Fund has already been explained and staff is confident it will end the year in a surplus position once the audit is finished. The Capital Projects Fund is basically at a break-even level. The Retirement Separation Fund spent more than it earned in interest but this is how this fund is set up to operate. The Board created this fund in FY 12-13 to track payments to employee VEBA accounts that remove high cost sick time from the Village's books. The Route 50 TIF Fund has higher than expected expenditures because funds were returned to Amalgamated Bank due to a developers note that required payment - this was a one-time payment.

Finally, as of the end of April, the Sewer Fund ran a twelve month deficit of \$228,252. This is a decline from March which had a deficit of \$142,464. The reason for this is booking the final depreciation expense for the year - this is a non-cash expense. The fund has a cash level of \$291,567, an improvement from March's amount of \$194,855. Revenues came in almost \$180,000 over budget but this was due to the aggressive collection program the Village enacted in FY 13-14. Staff does not believe revenues will reach this level in FY 14-15 since many delinquent accounts have been brought up to date. The Fund is almost \$150,000 under budget on the expense side. Staff will continue to 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 '13/'14 Budget

TWELVE MONTH BUDGET COMPARISON

<u>REVENUES</u>	FY 13/14 <u>TWELVE MONTH ACTUAL</u>	FY 13/14 <u>BUDGET</u>	PERCENT COLLECTED
General Corporate Fund			
General Administration	8,353,228	10,977,112	76.10%
Village President	60,300	55,000	109.64%
Village Clerk	44,984	26,850	167.54%
Public Benefit	64,585	61,450	105.10%
Police Department	458,726	445,089	103.06%
Code Enforcement	31,350	32,000	97.97%
Fire Department	712,640	650,832	109.50%
Public Property	11,901	54,601	21.80%
Public Works	7,791	4,750	164.01%
Building Standards	<u>165,759</u>	<u>130,000</u>	127.51%
Totals	9,911,263	12,437,684	79.69%
Capital Projects Funds	276,331	1,370,000	20.17%
Revolving Loan Fund	19,657	14,266	137.79%
Rt. 50 TIF	908,380	825,000	110.11%
Motor Fuel Tax Fund	444,900	450,123	98.84%
Police Pension Fund	2,272,243	1,447,269	157.00%
Fire Pension Fund	95,797	100,893	94.95%
Sewer Fund	<u>2,248,707</u>	<u>2,067,654</u>	108.76%
Total Fund Revenues	16,177,278	18,712,889	86.45%

VILLAGE OF BRADLEY
Fiscal Year '13/'14 Budget

TWELVE MONTH BUDGET COMPARISON

<u>EXPENDITURES</u>	<u>FY 13/14 TWELVE MONTH ACTUAL</u>	<u>FY 13/14 BUDGET</u>	<u>PERCENT EXPENDED</u>
General Corporate Fund			
General Administration	698,257	799,553	87.33%
Benefits	386,776	439,394	88.02%
Board of Trustees	41,159	41,807	98.45%
Village President	21,584	27,205	79.34%
Village Administrator	164,870	168,608	97.78%
Legal	74,852	79,399	94.27%
Village Clerk	21,412	27,736	77.20%
Village Treasurer	174,488	194,586	89.67%
Public Benefit	1,012,726	1,049,418	96.50%
Police Department	4,838,035	5,114,507	94.59%
Code Enforcement	22,292	22,803	97.76%
Fire and Police Commission	7,239	7,805	92.75%
Fire Department	1,705,833	1,716,573	99.37%
Public Property	259,798	290,098	89.56%
Public Works	1,578,683	1,764,892	89.45%
Building Standards	491,609	527,360	93.22%
Economic Incentive/Development	127,845	224,200	57.02%
Information Technology	<u>152,624</u>	<u>159,277</u>	95.82%
Sub-total General Fund	11,780,085	12,655,221	93.08%
Transfer to Capital Projects for	<u>213,963</u>	<u>213,963</u>	100.00%
Total General Fund	11,994,048	12,869,184	93.20%
Capital Projects Funds	276,433	1,567,000	17.64%
Rt. 50 TIF	1,066,449	1,286,935	82.87%
Motor Fuel Tax Fund	416,648	422,000	98.73%
Police Pension Fund	896,050	896,052	100.00%
Fire Pension Fund	18,132	19,353	93.69%
Sewer Fund	<u>2,476,959</u>	<u>2,628,862</u>	94.22%
Total Fund Expenditures	17,144,719	19,689,386	87.08%

VILLAGE OF BRADLEY
Fiscal Year '13/'14 Budget

TWELVE MONTH FUND BALANCE ANALYSIS

FUND BALANCE	Beginning Fund Balance	Fiscal Year Activity	Ending Fund Balance
General Corporate Fund	9,274,844		
Revenues		9,911,263	
Expenditures		<u>11,994,048</u>	
Net Activity		(2,082,785)	7,192,058
Capital Projects Funds	169,527		
Revenues		276,331	
Expenditures		<u>276,433</u>	
Net Activity		(102)	169,424
Retirement Separation Fund	383,630		
Revenues		373	
Expenditures		<u>26,515</u>	
Net Activity		(26,142)	357,488
Revolving Loan Fund	1,807,808		
Revenues		19,657	
Expenditures		<u>0</u>	
Net Activity		19,657	1,827,465
Rt. 50 TIF	1,345,766		
Revenues		908,380	
Expenditures		<u>1,066,449</u>	
Net Activity		(158,069)	1,187,697
Motor Fuel Tax Fund	401,509		
Revenues		444,900	
Expenditures		<u>416,648</u>	
Net Activity		28,252	429,762
Police Pension Fund	11,961,329		
Revenues		2,272,243	
Expenditures		<u>896,050</u>	
Net Activity		1,376,193	13,337,522
Fire Pension Fund	444,175		
Revenues		95,797	
Expenditures		<u>18,132</u>	
Net Activity		77,665	521,841
Sewer Fund	1,854,514		
Revenues		2,248,707	
Expenses		<u>2,476,959</u>	
Net Activity		(228,252)	1,626,262