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**MEMORANDUM**

**TO:** Barbara Lipscomb, City Manager  
 Michael Cowin, Assistant City Manager

**FROM:** Bernita W. Demery, CPA, MBA, Director of Financial Services 

**DATE:** February 21, 2017

**SUBJECT:** Major Fund Financial Month-End Report – As of January 31, 2017

Enclosed is the financial information for the month ending January 31, 2017. The seven-month period represents approximately 58% of fiscal year 2017. The report contains a comparison of the seven-month period January 31, 2017 to the seven-month period ending January 31, 2016 for revenues, expenses, and transfers. Comparisons between fiscal year 2017 and 2016 are made on a year-to-date basis. Significant variances from the prior period(s) will be noted. Staff has also included a year-end projection discussion.

**Summary:**

The following is a summary of the General Fund for January 31, 2017 on a year-to-date basis:

GENERAL FUND SUMMARY AS OF January 31, 2017						
	2017 YTD	2016 YTD	\$ CHANGE	% CHANGE	2017 BUDGET	% REC./ SPENT
REVENUES	\$ 53,414,255	\$ 52,293,335	\$ 1,120,920	2%	\$ 85,929,935	62%
EXPENSES	\$ 38,483,716	\$ 37,025,597	\$ 1,458,119	4%	\$ 72,169,994	53%
TRANSFERS	\$ 8,794,092	\$ 4,684,888	\$ 4,109,204	88%	\$ 13,759,941	64%
NET	\$ 6,136,447	\$ 10,582,849	\$ (4,446,402)	-42%	-	-

For the current year ending January 31, 2017, revenues exceeded expenses and transfers by approximately \$6,136,506, a 42% decrease compared to the net gain for the month ending January 31, 2016. This decrease is due to the timing of transfers in 2017.

Specific details for the year-to-date differences compared to last year are in the pages to follow.

cc: Department Heads

## Revenues

Year-to-date revenues have increased 2% when compared to prior year January month-end. A brief explanation of revenues, along with revenue variances +/- 10%, is listed below.

GENERAL FUND REVENUE BY TYPE SUMMARY AS OF JANUARY 31, 2017						
	2017 YTD	2016 YTD	\$ CHANGE	% CHANGE	2017 BUDGET	% REC/ SPENT
PROPERTY	\$29,780,898	\$29,386,942	\$ 393,956	1%	\$32,444,935	92%
SALES	7,803,053	7,142,969	660,083	9%	17,831,023	44%
UTILITIES	3,549,076	3,637,139	(88,063)	-2%	7,158,899	50%
MOTOR VEHICLE	628,106	591,236	36,869	6%	1,383,674	45%
INSPECTION	783,854	358,582	425,272	>100%	916,402	86%
RESCUE	1,486,523	1,403,682	82,840	6%	3,096,519	48%
RECREATION	832,092	924,242	(92,150)	-10%	1,979,690	42%
INVESTMENTS	26,895	(23,537)	50,432	>100%	500,000	5%
GUC TRANS. IN	3,499,092	4,141,786	(642,694)	-16%	6,459,112	54%
POWELL BILL	2,201,441	2,220,065	(18,623)	-1%	2,220,065	99%
SUBTOTAL	50,591,029	49,783,106	807,922	2%	73,990,319	68%
ALL OTHER REV.	2,823,226	2,510,228	312,998	12%	7,807,060	36%
APP. FUND BAL.	-	-	-	0%	4,132,556	0%
SUBTOTAL	2,823,226	2,510,228	312,998	12%	11,939,616	24%
<b>TOTAL</b>	<b>\$53,414,255</b>	<b>\$52,293,335</b>	<b>\$ 1,120,920</b>	<b>2%</b>	<b>\$85,929,935</b>	<b>62%</b>

- **PROPERTY TAX:** This revenue source accounts for approximately 38% of the overall budget. The 1% increase over last year is consistent with the budget expectations given the one cent decrease in the tax rate from 53 cents to 52 cents. This category is expected to be within 1% of the budgeted amount for FY 2017.
- **SALES TAX:** Sales Tax revenues make up 21% of the overall budget. There was an increase of \$660,083 (9%) compared to January 31, 2016 due to increased spending related to construction in the city. This category is projected to exceed the budget amount for fiscal year 2017.
- **INSPECTIONS:** The mid-year increase of more than 100% can be attributed to an increase in permits issued in FY 2017 for the new Mayne Pharmaceutical Plant and other major construction projects within the city.
- **INVESTMENT EARNINGS:** Year-to-date, this category increased by more than 100%, due to the variance in the market each month. Based on this market variance, fluctuations from month-to-month will vary. Projections at mid-year for this source are maintained at budget for the fiscal year.
- **GUC TRANSFER IN:** The decrease of 16% is due to the change in the allocation received from GUC. This allocation is equal to six percent of the difference between the electric and natural gas system's net fixed assets and total bonded indebtedness plus 50% of GUC's total cost of service for the City's public lighting. Projections show that the city will exceed budget based on discussions with GUC to normalize the periodic average of the transfer.

- **ALL OTHER REVENUE:** The increase of 12% is due to federal forfeiture and Economic Development grant money from the Department of Commerce.

## Expenses

GENERAL FUND EXPENSE BY CATEGORY SUMMARY AS OF JANUARY 31, 2017						
EXPENSES	2017 YTD	2016 YTD	\$ CHANGE	% CHANGE	2017 BUDGET	% REC/ SPENT
PERSONNEL	\$ 28,675,044	\$ 26,730,885	\$ 1,944,159	7%	\$ 50,659,031	57%
OPERATIONS	8,800,099	9,222,947	(422,848)	-5%	17,019,115	52%
CAPITAL OUTLAY	33,615	171,076	(137,461)	-80%	313,848	11%
CAPITAL IMPROVEMENTS	974,958	900,689	74,269	8%	4,178,000	23%
<b>TOTAL</b>	<b>\$ 38,483,716</b>	<b>\$ 37,025,597</b>	<b>\$ 1,458,119</b>	<b>4%</b>	<b>\$ 72,169,994</b>	<b>53%</b>

Expenses have increased 4%, year-to-date. The largest increase is coming in the area of Personnel Expense. The other categories (Operations, Capital Outlay, and Capital Improvements) fluctuate year-to-year due to the timing of payment for various items. A brief explanation is provided below:

- **PERSONNEL EXPENSE:** The City was affected tremendously by Hurricane Matthew in October and November, which had the effect of significantly increasing personnel costs associated with storm cleanup and public safety efforts. Staff is working to obtain FEMA reimbursement for those expenses as quickly as feasibly possible. Overtime expenses have also significantly increased as a result of the Police Department fully implementing the change to the Emergency Call Back policy that was approved by Council in September of 2015. Note also that the Personnel Expense budget for FY 2017 includes a 1% increase in the vacancy rate adjustment. The Personnel Expense budget has been reduced by approximately 4% to account for projected vacancies throughout the fiscal year.
- **CAPITAL OUTLAY:** Capital Outlay expenses have decreased by 80%, year-to-date, due to Controlled Substance spending by the Police Department for the purchase of new tasers that occurred in the prior fiscal year.

GENERAL FUND EXPENSE BY DEPARTMENT SUMMARY AS OF JANUARY 31, 2017						
EXPENSES	2017 YTD	2016 YTD	\$ CHANGE	% CHANGE	2017 BUDGET	% REC/ SPENT
MAYOR & COUNCIL	\$ 298,935	\$ 328,729	\$ (29,794)	-9%	\$ 379,078	79%
CITY MANAGER	1,382,325	603,820	778,505	>100%	2,786,859	50%
CITY CLERK	133,576	139,938	(6,362)	-5%	244,879	55%
CITY ATTORNEY	270,438	260,065	10,373	4%	455,059	59%
HUMAN RESOURCES	1,396,628	2,119,889	(723,262)	-34%	2,803,537	50%
INFORMATION TECH.	1,680,460	1,756,202	(75,742)	-4%	3,226,479	52%
FIRE/RESCUE	7,841,338	7,444,839	396,498	5%	14,368,438	55%
FINANCIAL SVCS.	1,518,917	1,565,588	(46,671)	-3%	2,491,809	61%
CONTINGENCY	-	-	-	0%	56,275	0%
OPEB CONTRIBUTION	500,000	-	500,000	100%	500,000	100%
POLICE	13,493,564	12,869,125	624,438	5%	23,499,952	57%
RECREATION & PARKS	4,319,016	4,250,127	68,889	2%	8,571,648	50%
PUBLIC WORKS	4,977,291	4,865,821	111,469	2%	11,464,851	43%
COMM. DEVELOPMENT	1,327,018	1,462,738	(135,719)	-9%	2,753,989	48%
INDIRECT COST	(655,789)	(641,285)	(14,505)	2%	(1,432,859)	46%
<b>TOTAL</b>	<b>\$ 38,483,716</b>	<b>\$ 37,025,597</b>	<b>\$ 1,458,119</b>	<b>4%</b>	<b>\$ 72,169,994</b>	<b>53%</b>

Overall, departmental spending fell within the expected limit as a percentage of budgets. Total department expenses have increased by 4%, year-to-date. Departmental variances greater than +/- 10% are noted below:

- **CITY MANAGER:** The year-to-date increase of more than 100% is in part due to the addition of Economic Development division to the City Manager's Office for FY 2017. For FY 2016, the Economic Development division was located in the Community Development department. The increase can also be attributed to the fact that several positions that are now filled for FY 2017 were vacant for a significant part of the first half of FY 2016. Such positions include two Assistant City Manager positions, an Economic Development Coordinator, an Internal Auditor position, and a Budget Analyst position. There were also vacancies within the Public Information Office division.
- **HUMAN RESOURCES:** The 34% decrease, year-to-date, is due to a change in the timing of workers' compensation premium and loss payments, as well as the timing for those payments in FY 2016.
- **OPEB CONTRIBUTION:** The year-to-date increase of 100% is due the timing of the OPEB payment in FY 2017 compared to FY 2016. The payment occurred in February during the prior fiscal year.

## Transfers

GENERAL FUND TRANSFERS AS OF JANUARY 31, 2017					
Description	2017 YTD	2016 YTD	\$ CHANGE	2017 BUDGET	% REC/ SPENT
To Facilities Imp Fund	1,590,000	1,579,180	10,820	1,590,000	100%
To Capital Reserve	460,000	-	460,000	460,000	100%
To Transit Fund	565,269	683,784	(118,515)	565,269	100%
To Debt Service	1,678,357	1,743,979	(65,622)	4,809,002	35%
To Sheppard Library	798,039	677,945	120,093	1,197,058	67%
To Home Division	-	-	-	292,684	0%
To Spec Rev Grant	258,303	-	258,303	258,303	100%
To R&P Capital Projects	1,579,364	-	1,579,364	1,682,864	94%
To PW Capital Projects	1,864,761	-	1,864,761	1,864,761	0%
To CD Capital Projects	-	-	-	1,040,000	0%
<b>TOTAL</b>	<b>\$ 8,794,092</b>	<b>\$ 4,684,888</b>	<b>\$ 4,109,204</b>	<b>\$ 13,759,941</b>	<b>64%</b>

The year-to-date increase in transfers is due to an effort to create a higher level of timeliness in the transfer of funds from the General Fund. Year-to-date, 64% of all General Fund transfers have been completed with all budgeted transfers expected to be completed during the fiscal year. The following is a summary of a few of the transfers with significant variances as compared to the prior year:

Capital Reserve: Transfer of \$460,000 budgeted for the Sidewalk Development / city employee parking project. This transfer will increase the amount in the Capital Reserve Fund for the project to approximately \$1.9 million.

R&P Capital Projects: Transfer of \$1,579,364 budgeted to fund the following capital projects:

Town Common Renovation	\$ 985,932
South Greenville	267,500
Tar River Legacy Plan	325,932
Total	<u>\$ 1,579,364</u>

Street Improvements: Transfer of \$1.7 million represents budget transfer to the Street Improvements Fund for street resurfacing projects.

## General Fund Projection:

The following is a summary of revenue and expenditure projections for the General Fund based on results through January 31, 2017:

FISCAL YEAR 2017 GENERAL FUND PROJECTION				
	2017 BUDGET	2017 YTD	2017 PROJECTION	VARIANCE BUDGET vs. PROJ.
<b>REVENUES</b>				
PROPERTY	\$ 32,444,935	\$ 29,780,898	\$ 32,322,514	\$ (122,421)
SALES	17,831,023	7,803,053	18,181,023	350,000
UTILITIES	7,158,899	3,549,076	6,861,147	(297,752)
MOTOR VEHICLE INSPECTION	1,383,674	628,106	1,233,757	(149,917)
RESCUE	916,402	783,854	1,250,782	334,380
RECREATION	3,096,519	1,486,523	3,096,519	-
INVESTMENTS	1,979,690	832,092	1,844,569	(135,121)
GUC TRANS. IN	500,000	26,895	500,000	-
POWELL BILL	6,459,112	3,499,092	6,675,407	216,295
ALL OTHER REV.	2,220,065	2,201,441	2,201,441	(18,624)
TOTAL REVENUES	<b>\$ 81,797,379</b>	<b>\$ 53,414,255</b>	<b>\$ 81,526,565</b>	<b>\$ (270,814)</b>
<b>EXPENSES</b>				
PERSONNEL	\$ 50,659,031	\$ 24,813,835	\$ 50,509,031	(150,000)
OPERATING	17,803,111	7,498,862	17,606,370	(196,741)
CAPITAL IMPROVEMENTS	4,031,500	765,500	2,015,750	(2,015,750)
INDIRECT COST REIMB.	(1,432,859)	(655,789)	(1,432,859)	-
TRANSFERS	13,656,441	8,494,828	13,656,441	-
OTHER EXPENSES	500,000	500,000	500,000	-
TOTAL EXPENSES	<b>\$ 85,217,224</b>	<b>\$ 41,417,236</b>	<b>\$ 82,854,733</b>	<b>\$ (2,362,491)</b>
REVENUES LESS EXPENSES	<b>\$ (3,419,845)</b>	<b>\$ 11,997,019</b>	<b>\$ (1,328,168)</b>	<b>2,091,677</b>
FUND BALANCE APPROPRIATED	4,132,556	-	-	-
NET	<b>\$ 712,711</b>	<b>\$ 11,997,019</b>	<b>\$ (1,328,168)</b>	<b>\$ 2,091,677</b>

Actual revenues are projected to come in under budget by approximately \$270,814 for FY 2017. The following are a few highlights to note concerning revenues:

- **Sales Tax Revenues:** Sales tax revenues continue to exceed budget. As a result, sales tax revenues continue to comprise a larger percentage of the overall General Fund revenue budget. This has definitely been to the benefit of the City's operations, which has allowed a greater amount of budgeted expenses to be leveraged on sales tax revenues over the last several years. However, the City must pay close attention to any proposed legislation in the General Assembly long session that compromises or redirects sales taxes away from municipalities such as Greenville.

- Utility Franchise Taxes: Utility Franchise Tax revenues are being projected at \$297,752 less than budget. The budget for the Utility Franchise Taxes was based on a 3.5% increase from FY 2016. This increase was based on the N.C. League of Municipalities FY 2017 revenue projections issued as part of the FY 2017 budgeting process. The year-to-date utility revenues of \$3,549,076 represent the first seven months of FY 2017. The remaining five months of projections are based on prior year historical experience. The City should have a very good indication as to the actual level of utility revenue shortfall, if any, after the next quarterly distribution from the State, which is scheduled for March, 2017.
- Inspection Revenues: This revenue line item is projected to exceed budget by approximately \$334,380. However, this projection may be influenced by staffing within the Inspections division for the remainder of the fiscal year.

Actual expenses are projected to be approximately \$2,362,491 less than budget primarily due to the timing of capital projects. It should also be noted that the difference between projected personnel expense and budget is only \$150,000. This is a very small budget variance and significantly less than the variances projected in prior years. The small, projected budget balance for personnel expenses can be attributed to:

- Personnel expenses related to Hurricane Matthew
- Police implementation of Emergency Call Back policy
- Two nights of Halloween coverage as compared to one
- Increase in vacancy factor built into the budget from 3% to 4%
- Over hiring in the Police and Fire/Rescue department to account for anticipated vacancies

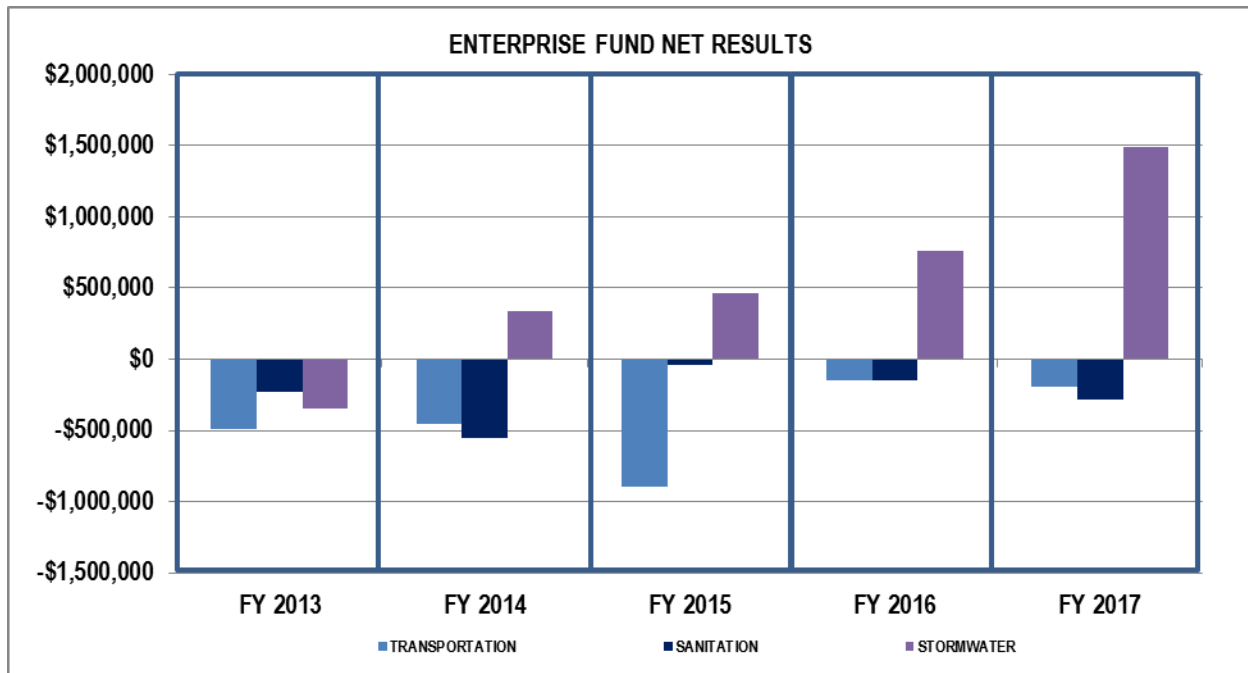
Personnel expenses will continue to be closely monitored as the City moves throughout the remainder of the fiscal year.

For FY 2017, General Fund expenses are BUDGETED to exceed revenues by \$4,132,556. The Council has appropriated \$4,132,556 in fund balance to cover the amount by which expenses are budgeted to exceed revenues. In other words, the FY 2017 budget is balanced on the use of (i.e. reduction in) fund balance.

Based on the actual seventh-month period ending January 31, 2016, FY 2017 actual expenses are projected to exceed revenues by approximately \$1,328,168. In other words, fund balance is being projected to reduce by approximately \$1,328,168, which is approximately \$2,804,388 less than the reduction included in the budget.

A major component of the projected \$1,328,168 reduction in fund balance is the purchase of the Imperial site. The Council appropriated \$1,040,000 in fund balance to purchase the site. Therefore, approximately \$1,040,000 (78%) of the projected reduction of \$1,328,168 is attributed to the purchase of the Imperial site.

# Enterprise Funds



## Transit Fund:

TRANSIT FUND SUMMARY AS OF JANUARY 31, 2017						
	2017 YTD	2016 YTD	\$ CHANGE	% CHANGE	2017 BUDGET	% REC./ SPENT
<b>REVENUES</b>						
INTERGOV'T	\$ 476,420	\$ -	\$ 476,420	100%	\$ 1,584,729	30%
SALES AND SERVICES	145,225	172,795	(27,570)	-16%	380,014	38%
TRANSFERS IN	565,269	683,784	(118,515)	-17%	565,269	100%
APPRO. FUND BAL.	-	-	-	-	131,720	0%
<b>TOTAL REVENUES</b>	<b>\$ 1,186,915</b>	<b>\$ 856,579</b>	<b>\$ 330,336</b>	<b>39%</b>	<b>\$2,661,732</b>	<b>45%</b>
<b>EXPENSES</b>						
PERSONNEL	\$ 627,583	\$ 624,774	\$ 2,810	<1%	\$ 1,099,591	57%
OPERATIONS	477,524	342,663	134,861	39%	1,041,029	46%
CAPITAL OUTLAY	169,300	141,948	27,352	19%	417,112	41%
TRANSFERS	104,000	-	104,000	100%	104,000	0%
<b>TOTAL EXPENSES</b>	<b>\$ 1,378,407</b>	<b>\$1,109,385</b>	<b>\$ 269,022</b>	<b>24%</b>	<b>\$2,661,732</b>	<b>52%</b>
<b>NET</b>	<b>\$ (191,492)</b>	<b>\$ (252,806)</b>	<b>\$ 61,314</b>	<b>24%</b>		

The year-to-date net in the Transit Fund for FY 2017 improved net results of 24% as compared to the prior year. It is very typical for the Transit fund to have a negative net result during the first half of the year, as the majority of the fund revenues are FTA and NCDOT grant reimbursement based. As expected, during the seventh period, grant revenues increased putting this fund back in to a positive position.

- **SALES AND SERVICES:** Sales and Services have decreased 16% compared to the prior year, due to the timing of grant reimbursement revenue received in FY 2017.
- **INTERGOVERNMENTAL REVENUE:** Intergovernmental revenues have increased 100% compared to the prior year, due to the timing of grant reimbursement revenue received in FY 2017.
- **TRANSFERS IN:** There was a 17% decrease in transfers to the Transit Fund in FY 2017 due to the estimated expenses anticipated for this fiscal year.
- **OPERATIONS:** The 39% increase in operations is due to a change in procedure related to the recording of depreciation expense. Prior to FY 2016, depreciation was calculated annually. With the implementation of the ERP system, depreciation can be calculated and recorded monthly. FY 2017 is reflective of depreciation being calculated and recorded on a monthly basis.
- **CAPITAL:** The year-to-date increase of 19% in Capital Outlay is due to the overpayment of ADA Services in the prior year.
- **TRANSFERS OUT:** The 100% increase in transfers out is due to a current year transfer to the GTAC project based on carryover grant funding assigned to the project.

## Sanitation Fund:

SANITATION FUND SUMMARY AS OF JANUARY 31, 2017						
	2017	2016	\$	%	2017	% REC./
	YTD	YTD	CHANGE	CHANGE	BUDGET	SPENT
<b>REVENUES</b>						
REFUSE FEES	3,605,164	3,612,969	(7,806)	<1%	7,481,586	48%
SALES / SERVICES	92,367	66,524	25,843	39%	93,020	99%
OTHER INCOME	30,777	29,437	1,340	5%	73,345	42%
BOND PROCEEDS	-	425,000	(425,000)	-100%	-	0%
APPRO. FUND BAL.	-	-	-	-	86,473	0%
<b>TOTAL REVENUES</b>	<b>\$ 3,728,308</b>	<b>\$ 4,133,930</b>	<b>\$ (405,623)</b>	<b>-10%</b>	<b>\$ 7,734,424</b>	<b>48%</b>
<b>EXPENSES</b>						
PERSONNEL	\$ 1,720,791	\$ 1,633,851	\$ 86,940	5%	\$ 3,068,112	56%
OPERATIONS	1,581,761	1,381,301	200,460	15%	4,011,492	39%
CAPITAL OUTLAY	30,210	479,164	(448,954)	-94%	234,093	13%
TRANSFERS OUT	681,827	431,079	250,749	58%	420,727	162%
<b>TOTAL EXPENSES</b>	<b>\$ 4,014,589</b>	<b>\$ 3,925,394</b>	<b>\$ 89,194</b>	<b>2%</b>	<b>\$ 7,734,424</b>	<b>52%</b>
<b>NET</b>	<b>\$ (286,281)</b>	<b>\$ 208,536</b>	<b>\$ (494,817)</b>	<b>&lt;-100%</b>		

Like all other aspects of the City's operations, the Sanitation Fund has been impacted by Hurricane Matthew. Personnel expenses are up due to the additional hours worked to catch up after the storm. In addition, the Sanitation Fund's FY 2017 financial operations are being influenced by a repayment to the Vehicle Replacement Fund. In FY 2016, a transfer of approximately \$700,000 was made from the Vehicle Replacement Fund to the Sanitation Fund to remove Sanitation's negative fund balance and to be in compliance with audit requirements. Approximately \$237,816 of the Fund's year-to-date negative variance can be attributed to a partial repayment of this transfer to the Vehicle Replacement Fund (i.e. Transfer Out).



- **SALES AND SERVICES:** The 39% increase is due to an increase in Cart and Dumpster receipts. Receipts were down last fiscal year due to the adoption of increased rates, which caused many citizens to convert from backyard to curbside service. However, receipts have recovered for FY 2017.
- **BOND PROCEEDS:** The year-to-date decrease of 100% is due to the recording of the bond proceeds for the last round of the Roll-Out Cart program that occurred in the prior year.
- **CAPITAL OUTLAY:** The year-to-date decrease of 94% is due to the timing of capital outlay expenses that occurred in the prior year. Such expenses include capital equipment and other capital expenses associated with the Multi Family Recycling Center.
- **TRANSFERS OUT:** The 58% increase in transfers out is due to the addition of a current-year transfer to the Vehicle Replacement Fund as explained previously.

### Stormwater Fund:

STORMWATER FUND SUMMARY AS OF JANUARY 31, 2017						
	2017 YTD	2016 YTD	\$ CHANGE	% CHANGE	2017 BUDGET	% REC./ SPENT
<b>REVENUES</b>						
STORMWATER FEES	\$ 2,664,719	2,419,381	\$ 245,338	10%	5,374,886	50%
OTHER INCOME	345	-	345	100%	-	-
APPRO. FUND BAL.	-	-	-	-	1,272,792	0%
<b>TOTAL REVENUES</b>	<b>\$ 2,665,065</b>	<b>\$ 2,419,381</b>	<b>\$ 245,684</b>	<b>10%</b>	<b>\$ 6,647,678</b>	<b>40%</b>
<b>EXPENSES</b>						
PERSONNEL	\$ 685,953	\$ 720,467	\$ (34,513)	-5%	\$ 1,427,041	48%
OPERATIONS	229,423	307,530	(78,107)	-25%	1,261,848	18%
CAPITAL OUTLAY	-	57,097	(57,097)	-100%	542,985	0%
CAPITAL IMPROV.	57,760	71,672	(13,912)	-19%	1,709,748	3%
TRANSFERS OUT	203,028	203,028	-	0%	1,706,056	12%
<b>TOTAL EXPENSES</b>	<b>\$ 1,176,164</b>	<b>\$ 1,359,794</b>	<b>\$ (183,630)</b>	<b>-14%</b>	<b>\$ 6,647,678</b>	<b>18%</b>
<b>NET</b>	<b>\$ 1,488,901</b>	<b>\$ 1,059,587</b>	<b>\$ 429,314</b>	<b>41%</b>		

- **REVENUES:** The Stormwater fund has experienced an improvement in net results based on the seven-year plan. The operation has implemented an annual fee increase in an effort to allow the fund to cover future expenses. The current year's increase in revenue is a result of the timing of stormwater fee receipts from GUC.
- **EXPENSES:** Stormwater expenses vary significantly according to the amount of Stormwater maintenance activity and timing of capital projects. Operating expenses fluctuate based on timing differences of when items are paid. The year-to-date decrease of 25% in operations is due to the timing of payment for the 2006 Public Improvement Bond, which occurred in the prior year. The decreases in Capital Improvement and Capital Outlay are due to the timing of capital expenses in FY 2017. Most capital expenses pertaining to Stormwater are tracked within separate capital project funds.