

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

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Deputy Treasurer

To: All Supervisors
From: Michael R. Swan, Treasurer
Date: September 26, 2022
Subject: Budget Analysis Report

Budget Analysis Report

One of the purposes 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 August 31, 2022 and have noted the following items Supervisors should be aware of.

General Fund Balance

The following shows the current balance of unappropriated surplus for the General Fund compared to the minimum balance needed to operate which equates to two months of operating expenses or 16.7%. This does not include the other union salary increases which will most likely also come out of General Fund balance. We should not try and factor in any 2022 sales tax surplus until year end because amounts are not certain.

Unappropriated Surplus as of 12/31/21	\$ 36.0 million
Additional Appropriation of Surplus in 2022	<u>(3.2) million</u>
Current Unappropriated Surplus - 2022	32.8 million
Minimum Surplus Balance Needed (2 months operating expenses)	<u>28.2 million</u>
Balance of Surplus Exceeding Minimum Balance	<u>\$ 4.6 million</u>

Revenues

American Rescue Plan Act (ARPA)

In June, 2021, the County received \$6.2 million in ARPA funding to be used for various purposes in response to the COVID pandemic. The County received the second \$6.2 million payment in June, 2022. As noted in the US Treasury Final Rule, costs must be obligated by December 31, 2024, and expended by December 31, 2026. The following is an accounting of the amount of ARPA funds expended and obligated as of July 31, 2022 and the balance available. Please note that this does not include the \$1 million for Mental Health which has not been budgeted yet.

Balance Remaining as of 1/1/22	6,190,459
2021 Expenditures Approved in 2022	(122,335)
2022 Expenditures	(302,551)
2022 Obligations	(74,843)
2nd Installment - June 2022	6,210,186
Budgeted but not expended/obligated	<u>(5,725,487)</u>
Balance Available as of 8/31/22	<u>6,175,429</u>

County Clerk

County Clerk Fees – As of August 31, the department has received \$976,213 in County Clerk Fees in 2021 and \$887,928 in 2022 which is a decrease of 9%. It should be noted that the 2022 amount is at 66% of the budget for this account so the actual revenue received is on target with the budget.

Mortgage Tax – As of August 31, the department has received \$1,928,800 in Mortgage Tax in 2021 and \$1,960,052 in 2022 which is an increase of 2%. It should be noted that the 2022 amount is at 87% of the budget for this account so the actual revenue received is on target to exceed the budget.

Automobile Use Tax – As of August 31, the department has received \$311,019 in Automobile Use Tax in 2021 and \$270,800 in 2022 which is a decrease of 13%. It should be noted that the 2022 amount is through June and is at 54% of the budget for this account, so the actual revenue amount received is behind the budget for the year.

County Treasurer

Sales Tax – It has been noted that we have collected \$3,860,177 more in sales taxes as of August 31, 2022 than we did through August 31, 2021 which is a 9.5% increase. This increase would have been greater if \$81,489 had not been withheld by the State for fiscally distressed health care facilities and \$10,386 wasn't withheld for the Village AIM payment. We have received \$8,221,136 more than the 2022 revenue budget to date. **It should be noted that the net County budget surplus after accounting for the distribution to the Towns and Village is \$4.4 million.**

Tourism

Occupancy Tax – The department has collected \$453,838 more in occupancy taxes as of August 31, 2022 than we did as of August 31, 2021 which is a 21% increase.

Sheriff's Correction Division

Jail Services, Other Government – As of August 31, the department has received \$340,703 in Jail Services, Other Government in 2021 and \$287,440 in 2022 which is an increase of 19%. It should be noted that the 2022 amount is at 105% of the budget for this account so the actual revenue received has already exceeded the budget.

Building & Fire Code

Building Permits – As of August 31, the department received \$162,026 in building permits in 2021 and \$175,452 in 2022 which is an increase of 8%. It should be noted that the 2022 amount is at 82% of the budget for this account so that actual revenue received is on target to exceed the budget.

Health Services

Home Nursing Charges – As of August 31, the department has received \$1,576,821 in Home Nursing Charges in 2021 and \$1,092,075 in 2022 which is a decrease of 31%. It should be noted that the 2022 amount is through July and is at 27% of the budget for this account so that actual revenue received is significantly behind the budget.

Public Defender

State Aid Claims – The Public Defender department has not submitted any State Aid reimbursement claims for 2022. It is important that State Aid claims be submitted on a quarterly basis for cash flow and financial reporting purposes. **This has been an issue for the last several years and it still has not been addressed. We have only received two small claims for 2022 so far.**

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. **Over expended budget line items are highlighted in red.**

Each department is responsible for ensuring that their budgets are not over expended and if they are, the issue should be addressed immediately. There are numerous cases where a departmental budget line has remained over expended for several months. The following departments have not addressed their over expended budget line items as of August 31, 2022:

Forfeited Crime Proceeds
Legal Defense – Indigents
Public Defender
Justices & Constables
Budget Officer
County Attorney
Waste Management Containment
Mail Room
Information Technology
Telecommunications
Sheriff’s 911 Center
Sheriff’s Law Enforcement
School Resource Officer
Probation
Probation Day Reporting
Sheriff’s Correction Division
Fire Prevention & Control
Social Services
Tourism
OFA – Hamilton County
Planning – GIS Program
DPW - Engineering

County Debt Balances

The following shows the County’s current debt outstanding as of August 31, 2022 along with ending debt balances for future years:

	Current	End of 2022				2026-	2031-	2036-
	Balance	Balance	2023	2024	2025	2030	2035	2037
Bonds								
Pub Safety Bldg & Com Upgrade	1,085,000	1,085,000	-	-	-	-	-	-
Recovery Act Bonds, Various Proj	11,630,000	10,935,000	10,205,000	9,445,000	8,660,000	4,250,000	-	-
Court Expansion - 2015	5,890,000	5,890,000	5,510,000	5,120,000	4,720,000	2,535,000	-	-
Court Expansion - 2017	6,665,000	6,665,000	6,290,000	5,910,000	5,520,000	3,425,000	1,050,000	-
SUNY Adirondack NSTEM - 2017	4,515,000	4,515,000	4,260,000	4,000,000	3,735,000	2,320,000	710,000	-
Capital Leases								
Municipal Center Energy Project	279,885	-	-	-	-	-	-	-
Countryside Adult Home Energy Proj	-	-	-	-	-	-	-	-
Bond Anticipation Notes								
Paving, Retaining Wall & Countryside	7,900,000	7,900,000	6,320,000	4,740,000	3,160,000	-	-	-
Total Outstanding	37,964,885	36,990,000	32,585,000	29,215,000	25,795,000	12,530,000	1,760,000	-

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