



**AGENDA MEMORANDUM**

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: February 4, 2016

RE: December, 2015 Treasurer's Report Analysis

**General Fund Summary**

The eight month budget comparison report shows the deficit in the General Fund had increased by \$86,459. In October it was \$1.596 million, in November it was \$1.665 million and in December it was \$1.752 million. The main reason why the deficit increased in December was due to recognizing our annual liability insurance premium in the amount of \$212,945. The lag in income tax allotments from the State of Illinois remains at 4 months when the lag should only be at 2 months. However, all past-due State-shared revenues of Local Use Taxes were received in December, totaling \$87,541 bringing the Village current for that revenue item. 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 eight month deficit in the General Fund of \$1,751,965 yields a surplus of \$429,246 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 eight month time period, expenditures are expected to be at a 66.7% 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. Through the end of December, 18 of 26 payrolls had already occurred - or 69.2%. Given these circumstances, there are four areas in the General Fund that are materially higher spent than 69.2% and those are General Administration, the Board of Trustees, Public Benefit and Economic Incentive/Development. General Administration is higher than budget due to the aforementioned liability insurance premium recognized in December. 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 December, this incurred the Village's pension funds contribution expenditure. Property taxes are the funding source of the Village's contribution to the pension funds. Lastly, Economic Incentive is higher than budget due to the first payment this fiscal year to Turk Furniture for their sales tax rebate. This rebate matured in

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October, 2015 but the State of Illinois was later getting sales tax information out this year so the timing of this expenditure is late.

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 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 State released all shared revenues - Local Use, Motor Fuel and Video Gaming taxes - in December and the Village is now current with these revenues. 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. The Police Pension Fund's financial snapshot at the end of December declined again as the roller-coaster market volatility of 2015 continued. The Police Pension Fund is over 60% funded and despite recent media reports claiming the fund is in shaky financial condition, the fund is right at the average funding level for Police Pension funds in the State. The fund is following State mandates to have a 100% funding level by the year 2040, using actuarial determined data that is calculated every 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 December, the Sewer Fund ran a deficit of \$296,572, which is up slightly from the November deficit of \$294,294. The fund's cash on hand was \$409,366 at the end of December, down from \$411,644 at the end of November. Revenues for sewer service were lower than expected through December by \$174,098 with expenses being under budget by 12% or \$406,090. 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**

**EIGHT MONTH BUDGET COMPARISON**

<u>REVENUES</u>	<u>FY 15/16 EIGHT MONTH ACTUAL</u>	<u>FY 15/16 BUDGET</u>	<u>PERCENT COLLECTED</u>
<b>General Corporate Fund</b>			
General Administration	5,742,577	11,000,913	52.20%
Village President	4,500	60,825	7.40%
Village Clerk	30,527	21,650	141.00%
Public Benefit	6,563	19,000	34.54%
Police Department	215,354	386,850	55.67%
Fire Department	264,650	475,250	55.69%
Public Property	9,601	15,550	61.74%
Public Works	8,639	6,250	138.23%
Building Standards	<u>143,326</u>	<u>196,500</u>	72.94%
<b>Totals</b>	<b>6,425,736</b>	<b>12,182,788</b>	<b>52.74%</b>
<b>Capital Projects Fund</b>	88,764	367,170	24.18%
<b>Retirement Separation Fund</b>	95	250	38.03%
<b>Retirement Insurance Fund</b>	213,381	425,700	50.12%
<b>Revolving Loan Fund</b>	7,507	10,591	70.89%
<b>Rt. 50 TIF</b>	1,088,391	1,001,100	108.72%
<b>Motor Fuel Tax Fund</b>	253,730	459,449	55.22%
<b>Police Pension Fund</b>	725,024	1,568,875	46.21%
<b>Fire Pension Fund</b>	97,490	124,717	78.17%
<b>Sewer Fund</b>	<u>1,559,194</u>	<u>2,784,149</u>	56.00%
<b>Total Fund Revenues</b>	<b>10,459,312</b>	<b>18,924,789</b>	<b>55.27%</b>

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

**EIGHT MONTH BUDGET COMPARISON**

<u>EXPENDITURES</u>	FY 15/16 <u>EIGHT MONTH ACTUAL</u>	FY 15/16 <u>BUDGET</u>	PERCENT EXPENDED
<b>General Corporate Fund</b>			
General Administration	448,025	604,300	74.14%
Benefits	112,224	277,861	40.39%
Board of Trustees	25,966	32,108	80.87%
Village President	13,411	26,542	50.53%
Village Administrator	68,834	174,314	39.49%
Legal	187,747	291,509	64.41%
Village Clerk	8,458	21,753	38.88%
Village Treasurer	129,916	183,475	70.81%
Public Benefit	976,045	1,066,855	91.49%
Police Department	3,504,971	4,957,995	70.69%
Fire and Police Commission	3,465	16,767	20.67%
Fire Department	749,415	1,377,324	54.41%
Public Works	1,205,544	1,747,795	68.98%
Building Standards	408,331	706,650	57.78%
Economic Incentive/Development	13,141	14,000	93.86%
Information Technology	<u>109,708</u>	<u>158,703</u>	69.13%
<b>Department Totals</b>	<b>7,965,201</b>	<b>11,657,951</b>	<b>68.32%</b>
Transfer - Retirement Insurance Fund	<u>212,500</u>	<u>425,000</u>	50.00%
<b>Total General Fund</b>	<b>8,177,701</b>	<b>12,082,951</b>	<b>67.68%</b>
<b>Capital Projects Fund</b>	129,753	450,170	28.82%
<b>Retirement Separation Fund</b>	138,087	91,000	151.74%
<b>Retirement Insurance Fund</b>	173,154	298,414	58.02%
<b>Rt. 50 TIF</b>	921,649	1,439,880	64.01%
<b>Motor Fuel Tax Fund</b>	369,899	414,000	89.35%
<b>Police Pension Fund</b>	637,607	1,010,933	63.07%
<b>Fire Pension Fund</b>	41,241	7,775	530.44%
<b>Sewer Fund</b>	<u>1,855,766</u>	<u>3,391,089</u>	54.72%
<b>Total Fund Expenditures</b>	<b>12,444,857</b>	<b>19,186,212</b>	<b>64.86%</b>

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

**FUND BALANCE ANALYSIS AT 12/31/2015**

FUND BALANCE	Beginning Fund Balance	Fiscal Year Activity	Ending Fund Balance
<b>General Corporate Fund</b>	7,248,993		
Revenues		6,425,736	
Expenditures		<u>8,177,701</u>	
Net Activity		(1,751,965)	5,497,028
<b>Capital Projects Fund</b>	143,602		
Revenues		88,764	
Expenditures		<u>129,753</u>	
Net Activity		(40,989)	102,614
<b>Retirement Separation Fund</b>	346,916		
Revenues		95	
Expenditures		<u>138,087</u>	
Net Activity		(137,992)	208,924
<b>Retirement Insurance Fund</b>	2,075,354		
Revenues		213,381	
Expenditures		<u>173,154</u>	
Net Activity		40,227	2,115,581
<b>Revolving Loan Fund</b>	1,926,497		
Revenues		7,507	
Expenditures		<u>0</u>	
Net Activity		7,507	1,934,004
<b>Rt. 50 TIF</b>	1,558,651		
Revenues		1,088,391	
Expenditures		<u>921,649</u>	
Net Activity		166,742	1,725,393
<b>Motor Fuel Tax Fund</b>	564,084		
Revenues		253,730	
Expenditures		<u>369,899</u>	
Net Activity		(116,169)	447,915
<b>Police Pension Fund</b>	14,440,511		
Revenues		725,024	
Expenditures		<u>637,607</u>	
Net Activity		87,417	14,527,929
<b>Fire Pension Fund</b>	638,258		
Revenues		97,490	
Expenditures		<u>41,241</u>	
Net Activity		56,248	694,507
<b>Sewer Fund</b>	2,080,869		
Revenues		1,559,194	
Expenses		<u>1,855,766</u>	
Net Activity		(296,572)	1,784,297