

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

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Deputy Treasurer

To: All Supervisors

From: Michael R. Swan, Treasurer

Date: May 24, 2018

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 analyzed the revenue and expenditure budgets for the County departments as of April 30, 2018 and have noted certain items Supervisors should be aware of.

Revenues

County Clerk

County Clerk Fees – As of April 30, the department has received \$376,577 in County Clerk Fees in 2017 and \$388,816 in 2018 which is an increase of 3.3%. It should be noted that the 2018 amount is at 32% of the budget for this account so the actual revenue received is on target with the budget.

Mortgage Tax – As of April 30, the department has received \$552,256 in Mortgage Tax in 2017 and \$605,329 in 2018 which is an increase of 9.6%. It should be noted that the 2018 amount is at 37.8% of the budget for this account so the actual revenue received is on target to exceed the budget.

Automobile Use Tax – As of April 30, the department has received \$111,481 in Automobile Use Tax in 2017 and \$117,169 in 2018 which is an increase of 5%. It should be noted that the 2017 amount is through March and is at 24% of the budget for this account, so the actual revenue amount received is on target with the budget.

County Treasurer

Sales Tax – It has been noted that we have collected \$293,528 more in sales taxes through April, 2018 than we did through April, 2017 which is a 2.0% increase.

Tourism

Occupancy Tax – The department has collected \$115 less in occupancy taxes as of April 30, 2018 than we did as of April 30, 2017 which is a .03% decrease.

Sheriff's Correction Division

Jail Services, Other Government – As of April 30, the department has received \$38,527 in Jail Services, Other Government in 2017 and \$56,388 in 2018 which is an increase of 46%. It should be noted that the 2018 amount is through March and is at 28% of the budget for this account so the actual revenue amount received is on target to exceed the budget.

Airport

The County has an outstanding claim with the FAA and the State for \$1,000,446 covering the period of December, 2016 to May, 2017 relating to the runway extension project (H325 – Avigation Easement – Runway 30). The County contracts with an engineering firm to process and submit claims to the FAA and the State for the airport. This claim was not submitted until December, 2017. State and Federal claims for projects of this magnitude should be filed in a timely manner for cash flow purposes.

Saratoga & North Creek Railway

The railroad has not paid the County's share of October, November and December, 2017 gross revenues as of the date of this report which was due by the 10th of the following month. We received a revenue report which notes that the County is owed \$27,211 for these three months. We have also not received payment for January and February of 2018. We received a revenue report which notes that the County is owed \$1,672 for these two months. We have also not received a revenue report for March and April, 2018.

The railroad has only paid the County \$5,879.52 for the contract period of July 1, 2017 to June 30, 2018. In accordance to the contract, the railroad is to pay the County a minimum of \$81,958 for each contract year so if we do not receive any further payments, the railroad will owe the County a minimum amount of \$76,078.48 for this contract period.

Westmount Receivables

Medicaid – The County is currently owed \$552,683 in patient Medicaid claims.

The Board has elected to pursue collection of the receivables. On January 22, 2018, the County contracted with a third party for the purpose of determining whether or not the County can rebill for the outstanding claims. If it is determined that the County can rebill, then we will have to hire someone to do the rebilling.

The consultant has completed his analysis of the outstanding claims and will be submitting a request to the NYS Department of Health to determine whether or not the County will be paid on these claims.

Universal Settlement - \$327,093 was recorded as a receivable for a universal settlement prior to the sale of Westmount. This amount is to be paid over a five year period. The first payment is being held up because the new owners of Westmount are contesting that they are entitled to receive a portion of this settlement. **A settlement has been reached whereby Warren Operations Associates, LLC will be receiving \$120,000 of the Universal Settlement.**

Building & Fire Code

Building Permits – As of April 30, the department received \$46,157 in building permits in 2017 and \$54,463 in 2018 which is an increase of 18%. It should be noted that the 2018 amount is at 30% of the budget for this account so that actual revenue received is lagging behind the budget.

Lake George Watershed Conference

This issue was previously reported in prior 2013, 2014 and 2015 budget analysis reports and it has been reported that an application for payment has been submitted to the State. We have received \$30,000 in March and were notified that we should expect to receive \$50,000 during the second week in May (we have not received this payment as of the date of this report which was to be paid by the Town of Queensbury) and \$22,000 which was expected to be received in June (we have not received this payment as of the date of this report which was to be paid by the Town of Bolton).

We currently have an outstanding receivable from the Lake George Watershed Conference for \$72,500 dating back to 2007 relating to a Valley Woods Road Project. It is unclear whether or not we have a contract with the Lake George Watershed Conference for this project, but it is our understanding that they are to pay us when they receive State Aid reimbursement.

The grant administrator handling this project for the County has been charged with a felony and everything is currently under investigation so it is uncertain when and if the County will receive payment. Based upon information provided by the Town of Queensbury, the Town fully paid their \$100,000 share of the project to the grant administrator who was acting on behalf of the Lake George Watershed Conference. The County only received \$50,000 of this money. We have recorded an allowance for doubtful accounts in the County Road fund for this other \$50,000 because it is questionable if the County is going to be able to collect these funds and it is likely that we will have to write this balance off.

Health Services

Home Nursing Charges – As of April 30, the department has received \$931,093 in Home Nursing Charges in 2017 and \$920,830 in 2018 which is a decrease of 1%. It should be noted that the 2018 amount is through March and is at 22% of the budget for this account, so the actual revenue amount is lagging behind the budget.

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.

Lake Champlain Lake George Regional Planning Board

The County currently has an arrangement with the Lake Champlain Lake George Regional Planning Board to pay their payroll, payroll taxes, retirement, health insurance and retiree's health insurance and the LCLG Planning Board then reimburses the County. **The organization is currently late in reimbursing the County for February, 2018 health insurance in the amount of \$5,726 and March, 2018 health insurance in the amount of \$6,144.**

The organization is routinely one payroll behind in reimbursing the County for wages, taxes and retirement. They should be reimbursing the County each pay week for that particular payroll so that the County isn't advancing funds.

County Debt Balances

The following shows the County's current debt outstanding as of April, 2018 along with ending debt balances for future years:

Bonds	Current	End of 2018		2020	2021	2022-	2027-	2032-	2037
	Balance	Balance	2019			2026	2031	2036	
Pub Safety Bldg & Com Upgrade	6,555,000	5,430,000	4,325,000	3,240,000	2,165,000	-	-	-	-
Recovery Act Bonds, Various Proj	16,935,000	16,265,000	15,570,000	14,845,000	14,080,000	9,635,000	4,015,000	-	-
Court Expansion - 2015	7,325,000	7,325,000	6,980,000	6,625,000	6,260,000	4,305,000	2,060,000	-	-
Court Expansion - 2017	8,085,000	8,085,000	7,740,000	7,390,000	7,030,000	5,120,000	2,975,000	535,000	-
SUNY Adirondack NSTEM - 2017	5,485,000	5,485,000	5,250,000	5,010,000	4,765,000	3,465,000	2,015,000	360,000	-
Capital Leases									
Municipal Center Energy Project	1,209,177	1,003,899	781,029	539,915	279,884	-	-	-	-
Countryside Adult Home Energy Proj	108,958	95,092	66,762	37,616	7,630	-	-	-	-
Total Outstanding	45,703,135	43,688,991	40,712,790	37,687,531	34,587,515	22,525,000	11,065,000	895,000	-

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