

**AGENDA MEMORANDUM**

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: March 23, 2017

RE: January, 2017 Treasurer's Report Analysis

**General Fund Summary**

The nine-month budget comparison report shows the deficit in the General Fund at \$1.59 million. In December it was \$1.88 million, November it was \$1.45 million and in October it was \$1.5 million. The lag for receiving Income Taxes has decreased to 3 months, as the Village received 2 Income Tax allotments in January. 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 \$1,591,696 yields a surplus of \$54,044. For FY 16-17, the General Fund was budgeted with a deficit of \$238,799 so, at the nine-month point, the General Fund is operating as expected. Vacant positions in various departments has kept total expenditures lower than expected.

**Expenditures**

On the expenditure side, most departments in the General Fund are running at or below budget since 75% is where the budget is expected to be after nine months. The Board of Trustees is over budget due to costs for the IML Conference being fully expended by the end of October. 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 January, 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 97.98% 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. All areas in the General Fund are operating as expected with the General Fund budget at 67.67% expended after nine months, which includes a transfer to the Retirement Insurance Fund.

**BOARD OF TRUSTEES**

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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. All projects are underway and are at various levels of completion.
- 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 and paid for before the end of calendar year 2016 but the consultant costs will go through the end of the fiscal year. The majority of funds have been expended but 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 but will continue to monitor their progress and bring any necessary amendments to the Board with the other amendments for FY 16-17.

## Revenues

On the revenue side, since there are only six 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 nine-month point. Some of the departments - Village Clerk and Public Benefit - 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 Police department is lower than budget due to the timing of receiving payment for the School Resource Officer (SRO) but the Village will receive the funds we are owed so this is an issue that will resolve itself by the end of the 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. Lastly, Public Works revenues are lower than budget due to the timing of receiving a grant. The grant funds were received in early 2017 so this issue has resolved itself.

All other funds are operating as expected through the first 9 months of FY 16-17. The Route 50 TIF has collected more than what was expected for its revenues through the end of January. The Police and Fire Pension Funds have done very well this fiscal year due to better than expected returns from the financial markets.

### **Sewer Fund**

As of the end of January, the Sewer Fund ran a deficit of \$552,930, up from a deficit of \$533,517 in December. The fund has borrowed \$34,882 from the General Fund and will repay this loan when cash levels increase. 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**

**NINE 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	6,615,526	11,655,973	56.76%
Village President	1,400	60,825	2.30%
Village Clerk	18,549	21,150	87.70%
Public Benefit	18,061	11,050	163.45%
Police Department	234,923	366,250	64.14%
Fire Department	303,534	633,924	47.88%
Public Property	12,001	15,550	77.18%
Public Works	7,362	11,750	62.66%
Building Standards	<u>143,648</u>	<u>206,000</u>	69.73%
<b>Totals</b>	<b>7,355,004</b>	<b>12,982,472</b>	<b>56.65%</b>
<b>Capital Projects Fund</b>	125,179	196,100	63.83%
<b>Cell Tower Rent Fund</b>	25,797	33,000	78.17%
<b>Retirement Separation Fund</b>	133	100	132.52%
<b>Retirement Insurance Fund</b>	252,039	501,000	50.31%
<b>Revolving Loan Fund</b>	4,867	4,504	108.06%
<b>Rt. 50 TIF</b>	1,208,924	1,101,300	109.77%
<b>Motor Fuel Tax Fund</b>	292,579	429,880	68.06%
<b>Police Pension Fund</b>	2,283,999	1,525,887	149.68%
<b>Fire Pension Fund</b>	166,447	167,078	99.62%
<b>Sewer Fund</b>	<u>1,517,183</u>	<u>2,097,008</u>	72.35%
<b>Total Fund Revenues</b>	<b>13,232,151</b>	<b>19,038,329</b>	<b>69.50%</b>

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

**NINE 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	486,871	964,560	50.48%
Benefits	117,910	247,935	47.56%
Board of Trustees	30,243	37,004	81.73%
Village President	18,340	26,126	70.20%
Village Administrator	103,114	135,954	75.84%
Legal	180,685	251,257	71.91%
Village Clerk	11,992	20,874	57.45%
Village Treasurer	142,130	211,927	67.07%
Public Benefit	1,254,028	1,299,432	96.51%
Police Department	3,522,156	4,941,765	71.27%
Fire and Police Commission	9,372	20,257	46.27%
Fire Department	814,875	1,514,465	53.81%
Public Works	1,282,949	2,152,648	59.60%
Building Standards	562,155	733,885	76.60%
Information Technology	<u>159,879</u>	<u>163,182</u>	97.98%
<b>Department Totals</b>	<b>8,696,700</b>	<b>12,721,271</b>	<b>68.36%</b>
Transfer - Retirement Insurance Fund	<u>250,000</u>	<u>500,000</u>	50.00%
<b>Total General Fund</b>	<b>8,946,700</b>	<b>13,221,271</b>	<b>67.67%</b>
<b>Capital Projects Fund</b>	141,641	183,000	77.40%
<b>Cell Tower Rent Fund</b>	50,164	65,000	77.18%
<b>Retirement Separation Fund</b>	42,609	12,500	340.87%
<b>Retirement Insurance Fund</b>	252,063	375,418	67.14%
<b>Rt. 50 TIF</b>	1,025,928	1,560,800	65.73%
<b>Motor Fuel Tax Fund</b>	434,793	414,000	105.02%
<b>Police Pension Fund</b>	786,611	1,107,171	71.05%
<b>Fire Pension Fund</b>	7,720	9,195	83.96%
<b>Sewer Fund</b>	<u>2,070,114</u>	<u>3,472,922</u>	59.61%
<b>Total Fund Expenditures</b>	<b>13,758,343</b>	<b>20,421,277</b>	<b>67.37%</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		7,355,004	
Expenditures		<u>8,946,700</u>	
Net Activity		(1,591,696)	5,745,844
<b>Capital Projects Fund</b>	127,374		
Revenues		125,179	
Expenditures		<u>141,641</u>	
Net Activity		(16,462)	110,913
<b>Retirement Separation Fund</b>	156,781		
Revenues		133	
Expenditures		<u>42,609</u>	
Net Activity		(42,476)	114,305
<b>Retirement Insurance Fund</b>	2,212,880		
Revenues		252,039	
Expenditures		<u>252,063</u>	
Net Activity		(24)	2,212,855
<b>Revolving Loan Fund</b>	1,999,215		
Revenues		4,867	
Expenditures		<u>0</u>	
Net Activity		4,867	2,004,082
<b>Rt. 50 TIF</b>	1,705,559		
Revenues		1,208,924	
Expenditures		<u>1,025,928</u>	
Net Activity		182,996	1,888,555
<b>Motor Fuel Tax Fund</b>	564,049		
Revenues		292,579	
Expenditures		<u>434,793</u>	
Net Activity		(142,214)	421,835
<b>Police Pension Fund</b>	14,493,674		
Revenues		2,283,999	
Expenditures		<u>786,611</u>	
Net Activity		1,497,388	15,991,062
<b>Fire Pension Fund</b>	723,557		
Revenues		166,447	
Expenditures		<u>7,720</u>	
Net Activity		158,727	882,284
<b>Sewer Fund</b>	1,726,285		
Revenues		1,517,183	
Expenses		<u>2,070,114</u>	
Net Activity		(552,930)	1,173,355