

City of Watervliet
Finance Department
2018 Results of Operations

Director of Finance - Michael McNeff

Deputy Director of Finance - Amanda Austin

Payroll Clerk – Amanda Delap

Purchasing Clerk – Phyllis Carroll

Duties & Responsibilities – Per Charter

- Collection, receipt, and care & custody of all taxes and other monies due to the City
- Investment of City funds
- Annual financial report of prior fiscal year
 - Statement of receipts
 - Statement of the disbursements
 - Statement of the indebtedness

Operations & Responsibilities - Daily

- Creation, mailing and collection of more than 8,000 bills annually
- Maintenance of more than 2,700 receivable accounts
- Process approximately 3,000 invoices
- Record every transaction in City's ledgers for well over \$20 million in revenues & expenditures, resulting in nearly 12,000 journal entries annually
- 26 payrolls each year
- Cash Management for the 14 City bank accounts, and 5 NYCLASS investment accounts – resulting in over 150 bank reconciliations annually
- Oversee and manage over 250 budget line items

Operations & Responsibilities – Cont.

- Monthly, disbursements report
- Quarterly, budget to actual reports
- Annually
 - Budget
 - Results of operations report
 - Annual Update Document (NYS)
 - Preparing information for external audit
- As needed, detailed analysis to City Council, NYS OSC, Bond Counsel as well as the rating agencies –Moody's & S&P
 - Budget to actual reports
 - Cash Flow Projections
 - Multi-year planning analysis
 - Capital Planning

Various Funds Included In City Financials

- Financials are made up of the following funds:
 1. General Fund (A)
 2. Special Revenue Funds
 - I. Water Fund (F)
 - II. Sewer Fund (G)
 - III. Community Development (CD)
 3. Capital Projects Funds
 4. Debt Service

Revenues General Fund

2017 vs 2018

City of Watervliet, NY General Fund Revenues

| | Actual 2017 | Unaudited 2018 | 2017 vs 2018 | % Change |
|-----------------------------|---------------------|---------------------|------------------|-------------|
| Revenues | | | | |
| Real Property Taxes | \$4,229,620 | \$4,851,546 | \$621,926 | 14.70% |
| Real Property Tax Items | 105,995 | 190,191 | \$84,196 | 79.43% |
| Sales and Use Tax | 3,494,610 | 3,712,019 | \$217,409 | 6.22% |
| Other Non-Prop Taxes | 263,898 | 284,131 | \$20,233 | 7.67% |
| Departmental Income | 609,089 | 635,021 | \$25,932 | 4.26% |
| Other Local Revenue | 911,270 | 739,255 | -\$172,015 | -18.88% |
| State Aid AIM | 1,210,193 | 1,210,193 | \$0 | 0.00% |
| State (other) & Federal Aid | 613,902 | 653,152 | \$39,250 | 6.39% |
| Interfund Transfers | 342,000 | 0 | -\$342,000 | -100.00% |
| Total Revenues | \$11,780,577 | \$12,275,508 | \$494,931 | |

Major Changes in Revenues – 2018

General Fund

- Major Revenues Factors:
 - Increase in taxes
 - PILOT revenue increase
 - Increase in Sales, Franchise and Utility Tax
 - Increases in Recreation, Ambulance and CDBG Grant Revenue
 - Decrease in Refuse Revenue
 - Decrease in Mortgage Tax and Crime Proceeds transfer
 - Tree Inventory Grant
 - Change in allocation of Interfund Transfer

Expenditures General Fund

2017 vs 2018

City of Watervliet, NY General Fund Expenditures

| | Actual 2017 | Unaudited 2018 | 2017 vs 2018 | % Change |
|------------------------------|---------------------|---------------------|------------------|-------------|
| Expenditures | | | | |
| General Governmental Support | \$866,743 | \$831,295 | -\$35,448 | -4.09% |
| Public Safety | 5,175,026 | 5,141,562 | -\$33,464 | -0.65% |
| Transportation | 579,279 | 799,690 | \$220,411 | 38.05% |
| Economic Opp & Developmt | 23,500 | 20,129 | -\$3,371 | -14.34% |
| Culture and Recreation | 229,399 | 187,863 | -\$41,536 | -18.11% |
| Home and Community Services | 560,053 | 560,394 | \$341 | 0.06% |
| Employee Benefits / Fringes | 3,433,291 | 3,635,477 | \$202,186 | 5.89% |
| Debt Service | 647,115 | 656,207 | \$9,092 | 1.41% |
| Interfund Transfers | 110,000 | 180,000 | \$70,000 | 63.64% |
| Total Expenditures | \$11,624,406 | \$12,012,617 | \$388,211 | |

Major Changes in Expenditures 2018 – General Fund

- Expenditures:
 - Decreases due to assessor and maintenance mechanic salaries
 - Decrease in Police overtime
 - Increases due to snow removal costs, personnel, interfund transfer allocation changes
 - Decrease due to library costs
 - Increase in health insurance costs and change in allocation
 - Increase in transfers to reserve accounts

Reserve Balances as of 12/31/2018

City of Watervliet, NY Reserve Balances

| | HRA Equipment Reserve | HRB Reserve for Repairs | HRC Accrual Reserve | HRD Worker's Comp Reserve | V Debt Service | Total As Of 12/31/18 |
|---------------------|--------------------------------------|--|------------------------------------|--|---------------------------|---------------------------------|
| Fund Balance | <u><u>226,792.33</u></u> | <u><u>222,304.09</u></u> | <u><u>220,882.84</u></u> | <u><u>4,425.37</u></u> | <u><u>32,424.22</u></u> | <u><u>706,828.85</u></u> |

Results of Operations

General Fund 2018

- Unaudited increase in GF Fund Balance of \$262,891
 - Sales Tax Increase
 - Strict Budget Management
 - Encumbrance System

Results of Operations – Water Fund

2017 vs 2018

City of Watervliet, NY Water Fund

| | Actual 2017 | Unaudited 2018 | 2017 vs 2018 | % Change |
|--------------------------------------|--------------------|--------------------|------------------|---------------|
| Revenues | | | | |
| Real Property Tax and Tax Items | \$0 | \$0 | \$0 | 0.00% |
| Home and Community Services | 2,781,648 | 2,831,130 | \$49,482 | 1.78% |
| Other (Permits, Fines, Sales, Misc.) | 99,474 | 95,845 | (\$3,629) | -3.65% |
| Total Revenues | 2,881,122 | 2,926,975 | \$45,853 | 1.59% |
| Expenditures | | | | |
| Special Items / Gen Govt Support | \$141,574 | \$175,235 | \$33,661 | 23.78% |
| Home and Community (Water Dist) | 1,299,067 | 1,310,391 | \$11,324 | 0.87% |
| Employee Benefits / Fringes | 694,532 | 542,398 | (\$152,134) | -21.90% |
| Debt Service | 243,431 | 242,515 | (\$916) | -0.38% |
| Interfund Transfers | 396,840 | 531,003 | \$134,163 | 33.81% |
| Total Expenditures | \$2,775,444 | \$2,801,542 | \$26,098 | 0.94% |
| Surplus (Deficit) | \$105,678 | \$125,433 | \$19,755 | 18.69% |
| Fund Balance | 421,987 | 547,420 | \$125,433 | 29.72% |

Results of Operations – Sewer Fund

2017 vs 2018

City of Watervliet, NY Sewer Fund

| | Actual 2017 | Unaudited 2018 | 2017 vs 2018 | % Change |
|-----------------------------------|--------------------|--------------------|-------------------|----------------|
| Revenues | | | | |
| Departmental Income | \$1,148,213 | \$1,271,711 | \$123,498 | 10.76% |
| Misc. (use of money, sales, etc.) | 0 | 106 | \$106 | 0.00% |
| Total Revenues | \$1,148,213 | \$1,271,817 | \$123,604 | 10.76% |
| Expenditures | | | | |
| Other | \$46,512 | \$32,135 | (\$14,377) | -44.74% |
| Home and Community (Sewer Rents) | 823,801 | 814,487 | (\$9,314) | -1.14% |
| Fringes | 184,635 | 114,021 | (\$70,614) | -61.93% |
| Debt Service | 130,216 | 129,709 | (\$507) | -0.39% |
| Interfund Transfers | 0 | 0 | \$0 | 0.00% |
| Total Expenditures | \$1,185,164 | \$1,090,352 | (\$94,812) | -8.70% |
| Surplus (Deficit) | (\$36,951) | \$181,465 | \$218,416 | 591.10% |
| Fund Balance | (131,583) | 49,882 | 181,465 | 137.91% |

Major Fund Summary

City of Watervliet, NY

2013-2018

Major Fund Summary

| | Actual 2013 | Actual 2014 | Actual 2015 | Actual 2016 | Actual 2017 | Unaudited 2018 |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| General Fund | | | | | | |
| Revenues | \$11,825,326 | \$12,325,668 | \$12,630,994 | \$11,260,652 | \$11,780,577 | \$12,275,508 |
| Expenditures | \$11,817,064 | \$12,279,935 | \$12,552,965 | \$11,890,016 | \$11,624,406 | \$12,012,617 |
| Increase\Decrease) in Fund Balance | \$8,262 | \$45,733 | \$78,029 | (\$629,364) | \$156,171 | \$262,891 |
| Water Fund | | | | | | |
| Revenues | \$2,985,204 | \$3,011,850 | \$2,848,759 | \$2,807,260 | \$2,881,122 | \$2,926,975 |
| Expenditures | \$2,912,236 | \$3,155,279 | \$3,037,642 | \$2,878,830 | \$2,775,444 | \$2,801,542 |
| Increase\Decrease) in Fund Balance | \$72,968 | (\$143,429) | (\$188,883) | (\$71,570) | \$105,678 | \$125,433 |
| Sewer Fund | | | | | | |
| Revenues | \$1,048,469 | \$1,064,448 | \$1,121,733 | \$1,119,076 | \$1,148,213 | \$1,271,817 |
| Expenditures | \$1,164,535 | \$1,141,801 | \$1,117,848 | \$1,212,379 | \$1,185,164 | \$1,090,352 |
| Increase\Decrease) in Fund Balance | (\$116,066) | (\$77,353) | \$3,885 | (\$93,303) | (\$36,951) | \$181,465 |
| All Major Funds | | | | | | |
| Revenues | \$15,858,999 | \$16,401,966 | \$16,601,486 | \$15,186,988 | \$15,809,912 | \$16,474,300 |
| Expenditures | \$15,893,835 | \$16,577,015 | \$16,708,455 | \$15,981,225 | \$15,585,014 | \$15,904,511 |
| Increase\Decrease) in Fund Balance | (\$34,836) | (\$175,049) | (\$106,969) | (\$794,237) | \$224,898 | \$569,789 |

Projected Fiscal Stress Score 2018

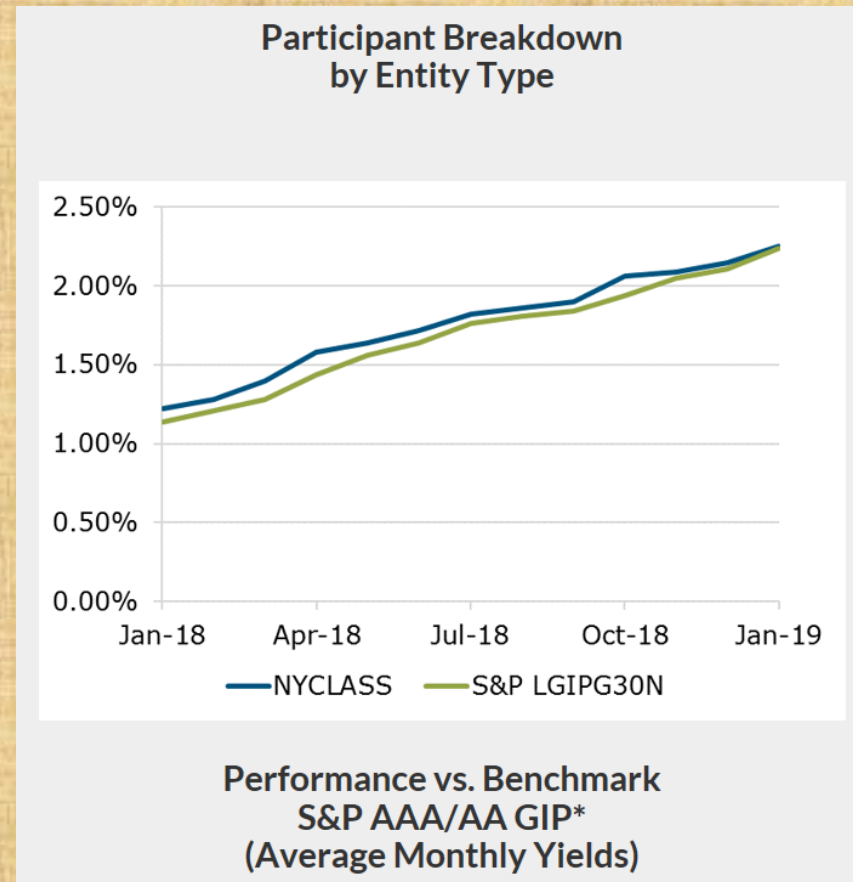
| Fiscal Stress Financial Indicator Data Inputs | | | 2015 | 2016 | 2017 | 2018 |
|---|---|--|------------------|------------|------------|------------|
| 1 | Assigned Unappropriated and Unassigned Fund Balance | General Fund | 609,332 | 129,754 | 294,239 | 830,056 |
| 2 | Total Fund Balance | | 1,069,443 | 487,261 | 599,887 | 862,777 |
| 1, 2 | Gross Expenditures (includes transfers out) | | 12,556,573 | 12,006,033 | 11,624,405 | 12,012,617 |
| 3, 5 | Gross Expenditures (includes transfers out) | Combined Funds | 16,712,063 | 16,105,401 | 15,585,014 | 15,904,511 |
| 3 | Gross Revenues (includes transfers in) | | 16,441,711 | 15,346,548 | 15,809,911 | 16,474,299 |
| 6 | Total Revenues (does not include transfers in) | General Fund | 10,941,421 | 11,120,213 | 11,438,576 | 12,275,507 |
| 8, 9 | Total Revenues (does not include transfers in) | All Funds Except Capital Projects Fund | 15,479,693 | 15,616,614 | 16,170,046 | 17,005,043 |
| 4 | Cash and Investments | Combined Funds | 1,066,833 | 331,271 | 1,469,961 | 454,446 |
| 5 | | | 1,066,833 | 325,186 | 1,468,658 | 454,446 |
| 4 | | | 2,226,553 | 2,626,834 | 3,159,563 | 1,844,773 |
| 4 | | | Taxes Receivable | 0 | 0 | 0 |
| 6, 7 | Short-Term Cash-Flow Debt | All Funds | 0 | 1,000,000 | 2,500,000 | 0 |
| 8 | Personal Service and Employee Benefits | All Funds Except Capital Projects Fund | 11,516,452 | 11,030,642 | 10,767,419 | 10,800,585 |
| 9 | Debt Service | | 914,607 | 910,236 | 1,020,762 | 1,028,431 |
| 9 | Proceeds from Current Refunding Bonds | | 0 | 0 | 0 | 0 |

| | | | | |
|-----------------------------|------------------------|---------------------------|---------------------------|---------------------------|
| Total Points* | 61.3 | 75.8 | 69.2 | 50.0 |
| Score Classification | Moderate Fiscal Stress | Significant Fiscal Stress | Significant Fiscal Stress | Susceptible Fiscal Stress |

| Cities | General Fund | Revenue and Expenditure Definitions | Fiscal Stress Classification | Point Range (Out of 100 total pts) |
|--------|------------------|--|------------------------------|------------------------------------|
| | A | Gross Revenues = Revenues and Other Sources | Significant | 65 - 100 |
| | Combined Funds | Total Revenues = Revenues | Moderate | 55 - 64.9 |
| | A, FX, G, ES, EW | Gross Expenditures = Expenditures and Other Uses | Susceptible | 45 - 54.9 |
| | | | No Designation | 0 - 44.9 |

Cash Position 2018

- Average daily cash balance in Operating Funds approximately **\$2,469,000**
 - All Funds **\$3,347,000**
- June 2018 – NYCLASS investments began
 - Earning roughly 2% interest



City Debt Service

2019 Debt Service Budget Amounts

| Year of Issue | Bond Description | Principal Balance 12/31/2018 | Payment Date | Total Principal | Total Interest | Total Payment 2019 | Principal Balance 12/31/2019 |
|---------------|--------------------------|------------------------------|--------------|-----------------|----------------|--------------------|------------------------------|
| 2006 | 2.478 Public Improvement | refunded 12/4/18 | 2/15/2019 | - | - | - | - |
| 2011 | 2.94 Public Improvement | refunded 12/4/18 | 8/15/2019 | - | - | - | - |
| 2018 | 2006 & 2011 Refunding | 3,060,000.00 | 2/1/2019 | | | | 2,695,000.00 |
| | | | 8/1/2019 | 365,000.00 | 65,686.72 | 430,686.72 | |
| 2011 | 800k Retirement System | 315,000.00 | 2/1/2019 | | | | 215,000.00 |
| | | | 8/1/2019 | 100,000.00 | 12,856.25 | 112,856.25 | |
| 2011 | 2.255 Refunding | 565,000.00 | 1/15/2019 | | | | 285,000.00 |
| | | | 7/15/2019 | 280,000.00 | 10,275.00 | 290,275.00 | |
| 2016 | 2.508 Public Improvement | 2,305,000.00 | 2/15/2019 | | | | 2,200,000.00 |
| | | | 8/15/2019 | 105,000.00 | 58,090.00 | 163,090.00 | |
| | | \$ 6,245,000.00 | | | | | \$ 5,395,000.00 |

2019 Debt Service Budget

| | General Fund Principal | General Fund Interest | Water Fund Principal | Water Fund Interest | Sewer Fund Principal | Sewer Fund Interest | Total Principal | Total Interest | Total Payment 2019 |
|-------------|------------------------|-----------------------|----------------------|---------------------|----------------------|---------------------|-----------------|----------------|--------------------|
| | A9710.6000 | A9710.7000 | F9710.6000 | F9710.7000 | G9710.6000 | G9710.7000 | | | |
| 2019 Totals | \$ 536,461.10 | \$ 97,658.49 | \$ 209,783.03 | \$ 30,642.34 | \$ 103,755.87 | \$ 18,607.14 | \$ 850,000.00 | \$ 146,907.97 | \$ 996,907.97 |

Projections General Fund Revenues - 2019-2023

City of Watervliet, NY General Fund Revenues

| Revenues | Projected | | | | | Avg Annual Increase 2013-present | Assumptions 2019-2023 | | | | | Description |
|------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------------------|-----------------------|-----------|-----------|-----------|-----------|----------------------------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | | 2019 | 2020 | 2021 | 2022 | 2023 | |
| Real Property Taxes* | \$5,120,200 | \$5,171,402 | \$5,274,830 | \$5,380,327 | \$5,541,737 | 5% | 5.5% | 1.0% | 2.0% | 2.0% | 3.0% | |
| Real Property Tax Items | 150,000 | 153,000 | 156,060 | 159,181 | 162,365 | 6% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | PILOTs on the rise per schedule |
| Sales and Use Tax* | 3,791,456 | 3,867,285 | 3,944,631 | 4,023,524 | 4,103,994 | 3% | 2.1% | 2.0% | 2.0% | 2.0% | 2.0% | Historical trend |
| Other Non-Prop Taxes | 284,131 | 284,131 | 284,131 | 284,131 | 284,131 | 1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | Held constant |
| Departmental Income | 647,721 | 660,676 | 673,889 | 687,367 | 701,114 | 2% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | aggressive PD & Code |
| Other Local Revenue | 711,270 | 725,495 | 740,005 | 754,805 | 769,902 | 1% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | Historical trend |
| State Aid* AIM | 1,210,193 | 1,210,193 | 1,210,193 | 1,210,193 | 1,210,193 | 0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | AIM in 2006, constant thereafter |
| State (other) & Federal Aid* | 653,152 | 653,152 | 653,152 | 653,152 | 653,152 | 40% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | Typically grant money, in & out |
| Interfund Transfers | 0 | 0 | 0 | 0 | 0 | -39% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | No more interfund transfers |
| Total Revenues* | \$12,568,124 | \$12,725,335 | \$12,936,892 | \$13,152,680 | \$13,426,588 | \$0 | 4% | 2% | 1% | 2% | 2% | |

Projections – General Fund Expenditures 2019-2023

| City of Watervliet, NY General Fund Expenditures | | | | | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------------------|-----------------------|-------------|-------------|-------------|-------------|-------------------------------|
| Expenditures By Function** | Projected | | | | | Avg Ann Increase 2013-2015 | Assumptions 2019-2023 | | | | | Description |
| | 2019 | 2020 | 2021 | 2022 | 2023 | | 2019 | 2020 | 2021 | 2022 | 2023 | |
| General Governmental Support | \$881,173 | \$934,043 | \$971,405 | \$1,010,261 | \$1,050,671 | -5% | 6.0% | 6.0% | 4.0% | 4.0% | 4.0% | Inc 2% above trend '19-20 for |
| Public Safety | \$5,141,562 | \$5,218,685 | \$5,296,966 | \$5,402,905 | \$5,510,963 | 2% | 0.0% | 1.5% | 1.5% | 2.0% | 2.0% | per proposed contracts |
| Health | \$0 | \$0 | \$0 | \$0 | \$0 | NM | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | Historical trend |
| Transportation | \$831,678 | \$864,945 | \$899,542 | \$935,524 | \$972,945 | 5% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | Historical trend |
| Economic Opp & Developmt | \$20,733 | \$21,355 | \$21,996 | \$22,655 | \$23,335 | 0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | COL |
| Culture and Recreation | \$189,742 | \$191,639 | \$193,555 | \$195,491 | \$197,446 | -4% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | Historical trend |
| Home and Community Services | \$582,810 | \$606,122 | \$630,367 | \$655,582 | \$681,805 | -2% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | Historical trend |
| Employee Benefits / Fringes | \$3,780,897 | \$3,932,132 | \$4,089,418 | \$4,252,994 | \$4,423,114 | -1% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | Historical trend |
| Debt Service | \$697,120 | \$756,445 | \$614,534 | \$499,456 | \$502,570 | -3% | | | | | | Per debt schedule |
| Interfund Transfers | \$180,000 | \$180,000 | \$100,000 | \$75,000 | \$50,000 | NM | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | Held constant |
| Other | \$0 | \$0 | \$0 | \$0 | \$0 | NM | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | Includes contingency |
| Total Expenditures (by Function) | \$12,305,713 | \$12,705,367 | \$12,817,782 | \$13,049,869 | \$13,412,850 | 0% | 3.3% | 2.4% | 3.2% | 0.9% | 1.8% | |

Fund Balance Projections 2019-2023

General Fund

City of Watervliet, NY

General Fund Surplus (Deficit), Reserves, and Fiscal Balancing Strategies

| | Projected | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 |
| Surplus (Deficit) | \$262,411 | \$19,968 | \$119,110 | \$102,811 | \$13,738 |
| Budgetary Reserves and Other Net Assets* | | | | | |
| Fund Equity, Beg. of Year | \$862,779 | \$1,125,190 | \$1,145,158 | \$1,264,268 | \$1,367,079 |
| Fund Equity, End of Year | 1,125,190 | 1,145,158 | 1,264,268 | 1,367,079 | 1,380,818 |
| Reserved Fund Balance | 0 | 0 | 0 | 0 | 0 |
| Unreserved Fund Balance | \$1,125,190 | \$1,145,158 | \$1,264,268 | \$1,367,079 | \$1,380,818 |

Questions?