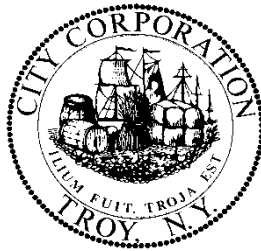


Wm. Patrick Madden
Mayor



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.

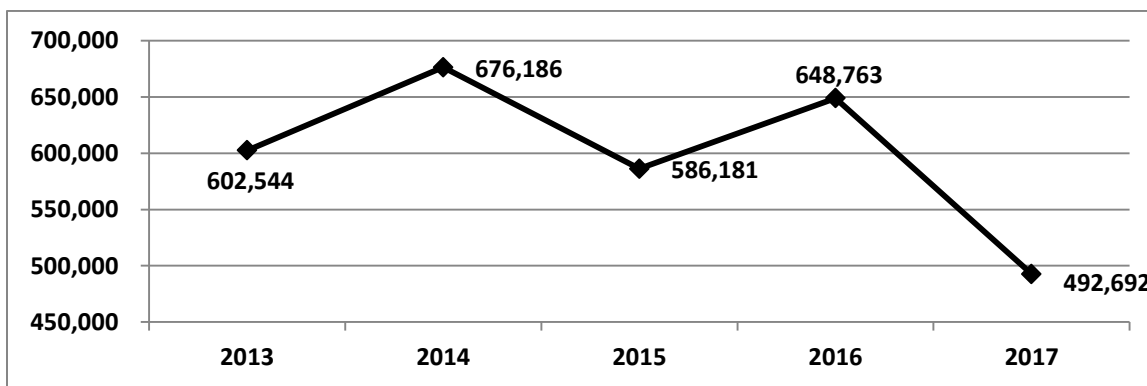
Part II – Expenditures

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%

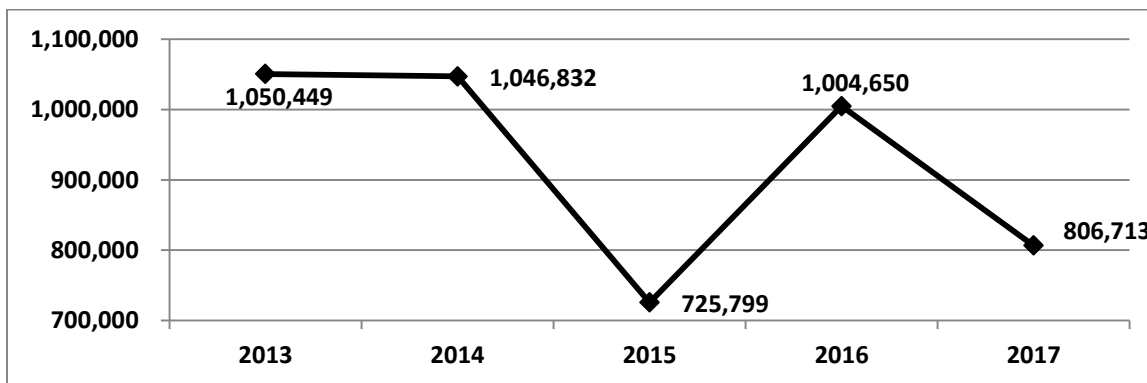
Total expenditures in the General Fund as of September 30, 2017 were \$48,602,172, or 68.26% of the total 2017 adjusted budget. In comparison to the first nine months of 2016, expenditures have increased 4.16% or approximately \$1,942,602.

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.



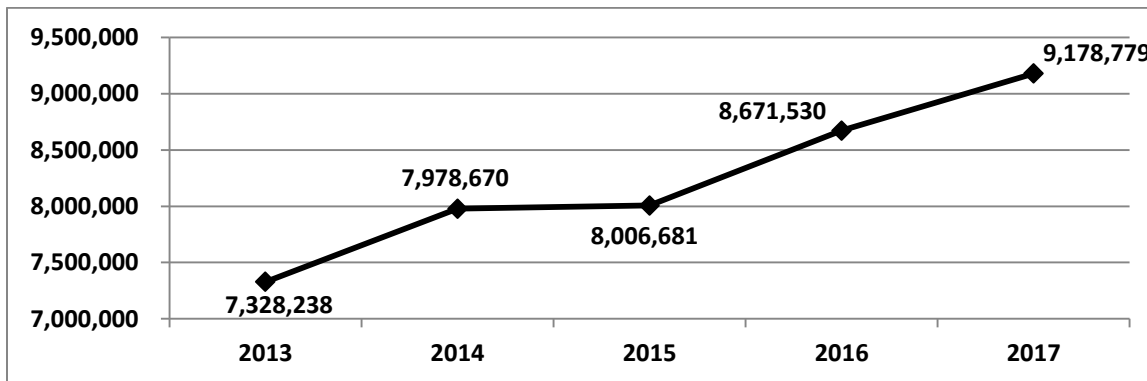
Expenditures relating to Materials & Supplies were \$1,588,353, or 68.48% of the amount budgeted, at the end of the third quarter. This is an increase from 2016 of approximately \$104,000 caused primarily by the following two factors:

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)

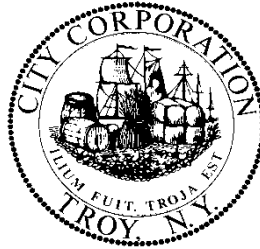
Based on the results of the first nine months of the fiscal year there is a deficit of \$6,674,243 in the General Fund for 2017 whereas in 2016 the deficit was \$6,648,691 leading to the results of 2017 showing a slight decrease of approximately \$25,000.

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.

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 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

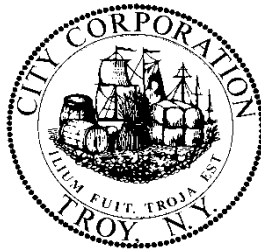
	2017	2016	Difference
Revenues	2,935,664	3,171,516	(235,852)
Expenditures	1,724,673	2,083,020	(358,347)
Difference	1,210,991	1,088,496	122,495

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.

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 – 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.