

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

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Deputy Treasurer

To: All Supervisors

From: Michael R. Swan, Treasurer

Date: February 25, 2021

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 January 31, 2021. Please note that we have not closed the 2020 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 2020 numbers near the end of April, 2021. We have noted the following items Supervisors should be aware of:

Revenues

County Clerk

County Clerk Fees – As of January 31, the department has received \$115,680 in County Clerk Fees in 2020 and \$99,320 in 2021 which is a decrease of 14%. It should be noted that the 2021 amount is at 8% of the budget for this account so the actual revenue received is on target with the budget.

Mortgage Tax – As of January 31, the department has received 142,057 in Mortgage Tax in 2020 and \$206,532 in 2021 which is an increase of 45%. It should be noted that the 2021 amount is at 10% of the budget for this account so the actual revenue received is on target the budget.

Automobile Use Tax – As of December 31, the department has received \$442,166 in Automobile Use Tax in 2019 and \$426,793 in 2020 which is a decrease of 3%. It should be noted that the 2020 amount is through November and is at 88% of the budget for this account, so the actual revenue amount received is below the budget.

County Treasurer

Sales Tax – It has been noted that we have collected \$626,207 less in sales taxes through January, 2021 than we did through January, 2020 which is a 15.2%. \$331,967 of this decrease is related to the State withholding for fiscally distressed health care facilities.

VL/Tribal Compact Moneys (Casino) – We have not received our 4th quarter 2019 payment from the State as of the date of this report. We typically receive this payment in April. We have estimated the payment to be \$88,841. We have contacted the NYS Gaming Commission and they noted that they have not yet received the payment from the Mohawk Indians. We have also not received any payments for 2020 which is budgeted for \$420,000. It has been noted that the casino closed on March 17, 2020 and did not reopen until August 28, 2020 so there was no revenue to share for this time period.

Tourism

Occupancy Tax – The department has collected \$641,966 less in occupancy taxes as of December 31, 2020 than we did as of December 31, 2019 which is a 15% decrease and is attributable to the State shutdown. This amount represents collections for each year through February 17. We have not finalized 2020 figures yet and expect to receive payments for 2020 through March 31, 2021.

Sheriff's Correction Division

Jail Services, Other Government – As of December 31, the department has received 240,619 in Jail Services, Other Government in 2019 and \$357,023 in 2020 which is an increase of 48%. It should be noted that the 2020 amount is the final amount and is at 179% of the budget for this account and exceeded the budgeted amount of \$200,000 by \$157,023.

Building & Fire Code

Building Permits – As of January 31, the department received \$13,152 in building permits in 2020 and \$3,901 in 2021 which is a decrease of 70%. It should be noted that the 2021 amount is at 2% of the budget for this account so that actual revenue received is below the budget.

Health Services

Home Nursing Charges – As of December 31, the department has received \$3,658,899 in Home Nursing Charges in 2019 and \$3,078,386 in 2020 which is a decrease of 16%. It should be noted that the 2020 amount is the final amount and is \$1,121,614 below 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. **Over expended budget line items are highlighted in red.**

County Road Projects

The following shows the County Road project amended budget and costs for the past five years along with the amount of CHIPS funding included in the budget. Please note that any unexpended balance gets carried over to the subsequent year and is added to that year's budget for road projects. As noted below, DPW was unable to expend \$1,279,849 of the 2020 amended budget for the road projects which is likely due to the pandemic.

	2016	2017	2018	2019	2020
Amended Budget	3,304,044	4,377,877	4,478,293	5,275,182	4,155,480
Amount Expended	2,708,714	3,035,064	2,636,713	4,119,702	2,875,631
Amount Unexpended	595,330	1,342,813	1,841,580	1,155,480	1,279,849
CHIPs Funding included in Amended Budget	2,026,128	2,255,870	2,255,783	2,254,603	2,249,213

Adirondack Community College – Culinary Arts Center Project

In 2017, the County and Adirondack Community College entered into an agreement whereby the County would advance \$1 million dollars to the college to provide funding to allow the project to be completed. ACC had received a funding commitment of \$1 million from Empire State Development to provide funding for the project which was to be used to repay the County for the advance. In accordance to the agreement, ACC is to reimburse the County once they receive this money from Empire State Development. It has been noted that the project had been completed in September, 2018 and all the paperwork had been submitted to Empire State Development for reimbursement. As of the date of this report, the college has not received any reimbursement of the \$1 million dollars from Empire State Development. We have concerns over whether or not this funding is still available or has been reduced which would force the County to find another funding source.

Occupancy Tax Supplemental Spending Plan Distributions

Approval was made at the December 14, 2020 Occupancy Tax Coordination Committee meeting to distribute 75% of the supplemental spending plan distribution that was not included in the 2021 budget for a total amount of \$303,750. We suggest that this wait until we have actual figures for 2020 which will not be known until March 31, 2021. There is too much uncertainty with how much revenue we will collect for 2020 and for 2021. We may experience another shut down which will severely impact occupancy tax collections. In addition, we should not be relying on short term rental collections since the County Attorney still needs to resolve our issues with Airbnb and until that is done, we do not expect to collect any significant amounts for short term rentals.

The following are distributions that were made to the Towns, Village and City in 2020 based on 2019 collections. We assume that all or most of this money is unspent and would be available to fund any 2021 events that are allowed to occur.

	2020		Total
	Final 2019	Initial 2019	
Bolton	191,473.47	30,000.00	221,473.47
Chester	10,251.25	30,000.00	40,251.25
Hague	8,095.71	30,000.00	38,095.71
Horicon	4,868.46	30,000.00	34,868.46
Johnsburg	18,523.18	30,000.00	48,523.18
Lake George - Town	201,449.17	30,000.00	231,449.17
Lake George - Village	189,066.42	30,000.00	219,066.42
Lake Luzerne	4,670.20	30,000.00	34,670.20
Queensbury	175,434.10	30,000.00	205,434.10
Stony Creek	2,420.93	30,000.00	32,420.93
Thurman	355.14	30,000.00	30,355.14
Warrensburg	1,265.14	30,000.00	31,265.14
City of Glens Falls	18,209.76	30,000.00	48,209.76
	<u>826,082.93</u>	<u>390,000.00</u>	<u>1,216,082.93</u>

We strongly recommend that we wait until April, 2021 to look at whether or not it would be prudent to distribute any money for a supplemental spending plan distribution. At that point in time we will have final 2020 numbers and hopefully a better idea of the effect of the pandemic on 2021 occupancy tax.

Capital Projects

Departments are responsible for administering their capital projects and making sure that they are closed in a timely manner after completion. 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. This has been a recurring issue and the County has been written up in the past by our auditors.

<u>Department of Public Works</u>	<u>Date of Last Activity</u>	<u>Cash</u>	<u>Balance owed to Other funds/Govt</u>
H306-Land/Avigation Easement-Forest Ent	8/2018	58,969	-
H325-Avigation Easement-Runway 30	5/2017	13,022	-
H329-Warren Co. Bikeway Improvements	12/2015	-	-
H339-Land/Easement Acq Runway 12&19	5/2017	833	-
H343-West Brook Road Sidewalk	10/2017	7	-
H351-CR44 Over Hudson River Bridge Paint	12/2017	3	2,097
H355-Municipal Centr Security Renovation	4/2015	7,271	-
H358-Hazard Mitigation Grant Program	10/2017	-	2,152
H362-Airport-Natural Gas Conversion	11/2017	4,431	-
H364-Runway 30 Obstruction Removal	12/2017	2,634	-
H365-Bay Road (CR7) Pavement Preserv	4/2018	11	-
H366-West Mountain Rd (CR58) Pavement	7/2017	2	-
H370-Municipal Center Employee Parking	10/2017	6,258	-
H374-Warrensburg Fuel Farm	8/2018	7,090	-
<u>Planning</u>			
H292-FWHC-Making the Connection	4/2018	-	21,189
H312-First Wilderness 2008	12/2017	14,194	-
H313-First Wilderness 2009	11/2018	8,032	-
H334-First Wilderness 2011	11/2017	6,931	109
H347-Invasive Species Boat Washing	12/2018	-	257

Notes:

1. H351, H358, H292, H334 and H347 all have balances owed to other funds or other governments and will need funding transferred into the project so that the liabilities can be paid.
2. H329 and H334 are both over budget and will need a budget amendment before they can be closed.

Sheriff Payroll Policies

Resolution No. 412 of 2019, approved at the September 20,2019 Board meeting, resolved that the Warren County Sheriff's Department will implement a written paid time off accrual policy to be formally adopted by Warren County in its capacity as co-employer. As of the date of this report, this has not been implemented. This issue was first reported in the December, 2019 Budget Analysis report with no action taken. It should also be noted that in 2015 the Board of Supervisors adopted a County-wide FMLA policy which is not currently being followed by the Sheriff Department which had elected to follow their own plan. This should also be approved by the Board of Supervisors as a co-employer.

The Sheriff will be bringing both his accrual policy and FMLA policy to his next Committee meeting for approval.

County Debt Balances

The following shows the County's current debt outstanding as of January 31, 2021 along with ending debt balances for future years:

	Current	End of 2021				2025-	2030-
Bonds	Balance	Balance	2022	2023	2024	2029	2034
Pub Safety Bldg & Com Upgrade	3,240,000	2,165,000	1,085,000	-	-	-	-
Recovery Act Bonds, Various Proj	12,305,000	11,630,000	10,935,000	10,205,000	9,445,000	5,200,000	-
Court Expansion - 2015	6,625,000	6,260,000	5,890,000	5,510,000	5,120,000	2,995,000	530,000
Court Expansion - 2017	7,390,000	7,030,000	6,665,000	6,290,000	5,910,000	3,865,000	1,550,000
SUNY Adirondack NSTEM - 2017	5,010,000	4,765,000	4,515,000	4,260,000	4,000,000	2,615,000	1,050,000
Capital Leases							
Municipal Center Energy Project	539,914	279,883	-	-	-	-	-
Countryside Adult Home Energy Proj	37,615	7,629	-	-	-	-	-
Total Outstanding	35,147,529	32,137,512	29,090,000	26,265,000	24,475,000	14,675,000	3,130,000

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