



**AGENDA MEMORANDUM**

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: October 21, 2015

RE: July, 2015 Treasurer's Report Analysis

The three month budget comparison report shows the deficit in the General Fund leveling off. In June, the deficit was \$1.56 million and in July it is \$1.63 million - an increase in the deficit of only \$70,000. The reason for this is the Village received its first property tax payments for the fiscal year. Starting in August, Sales and Local Use Tax receipts will apply to the current fiscal year rather than to the prior year so this will further improve the financial snapshot of the Village. Receipts of Sales, Local Use and Income Taxes as well as other miscellaneous revenues that were realized in May, June and July and applied to the prior fiscal year totaled \$2,181,211. Applying these receipts against the three month deficit in the General Fund of \$1,631,981 yields a surplus of \$549,230 so it is important to remember the lag in receiving revenues in the General Fund has the largest impact at the start of each fiscal year. As the fiscal year progresses, the deficit in the General Fund will transition into a surplus as long as all unforeseen financial challenges remain manageable.

On the expenditure side, there is one item that had the largest impact on departmental expenditures and this was the fact there were 7 payrolls occurring through July. Overall, there are 26 pay periods in the fiscal year so with 7 occurring through July, 26.9% of all payrolls for the fiscal year were complete compared to the 25% expended-level the budget is expected to be after three months. There will be 3 payrolls again in October as this typically happens twice each fiscal year. There are two areas in the General Fund that are materially higher spent than 26.9% and those are the Village Administrator and Public Benefit areas. The Village Administrator retired in June and had time owed paid out in a lump sum. This payment caused the overage in the Administrator area and will be addressed in a budget amendment, if necessary. The Public Benefit area is over budget due to a timing issue; Police and Fire Pension contributions are recognized in Public Benefit and since the Village received about 55% of its budgeted property tax revenues in July, this incurred the Village's contribution to the pension funds expenditure. Property taxes are the funding source of the Village's contribution to the pension funds. All other funds, with the exception of the Retirement Separation and Fire Pension Funds, are at or under budget. The Retirement Separation Fund is at 102.84% spent due to the retirements of Chief Coy and Administrator Dickens. However, Administrator Dickens retirement was not known until late-May so it was not factored into the FY 15-16 Budget whereas Chief Coy's retirement was known and was included in the budget. The Fire Pension

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Fund is over budget due to a former employee requesting and receiving their contributions to the Fire Pension Fund as a refund. This former employee was not vested in their pension so they are entitled to receive a refund of the contributions they made to the Fire Pension Fund. The contributions made by the Village on behalf of this former employee remain in the Fire Pension Fund.

On the revenue side, since all Income, Sales and Local Use taxes applied to FY 14-15, the General Administration area of the General Fund budget is low. However, it did receive approximately 55% of budgeted property taxes in July so this influx of revenue improved the General Fund's revenue picture. Other General Fund departments - Village Clerk, Public Works and Building Standards - are doing better than budget with all other areas of the General Fund and the other funds running as expected. On a very strong note, the Police Pension Fund's financial snapshot at the end of July improved significantly from the prior month. Its portfolio took a market value gain in July, bringing market value activity back into a positive level for the fiscal year.

As of the end of July, the Sewer Fund ran a surplus of \$48,147, up from a deficit of \$160,489 the prior month. The fund's cash on hand was \$566,585 at the end of July, up from \$357,948 at the end of June. The reason for these two improvements was the receipt of property tax revenues levied to pay the fund's debt. Revenues for sewer service were lower than expected in July by almost \$50,000 with expenses doing significantly better than budget. However, depreciation expense has yet to be booked along with debt service expenses for the year. These two items will have a significant impact on the fund's financial operations. 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 15/16 Budget**

**THREE MONTH BUDGET COMPARISON**

<u>REVENUES</u>	<u>FY 15/16 THREE MONTH ACTUAL</u>	<u>FY 15/16 BUDGET</u>	<u>PERCENT COLLECTED</u>
<b>General Corporate Fund</b>			
General Administration	1,201,361	11,000,913	10.92%
Village President	3,300	60,825	5.43%
Village Clerk	25,175	21,650	116.28%
Public Benefit	2,917	19,000	15.35%
Police Department	92,723	386,850	23.97%
Fire Department	97,256	475,250	20.46%
Public Property	3,600	15,550	23.15%
Public Works	3,097	6,250	49.54%
Building Standards	<u>68,337</u>	<u>196,500</u>	34.78%
<b>Totals</b>	<b>1,497,767</b>	<b>12,182,788</b>	<b>12.29%</b>
<b>Capital Projects Fund</b>	8,800	367,170	2.40%
<b>Retirement Separation Fund</b>	36	250	14.52%
<b>Retirement Insurance Fund</b>	282	425,700	0.07%
<b>Revolving Loan Fund</b>	2,613	10,591	24.68%
<b>Rt. 50 TIF</b>	562,859	1,001,100	56.22%
<b>Motor Fuel Tax Fund</b>	57,291	459,449	12.47%
<b>Police Pension Fund</b>	598,982	1,568,875	38.18%
<b>Fire Pension Fund</b>	54,906	124,717	44.02%
<b>Sewer Fund</b>	<u>651,520</u>	<u>2,784,149</u>	23.40%
<b>Total Fund Revenues</b>	<b>3,435,055</b>	<b>18,924,789</b>	<b>18.15%</b>

**VILLAGE OF BRADLEY**  
**Fiscal Year 15/16 Budget**

**THREE MONTH BUDGET COMPARISON**

<u>EXPENDITURES</u>	<u>FY 15/16 THREE MONTH ACTUAL</u>	<u>FY 15/16 BUDGET</u>	<u>PERCENT EXPENDED</u>
<b>General Corporate Fund</b>			
General Administration	73,852	604,300	12.22%
Benefits	35,422	277,861	12.75%
Board of Trustees	7,885	32,108	24.56%
Village President	5,165	26,542	19.46%
Village Administrator	61,888	174,314	35.50%
Legal	71,398	291,509	24.49%
Village Clerk	3,749	21,753	17.23%
Village Treasurer	47,152	183,475	25.70%
Public Benefit	524,188	1,066,855	49.13%
Police Department	1,407,889	4,957,995	28.40%
Fire and Police Commission	1,103	16,767	6.58%
Fire Department	273,825	1,377,324	19.88%
Public Works	407,325	1,747,795	23.31%
Building Standards	167,028	706,650	23.64%
Economic Incentive/Development	0	14,000	0.00%
Information Technology	41,878	158,703	26.39%
<b>Department Totals</b>	<b>3,129,748</b>	<b>11,657,951</b>	<b>26.85%</b>
Transfer - Retirement Insurance Fund	<u>0</u>	<u>425,000</u>	0.00%
<b>Total General Fund</b>	<b>3,129,748</b>	<b>12,082,951</b>	<b>25.90%</b>
<b>Capital Projects Fund</b>	20,199	450,170	4.49%
<b>Retirement Separation Fund</b>	93,587	91,000	102.84%
<b>Retirement Insurance Fund</b>	72,100	298,414	24.16%
<b>Rt. 50 TIF</b>	3,355	1,439,880	0.23%
<b>Motor Fuel Tax Fund</b>	12,271	414,000	2.96%
<b>Police Pension Fund</b>	239,672	1,010,933	23.71%
<b>Fire Pension Fund</b>	36,139	7,775	464.81%
<b>Sewer Fund</b>	<u>603,372</u>	<u>3,391,089</u>	17.79%
<b>Total Fund Expenditures</b>	<b>4,210,444</b>	<b>19,186,212</b>	<b>21.95%</b>

**VILLAGE OF BRADLEY**  
**Fiscal Year 15/16 Budget**

**FUND BALANCE ANALYSIS AT 7/31/2015**

FUND BALANCE	Beginning Fund Balance	Fiscal Year Activity	Ending Fund Balance
<b>General Corporate Fund</b>	7,153,532		
Revenues		1,497,767	
Expenditures		<u>3,129,748</u>	
Net Activity		(1,631,981)	5,521,551
<b>Capital Projects Fund</b>	149,719		
Revenues		8,800	
Expenditures		<u>20,199</u>	
Net Activity		(11,399)	138,321
<b>Retirement Separation Fund</b>	347,824		
Revenues		36	
Expenditures		<u>93,587</u>	
Net Activity		(93,551)	254,273
<b>Retirement Insurance Fund</b>	2,073,229		
Revenues		282	
Expenditures		<u>72,100</u>	
Net Activity		(71,819)	2,001,410
<b>Revolving Loan Fund</b>	1,926,497		
Revenues		2,613	
Expenditures		<u>0</u>	
Net Activity		2,613	1,929,110
<b>Rt. 50 TIF</b>	1,558,651		
Revenues		562,859	
Expenditures		<u>3,355</u>	
Net Activity		559,504	2,118,155
<b>Motor Fuel Tax Fund</b>	564,084		
Revenues		57,291	
Expenditures		<u>12,271</u>	
Net Activity		45,020	609,104
<b>Police Pension Fund</b>	14,428,050		
Revenues		598,982	
Expenditures		<u>239,672</u>	
Net Activity		359,309	14,787,360
<b>Fire Pension Fund</b>	640,281		
Revenues		54,906	
Expenditures		<u>36,139</u>	
Net Activity		18,767	659,048
<b>Sewer Fund</b>	1,935,544		
Revenues		651,520	
Expenses		<u>603,372</u>	
Net Activity		48,147	1,983,692