



AGENDA MEMORANDUM

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: April 8, 2015

RE: January, 2015 Treasurer's Report Analysis

The nine-month budget comparison report shows a deficit in the General Fund in the amount of just over \$3 million. The month of January saw General Fund revenues exceed expenditures by \$88,157.66.

Comparing last year to this year, General Fund revenues are almost the same (\$6.984 million this year versus \$7.026 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 January (\$8.874 million this year versus \$9.317 million last year). However, last year there was \$452,000 spent for the new fire truck that brings last year's expenditures down to \$8.865 million. Altogether, after removing grant revenues and expenditures related to the new fire truck, current year revenues are running about \$291,000 higher than last year and current year expenditures are about \$9,000 more than last year. So, the General Fund is operating \$282,000 better (\$291,000 - \$9,000) 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). 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.

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On the expenditure side, most departments in the General Fund are running at or below budget (75%). Through January, 20 of 26 payrolls have occurred, which is 76.92% 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 83.05% - is higher due to the annual payment of the liability insurance in December. Board of Trustees - at 77.39% - is higher than expected due to the timing of costs for the IML Annual Conference being paid in October. Village Administrator - at 76.63% - is slightly over due to the payroll timing issue already explained. Legal - at 81.18% - is higher due to contractual legal services running higher than expected. 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. All other funds are under budget through January, 2015.

On the revenue side, January saw General Fund revenues climb by \$862,844. The Village did receive two Income Tax payment from the State in January so we are now at a 3-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. 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 has moved to operating 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 January, revenues exceeded expenses by \$20,483. All debt payments for the fiscal year have been made. Operating revenues are just slightly above budget. The fund's cash on hand was \$475,405, an increase of \$20,483 from the December cash balance of \$454,922. 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

NINE MONTH BUDGET COMPARISON

<u>REVENUES</u>	<u>FY 14/15 NINE MONTH ACTUAL</u>	<u>FY 14/15 BUDGET</u>	<u>PERCENT COLLECTED</u>
General Corporate Fund			
General Administration	6,203,003	11,264,078	55.07%
Village President	2,400	57,000	4.21%
Village Clerk	21,497	21,900	98.16%
Public Benefit	17,791	43,040	41.34%
Police Department	328,712	634,767	51.78%
Fire Department	249,111	409,500	60.83%
Public Property	11,950	15,500	77.10%
Public Works	4,753	5,000	95.06%
Building Standards	<u>145,538</u>	<u>159,500</u>	91.25%
Totals	6,984,755	12,610,285	55.39%
Capital Projects Fund	61,293	1,408,170	4.35%
Retirement Separation Fund	283	150	188.35%
Retirement Insurance Fund	1,150,572	2,300,000	50.02%
Revolving Loan Fund	8,469	13,337	63.50%
Rt. 50 TIF	1,024,441	900,300	113.79%
Motor Fuel Tax Fund	353,508	403,349	87.64%
Police Pension Fund	1,536,603	1,424,123	107.90%
Fire Pension Fund	114,362	130,564	87.59%
Sewer Fund	<u>1,929,152</u>	<u>2,793,767</u>	69.05%
Total Fund Revenues	13,163,436	21,984,045	59.88%

VILLAGE OF BRADLEY
Fiscal Year '14/'15 Budget

NINE MONTH BUDGET COMPARISON

<u>EXPENDITURES</u>	<u>FY 14/15 NINE MONTH ACTUAL</u>	<u>FY 14/15 BUDGET</u>	<u>PERCENT EXPENDED</u>
General Corporate Fund			
General Administration	461,430	555,619	83.05%
Benefits	104,519	269,768	38.74%
Board of Trustees	32,623	42,156	77.39%
Village President	17,443	26,634	65.49%
Village Administrator	132,911	173,444	76.63%
Legal	246,960	304,199	81.18%
Village Clerk	12,919	23,893	54.07%
Village Treasurer	138,945	203,827	68.17%
Public Benefit	973,899	1,087,790	89.53%
Police Department	3,926,902	5,395,629	72.78%
Fire and Police Commission	9,058	19,205	47.16%
Fire Department	891,052	1,315,170	67.75%
Public Property	117,267	887,750	13.21%
Public Works	1,157,239	1,668,980	69.34%
Building Standards	430,920	690,675	62.39%
Economic Incentive/Development	109,004	154,700	70.46%
Information Technology	<u>111,062</u>	<u>149,463</u>	74.31%
Department Totals	8,874,152	12,968,902	68.43%
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	10,024,152	15,503,902	64.66%
Capital Projects Fund	144,454	1,432,713	10.08%
Retirement Separation Fund	9,042	15,000	60.28%
Retirement Insurance Fund	169,335	250,740	67.53%
Rt. 50 TIF	871,167	1,350,740	64.50%
Motor Fuel Tax Fund	193,216	411,500	46.95%
Police Pension Fund	651,032	887,569	73.35%
Fire Pension Fund	4,896	6,775	72.26%
Sewer Fund	<u>1,920,702</u>	<u>3,204,957</u>	59.93%
TOTALS:	13,987,995	23,063,896	60.65%

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		6,984,755	
Expenditures		<u>10,024,152</u>	
Net Activity		(3,039,397)	6,329,878
Capital Projects Fund	175,231		
Revenues		61,293	
Expenditures		<u>144,454</u>	
Net Activity		(83,161)	92,070
Retirement Separation Fund	356,956		
Revenues		283	
Expenditures		<u>9,042</u>	
Net Activity		(8,759)	348,197
Retirement Insurance Fund	0		
Revenues		1,150,572	
Expenditures		<u>169,335</u>	
Net Activity		981,237	981,237
Revolving Loan Fund	1,915,437		
Revenues		8,469	
Expenditures		<u>0</u>	
Net Activity		8,469	1,923,906
Rt. 50 TIF	1,414,322		
Revenues		1,024,441	
Expenditures		<u>871,167</u>	
Net Activity		153,274	1,567,596
Motor Fuel Tax Fund	521,989		
Revenues		353,508	
Expenditures		<u>193,216</u>	
Net Activity		160,292	682,281
Police Pension Fund	13,337,267		
Revenues		1,536,603	
Expenditures		<u>651,032</u>	
Net Activity		885,571	14,222,838
Fire Pension Fund	521,141		
Revenues		114,362	
Expenditures		<u>4,896</u>	
Net Activity		109,466	630,607
Sewer Fund	2,058,376		
Revenues		1,929,152	
Expenses		<u>1,920,702</u>	
Net Activity		8,450	2,066,826