

CITY AUDITOR'S REPORT

MONDAY, OCTOBER 11, 2010

Happy Columbus Day

2000-2010 TAX AND REVEVUE ANTICIPATION NOTES (T.R.A.N)

AT THE BEGINNING OF THIS YEAR, WE RECEIVED THE PROCEEDS FROM THE 2010 T.R.A.N. (TAX AND REVENUE ANTICIPATION NOTE) IN THE AMOUNT OF \$6,200,000. WE BORROWED THIS MONEY FROM WACHOVIA (WELLS FARGO) BANK AT AN INTEREST RATE OF 2.30% WITH A MATURITY DATE OF 09/30/10. THE TOTAL INTEREST COST WAS \$94,563. A SECOND TRAN WAS ISSUED ON 10/1/10 IN THE AMOUNT OF \$3,200,000, ALSO FROM WACHOVIA BANK AT THE SAME INTEREST RATE OF 2.3% WITH A MATURITY DATE OF 12/31/10. THE INTEREST EXPENSE ON THAT WILL BE \$18,400.

THE FOLLOWING CHART ILLUSTRATRES OUR T.R.A.N BORROWINGS FROM 2000-2010:

YEAR	BANK	AMOUNT	INT. RATE %	INT. EXPENSE
2010	WACHOVIA	\$3,200,000	2.300%	\$18,400
2010	WACHOVIA	\$6,200,000	2.300%	\$94,563
2009	NONE	0	0	0
2008	NONE	0	0	0
2007	NONE	0	0	0
2006	M & T BANK	\$6,500,000	3.600%	\$234,000
2005	WACHOVIA	\$5,200,000	2.390%	\$123,590
2004	WACHOVIA	\$4,700,000	1.340%	\$62,980
2003	SOVEREIGN	\$3,700,000	1.625%	\$59,958
2002	FIRST UNION	\$2,300,000	2.610%	\$59,697
2001	FIRST UNION	\$2,900,000	4.600%	\$133,029
2000	SOVEREIGN	\$2,600,000	4.760%	\$124,104

THE PROCEEDS FROM THE T.R.A.N. ARE NORMALLY USED TO PAY BILLS DURING THE FIRST MONTH OR SO OF THE NEW YEAR UNTIL REAL ESTATE TAX BILLS ARE ISSUED AND REVENUES START TO FLOW STEADILY INTO THE CITY TREASURY.

THE ADMINISTRATION DID NOT ISSUE TRAN'S IN 2007, 2008, OR 2009 SINCE THE CITY'S THEN LARGE POSITIVE FUND BALANCES OF SEVERAL MILLION DOLLARS ELIMINATED THEIR NEED.

REAL ESTATE TRANSFER TAX – 1/1/2006 TO 08/31/2010

THIS IS AN UPDATE ON THE REAL ESTATE TRANSFER TAX RECEIPTS SINCE I LAST REPORTED IN MY SEPTEMBER 13, 2010 REPORT. THIS TAX WAS 1% ('02), 1.5% ('03), 2% ('04-'05), AND 3.5% FOR ('06-'10).

THE FOLLOWING CHART ILLUSTRATES ACTUAL DATA FROM 01/2006 - 08/2010. IN AUGUST 2010 THERE WERE 161 REAL ESTATE TRANSFER TRANSACTIONS, OF WHICH 106 WERE TAXABLE TRANSACTIONS. THE CITY'S PROCEEDS IN AUGUST TOTALLED \$185,037.44. THE 2010 BUDGET PROJECTS REVENUE FROM THIS SOURCE AS \$2,500,000.

	2010	2009	2008	2007	2006
January	159,017.30	148,961.51	652,118.37	571,588.55	565,766.25
February	106,687.67	142,169.66	228,471.03	490,135.40	495,734.21
March	229,645.70	185,351.64	249,460.68	436,044.99	655,032.94
April	393,268.60	258,946.66	546,640.28	535,330.62	650,388.98
May	384,978.30	242,328.73	392,206.10	855,745.40	684,972.83
June	349,449.25	204,198.52	352,496.09	641,669.28	530,414.38
July	222,286.60	182,852.57	267,767.04	663,865.08	578,620.09
August	185,037.44	189,488.42	371,358.83	808,641.08	726,966.54
September	????????	301,455.52	279,643.32	399,709.39	717,483.85
October	????????	273,838.88	236,179.13	484,759.56	690,448.00
November	????????	214,016.65	268,455.35	539,733.18	542,137.78
December	????????	232,908.94	158,499.81	288,401.49	610,938.94
JAN-AUG.	2,030,370.86	1,554,297.71	3,060,518.42	5,003,020.40	4,887,896.22
Entire Year	????????	2,576,517.70	4,003,296.03	6,715,624.02	7,448,904.79
Budget	2,500,000.00	5,000,000.00	7,215,868.00	7,215,868.00	4,760,000.00
Over Budget	????????	<2,423,482.30 >	<3,212,571.97 >	<500,243.98>	2,688,904.79

THE FOLLOWING CHARTS LISTS THE TOTAL NUMBER OF MONTHLY REAL ESTATE TRANSFER TRANSACTION MINUS NON-TAXABLE TRANSACTIONS TO ARRIVE AT TAXABLE TRANSACTIONS. FOR EXAMPLE, IN JANUARY 2010 THERE WERE 145 TRANSACTIONS MINUS 54 NON-TAXABLE TRANSACTIONS, WHICH LEAVES 91 TAXABLE TRANSACTIONS.

	2010	2009	2008	2007	2006
J	145-54=91	123-55=68	213-67=146	318-59=259	397-48=349
F	103-37=66	137-44=93	190-51=139	242-50=192	457-79=378
M	212-67=145	167-47=120	174-47=127	285-56=229	445-78=367
A	193-59=134	163-54=109	282-62=220	340-68=272	367-66=301
M	208-73=135	169-40=129	225-46=179	282-50=232	421-81=340
J	185-51=134	171-60=111	213-56=157	307-52=255	371-66=305
J	149-44=105	161-62=99	201-48=153	273-70=203	318-57=261
A	161-55=106	141-48=93	195-53=142	277-62=215	319-79=240
S		137-39=98	183-50=133	247-45=202	259-59=200
O		219-67=152	184-64=120	268-46=222	336-58=278
N		175-65=110	156-55=101	211-45=166	326-65=261
D		163-44=119	134-39=95	213-51=162	276-55=221
T		1926- 625=1301	2350- 638=1712	3263- 654=2609	4292- 791=3501

REAL ESTATE TRANSFER TAX -\$1 MILLION + PROPERTIES 2010

THE BELOW MENTIONED PROPERTIES WERE SOLD DURING JANUARY-AUGUST 2010. EACH OF THESE PROPERTIES WAS SOLD FOR IN EXCESS OF \$1,000,000. ALL OF THESE PROPERTIES ARE APARTMENTS/COMMERCIAL/INDUSTRIAL PROPERTIES AS OPPOSED TO RESIDENTIAL PROPERTIES. THESE FIVE (5) LISTED PROPERTIES WERE SOLD FOR \$13,470,260 WHICH BROUGHT THE CITY \$471,459 IN REAL ESTATE TRANSFER TAXES.

DATE	PROPERTY ADDRESS	SALE PRICE	RATE 3.5%	TAX AMOUNT
04/01/10	300 S 2 ND St.	\$1,100,000	3.5%	\$38,500
04/21/10	777 Court St.	\$3,650,000	3.5%	\$127,750
05/27/10	216 Poplar	\$4,000,000	3.5%	\$140,000
06/10/10	1156 Clarion	\$3,440,260	3.5%	\$120,409
08/05/10	930 Lancaster Ave	\$1,280,000	3.5%	\$44,800
	Sub-total	\$13,470,260	3.5%	\$471,459

MUNICIPAL SEWAGE RATE CALCULATIONS 4/1/11 – 3/31/12

THE NEW MUNICIPAL SEWAGE RATE CALCULATIONS AND NOTIFICATIONS WERE COMPLETED ON SEPTEMBER 27, 2010. THE NEW RATE, WHICH GOES INTO EFFECT ON 4/1/11 - 3/31/12, IS **16.41% HIGHER** THAN THE CURRENT RATE.

BOTH THE TREATMENT RATE AND THE TRANSPORTATION RATE INCREASED COMPARED TO LAST YEAR.

THIS CHART LISTS THE MUNICIPAL SEWAGE RATES FROM 4/1/99-3/31/12:

YEAR	TREATMENT	TRANSPORTATION	TOTAL	% CHANGE
4/1/11-3/31/12	252.00	38.70	290.70	+16.41%
4/1/10-3/31/11	220.17	29.56	249.73	+7.92%
4/1/09-3/31/10	205.02	26.39	231.41	-3.35%
4/1/08-3/31/09	210.69	28.75	239.44	+16.00%
4/1/07-3/31/08	179.04	27.38	206.42	+20.33
4/1/06-3/31/07	151.06	20.19	171.55	-0.64%
4/1/05-3/31/06	154.62	18.03	172.65	+21.70%
4/1/04-3/31/05	125.05	16.81	141.86	+4.16%
4/1/03-3/31/04	122.07	14.13	136.20	+ 1.09%
4/1/02-3/31/03	120.23	14.51	134.74	- 11.04%
4/1/01-3/31/02	134.18	17.27	151.45	+ 5.20%
4/1/00-3/31/01	130.62	13.34	143.96	+ 5.99%
4/1/99-3/31/00	123.45	12.37	135.82	