



AGENDA MEMORANDUM

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: June 15, 2015

RE: March, 2015 Treasurer's Report Analysis

The eleven-month budget comparison report shows a deficit in the General Fund in the amount of \$3.01 million. The month of March saw General Fund revenues exceed expenditures by \$89,625.84. The Village received all State-shared revenues in March but Income Taxes remain at a 4-month lag when it should be a 2-month lag.

Comparing last year to this year, General Fund revenues are lower (\$8.66 million this year versus \$9.04 million last year) but last year there was \$333,000 in revenues from the grant that paid for the new fire truck so revenues are about the same as this time last year. General Fund operating expenditures are less this year through March (\$10.40 million this year versus \$11.03 million last year). However, last year there was \$452,000 spent for the new fire truck that brings last year's expenditures down to \$10.58 million. Altogether, after removing grant revenues and expenditures related to the new fire truck, current year revenues are running about \$50,000 lower than last year and current year expenditures are about \$280,000 less than last year. So, the General Fund is operating \$230,000 better (-\$50,000 + \$280,000) in FY 2015 than FY 2014 through March.

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 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

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expenditures (\$2 million for retiree health insurance and \$1 million for facility improvements). 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 (91.67%). Through March, 24 of 26 payrolls have occurred, which is 92.3% 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 93.44% - is higher due to the annual payment of the liability insurance in December. Legal - at 94.06% - is higher due to contractual legal services running higher than expected. All other funds, with the exception of the MFT Fund, are under budget through March, 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, March saw General Fund revenues climb by \$984,986. The Village did receive an Income Tax payment from the State in March so we remain at 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 and General Administration), 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's revenues are under budget due to the KRMA construction project being delayed and not starting in FY 15 (this impacted Sewer Fund expenses, as well).

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 March, revenues exceeded expenses by \$32,839. All debt payments for the fiscal year have been made. Operating revenues are above budget by almost 3%. The fund's cash on hand was \$521,736, an increase of \$31,524 from the February cash balance of \$490,212. 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

ELEVEN MONTH BUDGET COMPARISON

<u>REVENUES</u>	FY 14/15 <u>ELEVEN MONTH ACTUAL</u>	FY 14/15 <u>BUDGET</u>	PERCENT COLLECTED
General Corporate Fund			
General Administration	7,682,008	11,264,078	68.20%
Village President	16,800	57,000	29.47%
Village Clerk	22,122	21,900	101.01%
Public Benefit	19,711	43,040	45.80%
Police Department	399,414	634,767	62.92%
Fire Department	328,487	409,500	80.22%
Public Property	14,351	15,500	92.59%
Public Works	5,570	5,000	111.40%
Building Standards	<u>167,530</u>	<u>159,500</u>	105.03%
Totals	8,655,992	12,610,285	68.64%
Capital Projects Fund	198,955	1,408,170	14.13%
Retirement Separation Fund	303	150	201.90%
Retirement Insurance Fund	1,150,631	2,300,000	50.03%
Revolving Loan Fund	10,318	13,337	77.37%
Rt. 50 TIF	1,024,631	900,300	113.81%
Motor Fuel Tax Fund	419,697	403,349	104.05%
Police Pension Fund	1,913,556	1,424,123	134.37%
Fire Pension Fund	120,136	130,564	92.01%
Sewer Fund	<u>2,249,685</u>	<u>2,793,767</u>	80.53%
Total Fund Revenues	15,743,903	21,984,045	71.62%

VILLAGE OF BRADLEY
Fiscal Year '14/'15 Budget

ELEVEN MONTH BUDGET COMPARISON

<u>EXPENDITURES</u>	FY 14/15 ELEVEN MONTH <u>ACTUAL</u>	FY 14/15 <u>BUDGET</u>	PERCENT EXPENDED
General Corporate Fund			
General Administration	519,194	555,619	93.44%
Benefits	157,185	269,768	58.27%
Board of Trustees	37,880	42,156	89.86%
Village President	20,827	26,634	78.20%
Village Administrator	156,937	173,444	90.48%
Legal	286,124	304,199	94.06%
Village Clerk	15,227	23,893	63.73%
Village Treasurer	161,334	203,827	79.15%
Public Benefit	989,574	1,087,790	90.97%
Police Department	4,652,481	5,395,629	86.23%
Fire and Police Commission	9,517	19,205	49.55%
Fire Department	1,043,577	1,315,170	79.35%
Public Property	171,369	887,750	19.30%
Public Works	1,414,526	1,668,980	84.75%
Building Standards	519,554	690,675	75.22%
Economic Incentive/Development	111,760	154,700	72.24%
Information Technology	<u>128,252</u>	<u>149,463</u>	85.81%
Department Totals	10,395,316	12,968,902	80.16%
Transfer - Capital Improvement Fund	121,976	235,000	51.90%
Transfer - Retirement Insurance Fund	<u>1,150,000</u>	<u>2,300,000</u>	50.00%
Total General Fund	11,667,292	15,503,902	75.25%
Capital Projects Fund	228,872	1,432,713	15.97%
Retirement Separation Fund	9,453	15,000	63.02%
Retirement Insurance Fund	208,704	250,740	83.24%
Rt. 50 TIF	877,214	1,350,740	64.94%
Motor Fuel Tax Fund	424,750	411,500	103.22%
Police Pension Fund	780,888	887,569	87.98%
Fire Pension Fund	5,626	6,775	83.04%
Sewer Fund	<u>2,194,904</u>	<u>3,204,957</u>	68.48%
TOTALS:	16,397,704	23,063,896	71.10%

VILLAGE OF BRADLEY
Fiscal Year '14/'15 Budget

ELEVEN MONTH FUND BALANCE ANALYSIS

FUND BALANCE	Beginning Fund Balance	Fiscal Year Activity	Ending Fund Balance
General Corporate Fund	9,369,275		
Revenues		8,655,992	
Expenditures		<u>11,667,292</u>	
Net Activity		(3,011,300)	6,357,975
Capital Projects Fund	175,231		
Revenues		198,955	
Expenditures		<u>228,872</u>	
Net Activity		(29,917)	145,314
Retirement Separation Fund	356,956		
Revenues		303	
Expenditures		<u>9,453</u>	
Net Activity		(9,150)	347,806
Retirement Insurance Fund	0		
Revenues		1,150,631	
Expenditures		<u>208,704</u>	
Net Activity		941,926	941,926
Revolving Loan Fund	1,915,437		
Revenues		10,318	
Expenditures		<u>0</u>	
Net Activity		10,318	1,925,755
Rt. 50 TIF	1,414,322		
Revenues		1,024,631	
Expenditures		<u>877,214</u>	
Net Activity		147,416	1,561,738
Motor Fuel Tax Fund	521,989		
Revenues		419,697	
Expenditures		<u>424,750</u>	
Net Activity		(5,053)	516,936
Police Pension Fund	13,337,267		
Revenues		1,913,556	
Expenditures		<u>780,888</u>	
Net Activity		1,132,668	14,469,935
Fire Pension Fund	521,141		
Revenues		120,136	
Expenditures		<u>5,626</u>	
Net Activity		114,510	635,651
Sewer Fund	2,058,376		
Revenues		2,249,685	
Expenses		<u>2,194,904</u>	
Net Activity		54,781	2,113,157