



The Town of East Greenbush

Citizens' Fiscal Advisory Committee
225 Columbia Turnpike Rensselaer, New York 12144

MEMORANDUM

TO: Supervisor McCabe, Councilperson Malone, Councilperson Mangold
Councilperson Matters and Councilperson O'Brien
SUBJECT: 2011 Mid-Year Financial Forecast Review
DATE: August 23, 2011

The Citizens' Fiscal Advisory Committee has reviewed the attached Mid-Year Financial Forecast which was prepared by Town Comptroller James Breig. Our review focused on the year-end variances forecast. Specifically we targeted those items where the forecast variance was either ± 5.0 percent or $\pm \$40,000$. Our review, by Major Fund, is as follows.

GENERAL FUND

Overview: Year-to-Date (YTD) June 30, 2011 Revenues less Expenditures yields a current surplus of \$2,253,774; however this is due to the normal receipt of Property Tax payments in the beginning of the Fiscal Year. Based on YTD Performance, a Year End surplus of \$247,246 is currently forecast.

Revenues: YTD June 30, 2011 Revenues, with the exception of Landfill Permits, are higher than both YTD June 30, 2010 and YTD Budgeted. Year-end Revenues are expected to be \$287,371 or 3.9 percent above the Amended Budget.

- Sales Tax Distributions have grown considerably compared to YTD 2010 (+\$94,985 or 11.1%). Rensselaer County changed the method used to distribute Sales Tax to include the assessed value of those properties for which Payments in Lieu of Taxes (PILOTS) are made as opposed to basing the distribution solely on Property Tax payments. There could also be some level of overall County Sales Tax growth due to the considerable increase in gasoline prices.
- Landfill Permits sales are forecast to be 16.4 percent below the Amended Budget for two reasons:
 - 1) Increased Year End 2010 purchase of punch cards in anticipation of the 2011 rate increase; and
 - 2) Adopted fees were lower than included in the 2011 Budget.
- Mortgage Tax receipts have grown considerably compared to YTD 2010 (+\$38,341 or 18.5%). There is reportedly an 18% increase in receipts resulting from 1st Mortgages.
- Other Revenue has increased \$51,914 or 8.7 percent compared to YTD 2010. This increase is primarily due to:
 - 1) Increased Building Inspections fees related to FedEx and renovations at the WalMart and Target stores.

- 2) Receipt of New York State School Tax Relief Program (STAR) aid in the amount of \$25,000 that was not budgeted, as the STAR Program was reported to be eliminated in the State's 2011-12 Budget.

Expenditures: YTD June 30, 2011 Expenditures, with the exceptions of Contractual (inc. Supplies) and Debt Service are higher than YTD June 30, 2010 and with the additional exception of Benefits, are also higher than YTD Budgeted. Year-end Expenditures are expected to be \$40,124 or 0.5 percent above the Amended Budget.

- Salaries expenditures are forecast to end the year \$183,928 higher than the Amended Budget, due to:
 - 1) Addition of an unbudgeted Secretary for the Town Attorney.
 - 2) An employment settlement concerning the prior Commissioner of Public Works.
 - 3) Training expenses for the eleven Part-time Dispatchers hired earlier in the year
 - 4) Training expenses for the three Police Officers hired earlier in the year.
 - 5) Promotion of the Building Department Secretary from Part-time to Full-time.
 - 6) Resignation of the Town's Director of Planning (savings).
- Contractual (inc. Supplies) expenditures are forecast to end the year \$137,504 lower than the Amended Budget, due to several factors including:
 - 1) Receipt of \$42,000 in unbudgeted mitigation Fees from FedEx.
 - 2) General Liability Insurance re-pricing yielding \$7,300 in savings.
 - 3) Bidding of a three-year Audit Contract which resulted in \$6,100 in first-year savings.
 - 4) Contingency Account balance of \$62,000.

HIGHWAY FUND

Overview: YTD June 30, 2011 Revenues less Expenditures yields a current surplus of \$94,681; however, this is due to the normal receipt of Property Tax payments in the beginning of the Fiscal Year. Based on YTD Performance, a Year End surplus of \$94,681 is currently forecast.

Revenues: YTD June 30, 2011 Revenues are higher than both YTD June 30, 2010 and YTD Budgeted. Year-end Revenues are expected to be \$41,053 or 1.5 percent above the Amended Budget.

- Receipt of an unbudgeted dividend from the State Insurance Fund.
- The sale of surplus equipment yielding \$25,000.
- Increased inter-fund revenues due to higher gasoline prices.

Expenditures: YTD June 30, 2011 Expenditures, with the exceptions of Personal Service and Debt Service are higher than YTD June 30, 2010; however, Personal Service and Contractual Expenditures are higher than YTD Budgeted. Year-end Expenditures are expected to be \$53,628 or 1.9 percent below the Amended Budget.

- Benefits expenditures are forecast to be \$47,871 lower than the Amended Budget, due to:
 - 1) Transfer of the Commissioner of Public Works benefit expenses to the General Fund.
 - 2) Savings associated with the establishment of a CDPHP "Couple" coverage in addition to the existing "Individual" and "Family" coverage options.
 - 3) Savings due to retirements.

- 4) Contractual (inc. Supplies) expenditures are forecast to end the year \$36,452 lower than the Amended Budget, due to increased Salt purchases for snow removal offset by the use of FedEx Mitigation fees to support budgeted Couse Corners Roundabout expenses.

WATER FUNDS - COMBINED

Overview: YTD June 30, 2011 Revenues less Expenditures yields a current surplus of \$719,357; however this is due to the normal receipt of Property Tax payments in the beginning of the Fiscal Year. Based on YTD Performance, a Year End surplus of \$109,681 is currently forecast.

Revenues: YTD June 30, 2011 Revenues, with the exception of Other Revenue, are higher than both YTD June 30, 2010 and YTD Budgeted. Year-end Revenues are expected to be \$14,717 or 0.5 percent below the Amended Budget.

- Metered Water Fees are forecast to end the year \$64,560 (-3.0%) below the Amended Budget due to reduced commercial usage.
- Other Revenues are expected to end the year \$49,844 higher than the Amended Budget due to under-planned revenue from the Town of North Greenbush.

Expenditures: YTD June 30, 2011 Expenditures, with the exceptions of Contractual are lower than YTD June 30, 2010; however, all categories are lower than YTD Budgeted. Year-end Expenditures are expected to be \$59,837 or 2.2 percent below the Amended Budget.

- Salaries and Benefits are forecast to end the year \$24,222 and \$15,546 lower than the Amended Budget respectively, due to a vacant position (filled in May 2011) and the previously mentioned addition of a CDPHP "Couple" coverage option.

SEWER FUNDS - COMBINED

Overview: YTD June 30, 2011 Revenues less Expenditures yields a current surplus of \$98,628; however this is due to the normal receipt of Property Tax payments in the beginning of the Fiscal Year. Based on YTD Performance, a Year End surplus of \$135,685 is currently forecast.

Revenues: YTD June 30, 2011 Revenues are higher than YTD June 30, 2010; however, Other Revenue is lower than YTD Budgeted. Year-end Revenues are expected to be \$35,877 or 1.3 percent above the Amended Budget.

Expenditures: YTD June 30, 2011 Expenditures are lower than YTD June 30, 2010; however, Benefits and Contractual are lower than YTD Budgeted. Year-end Expenditures are expected to be \$99,808 or 3.7 percent below the Amended Budget.

- Benefits are forecast to end the year \$10,921 (4.7%) lower than the Amended Budget, primarily due to the previously mentioned addition of a CDPHP "Couple" coverage option.
- Contractual (inc. Supplies) expenditures are forecast to end the year \$64,203 lower than the Amended Budget, due to engineering and Storm Sewer expenses being less than anticipated.

Att:

cc: Linda Kennedy, Town Clerk