

**AGENDA MEMORANDUM**

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: February 9, 2017

RE: November, 2016 Treasurer's Report Analysis

**General Fund Summary**

The seven-month budget comparison report shows the deficit in the General Fund at \$1.45 million. In October it was \$1.5 million, September it was \$1.26 million and \$1.34 million in August. The lag for receiving Income Taxes remains at 4 months, when the standard lag should be only 2 months. State shared revenues received in the first three months of FY 16-17 applied to the prior fiscal year. Receipts of Sales, Income and Local Use Taxes, as well as other miscellaneous revenues, that were realized in May, June and July applied to the prior fiscal year and totaled \$1,645,740. Applying these receipts against the General Fund deficit of \$1,454,969 yields a surplus of \$190,771 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. For FY 16-17, the General Fund was budgeted with a deficit of \$238,799 so, at the seven-month point, the General Fund is operating better than expected. However, vacant positions in various departments is a major reason for these better than expected results.

**Expenditures**

On the expenditure side, most departments in the General Fund are running at or below budget since 58.3% is where the budget is expected to be after seven months. The Board of Trustees is over budget due to costs for the IML Conference being fully expended by the end of October. Legal is over due to the departure of the former Village Attorney and pay out of accumulated benefit time was made in November. Public Benefit is over budget due to a timing issue. Police and Fire Pension contributions are recognized in Public Benefit and since the Village had received 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. Lastly, Information Technology is 82.75% spent due to 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 areas are operating

as expected and are expected to stay within budget. Overall, the General Fund budget is 52.4% expended after seven months, which includes the transfer to the Retirement Insurance Fund.

The remaining funds are at various stages of completion of their FY 16-17 objectives, so the percentage level of expenditures will vary considerably from one fund to the next.

- The Capital Projects Fund has 3 outdoor projects budgeted this year so the majority of the fiscal year's expenditures were incurred before the cold weather started.
- The Cell Tower Rent Fund has 2 projects – one the striping of Broadway and the other is hiring an economic development consultant for the Broadway corridor. The Broadway striping was completed before the end of the calendar year but the consultant costs will go through the end of the fiscal year so the timing of these 2 costs will cause the fund to appear lag in spending funds. However, the fund will come in at or under budget for FY 16-17.
- The Retirement Separation Fund pays out accumulated benefit time when an employee retires. This payment will go either to the employee or the employee's VEBA. There were 2 retirements this fiscal year from the Police department that were not known at the time the budget was created and this is the reason why this fund is over budget. A budget amendment will be required to bring this fund into legal compliance.
- The Route 50 TIF Fund has received all of its property tax revenue for FY 16-17 which means the transfer of 85% of these monies to Amalgamated Bank (TIF Trustee) will cause the fund to look overspent. However, this is another timing issue where the majority of expenditures occur during the first half of every fiscal year. The Village has received more than expected in property tax revenues in FY 16-17, causing our transfer to Amalgamated to go higher, which will require a budget amendment before the end of the fiscal year.
- The majority of the payment for the 2016 MFT road program was made in September. Also, the scope of the project was expanded after the budget was adopted so a budget amendment will be required for this fund.
- As far as the other funds are concerned, most projects were moving forward as planned. At the present time, staff does not expect any amendments will be needed in these remaining funds.

## **Revenues**

On the revenue side, since there are only four months of Sales and Local Use Taxes applied in the current fiscal year, the General Administration area of the General Fund budget is low at the seven-month point. Some of the departments - Village Clerk, Public Benefit and Building Standards - are doing better than budget and most other areas of the General Fund are 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 were budgeted for a new ambulance but, at this time, it appears the Village will not receive the grant so the ambulance will not be purchased.

All other funds are operating as expected through the first 7 months of FY 16-17. The Route 50 TIF has collected more than what was expected for its revenues through the end of November.

The Police and Fire Pension Funds have started FY 16-17 very well, due to the stock market gains increasing due to consumer confidence rising from lower unemployment and higher wages.

**Sewer Fund**

As of the end of November, the Sewer Fund ran a deficit of \$492,178, down from a deficit of \$188,498 in October. The fund's cash on hand was \$25,871, down from \$329,550 at the end of October. The principal and interest payment in the amount of \$292,425 on the Sewer bond was made at the end of November, having a significant impact on the fund's cash. 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**

**SEVEN MONTH BUDGET COMPARISON**

<u>REVENUES</u>	<u>FY 16/17 ACTUAL</u>	<u>FY 16/17 BUDGET</u>	<u>PERCENT COLLECTED</u>
<b>General Corporate Fund</b>			
General Administration	4,907,240	11,655,973	42.10%
Village President	1,900	60,825	3.12%
Village Clerk	18,219	21,150	86.14%
Public Benefit	7,913	11,050	71.61%
Police Department	165,725	366,250	45.25%
Fire Department	227,809	633,924	35.94%
Public Property	8,401	15,550	54.03%
Public Works	6,303	11,750	53.64%
Building Standards	<u>129,092</u>	<u>206,000</u>	62.67%
<b>Totals</b>	<b>5,472,602</b>	<b>12,982,472</b>	<b>42.15%</b>
<b>Capital Projects Fund</b>	83,191	196,100	42.42%
<b>Cell Tower Rent Fund</b>	20,285	33,000	61.47%
<b>Retirement Separation Fund</b>	113	100	113.19%
<b>Retirement Insurance Fund</b>	251,630	501,000	50.23%
<b>Revolving Loan Fund</b>	3,990	4,504	88.60%
<b>Rt. 50 TIF</b>	1,208,643	1,101,300	109.75%
<b>Motor Fuel Tax Fund</b>	218,473	429,880	50.82%
<b>Police Pension Fund</b>	1,839,236	1,525,887	120.54%
<b>Fire Pension Fund</b>	154,702	167,078	92.59%
<b>Sewer Fund</b>	<u>1,264,276</u>	<u>2,097,008</u>	60.29%
<b>Total Fund Revenues</b>	<b>10,517,142</b>	<b>19,038,329</b>	<b>55.24%</b>

**VILLAGE OF BRADLEY**  
**Fiscal Year 16/17 Budget**

**SEVEN MONTH BUDGET COMPARISON**

<u>EXPENDITURES</u>	<u>FY 16/17 ACTUAL</u>	<u>FY 16/17 BUDGET</u>	<u>PERCENT EXPENDED</u>
<b>General Corporate Fund</b>			
General Administration	189,765	964,560	19.67%
Benefits	77,107	247,935	31.10%
Board of Trustees	24,980	37,004	67.51%
Village President	15,080	26,126	57.72%
Village Administrator	81,714	135,954	60.10%
Legal	162,731	251,257	64.77%
Village Clerk	4,890	20,874	23.42%
Village Treasurer	110,319	211,927	52.06%
Public Benefit	1,232,721	1,299,432	94.87%
Police Department	2,725,572	4,941,765	55.15%
Fire and Police Commission	8,984	20,257	44.35%
Fire Department	621,949	1,514,465	41.07%
Public Works	875,870	2,152,648	40.69%
Building Standards	410,861	733,885	55.98%
Information Technology	<u>135,027</u>	<u>163,182</u>	82.75%
<b>Department Totals</b>	<b>6,677,571</b>	<b>12,721,271</b>	<b>52.49%</b>
Transfer - Retirement Insurance Fund	<u>250,000</u>	<u>500,000</u>	50.00%
<b>Total General Fund</b>	<b>6,927,571</b>	<b>13,221,271</b>	<b>52.40%</b>
<b>Capital Projects Fund</b>	141,641	183,000	77.40%
<b>Cell Tower Rent Fund</b>	15,965	65,000	24.56%
<b>Retirement Separation Fund</b>	29,914	12,500	239.31%
<b>Retirement Insurance Fund</b>	187,993	375,418	50.08%
<b>Rt. 50 TIF</b>	1,025,928	1,560,800	65.73%
<b>Motor Fuel Tax Fund</b>	459,557	414,000	111.00%
<b>Police Pension Fund</b>	614,321	1,107,171	55.49%
<b>Fire Pension Fund</b>	4,820	9,195	52.42%
<b>Sewer Fund</b>	<u>1,756,453</u>	<u>3,472,922</u>	50.58%
<b>Total Fund Expenditures</b>	<b>11,164,163</b>	<b>20,421,277</b>	<b>54.67%</b>

**VILLAGE OF BRADLEY**  
**Fiscal Year 16/17 Budget**

**FUND BALANCE ANALYSIS**

FUND BALANCE	Beginning Fund Balance	Fiscal Year Activity	Ending Fund Balance
<b>General Corporate Fund</b>	7,337,541		
Revenues		5,472,602	
Expenditures		<u>6,927,571</u>	
Net Activity		(1,454,969)	5,882,572
<b>Capital Projects Fund</b>	127,374		
Revenues		83,191	
Expenditures		<u>141,641</u>	
Net Activity		(58,450)	68,925
<b>Retirement Separation Fund</b>	156,781		
Revenues		113	
Expenditures		<u>29,914</u>	
Net Activity		(29,801)	126,980
<b>Retirement Insurance Fund</b>	2,212,880		
Revenues		251,630	
Expenditures		<u>187,993</u>	
Net Activity		63,637	2,276,517
<b>Revolving Loan Fund</b>	1,999,215		
Revenues		3,990	
Expenditures		<u>0</u>	
Net Activity		3,990	2,003,205
<b>Rt. 50 TIF</b>	1,705,559		
Revenues		1,208,643	
Expenditures		<u>1,025,928</u>	
Net Activity		182,715	1,888,274
<b>Motor Fuel Tax Fund</b>	564,049		
Revenues		218,473	
Expenditures		<u>459,557</u>	
Net Activity		(241,083)	322,966
<b>Police Pension Fund</b>	14,493,674		
Revenues		1,839,236	
Expenditures		<u>614,321</u>	
Net Activity		1,224,914	15,718,588
<b>Fire Pension Fund</b>	723,557		
Revenues		154,702	
Expenditures		<u>4,820</u>	
Net Activity		149,882	873,438
<b>Sewer Fund</b>	1,726,285		
Revenues		1,264,276	
Expenses		<u>1,756,453</u>	
Net Activity		(492,178)	1,234,108