

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

Robert V. Lynch II, CPA
Deputy Treasurer

To: All Supervisors

From: Michael R. Swan, Treasurer

Date: January 24, 2019

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 December 31, 2018 on a preliminary basis. Please note that we have not closed the year as of this date and there will be significant additional revenues and expenditures posted until we officially close the books over the next few months. We will provide final 2018 numbers near the end of April, 2019. We have noted the following items Supervisors should be aware of:

Revenues

County Clerk

County Clerk Fees – As of December 31, the department has received \$1,247,578 in County Clerk Fees in 2017 and \$1,320,230 in 2018 which is an increase of 6%. It should be noted that the 2018 amount is at 110% of the budget for this account so the actual revenue received has exceeded the budget.

Mortgage Tax – As of December 31, the department has received \$1,922,485 in Mortgage Tax in 2017 and \$2,000,335 in 2018 which is an increase of 4%. It should be noted that the 2018 amount is at 125% of the budget for this account so the actual revenue received has exceeded the budget. The amount received for December, 2018 was about half of what the County normally receives due to the State Legislature failing to authorize a portion of the County's mortgage recording tax which expired on December 1st. We are hopeful that an extender will be passed in the early part of 2019.

Automobile Use Tax – As of December 31, the department has received \$450,021 in Automobile Use Tax in 2017 and \$455,658 in 2018 which is an increase of 1.3%. It should be noted that the 2017 amount is through November and is at 95% of the budget for this account, so the actual revenue amount received is on target to exceed the budget.

County Treasurer

Sales Tax – It has been noted that we have collected \$2,861,344 more in sales taxes through December, 2018 than we did through December, 2017 which is a 5.5% increase. We finished the year \$3,991,482 over budget for this revenue code. It should be noted that we also finished the year \$1,846,043 over budget in the Distribution of Sales Tax appropriation code which leaves a net budget gain of \$2,245,439.

VLT/Tribal Compact Moneys (Casino) – As of December 31, the department has received \$332,689 in casino money in 2017 and \$333,345 in 2018 which is an increase of 0.2%. It should be noted that the 2017 and 2018 amounts are through September and is at 78% of the budget for this account, so the actual revenue amount received is on target with the budget.

Tourism

Occupancy Tax – The department has collected \$183,974 more in occupancy taxes as of December 31, 2018 than we did as of December 31, 2017 which is a 4.2% increase. This amount represents collections for each year through January 22. We have not finalized 2018 figures yet and expect to receive payments for 2018 through March 31, 2019.

Sheriff's Correction Division

Jail Services, Other Government – As of December 31, the department has received \$154,664 in Jail Services, Other Government in 2017 and \$116,942 in 2018 which is a decrease of 24%. It should be noted that the 2018 amount is through November and is at 58% of the budget for this account so the actual revenue amount received is lagging behind the budget.

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 re-bill for the outstanding claims.

The consultant has completed his analysis of the outstanding claims and submitted a request to the NYS Department of Health to determine whether or not the County will be paid on these claims and is awaiting a response. The consultant believes that the majority of these claims were denied because the facility was short-staffed and could not meet a 90-day submission requirement, and the billing staff's training in how to properly code claims was deficient. The consultant therefore reported that the likelihood of payment by the state is very low. The County Administrator's office is currently working on gathering and reconciling the information needed to re-bill if it is determined that it wasn't the County's fault and the State waives the two year old claims rule.

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. We have received \$131,579 of the amount owed to the County with the balance coming at a later date. We received \$43,860 on October 22, 2018 with the balance coming at a later date.**

Building & Fire Code

Building Permits – As of December 31, the department received \$206,544 in building permits in 2017 and \$204,493 in 2018 which is a decrease of 1%. It should be noted that the 2018 amount is at 112% of the budget for this account so that actual revenue received has exceeded the budget.

Lake George Watershed Conference

We currently have an outstanding receivable from the Lake George Watershed Conference for \$50,000 dating back to 2007 relating to a Valley Woods Road Project.

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.

In order to protect County interest, consideration should be given for legal action against the Lake George Watershed Conference or the Town of Queensbury to collect the money that is owed.

Health Services

Home Nursing Charges – As of December 31, the department has received \$3,554,506 in Home Nursing Charges in 2017 and \$3,604,411 in 2018 which is an increase of 1%. It should be noted that the 2018 amount is through November and is at 86% of the budget for this account, so the actual revenue amount is lagging behind the budget. It should be further noted that program expenditures are correlated with the revenue and are also 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.

Capital Projects

Departments should be reviewing their capital projects to make sure that they are closed soon after completion of the project. The following are capital projects where there has not been any recent activity and a determination should be made by the responsible department whether or not the project should be closed. Responsible departments should also determine if any outstanding State/Federal receivables associated with their projects are collectable and if not they will have to be written off and a funding source will have to be identified for the costs not reimbursed by State/Federal government. **The County Administrator has been working on this issue with DPW and Planning and will report to Board at a future date. Two projects, H298 and H329 have been approved for closure and have been removed from the list below.**

Department of Public Works	Date of Last Activity	Cash	State/Federal Receivable	Deposit with Other Govt
H199 - Corinth Road	5/2016	100,508	22,119	-
H200 - Quaker Road Signal Imp	12/2013	-	11,283	-
H214 - Woolen Mill Bridge	10/2013	31	18,486	-
H219 - RR Track Restoration	5/2009	-	534	125,000
H258 - Tannery Bridge over Stony Creek	8/2010	-	63,791	-
H291 - Elevator Repair - Municipal Center	No Activity	-	-	-
H323 - Gaslight Festival Space	9/2013	-	-	-
H346 - Env Assess - Airport Obstruct Rem	12/2015	-	-	-
H348 - Airport Equipment Building Repair	8/2016	1,758	301	-
H355 - Municipal Cntr Security Renovation	10/2016	-	-	-
H357 - CR Wood Park Fest Space Fence	4/2015	-	-	-
H361 - Brant Lake Lower Dam	12/2015	-	-	-
	3/2016	-	-	-
<u>Planning</u>				
H297 - County Quadricentennial Program				
H314 - First Wilderness Scenic Byways	2/2012	-	-	-
H341 - Flood Mitigation Grant	5/2013	10	-	-
H363 - Loc Gov Records Mgmt Impr Fund	12/2014	-	-	-
	12/2016	11	-	-

Notes:

1. H200 – Quaker Road Signal Imp – There is a liability back to the General Fund that is not funded for \$136,647 which will need funding before it can be repaid and the project closed.
2. H219 – RR Track Restoration – The Treasurer’s Office has made numerous requests to DPW over the years to obtain an accounting from the State for the \$125,000 deposit that was made to the State without any success. We need some sort of documentation from the State showing that they spent the County’s money on this project.
3. H291 – Elevator Repair – Municipal Center – This project was opened in August, 2008 for \$41,800 and has had no activity. This project was funded with reserve money and if there is no expectation to expend this money in the near future then it must be returned to the Reserve, Rehab County Buildings (A 871.00) in the General Fund.
4. H341 – Flood Mitigation Grant – There is a liability back to the General Fund that is not funded for \$858 which will need funding before it can be repaid and the project closed.

Village of Lake George/Lake George Watershed Coalition (LGWC)

In 2014, The Village of Lake George had received notice from the LGWC that storm water grant money was available to use for the Charles R. Wood Park and Festival space. In 2015, the County Department of Public Works received an invoice from the Village of Lake George for \$62,323 representing 62% of the project cost which was paid with the assumption that the County would be reimbursed 100% by the Village. This grant money from the LGWC was not covered under the inter-municipal agreement between the Village and the County and should not have been approved for payment. It was later determined that the funding for this project from LGWC was not available. The Village was sent an invoice from the County in February, 2018 seeking payment for the \$62,323. **The Village paid this amount to the County in January, 2019.**

County Debt Balances

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

	Current	End of 2018				2022-	2027-	2032-	
	Balance	Balance	2019	2020	2021	2026	2031	2036	2037
Bonds									
Pub Safety Bldg & Com Upgrade	5,430,000	5,430,000	4,325,000	3,240,000	2,165,000	-	-	-	-
Recovery Act Bonds, Various Proj	16,265,000	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	1,003,899	1,003,899	781,029	539,915	279,884	-	-	-	-
Countryside Adult Home Energy Proj	95,092	95,092	66,762	37,616	7,630	-	-	-	-
Total Outstanding	43,688,991	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.