



## City of Newburgh City Comptroller's Office

City Hall – 83 Broadway  
Newburgh, New York 12550

Tel. (845) 569-7322  
Fax (845) 569-7490

John J. Aber  
City Comptroller

[jaber@cityofnewburgh-ny.gov](mailto:jaber@cityofnewburgh-ny.gov)

**TO:** Michael Ciaravino, City Manager  
Mayor - Judy Kennedy  
Councilman – Cedric Brown  
Councilwoman – Regina Angelo  
Councilwoman – Gay Lee  
Councilwoman – Genie Abrams  
Councilwoman – Cindy Holmes  
Councilwoman – Karen Mejia

**FROM:** John J. Aber, City Comptroller

**DATE:** July 10, 2014

**SUBJECT:** City of Newburgh Financials – June 2014

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Below are the highlights of the City of Newburgh Revenue and Expenses through June 30, 2014

### **General Fund Revenue**

Through June, the City of Newburgh collected \$20.2 million compared to the annual revenue budget of \$44.2 million (45.72%).

- \$14.7 million - Real Property Taxes/PILOT Payments.
- \$736k - Fund balance transfer
- \$599k – Enterprise fund transfer for General fund services
- \$3.1million –Sales & Use tax, utilities tax and franchise fees
- \$632k -Departmental income
- \$118k - Licenses and permits
- \$172k – Mortgage Tax and Use of Money and Property
- \$157k - Miscellaneous income (Sale of property, Local Government Grants, Employee Health Contributions)

As of June, we have a shortfall of \$861k in property taxes, \$277k in codes and \$84k in traffic violations. If the trend continues, I will recommend to the City Manager we enforce a spending freeze to re-align revenue and expenses.

### **General Fund Expense**

The City of Newburgh expended \$18.1 million plus an additional \$70k in FY2013 encumbrances. On a cash basis the City has expended 40.9% of the 2014 budget. On a modified accrual basis they have committed 42.7%.

Overall Departmental expenses are in-line with the approved budgets with the exception of Police and Fire overtime. 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. In regards to the Fire Department, we have surplus funds in the severance line to cover the current projected overtime deficit. The Police Department has accrued salary funds that can be used to offset a large portion of their overtime deficit.

### **Enterprise Fund Revenue**

Through June 2014, the Enterprise Funds (Water, Sewer and Sanitation) generated \$4.9 million in revenue.

Water Department generated/collected \$1.74 million through June which represents 29.2% of their total revenue budget for FY2014.

Sewer Department generated/collected \$1.66 million through June which represents 29.1% of their total revenue budget for FY2014.

The Sanitation Fund generated/collected \$1.56 million through June which represents 47.69% percent of the total revenue budget for FY2014. The third quarter billing for Sanitation was mailed on 7/1/14.

In regards to Water and Sewer, the second quarter billing was mailed on July 1, 2014.

### **Enterprise Fund Expense**

Through June 2014, Enterprise Funds expended \$4.8 million with an additional \$1.6 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 32% of their budget on a modified accrual basis, they have committed 44.2%

## **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. We are awaiting their assessment and determination of coverage.

### **Community Development**

Tyrone Crab Park - \$240k – Meeting with City Manager, City Engineer, Planning and Development, Community Development and DPW scheduled for 7/10/14 to discuss construction plans and time line for completion.

### **Parking Tribunal**

Muni-Meters - \$120k – Bids due back to Comptroller's Office on 7/11/14.

## **Trust and Agency Accounts**

- **Misc Donations**
  - Shade Tree - \$346
  - National Night Out - \$125
  - Gun Buyback - \$535
  - Misc Fire Dept - \$1,547
  
- **Police**
  - Police Evidence - \$61,305
  - Federal Seizure - \$31,651
  - State Seizure - \$13,369
  - Police Bicycle - \$552
  - Police Donations - \$187
  
- **Celebrations**
  - Puerto Rican Day - \$80

- International Festival -\$17,914
- Quadricentennial - \$2,000
- Fireworks - \$2,634

### **Bond Re-Sale**

My Office has been working closely with Harris Beach, our Bond Counsel and Capital Markets, our investment firm to resell our older bonds. The sale is scheduled for July 24, 2014 with a closing date of August 6, 2014. Resale of the bonds at a lower interest rate is projected to save the City over \$120k.

### **2013 Audit**

O'Connor Davies, the City's independent auditing firm has completed an audit of our 2013 Financial Statements. I have received a draft copy of the Audit. I have requested O'Conner Davies present the findings of the audit to the Council at the August work session.

### **2015 Budget Prep**

My office has begun preparing the 2015 budget process. Over the next several months we will be finalizing the projected revenue for 2015 and meeting with Department Heads to prepare the 2015 expense budget. The 2015 City Managers Proposed Budget will be presented to City Council on October 14, 2014.