



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: October 31, 2017

To: Honorable Wm. Patrick Madden
City Council Members

From: Andrew Piotrowski
Deputy City Comptroller

Re: Third Quarter 2017 Quarterly Financial Report – General Fund

Part I – Revenues

| General Fund Revenues | | | | | | | | |
|--|-------------------|-------------------|------------------|--------------|-------------------|-------------------|---------------------|---------------|
| Revenue | 09/30/2017 | 09/30/2016 | \$ Change | % Change | 2017 Actual | 2017 Budget | \$ Diff | % Achieved |
| Real Property Taxes | 22,883,476 | 20,058,867 | 2,824,608 | 14.08% | 22,883,476 | 23,635,503 | (752,027) | 96.82% |
| Local Sources | 9,983,520 | 9,835,590 | 147,929 | 1.50% | 9,983,520 | 18,566,000 | (8,582,480) | 53.77% |
| General Government Support | 138,761 | 190,205 | (51,445) | -27.05% | 138,761 | 318,500 | (179,739) | 43.57% |
| Public Safety | 469,818 | 457,070 | 12,748 | 2.79% | 469,818 | 550,000 | (80,182) | 85.42% |
| Health | 1,423,931 | 1,408,984 | 14,947 | 1.06% | 1,423,931 | 1,775,000 | (351,069) | 80.22% |
| Transportation | 451,564 | 515,656 | (64,091) | -12.43% | 451,564 | 730,000 | (278,436) | 61.86% |
| Recreation | 885,377 | 1,140,848 | (255,471) | -22.39% | 885,377 | 1,355,500 | (470,123) | 65.32% |
| Home & Community Services | 598,887 | 558,130 | 40,757 | 7.30% | 598,887 | 551,000 | 47,887 | 108.69% |
| Intergovernmental Charges | - | 48,124 | (48,124) | -100.00% | - | 265,915 | (265,915) | 0.00% |
| Use Of Money & Property | 10,710 | 10,935 | (225) | -2.05% | 10,710 | 74,500 | (63,790) | 14.38% |
| Licenses & Permits | 666,022 | 778,818 | (112,797) | -14.48% | 666,022 | 1,019,000 | (352,978) | 65.36% |
| Fines & Forfeitures | 929,301 | 1,062,214 | (132,913) | -12.51% | 929,301 | 1,153,500 | (224,199) | 80.56% |
| Sale Of Property & Compensation For Loss | 40,571 | 103,474 | (62,903) | -60.79% | 40,571 | 86,565 | (45,994) | 46.87% |
| Miscellaneous | 1,081,453 | 1,357,710 | (276,257) | -20.35% | 1,081,453 | 1,249,000 | (167,547) | 86.59% |
| Interfund Revenues | 814,906 | 828,940 | (14,034) | -1.69% | 814,906 | 1,726,106 | (911,200) | 47.21% |
| State Aid | 1,361,205 | 1,432,900 | (71,696) | -5.00% | 1,361,205 | 14,708,362 | (13,347,157) | 9.25% |
| Federal Aid | 188,429 | 222,412 | (33,983) | -15.28% | 188,429 | 1,247,196 | (1,058,767) | 15.11% |
| Intrafund Revenues | - | - | - | - | - | 2,222,000 | (2,222,000) | 0.00% |
| Total | 41,927,929 | 40,010,879 | 1,917,050 | 4.79% | 41,927,929 | 71,233,647 | (29,305,718) | 58.86% |

Total revenues in the General Fund at the end of the third quarter were \$41,927,929, or 58.86% of the total 2017 adjusted budget. As noted in the prior quarterly reports seasonality plays a significant role in the City's revenue recognition. A substantial portion of revenues are received and recognized during the

fourth quarter of the City's fiscal year. In comparison to the first nine months of 2016, the 2017 total has increased by 4.79% or approximately \$1,915,000.

Revenue from real property taxes totaled 96.82% of the total revenue required from property taxes at the end of the third quarter whereas in 2016 the percent recognized was 97.46%. As discussed previously this is the best tool to use to compare annually as it removes the variable caused by annual tax levy growth. The City Comptroller's Office has throughout the year and will continue to send out delinquency notices to unpaid accounts to attempt to collect payment.

Local source revenues, comprised primarily of sales tax revenues, totaled \$9,983,520 as of September 30th, or 53.77% of the total amount budgeted. Two quarters of sales tax revenues will be recognized during the fourth quarter causing the amount recognized in comparison to the budget to be so low. Revenues have increased from 2016 by over \$140,000 or 1.50% driven by an increase in the collections from sales tax in 2017.

Health revenues, composed principally of ambulance billing revenues, were \$1,423,931 through the first three quarters of 2017, which is 80.22% of the total amount budgeted for. It is expected that this total will greatly exceed the amount budgeted for in 2017 based on trends in ambulance billing collections.

Revenues from Recreation were \$885,377 at the end of the third quarter, a decrease of 22.39% from those of 2016. The cause for this decrease is attributable to the following three reasons:

1. A decrease in golf revenues due to the rain heavy spring and the condition of the course throughout 2017
2. A change in accounting procedures in the recognition of deferred revenue for debt payments
3. The marina being closed in 2017 when it was open in 2016

The report shows a decrease in revenues from Licenses & Permits caused by a decrease in 2017 in revenues from Building Permits.

The parking amnesty program conducted in 2016 is the cause for the decrease in the Fines & Forfeitures revenue category when comparing 2016 to 2017.

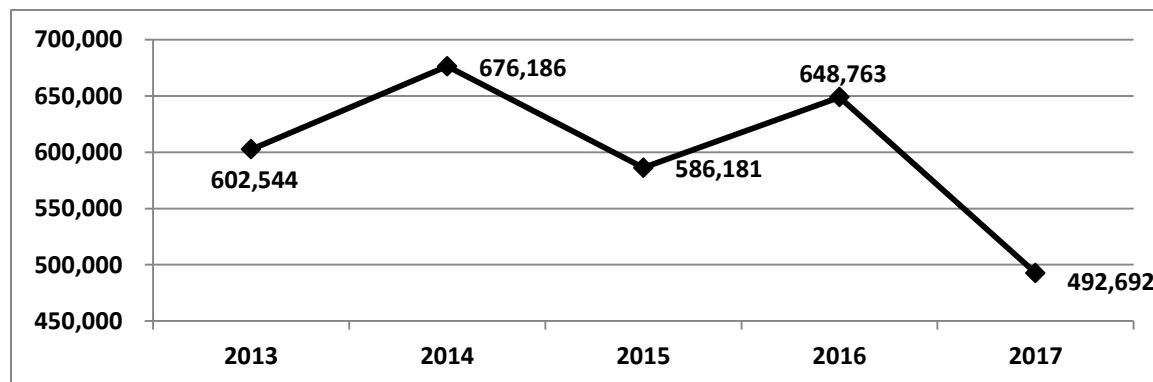
Part II – Expenditures

| General Fund Expenditures | | | | | | | | |
|--|-------------------|-------------------|------------------|----------------|-------------------|-------------------|-------------------|---------------|
| Expenditure | 09/30/2017 | 09/30/2016 | \$ Change | % Change | 2017 Actual | 2017 Budget | \$ Rem | % Expended |
| Code 1 - Salaries | | | | | | | | |
| Permanent Salaries | 16,505,718 | 16,536,067 | (30,350) | -0.18% | 16,505,718 | 22,843,339 | 6,337,621 | 72.26% |
| Temporary Salaries | 311,934 | 581,666 | (269,733) | -46.37% | 311,934 | 587,784 | 275,850 | 53.07% |
| Overtime | 107,823 | 146,409 | (38,586) | -26.35% | 107,823 | 193,170 | 85,347 | 55.82% |
| Overtime - Snow Plowing | 133,124 | 43,466 | 89,658 | 206.27% | 133,124 | 150,000 | 16,876 | 88.75% |
| Overtime - Police | 492,692 | 648,763 | (156,071) | -24.06% | 492,692 | 1,119,622 | 626,930 | 44.01% |
| Overtime - Fire | 806,713 | 1,004,650 | (197,937) | -19.70% | 806,713 | 1,132,031 | 325,318 | 71.26% |
| Overtime - Public Safety Grants | 311,243 | 48,319 | 262,924 | 544.15% | 311,243 | 520,445 | 209,202 | 59.80% |
| Misc. Other | 633,967 | 637,799 | (3,832) | -0.60% | 633,967 | 2,350,423 | 1,716,456 | 26.97% |
| Total Code 1 | 19,303,215 | 19,647,140 | (343,925) | -1.75% | 19,303,215 | 28,896,814 | 9,593,599 | 66.80% |
| Code 2 - Equipment | 22,847 | 129,985 | (107,138) | -82.42% | 22,847 | 86,195 | 63,348 | 26.51% |
| Code 3 - Materials & Supplies | 1,588,353 | 1,484,322 | 104,031 | 7.01% | 1,588,353 | 2,319,272 | 730,919 | 68.48% |
| Code 4 - Contractual Services | | | | | | | | |
| Utilities | 1,556,762 | 1,545,185 | 11,577 | 0.75% | 1,556,762 | 2,153,975 | 597,213 | 72.27% |
| Postage | 24,653 | 19,064 | 5,589 | 29.32% | 24,653 | 47,880 | 23,227 | 51.49% |
| Printing & Advertising | 34,676 | 42,031 | (7,355) | -17.50% | 34,676 | 62,874 | 28,197 | 55.15% |
| Repairs & Rentals | 1,449,289 | 1,547,976 | (98,688) | -6.38% | 1,449,289 | 2,024,773 | 575,484 | 71.58% |
| Insurance | 312,022 | 302,605 | 9,417 | 3.11% | 312,022 | 350,000 | 37,978 | 89.15% |
| Dues | 24,968 | 27,427 | (2,459) | -8.97% | 24,968 | 29,999 | 5,031 | 83.23% |
| Consultant Services | 1,483,423 | 1,216,122 | 267,301 | 21.98% | 1,483,423 | 1,967,893 | 484,471 | 75.38% |
| Training | 94,881 | 119,313 | (24,433) | -20.48% | 94,881 | 151,880 | 57,000 | 62.47% |
| Travel | 4,825 | 10,311 | (5,486) | -53.20% | 4,825 | 19,890 | 15,065 | 24.26% |
| Judgments & Claims | 79,621 | 37,455 | 42,166 | 112.58% | 79,621 | 250,000 | 170,379 | 31.85% |
| Contingencies | - | - | - | - | - | 280,317 | 280,317 | 0.00% |
| Uniforms | 107,323 | 146,982 | (39,659) | -26.98% | 107,323 | 198,400 | 91,077 | 54.09% |
| Medical Expenses | 29,022 | 38,638 | (9,616) | -24.89% | 29,022 | 42,100 | 13,078 | 68.94% |
| Misc. Other | 8,084 | 42,566 | (34,483) | -81.01% | 8,084 | 23,299 | 15,216 | 34.69% |
| Total Code 4 | 5,209,547 | 5,095,676 | 113,871 | 2.23% | 5,209,547 | 7,603,280 | 2,393,734 | 68.52% |
| Code 6/7 - Debt Service | 7,210,330 | 6,743,592 | 466,738 | 6.92% | 7,210,330 | 7,245,567 | 35,237 | 99.51% |
| Code 8 - Benefits | | | | | | | | |
| Pension | 1,728,563 | 1,670,380 | 58,183 | 3.48% | 1,728,563 | 7,242,776 | 5,514,213 | 23.87% |
| Healthcare | 9,178,779 | 8,671,530 | 507,249 | 5.85% | 9,178,779 | 12,482,495 | 3,303,716 | 73.53% |
| Dental | 435,820 | 453,762 | (17,942) | -3.95% | 435,820 | 622,118 | 186,298 | 70.05% |
| Social Security | 1,415,434 | 1,434,215 | (18,781) | -1.31% | 1,415,434 | 2,172,842 | 757,408 | 65.14% |
| Worker's Compensation | 287,875 | 265,801 | 22,075 | 8.30% | 287,875 | 290,000 | 2,125 | 99.27% |
| Total Code 8 | 13,046,471 | 12,495,687 | 550,784 | 4.41% | 13,046,471 | 22,810,231 | 9,763,760 | 57.20% |
| Code 9 - Interfund Transfers | 2,221,409 | 1,063,168 | 1,158,241 | 108.94% | 2,221,409 | 2,239,215 | 17,806 | 99.20% |
| Grand Total | 48,602,172 | 46,659,570 | 1,942,602 | 4.16% | 48,602,172 | 71,200,574 | 22,598,402 | 68.26% |

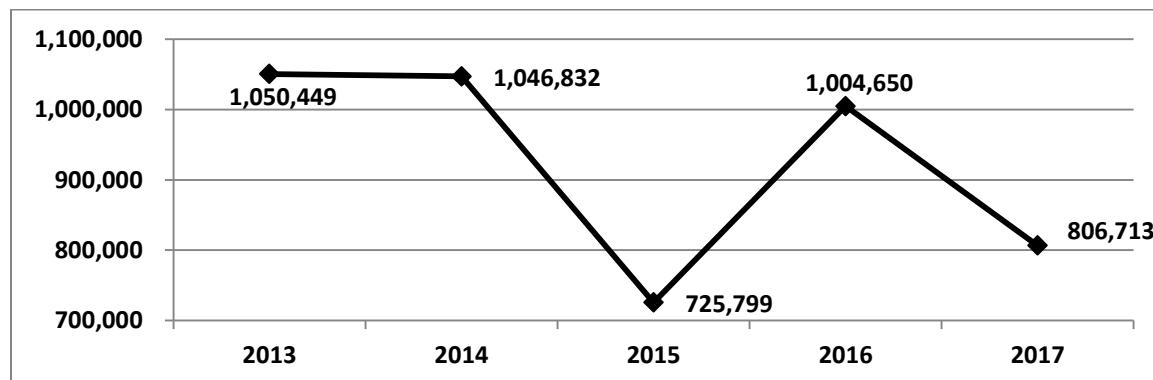
Total expenditures in the General Fund as of September 30, 2017 were \$48,602,172, or 68.26% of the total 2017 adjusted budget. In comparison to the first nine months of 2016, expenditures have increased 4.16% or approximately \$1,942,602.

Permanent salaries totaled \$16,505,718 at the end of the third quarter, which is nearly identical to the nine month total of 2016. The 2017 total equates to 72.26% of the total 2017 adjusted budget. It is anticipated that there will be a minimal budgetary savings within this expenditure category at the end of 2017 caused by vacancies within the City throughout the 2017 fiscal year that have not been filled but were budgeted for such as the Commissioner of General Services.

Police overtime was \$492,692 as of September 30, 2017, or 44.01% of the total 2017 budgeted amount. As the below graph illustrates overtime in the Police Department is at a five year low caused primarily by none to minimal vacancies in the department throughout 2017. There are currently vacancies in the department so it would be expected to see an increase in overtime to compensate for this.



Overtime in the Fire Department was \$806,713 at the end of the third quarter, which is 71.26% of the total amount budgeted for this fiscal year. This total represents both regular overtime and also minimum manning within the department. As the graph below illustrates the 2017 total is the second lowest in comparison to the nine month total from 2013 through 2017. Similar to the Police Department this has been caused by a minimal number of vacancies existing in the department throughout 2017. Also the department has a grant to provide funding for overtime costs related to officers attending paramedic school throughout this fiscal year.



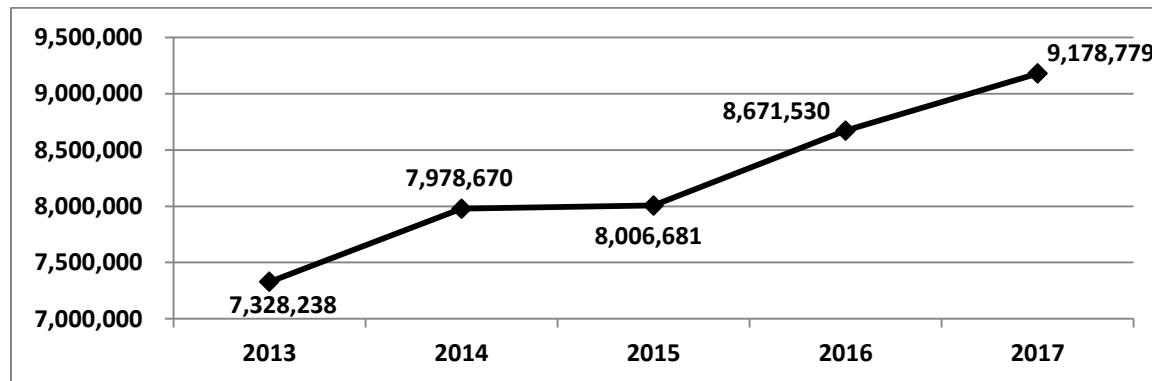
Expenditures relating to Materials & Supplies were \$1,588,353, or 68.48% of the amount budgeted, at the end of the third quarter. This is an increase from 2016 of approximately \$104,000 caused primarily by the following two factors:

1. An increase in the purchase of salt in comparison to 2016 caused by the contrasting winters from 2016 to 2017.
2. The purchase of new vests within the Police Department for the Emergency Response Team (ERT).

Consultant service expenditures were \$1,483,423 as of September 30, 2017, which is 75.38% of the total amount budgeted for 2017. The nine month total in 2016 was \$1,216,122, resulting in an increase in 2017 of 21.98% or approximately \$260,000. Reasons for this increase are as follows:

1. An increase in the amount due to the County for 911 services from 2016 to 2017
2. The use of third party snow removal for the snow emergency that was declared in the City that did not occur in 2016
3. The use of a third party engineering firm
4. The use of consultants in the Police Department that are reimbursable under grant funding
5. The costs associated with fencing and demolishing pieces of the Leonard Hospital site in 2017

General Fund healthcare costs were \$9,178,779 through the first nine months of 2017, which is 73.53% of the total amount budgeted for the fiscal year. This is an increase of 5.85% or approximately \$500,000 from the third quarter total of 2016. As that chart below illustrates costs are at a five year high in 2017 when looking at the last five years. Costs are based on actual usage for active employees and a premium based plan for retirees eligible for Medicare. It should be noted however that while costs have increased significantly the current trend for the 2017 fiscal year shows the total being under budget.



Costs related to Interfund Transfers were \$2,221,409 at the end of the third quarter in 2017 which is a substantial increase from 2016. In 2017 the City fully funded the street paving program in accordance with the funding provided through New York State which is the reason for the increase.

Part III – Conclusion

| | 2017 | 2016 | Difference |
|---------------------|--------------------|--------------------|-----------------|
| Revenues | 41,927,929 | 40,010,879 | 1,917,050 |
| Expenditures | 48,602,172 | 46,659,570 | 1,942,602 |
| Difference | (6,674,243) | (6,648,691) | (25,552) |

Based on the results of the first nine months of the fiscal year there is a deficit of \$6,674,243 in the General Fund for 2017 whereas in 2016 the deficit was \$6,648,691 leading to the results of 2017 showing a slight decrease of approximately \$25,000.

As discussed throughout prior reports and this report seasonality plays an integral role when analyzing the City's financial position at any point during the fiscal year. The City recognizes a material portion of their revenues in the General Fund during the final three months of the fiscal year and while conducting year-end reconciliations.

However given the current position in 2017 in comparison to 2016 it yields a positive indication on where the City could end this fiscal year.

If you have any questions regarding the information provided in this report please let me know at your earliest convenience.



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Date: October 31, 2017

To: Honorable Patrick Madden
City Council Members

From: Andrew Piotrowski
Deputy City Comptroller

Re: Third Quarter 2017 Quarterly Financial Report – Sewer Fund

Part I – Revenues

| Sewer Fund Revenues | | | | | | | | |
|-------------------------|------------------|------------------|------------------|---------------|------------------|------------------|--------------------|---------------|
| Revenue | 09/30/2017 | 09/30/2016 | \$ Change | % Change | 2017 Actual | 2017 Budget | \$ Diff | % Achieved |
| Sewer Rents | 2,796,798 | 2,904,504 | (107,705) | -3.71% | 2,796,798 | 4,407,750 | (1,610,952) | 63.45% |
| Sewer Charges | 122,793 | 248,007 | (125,214) | -50.49% | 122,793 | 261,852 | (139,059) | 46.89% |
| Use Of Money & Property | 255 | 158 | 97 | 61.23% | 255 | 500 | (245) | 50.90% |
| Miscellaneous | 15,818 | 18,847 | (3,029) | -16.07% | 15,818 | 26,600 | (10,782) | 59.47% |
| Total | 2,935,664 | 3,171,516 | (235,852) | -7.44% | 2,935,664 | 4,696,702 | (1,761,038) | 62.50% |

Revenues in the Sewer Fund totaled \$2,935,664 at the end of the third quarter which is a decrease of 7.44% from the nine month total of 2016. In comparison to the 2017 adjusted budget, the actual revenues have totaled 62.50%.

Sewer rents in the City of Troy, similarly to the Water Fund, have decreased from the nine month total of 2016 due to a decrease in usage attributed to the summer months. The decrease is not as substantial as in the Water Fund due to rate increase that occurred in 2017.

The payment from the County for sewer charges has not been received at the end of the third quarter causing for the decrease in Sewer Charges. The Superintendent of Public Utilities is working with the County on completing the contract in the coming weeks and anticipates it being presented to the City Council prior to the end of the fiscal year.

Part II – Expenditures

| Sewer Fund Expenditures | | | | | | | | |
|--|------------------|------------------|------------------|----------------|------------------|------------------|------------------|---------------|
| Expenditure | 09/30/2017 | 09/30/2016 | \$ Change | % Change | 2017 Actual | 2017 Budget | \$ Rem | % Expended |
| Code 1 - Salaries | | | | | | | | |
| Permanent Salaries | 489,198 | 555,842 | (66,645) | -11.99% | 489,198 | 811,607 | 322,409 | 60.28% |
| Temporary Salaries | 13,560 | - | 13,560 | 100.00% | 13,560 | 32,500 | 18,940 | 41.72% |
| Overtime | 46,082 | 57,401 | (11,319) | -19.72% | 46,082 | 85,000 | 38,918 | 54.21% |
| Misc. Other | 1,538 | - | 1,538 | 100.00% | 1,538 | 16,500 | 14,963 | 9.32% |
| Total Code 1 | 550,377 | 613,244 | (62,866) | -10.25% | 550,377 | 945,607 | 395,230 | 58.20% |
| Code 2 - Equipment | | | | | | | | |
| | 21,390 | - | 21,390 | 100.00% | 21,390 | 37,500 | 16,110 | 57.04% |
| Code 3 - Materials & Supplies | | | | | | | | |
| | 187,408 | 238,596 | (51,188) | -21.45% | 187,408 | 288,500 | 101,092 | 64.96% |
| Code 4 - Contractual Services | | | | | | | | |
| Utilities | 6,782 | 4,997 | 1,784 | 35.70% | 6,782 | 15,860 | 9,078 | 42.76% |
| Repairs & Rentals | 58,671 | 150,211 | (91,540) | -60.94% | 58,671 | 45,000 | (13,671) | 130.38% |
| Insurance | 15,083 | 14,616 | 467 | 3.20% | 15,083 | 15,250 | 167 | 98.91% |
| Consultant Services | 62,820 | 22,292 | 40,528 | 181.80% | 62,820 | 307,337 | 244,517 | 20.44% |
| Training | - | - | - | - | - | 100 | 100 | 0.00% |
| Judgments & Claims | 53,843 | 260,520 | (206,678) | -79.33% | 53,843 | - | (53,843) | - |
| Uniforms | 3,075 | 4,438 | (1,363) | -30.71% | 3,075 | 8,500 | 5,425 | 36.18% |
| Due To Other Funds | 359,499 | 359,407 | 92 | 0.03% | 359,499 | 479,332 | 119,833 | 75.00% |
| Total Code 4 | 559,773 | 816,481 | (256,708) | -31.44% | 559,773 | 871,379 | 311,606 | 64.24% |
| Code 6/7 - Debt Service | | | | | | | | |
| | 62,066 | 61,373 | 693 | - | - | 74,650 | 74,650 | 0.00% |
| Code 8 - Benefits | | | | | | | | |
| Pension | 45,303 | 33,694 | 11,609 | 34.45% | 45,303 | 152,732 | 107,429 | 29.66% |
| Healthcare | 225,048 | 220,909 | 4,139 | 1.87% | 225,048 | 306,177 | 81,129 | 73.50% |
| Dental | 11,115 | 11,181 | (67) | -0.60% | 11,115 | 15,889 | 4,774 | 69.95% |
| Social Security | 40,922 | 45,476 | (4,554) | -10.01% | 40,922 | 71,700 | 30,778 | 57.07% |
| Worker's Compensation | 21,271 | 42,066 | (20,795) | -49.44% | 21,271 | 40,000 | 18,730 | 53.18% |
| Total Code 8 | 343,659 | 353,326 | (9,667) | -2.74% | 343,659 | 586,498 | 242,839 | 58.60% |
| Code 9 - Interfund Transfers | | | | | | | | |
| | - | - | - | - | - | 1,892,568 | 1,892,568 | 0.00% |
| Grand Total | 1,724,673 | 2,083,020 | (358,347) | -17.20% | 1,662,607 | 4,696,702 | 3,034,095 | 35.40% |

Total expenditures in the Sewer Fund as of September 30, 2017 were \$1,724,673, which is 35.40% of the total 2017 adjusted budget. In comparison to the nine month total of 2016, costs have decreased by over \$350,000, or 17.20%.

There has been a decrease of 21.45% in costs related to Material & Supplies because in 2016 there were large purchases made within this category to replenish the inventory for repairs made and this was not needed thus far in 2017.

Repairs & rentals totaled \$58,671 at the end of the third quarter and decreased by 60.94% from 2016 due to the repairs needed in 2016 to the Campbell Avenue sinkhole.

Expenditures relating to Consultant Services increased by \$40,528 from 2016 to 2017 (which totaled \$62,820) due to mandatory work required on the City's sewer system related to monitoring outflows which is unrelated to the CSO project.

The significant decrease in Judgments & Claims is attributable to CSO costs being recorded within this category in 2016 whereas in 2017 costs are recorded within the Capital Projects Fund.

No costs have been recorded within Interfund Transfers as this is for the CSO project and will be recorded in the month of December.

Part III – Conclusion

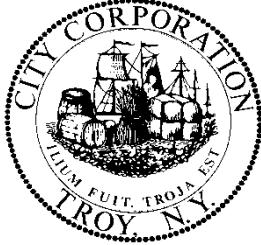
| | 2017 | 2016 | Difference |
|---------------------|------------------|------------------|-------------------|
| Revenues | 2,935,664 | 3,171,516 | (235,852) |
| Expenditures | 1,724,673 | 2,083,020 | (358,347) |
| Difference | 1,210,991 | 1,088,496 | 122,495 |

At the end of the third quarter there is a surplus in the Sewer Fund of approximately \$1,210,000, which is an increase of over \$120,000 from that of 2016.

It is anticipated that the Sewer Fund will have a surplus at the end of 2017 once the transfer to the Capital Projects Fund for the CSO project is completed barring any unforeseen expenditures.

If you have any questions regarding the information provided in this report please let me know at your earliest convenience.

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Date: October 31, 2017

To: Honorable Wm. Patrick Madden
City Council Members

From: Andrew Piotrowski
Deputy City Comptroller

Re: Third Quarter 2017 Quarterly Financial Report – Water Fund

Part I – Revenues

| Water Fund Revenues | | | | | | | | |
|-------------------------------|------------------|------------------|------------------|---------------|------------------|-------------------|--------------------|---------------|
| Revenue | 09/30/2017 | 09/30/2016 | \$ Change | % Change | 2017 Actual | 2017 Budget | \$ Diff | % Achieved |
| City Water Sales | 3,089,640 | 3,463,757 | (374,117) | -10.80% | 3,089,640 | 4,715,000 | (1,625,360) | 65.53% |
| Outside Community Water Sales | 4,106,358 | 4,039,534 | 66,824 | 1.65% | 4,106,358 | 7,473,000 | (3,366,643) | 54.95% |
| Unmetered Sales | 165,532 | 238,042 | (72,510) | -30.46% | 165,532 | 275,000 | (109,468) | 60.19% |
| Use Of Money & Property | 187,573 | 176,842 | 10,731 | 6.07% | 187,573 | 210,000 | (22,427) | 89.32% |
| Permits | 11,390 | 10,599 | 791 | 7.46% | 11,390 | 12,000 | (610) | 94.92% |
| Sale Of Property | 45,051 | 22,500 | 22,551 | 100.23% | 45,051 | 51,000 | (5,949) | 88.34% |
| Miscellaneous | 71,759 | 64,567 | 7,192 | 11.14% | 71,759 | 91,000 | (19,241) | 78.86% |
| Interfund Revenues | 245,250 | 245,250 | - | 0.00% | 245,250 | 327,000 | (81,750) | 75.00% |
| Appropriated Fund Balance | 202,000 | - | 202,000 | 100.00% | 202,000 | 202,000 | - | 100.00% |
| Total | 8,124,553 | 8,261,091 | (136,538) | -1.65% | 8,124,553 | 13,356,000 | (5,231,447) | 60.83% |

Total revenues in the Water Fund at the end of the third quarter were \$8,124,553, which is 60.83% of the total 2017 adjusted budget. This total is a decrease of approximately \$136,000, or 1.65%, from the 2016 third quarter total.

The primary reason for the decrease in total revenues is attributable to water sales within the City of Troy which totaled \$3,089,640 at the end of the third quarter. In comparison to the 2016 budget 65.53% has been recognized as of September 30th. The cause for the decrease in discussing with the Superintendent of Public Utilities has been caused by the summer months in 2017. Less water was used due to the wet mild summer as opposed to 2016 when the temperatures were higher.

Only 54.95% of budgeted revenues have been recognized at the end of the third quarter for billings to outside communities for a total of \$4,106,358. Most communities are billed twice every fiscal year with the second billing done in the month of November. It is expected that the trend within the City water sales will continue to the outside communities as the billing period will be the summer months.

Part II - Expenditures

| Water Fund Expenditures | | | | | | | | |
|--|-------------------|-------------------|------------------|-----------------|--------------------|--------------------|------------------|-------------------|
| Expenditure | 09/30/2017 | 09/30/2016 | \$ Change | % Change | 2017 Actual | 2017 Budget | \$ Rem | % Expended |
| Code 1 - Salaries | | | | | | | | |
| Permanent Salaries | 1,920,011 | 1,964,258 | (44,247) | -2.25% | 1,920,011 | 3,018,319 | 1,098,308 | 63.61% |
| Temporary Salaries | 20,760 | 30,715 | (9,955) | -32.41% | 20,760 | 62,500 | 41,740 | 33.22% |
| Overtime | 103,456 | 136,797 | (33,341) | -24.37% | 103,456 | 202,000 | 98,544 | 51.22% |
| Misc Other | 14,868 | 14,690 | 178 | 1.21% | 14,868 | 78,800 | 63,932 | 18.87% |
| Total Code 1 | 2,059,095 | 2,146,460 | (87,365) | -4.07% | 2,059,095 | 3,361,619 | 1,302,524 | 61.25% |
| Code 2 - Equipment | 27,121 | 3,060 | 24,061 | 100.00% | 27,121 | 37,756 | 10,635 | 71.83% |
| Code 3 - Materials & Supplies | 1,698,821 | 1,494,476 | 204,345 | 13.67% | 1,698,821 | 2,013,000 | 314,179 | 84.39% |
| Code 4 - Contractual Services | | | | | | | | |
| Utilities | 216,754 | 192,148 | 24,606 | 12.81% | 216,754 | 386,765 | 170,011 | 56.04% |
| Postage | 20,413 | 25,726 | (5,313) | -20.65% | 20,413 | 25,000 | 4,587 | 81.65% |
| Printing & Advertising | 3,893 | 4,299 | (406) | -9.44% | 3,893 | 6,500 | 2,607 | 59.90% |
| Repairs & Rentals | 60,904 | 49,682 | 11,222 | 22.59% | 60,904 | 95,000 | 34,096 | 64.11% |
| Insurance | 60,333 | 61,065 | (732) | -1.20% | 60,333 | 63,000 | 2,667 | 95.77% |
| Dues | 363 | 350 | 13 | 3.57% | 363 | 6,000 | 5,638 | 6.04% |
| Consultant Services | 100,448 | 133,446 | (32,998) | -24.73% | 100,448 | 169,967 | 69,519 | 59.10% |
| Training | 3,976 | 12,892 | (8,916) | -69.16% | 3,976 | 8,100 | 4,124 | 49.09% |
| Travel | 974 | - | 974 | 100.00% | 974 | 2,250 | 1,276 | 43.28% |
| Uniforms | 23,718 | 22,200 | 1,518 | 6.84% | 23,718 | 41,500 | 17,782 | 57.15% |
| Misc Other | 1,823,426 | 1,821,858 | 1,568 | 0.09% | 1,823,426 | 4,515,000 | 2,691,574 | 40.39% |
| Total Code 4 | 2,315,201 | 2,323,666 | (8,465) | -0.36% | 2,315,201 | 5,319,082 | 3,003,881 | 43.53% |
| Code 6/7 - Debt Service | 282,329 | 305,689 | (23,360) | -7.64% | 282,329 | 559,996 | 277,667 | 50.42% |
| Code 8 - Benefits | | | | | | | | |
| Pension | 161,004 | 116,181 | 44,823 | 38.58% | 161,004 | 568,000 | 406,996 | 28.35% |
| Healthcare | 689,042 | 655,309 | 33,733 | 5.15% | 689,042 | 937,438 | 248,396 | 73.50% |
| Dental | 35,093 | 35,539 | (446) | -1.25% | 35,093 | 50,168 | 15,075 | 69.95% |
| Social Security | 152,402 | 159,212 | (6,810) | -4.28% | 152,402 | 262,441 | 110,039 | 58.07% |
| Workers' Compensation | 40,725 | 42,125 | (1,399) | -3.32% | 40,725 | 44,500 | 3,775 | 91.52% |
| Total Code 8 | 1,078,266 | 1,008,366 | 69,900 | 6.93% | 1,078,266 | 1,862,547 | 784,281 | 57.89% |
| Code 9 - Interfund Transfers | 202,000 | - | 202,000 | 100.00% | 202,000 | 202,000 | - | 100.00% |
| Grand Total | 7,662,832 | 7,281,717 | 381,115 | 5.23% | 7,662,832 | 13,356,000 | 5,693,168 | 57.37% |

Expenditures in the Water Fund totaled \$7,662,832 at the end of the third quarter, or 57.37% of the total 2017 adjusted budget. This is an increase of 5.23% from the nine month total of 2016, or approximately \$380,000.

Costs relating to overtime have decreased from 2016 because of the water main break that occurred in the beginning of 2016 and the associated costs to repair the break. This is also the reason for the decrease within Consultant Services.

Costs for Materials & Supplies totaled \$1,698,821 as of September 30th which is 84.39% of the 2017 adjusted budget. It is not anticipated that there will be any significant purchases in the fourth quarter; therefore the amount expended is anticipated to be within the total budget. Costs have increased by 13.67% in 2017 caused by purchases to replenish the City's inventory for materials to repairs water main breaks.

\$216,754 has been spent on Utilities in the Water Fund at the end of the third quarter, an increase of 12.81% from 2016. It should be noted however that only 56.04% of the total amount budgeted for 2017 has been expended. The increase can be attributed to the colder winter months in 2017 than in 2016.

An increase from 2016 to 2017 in costs related to Repairs & Rentals of 22.59% has been caused by miscellaneous repairs to equipment at the water plant and also a repair that was needed at one of the City's pumping stations.

The expenditure recorded in Interfund Transfers is for the 2017 Capital Plan as passed by the City Council earlier in 2017 in the amount of \$202,000. The recording of the 2016 Water Fund Capital Plan transfer from the Water Fund was recorded in the fourth quarter and is a timing difference when comparing.

Part III – Conclusion

| | 2017 | 2016 | Difference |
|---------------------|----------------|----------------|-------------------|
| Revenues | 8,124,553 | 8,261,091 | (136,538) |
| Expenditures | 7,662,832 | 7,281,717 | 381,115 |
| Difference | 461,721 | 979,374 | (517,653) |

At the end of the third quarter the surplus in the Water Fund was \$461,721, which is a decrease of approximately \$515,000 from the nine month surplus in 2016. This has been caused by a decrease in water sales within the City of Troy due to the summer months and an increase in expenditures during the first nine months of this fiscal year.

While a decrease does exist from 2016, it is anticipated that the Water Fund will end the 2017 fiscal year with a surplus given the number of revenues that are recognized during the last three months of the fiscal year particularly from outside communities.

If you have any questions regarding the information provided in this report please let me know at your earliest convenience.