



AGENDA MEMORANDUM

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: January 15, 2016

RE: November, 2015 Treasurer's Report Analysis

General Fund Summary

The seven month budget comparison report shows the deficit in the General Fund had increased by \$69,449. In September it was \$1.02 million, in October it was \$1.596 million and in November it was \$1.665 million. The lag in income tax allotments from the State of Illinois remains at 4 months when the lag should only be at 2 months. Due to the State's budget impasse, the Village was 3 months behind in Local Use Tax receipts; had Local Use Taxes been received as scheduled, the General Fund's deficit would have decreased in November. 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 seven month deficit in the General Fund of \$1,665,506 yields a surplus of \$515,705 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 seven month time period, expenditures are expected to be at a 58.3% 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 8 months of health insurance costs were recognized by 11-30-15. Health insurance invoices are due at the beginning of each month so the December invoice was paid at the end of November. Also, through the end of November, 16 of 26 payrolls had already occurred - or 61.5%. Given these two circumstances, there are two areas in the General Fund that are materially higher spent than 61.5% 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 almost 100% of its budgeted property tax revenues through November, this incurred the Village's pension funds contribution expenditure. Property taxes are the funding source of the Village's contribution to the pension funds.

Five of the remaining eight funds are at or under budget. The Retirement Separation, MFT and Fire Pension Funds are all over budget. The Retirement Separation Fund is at 151.74% spent due to the

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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. 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. (The State did release these funds in December, 2015, along with other revenues that were stopped due to the State budget. The Village is now current on all revenues from the State with the exception of the ongoing Income Tax lag.) 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. Liquor License revenues - recognized under the Village President area - are low because of timing. These revenues come in every April so this area will look low for 11 months every fiscal year.

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 until the State releases what is owed to the Village. (All back MFT allotments owed the Village were received in December, 2015). The Police Pension Fund's financial snapshot at the end of November improved again as the roller-coaster market volatility of the prior 5 months 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 November, the Sewer Fund ran a deficit of \$294,294, which is up from the October deficit of \$284,865. 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 \$411,644 at the end of November, down slightly from \$421,072 at the end of October. Revenues for sewer service were lower than expected through November by \$139,916 with expenses being under budget by 7.3% or \$247,077. 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

SEVEN MONTH BUDGET COMPARISON

<u>REVENUES</u>	FY 15/16 <u>SEVEN MONTH ACTUAL</u>	FY 15/16 <u>BUDGET</u>	PERCENT COLLECTED
General Corporate Fund			
General Administration	4,968,788	11,000,913	45.17%
Village President	4,500	60,825	7.40%
Village Clerk	30,190	21,650	139.44%
Public Benefit	6,311	19,000	33.22%
Police Department	186,144	386,850	48.12%
Fire Department	229,093	475,250	48.20%
Public Property	8,401	15,550	54.03%
Public Works	8,556	6,250	136.89%
Building Standards	<u>126,644</u>	<u>196,500</u>	64.45%
Totals	5,568,626	12,182,788	45.71%
Capital Projects Fund	14,433	367,170	3.93%
Retirement Separation Fund	83	250	33.06%
Retirement Insurance Fund	213,245	425,700	50.09%
Revolving Loan Fund	6,834	10,591	64.52%
Rt. 50 TIF	1,088,243	1,001,100	108.70%
Motor Fuel Tax Fund	76,007	459,449	16.54%
Police Pension Fund	924,299	1,568,875	58.91%
Fire Pension Fund	100,808	124,717	80.83%
Sewer Fund	<u>1,435,634</u>	<u>2,784,149</u>	51.56%
Total Fund Revenues	9,428,213	18,924,789	49.82%

VILLAGE OF BRADLEY
Fiscal Year 15/16 Budget

SEVEN MONTH BUDGET COMPARISON

<u>EXPENDITURES</u>	<u>FY 15/16 SEVEN MONTH ACTUAL</u>	<u>FY 15/16 BUDGET</u>	<u>PERCENT EXPENDED</u>
General Corporate Fund			
General Administration	177,306	604,300	29.34%
Benefits	100,949	277,861	36.33%
Board of Trustees	23,338	32,108	72.69%
Village President	11,690	26,542	44.04%
Village Administrator	61,888	174,314	35.50%
Legal	166,560	291,509	57.14%
Village Clerk	7,225	21,753	33.21%
Village Treasurer	119,553	183,475	65.16%
Public Benefit	961,657	1,066,855	90.14%
Police Department	3,152,068	4,957,995	63.58%
Fire and Police Commission	3,078	16,767	18.35%
Fire Department	674,880	1,377,324	49.00%
Public Works	1,098,424	1,747,795	62.85%
Building Standards	367,686	706,650	52.03%
Economic Incentive/Development	0	14,000	0.00%
Information Technology	<u>95,332</u>	<u>158,703</u>	60.07%
Department Totals	7,021,633	11,657,951	60.23%
Transfer - Retirement Insurance Fund	<u>212,500</u>	<u>425,000</u>	50.00%
Total General Fund	7,234,133	12,082,951	59.87%
Capital Projects Fund	107,762	450,170	23.94%
Retirement Separation Fund	138,087	91,000	151.74%
Retirement Insurance Fund	171,348	298,414	57.42%
Rt. 50 TIF	921,649	1,439,880	64.01%
Motor Fuel Tax Fund	365,817	414,000	88.36%
Police Pension Fund	558,885	1,010,933	55.28%
Fire Pension Fund	39,841	7,775	512.43%
Sewer Fund	<u>1,729,928</u>	<u>3,391,089</u>	51.01%
Total Fund Expenditures	11,267,449	19,186,212	58.73%

VILLAGE OF BRADLEY
Fiscal Year 15/16 Budget

FUND BALANCE ANALYSIS AT 11/30/2015

FUND BALANCE	Beginning Fund Balance	Fiscal Year Activity	Ending Fund Balance
General Corporate Fund	7,248,993		
Revenues		5,568,626	
Expenditures		<u>7,234,133</u>	
Net Activity		(1,665,506)	5,583,486
Capital Projects Fund	143,602		
Revenues		14,433	
Expenditures		<u>107,762</u>	
Net Activity		(93,328)	50,274
Retirement Separation Fund	346,916		
Revenues		83	
Expenditures		<u>138,087</u>	
Net Activity		(138,004)	208,911
Retirement Insurance Fund	2,075,354		
Revenues		213,245	
Expenditures		<u>171,348</u>	
Net Activity		41,897	2,117,251
Revolving Loan Fund	1,926,497		
Revenues		6,834	
Expenditures		<u>0</u>	
Net Activity		6,834	1,933,331
Rt. 50 TIF	1,558,651		
Revenues		1,088,243	
Expenditures		<u>921,649</u>	
Net Activity		166,594	1,725,245
Motor Fuel Tax Fund	564,084		
Revenues		76,007	
Expenditures		<u>365,817</u>	
Net Activity		(289,810)	274,275
Police Pension Fund	14,440,511		
Revenues		924,299	
Expenditures		<u>558,885</u>	
Net Activity		365,415	14,805,926
Fire Pension Fund	638,258		
Revenues		100,808	
Expenditures		<u>39,841</u>	
Net Activity		60,967	699,225
Sewer Fund	2,080,869		
Revenues		1,435,634	
Expenses		<u>1,729,928</u>	
Net Activity		(294,294)	1,786,575