

AGENDA MEMORANDUM

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: November 7, 2016

RE: July, 2016 Treasurer's Report Analysis

General Fund Summary

The three month budget comparison report continues to show a misleading financial picture for the Village. Even though revenues increased significantly in July - because property taxes started to be received - corresponding expenditures for Police and Fire pensions also increased. Due to the timing of receiving revenues, most of the monies received in May, June and July were applied to the prior fiscal year. Receipts of Sales and Local Use Taxes that were realized in May, June and July and Income Taxes as well as other miscellaneous revenues that were realized in May and June applied to the prior fiscal year and totaled \$1,645,740. Applying these receipts against the three month deficit in the General Fund of \$1,435,056 yields a surplus of \$210,684 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.

Expenditures

On the expenditure side, almost all departments in the General Fund are running at or below budget since 25% is where the budget is expected to be after three months. Public Benefit is over budget due to a timing issue. Police and Fire Pension contributions are recognized in Public Benefit and since the Village has received just over 50% of its budgeted property tax revenues through 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. Building Standards is just slightly over budget at 26.14%. This is due to the purchase of 2 trucks totaling \$43,310 in July so this is a timing issue since this expenditure occurred in the first quarter of the fiscal year. Lastly, Information Technology is 43.6% spent in the same manner as Building Standards, a timing issue. Expenditures of just over \$34,000 were incurred in July so this large expenditure has a dramatic impact at the start of the fiscal year. However, all three of these areas are operating as expected and are expected to stay within budget. Overall, the General Fund budget is 21.94% expended after three months.

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All other funds are at or under budget. Most projects were either just beginning or had not started by July so the low expenditures in some of the funds are due to timing rather than changes to what was planned.

Revenues

On the revenue side, since all Sales, Local Use and Income Taxes applied to FY 15-16, the General Administration area of the General Fund budget is low. However, other departments - Village Clerk and Building Standards - are doing better than budget most other areas of the General Fund running as expected. The Village President revenues are all from liquor licenses and these come in at the end of each fiscal year. The Fire department is low because their budget has \$283,924 in grant revenues that will be applied to purchasing a new ambulance if the grant is awarded. Lastly, Public Works revenue is low because of timing. There is a \$6,500 equipment grant that will be awarded late in the fiscal year and it is the largest item in a revenue budget totaling \$11,750.

All other funds are operating as expected at the end of the first quarter of FY 16-17. The Police Pension Fund has started FY 16-17 very well, due primarily to the stock market volatility seen in late 2015 and early 2016 subsiding and market value gains increasing. The Fire Pension Fund has improved due to the influx of property taxes in July.

Sewer Fund

As of the end of July, the Sewer Fund ran a deficit of \$35,776, an improvement from June's deficit of \$110,003. However, the Sewer Fund received \$206,206 in property tax revenues in July so this is why the deficit shrank. The fund's cash on hand was \$293,772 at the end of July, up from \$220,546 at the end of June. This increase in cash was also due to the receipt of property taxes. 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 16/17 Budget

THREE MONTH BUDGET COMPARISON

<u>REVENUES</u>	<u>FY 16/17 ACTUAL</u>	<u>FY 16/17 BUDGET</u>	<u>PERCENT COLLECTED</u>
General Corporate Fund			
General Administration	1,196,451	11,655,973	10.26%
Village President	1,200	60,825	1.97%
Village Clerk	15,980	21,150	75.56%
Public Benefit	2,534	11,050	22.93%
Police Department	89,836	366,250	24.53%
Fire Department	88,793	633,924	14.01%
Public Property	3,600	15,550	23.15%
Public Works	1,232	11,750	10.49%
Building Standards	<u>66,038</u>	<u>206,000</u>	32.06%
Totals	1,465,663	12,982,472	11.29%
Capital Projects Fund	27,895	196,100	14.22%
Cell Tower Rent Fund	9,263	33,000	28.07%
Retirement Separation Fund	40	100	40.22%
Retirement Insurance Fund	579	501,000	0.12%
Revolving Loan Fund	1,661	4,504	36.88%
Rt. 50 TIF	624,135	1,101,300	56.67%
Motor Fuel Tax Fund	59,090	429,880	13.75%
Police Pension Fund	1,210,415	1,525,887	79.33%
Fire Pension Fund	77,869	167,078	46.61%
Sewer Fund	<u>581,633</u>	<u>2,097,008</u>	27.74%
Total Fund Revenues	4,058,244	19,038,329	21.32%

VILLAGE OF BRADLEY
Fiscal Year 16/17 Budget

THREE MONTH BUDGET COMPARISON

<u>EXPENDITURES</u>	<u>FY 16/17 ACTUAL</u>	<u>FY 16/17 BUDGET</u>	<u>PERCENT EXPENDED</u>
General Corporate Fund			
General Administration	82,187	964,560	8.52%
Benefits	22,823	247,935	9.21%
Board of Trustees	7,897	37,004	21.34%
Village President	6,348	26,126	24.30%
Village Administrator	32,680	135,954	24.04%
Legal	59,273	251,257	23.59%
Village Clerk	2,018	20,874	9.67%
Village Treasurer	42,028	211,927	19.83%
Public Benefit	647,283	1,299,432	49.81%
Police Department	1,179,588	4,941,765	23.87%
Fire and Police Commission	1,754	20,257	8.66%
Fire Department	252,147	1,514,465	16.65%
Public Works	301,735	2,152,648	14.02%
Building Standards	191,805	733,885	26.14%
Information Technology	<u>71,152</u>	<u>163,182</u>	43.60%
Department Totals	2,900,720	12,721,271	22.80%
Transfer - Retirement Insurance Fund	<u>0</u>	<u>500,000</u>	0.00%
Total General Fund	2,900,720	13,221,271	21.94%
Capital Projects Fund	0	183,000	0.00%
Cell Tower Rent Fund	3,337	65,000	5.13%
Retirement Separation Fund	0	12,500	0.00%
Retirement Insurance Fund	91,642	375,418	24.41%
Rt. 50 TIF	0	1,560,800	0.00%
Motor Fuel Tax Fund	4,791	414,000	1.16%
Police Pension Fund	255,307	1,107,171	23.06%
Fire Pension Fund	1,022	9,195	11.11%
Sewer Fund	<u>617,409</u>	<u>3,472,922</u>	17.78%
Total Fund Expenditures	3,874,228	20,421,277	18.97%

VILLAGE OF BRADLEY
Fiscal Year 16/17 Budget

FUND BALANCE ANALYSIS

FUND BALANCE	Beginning Fund Balance	Fiscal Year Activity	Ending Fund Balance
General Corporate Fund	7,337,541		
Revenues		1,465,663	
Expenditures		<u>2,900,720</u>	
Net Activity		(1,435,056)	5,902,484
Capital Projects Fund	127,374		
Revenues		27,895	
Expenditures		<u>0</u>	
Net Activity		27,895	155,269
Retirement Separation Fund	156,781		
Revenues		40	
Expenditures		<u>0</u>	
Net Activity		40	156,821
Retirement Insurance Fund	2,212,880		
Revenues		579	
Expenditures		<u>91,642</u>	
Net Activity		(91,064)	2,121,816
Revolving Loan Fund	1,999,215		
Revenues		1,661	
Expenditures		<u>0</u>	
Net Activity		1,661	2,000,876
Rt. 50 TIF	1,705,559		
Revenues		624,135	
Expenditures		<u>0</u>	
Net Activity		624,135	2,329,694
Motor Fuel Tax Fund	564,049		
Revenues		59,090	
Expenditures		<u>4,791</u>	
Net Activity		54,299	618,348
Police Pension Fund	14,493,674		
Revenues		1,210,415	
Expenditures		<u>255,307</u>	
Net Activity		955,108	15,448,782
Fire Pension Fund	723,557		
Revenues		77,869	
Expenditures		<u>1,022</u>	
Net Activity		76,847	800,404
Sewer Fund	1,726,285		
Revenues		581,633	
Expenses		<u>617,409</u>	
Net Activity		(35,776)	1,690,509