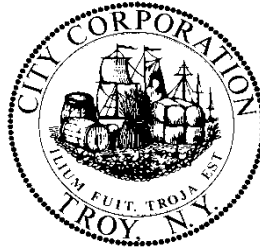


**Wm. Patrick Madden**  
Mayor



**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:** May 4, 2018

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

**From:** Andrew Piotrowski  
Deputy City Comptroller

**Re:** First Quarter 2018 Financial Report – General Fund

**Part I – Revenues**

General Fund Revenues								
Revenue	03/31/2018	03/31/2017	\$ Change	% Change	2018 Actual	2018 Budget	\$ Diff	% Achieved
Real Property Taxes	11,995,871	12,439,842	(443,971)	-3.57%	11,995,871	23,848,068	(11,852,197)	50.30%
Local Sources	881,750	923,379	(41,629)	-4.51%	881,750	19,066,000	(18,184,250)	4.62%
General Government Support	32,050	36,269	(4,219)	-11.63%	32,050	373,500	(341,450)	8.58%
Public Safety	492,217	264,990	227,227	85.75%	492,217	485,000	7,217	101.49%
Health	315,448	305,791	9,656	3.16%	315,448	2,065,000	(1,749,553)	15.28%
Transportation	167,997	144,610	23,388	16.17%	167,997	645,000	(477,003)	26.05%
Recreation	64,541	132,369	(67,828)	-51.24%	64,541	1,207,000	(1,142,459)	5.35%
Home & Community Services	128,703	463,649	(334,946)	-72.24%	128,703	2,840,120	(2,711,417)	4.53%
Intergovernmental Charges	0	0	0	-	0	250,000	(250,000)	0.00%
Use Of Money & Property	2,223	299	1,925	644.43%	2,223	59,000	(56,777)	3.77%
Licenses & Permits	236,866	122,699	114,167	93.05%	236,866	1,062,000	(825,134)	22.30%
Fines & Forfeitures	344,815	196,073	148,742	75.86%	344,815	1,355,000	(1,010,185)	25.45%
Sale Of Property & Compensation For Loss	10,725	37,086	(26,361)	-71.08%	10,725	50,478	(39,753)	21.25%
Miscellaneous	618,427	369,200	249,226	67.50%	618,427	1,317,000	(698,573)	46.96%
Interfund Revenues	271,635	271,635	0	0.00%	271,635	1,700,971	(1,429,336)	15.97%
State Aid	0	0	0	-	0	13,953,078	(13,953,078)	0.00%
Federal Aid	0	0	0	-	0	557,006	(557,006)	0.00%
Intrafund Revenues	0	0	0	-	0	2,222,000	(2,222,000)	0.00%
<b>Total</b>	<b>15,563,268</b>	<b>15,707,890</b>	<b>(144,622)</b>	<b>-0.92%</b>	<b>15,563,268</b>	<b>73,056,221</b>	<b>(57,492,954)</b>	<b>21.30%</b>

Revenues in the General Fund totaled \$15,563,268 as of March 31, 2018, which amounts to 21.30% of the 2018 budgeted total. Total revenues decreased by 0.92%, or approximately \$144,000, in comparison to the three month total of 2017.

Seasonality has a tremendous impact on the revenue recognition in the General Fund. Items such as property taxes are paid in two installments, one in January and the second in July, therefore receiving a significant portion of revenue in the first quarter. First quarter sales tax however is not received until the second quarter of the fiscal year.

Real property tax collections were \$11,995,871 at the end of the first quarter in 2018, equaling 50.30% of the total revenue budgeted for. This is a decrease however of 3.57% from 2017, caused entirely on the collection rate. The City Comptroller's Office has already begun mailing letters to unpaid accounts and will closely monitor collections throughout the second quarter to see if it improves.

Revenues from Public Safety have already exceeded the amount budgeted for in 2018 with a three month actual total \$492,217. It is also an increase of \$227,000, or 85.75%, from the three month total of 2017. The cause of the increase is collections for vacant building fees in both the current year and also amounts relieved on to property taxes.

Recreation revenues totaled \$64,541 as of March 31, 2018, which is a decrease of \$67,828 from the three month total of 2017. The decrease is directly caused by the closure of the Knickerbacker Ice Rink in January 2018.

Revenue from Fines & Forfeitures has increased by \$148,742 in 2018, with a three month total of \$344,815. This increase has been caused by an increase in collections from traffic and parking fines.

The decrease in revenues from Home & Community Services is due to the recycling bills being due in March in 2017; whereas in 2018 the first installment of the garbage fee was due April 30<sup>th</sup>.

## Part II – Expenditures

General Fund Expenditures								
Expenditure	03/31/2018	03/31/2017	\$ Change	% Change	2018 Actual	2018 Budget	\$ Rem	% Expended
<b>Code 1 - Salaries</b>								
Permanent Salaries	5,326,391	5,334,914	(8,523)	-0.16%	5,326,391	23,418,802	18,092,411	22.74%
Temporary Salaries	55,762	58,350	(2,588)	-4.44%	55,762	583,874	528,111	9.55%
Overtime	34,303	8,828	25,475	288.59%	34,303	139,670	105,367	24.56%
Overtime - Snow Plowing	140,885	95,440	45,445	47.62%	140,885	150,000	9,115	93.92%
Overtime - Police	164,093	118,358	45,734	38.64%	164,093	850,000	685,907	19.31%
Overtime - Fire	149,905	175,475	(25,570)	-14.57%	149,905	1,145,000	995,095	13.09%
Overtime - Public Safety Grants	11,006	67,218	(56,211)	-83.63%	11,006	89,306	78,300	12.32%
Misc. Other	272,844	238,072	34,772	14.61%	272,844	2,361,772	2,088,928	11.55%
<b>Total Code 1</b>	<b>6,155,190</b>	<b>6,096,655</b>	<b>58,536</b>	<b>0.96%</b>	<b>6,155,190</b>	<b>28,738,424</b>	<b>22,583,234</b>	<b>21.42%</b>
<b>Code 2 - Equipment</b>	<b>89,441</b>	<b>4,649</b>	<b>84,791</b>	<b>1823.82%</b>	<b>89,441</b>	<b>119,470</b>	<b>30,029</b>	<b>74.86%</b>
<b>Code 3 - Materials &amp; Supplies</b>	<b>556,272</b>	<b>338,643</b>	<b>217,629</b>	<b>64.27%</b>	<b>556,272</b>	<b>2,476,959</b>	<b>1,920,686</b>	<b>22.46%</b>
<b>Code 4 - Contractual Services</b>								
Utilities	496,146	450,247	45,899	10.19%	496,146	2,182,700	1,686,554	22.73%
Postage	3,535	11,128	(7,593)	-68.23%	3,535	48,835	45,300	7.24%
Printing & Advertising	14,719	13,186	1,532	11.62%	14,719	71,649	56,930	20.54%
Repairs & Rentals	293,490	318,751	(25,261)	-7.92%	293,490	2,012,198	1,718,708	14.59%
Insurance	301,876	303,897	(2,021)	-0.67%	301,876	332,465	30,589	90.80%
Dues	6,822	16,443	(9,621)	-58.51%	6,822	33,335	26,513	20.47%
Consultant Services	335,532	403,348	(67,817)	-16.81%	335,532	2,116,434	1,780,902	15.85%
Training	19,535	56,761	(37,227)	-65.58%	19,535	145,128	125,594	13.46%
Travel	1,029	530	499	94.20%	1,029	18,311	17,282	5.62%
Judgements & Claims	12,923	2,275	10,648	468.10%	12,923	250,000	237,077	5.17%
Contingencies	0	0	0	-	0	940,840	940,840	0.00%
Uniforms	20,375	19,783	592	2.99%	20,375	233,066	212,691	8.74%
Medical Expenses	25,015	4,119	20,896	507.30%	25,015	48,000	22,985	52.11%
Misc. Other	1,306	4,986	(3,680)	-73.81%	1,306	17,500	16,194	7.46%
<b>Total Code 4</b>	<b>1,532,301</b>	<b>1,605,453</b>	<b>(73,152)</b>	<b>-4.56%</b>	<b>1,532,301</b>	<b>8,450,460</b>	<b>6,918,160</b>	<b>18.13%</b>
<b>Code 6/7 - Debt Service</b>	<b>4,994,895</b>	<b>4,439,673</b>	<b>555,223</b>	<b>12.51%</b>	<b>4,994,895</b>	<b>7,670,772</b>	<b>2,675,877</b>	<b>65.12%</b>
<b>Code 8 - Benefits</b>								
Pension	1,830,220	1,728,563	101,657	5.88%	1,830,220	7,398,940	5,568,720	24.74%
Healthcare	3,334,193	2,882,198	451,994	15.68%	3,334,193	14,103,779	10,769,586	23.64%
Dental	151,834	164,912	(13,078)	-7.93%	151,834	631,425	479,591	24.05%
Social Security	445,766	448,794	(3,028)	-0.67%	445,766	2,198,519	1,752,753	20.28%
Worker's Compensation	162,923	52,608	110,315	209.69%	162,923	400,000	237,077	40.73%
<b>Total Code 8</b>	<b>5,924,936</b>	<b>5,277,075</b>	<b>647,861</b>	<b>12.28%</b>	<b>5,924,936</b>	<b>24,732,663</b>	<b>18,807,728</b>	<b>23.96%</b>
<b>Code 9 - Interfund Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>0.00%</b>
<b>Grand Total</b>	<b>19,253,035</b>	<b>17,762,147</b>	<b>1,490,887</b>	<b>8.39%</b>	<b>19,253,035</b>	<b>73,288,748</b>	<b>54,035,713</b>	<b>26.27%</b>

As of March 31, 2018 the total expenditures in the General Fund were \$19,253,035, which is 26.27% of the total adjusted budget. This total is an increase of \$1,490,887, or 8.39%, from the three month total of

2017. While this increase may appear alarming, it is primarily caused by increases in four areas that are outside of discretionary spending expense categories.

The first category that significantly increased from 2017 was health insurance, with a total in 2018 of \$3,334,193. The increase from 2017 is 15.68%, or in excess of \$450,000. A portion of the increase is attributable to the cost of the Empire Medicare Advantage plan cost increases that will significantly decrease with the City switching to Humana as passed by the City Council effective May 1, 2018. The more concerning increase is within the Blue Shield health insurance plan offered to employees and retired employees under the age of 65. The costs have increased based on usage as the plan is self-insured to a limit of \$150,000. The City Comptroller's Office is working closely with Benetech to monitor and track the costs on a monthly basis; however, because it is based on usage, it is difficult to predict the trend that will occur on a month to month basis throughout the fiscal year.

The second category with a significant increase from 2017 is debt service, which totaled \$4,994,895 as of March 31, 2018. The timing and frequency of payments is the reason why 65.12% of the budget has been expended, as the first installment of the MAC debt is made in January of each fiscal year. The total debt service costs, including both principal and interest, increased over \$555,000 from the three month total of 2017. This increase was caused by an increase in both principal and interest costs related to the City's Bond Anticipation Notes (BANs) that were renewed in February. The principal costs increased due to the required payments on City funded projects, specifically for police vehicles, which had a BAN issued in 2015, and the Spring Avenue Bridge project. The payment made on the Spring Avenue Bridge project represents the majority of the local share of the project. The interest costs increased due to the overall size of the issuance that was renewed. 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 third category that increased from 2017 was pension costs, which totaled \$1,830,220 through the first three months of 2018. The costs recorded for 2018 are based on the amount paid for the invoice due February 1, 2018 and the budgeting practices of the City for pension. The increase is caused by an increase in the amount due for the payback of prior year pension deferrals. As previously discussed the payment made in 2018 was the first time the City did not defer any pension costs to future years. Therefore any future increases in costs will be caused by increases in current year expense and not caused by payback of prior year expenses.

The final non-discretionary cost category that increased in 2018 was workers compensation which totaled \$162,923. The cause of the increase was the settlement of a previous expense that the City faced a significant expenditure for.

Permanent salaries decreased slightly from the 2017 three month total in the current year despite raises based on approved union contracts such as the PBA and CSEA for the following reasons:

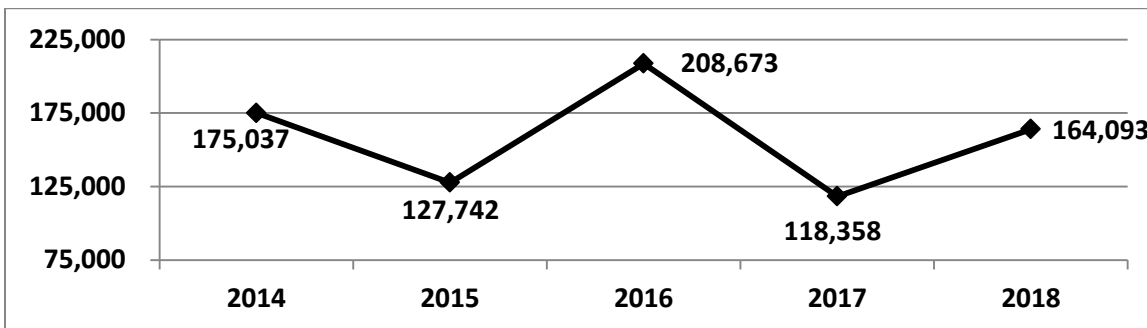
1. Vacancies in City departments such as the City Purchasing Agent.
2. The 2018 budget eliminated vacant positions that were filled in the first quarter of 2017 such as a position in the Treasurer's Office.
3. An increase in the number of vacancies in the Police Department when compared to the number of vacancies in the department in the first three months of 2017.

Increases in costs relating to regular overtime (exclusive of public safety) and snow plowing overtime both increased when compared to 2017 because of the winter storms experienced throughout the first

quarter of 2018. While the snow plowing overtime costs are separate from regular overtime for tracking and monitoring purposes the regular overtime increased specifically within the Sanitation department from bringing in crews on overtime to ensure the City stayed on schedule with city residential pickup.

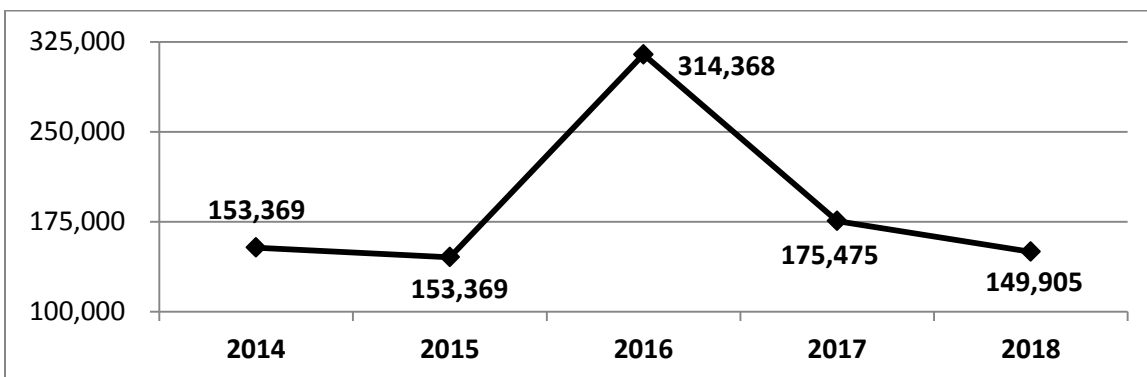
Police overtime, as illustrated in the below graph, was \$164,093 at the end of the first quarter in 2018, amounting to 19.31% of the total 2018 budgeted amount. It is important to note that the majority of overtime costs within the Police Department occur during the third and fourth quarters of the fiscal year historically when vacations are more common.

The 2018 total was an increase of 38.64%, or approximately \$45,000, from the three month total of 2017. The increase was primarily caused by an increase in the number of vacant positions within the department in 2018. In the first quarter of 2017 the department was fully staffed whereas in 2018 there were two vacancies in January, three in February and five in March.



Fire overtime, as illustrated in the line graph below, totaled \$149,905 at the end of the first quarter in 2018. This total is 13.09% of the total 2018 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 2018 to 2017, the 2018 amount has decreased by approximately \$25,500 or 14.57%. The decrease is caused by a corresponding decrease in the number of vacancies within the department when comparing the two years.



The increase in costs of equipment were for items within the Police and Fire Departments that were authorized to be sent in 2017 but had purchase orders carryover to 2018. This is standard accounting procedure for the City and part of the accounting process.

Finally the increase in costs relating to Materials & Supplies totaled \$556,272 at the end of the first quarter, which is 22.46% of the total budget for this fiscal year. That costs did increase by approximately \$217,000 caused by the purchase of salt for winter storms and gas, repair and maintenance costs for the City vehicles.

**Part III – Conclusion**

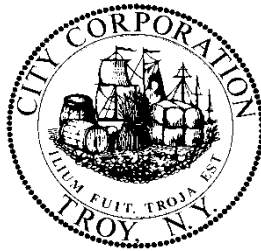
	<b>2018</b>	<b>2017</b>	<b>Difference</b>
<b>Revenues</b>	15,563,268	15,707,890	(144,622)
<b>Expenditures</b>	19,253,035	17,762,147	1,490,888
<b>Difference</b>	<b>(3,689,767)</b>	<b>(2,054,257)</b>	<b>(1,635,510)</b>

The results of the first quarter of 2018 show a greater “deficit” than that of the three month total in 2017; however, the three month results of any fiscal year do not provide a good overall indication of how the City will end the fiscal year. Results are needed from six month totals of revenues and expenditures to begin to provide any indication on how the year will end in the General Fund.

What the first quarter does provide is an indication of areas that the City will need to monitor closely such as health insurance and property tax collections. The City Comptroller’s Office, as it historically has, will continue to monitor these areas 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:** May 7, 2018

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

**From:** Andrew Piotrowski  
Deputy City Comptroller

**Re:** First Quarter 2018 Financial Report – Sewer Fund

### Part I – Revenues

Sewer Fund Revenues								
Revenue	03/31/2018	03/31/2017	\$ Change	% Change	2018 Actual	2018 Budget	\$ Diff	% Achieved
Sewer Rents	951,710	806,447	145,263	18.01%	951,710	4,650,000	(3,698,290)	20.47%
Sewer Charges	140,147	39,587	100,560	254.03%	140,147	286,852	(146,705)	48.86%
Use Of Money & Property	126	52	74	143.52%	126	500	(374)	25.27%
Miscellaneous	6,803	4,633	2,170	46.85%	6,803	26,600	(19,797)	25.57%
<b>Total</b>	<b>1,098,786</b>	<b>850,718</b>	<b>248,068</b>	<b>29.16%</b>	<b>1,098,786</b>	<b>4,963,952</b>	<b>(3,865,166)</b>	<b>22.14%</b>

Revenues in the Sewer Fund totaled \$1,098,786 at the end of the first quarter in 2018, which represents 20.47% of the budgeted total. In comparison the 2017 revenues totaled \$850,718; therefore the revenues in 2018 have increased by 29.16%.

The principal source of revenue in the Sewer Fund is charges to city residents based on consumption, which totaled \$951,710 in the first three months of 2018. The sewer rate is based on a percentage of the city water rate and in 2017 this rate was increased from 85% to 100% in order to pay for costs related to the Combined Sewer Overflow (CSO) Project. The rate was passed mid-way through the 2017 fiscal year therefore the beginning months of 2017 were billed at 85% of the water rate and then after at the new rate. This is the cause of the increase in revenues from 2017 to 2018 as the current fiscal year has billed entirely at the rate of 100% of the city water rate.

## Part II – Expenditures

Sewer Fund Expenditures								
Expenditure	03/31/2018	03/31/2017	\$ Change	% Change	2018 Actual	2018 Budget	\$ Rem	% Expended
<b>Code 1 - Salaries</b>								
Permanent Salaries	162,494	136,357	26,137	19.17%	162,494	813,258	650,764	19.98%
Temporary Salaries	4,800	1,080	3,720	344.44%	4,800	32,500	27,700	14.77%
Overtime	17,603	13,627	3,976	29.18%	17,603	90,000	72,397	19.56%
Misc. Other	0	688	(688)	-100.00%	0	17,500	17,500	0.00%
<b>Total Code 1</b>	<b>184,897</b>	<b>151,752</b>	<b>33,146</b>	<b>21.84%</b>	<b>184,897</b>	<b>953,258</b>	<b>768,361</b>	<b>19.40%</b>
<b>Code 2 - Equipment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>33,888</b>	<b>33,888</b>	<b>0.00%</b>
<b>Code 3 - Materials &amp; Supplies</b>	<b>17,375</b>	<b>17,899</b>	<b>(524)</b>	<b>-2.93%</b>	<b>17,375</b>	<b>294,457</b>	<b>277,082</b>	<b>5.90%</b>
<b>Code 4 - Contractual Services</b>								
Utilities	1,834	1,755	79	4.53%	1,834	15,860	14,026	11.56%
Repairs & Rentals	9,000	125	8,875	7100.00%	9,000	77,058	68,058	11.68%
Insurance	15,094	15,083	10	0.07%	15,094	16,623	1,529	90.80%
Consultant Services	1,077	960	117	12.17%	1,077	314,820	313,743	0.34%
Training	0	0	0	-	0	10,000	10,000	0.00%
Judgments & Claims	0	0	0	-	0	50,296	50,296	0.00%
Uniforms	2,985	961	2,024	210.65%	2,985	8,500	5,515	35.11%
Due To Other Funds	119,833	119,833	0	0.00%	119,833	479,332	359,499	25.00%
<b>Total Code 4</b>	<b>149,822</b>	<b>138,717</b>	<b>11,106</b>	<b>8.01%</b>	<b>149,822</b>	<b>972,489</b>	<b>822,666</b>	<b>15.41%</b>
<b>Code 6/7 - Debt Service</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>74,763</b>	<b>74,763</b>	<b>0.00%</b>
<b>Code 8 - Benefits</b>								
Pension	40,159	45,303	(5,144)	-11.35%	40,159	155,791	115,632	25.78%
Healthcare	67,802	70,509	(2,707)	-3.84%	67,802	286,981	219,179	23.63%
Dental	3,514	4,206	(692)	-16.44%	3,514	14,614	11,100	24.05%
Social Security	13,678	11,273	2,405	21.33%	13,678	72,924	59,246	18.76%
Worker's Compensation	13,319	7,637	5,682	74.41%	13,319	30,000	16,681	44.40%
<b>Total Code 8</b>	<b>138,472</b>	<b>138,927</b>	<b>(455)</b>	<b>-0.33%</b>	<b>138,472</b>	<b>560,310</b>	<b>421,838</b>	<b>24.71%</b>
<b>Code 9 - Interfund Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>2,142,863</b>	<b>2,142,863</b>	<b>0.00%</b>
<b>Grand Total</b>	<b>490,567</b>	<b>447,295</b>	<b>43,273</b>	<b>9.67%</b>	<b>490,567</b>	<b>5,032,028</b>	<b>4,541,461</b>	<b>9.75%</b>

Expenditures in the Sewer Fund totaled \$490,567 in the first quarter of 2018, an increase of \$43,273 or 9.67% from that of 2017. When comparing the first quarter results to the overall Sewer Fund budget, 9.75% of the total 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 2017.

There was an increase in Permanent Salaries in the Sewer Fund which is primarily caused by the wage increase included in the settlement of the outstanding CSEA union contract.



An increase in Repairs & Rentals was attributable to the rental of machinery to be used throughout the winter months in the department.

The principal expenditure in the department is the annual transfer to the Capital Projects Fund for the Combined Sewer Overflow (CSO) Project. As discussed with the City Council this transfer will be recorded at the end of the 2018 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**

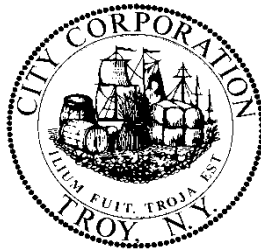
	<b>2018</b>	<b>2017</b>	<b>Difference</b>
<b>Revenues</b>	1,098,786	850,718	248,068
<b>Expenditures</b>	490,567	447,295	43,272
<b>Difference</b>	<b>608,219</b>	<b>403,423</b>	<b>204,796</b>

The Sewer Fund has a surplus of \$608,219 as of March 31, 2018, an increase of \$204,796 from 2017. The cause of this increase is attributable to the increase in sewer rents to city residents and the rate increase passed in 2017.

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 2018 year-end reconciliation.

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:** May 7, 2018

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

**From:** Andrew Piotrowski  
Deputy City Comptroller

**Re:** First Quarter 2018 Financial Report – Water Fund

### Part I – Revenues

Water Fund Revenues								
Revenue	03/31/2018	03/31/2017	\$ Change	% Change	2018 Actual	2018 Budget	\$ Diff	% Achieved
City Water Sales	960,358	955,790	4,568	0.48%	960,358	4,650,000	(3,689,642)	20.65%
Outside Community Water Sales	578,830	703,898	(125,068)	-17.77%	578,830	7,587,000	(7,008,170)	7.63%
Unmetered Sales	78,154	61,810	16,344	26.44%	78,154	275,000	(196,846)	28.42%
Use Of Money & Property	90,220	80,175	10,045	12.53%	90,220	210,000	(119,780)	42.96%
Permits	2,340	2,450	(110)	-4.49%	2,340	12,000	(9,660)	19.50%
Sale Of Property	3,700	1,438	2,262	100.00%	3,700	51,000	(47,300)	7.25%
Miscellaneous	27,310	22,935	4,375	19.08%	27,310	91,000	(63,690)	30.01%
Interfund Revenues	81,750	81,750	0	0.00%	81,750	327,000	(245,250)	25.00%
Appropriated Fund Balance	0	0	0	-	0	1,495,000	(1,495,000)	0.00%
<b>Total</b>	<b>1,822,662</b>	<b>1,910,247</b>	<b>(87,585)</b>	<b>-4.58%</b>	<b>1,822,662</b>	<b>14,698,000</b>	<b>(12,875,338)</b>	<b>12.40%</b>

Revenues in the Water Fund totaled \$1,822,662 in the first quarter of 2018, representative of 12.40% of the 2018 budgeted total. In comparison to the 2017 first quarter results of \$1,910,247, 2018 has decreased by 4.58%

Water Fund revenues to city residents totaled \$960,358 at the end of the first quarter in 2018, which is 20.65% of the budgeted total. In comparison to the three month total of 2017, the total is almost identical in each of the years.

Revenue from outside communities decreased by 17.77% from 2017, with a three month total in 2018 of \$578,830, or 7.63% of the total amount budgeted. The primary cause for the decrease is decreased

consumption from year to year in one of the outside communities. The low percentage of budget recognized is caused by only two communities being billed in the first quarter. 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 2018 Water Fund Capital Plan. The revenue will be recorded as expenditures are incurred for the project.

## Part II - Expenditures

Water Fund Expenditures								
Expenditure	03/31/2018	03/31/2017	\$ Change	% Change	2018 Actual	2018 Budget	\$ Rem	% Expended
<b>Code 1 - Salaries</b>								
Permanent Salaries	574,767	581,266	(6,499)	-1.12%	574,767	3,019,034	2,444,267	19.04%
Temporary Salaries	0	4,350	(4,350)	100.00%	0	62,500	62,500	0.00%
Overtime	50,990	26,432	24,558	92.91%	50,990	205,500	154,510	24.81%
Misc Other	1,104	3,227	(2,123)	-65.78%	1,104	76,332	75,228	1.45%
<b>Total Code 1</b>	<b>626,862</b>	<b>615,276</b>	<b>11,586</b>	<b>1.88%</b>	<b>626,862</b>	<b>3,363,366</b>	<b>2,736,504</b>	<b>18.64%</b>
<b>Code 2 - Equipment</b>	<b>2,810</b>	<b>4,947</b>	<b>(2,137)</b>	<b>-43.20%</b>	<b>2,810</b>	<b>57,810</b>	<b>55,000</b>	<b>4.86%</b>
<b>Code 3 - Materials &amp; Supplies</b>	<b>213,956</b>	<b>207,569</b>	<b>6,387</b>	<b>3.08%</b>	<b>213,956</b>	<b>2,061,779</b>	<b>1,847,824</b>	<b>10.38%</b>
<b>Code 4 - Contractual Services</b>								
Utilities	104,248	86,240	18,008	20.88%	104,248	428,265	324,017	24.34%
Postage	5,266	5,435	(169)	-3.11%	5,266	31,500	26,234	16.72%
Printing & Advertising	183	83	99	118.94%	183	7,000	6,817	2.61%
Repairs & Rentals	9,924	9,699	225	2.32%	9,924	84,000	74,076	11.81%
Insurance	60,375	60,333	42	0.07%	60,375	67,491	7,116	89.46%
Dues	0	113	(113)	-100.00%	0	6,000	6,000	0.00%
Consultant Services	9,265	18,445	(9,181)	-49.77%	9,265	101,042	91,777	9.17%
Training	1,500	686	814	118.66%	1,500	14,600	13,100	10.27%
Travel	0	0	0	-	0	2,250	2,250	0.00%
Uniforms	7,437	4,265	3,171	74.36%	7,437	31,500	24,063	23.61%
Misc Other	669,934	659,489	10,445	1.58%	669,934	4,517,575	3,847,641	14.83%
<b>Total Code 4</b>	<b>868,131</b>	<b>844,788</b>	<b>23,342</b>	<b>2.76%</b>	<b>868,131</b>	<b>5,291,223</b>	<b>4,423,092</b>	<b>16.41%</b>
<b>Code 6/7 - Debt Service</b>	<b>91,683</b>	<b>92,669</b>	<b>(986)</b>	<b>-1.06%</b>	<b>91,683</b>	<b>563,745</b>	<b>472,062</b>	<b>16.26%</b>
<b>Code 8 - Benefits</b>								
Pension	143,969	161,004	(17,034)	-10.58%	143,969	558,503	414,534	25.78%
Healthcare	231,851	215,881	15,970	7.40%	231,851	981,342	749,491	23.63%
Dental	11,492	13,279	(1,787)	-13.46%	11,492	47,791	36,299	24.05%
Social Security	45,959	45,377	582	1.28%	45,959	257,298	211,339	17.86%
Workers' Compensation	12,885	4,475	8,410	187.93%	12,885	28,000	15,115	46.02%
<b>Total Code 8</b>	<b>446,157</b>	<b>440,016</b>	<b>6,141</b>	<b>1.40%</b>	<b>446,157</b>	<b>1,872,934</b>	<b>1,426,777</b>	<b>23.82%</b>
<b>Code 9 - Interfund Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>1,495,000</b>	<b>1,495,000</b>	<b>0.00%</b>
<b>Grand Total</b>	<b>2,249,598</b>	<b>2,205,264</b>	<b>44,334</b>	<b>2.01%</b>	<b>2,249,598</b>	<b>14,705,857</b>	<b>12,456,259</b>	<b>15.30%</b>

First quarter 2018 expenditures in the Water Fund were \$2,249,598, which is 15.30% of the 2018 budgeted total. In comparison to the first quarter of 2017, when the total was \$2,205,264, the 2018 total has increased by \$44,334 or 2.01%.

In reviewing the expenditures and comparing the two from year to year there were not many material variances from 2017 to 2018. Given this is reflective of three months of the fiscal year developing trends on how expenditures will fare throughout the fiscal year is difficult. The results in the second quarter will allow for a better indication of how expenditures will forecast throughout the remainder of the fiscal year.

It should be noted that is an increase of \$24,558 in overtime within the Water Fund at the end of the first quarter. In reviewing this with the Superintendent of Public utilities, the increased is caused by repair work throughout the City for main breaks, specifically the break on Hoosick Street and related costs to repair in January 2018. Also throughout the first and second quarter there has been work done on the weekend to repair various items in high density travel areas.

Pension costs have decreased when compared to 2017. The amount recorded to date is an approximation based on the 2018 budgeted totals for salaries throughout the General, Water and Sewer Funds. The actual expenditure will be recorded as part of the year-end reconciliation based on actual pension-eligible wages earned in the 2018 fiscal year.

### Part III – Conclusion

	<b>2018</b>	<b>2017</b>	<b>Difference</b>
<b>Revenues</b>	1,822,662	1,910,247	(87,585)
<b>Expenditures</b>	2,249,598	2,205,264	44,334
<b>Difference</b>	<b>(426,936)</b>	<b>(295,017)</b>	<b>(131,919)</b>

As of March 31, 2018 the Water Fund has a three month deficit of \$426,936; whereas in 2017 the deficit was \$295,017. It is too early in the year however to have serious concerns regarding the final outcome of the 2018 fiscal year. Over fifty percent of the revenue generated in the Water Fund comes from outside communities, and as mentioned previously the majority of these are billed twice annually with the first bill occurring in the second quarter. Also billings historically have increased throughout the year given the summer months and increased in consumption in comparison to the first and second quarter where the winter months are being billed.

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