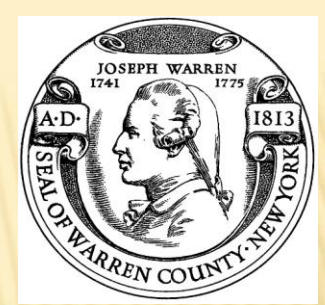


WARREN COUNTY 2021 PROPOSED BUDGET



Presented by:
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BUDGET OFFICER
November 6, 2020

GOALS OF THIS BUDGET

- ✓ Continue our compliance with the property tax cap.
- ✓ Hold expenses flat wherever possible.
- ✓ Carry forward lessons learned during COVID-19 experience.
- ✓ Promote greater efficiency in departmental operations.
- ✓ Protect the County's long term financial position.

PROPOSED BUDGET

GOAL: Continue our compliance with the property tax cap.

- The tax cap allows a 3.32% (\$1,507,541) increase from the 2020 tax levy of \$45,357,703.
- The proposed budget calls for a levy of \$46,153,902. That's under the tax cap and represents a 1.76% (\$796,199) increase from 2020.
- The proposed levy increase means the County tax rate will decrease by approximately 6.7 cents per thousand dollars of assessed value (to \$3.92 per \$1,000).
- This means a homeowner with a \$200,000 property would pay about \$13.40 less next year.¹

¹This is the County rate. The equalization rates for each municipality in Warren County will determine the exact rate and amount of increase or decrease in any given municipality.

PROPOSED BUDGET

GOAL: Hold expenses flat wherever possible.

- The proposed budget decreases gross appropriations to \$158,785,042, which is a decrease of \$2,224,868 from \$161,009,910 in 2020.
- No COLA (cost of living adjustment) pay raise for County employees, with the exception of five employees with prior union contracts.
- No increase for Supported Organizations.
- No increased cost for self-insured medical, prescription, vision and dental health insurance, and a 20.5% decrease for Medicare Advantage insurance.
- Second consecutive year of reduced property & casualty insurance costs due to competitively bidding the program and changing carriers.
- Lower debt service expenses due to refinancing of bonds.

PROPOSED BUDGET

GOAL: Carry forward lessons learned during COVID-19 experience.

- Reductions made in this year's \$4.2 million Deficit Reduction Program were extended where possible, including reduced travel budgets in favor of online training.
- Build-out of remote work capabilities and competencies are expected to save \$25,000 in overtime costs.
- Hiring freeze assisted in reapportioning duties and restructuring some units.
- Reduced tax rate and effort to stay well below the tax cap reflect sensitivity to the economic toll of COVID-19 on our taxpayers.

PROPOSED BUDGET

GOAL: Promote greater efficiency in departmental operations.

- Departmental analysis of underperformance, efficient service delivery and restructuring of operations resulted in dozens of personnel proposals recommended in this budget that reduce wage expenses by a combined \$135,000.
- Proposals include the elimination of four full-time and two part-time positions, and the creation of one grant funded full-time position and two part-time positions.
- Reimagined service delivery (for example in the meal program) will save money while continuing to serve clients efficiently.
- Every County department proposed reduced expenses in various codes, and additional reductions were found in nearly all departments as a result of discussions with the Budget Review Team.

PROPOSED BUDGET

GOAL: Protect the County's long term financial position.

- Appropriation of Fund Balance remains flat at \$1 million.
- Contingency appropriations remain flat at \$275,000.
- Funding of some reserves for capital investment continues, including vehicles (\$392,000) and IT equipment (\$154,000).
- This budget calls for effective planning to maintain County Road paving and keep these large costs predictable & affordable during times when sales tax revenues have slowed.

ROAD PROJECTS

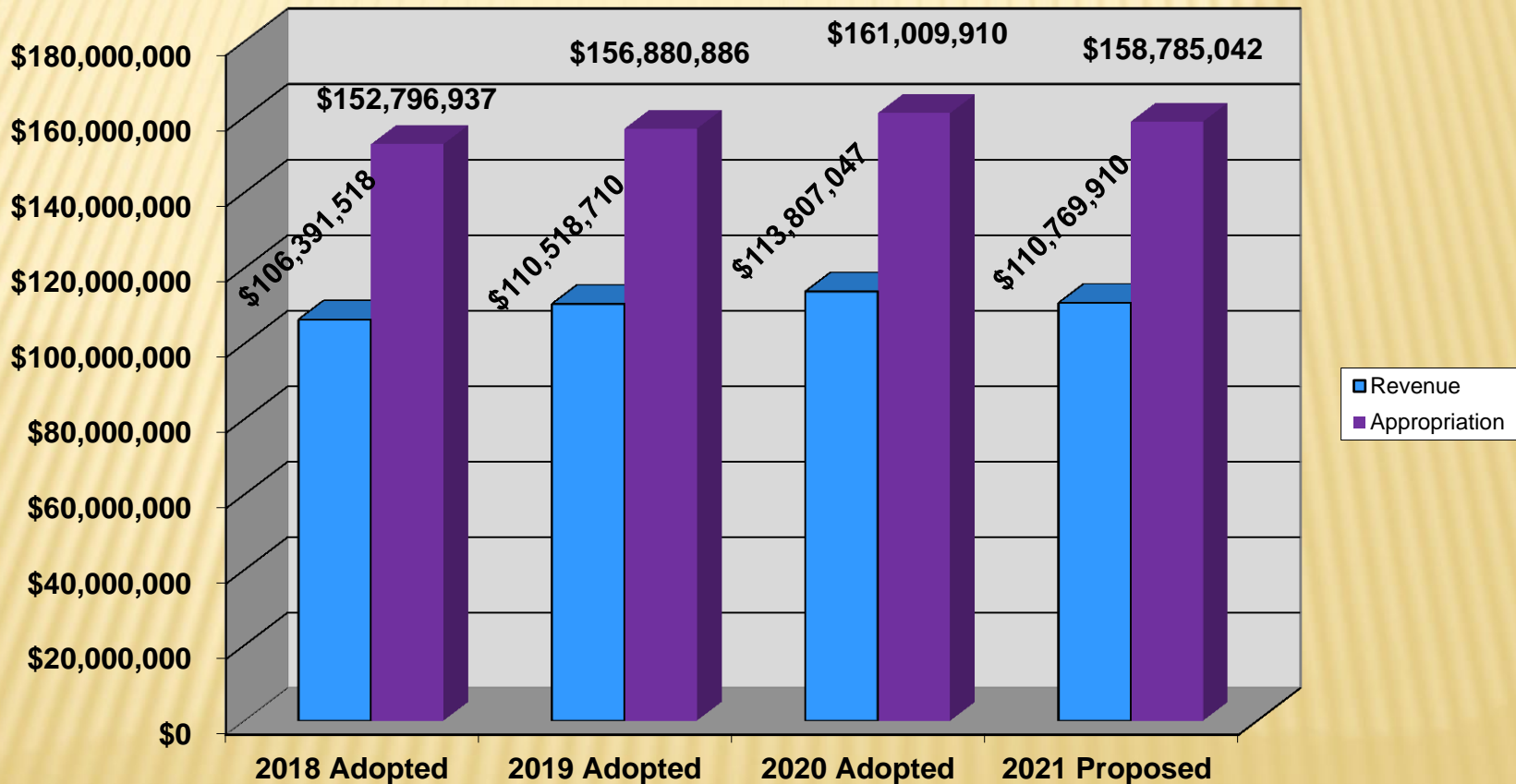
- Warren County's 250 miles of roads need consistent maintenance, and that program costs between \$3 million and \$3.5 million/year if we keep up.
- Due to budget cuts in prior years, we are still behind on paving projects. The longer you're behind these projects, the more expensive they become.
- In order to get back to budgetary stability in this program, we need to do \$4.9 million of investment per year over the next several years. If we don't spend this money, the out-year costs increase. This not only delays the date when we eventually catch up, but also makes every year from now until then more expensive than it has to be and with less to show for it.
- Current rates for a 5-year BAN are 1.13%. The most recent BAN the County Treasurer did was four years ago, and those rates were 2.25%.
- We can borrow money at a very low rate in order to make necessary investments now that will help us stabilize costs later. The Proposed Budget contains a \$3.25 million appropriation towards paying back this BAN, and we would do at least the same in 2022 & 2023.
- This strategy is about establishing a new, predictable baseline that's closer to the \$3 million to \$3.5 million that we need to invest annually in our roads.

ROAD PROJECTS

- A similar strategy is contemplated for the retaining wall project in Bolton.
- This is a County road, and it's the County's responsibility to stabilize the retaining wall. This is also not a project that can wait. There is a sewage line behind this wall, and a washout would pose an unacceptable danger to Lake George.
- In the absence of outside funding, this project would cost \$695,000 in County cash next year.
- Rather than appropriate \$695,000 into the 2021 budget off sales tax revenue we probably will not realize due to the economic slowdown, this budget proposes to borrow these funds at the currently low interest rates.
- The Proposed Budget includes a \$150,000 appropriation towards paying back this BAN, and we would do the same each subsequent year until the BAN is paid off.

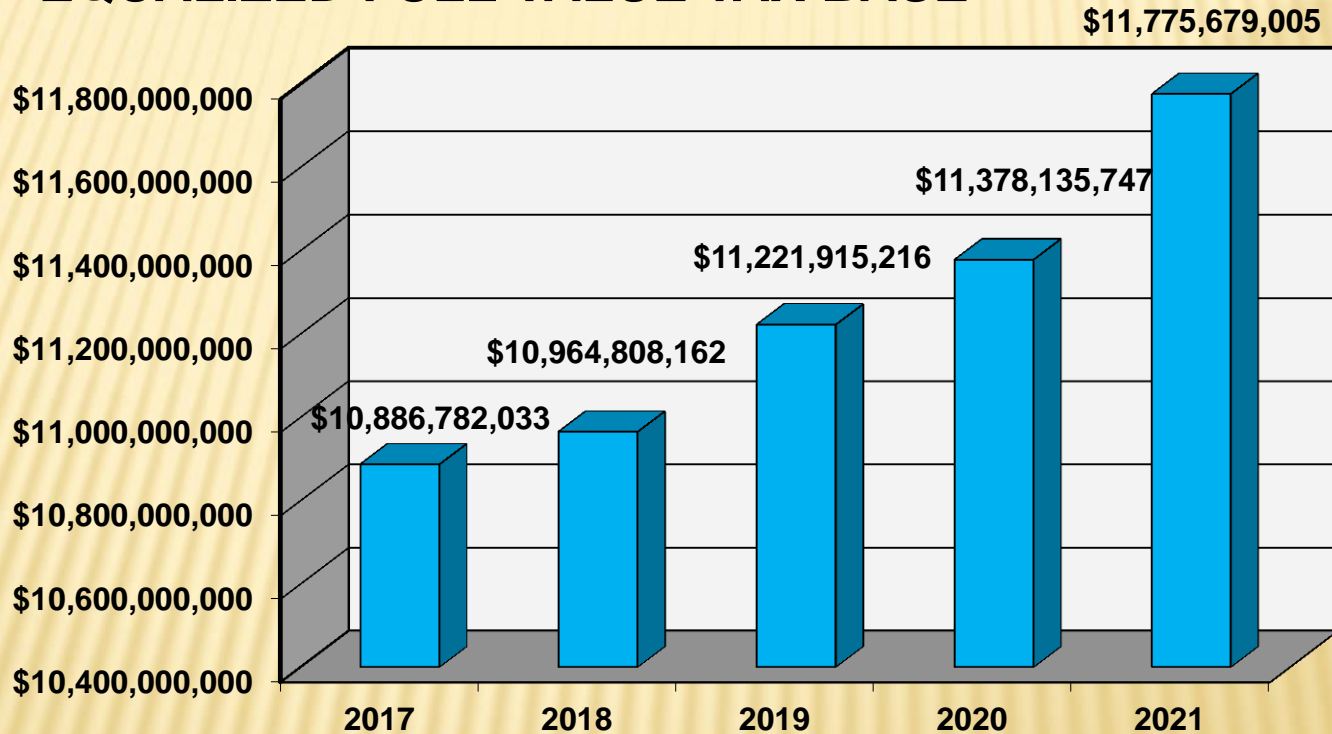
REVENUES & EXPENSES

BUDGETED REVENUE AND APPROPRIATIONS



PROPERTY VALUES

EQUALIZED FULL VALUE TAX BASE



SIGNIFICANT REVENUES:

General Fund:

❖ Sales Tax Collections	\$55,000,000
❖ State Aid	\$15,400,000
❖ Federal Aid	\$10,800,000
❖ Departmental Income	\$11,100,000
❖ Other Income	\$10,900,000

*Figures rounded to the nearest 100,000

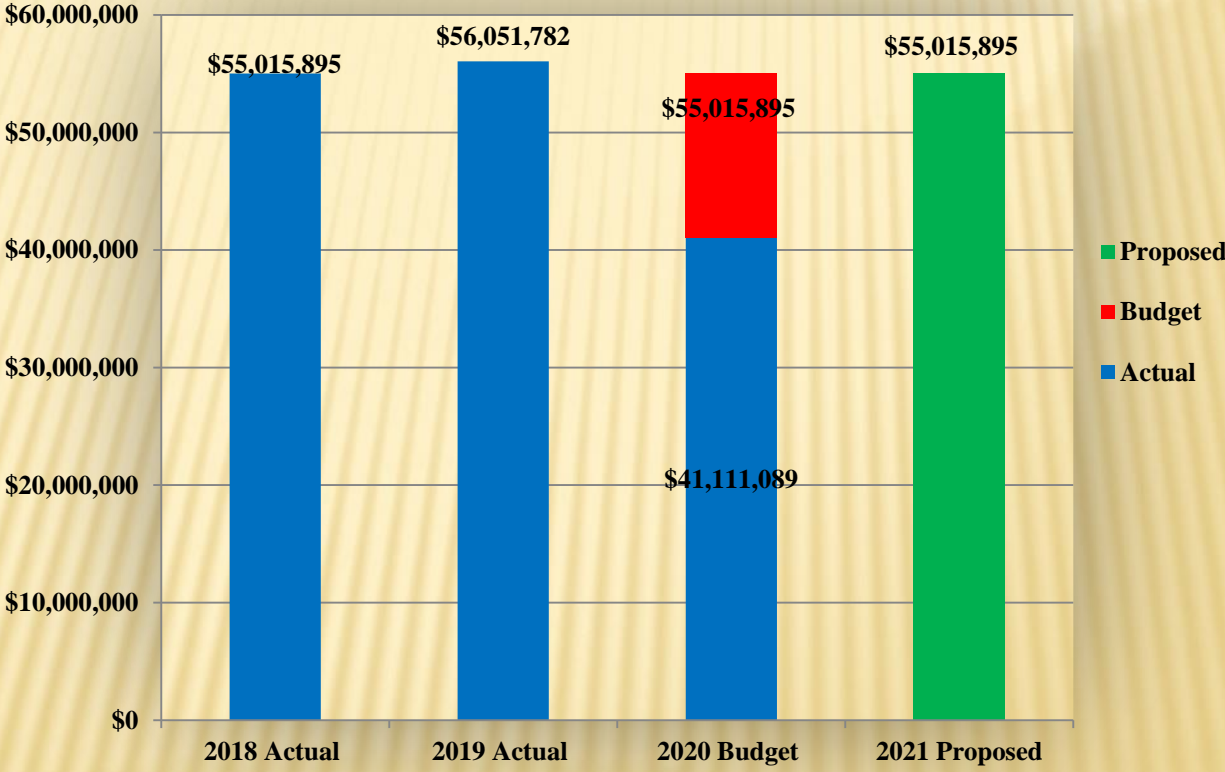
ITEMS DRIVING REVENUES

Significant Items Driving Projected 2021 Revenue

Sales Tax	\$0
State Aid	(\$1,018,800)
Occupancy Tax	(\$1,438,900)
Mortgage Tax	\$100,000

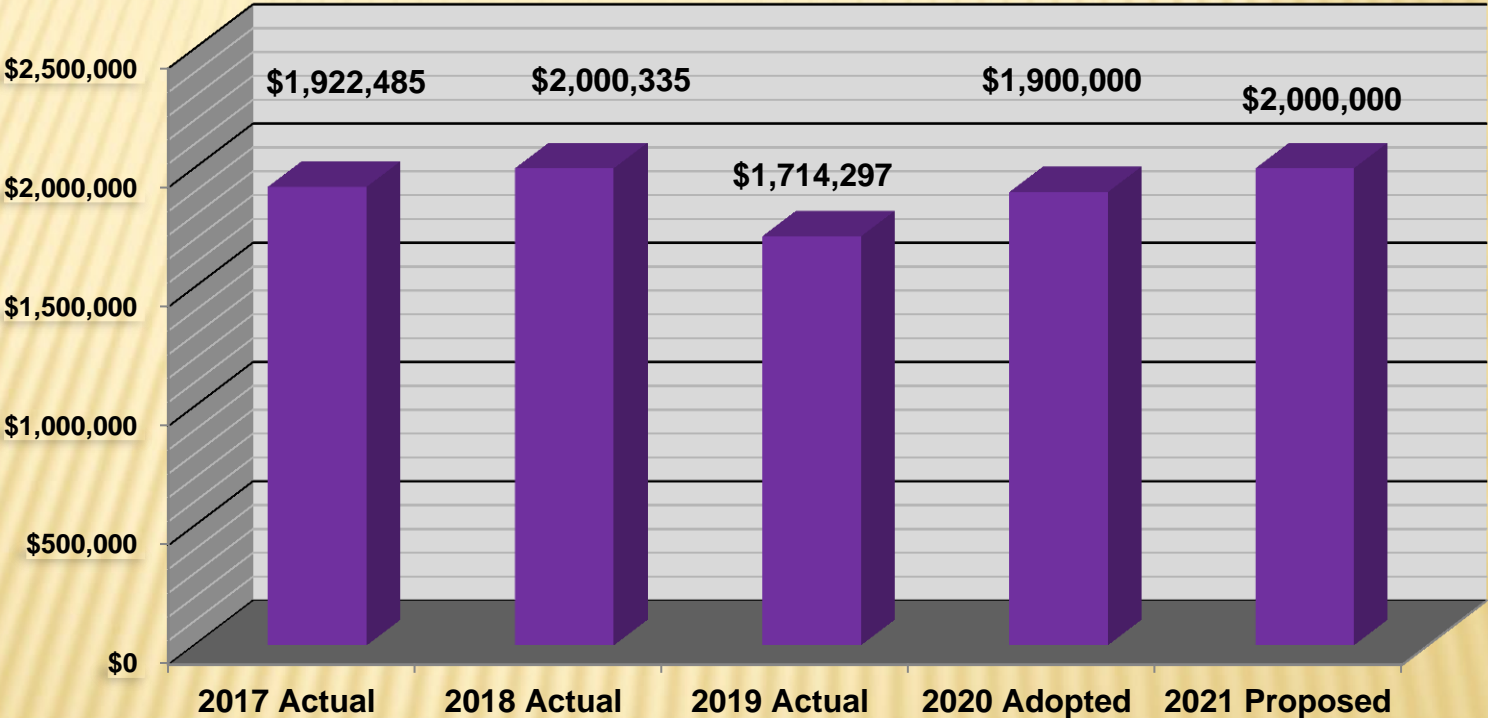
REVENUE DETAILS:

Total Sales Tax Collections



REVENUE DETAILS

Mortgage Tax



ITEMS DRIVING APPROPRIATIONS

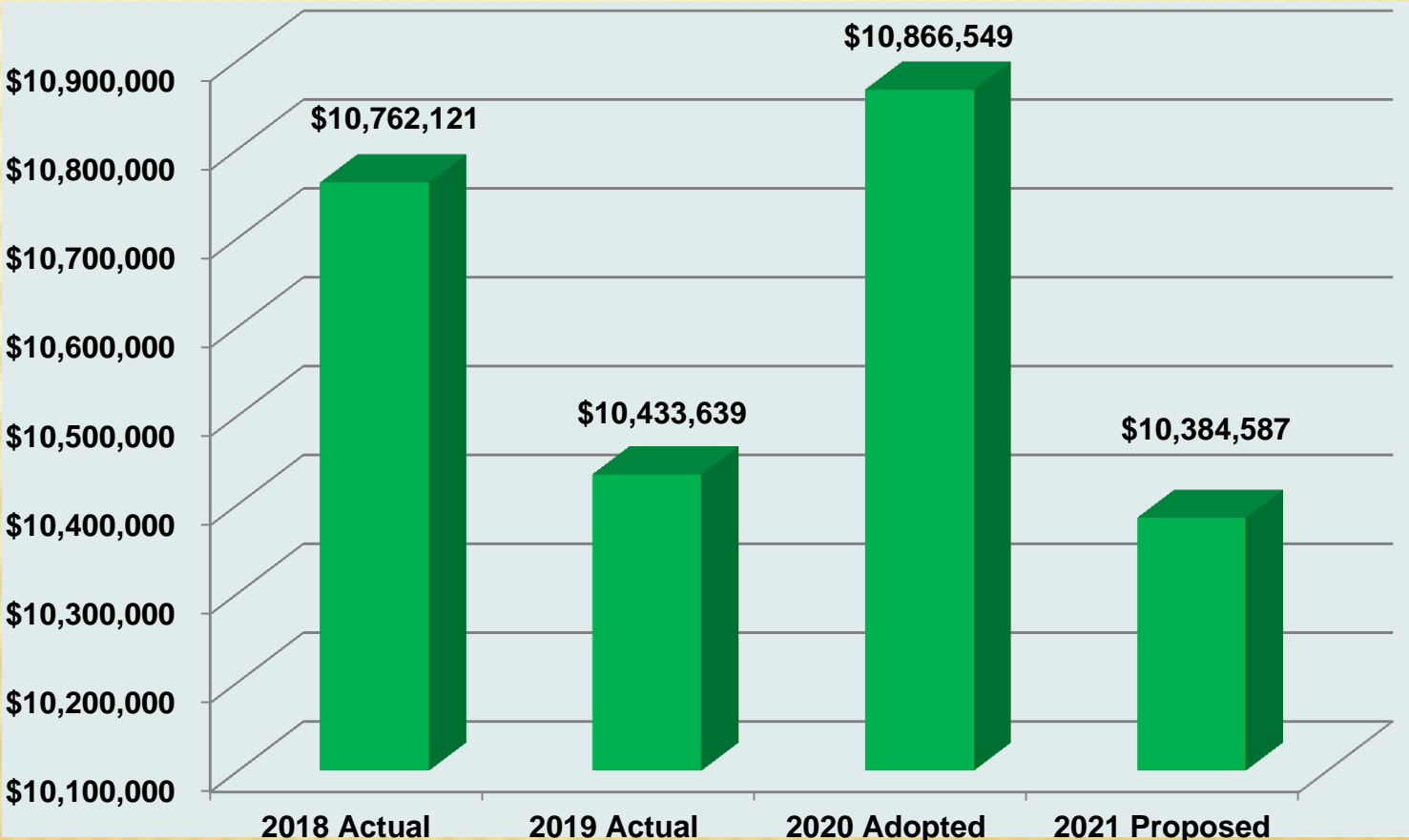
Significant Items Driving Increase or (Decrease) in Appropriations

(Rounded to nearest 1,000)

Wages	\$160,000
Health Insurance	(\$482,000)
Retirement	\$681,000
County Roads <small>(not including wages or fringe)</small>	\$729,000
Debt Service	(\$409,000)

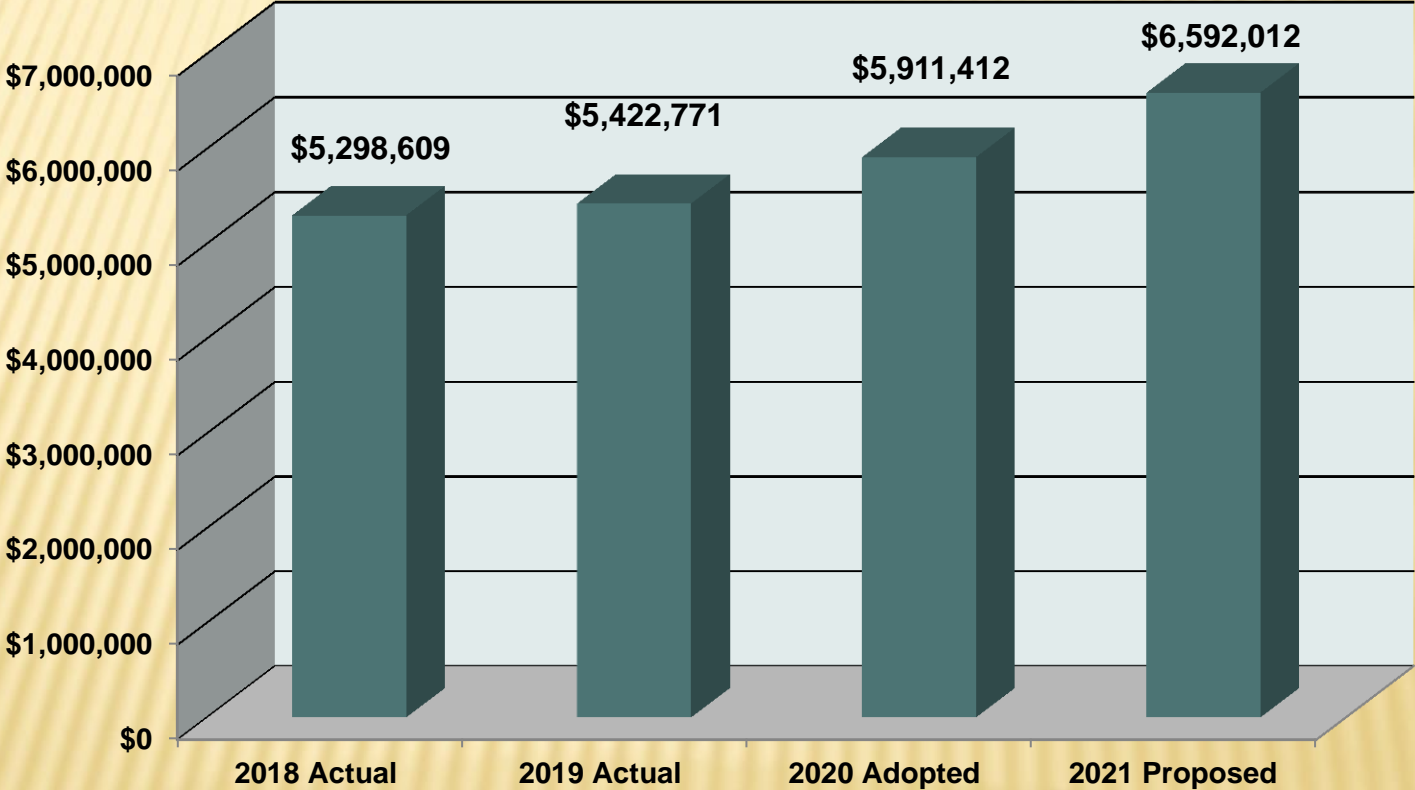
COST DETAIL

Health Insurance



COST DETAIL:

Retirement



FUND BALANCE APPROPRIATION

Appropriation of \$2,811,230 in fund balance includes:

+ General Fund	\$1,000,000
+ County Road Fund	\$570,000
+ Road Machinery Fund	\$190,000
+ Occupancy Tax	\$829,375
+ Westmount	\$221,855

FUTURE PRIORITIES

- ✓ Continue to look for efficiencies that will cut costs while providing quality services.
- ✓ Continue to look for revenue to offset expenses, keep property taxes in check, and control the use of surplus funds.
- ✓ Continue to plan for investments in Warren County's future, including infrastructure, economic development, and workforce development.
- ✓ Continue advocating for County taxpayers in the State Capitol.
- ✓ Continue to enhance County Departments by adapting to new challenges and promoting good management.

TAX RATES BASED ON PROPOSED BUDGET

(Equalized County Tax Rate \$3.920)

TOWN	2020	2021
BOLTON	4.019	3.579
CHESTER	3.987	3.920
GLENS FALLS	5.316	5.226
HAGUE	4.621	4.686
HORICON	3.987	3.920
JOHNSBURG	209.812	206.287
LAKE GEORGE – IN	4.430	3.920
LAKE GEORGE – OUT	4.430	3.920
LAKE LUZERNE	3.987	4.083
QUEENSBURY	3.987	3.920
STONY CREEK	399.658	404.776
THURMAN	4.174	4.113
WARRENSBURG	3.987	4.041