



City of Newburgh City Comptroller's Office

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Councilwoman – Genie Abrams
Councilwoman – Cindy Holmes
Councilwoman – Karen Mejia

FROM: John J. Aber, City Comptroller

DATE: August 11, 2014

SUBJECT: City of Newburgh Financials – July 2014

Below are the highlights of the City of Newburgh Revenue and Expenses through July 31, 2014

General Fund Revenue

Through July, the City of Newburgh collected \$26.1 million compared to the annual revenue budget of \$44.2 million (59%).

- \$17.2 million - Real Property Taxes/PILOT Payments.
- \$736k - Fund balance transfer
- \$1.2 million – Enterprise fund transfer for General fund services
- \$5.6 million – Sales & Use tax, utilities tax and franchise fees
- \$751k -Departmental income
- \$144k - Licenses and permits
- \$192k – Mortgage Tax and Use of Money and Property
- \$240k - Miscellaneous income (Sale of property, Local Government Grants, Employee Health Contributions)

As of July, I am still projecting a shortfall of \$861k in property taxes, \$277k in codes and \$84k in traffic violations. To cover the projected shortfall, each Department was

placed on a spending freeze effective August 1, 2014. 10% of each Department's available budget for supplies, equipment, and contracts were placed into a Financial Plan Savings Code.

General Fund Expense

The City of Newburgh has expended \$23.5 million plus an additional \$70k in FY2013 encumbrances. On a cash basis the City has expended 53.1% of the 2014 budget. On a modified accrual basis they have committed 54.7%.

Overall Departmental expenses are in-line with the approved budgets with the exception of Police and Fire overtime. As previously stated, Fire overtime has decreased compared to last year's overtime activity (with the hiring of the new grant funded recruits), however we are projecting they will exceed their 2014 budget by \$136k. Police overtime is expected to exceed their overtime budget by \$319k. Both Departments have identified surplus funds within their budgets to cover the overtime deficits.

Enterprise Fund Revenue

Through July 2014, the Enterprise Funds (Water, Sewer and Sanitation) generated \$8.5 million in revenue.

Water Department generated/collected \$3.2 million through July which represents 53.2% of their total revenue budget for FY2014.

Sewer Department generated/collected \$3.0 million through July which represents 52.3% of their total revenue budget for FY2014.

The Sanitation Fund generated/collected \$2.3 million through July which represents 71.5% percent of the total revenue budget for FY2014.

Enterprise Fund Expense

Through July 2014, Enterprise Funds expended \$6.7million with an additional \$1.4 million in encumbered funds. All three Enterprise funds are projected to spend within their FY2014 Adopted Budget. On a cash basis, the enterprise funds have expended 44.6% of their budget on a modified accrual basis, they have committed 54%

Capital

Detailed below are the updates since last month's Capital report:

Engineering

New Dock - \$260k – Estimated cost to replace \$1.5 million. The City Engineer and I met with CHUBB, our Insurance carrier on 6/28/14. I received a call on 8/6/14 from CHUBB and it appears that the dock will be covered by our insurance. I am waiting for written confirmation.

Community Development

Tyrone Crab Park - \$240k – Construction of the Park will be performed by DPW and a dedicated team of temporary workers. The temporary workers (4) were hired on 8/8/14.

Parking Tribunal

Muni-Meters - \$120k – Five vendors bid on the project. I am currently reviewing the bid proposals. The winning vendor will be notified and submitted to council for approval at the next work session.

Trust and Agency Accounts

- **Misc Donations**
 - Shade Tree - \$346
 - National Night Out - \$125 – Fully spent in August
 - Gun Buyback - \$535
 - Misc Fire Dept - \$1,547

- **Police**
 - Police Evidence - \$80,649
 - Federal Seizure - \$37,094
 - State Seizure - \$13,234
 - Police Bicycle - \$552
 - Police Donations - \$187

- **Celebrations**
 - Puerto Rican Day - \$80
 - International Festival -\$17,914
 - Quadricentennial - \$2,000
 - Fireworks - \$2,634

Bond Re-Sale

On August 6, 2014, the City in conjunction with Harris Beach and Capital Markets sold our 2013 BAN to Chase at an interest rate of .096%. This is over 2.5% less than when it was sold in 2013. The lower interest rate reduces the interest we pay on the BAN.

2015 Budget Prep

My office has begun preparing the 2015 budget process. On July 28, 2014 we conducted a budget training seminar for all Department Heads. Proposed budgets for each Department are due back to my office on August 15, 2014. The City Manager will present his proposed 2015 budget to the Council on October 14, 2014. On November 10, 2014 we will hold the Public hearing and on November 24, 2014 the final budget will be submitted to the Council for Adoption.