



AGENDA MEMORANDUM

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer *MAP*

Date: November 17, 2015

RE: August, 2015 Treasurer's Report Analysis

General Fund Summary

The four month budget comparison report shows the deficit in the General Fund with a small improvement of \$8,454. In June, the deficit was \$1.56 million, in July it was \$1.63 million and in August it was \$1.62 million. The Village received its first State-shared revenues for FY 15-16 in August - Sales and Local Use Taxes. But the Income Tax monies received still applied to FY 14-15 since the State continues to be at a 4 month lag in paying when it should only be a 2 month lag. 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 four month deficit in the General Fund of \$1,621,048 yields a surplus of \$560,163 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

On the expenditure side, there is one item that had the largest impact on departmental expenditures and this was the fact 9 payrolls occurred through August. Overall, there are 26 pay periods in the fiscal year so with 9 occurring through August, 34.6% of all payrolls for the fiscal year were complete compared to the 33.4% expended-level the budget is expected to be after four months. There are three areas in the General Fund that are materially higher spent than 34.6% and those are the Board of Trustees, Village Administrator and Public Benefit areas. 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 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 pension funds contribution expenditure. Property taxes are the funding source of the Village's contribution to the pension funds.

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All other funds, with the exception of the Retirement Separation, MFT and Fire Pension Funds, are at or under budget. The Retirement Separation Fund is at 151.74% 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 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. However, it did receive its first Sales and Local Use Taxes in August and will receive the first Income Tax payment in September so this influx of revenue will start to improve 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 most other funds running as expected.

The Police Pension Fund's financial snapshot at the end of August, unfortunately, again took a hit. The market value of its portfolio suffered a significant loss, moving its market value activity back into a negative position for the fiscal year. 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 August, the Sewer Fund ran a deficit of \$279,967, down significantly from July when it had a surplus of \$48,147. The fund's cash on hand was \$366,726 at the end of August, down from \$566,585 at the end of July. The reason for these two decreases was the FY 15-16 debt service payment made at the time the Sewer bonds were refunded. This payment was made in August, rather than in December, in order to meet the refunding requirements of the Sewer bonds. Revenues for sewer service were lower than expected in August by almost \$82,000 with expenses being right on budget. However, depreciation expense has yet to be booked and will have a significant impact on the fund's financial operations. Depreciation is booked at the 6-month and 12-month periods. 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

FOUR MONTH BUDGET COMPARISON

<u>REVENUES</u>	<u>FY 15/16 FOUR MONTH ACTUAL</u>	<u>FY 15/16 BUDGET</u>	<u>PERCENT COLLECTED</u>
General Corporate Fund			
General Administration	1,857,716	11,000,913	16.89%
Village President	3,300	60,825	5.43%
Village Clerk	28,420	21,650	131.27%
Public Benefit	3,257	19,000	17.14%
Police Department	112,107	386,850	28.98%
Fire Department	131,084	475,250	27.58%
Public Property	4,800	15,550	30.87%
Public Works	4,112	6,250	65.80%
Building Standards	<u>85,659</u>	<u>196,500</u>	43.59%
Totals	2,230,457	12,182,788	18.31%
Capital Projects Fund	8,820	367,170	2.40%
Retirement Separation Fund	44	250	17.78%
Retirement Insurance Fund	350	425,700	0.08%
Revolving Loan Fund	3,503	10,591	33.07%
Rt. 50 TIF	563,027	1,001,100	56.24%
Motor Fuel Tax Fund	57,320	459,449	12.48%
Police Pension Fund	122,846	1,568,875	7.83%
Fire Pension Fund	53,364	124,717	42.79%
Sewer Fund	<u>844,755</u>	<u>2,784,149</u>	30.34%
Total Fund Revenues	3,884,485	18,924,789	20.53%

VILLAGE OF BRADLEY
Fiscal Year 15/16 Budget

FOUR MONTH BUDGET COMPARISON

<u>EXPENDITURES</u>	<u>FY 15/16 FOUR MONTH ACTUAL</u>	<u>FY 15/16 BUDGET</u>	<u>PERCENT EXPENDED</u>
General Corporate Fund			
General Administration	101,460	604,300	16.79%
Benefits	72,304	277,861	26.02%
Board of Trustees	12,748	32,108	39.70%
Village President	6,661	26,542	25.10%
Village Administrator	61,888	174,314	35.50%
Legal	99,284	291,509	34.06%
Village Clerk	4,921	21,753	22.62%
Village Treasurer	59,128	183,475	32.23%
Public Benefit	528,653	1,066,855	49.55%
Police Department	1,759,934	4,957,995	35.50%
Fire and Police Commission	1,103	16,767	6.58%
Fire Department	355,843	1,377,324	25.84%
Public Works	522,815	1,747,795	29.91%
Building Standards	212,989	706,650	30.14%
Economic Incentive/Development	0	14,000	0.00%
Information Technology	<u>51,773</u>	<u>158,703</u>	32.62%
Department Totals	3,851,505	11,657,951	33.04%
Transfer - Retirement Insurance Fund	<u>0</u>	<u>425,000</u>	0.00%
Total General Fund	3,851,505	12,082,951	31.88%
Capital Projects Fund			
	23,482	450,170	5.22%
Retirement Separation Fund			
	138,087	91,000	151.74%
Retirement Insurance Fund			
	99,690	298,414	33.41%
Rt. 50 TIF			
	5,969	1,439,880	0.41%
Motor Fuel Tax Fund			
	359,722	414,000	86.89%
Police Pension Fund			
	314,293	1,010,933	31.09%
Fire Pension Fund			
	37,289	7,775	479.60%
Sewer Fund			
	<u>1,124,722</u>	<u>3,391,089</u>	33.17%
Total Fund Expenditures	5,954,757	19,186,212	31.04%

VILLAGE OF BRADLEY
Fiscal Year 15/16 Budget

FUND BALANCE ANALYSIS AT 8/31/2015

FUND BALANCE	Beginning Fund Balance	Fiscal Year Activity	Ending Fund Balance
General Corporate Fund	7,153,532		
Revenues		2,230,457	
Expenditures		<u>3,851,505</u>	
Net Activity		(1,621,048)	5,532,484
Capital Projects Fund	149,719		
Revenues		8,820	
Expenditures		<u>23,482</u>	
Net Activity		(14,662)	135,058
Retirement Separation Fund	347,824		
Revenues		44	
Expenditures		<u>138,087</u>	
Net Activity		(138,042)	209,781
Retirement Insurance Fund	2,073,229		
Revenues		350	
Expenditures		<u>99,690</u>	
Net Activity		(99,340)	1,973,889
Revolving Loan Fund	1,926,497		
Revenues		3,503	
Expenditures		<u>0</u>	
Net Activity		3,503	1,930,000
Rt. 50 TIF	1,558,651		
Revenues		563,027	
Expenditures		<u>5,969</u>	
Net Activity		557,058	2,115,709
Motor Fuel Tax Fund	564,084		
Revenues		57,320	
Expenditures		<u>359,722</u>	
Net Activity		(302,402)	261,683
Police Pension Fund	14,428,050		
Revenues		122,846	
Expenditures		<u>314,293</u>	
Net Activity		(191,447)	14,236,603
Fire Pension Fund	640,281		
Revenues		53,364	
Expenditures		<u>37,289</u>	
Net Activity		16,075	656,356
Sewer Fund	1,935,544		
Revenues		844,755	
Expenses		<u>1,124,722</u>	
Net Activity		(279,967)	1,655,578