

# WARREN COUNTY TREASURER

**Michael R. Swan**  
County Treasurer

**Robert V. Lynch II, CPA**  
Deputy Treasurer

To: All Supervisors  
From: Michael R. Swan, Treasurer  
Date: April 30, 2015  
Subject: Budget Analysis Report

## **Budget Analysis Report**

The purpose of the monthly budget analysis report is to make the County Supervisors and Administration aware of certain issues that may present a problem in the near future or are currently a problem. It is important that appropriate action be taken to address these issues or concerns before they become a problem.

We have finalized the 2014 year end and have attached the Annual Financial Report Update Document and the final Budget Exception report for 2014. We have analyzed the revenue and expenditure budgets for the County departments as of March 31, 2015 and have noted the following items Supervisors should be aware of:

## **2014 Fund Balance**

<u>Unassigned Fund Balance/Surplus(Deficit)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund	3,954,426	9,243,743	14,042,523	14,968,671	15,146,286
County Road	1,216,458	1,052,547	1,815,957	1,163,800	1,132,673
Road Machinery	980,102	176,163	438,028	319,922	379,214
Westmount	(101,293)	1,477,758	368,370	202,957	1,481,594

Please note that Westmount has made a request at their Committee to appropriate \$811,794 of the available 2014 fund balance amount to operate through October, 2015.

## **Net Operating Costs**

The following summarizes the net operating costs for the top five County departments cost wise. Net operating costs are calculated by taking the total department expenditures and subtracting out the total department revenues.

<u>Department</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 Amended Budget</u>
Sheriff	18,475,602	20,289,372	20,650,438	22,005,197
Social Services	15,518,005	16,060,491	17,364,659	17,226,225
DPW	12,177,352	12,357,173	11,735,959	13,647,156
Public Health	1,924,444	1,844,967	1,777,368	2,210,316
Probation	1,129,486	1,063,522	1,183,846	1,261,476

## **2015 Revenues**

### **County Clerk**

**County Clerk Fees** – As of March 31, the department has received \$183,069 in County Clerk Fees in 2014 and \$164,815 in 2015 which is a decrease of 10.0%. It should be noted that the 2015 amount is through February and is at 14% of the budget for this account, so the actual revenue amount received is lagging slightly behind the budget.

**Mortgage Tax** – As of March 31, the department has received \$201,640 in Mortgage Tax in 2014 and \$183,530 in 2015 which is a decrease of 9.0%. It should be noted that the 2015 amount is through February and is at 13% of the budget for this account, so the actual revenue amount received is lagging slightly behind the budget.

**Automobile Use Tax** – As of March 31, the department has received \$69,723 in Automobile Use Tax in 2014 and \$65,177 in 2015 which is an decrease of 7%. It should be noted that the 2015 amount is through February and is at 14% of the budget for this account, so the actual revenue amount received is lagging slightly behind the budget.

### **Sheriff's Correction Division**

**Jail Services, Other Government** – As of March 31, the department has received \$86,404 in Jail Services, Other Government in 2014 and \$78,610 in 2015 which is a decrease of 9.0%. It should be noted that the 2015 amount is through February and is at 13% of the budget for this account, so the actual revenue amount received is lagging slightly behind the budget.

### **County Treasurer**

**Sales Tax** – It has been noted that we have collected \$13,667 more in sales taxes through March 31, 2015 than we did through March 31, 2014 which is a 0.1% increase. In order to meet the 2015 budget, sales tax revenues will need to increase by 2.5%.

## **2015 Expenditures**

Please see the attached Budget Exception report which summarizes budgeted expenditure line items where there is currently a problem or there may be a problem in the future. We are reporting on an exception basis only.

### **DPW Capital Projects**

The following are capital projects that should be reviewed by DPW for possible closure. Three projects with estimated available cash totaling \$233,486 were funded with debt which must be transferred to the Debt Service Fund and can be used to offset 2016 debt service requirements. This will help minimize the impact of the additional debt requirements from the court expansion project. The available cash for projects with the General Fund funding source could also be transferred to the Debt Service Fund to further offset 2016 debt service requirements. DPW needs to contact the Federal Government to find out what to do with the excess cash from the project that was funded with Federal Stimulus money. As noted below, there are five projects that were created a number of years ago that have not been started. Projects should only be created if there are plans to begin the project in a timely manner so that County money is not being tied up unnecessarily.

DPW	Year of Last Cost Activity	Estimated Available Cash	Funding Source
H220 - RR Stations/Improvements	2010	14,102	Debt Service
H259 - Grist Mill Road over Stony Creek	2010	42,488	General Fund
H262 - Renovate Addition, Municipal Center	2008	-	General Fund
H291 - Elevator Repair (Opened 2008)	No Activity	-	General Fund
H298 - Stony Creek Bridge Projects	2013	1,224	Federal Stimulus
H299 - Bridge Rehabilitation Projects	2012	111,260	Debt Service
H318 - 2011 Bridge Rehab Projects	2012	108,124	Debt Service
H327 - Tropical Storm Irene	2011	106,981	General Fund
H328 - West Mountain Rd Bicycling Improv	2012	0.10	General Fund
H329 - Warren Co. Bikeway Improvements	2013	533	General Fund
H336 - Airfield Guidance Sign Replace (Opened 2012)	No Activity	1,500	General Fund
H337 - Edge Light Installation (Opened 2012)	No Activity	1,250	General Fund
H344 - Warren Co. Bikeway Improvements (Opened 2013)	No Activity	3,500	General Fund
H345 - Warren Co. Bikeway Connections (Opened 2013)	No Activity	4,000	General Fund
		<u>394,962</u>	

## County Debt

The following shows the County's current debt outstanding as of March 31, 2015 along with ending debt balances for future years:

Bonds	Current	End of 2015					2020-	2025-	2030-
	Balance	Balance	2016	2017	2018	2019	2024	2029	2034
Pub Safety Bldg & Com Upgrade	10,025,000	8,860,000	7,695,000	6,555,000	5,430,000	4,325,000	-	-	-
Recovery Act Bonds, Various Proj	18,785,000	18,190,000	17,575,000	16,935,000	16,265,000	15,570,000	11,545,000	6,405,000	-
Airport Hangar	160,000	-	-	-	-	-	-	-	-
Capital Leases									
Westmount Co-Generation Plant	851,457	587,123	221,019	-	-	-	-	-	-
Municipal Center Energy Project	1,730,060	1,570,826	1,397,703	1,209,177	1,003,899	781,029	-	-	-
Countryside Adult Home Energy Pr	189,104	165,663	141,209	115,818	88,084	59,553	-	-	-
Bond Anticipation Notes									
Abatement & Demolition #1	115,429	-	-	-	-	-	-	-	-
Abatement & Demolition #2	29,207	-	-	-	-	-	-	-	-
Alder Brook Brdg over Trout Brdg	90,504	60,336	30,168	-	-	-	-	-	-
Harrington Road Bridge	35,869	23,913	11,957	-	-	-	-	-	-
Beach Road Bridge	359,958	239,972	119,986	-	-	-	-	-	-
2011 Storm Damage	660,000	440,000	220,000	-	-	-	-	-	-
West Brook Parking Lot	91,800	61,200	30,600	-	-	-	-	-	-
Total Outstanding	<u>33,209,603</u>	<u>30,199,033</u>	<u>27,442,642</u>	<u>24,814,995</u>	<u>22,786,983</u>	<u>20,735,581</u>	<u>11,545,000</u>	<u>6,405,000</u>	<u>-</u>

Again, we invite comments from Supervisors and department heads to expand this into a more useful management tool in these critical financial times.