



**AGENDA MEMORANDUM**

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: December 7, 2015

RE: October, 2015 Treasurer's Report Analysis

**General Fund Summary**

The six month budget comparison report shows the deficit in the General Fund had increased by \$578,894. In August it was \$1.62 million, in September it was \$1.02 million and in October it was \$1.596 million. The Village did not receive an income tax allotment from the State of Illinois in October - pushing the lag back to 4 months, as we had received 2 payments in September taking the lag down to 3 months. The General Fund also made its first semi-annual transfer to the Employee Retirement Insurance Fund of \$212,500. These two items caused the deficit to climb back up. Receipts of Sales, Local Use and Income Taxes as well as other miscellaneous revenues realized in May, June and July applied to the prior fiscal year totaled \$2,181,211. Applying these receipts against the six month deficit in the General Fund of \$1,596,057 yields a surplus of \$585,154 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.

**Expenditures**

At the six month time period, expenditures are expected to be at a 50% level on a straight-line basis. However, level spending throughout the year seldom happens. The largest impact to expenditures in the General Fund is personnel costs. The first item of note is 7 months of health insurance costs were recognized by 10-31-15. Health insurance invoices are due at the beginning of each month so the November invoice was paid at the end of October. Also, through the end of October, 14 of 26 payrolls had already occurred - or 53.9%. Given these two circumstances, there are two areas in the General Fund that are materially higher spent than 53.9% and those are the Board of Trustees and Public Benefit. The Board of Trustees is due to the IML Conference not being budgeted in FY 15-16; however, a budget amendment will address this issue. 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 has received about 98% of its budgeted property tax revenues through October, this incurred the Village's pension funds contribution expenditure. Property taxes are the funding source of the Village's contribution to the pension funds.

Half of the remaining funds are at or under budget. The Retirement Separation, Rt. 50 TIF, MFT and Fire Pension Funds are all over budget. The Retirement Separation Fund is at 151.74% spent

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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 Rt. 50 TIF Fund is at 64% expended due to the receipt of incremental property taxes. The Village remits 85% of the property tax increment received in the Rt. 50 TIF district to Amalgamated Bank - the Village's fiscal trustee - in order to properly fund the debt obligations of the TIF. The MFT Fund is a timing issue since the program typically runs during late summer to early fall. The Fire Pension 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.

### **Revenues**

On the revenue side, since all Income, Sales and Local Use taxes through July applied to FY 14-15, the General Administration area of the General Fund budget is low. It did not receive an Income Tax allotment in October. Also, the Village has not been receiving Local Use Taxes since August - again because of the State's budget mess - so this is about \$25,000 per month the Village will be waiting for the State to release once it decides to do so. Other General Fund departments - Village Clerk, Public Works and Building Standards - are doing better than budget with all other areas of the General Fund lagging slightly behind budget.

Most other funds are running as expected with their revenues. However, the Motor Fuel Tax Fund last received a monthly allotment in July so this fund will appear to be lagging on the revenue side. This is again due to the State's budget situation and we have been promised all monthly allotments once the budget is approved. The Police Pension Fund's financial snapshot at the end of October improved significantly as the roller-coaster market volatility of the prior 5 months has stabilized. It is important to remember that the pension funds' activity should be viewed as a marathon and not a sprint. Over the long-term, they have performed well and the financial market volatility of 2015 is a small impact when the funds are viewed in their entirety.

### **Sewer Fund Summary**

As of the end of October, the Sewer Fund ran a deficit of \$284,865, which is up considerably than the September deficit of \$93,337. The first semi-annual charge for depreciation was made in October in the amount of \$187,500; this is a non-cash charge but it impacts the net income of the Sewer Fund. The fund's cash on hand was \$421,072 at the end of October, down slightly from \$425,100 at the end of September. Revenues for sewer service were lower than expected in October by \$112,976 with expenses being under budget by 3.1% or \$103,237. 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**

**SIX MONTH BUDGET COMPARISON**

<u>REVENUES</u>	<u>FY 15/16 SIX MONTH ACTUAL</u>	<u>FY 15/16 BUDGET</u>	<u>PERCENT COLLECTED</u>
<b>General Corporate Fund</b>			
General Administration	4,209,692	11,000,913	38.27%
Village President	4,500	60,825	7.40%
Village Clerk	29,463	21,650	136.09%
Public Benefit	4,988	19,000	26.25%
Police Department	164,295	386,850	42.47%
Fire Department	196,344	475,250	41.31%
Public Property	7,201	15,550	46.31%
Public Works	7,544	6,250	120.70%
Building Standards	<u>119,536</u>	<u>196,500</u>	60.83%
<b>Totals</b>	<b>4,743,562</b>	<b>12,182,788</b>	<b>38.94%</b>
<b>Capital Projects Fund</b>	8,838	367,170	2.41%
<b>Retirement Separation Fund</b>	72	250	28.76%
<b>Retirement Insurance Fund</b>	213,124	425,700	50.06%
<b>Revolving Loan Fund</b>	5,687	10,591	53.70%
<b>Rt. 50 TIF</b>	1,087,916	1,001,100	108.67%
<b>Motor Fuel Tax Fund</b>	75,998	459,449	16.54%
<b>Police Pension Fund</b>	872,618	1,568,875	55.62%
<b>Fire Pension Fund</b>	98,838	124,717	79.25%
<b>Sewer Fund</b>	<u>1,307,442</u>	<u>2,784,149</u>	46.96%
<b>Total Fund Revenues</b>	<b>8,414,095</b>	<b>18,924,789</b>	<b>44.46%</b>

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

**SIX MONTH BUDGET COMPARISON**

<u>EXPENDITURES</u>	<u>FY 15/16 SIX MONTH ACTUAL</u>	<u>FY 15/16 BUDGET</u>	<u>PERCENT EXPENDED</u>
<b>General Corporate Fund</b>			
General Administration	164,161	604,300	27.17%
Benefits	94,146	277,861	33.88%
Board of Trustees	20,710	32,108	64.50%
Village President	10,000	26,542	37.68%
Village Administrator	61,888	174,314	35.50%
Legal	147,855	291,509	50.72%
Village Clerk	6,461	21,753	29.70%
Village Treasurer	88,630	183,475	48.31%
Public Benefit	943,699	1,066,855	88.46%
Police Department	2,792,268	4,957,995	56.32%
Fire and Police Commission	2,108	16,767	12.57%
Fire Department	573,745	1,377,324	41.66%
Public Works	825,151	1,747,795	47.21%
Building Standards	321,579	706,650	45.51%
Economic Incentive/Development	0	14,000	0.00%
Information Technology	<u>74,719</u>	<u>158,703</u>	47.08%
<b>Department Totals</b>	<b>6,127,119</b>	<b>11,657,951</b>	<b>52.56%</b>
Transfer - Retirement Insurance Fund	<u>212,500</u>	<u>425,000</u>	50.00%
<b>Total General Fund</b>	<b>6,339,619</b>	<b>12,082,951</b>	<b>52.47%</b>
<b>Capital Projects Fund</b>	65,833	450,170	14.62%
<b>Retirement Separation Fund</b>	138,087	91,000	151.74%
<b>Retirement Insurance Fund</b>	147,237	298,414	49.34%
<b>Rt. 50 TIF</b>	921,649	1,439,880	64.01%
<b>Motor Fuel Tax Fund</b>	365,817	414,000	88.36%
<b>Police Pension Fund</b>	477,283	1,010,933	47.21%
<b>Fire Pension Fund</b>	38,033	7,775	489.18%
<b>Sewer Fund</b>	<u>1,592,307</u>	<u>3,391,089</u>	46.96%
<b>Total Fund Expenditures</b>	<b>10,085,866</b>	<b>19,186,212</b>	<b>52.57%</b>

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

**FUND BALANCE ANALYSIS AT 10/31/2015**

<b>FUND BALANCE</b>	<b>Beginning Fund Balance</b>	<b>Fiscal Year Activity</b>	<b>Ending Fund Balance</b>
<b>General Corporate Fund</b>	7,153,532		
Revenues		4,743,562	
Expenditures		<u>6,339,619</u>	
Net Activity		(1,596,057)	5,557,475
<b>Capital Projects Fund</b>	149,719		
Revenues		8,838	
Expenditures		<u>65,833</u>	
Net Activity		(56,995)	92,724
<b>Retirement Separation Fund</b>	347,824		
Revenues		72	
Expenditures		<u>138,087</u>	
Net Activity		(138,015)	209,809
<b>Retirement Insurance Fund</b>	2,073,229		
Revenues		213,124	
Expenditures		<u>147,237</u>	
Net Activity		65,886	2,139,115
<b>Revolving Loan Fund</b>	1,926,497		
Revenues		5,687	
Expenditures		<u>0</u>	
Net Activity		5,687	1,932,184
<b>Rt. 50 TIF</b>	1,558,651		
Revenues		1,087,916	
Expenditures		<u>921,649</u>	
Net Activity		166,267	1,724,918
<b>Motor Fuel Tax Fund</b>	564,084		
Revenues		75,998	
Expenditures		<u>365,817</u>	
Net Activity		(289,819)	274,266
<b>Police Pension Fund</b>	14,428,050		
Revenues		872,618	
Expenditures		<u>477,283</u>	
Net Activity		395,335	14,823,385
<b>Fire Pension Fund</b>	640,281		
Revenues		98,838	
Expenditures		<u>38,033</u>	
Net Activity		60,805	701,086
<b>Sewer Fund</b>	1,935,544		
Revenues		1,307,442	
Expenses		<u>1,592,307</u>	
Net Activity		(284,865)	1,650,679