

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

Robert V. Lynch II, CPA
Deputy Treasurer

To: All Supervisors
From: Michael R. Swan, Treasurer
Date: April 29, 2016
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 March 31, 2016. Please note that we will be providing final 2015 numbers in the near future. We have noted the following items Supervisors should be aware of:

Revenues

County Clerk

County Clerk Fees – As of March 31, the department has received \$256,358 in County Clerk Fees in 2015 and \$275,017 in 2016 which is an increase of 7.3%. It should be noted that the 2016 amount is at 22.9% of the budget for this account, so the actual revenue received is lagging behind the budget.

Mortgage Tax – As of March 31, the department has received \$291,356 in Mortgage Tax in 2015 and \$891,690 in 2016 which is an increase of 206%. It should be noted that the 2016 amount includes \$463,377 which relates to an unclaimed mortgage tax overpayment in 2014 which was not claimed by the borrower within two years of the recording date. The County can now keep this money. If you factor this payment out, the 2016 amount shows an increase of 59% over prior year and is at 29.5% of the budget.

Automobile Use Tax – As of March 31, the department has received \$107,341 in Automobile Use Tax in 2015 and \$112,489 in 2016 which is an increase of 4.8%. It should be noted that the 2016 amount is at 23.7% of the budget for this account, so the actual revenue amount received is lagging behind the budget.

Tourism

Occupancy Tax – The department has collected \$333,572 more in occupancy taxes as of December 31, 2015 than we did as of December 31, 2014 which is a 8.7% increase and represent the final numbers for 2015.

County Treasurer

Sales Tax – It has been noted that we have collected \$197,650 more in sales taxes through March, 2016 than we did through March, 2015 which is a 1.9% increase. In order to meet the 2016 budget, we need a 0.15% increase over 2015 actual.

Sheriff's Correction Division

Jail Services, Other Government – As of March 31, the department has received \$78,610 in Jail Services, Other Government in 2015 and \$91,374 in 2016 which is an increase of 16%. It should be noted that the 2016 amount is through February and is at 23% of the budget for this account, so the actual revenue amount received is on target to exceed 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 and \$22,000 within two months.

We currently have an outstanding receivable from the Lake George Watershed Conference for \$102,500 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. If we do not collect on this receivable soon we will have to write it off and it will then have to be taken out of the County Road surplus.

Invasive Species Boat Washing

This issue was previously reported in prior 2015 budget analysis reports. We have not received any claims to review and sign and we have not received any State funding for these expenditures incurred in 2014. We have not been provided with a signed grant agreement.

The Invasive Species Boat Washing capital project was approved in January of 2014 and as of June, 2014; the County has incurred \$362,731 in expenditures. We are not aware of any claims have been filed with the State for reimbursement and it has been our understanding that this is because we do not even have a contract yet with the State. The same individual who administered the funding for the Valley Woods Road Project with the Lake George Watershed Conference is also administering the State grant for the Invasive Species Boat Washing which has caused us great concern that we will not have timely filing of documents and State Aid claims.

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.

Siemens Co-Gen Contract Reimbursement

Warren Operations Associates, LLC has reimbursed the County for the Co-Gen capital lease payments through March, 2016. We have not yet received reimbursement for the \$32,033.56 lease payment that the County made on April 1, 2016. The County has been reimbursed for the maintenance service costs to date, but not for the performance assurance costs paid to date (\$1,578.16).

Future County Debt Service

This was reported on in previous Budget Analysis reports. Please note that the estimated annual debt service costs for the SUNY Adirondack NSTEM project were adjusted to reflect current estimates. The following table shows that the unfunded debt service that needs to be funded for 2017 is \$620,334 and assuming that a funding source will be identified for 2017 there will be an additional \$554,237 that will need to be funded for 2018. This totals \$1.2 million for the two year period. Significant reductions in County costs or permanent increases in County revenues will need to be identified in order for these two projects to be properly funded. As of the date of this report, we are not aware of the identification of a permanent funding source.

<u>Project</u>	<u>Funded</u> <u>2016</u>	<u>Debt Service</u> <u>2017</u>	<u>Unfunded</u> <u>2017</u>	<u>Debt Service</u> <u>2018</u>	<u>Unfunded</u> <u>2018</u>	<u>Unfunded</u> <u>Total</u>
Court Expansion	205,788	533,513	327,725	1,087,750	554,237	881,962
SUNY Adirondack NSTEM	93,853	386,462	292,609	386,462	-	292,609
	299,641	919,975	620,334	1,474,212	554,237	1,174,571

County Debt Balances

The following shows the County's current debt outstanding as of March, 2016 along with ending debt balances for future years:

	Current	End of 2016				2020-	2025-	2030-
Bonds	Balance	Balance	2017	2018	2019	2024	2029	2034
Pub Safety Bldg & Com Upgrade	8,860,000	7,695,000	6,555,000	5,430,000	4,325,000	-	-	-
Recovery Act Bonds, Various Proj	18,190,000	17,575,000	16,935,000	16,265,000	15,570,000	11,545,000	6,405,000	-
Court Expansion	8,000,000	8,000,000	7,665,000	7,325,000	6,980,000	5,120,000	2,995,000	530,000
Capital Leases								
Westmount Co-Generation Plant	497,083	221,019	-	-	-	-	-	-
Municipal Center Energy Project	1,570,826	1,397,703	1,209,177	1,003,899	781,029	-	-	-
Countryside Adult Home Energy Proj	165,496	141,209	115,818	88,084	59,553	-	-	-
Bond Anticipation Notes								
Abatement & Demolition #1	-	-	-	-	-	-	-	-
Abatement & Demolition #2	-	-	-	-	-	-	-	-
Alder Brook Brdg over Trout Brdg	60,336	30,168	-	-	-	-	-	-
Harrington Road Bridge	23,913	11,957	-	-	-	-	-	-
Beach Road Bridge	239,972	119,986	-	-	-	-	-	-
2011 Storm Damage	440,000	220,000	-	-	-	-	-	-
West Brook Parking Lot	61,200	30,600	-	-	-	-	-	-
Total Outstanding	38,108,826	35,442,642	32,479,995	30,111,983	27,715,581	16,665,000	9,400,000	530,000

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