



**AGENDA MEMORANDUM**

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: December 1, 2014

RE: October, 2014 Treasurer's Report Analysis

The six-month budget comparison report shows all State-shared revenues being recognized in the General Fund. The FY 14-15 budget for the General Fund contains \$3 million of expenditures that are funded directly from the reserves of the General Fund: \$2 million of transfers to fund retiree health insurance and \$1 million for facility improvements. Given this fact, the General Fund will show an overall deficit for all of FY 14-15. However, in order to get an accurate picture of operations in the General Fund, the actual expenditures for funding retiree health insurance and facility improvements need to be removed. In so doing, the deficit of the General Fund goes from \$2,810,742 to \$1,794,957 - a deficit level that is about \$520,000 higher when compared to the average of the prior four fiscal years progress in the General Fund at the six month point. It is to be expected at the beginning of each fiscal year for the General Fund to show a large fiscal year deficit. Then, as the year progresses and as State collected revenues (sales and income taxes) are recognized, the deficit will shrink. This is the nature of accrual-based accounting, the required method of accounting for the General Fund.

On the expenditure side, most departments in the General Fund are running at or below budget (50%). Board of Trustees - at 58.67% - is higher than expected due to the timing of costs for the IML Annual Conference being paid in October. Several departments that have just a single employee - Village Administrator, Village Treasurer and Information Technology - are slightly over budget for two reasons: there have been 14 of 26 payrolls (53.84%) processed by the end of October and 7 of 12 monthly health insurance costs (58.33%) were recognized by the end of October. Public Benefit - at 85.90% - accounts for the transfers to the Police and Fire Pension Funds which are funded directly from property taxes. By the end of October, just over 98% of levied property taxes were received so the fact that Public Benefit is almost 86% expended is expected. The Fire Department - at 51.72% - is slightly over for the same reasons as the single person departments - timing of payroll and health insurance costs. All other funds are under budget except for the Retirement Insurance Fund and the Rt. 50 TIF Fund. The Retirement Insurance Fund accounts for retiree health care costs. It is at a 54.78% level because there were seven months of health insurance costs realized through October so this overage is due to timing and the Fund will only have twelve monthly expenditures for health insurance by the end of the

**MAYOR**  
BRUCE ADAMS

**CLERK**  
MICHAEL J. LAGESSE

**BOARD OF TRUSTEES**  
JERRY BALTHAZOR  
ROBERT REDMOND  
LORI GADBOIS  
GEORGE GOLWITZER  
ERIC CYR  
MELISSA A. CARRICO

fiscal year. The Rt. 50 TIF Fund is at a 63.78% level because most of the incremental property taxes received for the fiscal year were realized by the end of October. There was a delay in making the most recently required payment to Amalgamated of incremental property taxes. However, all issues have been cleared up and this payment will be made by the end of 2014.

On the revenue side, October saw General Fund revenues climb to \$906,048, which is the largest single month amount for FY 14-15, so far. Monthly revenues should stay at this level or higher for the remainder of the fiscal year. Unfortunately, half 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 are performing noticeably better than budget. Stock market losses from prior months have not been completely reversed but are trending much better.

In the Sewer Fund, property taxes (\$419,064) and a rebate from KRMA (\$120,000) are why the fund is operating at a surplus through October. However, the KRMA rebate is a one-time item and the property taxes fund the debt service payments so these revenues have limited impact on the day-to-day operations of the fund. As of the end of October, the Sewer Fund ran a six-month surplus of \$301,217, down from the surplus of \$328,847 in September. However, this surplus of \$301,217 is due entirely to property tax receipts of \$419,064. Through the end of October, total debt outlays were \$108,400, leaving \$310,664 of property taxes to pay for remaining debt outlays for the fiscal year. If this property tax balance of \$310,664 were removed, the Sewer Fund would sit in a deficit position of \$9,447 - and that includes the one-time amount from KRMA of \$120,000. The fund's cash on hand was \$768,172, an increase of \$34,870 from the September cash balance of \$733,302. \$539,064 of cash on hand is due to property taxes and the KRMA rebate. Removing these items brings the cash on hand to \$229,108, an increase from the September balance of \$215,385. There is a bond payment due by the beginning of December in the amount of \$318,400 that will significantly impact both the cash balance and the surplus of the Fund. 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 '14/'15 Budget**

**SIX MONTH BUDGET COMPARISON**

<u>REVENUES</u>	<u>FY 14/15 SIX MONTH ACTUAL</u>	<u>FY 14/15 BUDGET</u>	<u>PERCENT COLLECTED</u>
<b>General Corporate Fund</b>			
General Administration	4,092,234	11,264,078	36.33%
Village President	2,400	57,000	4.21%
Village Clerk	21,092	21,900	96.31%
Public Benefit	13,192	43,040	30.65%
Police Department	216,181	634,767	34.06%
Fire Department	147,432	409,500	36.00%
Public Property	7,200	15,500	46.45%
Public Works	3,516	5,000	70.32%
Building Standards	<u>112,972</u>	<u>159,500</u>	70.83%
<b>Totals</b>	<b>4,616,219</b>	<b>12,610,285</b>	<b>36.61%</b>
<b>Capital Projects Fund</b>	38,417	1,408,170	2.73%
<b>Retirement Separation Fund</b>	180	150	119.71%
<b>Retirement Insurance Fund</b>	1,150,276	2,300,000	50.01%
<b>Revolving Loan Fund</b>	6,236	13,337	46.76%
<b>Rt. 50 TIF</b>	1,023,830	900,300	113.72%
<b>Motor Fuel Tax Fund</b>	244,071	403,349	60.51%
<b>Police Pension Fund</b>	1,469,867	1,424,123	103.21%
<b>Fire Pension Fund</b>	101,754	130,564	77.93%
<b>Sewer Fund</b>	<u>1,471,531</u>	<u>2,793,767</u>	52.67%
<b>Total Fund Revenues</b>	<b>10,122,381</b>	<b>21,984,045</b>	<b>46.04%</b>

**VILLAGE OF BRADLEY**  
**Fiscal Year '14/'15 Budget**

**SIX MONTH BUDGET COMPARISON**

<u>EXPENDITURES</u>	<u>FY 14/15 SIX MONTH ACTUAL</u>	<u>FY 14/15 BUDGET</u>	<u>PERCENT EXPENDED</u>
<b>General Corporate Fund</b>			
General Administration	177,244	555,619	31.90%
Benefits	50,015	269,768	18.54%
Board of Trustees	24,733	42,156	58.67%
Village President	12,393	26,634	46.53%
Village Administrator	89,376	173,444	51.53%
Legal	145,457	304,199	47.82%
Village Clerk	6,925	23,893	28.98%
Village Treasurer	102,504	203,827	50.29%
Public Benefit	934,403	1,087,790	85.90%
Police Department	2,687,384	5,395,629	49.81%
Fire and Police Commission	3,535	19,205	18.41%
Fire Department	680,167	1,315,170	51.72%
Public Property	92,316	887,750	10.40%
Public Works	807,883	1,668,980	48.41%
Building Standards	325,186	690,675	47.08%
Economic Incentive/Development	54,275	154,700	35.08%
Information Technology	<u>83,163</u>	<u>149,463</u>	55.64%
<b>Department Totals</b>	<b>6,276,961</b>	<b>12,968,902</b>	<b>48.40%</b>
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%
<b>Total General Fund</b>	<b>7,426,961</b>	<b>15,503,902</b>	<b>47.90%</b>
<b>Capital Projects Fund</b>	29,003	1,432,713	2.02%
<b>Retirement Separation Fund</b>	1,620	15,000	10.80%
<b>Retirement Insurance Fund</b>	137,361	250,740	54.78%
<b>Rt. 50 TIF</b>	861,507	1,350,740	63.78%
<b>Motor Fuel Tax Fund</b>	180,742	411,500	43.92%
<b>Police Pension Fund</b>	431,135	887,569	48.57%
<b>Fire Pension Fund</b>	2,471	6,775	36.47%
<b>Sewer Fund</b>	<u>1,170,314</u>	<u>3,204,957</u>	36.52%
<b>TOTALS:</b>	<b>10,241,114</b>	<b>23,063,896</b>	<b>44.40%</b>

**VILLAGE OF BRADLEY**  
**Fiscal Year '14/'15 Budget**

**SIX MONTH FUND BALANCE ANALYSIS**

<b>FUND BALANCE</b>	<b>Beginning Fund Balance</b>	<b>Fiscal Year Activity</b>	<b>Ending Fund Balance</b>
<b>General Corporate Fund</b>	9,369,275		
Revenues		4,616,219	
Expenditures		<u>7,426,961</u>	
Net Activity		(2,810,742)	6,558,533
<b>Capital Projects Fund</b>	175,231		
Revenues		38,417	
Expenditures		<u>29,003</u>	
Net Activity		9,414	184,645
<b>Retirement Separation Fund</b>	356,956		
Revenues		180	
Expenditures		<u>1,620</u>	
Net Activity		(1,441)	355,515
<b>Retirement Insurance Fund</b>	0		
Revenues		1,150,276	
Expenditures		<u>137,361</u>	
Net Activity		1,012,914	1,012,914
<b>Revolving Loan Fund</b>	1,915,437		
Revenues		6,236	
Expenditures		<u>0</u>	
Net Activity		6,236	1,921,673
<b>Rt. 50 TIF</b>	1,414,322		
Revenues		1,023,830	
Expenditures		<u>861,507</u>	
Net Activity		162,323	1,576,645
<b>Motor Fuel Tax Fund</b>	521,989		
Revenues		244,071	
Expenditures		<u>180,742</u>	
Net Activity		63,330	585,319
<b>Police Pension Fund</b>	13,337,267		
Revenues		1,469,867	
Expenditures		<u>431,135</u>	
Net Activity		1,038,732	14,375,999
<b>Fire Pension Fund</b>	521,141		
Revenues		101,754	
Expenditures		<u>2,471</u>	
Net Activity		99,284	620,424
<b>Sewer Fund</b>	2,058,376		
Revenues		1,471,531	
Expenses		<u>1,170,314</u>	
Net Activity		301,217	2,359,593