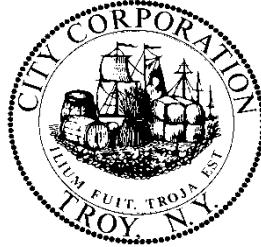


**Wm. Patrick Madden**  
*Mayor*



**Andrew Piotrowski**  
*Deputy City Comptroller*

**Monica Kurzejeski**  
*Deputy Mayor*

**Office of the City Comptroller**  
City Hall  
433 River Street – Suite 5001  
Troy, New York 12180-3406

**Date:** July 31, 2019

**To:** Honorable Wm. Patrick Madden  
City Council Members

**From:** Andrew Piotrowski  
Deputy City Comptroller

**Re:** Second Quarter 2019 Financial Report – General Fund

### Part I – Revenues

General Fund Revenues								
Revenue	06/30/2019	06/30/2018	\$ Change	% Change	2019 Actual	2019 Budget	\$ Diff	% Achieved
Real Property Taxes	14,237,927	13,255,571	982,356	7.41%	14,237,927	24,663,173	(10,425,246)	57.73%
Local Sources	5,865,092	5,808,963	56,129	0.97%	5,865,092	19,465,000	(13,599,908)	30.13%
General Government Support	116,642	118,077	(1,435)	-1.22%	116,642	386,000	(269,358)	30.22%
Public Safety	411,273	644,899	(233,626)	-36.23%	411,273	899,000	(487,727)	45.75%
Health	659,233	864,922	(205,689)	-23.78%	659,233	2,190,000	(1,530,767)	30.10%
Transportation	404,379	330,719	73,660	22.27%	404,379	655,000	(250,621)	61.74%
Recreation	391,764	386,141	5,624	1.46%	391,764	926,000	(534,236)	42.31%
Home & Community Services	0	1,641,518	(1,641,518)	-100.00%	0	0	0	-
Intergovernmental Charges	0	0	0	-	0	340,000	(340,000)	0.00%
Use Of Money & Property	22,852	18,402	4,451	24.19%	22,852	71,500	(48,648)	31.96%
Licenses & Permits	368,367	353,136	15,232	4.31%	368,367	837,550	(469,183)	43.98%
Fines & Forfeitures	839,792	849,030	(9,238)	-1.09%	839,792	1,550,000	(710,208)	54.18%
Sale Of Property & Compensation For Loss	57,822	49,527	8,295	16.75%	57,822	264,000	(206,178)	21.90%
Miscellaneous	723,471	666,074	57,398	8.62%	723,471	1,416,655	(693,184)	51.07%
Interfund Revenues	812,668	636,037	176,631	27.77%	812,668	2,285,405	(1,472,737)	35.56%
State Aid	278,105	312,870	(34,765)	-11.11%	278,105	13,924,692	(13,646,587)	2.00%
Federal Aid	111,211	178,415	(67,204)	-37.67%	111,211	385,930	(274,719)	28.82%
Intrafund Revenues	1,098,115	0	1,098,115	100.00%	1,098,115	3,469,098	(2,370,982)	31.65%
Appropriated Fund Balance	110,000	0	110,000	100.00%	110,000	110,000	0	100.00%
<b>Total</b>	<b>26,508,713</b>	<b>26,114,300</b>	<b>394,413</b>	<b>1.51%</b>	<b>26,508,713</b>	<b>73,839,003</b>	<b>(47,330,290)</b>	<b>35.90%</b>

Revenues in the General Fund totaled \$26,508,713 as of June 30, 2019, which amounts to 35.90% of the 2019 budgeted total. Total revenues increased by 1.51%, or approximately \$394,413, in comparison to the six month total of 2018.

Seasonality has a tremendous impact on the revenue recognition in the General Fund. The second quarter of the fiscal year traditionally generates the least amount of revenue within the City's General Fund when looking at the four (4) quarters overall because the only material revenue generated is the first quarter of sales tax.

#### *Real Property Taxes*

Real property tax collections were \$14,237,927 at the end of the second quarter in 2019, equaling 57.73% of the total revenue budgeted for. This is an increase of 7.41% from 2018, caused entirely on the collection rate. The City has seen an increase of 2.75% when comparing actual collections in relation to the tax levy from 2018 to 2019. It should be noted that as of June 30, 2019 only 4.46% of first installment tax payments were outstanding; an amount that is consistent with prior years. Upon completion of posting of all second installment payments received in July the City Comptroller's Office will again be mailing delinquent letters out in an attempt to continue collections throughout the remainder of the fiscal year.

#### *Local Sources*

Revenues from Local Sources totaled \$5,865,092 which is 30.13% of the total amount budgeted for in 2019. The primary source of revenue within this classification is Sales Tax which increased by 6.16% from the first payment received in 2018. While this continues the trend of increased sales tax revenues within the County as experienced it does not necessarily mean that total sales tax revenues in the City will increase in 2019. It will be dictated upon the total collections at the County due to the structure of the City's contract and the decreased percentage received from 2018 to 2019.

#### *Public Safety*

Public Safety revenues decreased by 36.23% from the six month total of 2018, with revenues in 2019 totaling \$411,273, due to a decrease in the collection of Vacant Building Fees.

#### *Health*

Health revenues, totaling \$659,233 as of June 30, 2019, decreased by 23.78% from 2018 and amounted to 30.10% of the total 2019 budget because of ambulance billing revenues. This was an anticipated decrease in 2019 due to the transition to a new third party billing company. The City Comptroller's Office anticipates revenues to increase as the year goes on and the transition is completed in full.

#### *Transportation*

Transportations revenues totaled \$404,379 as of June 30, 2019 amounting to 61.74% of the total 2019 budget. Revenues have increased by 22.27% from the six month total of 2018 caused by increases in revenues from parking garage permits, parking lot permits and parking meters.

#### *Interfund Revenues*

The increase in Interfund Revenues is caused by the transfer from the Garbage Fund to the General Fund for services rendered by the General Fund. This is new in 2019 due to the creation of the new Garbage Fund.

*Intrafund Revenues*

The Intrafund Revenues recognized in the 2019 first quarter is the transfer from the Debt Service Fund to the General Fund as budgeted for in 2019.

*Appropriated Fund Balance*

The revenues in this category is the approved use of reserve funds from the Worker's Compensation Reserve as approved by the City Council in the second quarter of this fiscal year.

## Part II – Expenditures

General Fund Expenditures								
Expenditure	06/30/2019	06/30/2018	\$ Change	% Change	2019 Actual	2019 Budget	\$ Rem	% Expended
<b>Code 1 - Salaries</b>								
Permanent Salaries	11,117,038	11,662,475	(545,437)	-4.68%	11,117,038	23,478,650	12,361,612	47.35%
Temporary Salaries	240,690	197,613	43,077	21.80%	240,690	672,077	431,387	35.81%
Overtime	62,642	86,821	(24,180)	-27.85%	62,642	150,500	87,858	41.62%
Overtime - Snow Plowing	218,753	151,726	67,027	44.18%	218,753	222,800	4,047	98.18%
Overtime - Police	496,001	396,110	99,892	25.22%	496,001	950,000	453,999	52.21%
Overtime - Fire	352,678	410,246	(57,567)	-14.03%	352,678	1,220,000	867,322	28.91%
Overtime - Public Safety Grants	47,026	19,635	27,391	139.51%	47,026	158,242	111,216	29.72%
Misc. Other	434,762	577,226	(142,464)	-24.68%	434,762	2,381,235	1,946,473	18.26%
<b>Total Code 1</b>	<b>12,969,591</b>	<b>13,501,851</b>	<b>(532,260)</b>	<b>-3.94%</b>	<b>12,969,591</b>	<b>29,233,504</b>	<b>16,263,913</b>	<b>44.37%</b>
<b>Code 2 - Equipment</b>								
	<b>115,602</b>	<b>89,441</b>	<b>26,161</b>	<b>29.25%</b>	<b>115,602</b>	<b>247,863</b>	<b>132,262</b>	<b>46.64%</b>
<b>Code 3 - Materials &amp; Supplies</b>								
	<b>1,151,825</b>	<b>1,101,974</b>	<b>49,850</b>	<b>4.52%</b>	<b>1,151,825</b>	<b>2,366,236</b>	<b>1,214,411</b>	<b>48.68%</b>
<b>Code 4 - Contractual Services</b>								
Utilities	818,732	1,040,267	(221,535)	-21.30%	818,732	1,935,400	1,116,668	42.30%
Postage	18,208	14,824	3,384	22.83%	18,208	52,750	34,542	34.52%
Printing & Advertising	25,138	23,060	2,079	9.01%	25,138	69,208	44,070	36.32%
Repairs & Rentals	515,681	945,114	(429,433)	-45.44%	515,681	968,230	452,549	53.26%
Insurance	320,226	311,553	8,672	2.78%	320,226	322,724	2,498	99.23%
Dues	20,496	20,782	(286)	-1.38%	20,496	34,300	13,804	59.76%
Consultant Services	893,436	865,733	27,703	3.20%	893,436	2,825,337	1,931,901	31.62%
Training	43,835	49,669	(5,835)	-11.75%	43,835	191,325	147,490	22.91%
Travel	14,071	4,407	9,664	219.30%	14,071	22,759	8,688	61.83%
Judgements & Claims	500	27,598	(27,098)	-98.19%	500	300,000	299,500	0.17%
Contingencies	0	0	0	-	0	776,633	776,633	0.00%
Uniforms	181,520	39,220	142,300	362.82%	181,520	340,023	158,503	53.38%
Medical Expenses	28,275	27,835	440	1.58%	28,275	54,680	26,405	51.71%
Misc. Other	10,496	1,306	9,191	703.96%	10,496	13,000	2,504	80.74%
<b>Total Code 4</b>	<b>2,890,614</b>	<b>3,371,367</b>	<b>(480,753)</b>	<b>-14.26%</b>	<b>2,890,614</b>	<b>7,906,368</b>	<b>5,015,755</b>	<b>36.56%</b>
<b>Code 6/7 - Debt Service</b>								
	<b>5,272,487</b>	<b>5,056,881</b>	<b>215,606</b>	<b>4.26%</b>	<b>5,272,487</b>	<b>9,239,572</b>	<b>3,967,085</b>	<b>57.06%</b>
<b>Code 8 - Benefits</b>								
Pension	1,724,714	1,830,220	(105,506)	-5.76%	1,724,714	7,057,710	5,332,996	24.44%
Healthcare	6,013,704	6,366,621	(352,918)	-5.54%	6,013,704	13,476,354	7,462,650	44.62%
Dental	307,699	298,325	9,374	3.14%	307,699	602,898	295,199	51.04%
Social Security	955,228	984,646	(29,418)	-2.99%	955,228	2,227,577	1,272,349	42.88%
Worker's Compensation	161,581	243,561	(81,980)	-33.66%	161,581	510,000	348,419	31.68%
<b>Total Code 8</b>	<b>9,162,926</b>	<b>9,723,374</b>	<b>(560,448)</b>	<b>-5.76%</b>	<b>9,162,926</b>	<b>23,874,539</b>	<b>14,711,613</b>	<b>38.38%</b>
<b>Code 9 - Interfund Transfers</b>								
	<b>330,609</b>	<b>177,424</b>	<b>153,185</b>	<b>86.34%</b>	<b>330,609</b>	<b>1,959,451</b>	<b>1,628,842</b>	<b>16.87%</b>
<b>Grand Total</b>	<b>31,893,653</b>	<b>33,022,311</b>	<b>(1,128,658)</b>	<b>-3.42%</b>	<b>31,893,653</b>	<b>74,827,534</b>	<b>42,933,881</b>	<b>42.62%</b>

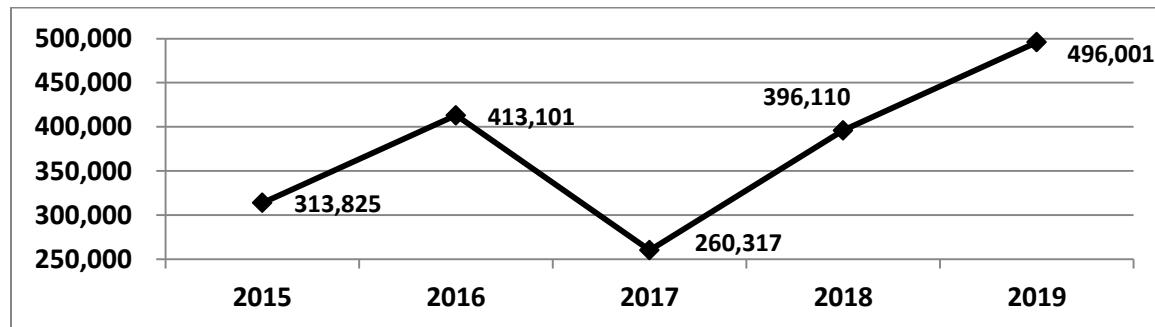
As of June 30, 2019 the total expenditures in the General Fund were \$31,893,653, which is 42.62% of the total adjusted budget. This total is a decrease of \$1,128,658, or 3.42%, from the six month total of 2018.

### *Permanent Salaries / Overtime / Repairs & Rentals*

A large portion of the decrease in total General Fund expenditures can be traced to the costs of waste removal being removed from the General Fund and are now within the City's Garbage Fund. The three (3) areas where this is a direct impact is in Permanent Salaries, Overtime and Repairs & Rentals.

#### *Police Overtime*

Police overtime, as illustrated in the below graph, was \$496,001 at the end of the second quarter in 2019, amounting to 52.21% of the total 2019 budgeted amount. It is important to note that the majority of overtime costs within the Police Department occur during the third and fourth quarters of the fiscal year historically when vacations are more common.



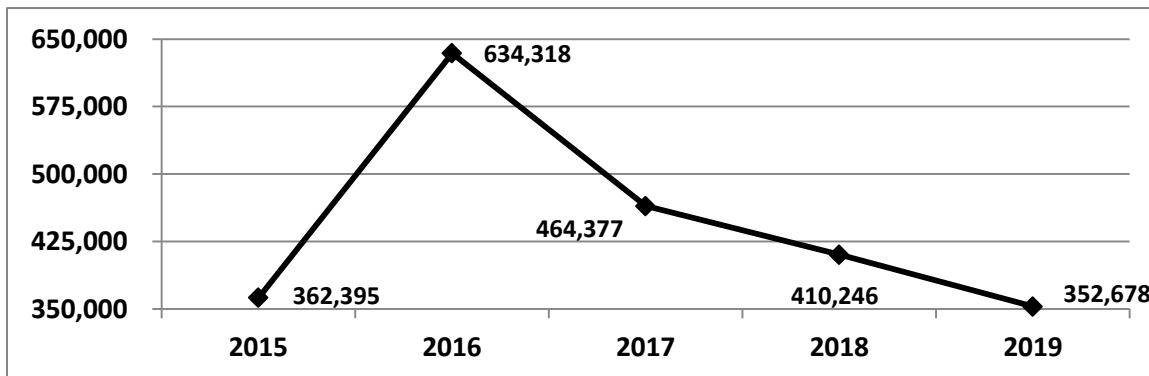
The 2019 total was an increase of 25.22%, or approximately \$100,000, from the six month total of 2018. The increase was primarily caused by an increase in the number of vacant positions within the department in 2019. The below table illustrates the number of vacancies from 2015 – 2019 by month for the first six months of each fiscal year. As the table illustrates there is a direct correlation in 2019 between the increase in vacancies and the increase in overtime.

Month	2015	2016	2017	2018	2019
January	2	0	0	2	5
February	0	1	0	3	5
March	0	3	0	5	6
April	0	3	0	5	6
May	3	5	1	3	7
June	1	1	3	5	7

### *Fire Overtime*

Fire overtime, as illustrated in the line graph below, totaled \$352,678 at the end of the second quarter in 2019, which is 28.91% of the total 2019 budgeted amount. It is important to note that the majority of overtime costs within the Fire Department occur during the third and fourth quarters of the fiscal year historically when vacations are more common.

When comparing the results of 2019 to 2018, the 2019 amount has decreased by approximately \$57,500 or 14.03%. As the below graph illustrates the total 2019 six month overtime in the Fire Department is the lowest from the time period of 2015 – 2019.



A primary factor as to the cause of the decrease in overtime within the Fire Department is the low number of vacancies in the current year. The below table shows the number of vacancies from 2015 – 2019, where in the current year the department has seen the lowest number of vacancies when comparing the six (6) years thus showing the correlation between vacancies and overtime related costs.

Month	2015	2016	2017	2018	2019
January	1	6	3	2	4
February	0	7	4	2	1
March	4	7	5	2	1
April	0	7	3	2	1
May	6	7	4	1	1
June	6	7	4	1	1

### *Utilities*

The total expenses related to Utilities in the General Fund for the first six months of 2019 is \$818,732, which is both a low percent of the budget and a decrease from 2018 caused by the timing of when invoices were posted which was after the quarter end date of June 30, 2019.

### *Uniforms*

Uniform related expenses totaled \$181,520 at the end of the second quarter in 2019, an increase of over \$142,000 from 2018. The cause of this increase is from purchases made within the Police and Fire Departments.

### *Debt Service*

Debt Service costs totaled \$5,272,487 at the end of the 2019 second quarter, equating to 57.06% of the total 2019 budget. The reason for the high percentage of the total budgeted costs being expended is the first payment on the City's MAC debt made annually on January 15<sup>th</sup>.

2019 costs have increased from the six month total of 2018 (\$5,056,881) by approximately \$215,500 or 4.26%. This increase was caused primarily by an increase in both principal and interest costs related to the City's Bond Anticipation Notes (BANs) that were renewed in February. As discussed previously the majority of BANs that are issued are for cash flow purposes due to grant funding associated with the projects. The City however budgets for the interest costs related to the debt within the General Fund to allow for the grant funds to be used for the actual project costs and not debt related costs. Inevitably the City would be required to pay the interest costs in some fashion and is easier for cash flow purposes and also budgeting practices to budget for the annual interest costs on the February and August debt issuances.

The increase in 2019 MAC costs is related to the July 2019 payment and will be reflected in the third quarter financial report.

### *Health Insurance*

Health Insurance totaled \$6,013,704 as of June 30, 2019, which is 44.62% of the total amount budgeted for. There has also been a decrease from the six month total of 2018 in the amount of approximately \$353,000, or 5.54%. As has been discussed previously the health insurance costs are based on actual usage and while there is optimism based on the three month total there truly is no way of knowing how the year will end until all numbers have been accounted for in March 2020.

## **Part III – Conclusion**

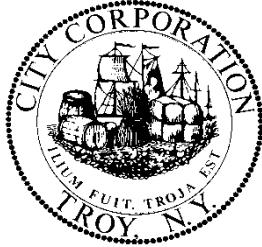
	<b>2019</b>	<b>2018</b>	<b>Difference</b>
<b>Revenues</b>	26,508,713	26,114,300	394,413
<b>Expenditures</b>	31,893,653	33,022,311	(1,128,658)
<b>Difference</b>	<b>(5,384,940)</b>	<b>(6,908,011)</b>	<b>1,523,071</b>

The results of the first six months of 2019 shows a smaller “deficit” than that of the six month totals in 2018. However, it is still too soon to have a clear indication as to where the General Fund will end the 2019 fiscal year based primarily on the seasonality of revenues and the variables that still exist.

The City Comptroller's Office, as it historically has, will continue to monitor the General Fund activity, particularly areas of significant variability (ex. Health Insurance) closely to obtain a clear understanding monthly on how these areas among others is trending for the year.

If you have any questions regarding the information provided in this report please do not hesitate to contact me for answers.

**Wm. Patrick Madden**  
*Mayor*



**Andrew Piotrowski**  
*Deputy City Comptroller*

**Monica Kurzejeski**  
*Deputy Mayor*

**Office of the City Comptroller**  
City Hall  
433 River Street – Suite 5001  
Troy, New York 12180-3406

**Date:** July 31, 2019

**To:** Honorable Wm. Patrick Madden  
City Council Members

**From:** Andrew Piotrowski  
Deputy City Comptroller

**Re:** Second Quarter 2019 Financial Report – Garbage Fund

### Part I – Revenues

Garbage Fund Revenues				
Revenue	2019 Actual	2019 Budget	\$ Diff	% Achieved
Departmental Income	3,384,330	3,479,160	(94,830)	97.27%
Use Of Money & Property	1,849	-	1,849	100.00%
Miscellaneous	419	60,000	(59,581)	0.70%
State Aid	-	45,945	(45,945)	0.00%
Interfund Transfers	307,419	614,838	(307,419)	50.00%
<b>Total</b>	<b>3,694,017</b>	<b>4,199,943</b>	<b>(505,926)</b>	<b>87.95%</b>

Revenues in the Garbage Fund totaled \$3,694,017 as of June 30, 2019, which is 87.95% of the total 2019 budgeted revenues. Due to waste removal operations being separated from the General Fund with the creation of the Garbage Fund there are no revenues to compare to from the prior year.

Departmental Income is made up of revenues from garbage bills, payments of prior garbage fees relieved on to the 2019 property tax bills, garbage violations and bulk pickup fees. The revenue for this category totaled \$3,384,330 at the end of the second quarter which is 97.27% of the total 2019 budget. The primary source of revenue in this category is the garbage fee, with the revenue recognized being the total billings for the 2019 fiscal year.

The other revenue item of note is Interfund Transfers which is a payment made by the General Fund to the Garbage Fund for services rendered by the Garbage Fund.

## Part II – Expenditures

<b>Garbage Fund Expenditures</b>				
<b>Expenditure</b>	<b>2019 Actual</b>	<b>2019 Budget</b>	<b>\$ Rem</b>	<b>% Expended</b>
<b>Code 1 - Salaries</b>				
Permanent Salaries	519,789	1,374,737	854,948	37.81%
Temporary Salaries	1,219	28,000	26,781	4.35%
Overtime	10,721	82,500	71,779	12.99%
Misc. Other	0	25,600	25,600	0.00%
<b>Total Code 1</b>	<b>531,729</b>	<b>1,510,837</b>	<b>979,108</b>	<b>35.19%</b>
<b>Code 3 - Materials &amp; Supplies</b>	<b>56,267</b>	<b>119,802</b>	<b>63,535</b>	<b>46.97%</b>
<b>Code 4 - Contractual Services</b>				
Printing & Advertising	621	1,000	379	62.10%
Tipping Fees	625,524	1,133,920	508,396	55.16%
Insurance	16,525	16,196	(329)	102.03%
Consultant Services	3,077	18,739	15,662	16.42%
Contingency	0	4,079	4,079	0.00%
Due To Other Funds	269,459	538,918	269,459	50.00%
<b>Total Code 4</b>	<b>915,205</b>	<b>1,712,852</b>	<b>797,647</b>	<b>53.43%</b>
<b>Code 6/7 - Debt Service</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>	<b>0.00%</b>
<b>Code 8 - Benefits</b>				
Pension	63,120	235,795	172,675	26.77%
Healthcare	184,415	427,094	242,679	43.18%
Dental	9,178	17,983	8,805	51.04%
Social Security	38,302	115,580	77,278	33.14%
Worker's Compensation	4,451	50,000	45,549	8.90%
<b>Total Code 8</b>	<b>299,465</b>	<b>846,452</b>	<b>546,987</b>	<b>35.38%</b>
<b>Grand Total</b>	<b>1,802,668</b>	<b>4,199,943</b>	<b>2,397,275</b>	<b>42.92%</b>

Expenditures in the Garbage Fund totaled \$1,802,668 as of June 30, 2019, which is 42.92% of the total 2019 budget. As was the case with revenues within the Garbage Fund there are no prior year expenditures to compare to the first half of 2019.

When looking at Permanent Salaries, which totals \$519,789 at the end of the second quarter, only 37.81% of the budget has been expended to date. The cause of this is attributable to a number of vacancies that have existed within the fund throughout the 2019 fiscal year.

Tipping Fees totaled \$625,524 as of June 30<sup>th</sup>, which is 55.16% of the total amount budgeted in 2019. As the fiscal year progresses the City Comptroller's Office will work with the Commissioner of General Services and other staff members to closely monitor the account.

### Part III – Conclusion

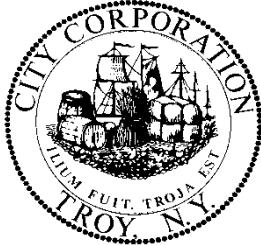
Description	2019
<b>Revenues</b>	3,694,017
<b>Expenditures</b>	1,802,668
<b>Difference</b>	<b>1,891,349</b>

The Garbage Fund has a surplus of \$1,891,349 as of June 30, 2019 based on the total revenues and expenditures. It should be noted that the cause of this is due to the garbage fee billings being fully recognized within the second quarter of the fiscal year.

It will be important as the fiscal year progresses to monitor the collection rate of the fees charged within the fund. However until after the second installment becomes due it will not be fully known the cash position within the fund's balance sheet and the strength of it. What is known is that as of June 30<sup>th</sup> 18.88% of the first installment of the 2019 garbage fee have been unpaid. The City Comptroller's Office continues to send out delinquent notices pertaining to these payments in hopes of increased collections.

With this being the first year of the Garbage Fund there continues to be enhanced oversight of the financial results of the fund on a month to month basis.

If you have any questions regarding the information provided in this report please do not hesitate to contact me for answers.



**Wm. Patrick Madden**  
*Mayor*

**Andrew Piotrowski**  
*Deputy City Comptroller*

**Monica Kurzejeski**  
*Deputy Mayor*

**Office of the City Comptroller**  
City Hall  
433 River Street – Suite 5001  
Troy, New York 12180-3406

**Date:** July 31, 2019

**To:** Honorable Wm. Patrick Madden  
City Council Members

**From:** Andrew Piotrowski  
Deputy City Comptroller

**Re:** Second Quarter 2019 Financial Report – Water Fund

### Part I – Revenues

Water Fund Revenues									
Revenue	06/30/2019	06/30/2018	\$ Change	% Change	2019 Actual	2019 Budget	\$ Diff	% Achieved	
City Water Sales	1,979,880	2,063,293	(83,413)	-4.04%	1,979,880	4,550,000	(2,570,120)	43.51%	
Outside Community Water Sales	3,213,226	2,729,950	483,276	17.70%	3,213,226	7,735,000	(4,521,774)	41.54%	
Unmetered Sales	73,863	124,538	(50,675)	-40.69%	73,863	285,000	(211,137)	25.92%	
Use Of Money & Property	136,221	129,396	6,825	5.27%	136,221	210,000	(73,780)	64.87%	
Permits	5,920	5,410	510	9.43%	5,920	12,000	(6,080)	49.33%	
Sale Of Property	5,500	10,900	(5,400)	100.00%	5,500	51,000	(45,500)	10.78%	
Miscellaneous	60,307	56,373	3,934	6.98%	60,307	139,000	(78,693)	43.39%	
Interfund Revenues	163,500	163,500	0	0.00%	163,500	327,000	(163,500)	50.00%	
Appropriated Fund Balance	0	0	0	-	0	3,630,000	(3,630,000)	0.00%	
<b>Total</b>	<b>5,638,416</b>	<b>5,283,360</b>	<b>355,056</b>	<b>6.72%</b>	<b>5,638,416</b>	<b>16,939,000</b>	<b>(11,300,584)</b>	<b>33.29%</b>	

Revenues in the Water Fund totaled \$5,638,416 through the end of the 2019 second quarter, representative of 33.29% of the 2019 budgeted total. In comparison to the 2018 second quarter results of \$5,283,360, current year revenues have increased by 6.72%

Water Fund revenues to city residents totaled \$1,979,880 at the end of the second quarter in 2019, which is 43.51% of the budgeted total. In comparison to the six month total of 2018, revenues in the current year have decreased by 6.72%. The decrease is caused by the City having billed one less cycle in 2019 than in 2018. When adding in the cycle that was not billed until July 2019, City water revenues have increased in comparison to those of 2018.

Revenue from outside communities increased by 17.70% from 2018, with a six month total in 2019 of \$3,213,226, or 41.54% of the total amount budgeted. The primary cause for the increase is the timing of when one (1) bill was sent to an outside community in 2019 which was in the second quarter whereas in 2018 it was in the third quarter. However it should be noted that there are a number of communities whose revenues have increased when compared to the prior year. The majority of communities are billed twice per year, once in the second quarter and the second in the fourth quarter.

The revenues budgeted from Appropriated Fund Balance are for the 2019 Water Fund Capital Plan. The revenue will be recorded as expenditures are incurred for the project.

## Part II - Expenditures

Water Fund Expenditures								
Expenditure	06/30/2019	06/30/2018	\$ Change	% Change	2019 Actual	2019 Budget	\$ Rem	% Expended
<b>Code 1 - Salaries</b>								
Permanent Salaries	1,243,181	1,321,623	(78,443)	-5.94%	1,243,181	3,164,486	1,921,305	39.29%
Temporary Salaries	0	936	(936)	-100.00%	0	50,000	50,000	0.00%
Overtime	89,278	88,996	282	0.32%	89,278	199,500	110,222	44.75%
Misc Other	8,982	6,282	2,700	42.98%	8,982	74,932	65,950	11.99%
<b>Total Code 1</b>	<b>1,341,440</b>	<b>1,417,837</b>	<b>(76,397)</b>	<b>-5.39%</b>	<b>1,341,440</b>	<b>3,488,918</b>	<b>2,147,478</b>	<b>38.45%</b>
<b>Code 2 - Equipment</b>	<b>11,815</b>	<b>2,810</b>	<b>9,006</b>	<b>320.51%</b>	<b>11,815</b>	<b>59,376</b>	<b>47,561</b>	<b>19.90%</b>
<b>Code 3 - Materials &amp; Supplies</b>	<b>512,020</b>	<b>669,660</b>	<b>(157,640)</b>	<b>-23.54%</b>	<b>512,020</b>	<b>1,992,944</b>	<b>1,480,924</b>	<b>25.69%</b>
<b>Code 4 - Contractual Services</b>								
Utilities	141,310	188,553	(47,243)	-25.06%	141,310	373,265	231,955	37.86%
Postage	14,401	17,928	(3,527)	-19.67%	14,401	28,000	13,599	51.43%
Printing & Advertising	1,753	5,069	(3,315)	-65.41%	1,753	5,500	3,747	31.88%
Repairs & Rentals	18,048	21,089	(3,041)	-14.42%	18,048	57,500	39,452	31.39%
Insurance	66,100	60,375	5,725	9.48%	66,100	67,491	1,391	97.94%
Dues	0	0	0	0.00%	0	4,500	4,500	0.00%
Consultant Services	49,359	147,545	(98,186)	-66.55%	49,359	122,635	73,276	40.25%
Training	2,855	4,246	(1,391)	-32.76%	2,855	12,100	9,245	23.60%
Travel	296	355	(59)	0.00%	296	1,500	1,204	19.74%
Uniforms	17,264	13,198	4,066	30.81%	17,264	41,500	24,236	41.60%
Misc Other	1,055,037	1,064,986	(9,949)	-0.93%	1,055,037	4,477,209	3,422,172	23.56%
<b>Total Code 4</b>	<b>1,366,424</b>	<b>1,523,344</b>	<b>(156,920)</b>	<b>-10.30%</b>	<b>1,366,424</b>	<b>5,191,200</b>	<b>3,824,776</b>	<b>26.32%</b>
<b>Code 6/7 - Debt Service</b>	<b>109,958</b>	<b>111,645</b>	<b>(1,687)</b>	<b>-1.51%</b>	<b>109,958</b>	<b>689,869</b>	<b>579,911</b>	<b>15.94%</b>
<b>Code 8 - Benefits</b>								
Pension	143,671	143,969	(298)	-0.21%	143,671	535,259	391,588	26.84%
Healthcare	443,044	432,989	10,055	2.32%	443,044	1,026,066	583,022	43.18%
Dental	22,996	22,579	417	1.85%	22,996	45,058	22,062	51.04%
Social Security	98,334	104,303	(5,968)	-5.72%	98,334	266,902	168,568	36.84%
Workers' Compensation	35,451	17,270	18,181	105.28%	35,451	28,000	(7,451)	126.61%
<b>Total Code 8</b>	<b>743,497</b>	<b>721,111</b>	<b>22,387</b>	<b>3.10%</b>	<b>743,497</b>	<b>1,901,285</b>	<b>1,157,788</b>	<b>39.10%</b>
<b>Code 9 - Interfund Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>3,630,000</b>	<b>3,630,000</b>	<b>0.00%</b>
<b>Grand Total</b>	<b>4,085,154</b>	<b>4,446,406</b>	<b>(361,252)</b>	<b>-8.12%</b>	<b>4,085,154</b>	<b>16,953,593</b>	<b>12,868,438</b>	<b>24.10%</b>

Second quarter 2019 expenditures in the Water Fund were \$4,085,154, which is 24.10% of the 2019 budgeted total. In comparison to the second quarter of 2018, when the total was \$4,446,406, the 2019 total has decreased by \$361,252 or 8.12%.

In reviewing the expenditures and comparing the two from year to year there were not many material variances from 2018 to 2019. There are multiple expenditure categories that have decreased from 2018 to 2019, which in review can primarily be attributed to timing of invoices.

It should be noted there is a decrease of 23.54% in Materials & Supplies within the Water Fund at the end of the second quarter. In review the decrease was caused by timing of when purchases, specifically chemicals for purification, were purchased within each fiscal year.

Furthermore the decrease in Permanent Salaries is caused by vacancies within the Water Fund in the 2019 fiscal year.

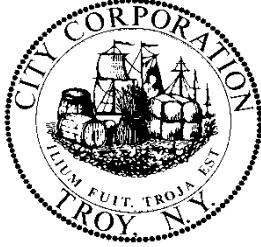
### **Part III – Conclusion**

	<b>2019</b>	<b>2018</b>	<b>Difference</b>
<b>Revenues</b>	5,638,416	5,283,360	355,056
<b>Expenditures</b>	4,085,154	4,446,406	(361,252)
<b>Difference</b>	<b>1,553,262</b>	<b>836,954</b>	<b>716,308</b>

As of June 30, 2019 the Water Fund has a six month surplus of \$1,553,262; whereas in 2018 the surplus was \$836,954. While having a surplus in the Water Fund in this amount through six months is certainly a positive, it is premature to ascertain an accurate forecast of how the 2019 fiscal year will end. The Water Fund is dependent, as everyone knows, on the water billings with primary usage occurring throughout the summer months. Furthermore a material percentage of the Water Fund expenditure budget is the transfer of current year surplus to the General Fund. It is unknown at this time if, or how much, of that transfer will be made in the 2019 fiscal year.

If you have any questions regarding the information provided in this report please do not hesitate to contact me for answers.

**Wm. Patrick Madden**  
*Mayor*



**Andrew Piotrowski**  
*Deputy City Comptroller*

**Monica Kurzejeski**  
*Deputy Mayor*

**Office of the City Comptroller**  
City Hall  
433 River Street – Suite 5001  
Troy, New York 12180-3406

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**Date:** July 31, 2019

**To:** Honorable Wm. Patrick Madden  
City Council Members

**From:** Andrew Piotrowski  
Deputy City Comptroller

**Re:** Second Quarter 2019 Financial Report – Sewer Fund

### Part I – Revenues

Sewer Fund Revenues									
Revenue	06/30/2019	06/30/2018	\$ Change	% Change	2019 Actual	2019 Budget	\$ Diff	% Achieved	
Sewer Rents	1,969,104	2,047,622	(78,518)	-3.83%	1,969,104	4,550,000	(2,580,896)	43.28%	
Sewer Charges	232,304	270,744	(38,440)	-14.20%	232,304	319,000	(86,696)	72.82%	
Use Of Money & Property	4,560	649	3,911	602.46%	4,560	525	4,035	868.56%	
Miscellaneous	15,003	16,545	(1,542)	-9.32%	15,003	38,000	(22,997)	39.48%	
<b>Total</b>	<b>2,220,971</b>	<b>2,335,560</b>	<b>(114,588)</b>	<b>-4.91%</b>	<b>2,220,971</b>	<b>4,907,525</b>	<b>(2,686,554)</b>	<b>45.26%</b>	

Revenues in the Sewer Fund totaled \$2,220,971 at the end of the second quarter in 2019, which represents 45.26% of the budgeted total. In comparison the 2018 revenues totaled \$2,335,560; therefore the revenues in 2019 have decreased by 4.91%

The principal source of revenue in the Sewer Fund is charges to city residents based on consumption, which totaled \$1,969,104 in the first half of the 2019 fiscal year, which is 43.28% of the total amount budgeted for. Revenues have decreased by 3.83% from the six month total of 2018; however, similar to the Water Fund this is caused by one (1) less cycle being billed in the second quarter of 2019 than in 2018. When looking at the billing for this cycle in 2019 and including it within the six month total in the current year revenues have increased in the current fiscal year.

The decrease in Sewer Charges in 2019 is caused by a decrease in interest and penalties on delinquent accounts due to the change in the way bills are prepared in 2019 compared to 2018. Interest and penalties are still being charged timely on all delinquent accounts and the shutoff program has commenced on delinquent accounts exceeding two (2) quarters.

## Part II – Expenditures

<b>Sewer Fund Expenditures</b>								
<b>Expenditure</b>	<b>06/30/2019</b>	<b>06/30/2018</b>	<b>\$ Change</b>	<b>% Change</b>	<b>2019 Actual</b>	<b>2019 Budget</b>	<b>\$ Rem</b>	<b>% Expended</b>
<b>Code 1 - Salaries</b>								
Permanent Salaries	292,796	361,340	(68,544)	-18.97%	292,796	827,323	534,527	35.39%
Temporary Salaries	12,408	11,520	888	7.71%	12,408	30,000	17,592	41.36%
Overtime	44,358	36,805	7,553	20.52%	44,358	80,000	35,642	55.45%
Misc. Other	167	4,900	(4,733)	100.00%	167	17,500	17,333	0.95%
<b>Total Code 1</b>	<b>349,729</b>	<b>414,565</b>	<b>(64,837)</b>	<b>-15.64%</b>	<b>349,729</b>	<b>954,823</b>	<b>605,094</b>	<b>36.63%</b>
<b>Code 2 - Equipment</b>	<b>32,130</b>	<b>0</b>	<b>32,130</b>	<b>100.00%</b>	<b>32,130</b>	<b>47,130</b>	<b>15,000</b>	<b>68.17%</b>
<b>Code 3 - Materials &amp; Supplies</b>	<b>122,243</b>	<b>58,812</b>	<b>63,431</b>	<b>107.85%</b>	<b>122,243</b>	<b>299,268</b>	<b>177,025</b>	<b>40.85%</b>
<b>Code 4 - Contractual Services</b>								
Utilities	4,696	4,102	593	14.47%	4,696	10,900	6,204	43.08%
Repairs & Rentals	5,097	12,656	(7,560)	-59.73%	5,097	64,000	58,903	7.96%
Insurance	16,525	15,094	1,431	9.48%	16,525	17,000	475	97.21%
Consultant Services	22,915	28,761	(5,846)	-20.33%	22,915	309,300	286,385	7.41%
Training	0	0	0	0.00%	0	10,000	10,000	0.00%
Uniforms	2,925	3,538	(613)	-17.33%	2,925	8,500	5,575	34.42%
Due To Other Funds	239,604	239,666	(62)	-0.03%	239,604	479,332	239,728	49.99%
<b>Total Code 4</b>	<b>291,762</b>	<b>303,817</b>	<b>(12,055)</b>	<b>-3.97%</b>	<b>291,762</b>	<b>899,032</b>	<b>607,270</b>	<b>32.45%</b>
<b>Code 6/7 - Debt Service</b>	<b>73,487</b>	<b>62,764</b>	<b>10,723</b>	<b>0.00%</b>	<b>73,487</b>	<b>74,874</b>	<b>1,387</b>	<b>98.15%</b>
<b>Code 8 - Benefits</b>								
Pension	38,637	40,159	(1,522)	-3.79%	38,637	144,948	106,311	26.66%
Healthcare	107,586	126,622	(19,036)	-15.03%	107,586	249,163	141,577	43.18%
Dental	5,367	6,905	(1,538)	-22.27%	5,367	10,516	5,149	51.04%
Social Security	25,646	30,732	(5,086)	-16.55%	25,646	73,044	47,398	35.11%
Worker's Compensation	15,252	26,961	(11,709)	-43.43%	15,252	45,000	29,748	33.89%
<b>Total Code 8</b>	<b>192,488</b>	<b>231,379</b>	<b>(38,890)</b>	<b>-16.81%</b>	<b>192,488</b>	<b>522,671</b>	<b>330,183</b>	<b>36.83%</b>
<b>Code 9 - Interfund Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>2,142,863</b>	<b>2,142,863</b>	<b>0.00%</b>
<b>Grand Total</b>	<b>1,061,839</b>	<b>1,071,337</b>	<b>(9,498)</b>	<b>-0.89%</b>	<b>1,061,839</b>	<b>4,940,661</b>	<b>3,878,821</b>	<b>21.49%</b>

Expenditures in the Sewer Fund totaled \$1,061,839 through the end of the second quarter of 2019, a decrease of \$9,498 or 0.89% from the first six (6) months of 2018. When comparing the second quarter results to the overall Sewer Fund budget, 21.49% of the total budgeted expenditures have been recognized.

When looking at the individual line items within the Sewer Fund the vast majority have not experienced a material increase or decrease in comparison to the six month total of 2018.

The principal expenditure in the department is the annual transfer to the Capital Projects Fund for the Combined Sewer Overflow (CSO) Project. This transfer will be recorded at the end of the 2019 fiscal year pursuant to the fund balance policy passed in March 2018. The amount of the transfer will be based on actual revenues and operating expenditures within the Sewer Fund.

### Part III – Conclusion

	<b>2019</b>	<b>2018</b>	<b>Difference</b>
<b>Revenues</b>	2,220,971	2,335,560	(114,589)
<b>Expenditures</b>	1,061,839	1,071,337	(9,498)
<b>Difference</b>	<b>1,159,132</b>	<b>1,264,223</b>	<b>(105,091)</b>

The Sewer Fund has a surplus of \$1,159,132 as of June 30, 2019, a decrease of \$105,091 from the 2018 six month surplus. The cause of this decrease is the timing of billings between 2018 and 2019.

It is important to note that the Sewer Fund will show a surplus throughout the fiscal year because the transfer to the Capital Projects Fund will not occur until the 2019 year-end reconciliation. However the difference between the two years as of June 30<sup>th</sup> is not of major concern to this point within the City Comptroller's Office. As done historically the fund will be monitored throughout the third quarter to track the direction the fund is going for this fiscal year in concert with the Department of Public Utilities.

If you have any questions regarding the information provided in this report please do not hesitate to contact me for answers.