

AGENDA MEMORANDUM

To: Mayor Bruce Adams and the Board of Trustees

From: Mark A. Pries, Finance Director/Treasurer

Date: May 5, 2017

RE: March, 2017 Treasurer's Report Analysis

General Fund Summary

The eleven-month budget comparison report shows the deficit in the General Fund at \$1.54 million. In February, it was \$1.68 million. In January, it was \$1.59 million and, in December, it was \$1.88 million. The lag for receiving Income Taxes has decreased to 3 months, as the Village received 2 Income Tax allotments in March. 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 \$1,545,850 yields a surplus of \$99,890. For FY 16-17, the General Fund was budgeted with a deficit of \$238,799 so, at the eleven-month point, the General Fund is operating better than 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 91.7% is where the budget is expected to be after eleven 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 100% of its budgeted property tax revenues, this incurred the Village's pension funds contribution expenditure. Property taxes are the funding source of the Village's contribution to the pension funds. Fire and Police Commission is over budget due to higher than expected turnover in the police department, which caused additional testing and recruitment to occur. This area will need a budget amendment to stay in legal budgetary compliance. Lastly, Information Technology is 108.65% 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, additional contractual services from Orbis were incurred and will require a budget amendment. All areas in the General Fund are operating as expected with the General Fund budget at 81.47% expended after eleven months, which includes a 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 most of its projects complete so this fund will finish the year significantly under budget.
- 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 and 1 from Public Works 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 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.
- The Fire Pension Fund had approximately \$1,000 more in professional service costs for the year. A budget amendment will be required for this fund, as well.
- 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 eight 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 eleven-month point. Some of the departments - Public Benefit and Public Works - 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 the Village will not receive the grant so the ambulance will not be purchased.

All other funds are operating as expected through the first 11 months of FY 16-17. The Retirement Insurance Fund gets the majority of its revenues as a transfer from the General Fund and will receive the remaining budgeted transfer in April. The Revolving Loan Fund received several settlements on loans that were delinquent so revenues are higher than expected. The Route 50 TIF has collected more than what was expected for its revenues. 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 March, the Sewer Fund ran a deficit of \$621,408, up from a deficit of \$587,781 in February. The fund has borrowed \$103,360 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

ELEVEN 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	8,250,353	11,655,973	70.78%
Village President	5,300	60,825	8.71%
Village Clerk	19,711	21,150	93.20%
Public Benefit	18,170	11,050	164.44%
Police Department	362,645	366,250	99.02%
Fire Department	369,166	633,924	58.23%
Public Property	13,201	15,550	84.89%
Public Works	13,132	11,750	111.76%
Building Standards	<u>173,253</u>	<u>206,000</u>	84.10%
Totals	9,224,931	12,982,472	71.06%
Capital Projects Fund	156,071	196,100	79.59%
Cell Tower Rent Fund	31,297	33,000	94.84%
Retirement Separation Fund	141	100	140.72%
Retirement Insurance Fund	252,177	501,000	50.33%
Revolving Loan Fund	5,601	4,504	124.37%
Rt. 50 TIF	1,209,191	1,101,300	109.80%
Motor Fuel Tax Fund	363,183	429,880	84.48%
Police Pension Fund	2,668,929	1,525,887	174.91%
Fire Pension Fund	179,425	167,078	107.39%
Sewer Fund	<u>1,762,263</u>	<u>2,097,008</u>	84.04%
Total Fund Revenues	15,853,209	19,038,329	83.27%

VILLAGE OF BRADLEY
Fiscal Year 16/17 Budget

ELEVEN 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	594,431	964,560	61.63%
Benefits	157,072	247,935	63.35%
Board of Trustees	35,504	37,004	95.95%
Village President	21,453	26,126	82.11%
Village Administrator	128,503	135,954	94.52%
Legal	194,123	251,257	77.26%
Village Clerk	13,565	20,874	64.99%
Village Treasurer	175,496	211,927	82.81%
Public Benefit	1,261,997	1,299,432	97.12%
Police Department	4,466,147	4,941,765	90.38%
Fire and Police Commission	21,691	20,257	107.08%
Fire Department	1,035,257	1,514,465	68.36%
Public Works	1,553,393	2,152,648	72.16%
Building Standards	684,859	733,885	93.32%
Information Technology	<u>177,291</u>	<u>163,182</u>	108.65%
Department Totals	10,520,781	12,721,271	82.70%
Transfer - Retirement Insurance Fund	<u>250,000</u>	<u>500,000</u>	50.00%
Total General Fund	10,770,781	13,221,271	81.47%
Capital Projects Fund	141,641	183,000	77.40%
Cell Tower Rent Fund	50,164	65,000	77.18%
Retirement Separation Fund	86,757	12,500	694.05%
Retirement Insurance Fund	353,556	375,418	94.18%
Rt. 50 TIF	1,035,216	1,560,800	66.33%
Motor Fuel Tax Fund	436,826	414,000	105.51%
Police Pension Fund	953,604	1,107,171	86.13%
Fire Pension Fund	9,224	9,195	100.31%
Sewer Fund	<u>2,383,671</u>	<u>3,472,922</u>	68.64%
Total Fund Expenditures	16,221,439	20,421,277	79.43%

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		9,224,931	
Expenditures		<u>10,770,781</u>	
Net Activity		(1,545,850)	5,791,691
Capital Projects Fund	127,374		
Revenues		156,071	
Expenditures		<u>141,641</u>	
Net Activity		14,430	141,804
Retirement Separation Fund	156,781		
Revenues		141	
Expenditures		<u>86,757</u>	
Net Activity		(86,616)	70,165
Retirement Insurance Fund	2,212,880		
Revenues		252,177	
Expenditures		<u>353,556</u>	
Net Activity		(101,379)	2,111,501
Revolving Loan Fund	1,999,215		
Revenues		5,601	
Expenditures		<u>0</u>	
Net Activity		5,601	2,004,816
Rt. 50 TIF	1,705,559		
Revenues		1,209,191	
Expenditures		<u>1,035,216</u>	
Net Activity		173,975	1,879,534
Motor Fuel Tax Fund	564,049		
Revenues		363,183	
Expenditures		<u>436,826</u>	
Net Activity		(73,643)	490,406
Police Pension Fund	14,493,674		
Revenues		2,668,929	
Expenditures		<u>953,604</u>	
Net Activity		1,715,325	16,208,999
Fire Pension Fund	723,557		
Revenues		179,425	
Expenditures		<u>9,224</u>	
Net Activity		170,201	893,758
Sewer Fund	1,726,285		
Revenues		1,762,263	
Expenses		<u>2,383,671</u>	
Net Activity		(621,408)	1,104,877