

City Administrator's Report

Common Council Meeting of January 17, 2012

TOPICS

- Overview of tentative fiscal results for 2011
- Status of Corrective Action Plan
- Buckbee Mears Property
- Waste Water Plant Go-Gen Project
- Marietta Corporation Waste Water
- First Light
- Sales of Bonds for Fire Truck
- City's Debt Structure

Projected growth in the General Fund's Fund Balance

- Per the SEC Offering Memorandum on the Bond Sale
 - “At least a \$550,000 increase in the GF's Fund Balance for the year ending 2011.”

Revenue

- TOTAL PROJECTED REVENUE FOR THE YEAR ENDING
DECEMBER 31, 2011 \$17,717,350

- ACTUAL RECEIPTS THROUGH DECEMBER 31, 2011 \$17,782,089

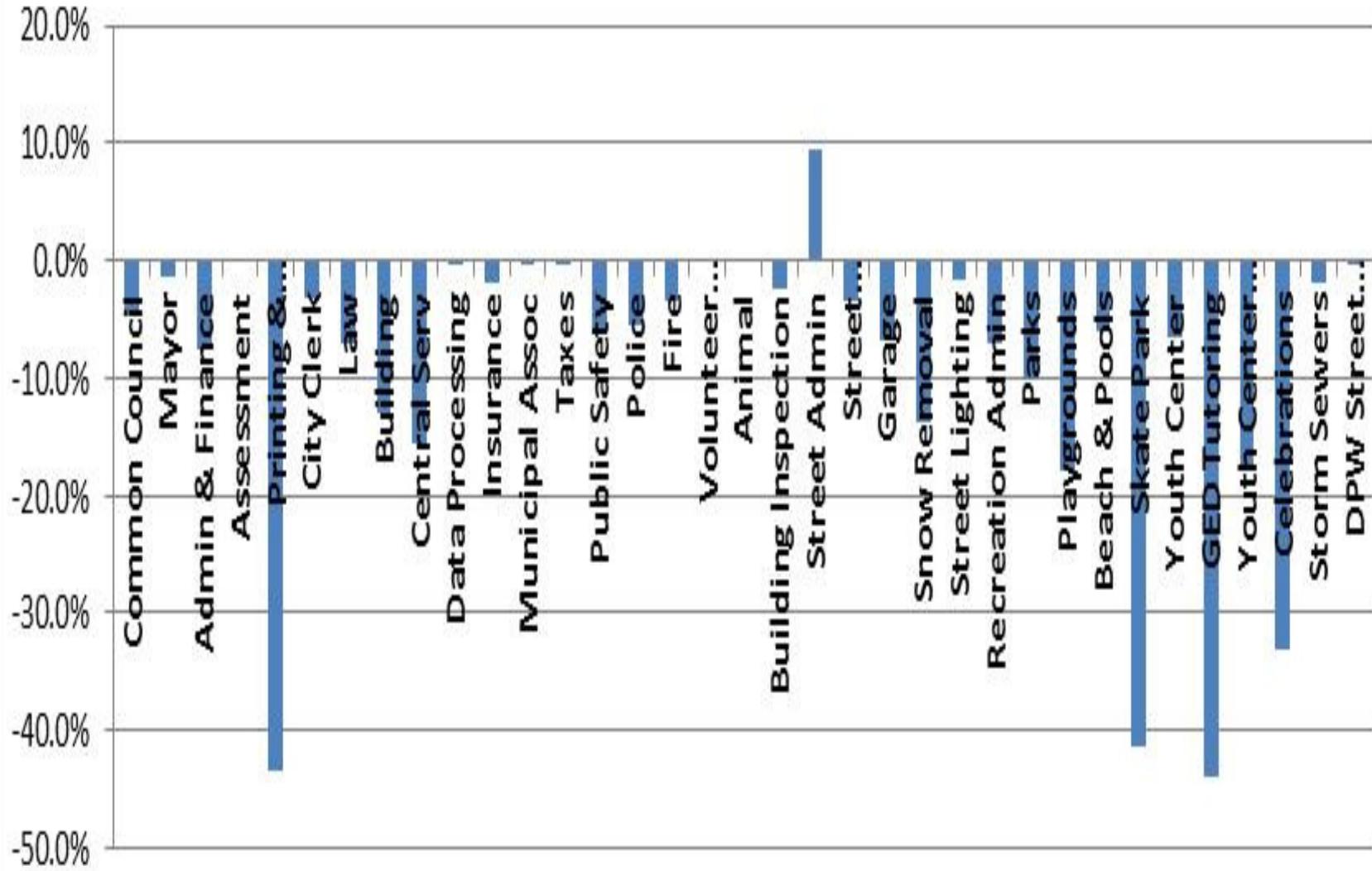
IN EXCESS OF BUDGET \$ 64,739

- Estimate of to be recorded 2011 Revenue \$ 198,000

- Projected Revenue in Excess of Budget \$ 262,739

Department	2011 Amended Budget	2011 Actual	Under Budget	% Under Budget
Common Council	\$ 31,150	\$ 29,669	\$ (1,481)	-4.8%
Mayor	\$ 29,925	\$ 29,503	\$ (422)	-1.4%
Admin & Finance	\$ 264,199	\$ 244,478	\$ (19,721)	-7.5%
Assessment	\$ 68,500	\$ 68,500	\$ -	0.0%
Printing & Advertising	\$ 3,000	\$ 1,696	\$ (1,304)	-43.5%
City Clerk	\$ 125,233	\$ 121,329	\$ (3,904)	-3.1%
Law	\$ 188,214	\$ 174,840	\$ (13,374)	-7.1%
Building	\$ 300,345	\$ 260,998	\$ (39,347)	-13.1%
Central Serv	\$ 25,500	\$ 21,543	\$ (3,957)	-15.5%
Data Processing	\$ 82,865	\$ 82,778	\$ (87)	-0.1%
Insurance	\$ 114,000	\$ 111,891	\$ (2,109)	-1.9%
Municipal Assoc	\$ 5,800	\$ 5,789	\$ (11)	-0.2%
Taxes	\$ 650	\$ 649	\$ (1)	-0.2%
Contingencies	\$ 45,345		\$ (45,345)	-100.0%
Public Safety	\$ 136,924	\$ 128,615	\$ (8,309)	-6.1%
Police	\$ 3,803,969	\$ 3,595,864	\$ (208,105)	-5.5%
Fire	\$ 3,389,213	\$ 3,273,099	\$ (116,114)	-3.4%
Volunteer Firefighter	\$ 10,650	\$ 10,650	\$ -	0.0%
Animal	\$ 77,500	\$ 77,500	\$ -	0.0%
Building Inspection	\$ 302,408	\$ 294,835	\$ (7,573)	-2.5%
Street Admin	\$ 73,965	\$ 81,022	\$ 7,057	9.5%
Street Maintenance	\$ 362,823	\$ 350,106	\$ (12,717)	-3.5%
Garage	\$ 106,112	\$ 98,818	\$ (7,294)	-6.9%
Snow Removal	\$ 412,809	\$ 356,346	\$ (56,463)	-13.7%
Street Lighting	\$ 352,000	\$ 346,071	\$ (5,929)	-1.7%
Recreation Admin	\$ 176,365	\$ 163,975	\$ (12,390)	-7.0%
Parks	\$ 289,082	\$ 259,718	\$ (29,364)	-10.2%
Playgrounds	\$ 169,315	\$ 139,077	\$ (30,238)	-17.9%
Beach & Pools	\$ 153,738	\$ 144,571	\$ (9,167)	-6.0%
Skate Park	\$ 8,050	\$ 4,717	\$ (3,333)	-41.4%
Youth Center	\$ 183,625	\$ 171,763	\$ (11,862)	-6.5%
GED Tutoring	\$ 51,500	\$ 28,934	\$ (22,566)	-43.8%
Youth Center Activities	\$ 3,000	\$ 2,482	\$ (518)	-17.3%
Celebrations	\$ 13,200	\$ 8,832	\$ (4,368)	-33.1%
Storm Sewers	\$ 105,605	\$ 103,604	\$ (2,001)	-1.9%
DPW Street Cleaning	\$ 41,489	\$ 41,405	\$ (85)	-0.2%
TOTALS	\$ 11,508,069	\$ 10,835,665	\$ (672,404)	-5.8%

% Under Budget



City of Cortland
Claims vs Premium Report

Incurred between January 2011 and December 2011, paid through December 2011

Period Year Month	Medical Claims	Rx Claims	Total Claims	Premium	Estimated Premium Paid by City of Cortland	Loss Ratio Based on Total Premium Paid	Loss Ratio Based on Premium Paid by City of Cortland
January 2011	\$130,062.28	\$78,328.65	\$208,390.93	\$286,083.83	\$257,475.45	72.84%	80.94%
February 2011	\$135,032.01	\$70,501.15	\$205,533.16	\$284,352.45	\$255,917.21	72.28%	80.31%
March 2011	\$149,874.09	\$75,113.47	\$224,987.56	\$285,807.78	\$257,227.00	78.72%	87.47%
April 2011	\$162,278.53	\$74,686.19	\$236,964.72	\$285,807.78	\$257,227.00	82.91%	92.12%
May 2011	\$169,109.73	\$75,305.66	\$244,415.39	\$284,352.45	\$255,917.21	85.96%	95.51%
June 2011	\$188,751.39	\$72,406.95	\$261,158.34	\$283,762.81	\$255,386.53	92.03%	102.26%
July 2011	\$78,076.76	\$78,014.33	\$156,091.09	\$196,043.15	\$176,438.84	79.62%	88.47%
August 2011	\$165,838.38	\$83,369.45	\$249,207.83	\$196,043.15	\$176,438.84	127.12%	141.24%
September 2011	\$189,344.96	\$70,595.79	\$259,940.75	\$193,624.90	\$174,262.41	134.25%	149.17%
October 2011	\$145,008.61	\$78,404.45	\$223,413.06	\$195,228.45	\$175,705.61	114.44%	127.15%
November 2011	\$179,239.85	\$73,096.86	\$252,336.71	\$194,630.35	\$175,167.32	129.65%	144.05%
December 2011	\$45,439.34	\$59,235.63	\$104,674.97	\$194,630.35	\$175,167.32	53.78%	59.76%
Total	\$1,738,055.93	\$889,058.58	\$2,627,114.51	\$2,880,367.45	\$2,592,330.71	N/A	N/A
Average	\$144,837.99	\$74,088.22	\$218,926.21	\$240,030.62	\$216,027.56	93.63%	104.04%

Mack, attached is the updated report through December 31st. We are now tracking claims paid during January, February and March of 2012 which were incurred during the contract period of January 1, 2011 through December 31, 2011. The settlement will be around June/July of 2012 and given the current report it looks as though monies will be due to Excellus. The question remains how much.

Net 2011 Medical Insurance Budget	\$2,854,521
Total claims through December 31, 2011	\$2,627,114
Loss Ratio through December to Budget	92%

On-Going Initiatives

- Corrective Action Plan
 - **I.T.**
 - All Department internet services, with the exception of Waste Water, have been transfer to a single provider
 - Waste Water will be transferred as soon a provider installs a new line from the curb to plant (30 days)
 - Broad Band has been increased to allow data sharing
 - **Payroll and Human Resources**
 - In Process of Converting Collective Bargaining Agreement accrual provisions, i.e. Time Off, Sick Days, Shift, Comp Time
 - **General Ledger, Purchasing and Budgeting Software**
 - Examined five software packages, one rose above the rest for departmental reporting and budget control, began the chart of account conversion
 - Have invited the State Comptroller's Office to review status

Buckbee Mears Property

- **Working with IDA to Develop Plan**
 - **Steps**
 - **Site Control/Ownership**
 - **Remediation of non-migratory contamination in subsoil and elimination of mold within building**
 - **Cost to maintain property**
 - **Marketing**
 - **Transfer of Property**
 - **Sale**
 - **Lease**

State of New York Brownfield Opportunities Grant

- Grant submission for March 29th
 - **Planning, Development and Marketing for Brownfields**
 - **Includes under-utilized property and negatively impacted neighborhoods**
 - **Grant application will encompass the Southeast quadrant of the City from Main Street and Clinton to Kellogg Road.**

Waste Water Plant Go- Generation

- **With the 32% reduction in National Grid transmission rates, the Fall 2011 model has been reworked**
- **Recycling the gray water from sludge back into the digester will increase the methane conversion to right size the cost/benefit of Go-Gen capability**
- **Changes the role of the WW Plant in business retention and recruitment when waste is converted to a fuel source.**
- **Odor Control**
- **Working with NYS on Grant funding as part of the Chesapeake Bay Program**

Marietta Corporation

- **In continuous discussion with both the NYS and EPA regarding standards and testing procedures as they impact the City's ability to accept pre-treated waste water from Marietta.**
- **Assessing impact that EPA's Backsliding Regulations have on the City's ability of establish new standards.**

FIRST NIGHT

- Downtown Partnership held its first meeting to begin planning for the 2012/2013 First Night event
- Oriented to a family friendly event starting in the 8-9 PM window

\$425,000 7/10 Year Financing

\$200,000 Grant Anticipation Note

BOND RESOLUTION 2011

- On June 21, 2011 Council authorized the purchase of two fire engines
 - Aerial Platform
 - Rescue/Pumper
- Total authorized purchased cost was \$1.4 million
- Council authorized the issuance of a maximum of \$1.4 million not to exceed 20 years in duration
- Council authorized the issuance of a Bond Anticipation Note (BAN) to finance the progress payments so not to burden the General Fund's cash flow

PURCHASE SUMMARY

- PURCHASE PRICE

- Aerial \$900,000
- Rescue/Pumper \$500,000

- TOTAL PURCHASE PRICE \$1,400,000

- GRANT FUNDING \$ 975,000

- LONG-TERM DEBT \$ 425,000

Bond Anticipation Note

- The Bond Anticipation Note was structured as a \$1.4 line of Credit of which \$900,000 was drawn down to fund the progress payments required during the manufacturing phase
- \$975,000 in Reimbursable Grant Funding was secured of which \$775,000 has been received.
- From the \$775,000 in Grant Funding received, \$475,000 has been used to repay the line of credit leaving a balance of \$425,000 outstanding on the line. (\$900,000-\$475,000)

ALLOCATION OF LONG-TERM DEBT

AERIAL 12-15 YR Life

- Purchase Price
\$900,000
- Grant Funding
\$717,250
- Bond Financing
\$182,750
- 43%
- 10 Year Financing

RESCUE/PUMPER 8-10 YR Life

- Purchase Price
\$500,000
- Grant Funding
\$257,750
- Bond Financing
\$242,250
- 57%
- 7 Year Financing

PURCHASE SUMMARY

• PURCHASE PRICE		
• Aerial	\$ 900,000	
• Rescue/Pumper	<u>\$500,000</u>	
• TOTAL PURCHASE PRICE		\$1,400,000
• GRANT FUNDING		<u>\$ 975,000</u>
• LONG-TERM DEBT		<u>\$ 425,000</u>
• Anticipated Grant Proceeds		\$975,000
• Received		<u>\$775,000</u>
• Grant Anticipation Note		<u>\$200,000</u>

CITY OF CORTLAND
CORTLAND COUNTY, NEW YORK
PUBLIC IMPROVEMENT (SERIAL) BONDS, 2012
ESTIMATED DEBT SERVICE

Schedule A

BONDS DATED: JANUARY 27, 2012

INTEREST DUE: MAY 15, 2012
& ANNUALLY THEREAFTER

FISCAL YR ENDING DEC. 31	BALANCE DUE IN YEAR	PRINCIPAL PAID MAY 15th	ESTIMATED INTEREST 3.25%	TOTAL DEBT SERVICE IN YEAR
2012	\$ 425,000	\$ 0	\$ 4,144	\$ 4,144
2013	425,000	45,000	13,813	58,813
2014	380,000	45,000	12,350	57,350
2015	335,000	50,000	10,888	60,888
2016	285,000	55,000	9,263	64,263
2017	230,000	55,000	7,475	62,475
2018	175,000	55,000	5,688	60,688
2019	120,000	60,000	3,900	63,900
2020	60,000	20,000	1,950	21,950
2021	40,000	20,000	1,300	21,300
2022	20,000	20,000	650	20,650
TOTALS		\$425,000	\$71,419	\$496,419

Sale Results: January 17th

BAN: Alliance Bank

1.25%

BOND: Green County Bank

1.99%

Prepared by

Fiscal Advisors & Marketing, Inc.

**BOND SALE BID SUMMARY SHEET
(MULTIPLE RATES)**

BONDS DATED: 1/27/2012

**ISSUER: CITY OF CORTLAND
CORTLAND COUNTY, NEW YORK**

DELIVERY DATE: 1/27/2012

AMOUNT: \$425,000 **SALE DATE:** 1/17/2012 **BOND RATING:** N/A **INSURED BY:** N/A

DESIGNATED? (Y/N): YES **TIME:** 11:30 A.M. **RATING AGENCY:** N/A **MATURITIES INS.:** N/A

YEAR	Maturity	Bond Years	Year	Greene County Commercial Bank	Alliance Bank, N.A.	First National Bank of Dryden as agent for Roosevelt & Cross, Inc.
1.3	45,000	58,500.00	2013	0.500% 292.5000	3.000% 1755.0000	3.000% 1755.0000
2.3	45,000	103,500.00	2014	0.750% 776.2500	3.000% 3105.0000	3.000% 3105.0000
3.3	50,000	165,000.00	2015	1.000% 1650.0000	3.000% 4950.0000	3.000% 4950.0000
4.3	55,000	236,500.00	2016	1.250% 2956.2500	3.000% 7095.0000	3.000% 7095.0000
5.3	55,000	291,500.00	2017	1.600% 4664.0000	3.000% 8745.0000	3.125% 9109.3750
6.3	55,000	346,500.00	2018	2.100% 7276.5000	3.000% 10395.0000	3.250% 11261.2500
7.3	60,000	438,000.00	2019	2.300% 10074.0000	3.000% 13140.0000	3.250% 14235.0000
8.3	20,000	166,000.00	2020	2.600% 4316.0000	3.000% 4980.0000	3.250% 5395.0000
9.3	20,000	186,000.00	2021	2.900% 5394.0000	3.000% 5580.0000	3.500% 6510.0000
10.3	20,000	206,000.00	2022	3.100% 6386.0000	3.000% 6180.0000	3.750% 7725.0000
TOTALS	\$425,000	2,197,500.00				
		GROSS INTEREST COST		43,785.50	65,925.00	71,140.63
		LESS PREMIUM		0.00	0.00	0.00
AV. LIFE	5.17 years	NET INTEREST COST		43,785.50	65,925.00	71,140.63
		EFFECTIVE NIC RATE		1.99251%	3.00000%	3.23734%

Note: Alliance Bank, N.A. bid on this issue as a Statutory Installment Bond

2012

BONDS - DEBT SERVICE

PROJECT TITLE	PRINCIPAL OUTSTANDING 01/01/2012	INTEREST RATE	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DUE	DATE DUE	LAST YEAR	FUND
PUBLIC IMPROVEMENT 1993	\$ 50,000	5.00%	\$ 25,000.00	\$ 1,250.00	\$ 26,250.00	1-Jun		GENERAL
PUBLIC IMPROVEMENT 1993				\$ 625.00	\$ 625.00	1-Dec	2013	GENERAL
WW RECONSTR 1994-95	\$ 2,760,000	VARIES	\$ 305,000.00	\$ 56,370.77	\$ 361,370.77	1-May		WASTEWATER
WW RECONSTR 1994-95			\$ 360,000.00	\$ 50,504.19	\$ 410,504.19	1-Nov	2015	WASTEWATER
WATER STORAGE FACILITY	\$ 1,365,000	3.50%		\$ 26,481.25	\$ 26,481.25	15-Apr		WATER
WATER STORAGE FACILITY *2008 Refunding			\$ 130,000.00	\$ 26,481.25	\$ 156,481.25	15-Oct	2020	WATER
PUBLIC IMPROVEMENT 2000	\$ 285,000	4.50%	\$ 140,000.00	\$ 8,193.75	\$ 148,193.75	15-May		GENERAL/WW
PUBLIC IMPROVEMENT 2000				\$ 4,168.75	\$ 4,168.75	15-Nov	2013	GENERAL/WW
PUBLIC IMPROVEMENT 2002	\$ 1,210,000	4.375%	\$ 385,000.00	\$ 27,225.00	\$ 412,225.00	15-Jan		GEN/WW/WATER
PUBLIC IMPROVEMENT 2002				\$ 18,562.50	\$ 18,562.50	15-Jul	2014	GEN/WW/WATER
PUBLIC IMPROVEMENT 2005	\$ 2,410,000	3.850%	\$ 200,000.00	\$ 46,600.00	\$ 246,600.00	1-Jun		GEN/WW/WATER
PUBLIC IMPROVEMENT 2005				\$ 42,750.00	\$ 42,750.00	1-Dec	2021	GEN/WW/WATER
PUBLIC IMPROVEMENT 2006	\$ 3,455,000	4.125%	\$ 110,000.00	\$ 71,859.38	\$ 181,859.38	1-Jun		WASTEWATER
PUBLIC IMPROVEMENT 2006				\$ 69,590.63	\$ 69,590.63	1-Dec	2031	WASTEWATER
NYS ESRLF (FD) 2007	\$ 33,667	2.500%	\$ 5,270.00	\$ 842.00	\$ 6,112.00	18-May	2017	GENERAL
PUBLIC IMPROVEMENT 2009	\$ 3,730,000		\$ 160,000.00	\$ 85,456.25	\$ 245,456.25	15-Feb		GEN/WW/WATER
PUBLIC IMPROVEMENT 2009				\$ 81,856.25	\$ 81,856.25	15-Aug	2027	GEN/WW/WATER
	<u>\$ 15,298,667.00</u>		<u>\$ 1,820,270.00</u>	<u>\$ 618,816.97</u>	<u>\$ 2,439,086.97</u>			

YEAR	GENERAL FUNDDBT SERVICE	NET CHANGE FROM PREV. YEAR	WATER FUNDDBT SERVICE	NET CHANGE FROM PREV. YEAR	SEWER FUNDDBT SERVICE	NET CHANGE FROM PREV. YEAR
2011	936,115	(312,882)	327,407	11,413	1,174,085	7,354
2012	943,911	7,796	328,778	1,371	1,166,398	(7,687)
2013	941,644	(2,267)	329,404	626	1,165,382	(1,016)
2014	779,337	(162,307)	324,119	(5,285)	1,146,090	(19,292)
2015	470,043	(309,294)	255,153	(68,966)	1,049,285	(96,805)
2016	471,978	1,935	255,029	(124)	335,899	(713,386)

5 YEAR DEBT SERVICE

