

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

Robert V. Lynch II, CPA
Deputy Treasurer

To: All Supervisors

From: Michael R. Swan, Treasurer

Date: June 26, 2020

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.

Revenues

Social Services

The County did not receive any Social Service settlements in the month of May, 2020 and have not received anything in June, 2020 as of the date of this report. We have been notified by the State that monthly settlements are being held until they undergo an “enhanced review process”. The State could not provide a date when payments will be released. As a reference point we received \$673,509 in May, 2019 and \$2,038,621 in June, 2019.

County Clerk

County Clerk Fees – As of May 31, the department has received \$534,201 in County Clerk Fees in 2019 and \$402,722 in 2020 which is a decrease of 25%. It should be noted that the 2020 amount is at 32% of the budget for this account so the actual revenue received is behind the budget which is attributable to State shutdown.

Mortgage Tax – As of May 31, the department has received 483,950 in Mortgage Tax in 2019 and \$683,078 in 2020 which is an increase of 41%. It should be noted that the 2020 amount is at 36% of the budget for this account so the actual revenue received is behind the budget. This variance was caused by the State Legislature failing to authorize a portion of the County’s mortgage recording tax which expired on December 1st, 2018. The State Legislature approved the additional mortgage tax in 2019 and it was imposed with an effective date of April 1, 2019.

Automobile Use Tax – As of May 31, the department has received \$159,033 in Automobile Use Tax in 2019 and \$131,224 in 2020 which is a decrease of 17%. It should be noted that the 2020 amount is through April is at 27% 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 \$1,355,800 less in sales taxes through May, 2020 than we did through May, 2019 which is a 7.3% decrease which is related to the State shutdown. There will be one more payment for May at the end of June. The County is \$1,197,267 under the 2020 budget through May, 2020 and \$562,715 under the Distribution of Sales Tax expenditure 2020 budget for a net budget loss of \$634,552.

VLT/Tribal Compact Moneys (Casino) – We have not received our 4th quarter 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.

Tourism

Occupancy Tax – The department has collected \$120,714 less in occupancy taxes as of May 31, 2020 than we did as of May 31, 2019 which is a 26% decrease. Please note that we are expected to see a significant decline in occupancy tax in the upcoming months due to the State shutdown.

Sheriff's Correction Division

Jail Services, Other Government – As of May 31, the department has received \$115,339 in Jail Services, Other Government in 2019 and \$7,134 in 2020 which is a decrease of 94%. It should be noted that the 2020 amount is through April and is at 4% of the budget for this account, so the actual revenue amount received is significantly below the budget.

Building & Fire Code

Building Permits – As of May 31, the department received \$98,407 in building permits in 2019 and \$36,693 in 2020 which is a decrease of 63%. It should be noted that the 2020 amount is at 18% of the budget for this account so that actual revenue received is significantly below the budget which is attributable to the State shutdown.

Health Services

Home Nursing Charges – As of May 31, the department has received \$1,253,764 in Home Nursing Charges in 2019 and \$939,862 in 2020 which is a decrease of 25%. It should be noted that the 2020 amount is through April and is at 22% of the budget for this account, so the actual revenue amount received is 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.

Airport Costs

The following shows a ten-year history of Airport operating and capital costs. The airport has averaged an annual \$579,172 operating deficit during this time period and an annual total deficit including capital costs of \$744,319. The debt costs relate to the construction of an airport hangar which was authorized in 2006 and funded with \$1.0 million in debt. The local share costs represent the County's portion of capital project costs. The operating deficit for 2020 is budgeted to be \$330,450.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
Revenues	134,919	119,562	287,130	137,363	123,924	125,883	161,099	201,943	190,579	308,210	1,790,612
Expenditures	646,241	789,875	983,457	845,725	817,233	789,850	704,605	880,286	572,882	552,173	7,582,328
Operating Deficit	(511,323)	(670,313)	(696,327)	(708,362)	(693,310)	(663,967)	(543,506)	(678,343)	(382,303)	(243,963)	(5,791,716)
Capital Costs											
Local Share	42,821	30,738	7,545	96,566	56,772	117,015	48,889	140,228	60,513	142,684	743,771
Debt Principal	-	160,000	160,000	160,000	160,000	160,000	-	-	-	-	800,000
Debt Interest	15,557	32,146	24,000	18,000	12,000	6,000	-	-	-	-	107,702
Total Deficit	(569,700)	(893,198)	(887,872)	(982,928)	(922,082)	(946,981)	(592,395)	(818,571)	(442,816)	(386,647)	(7,443,190)

Employee Hazard Compensation

Some municipalities and local businesses are compensating their employees that are required to work onsite during the COVID-19 pandemic with additional pay. We recognize that this could create a financial hardship for Warren County if we did the same. In lieu of additional pay, we propose compensating our County employees that are required to work onsite during the pandemic with additional vacation days with a cap of five days. These days would be earned on the ratio of hours worked onsite over total hours paid during the State ordered shut down period. These employees are risking their health and the health of their families by leaving the safety of their homes and working for the County onsite and should be compensated.

Paid Administrative Leave – COVID 19

The following shows the amounts of hours paid but not worked by department from March 16, 2020 to June 2, 2020 as a result of the NYS shutdown in response to COVID 19. As noted below, these paid hours for employees not working totaled \$2.1 million (including estimated fringe) and we are not likely to see any reimbursement for this loss of production.

Department	Total Hours Paid	Hours Paid But Unworked	Percentage of Unworked Hours Paid	Cost of Unworked Hours Paid
Administrative Fiscal Services	1,670	339	20%	11,993
Board of Elections	1,801	280	16%	14,242
Building & Fire Code	2,679	1,192	44%	47,918
Clerk of the Legislative Board	2,166	1,373	63%	46,071
County Attorney	2,565	898	35%	29,868
County Clerk	6,498	4,020	62%	121,321
District Attorney-Crime Victims	912	27	3%	1,106
District Attorney	6,734	866	13%	35,419
DPW - Airport	1,312	509	39%	15,564
DPW - Buildings & Grounds	5,741	1,601	28%	55,899
DPW - Administration	2,622	1,279	49%	39,207
DPW - Engineering	1,824	1,246	68%	55,759
DPW - Health & Human Svcs Building	2,739	762	28%	23,236
DPW - Maintenance Roads	20,583	10,922	53%	330,609
DPW - Parks and Recreation	3,640	1,821	50%	59,823
DPW - Road Machinery	5,492	2,794	51%	94,718
DPW - Traffic Control	1,411	702	50%	25,697
DPW - Up Yonda Farm	1,360	1,258	92%	44,126
Employment & Training Admin (Staff)	855	4	0%	223
Employment & Training Adult (Staff)	928	183	20%	5,179
Human Resources	1,131	382	34%	11,757
Legal Defense - Indigents	585	24	4%	1,104
Mail Room	456	236	52%	6,804
Mental Health	2,622	58	2%	2,659
Office of the Aging	11,962	1,189	10%	29,508
Personnel/Civil Service	1,314	453	34%	13,516
Planning - GIS	456	8	2%	451
Planning	2,094	533	25%	23,080
Probation Day Reporting	456	408	89%	16,564
Probation Pre-Trial	456	373	82%	13,537
Probation	7,752	4,705	61%	166,193
Public Defender	5,528	552	10%	20,323
Public Health	21,723	616	3%	21,927
Public Records	1,561	1,164	75%	34,575
Purchasing	1,368	146	11%	4,663
Real Property Tax	2,230	1099	49%	36,278
Countryside Adult Home	11,136	648	6%	16,803
Self Insurance	1,311	366	28%	14,293
Sheriff - 911 Center	11,032	184	2%	6,873
Sheriff - Jail	43,609	272	1%	10,304
Sheriff - Law Enforcement	45,386	1082	2%	40,477
Social Services	55,808	17337	31%	522,598
Tourism	3,396	792	23%	25,725
Treasurer	5,304	84	2%	2,696
	312,206	64,786	21%	2,100,685

Governor's Executive Order 202.39

Governor Cuomo issued Executive Order 202.39 which states the following:

The directive contained in Executive Order 202.4, as extended, that required local governments to allow non-essential personnel to be able to work from home or take leave without charging accruals, and required such number of non-essential personnel to total no less than 50% of the total number of employees across the entire workforce of such local government or political subdivision, is hereby modified to apply only to local governments that have not met the prescribed public health and safety metrics to be eligible for Phase Two reopening, provided such local governments in Phase Two regions may bring non-essential employees back to work beginning two weeks after such region meets the metrics to reopen Phase Two.

The Capital Region entered Phase Two on June 3, 2020 so it seems that the County is no longer required to limit non-essential workers reporting to work and workers can no longer stay home and be paid without using their accruals. As noted above, employees staying home and not working while getting paid is a large cost to the County. In addition, there is the possibility that any time paid to an employee while not working or using an accrual that is outside the scope of the Governor's Executive Order 202.39 may not be reportable to the NYS Retirement System which will affect retirement service credits.

The County Administrator is currently looking into this situation.

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. **We haven't seen any action taken on the current list below.**

<u>Department of Public Works</u>	<u>Date of Last Activity</u>	<u>Cash</u>	<u>State/Federal Receivable</u>	<u>Deposit with Other Govt</u>
H199 - Corinth Road	5/2016	100,508	22,119	-
H200 - Quaker Road Signal Imp	12/2013	-	11,283	-
H219 - RR Track Restoration	5/2009	-	534	125,000
H258 - Tannery Bridge over Stony Creek	8/2010	-	63,791	-
H355 - Municipal Cntr Security Renovation	10/2016	-	-	-
H361 - Brant Lake Lower Dam	12/2015	-	-	-

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.

County Debt Balances

The following shows the County's current debt outstanding as of May 31, 2020 along with ending debt balances for future years:

	Current	End of 2020				2024-	2029-	2034-
Bonds	Balance	Balance	2021	2022	2023	2028	2033	2038
Pub Safety Bldg & Com Upgrade	4,325,000	3,240,000	2,165,000	1,085,000	-	-	-	-
Recovery Act Bonds, Various Proj	13,070,000	12,305,000	11,630,000	10,935,000	10,205,000	6,110,000	1,140,000	-
Court Expansion - 2015	6,625,000	6,625,000	6,260,000	5,890,000	5,510,000	3,445,000	1,055,000	-
Court Expansion - 2017	7,390,000	7,390,000	7,030,000	6,665,000	6,290,000	4,295,000	2,040,000	-
SUNY Adirondack NSTEM - 2017	5,010,000	5,010,000	4,765,000	4,515,000	4,260,000	2,905,000	1,380,000	-
Capital Leases								
Municipal Center Energy Project	781,028	539,914	279,884	-	-	-	-	-
Countryside Adult Home Energy Proj	52,291	37,615	7,630	-	-	-	-	-
Total Outstanding	37,253,319	35,147,529	32,137,515	29,090,000	26,265,000	16,755,000	5,615,000	-

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