

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 30, 2018

To: Honorable Wm. Patrick Madden
City Council Members

From: Andrew Piotrowski
Deputy City Comptroller

Re: Second Quarter 2018 Financial Report – General Fund

Part I – Revenues

General Fund Revenues								
Revenue	06/30/2018	06/30/2017	\$ Change	% Change	2018 Actual	2018 Budget	\$ Diff	% Achieved
Real Property Taxes	13,998,752	13,602,680	396,072	2.91%	13,998,752	23,848,068	(9,849,316)	58.70%
Local Sources	5,742,701	5,384,238	358,462	6.66%	5,742,701	19,066,000	(13,323,299)	30.12%
General Government Support	119,215	122,970	(3,756)	-3.05%	119,215	373,500	(254,285)	31.92%
Public Safety	644,949	412,489	232,460	56.36%	644,949	485,000	159,949	132.98%
Health	865,212	870,236	(5,024)	-0.58%	865,212	2,065,000	(1,199,788)	41.90%
Transportation	333,884	294,445	39,439	13.39%	333,884	645,000	(311,116)	51.76%
Recreation	387,298	556,813	(169,515)	-30.44%	387,298	1,207,000	(819,702)	32.09%
Home & Community Services	1,641,518	559,539	1,081,979	193.37%	1,641,518	2,840,120	(1,198,602)	57.80%
Intergovernmental Charges	0	0	0	-	0	250,000	(250,000)	0.00%
Use Of Money & Property	18,402	8,831	9,571	108.37%	18,402	59,000	(40,599)	31.19%
Licenses & Permits	354,128	427,202	(73,074)	-17.11%	354,128	1,062,000	(707,872)	33.35%
Fines & Forfeitures	852,748	619,945	232,804	37.55%	852,748	1,355,000	(502,252)	62.93%
Sale Of Property & Compensation For Loss	49,527	91,134	(41,607)	-45.65%	49,527	50,478	(951)	98.12%
Miscellaneous	958,843	653,831	305,012	46.65%	958,843	1,317,000	(358,157)	72.81%
Interfund Revenues	543,270	543,270	0	0.00%	543,270	1,700,971	(1,157,701)	31.94%
State Aid	372,506	65,859	306,647	465.61%	372,506	14,641,858	(14,269,352)	2.54%
Federal Aid	0	311,399	(311,399)	-100.00%	0	557,006	(557,006)	0.00%
Intrafund Revenues	0	0	0	-	0	2,222,000	(2,222,000)	0.00%
Total	26,882,952	24,524,880	2,358,072	9.62%	26,882,952	73,745,001	(46,862,049)	36.45%

Revenues in the General Fund totaled \$26,882,952 as of June 30, 2018, which amounts to 36.45% of the 2018 budgeted total. Total revenues increased by 9.62%, or approximately \$2,358,072, in comparison to the six month total of 2017.

As noted in the first quarter report seasonality has a tremendous impact on the revenue recognition of the City throughout the fiscal year. For example the City's AIM funding from New York State will not be received and recognized until the fourth quarter, as the City does not receive the principal amount until December 15th of the fiscal year. This revenue alone represents 16.65% of the total 2018 adjusted budget for revenues.

Real property tax collections were \$13,998,752 at the end of the first quarter in 2018, equaling 58.70% of the total revenue budgeted for. Real property tax collections improved significantly in the second quarter of 2018 causing the high percentage of budgeted revenues to be recognized and also the increase in revenues from the six month total of 2017. The increased revenues when comparing year to year is in agreement with the property tax increase that occurred in 2018.

Revenues from Local Sources has only been recognized at 30.12% of the total amount budgeted for in 2018 due to the seasonality and revenue recognition timing of sales tax revenues. The total however in the first six months of 2018 has increased by 6.66%, or \$358,000, in comparison to the six month total of 2017. The cause for this increase is from sales tax, which continues to increase quarterly from the prior year and defy the statewide trend, and interest collection on real property taxes. The cause specifically for the increase in penalty collection was from payment from property owners prior to the date of foreclosure.

The revenues from Public Safety have both increased significantly and exceeded the total amount budgeted for in 2018 due to the collection rate of vacant building fees throughout the City.

Revenues from Home & Community Services totaled \$1,641,518 at the end of the second quarter, which is 57.80% of the total amount budgeted for in 2018. The significant increase from 2017 is due to the implementation of the refuse fee in 2018 whereas in 2017 the City had the recycling fee in place; thus, making it difficult to compare revenues from year to year. While collections have improved subsequent to the passing of legislation allowing interest to be charged there is still a concern as approximately 21.32% of the first installment payments due April 30th are still outstanding as of June 30, 2018. Also almost 50% of the total payments collected to date were both installments, meaning if payments continue on the current trend the collection of the second installment will sufficiently meet the total amount budgeted for in 2018.

The significant increase in revenues in Fines & Forfeitures from 2017 and the high percentage in budgeted revenues recognized in the 2018 fiscal year is attributable to an increase in collections from traffic and parking fines.

The increase in revenues classified as Miscellaneous from 2017 to 2018 are from both increased contributions from employees pertaining to health insurance and the premium received on the City's Bond Anticipation Note (BAN) issuance in February.

Part II – Expenditures

General Fund Expenditures									
Expenditure	06/30/2018	06/30/2017	\$ Change	% Change	2018 Actual	2018 Budget	\$ Rem	% Expended	
Code 1 - Salaries									
Permanent Salaries	11,682,476	11,214,312	468,164	4.17%	11,682,476	23,418,802	11,736,326	49.89%	
Temporary Salaries	197,613	184,616	12,997	7.04%	197,613	583,874	386,261	33.85%	
Overtime	86,821	57,902	28,920	49.95%	86,821	139,670	52,849	62.16%	
Overtime - Snow Plowing	151,726	133,124	18,602	13.97%	151,726	150,000	(1,726)	101.15%	
Overtime - Police	428,484	260,317	168,167	64.60%	428,484	850,000	421,517	50.41%	
Overtime - Fire	411,536	464,377	(52,841)	-11.38%	411,536	1,145,000	733,464	35.94%	
Overtime - Public Safety Grants	19,635	236,413	(216,779)	-91.69%	19,635	89,306	69,671	21.99%	
Misc. Other	577,226	542,438	34,789	6.41%	577,226	2,361,772	1,784,546	24.44%	
Total Code 1	13,555,517	13,093,499	462,018	3.53%	13,555,517	28,738,424	15,182,907	47.17%	
Code 2 - Equipment	89,441	4,649	84,791	1823.82%	89,441	155,714	66,273	57.44%	
Code 3 - Materials & Supplies	1,101,618	864,822	236,797	27.38%	1,101,618	2,398,004	1,296,385	45.94%	
Code 4 - Contractual Services									
Utilities	1,044,771	1,008,733	36,038	3.57%	1,044,771	2,181,500	1,136,729	47.89%	
Postage	14,824	17,990	(3,166)	-17.60%	14,824	48,835	34,011	30.35%	
Printing & Advertising	23,131	22,205	926	4.17%	23,131	71,649	48,518	32.28%	
Repairs & Rentals	865,607	847,217	18,390	2.17%	865,607	2,018,716	1,153,109	42.88%	
Insurance	309,322	310,147	(825)	-0.27%	309,322	332,465	23,143	93.04%	
Dues	9,888	22,190	(12,303)	-55.44%	9,888	34,135	24,247	28.97%	
Consultant Services	850,664	826,229	24,435	2.96%	850,664	2,116,666	1,266,002	40.19%	
Training	49,669	77,177	(27,508)	-35.64%	49,669	144,328	94,659	34.41%	
Travel	3,963	4,446	(482)	-10.85%	3,963	18,311	14,348	21.64%	
Judgments & Claims	27,598	42,601	(15,003)	-35.22%	27,598	250,000	222,402	11.04%	
Contingencies	0	0	0	-	0	938,340	938,340	0.00%	
Uniforms	39,364	38,914	450	1.16%	39,364	232,722	193,357	16.91%	
Medical Expenses	27,952	5,545	22,407	404.09%	27,952	48,000	20,048	58.23%	
Misc. Other	1,306	6,877	(5,572)	-81.02%	1,306	17,500	16,194	7.46%	
Total Code 4	3,268,059	3,230,271	37,788	1.17%	3,268,059	8,453,166	5,185,108	38.66%	
Code 6/7 - Debt Service	5,025,888	4,606,832	419,057	9.10%	5,025,888	7,670,772	2,644,884	65.52%	
Code 8 - Benefits									
Pension	1,830,220	1,728,563	101,657	5.88%	1,830,220	7,398,940	5,568,720	24.74%	
Healthcare	6,344,643	6,060,461	284,182	4.69%	6,344,643	14,103,779	7,759,136	44.99%	
Dental	298,325	306,321	(7,996)	-2.61%	298,325	631,425	333,100	47.25%	
Social Security	985,985	962,140	23,846	2.48%	985,985	2,198,519	1,212,534	44.85%	
Worker's Compensation	271,335	325,335	(54,000)	-16.60%	271,335	400,000	128,665	67.83%	
Total Code 8	9,730,508	9,382,819	347,689	3.71%	9,730,508	24,732,663	15,002,155	39.34%	
Code 9 - Interfund Transfers	1,037,289	1,421,063	(383,774)	-	1,037,289	1,109,865	72,576	93.46%	
Grand Total	33,808,320	32,603,955	1,204,366	3.69%	33,808,320	73,258,608	39,450,288	46.15%	

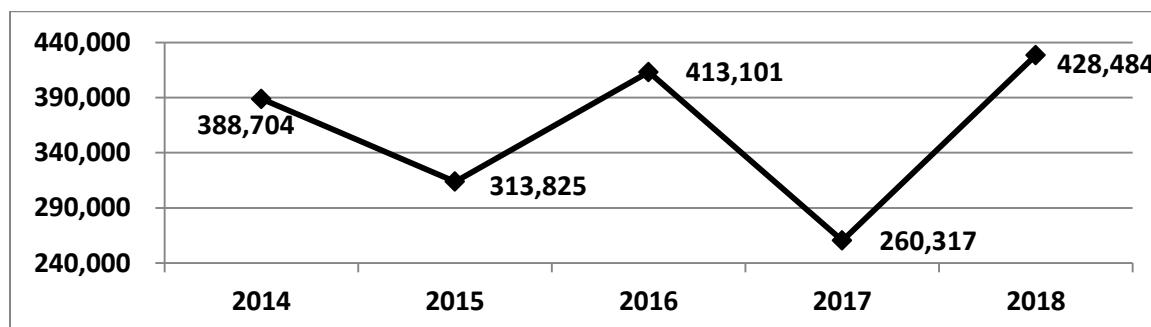
The six month total for expenditures in the General Fund was \$33,808,320 which amounts to 46.15% of the total 2018 adjusted budget. The 2018 total is an increase of 3.69% from the six month total of 2017, or

approximately \$1,200,000. Similar to the first quarter the increase is primarily caused from areas of expenses that are fixed such as salaries to full-time employees, health insurance and debt service.

Salaries for full-time employees were \$11,682,476 as of June 30, 2018 which totals 49.89% of the total 2018 adjusted budget. This is an increase of 4.17%, or \$468,164 from the six month total of 2017. The cause for the increase from year to year is due to the number of union contracts that were settled and the increased salaries. In the last twelve months the City has settled outstanding contracts with the PBA, COATS, UPSEU and CSEA that resulted in increased salaries in the 2018 fiscal year.

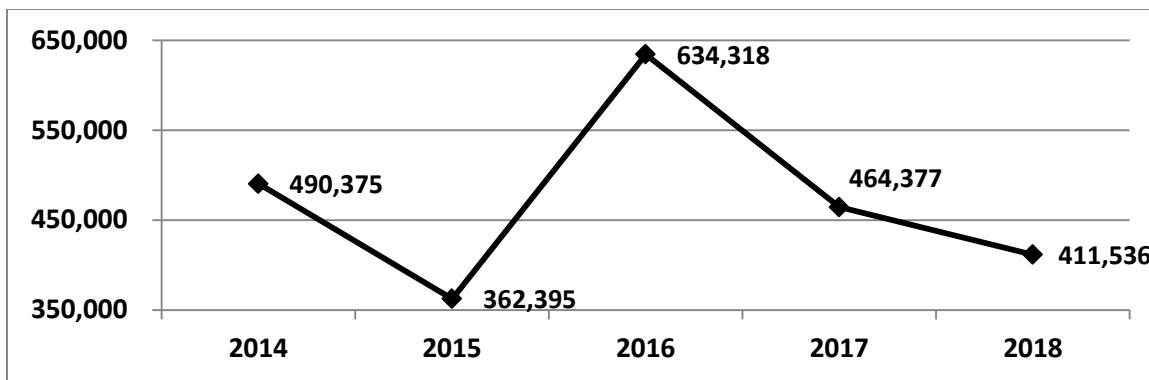
Overtime relating to non-public safety totaled \$86,821 at the end of the second quarter, which is 62.16% of the total 2018 adjusted budget. It is anticipated that budget transfers will be needed as the year progresses for these accounts. The cause for the amount of the budgeted expenditures used and also the increase of 49.95% from the six month total of 2017 is due to things such as garbage collection on holidays to ensure the department stays on schedule despite winter storms and other projects, required work to repair the City's aging fleet and callbacks for maintenance of City facilities.

Overtime in the Police Department totaled \$428,484 at the end of the second quarter, which is 50.41% of the total amount budgeted for the 2018 fiscal year. The total has increased by approximately \$168,000 from the six month total of 2017. As the graph below illustrates the total overtime is a five year when compared to the time period of 2014 through 2018. The cause for this increase is due to the settlement of the PBA and COATS contracts, which resulted in wages that were higher than the previous four years. There has also been the highest number of vacancies within the department when comparing the previous first six months of every year since 2014. Due to the staffing requirements of the department this results in overtime.



Fire overtime, as illustrated in the line graph on the subsequent page, totaled \$411,536 at the end of the second quarter in 2018. This total is 35.94% of the total 2018 adjusted budget 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.

The total overtime costs have decreased from the six month total of 2017 by \$52,000 which is a decrease of 11.38%. The cause for the decrease is due to a decrease in the number of vacancies when comparing to 2018 to 2017 through the end of June.



Expenditures for equipment have increased from 2017 for purchases within the Police and Fire Departments that were approved to be spent in 2017 but had purchase orders carryover to 2018. This is a standard accounting procedure for the City and part of the accounting process.

The purchases of expenditures relating to Materials & Supplies totaled \$1,101,618 as of June 30, 2018, amounting to 45.94% of the total amount budgeted in 2018 for this category. The expenditures have increased by 27.38%, or \$236,000, in comparison to the six month total of 2017. The increase is caused from the winter conditions and the increase costs related to the purchase of salt in the 2018 fiscal year. There have also been increased costs for the maintenance of city vehicles due to the aging fleet the City owns and operates with.

Expenditures encompassing the Contractual Services totaled \$3,268,059 at the end of the third quarter, which is an increase of \$37,788 from 2017. This increase is very minimal especially when considering there are contractual costs, such as the 911 contract with the County, within this category that had increases annually that encompass the total increase.

Health insurance costs totaled \$6,344,643 at the end of the second quarter, which is 44.99% of the total amount budgeted in 2018. The costs have increased by 4.69% or approximately \$284,000 from the six month total of 2017. The primary cause for the minimal increase is due to the City switching the Medicare Advantage Plan to a new provider which caused for significant savings in 2018. The actual results in 2018 are much improved from that of the first quarter; however, this is still an area of concern for the remainder of the fiscal year. The City experienced significant costs in the self-insured Blue Shield plan during the first quarter but over the last three months costs have stabilized. The concern still remains though that due to the number of high cost claims experiences and analyzing further the self-insured portion of the plan could be subject to more high claims that will drive costs up over the remaining six months.

Part III – Conclusion

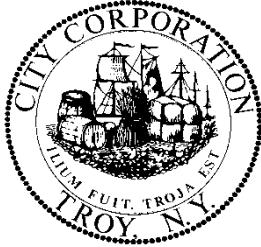
	2018	2017	Difference
Revenues	26,882,952	24,524,880	2,358,072
Expenditures	33,808,320	32,603,955	1,204,365
Difference	(6,925,368)	(8,079,075)	1,153,707

The results of the second quarter show an improved financial position than the six month total of 2017 due to increased revenue despite showing a “deficit” year to date. While there is a deficit currently, as was the case in 2017 as well, it is still too early to have a definitive thought on how the General Fund will end the

fiscal year due to seasonality of how revenues and expenditures are recognized. What the report does indicate though is how items not subject to seasonality are trending for the year, such as revenues from parking and traffic tickets and overtime.

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

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Date: July 30, 2018

To: Honorable Wm. Patrick Madden
City Council Members

From: Andrew Piotrowski
Deputy City Comptroller

Re: Second Quarter 2018 Financial Report – Sewer Fund

Part I – Revenues

Sewer Fund Revenues									
Revenue	06/30/2018	06/30/2017	\$ Change	% Change	2018 Actual	2018 Budget	\$ Diff	% Achieved	
Sewer Rents	2,047,622	1,756,893	290,729	16.55%	2,047,622	4,650,000	(2,602,378)	44.03%	
Sewer Charges	197,161	81,344	115,817	142.38%	197,161	286,852	(89,691)	68.73%	
Use Of Money & Property	649	133	516	387.23%	649	500	149	129.83%	
Miscellaneous	14,565	9,955	4,610	46.32%	14,565	26,600	(12,035)	54.76%	
Total	2,259,997	1,848,325	411,672	22.27%	2,259,997	4,963,952	(2,703,955)	45.53%	

Revenues in the Sewer Fund totaled \$2,259,997 at the end of the second quarter in 2018, which is 45.53% of the budgeted total. In comparison the 2018 revenues totaled \$1,848,325; therefore the revenues in 2018 have increased by 22.27%.

The primary source of revenue in the Sewer Fund comes from sewer rents charged to city residents, with revenue from this source totaling \$2,047,622 as of June 30th, or 44.03% of the total 2018 budgeted amount. This is an increase of \$290,729, or 16.55% from the six month total of 2017. The cause for the increase is similar to the first quarter of 2018 where the city sewer rate was increased in the beginning of 2017; therefore, the entire 2018 fiscal year is based on the new rate of 100% of the city water rate whereas the 2017 revenues were split between the two rates.

Part II – Expenditures

Sewer Fund Expenditures								
Expenditure	06/30/2018	06/30/2017	\$ Change	% Change	2018 Actual	2018 Budget	\$ Rem	% Expended
Code 1 - Salaries								
Permanent Salaries	361,340	323,888	37,452	11.56%	361,340	813,258	451,918	44.43%
Temporary Salaries	11,520	7,800	3,720	47.69%	11,520	32,500	20,980	35.45%
Overtime	36,805	28,519	8,286	29.06%	36,805	90,000	53,195	40.89%
Misc. Other	4,900	1,538	3,363	218.70%	4,900	17,500	12,600	28.00%
Total Code 1	414,565	361,744	52,821	14.60%	414,565	953,258	538,693	43.49%
Code 2 - Equipment	0	0	0	-	0	33,888	33,888	0.00%
Code 3 - Materials & Supplies	58,812	80,681	(21,869)	-27.11%	58,812	294,457	235,645	19.97%
Code 4 - Contractual Services								
Utilities	4,102	4,686	(584)	-12.46%	4,102	15,860	11,758	25.86%
Repairs & Rentals	12,656	716	11,940	1667.64%	12,656	77,058	64,401	16.42%
Insurance	15,094	15,083	10	0.07%	15,094	16,623	1,529	90.80%
Consultant Services	28,761	7,353	21,408	291.16%	28,761	314,820	286,059	9.14%
Training	0	0	0	-	0	10,000	10,000	0.00%
Judgments & Claims	0	0	0	-	0	50,296	50,296	0.00%
Uniforms	3,538	2,220	1,319	59.39%	3,538	8,500	4,962	41.63%
Due To Other Funds	239,666	239,666	0	0.00%	239,666	479,332	239,666	50.00%
Total Code 4	303,817	269,724	34,094	12.64%	303,817	972,489	668,671	31.24%
Code 6/7 - Debt Service	62,764	62,086	678	1.09%	0	74,763	74,763	0.00%
Code 8 - Benefits								
Pension	40,159	45,303	(5,144)	-11.35%	40,159	155,791	115,632	25.78%
Healthcare	129,058	148,512	(19,454)	-13.10%	129,058	286,981	157,923	44.97%
Dental	6,905	7,812	(907)	-11.62%	6,905	14,614	7,709	47.25%
Social Security	30,732	26,940	3,791	14.07%	30,732	72,924	42,192	42.14%
Worker's Compensation	16,055	17,460	(1,405)	-8.05%	16,055	30,000	13,945	53.52%
Total Code 8	222,908	246,027	(23,119)	-9.40%	222,908	560,310	337,402	39.78%
Code 9 - Interfund Transfers	0	0	0	-	0	2,142,863	2,142,863	0.00%
Grand Total	1,062,867	1,020,262	42,605	4.18%	1,000,103	5,032,028	4,031,925	19.87%

Expenditures in the Sewer Fund totaled \$1,062,867 as of June 30, 2018, an increase of \$42,605 or 4.18% from that of 2017. When comparing the second quarter results to the overall Sewer Fund budget 19.87% 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.

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.

It is anticipated that expenditures will increase in the third and fourth quarters of the fiscal year within the Consultant Services line for two projects that have been budgeted for, and this is why only 9.14% of the line has been expended to date.

Part III – Conclusion

	2018	2017	Difference
Revenues	2,259,997	1,848,325	411,672
Expenditures	1,062,867	1,020,262	42,605
Difference	1,197,130	828,063	369,067

The Sewer Fund has a surplus of \$1,197,130 as of June 30, 2018, an increase of \$369,067 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.

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Date: July 30, 2018

To: Honorable Wm. Patrick Madden
City Council Members

From: Andrew Piotrowski
Deputy City Comptroller

Re: Second Quarter 2018 Financial Report – Water Fund

Part I – Revenues

Water Fund Revenues									
Revenue	06/30/2018	06/30/2017	\$ Change	% Change	2018 Actual	2018 Budget	\$ Diff	% Achieved	
City Water Sales	2,063,293	2,034,440	28,853	1.42%	2,063,293	4,650,000	(2,586,707)	44.37%	
Outside Community Water Sales	2,729,950	3,412,130	(682,180)	-19.99%	2,729,950	7,587,000	(4,857,050)	35.98%	
Unmetered Sales	125,149	110,361	14,789	13.40%	125,149	275,000	(149,851)	45.51%	
Use Of Money & Property	131,976	120,467	11,509	9.55%	131,976	210,000	(78,024)	62.85%	
Permits	5,410	6,240	(830)	-13.30%	5,410	12,000	(6,590)	45.08%	
Sale Of Property	10,900	38,589	(27,689)	-71.75%	10,900	51,000	(40,100)	21.37%	
Miscellaneous	60,578	48,794	11,784	24.15%	60,578	91,000	(30,422)	66.57%	
Interfund Revenues	163,500	163,500	0	0.00%	163,500	327,000	(163,500)	50.00%	
Appropriated Fund Balance	114,509	0	114,509	100.00%	114,509	1,635,000	(1,520,492)	7.00%	
Total	5,405,265	5,934,521	(529,256)	-8.92%	5,405,265	14,838,000	(9,432,735)	36.43%	

Revenues in the Water Fund totaled \$5,405,265 at the end of the second quarter of 2018, representative of 36.43% of the 2018 budgeted total. In comparison to the 2017 second quarter results of \$5,934,521, the 2018 results have decreased by 8.92%.

Water Fund revenues to city residents totaled \$2,063,293 at the end of the second quarter in 2018, which is 44.37% of the budgeted total. The actual results have shown an increase from the six month total of 2017 amounting to 1.42%. It is anticipated that the revenues recognized from city residents will increase in the third and fourth quarter billings based on water consumption in the summer months.

Revenue from outside communities decreased by 19.99% from 2017, with a six month total in 2018 of \$2,729,950, or 35.98% of the total amount budgeted. The cause of the decrease comes from three specific communities where consumption decreased. The first was Waterford/Halfmoon which decreased because of a timing difference from 2017 to 2018 and the period of billing will be corrected in the next bill. The other decreases were within Brunswick and North Greenbush. The City Comptroller's Office is working with the Department of Public Utilities and the outside communities to review the meter readings for specific reasons why the decrease occurred.

The revenues budgeted from Appropriated Fund Balance are primarily 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	06/30/2018	06/30/2017	\$ Change	% Change	2018 Actual	2018 Budget	\$ Rem	% Expended
Code 1 - Salaries								
Permanent Salaries	1,331,360	1,306,698	24,662	1.89%	1,331,360	3,019,034	1,687,674	44.10%
Temporary Salaries	936	11,940	(11,004)	-92.16%	936	62,500	61,564	1.50%
Overtime	88,996	49,159	39,837	81.04%	88,996	205,500	116,504	43.31%
Misc Other	6,282	8,756	(2,474)	-28.26%	6,282	76,332	70,050	8.23%
Total Code 1	1,427,574	1,376,552	51,021	3.71%	1,427,574	3,363,366	1,935,792	42.44%
Code 2 - Equipment	2,810	14,892	(12,083)	-81.13%	2,810	57,810	55,000	4.86%
Code 3 - Materials & Supplies	669,660	665,451	4,209	0.63%	669,660	2,061,779	1,392,119	32.48%
Code 4 - Contractual Services								
Utilities	188,553	140,217	48,336	34.47%	188,553	428,265	239,712	44.03%
Postage	17,928	12,720	5,207	40.94%	17,928	31,500	13,572	56.91%
Printing & Advertising	5,069	3,681	1,388	37.71%	5,069	7,000	1,931	72.41%
Repairs & Rentals	21,089	34,048	(12,959)	-38.06%	21,089	84,000	62,911	25.11%
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	147,545	43,729	103,816	237.41%	147,545	241,042	93,497	61.21%
Training	4,246	3,066	1,180	38.48%	4,246	14,600	10,354	29.08%
Travel	355	0	355	-	355	2,250	1,895	15.78%
Uniforms	13,198	13,244	(46)	-0.35%	13,198	31,500	18,302	41.90%
Misc Other	1,064,986	1,054,542	10,445	0.99%	1,064,986	4,517,575	3,452,589	23.57%
Total Code 4	1,523,344	1,365,693	157,651	11.54%	1,523,344	5,431,223	3,907,879	28.05%
Code 6/7 - Debt Service	131,145	132,160	(1,015)	-0.77%	131,145	563,745	432,600	23.26%
Code 8 - Benefits								
Pension	143,969	161,004	(17,034)	-10.58%	143,969	558,503	414,534	25.78%
Healthcare	441,317	454,706	(13,388)	-2.94%	441,317	981,342	540,025	44.97%
Dental	22,579	24,666	(2,086)	-8.46%	22,579	47,791	25,212	47.25%
Social Security	105,048	101,901	3,146	3.09%	105,048	257,298	152,250	40.83%
Workers' Compensation	13,638	17,166	(3,528)	-20.55%	13,638	28,000	14,362	48.71%
Total Code 8	726,552	759,443	(32,891)	-4.33%	726,552	1,872,934	1,146,382	38.79%
Code 9 - Interfund Transfers	0	0	0	-	0	1,495,000	1,495,000	0.00%
Grand Total	4,481,084	4,314,191	166,893	3.87%	4,481,084	14,845,857	10,364,772	30.18%

Expenditures in the Water Fund totaled \$4,481,084 as of June 30, 2018, representative of 30.18% of the total amount budgeted in 2018. This 2018 total is an increase of 3.87%, or approximately \$166,000 from the six month total of 2017.

The primary cause for the increase in expenditures from 2017 to 2018 is within the Consultant Services line which increased \$103,000. The increase and reason why \$147,545 has been expended is due to the repairs needed for the water main that broke under the Poestenkill.

The increase in overtime is caused by the number of water main breaks that have occurred within the first six months of the 2018 fiscal year and the time needed to make the necessary repairs.

In reviewing the other expenditures within the Water Fund all activity has marginal increases or remained the same as the first six months of 2017.

Part III – Conclusion

	2018	2017	Difference
Revenues	5,405,265	5,934,521	(529,256)
Expenditures	4,481,084	4,314,191	166,893
Difference	924,181	1,620,330	(696,149)

As of June 30, 2018 the Water Fund has a surplus of \$924,181 whereas in 2017 the six month surplus was \$1,620,330. The decrease in current surplus is primarily caused by the decrease in revenues from outside communities. As noted above the City is working on resolving the cause for the decrease with the communities. While there is a decrease in current surplus the City Comptroller's Office is still optimistic that the Water Fund will end the year with a healthy surplus based on historical trends of activity within the final six months of the fiscal year.

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