

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 15, 2017

To: Honorable Patrick Madden
City Council Members

From: Andrew Piotrowski
Deputy City Comptroller

Re: Second Quarter 2017 Quarterly Financial Report – General Fund

Part I – Revenues

General Fund Revenues								
Revenue	06/30/2017	06/30/2016	\$ Change	% Change	2017 Actual	2017 Budget	\$ Diff	% Achieved
Real Property Taxes	13,606,897	11,546,307	2,060,591	17.85%	13,606,897	23,635,503	(10,028,606)	57.57%
Local Sources	5,384,238	5,424,921	(40,683)	-0.75%	5,384,238	18,566,000	(13,181,762)	29.00%
General Government Support	104,766	149,383	(44,617)	-29.87%	104,766	318,500	(213,734)	32.89%
Public Safety	461,273	427,131	34,142	7.99%	461,273	550,000	(88,727)	83.87%
Health	870,236	818,411	51,825	6.33%	870,236	1,775,000	(904,764)	49.03%
Transportation	294,445	363,040	(68,595)	-18.89%	294,445	730,000	(435,555)	40.33%
Recreation	561,315	646,501	(85,186)	-13.18%	561,315	1,355,500	(794,185)	41.41%
Home & Community Services	510,755	523,645	(12,890)	-2.46%	510,755	551,000	(40,245)	92.70%
Intergovernmental Charges	-	44,213	(44,213)	-	-	265,915	(265,915)	0.00%
Use Of Money & Property	8,757	3,111	5,646	181.50%	8,757	74,500	(65,743)	11.75%
Licenses & Permits	427,202	429,385	(2,183)	-0.51%	427,202	1,019,000	(591,798)	41.92%
Fines & Forfeitures	613,164	723,710	(110,546)	-15.27%	613,164	1,153,500	(540,336)	53.16%
Sale Of Property & Compensation For Loss	39,569	29,742	9,827	33.04%	39,569	86,565	(46,996)	45.71%
Miscellaneous	682,629	526,598	156,031	29.63%	682,629	1,249,000	(566,371)	54.65%
Interfund Revenues	543,270	557,336	(14,065)	-2.52%	543,270	1,726,106	(1,182,836)	31.47%
State Aid	392,793	292,369	100,424	34.35%	392,793	13,892,833	(13,500,040)	2.83%
Federal Aid	188,429	169,727	18,702	11.02%	188,429	1,164,946	(976,517)	16.17%
Intrafund Revenues	-	-	-	-	-	2,222,000	(2,222,000)	0.00%
Total	24,689,738	22,675,528	2,014,210	8.88%	24,689,738	70,335,868	(45,646,130)	35.10%

Total General Fund revenues as of June 30, 2017 were \$24,689,738, or 35.10% of the 2017 adjusted budget. Similar to the first quarter the seasonality of revenue recognition plays an integral role when analyzing the results of the quarter. For example, state aid, which is an excess of \$12,000,000, is not recognized fully until the fourth quarter of the fiscal year. At the end of the second quarter the City has only received one quarter of sales tax revenues, which is the same as historical practice. Also real property taxes are paid in two installments; therefore approximately 50% of the total revenue is collected in the first quarter of the fiscal year.

In comparison to the first six month of 2016, when the total was \$22,675,528, the 2017 total has increased by 8.88% or approximately \$2,010,000. Revenues in the General Fund totaled \$15,765,061 for the first quarter of 2017, which is 22.43% of the total 2017 budgeted revenues.

Collections from real property taxes were \$13,606,897 as of June 30, 2017. It is not practical to compare collections on a dollar value from year to year as the tax levy changes annually; the percentage of the tax levy is a more accurate tool to use for comparative purposes. In 2017 57.57% of the 2017 tax levy has been collected at the end of the second quarter, whereas in 2016 56.10% of the levy had been collected.

Revenues from Local Sources were \$5,384,238 at the end of the second quarter, a minimal decrease of less than one percent from 2016. Included in this revenue category is sales tax, which had the highest first quarter collections in the last five years.

In comparison to the budget only 29.00% has been collected to date. Only one quarter of sales tax has been collected in the first six months of the fiscal year with the second payment to be received in the third quarter and the final two payments recognized in the fourth quarter of the fiscal year. Also included in this category is franchise tax which will be received in the third quarter of the fiscal year for the first six months of the year and the second payment will be recognized in the fourth quarter of 2017 for the last six months of the year.

Health revenues, principally ambulance collections, totaled \$870,236 as of June 30, 2017 which represents 49.03% of the 2017 budgeted total for this category. This is also an increase from 2016 of 6.33% or approximately \$51,000.

Recreation revenues, totaling \$561,315, have decreased by 13.18%, or approximately \$85,000 from the first six months of 2016 caused by a decrease specifically in golf revenues. In 2016 the golf course was able to open earlier than in 2017 due to the mild winter and it also should be noted that due to the rain in the months of May and June less rounds were able to be played.

Revenue from Licenses & Permits totaled \$427,202 as of June 30, 2017, which is 41.92% of the 2017 budgeted total. The total in 2017 is almost identical to that of the first six months of 2016. Building permits are the principal revenue generator in this category and totaled over \$400,000 in 2017. This has been caused by increased fees and also several major projects beginning development.

Fines & Forfeitures have decreased from 2016 to 2017 by 15.27%, or \$110,546. In 2016 the City had a parking amnesty program during the second quarter and that is the cause for the decrease from year to year.

Part II – Expenditures

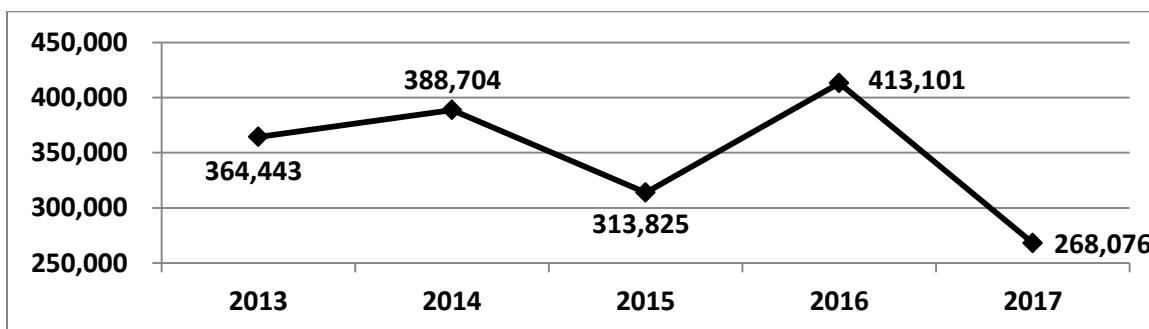
General Fund Expenditures								
Expenditure	06/30/2017	06/30/2016	\$ Change	% Change	2017 Actual	2017 Budget	\$ Rem	% Expended
Code 1 - Salaries								
Permanent Salaries	11,214,312	10,576,500	637,812	6.03%	11,214,312	22,843,339	11,629,027	49.09%
Temporary Salaries	184,616	251,764	(67,147)	-26.67%	184,616	587,784	403,168	31.41%
Overtime	57,902	69,821	(11,919)	-17.07%	57,902	193,170	135,268	29.97%
Overtime - Snow Plowing	133,124	43,466	89,658	206.27%	133,124	150,000	16,876	88.75%
Overtime - Police	268,076	413,101	(145,026)	-35.11%	268,076	1,035,622	767,546	25.89%
Overtime - Fire	467,227	634,318	(167,091)	-26.34%	467,227	1,132,031	664,804	41.27%
Overtime - Public Safety Grants	236,413	26,132	210,281	804.69%	236,413	490,445	254,032	48.20%
Misc. Other	542,438	507,418	35,019	6.90%	542,438	2,350,423	1,807,985	23.08%
Total Code 1	13,104,108	12,522,520	581,588	4.64%	13,104,108	28,782,814	15,678,706	45.53%
Code 2 - Equipment	-	57,669	(57,669)	-100.00%	-	24,200	24,200	0.00%
Code 3 - Materials & Supplies	1,067,034	1,210,674	(143,639)	-11.86%	1,067,034	2,239,885	1,172,851	47.64%
Code 4 - Contractual Services								
Utilities	1,008,771	978,288	30,482	3.12%	1,008,771	2,226,975	1,218,204	45.30%
Postage	18,535	8,733	9,802	112.24%	18,535	46,880	28,346	39.54%
Printing & Advertising	23,779	31,018	(7,240)	-23.34%	23,779	60,427	36,648	39.35%
Repairs & Rentals	872,888	958,849	(85,961)	-8.97%	872,888	2,020,123	1,147,235	43.21%
Insurance	310,147	291,948	18,199	6.23%	310,147	350,000	39,853	88.61%
Dues	22,190	26,409	(4,219)	-15.97%	22,190	29,500	7,310	75.22%
Consultant Services	1,145,805	946,468	199,337	21.06%	1,145,805	1,808,943	663,138	63.34%
Training	69,509	85,375	(15,866)	-18.58%	69,509	152,878	83,369	45.47%
Travel	4,446	5,266	(821)	-15.58%	4,446	19,890	15,444	22.35%
Judgments & Claims	42,601	32,712	9,888	30.23%	42,601	250,000	207,399	17.04%
Contingencies	-	-	-	-	-	566,743	566,743	0.00%
Uniforms	69,264	130,392	(61,128)	-46.88%	69,264	199,000	129,736	34.81%
Medical Expenses	5,545	30,628	(25,083)	-81.90%	5,545	42,000	36,455	13.20%
Misc. Other	6,877	24,988	(18,111)	-72.48%	6,877	21,999	15,122	31.26%
Total Code 4	3,600,356	3,551,076	49,280	1.39%	3,600,356	7,795,358	4,195,002	46.19%
Code 6/7 - Debt Service	4,531,832	4,417,187	114,645	2.60%	4,531,832	7,245,567	2,713,735	62.55%
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	6,060,461	5,594,849	465,612	8.32%	6,060,461	12,482,495	6,422,034	48.55%
Dental	306,321	306,893	(572)	-0.19%	306,321	622,118	315,797	49.24%
Social Security	962,140	913,754	48,385	5.30%	962,140	2,166,416	1,204,276	44.41%
Worker's Compensation	221,994	128,515	93,479	72.74%	221,994	290,000	68,006	76.55%
Total Code 8	9,279,479	8,614,391	665,087	7.72%	9,279,479	22,803,805	13,524,326	40.69%
Code 9 - Interfund Transfers	1,420,530	981,166	439,364	-	1,420,530	1,435,581	15,051	98.95%
Grand Total	33,003,339	31,354,682	1,648,657	5.26%	33,003,339	70,327,210	37,323,871	46.93%

Expenditures in the General Fund totaled \$33,003,339 as of June 30, 2017, which is 46.93% of the total 2017 adjusted budget. The six month total in 2016 was \$31,354,682, resulting in an increase in 2017 of 5.26% or \$1,648,657.

Permanent salaries were expended at 49.09% of the 2017 budgeted total through the first six months of 2017 with a total of \$11,214,312. This is an increase of 6.03%, or \$637,812, from the 2016 six-month total. Both the Police and Fire Departments have had fewer vacancies in 2017 than in 2016 which is a reason for the increase.

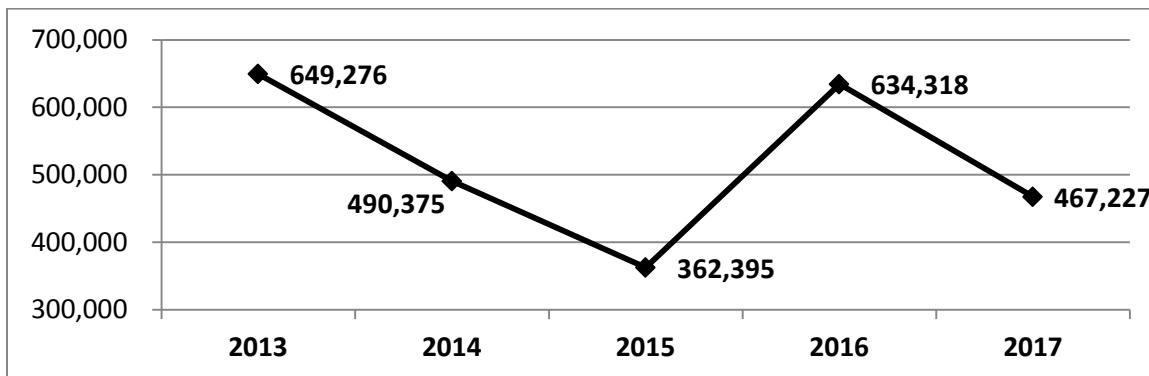
Temporary salaries, totaling \$184,616 through the first two quarters in 2017, decreased in excess of \$67,000, or 26.67%, from the first two quarters of 2016. The 2017 budget removed funding for numerous temporary positions throughout the City which is the cause of the decrease. Only 31.41% of the total budgeted appropriation for 2017 has been expended to date because the principal amount of the costs is for temporary employees at the Frear Park Golf Course. It is anticipated that the percentage expended will increase significantly during the months of July and August.

As of June 30, 2017 overtime in the Police Department was \$268,076, which is 25.89% of the total 2017 budget. In comparison to the six month total of \$413,101 in 2016, the 2017 total has decreased by 35.11% or approximately \$145,000. As the chart below illustrates overtime the police overtime is at a five year low through six months. A cause for the decrease and the five year low is due to the minimal number of vacancies that existed within the department during the first six months of 2017. By having the department fully staffed reduces the need for callbacks which drives overtime spending. It should be noted however that overtime within the department historically has been at its quarterly highpoint in the third quarter with officers on vacation.



Overtime in the Fire Department totaled \$467,277 at the end of the second quarter in the current fiscal year, or 41.27% of the total 2017 budget. Similar to the Police Department a higher percentage of the budgeted total has been expended in the last two quarters of the fiscal year when the number of employees within the department are on vacation.

Fire overtime has decreased by 26.34%, or approximately \$167,000, from the first two quarters of 2016 due to the decreased number of vacancies within the department. As the below line graph illustrates over the five year period of 2013 through 2017, the 2017 total for six months is the second lowest in comparison.



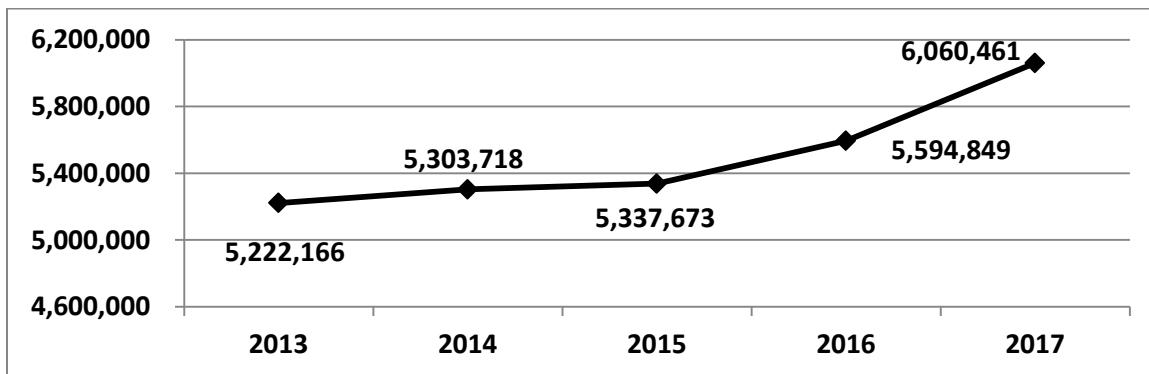
Overtime for Public Safety Grants totals \$246,413 as of June 30, 2017 primarily for the AFG grant which covers overtime in the Fire Department for officers to obtain their paramedic license.

Consultant Services expenditures were \$1,145,805 as of June 30, 2017, or 63.34% of the 2017 budget. The reason for the high budget percentage already recognized for the fiscal year is caused by total annual payments, such as the payment due to the County for 911 emergency services, is fully recognized in the first quarter of the fiscal year.

These costs have increased by \$100,337, or 21.06%, in comparison to the 2016 six month total. The three following reasons are the primary cause for this increase:

1. An increase from the 2016 to 2017 cost for 911 services provided by Rensselaer County of \$50,000.
2. Expenditures relating to the snow emergency that was declared in March of 2017 whereas in 2016 a snow emergency was never called during the fiscal year.
3. The hiring of a third party engineering firm in 2017 that did not occur in 2016.

Health insurance costs, as illustrated in the graph below, totaled \$6,060,461 as of June 30, 2017, which is 48.55% of the total 2017 budgeted. Costs have increased by 8.32%, or approximately \$465,000, from the first six months of 2016. These costs are dictated by usage of the subscribers throughout the fiscal year.



Part III – Conclusion

	2017	2016	Difference
Revenues	24,689,738	22,675,528	2,014,210
Expenditures	33,003,339	31,354,682	1,648,657
Difference	(8,313,601)	(8,679,154)	365,553

Based on the results of the first six months of the fiscal year there is a deficit of \$8,313,601 in the General Fund for 2017 whereas in 2016 the deficit was \$8,679,154 leading to the results of 2017 showing a better result of approximately \$365,000.

The deficit is based on the impact of seasonality throughout the revenues and expenditures of the General Fund. Sales tax and state aid encompass over 39% of the City's budgeted revenues, and only 14% of those revenues have been recognized to date. As stated in the first quarter report approximately 31% of the total General Fund revenues are recognized in the fourth quarter of the fiscal year.

Expenditures are impacted by seasonality as well, specifically in the MAC debt where the principal payment is made in January of the fiscal year and over 60% of the budgeted total for debt has been expended.

Because our revenues and expenditures are not linear throughout the year this six month report, like last year's, does not provide an indication of how our 2017 finances are faring. There are just too many variables remaining at this point in the year. It can be noted, however, that our positions is stronger than it was at this point last year.

All questions will be answered regarding the information outlined in the report at the Finance Committee meeting on July 19, 2017.



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 15, 2017

To: Honorable Patrick Madden
City Council Members

From: Andrew Piotrowski
Deputy City Comptroller

Re: Second Quarter 2017 Quarterly Financial Report – Sewer Fund

Part I – Revenues

Sewer Fund Revenues								
Revenue	06/30/2017	06/30/2016	\$ Change	% Change	2017 Actual	2017 Budget	\$ Diff	% Achieved
Sewer Rents	1,756,893	1,826,882	(69,989)	-3.83%	1,756,893	4,407,750	(2,650,857)	39.86%
Sewer Charges	81,344	220,860	(139,516)	-63.17%	81,344	261,852	(180,508)	31.06%
Use Of Money & Property	94	105	(11)	-10.64%	94	500	(406)	18.74%
Miscellaneous	9,955	12,701	(2,747)	-21.62%	9,955	26,600	(16,645)	37.42%
Total	1,848,285	2,060,548	(212,262)	-10.30%	1,848,285	4,696,702	(2,848,417)	39.35%

Sewer Fund revenues were \$1,842,285 at the end of the second quarter, which is 39.35% of the 2017 budgeted total. In 2016 the revenues were \$2,060,548; therefore, revenues in 2017 have decreased by over \$210,000, or 10.30%.

Sewer rents, the primary source of revenue for the Sewer Fund, totaled \$1,756,893 as of June 30, 2017. This total is 39.86% of the total amount budgeted for 2017 which is caused by increased sewer rate passed by the Troy City Council and adjusted for in the 2017 budget. The rate will not go into effect until the reading dates reflect the date after the new rate was passed. Therefore it is expected the percentage of budget achieved will increase once the new rate is billed to users.

The total rents in 2016 were \$1,826,882 leading to a decrease in 2017 of 3.83% or \$69,989. Similar to the Water Fund this decrease has been caused by the length of time bills have been issued for in 2017.

Sewer Charges totaled \$81,344 at the end of the second quarter, a decrease of over \$139,000 from 2016. The cause for this decrease is due to a payment made from the County in 2016 for the use of the City's

sewer line that has not been made in 2017 to date. The City Comptroller's Office is working with the County on getting this paid and at this time considers it to be a timing difference between the years.

Part II – Expenditures

Sewer Fund Expenditures								
Expenditure	06/30/2017	06/30/2016	\$ Change	% Change	2017 Actual	2017 Budget	\$ Rem	% Expended
Code 1 - Salaries								
Permanent Salaries	323,888	355,887	(31,998)	-8.99%	323,888	811,607	487,719	39.91%
Temporary Salaries	7,800	-	7,800	100.00%	7,800	32,500	24,700	24.00%
Overtime	28,519	37,517	(8,998)	-23.98%	28,519	85,000	56,481	33.55%
Misc. Other	1,538	-	1,538	100.00%	1,538	16,500	14,963	9.32%
Total Code 1	361,744	393,404	(31,659)	-8.05%	361,744	945,607	583,863	38.26%
Code 2 - Equipment	21,390	-	21,390	-	21,390	22,500	1,110	95.07%
Code 3 - Materials & Supplies	139,402	204,591	(65,190)	-31.86%	139,402	298,500	159,098	46.70%
Code 4 - Contractual Services								
Utilities	4,686	3,747	939	25.05%	4,686	15,860	11,174	29.55%
Repairs & Rentals	1,700	136,605	(134,906)	-98.76%	1,700	65,000	63,300	2.61%
Insurance	15,083	14,616	467	3.20%	15,083	15,250	167	98.91%
Consultant Services	28,443	11,491	16,952	147.52%	28,443	307,337	278,894	9.25%
Training	-	-	-	-	-	100	100	0.00%
Judgments & Claims	-	260,520	(260,520)	-100.00%	-	-	-	-
Uniforms	2,220	4,209	(1,989)	-47.26%	2,220	8,500	6,280	26.12%
Due To Other Funds	239,604	239,604	-	0.00%	239,604	479,332	239,728	49.99%
Total Code 4	291,736	670,793	(379,057)	-56.51%	291,736	891,379	599,643	32.73%
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	148,512	142,447	6,064	4.26%	148,512	306,177	157,665	48.51%
Dental	7,812	7,562	250	3.30%	7,812	15,889	8,077	49.17%
Social Security	26,940	29,128	(2,188)	-7.51%	26,940	71,700	44,760	37.57%
Worker's Compensation	17,460	12,257	5,203	42.44%	17,460	25,000	7,540	69.84%
Total Code 8	246,027	225,089	20,938	9.30%	246,027	571,498	325,471	43.05%
Code 9 - Interfund Transfers	-	-	-	-	-	1,892,568	1,892,568	0.00%
Grand Total	1,122,365	1,555,250	(432,886)	-27.83%	1,060,299	4,696,702	3,636,403	22.58%

Expenditures in the Sewer Fund totaled \$1,122,365 as of June 30, 2017, a decrease of \$432,886 or 27.83% from that of 2016. When comparing the second quarter results to the overall Sewer Fund adjusted budget for 2017, 22.58% of the total expenditures have been recognized.

Repairs & Rentals were \$1,700 in the first six months of 2017, a decrease of over \$134,000 from the first six months of 2016. In 2016 there were major repairs needed within the Sewer Fund, specifically the sinkhole on Campbell Avenue, whereas in 2017 no major repairs have been required to date.

Costs for the Combined Sewer Overflow (CSO) Project were accounted for in the first quarter in 2016 within the Judgments & Claims line whereas they did not in 2017. This is the cause for the decrease of \$206,078 when comparing the two years.

Only 22.58% of the budget has been expended as of June 30 because the interfund transfer to the Capital Projects Fund for the Combined Sewer Overflow (CSO) Project is recognized during the fourth quarter of the fiscal year.

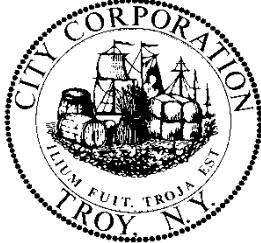
Part III – Conclusion

	2017	2016	Difference
Revenues	1,848,285	2,060,548	(212,263)
Expenditures	1,122,365	1,555,250	(432,885)
Difference	725,920	505,298	220,622

As of June 30, 2017 there is a surplus in the Sewer Fund of \$725,920 whereas in 2016 the surplus was \$505,298. This increase is attributable to the decrease in costs within the Repairs & Rentals and Judgments & Claims categories.

The City Comptroller's Office anticipates a significant increase in the sewer revenues in the third and fourth quarters as bills reflect the sewer rate increase passed by the Troy City Council in April 2017. However as noted in the past, this rate increase is specific for the CSO Project and will be transferred to the Capital Projects Fund in the fourth quarter.

All questions will be answered regarding the information outlined in the report at the Finance Committee meeting on July 19, 2017.



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 15, 2017

To: Honorable Patrick Madden
City Council Members

From: Andrew Piotrowski
Deputy City Comptroller

Re: Second Quarter 2017 Quarterly Financial Report – Water Fund

Part I – Revenues

Water Fund Revenues									
Revenue	06/30/2017	06/30/2016	\$ Change	% Change	2017 Actual	2017 Budget	\$ Diff	% Achieved	
City Water Sales	2,034,440	2,178,446	(144,006)	-6.61%	2,034,440	4,715,000	(2,680,560)	43.15%	
Outside Community Water Sales	3,412,130	3,230,624	181,506	5.62%	3,412,130	7,473,000	(4,060,870)	45.66%	
Unmetered Sales	110,361	153,711	(43,350)	-28.20%	110,361	275,000	(164,639)	40.13%	
Use Of Money & Property	118,650	99,992	18,658	18.66%	118,650	210,000	(91,350)	56.50%	
Permits	6,240	5,404	836	15.47%	6,240	12,000	(5,760)	52.00%	
Sale Of Property	38,551	18,400	20,151	109.52%	38,551	51,000	(12,449)	75.59%	
Miscellaneous	48,476	43,557	4,919	11.29%	48,476	91,000	(42,524)	53.27%	
Interfund Revenues	163,500	163,500	-	0.00%	163,500	327,000	(163,500)	50.00%	
Appropriated Fund Balance	202,000	-	202,000	100.00%	202,000	202,000	-	100.00%	
Total	6,134,347	5,893,634	240,714	4.08%	6,134,347	13,356,000	(7,221,653)	45.93%	

Revenues in the Water Fund totaled \$6,134,347 through the end of the second quarter of 2017, which represents 45.93% of the 2017 budgeted total. When comparing the six month 2017 results to that of 2016, the 2017 total has increased by 4.08% or approximately \$240,000.

City Water Sales totaled \$2,034,440 as of June 30, 2017, amounting to 43.15% of the 2017 budget. The primary reason why less than fifty percent of the budget has been recognized is due to the timing of the billing schedule. In the fourth quarter the City bills seven cycles at once as part of the year end procedures. This has been the practice of the City for many years.

The 2017 results represent a decrease of 6.61%, or approximately \$144,000, when compared to the total through the first six months of 2016 which totaled \$2,178,446. The City Comptroller's Office has

determined after an analysis of both the amount consumed by City residents and billing periods that both reasons have contributed to the decrease. The Water Billing Department is on schedule with their billings in 2017, but consumption has decreased from 2016 to 2017. This has been caused by the bills in 2017 having a billing period between 2.75 months – 3 months. However in 2016 the time period was between 3 months – 3.5 months.

Water sales to outside communities totaled \$3,412,130 as of June 30, 2017, which is 45.66% of the annual budgeted total. It is anticipated that the second half of the year will generate more revenue than the first six months because the consumption periods included in the first six months were for the winter months; whereas the second bills that will be sent will have consumption periods throughout the summer months.

The 2017 sales for the first two quarters to outside communities increased by 5.62% or approximately \$181,000 when compared to the 2016 total of \$3,230,624. This increase is directly caused by an increase in the billings to Waterford and Halfmoon. A primary reason these municipalities increased is due to the water main break that occurred in Lansingburgh in the first quarter of 2016.

The \$202,000 shown under Appropriated Fund Balance represents the fund balance used to fund the 2017 Water Fund Capital Plan.

Part II - Expenditures

Water Fund Expenditures								
Expenditure	06/30/2017	06/30/2016	\$ Change	% Change	2017 Actual	2017 Budget	\$ Rem	% Expended
Code 1 - Salaries								
Permanent Salaries	1,306,698	1,235,942	70,755	5.72%	1,306,698	3,018,319	1,711,621	43.29%
Temporary Salaries	11,940	16,680	(4,740)	-28.42%	11,940	62,500	50,560	19.10%
Overtime	49,159	95,305	(46,146)	-48.42%	49,159	202,000	152,841	24.34%
Misc Other	8,756	8,993	(238)	-2.64%	8,756	77,800	69,044	11.25%
Total Code 1	1,376,552	1,356,921	19,631	1.45%	1,376,552	3,360,619	1,984,067	40.96%
Code 2 - Equipment	14,892	-	14,892	100.00%	14,892	40,256	25,364	36.99%
Code 3 - Materials & Supplies	1,413,184	1,306,730	106,454	8.15%	1,413,184	2,006,000	592,816	70.45%
Code 4 - Contractual Services								
Utilities	144,829	117,716	27,113	23.03%	144,829	470,765	325,936	30.76%
Postage	12,720	19,008	(6,288)	-33.08%	12,720	25,000	12,280	50.88%
Printing & Advertising	3,681	3,607	74	2.04%	3,681	6,500	2,819	56.63%
Repairs & Rentals	37,005	24,142	12,864	53.28%	37,005	86,500	49,495	42.78%
Insurance	60,333	61,065	(732)	-1.20%	60,333	63,000	2,667	95.77%
Dues	113	350	(238)	-67.86%	113	6,000	5,888	1.88%
Consultant Services	53,229	82,182	(28,953)	-35.23%	53,229	109,967	56,738	48.40%
Training	3,066	12,207	(9,141)	-74.88%	3,066	8,100	5,034	37.85%
Travel	-	-	-	-	-	2,250	2,250	0.00%
Judgments & Claims	-	1,000	(1,000)	-100.00%	-	-	-	0.00%
Uniforms	17,709	16,949	760	4.49%	17,709	31,500	13,791	56.22%
Misc Other	1,054,542	1,049,470	5,071	0.48%	1,054,542	4,515,000	3,460,458	23.36%
Total Code 4	1,387,226	1,387,696	(470)	-0.03%	1,387,226	5,324,582	3,937,356	26.05%
Code 6/7 - Debt Service	121,248	124,499	(3,251)	-2.61%	121,248	559,996	438,748	21.65%
Code 8 - Benefits								
Pension	161,004	116,181	44,823	38.58%	161,004	568,000	406,996	28.35%
Healthcare	454,706	422,560	32,146	7.61%	454,706	937,438	482,732	48.51%
Dental	24,666	24,036	630	2.62%	24,666	50,168	25,502	49.17%
Social Security	101,901	100,505	1,396	1.39%	101,901	262,441	160,540	38.83%
Workers' Compensation	19,100	22,733	(3,633)	-15.98%	19,100	44,500	25,400	42.92%
Total Code 8	761,376	686,014	75,362	10.99%	761,376	1,862,547	1,101,171	40.88%
Code 9 - Interfund Transfers	202,000	-	202,000	100.00%	202,000	202,000	-	100.00%
Grand Total	5,276,479	4,861,860	414,619	8.53%	5,276,479	13,356,000	8,079,521	39.51%

Expenditures in the Water Fund as of June 30, 2017 were \$5,276,479, which is 39.51% of the 2017 adjusted budget. The expenditures through the first two quarters of 2016 were \$4,861,860 resulting in an increase of 8.53% or approximately \$414,000.

Materials & Supplies totaled \$1,413,184 as of the end of the second quarter, which is 70.45% of the 2017 adjusted budget. The Water Fund expends or encumbers the chemicals needed for the purification of the City water supply for the entire year which causes such a large percentage of the budget to be shown as expended. Expenditures under the classification were \$1,306,730 in 2016 resulting in an increase of

8.15% in 2017 caused by a replenishment of the inventory for repairs needed as required within the Water Fund for things such as water main breaks.

Utility costs in the Water fund increased from 2016 to 2017 by approximately \$27,000, or 23.03%, with a total in 2017 of \$144,829. This has been caused by increased utility costs to power the pumping stations due to the colder winter in 2017 than in 2016.

Due to increased repairs needed for equipment within the Water Fund, costs have increased by \$12,800 in comparison to 2016. The primary repair was for a valve at one of the pumping stations within the City.

The expenditure recognition for the 2017 Water Fund Capital Plan was in the second quarter of 2017 totaling \$202,000 whereas in 2016 the cost was recognized in the latter months of the fiscal year. This transfer to the Capital Fund is for various items as passed by the Troy City Council.

Part III – Conclusion

	2017	2016	Difference
Revenues	6,134,347	5,893,634	240,713
Expenditures	5,276,479	4,861,860	414,619
Difference	857,868	1,031,774	(173,906)

As illustrated in the above chart the Water Fund has a surplus of \$857,868 as of June 30, 2017. In 2016 the surplus through the first six months of the year was \$1,031,774; which results in a decrease in 2017 of \$173,906.

This change has been caused by a decrease in water sales within the City of Troy and increases in expenditures such as Materials & Supplies, Pension and Health Insurance.

All questions will be answered regarding the information outlined in the report at the Finance Committee meeting on July 19, 2017.