

# 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 23, 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 May 31, 2021 and have noted the following items Supervisors should be aware of.

## **Revenues**

### **American Rescue Plan**

The County had been awarded \$12.4 million in stimulus money under the American Rescue Plan Act of 2021 payable in two equal installments. We have received the first installment of \$6.2 million in June, 2021 and will receive the second installment in June, 2022. One allowable use of this funding is for revenue replacement which can be used for the provision of government services to the extent of the reduction in revenue. The U.S. Treasury guidelines state that government services can include, but are not limited to, maintenance of infrastructure, modernization of cybersecurity, protection of critical infrastructure, health services, environmental remediation, and the provision of police, fire and other public safety services. Using the U.S. Treasury guidelines, we have preliminarily calculated the reduction in revenue amount as of December 31, 2020 to be \$9.3 million.

### **County Clerk**

**County Clerk Fees** – As of May 31, the department has received \$402,722 in County Clerk Fees in 2020 and \$601,490 in 2021 which is an increase of 49%. It should be noted that the 2021 amount is at 47% of the budget for this account so the actual revenue received is on target to exceed the budget.

**Mortgage Tax** – As of May 31, the department has received 683,078 in Mortgage Tax in 2020 and \$1,151,102 in 2021 which is an increase of 69%. It should be noted that the 2021 amount is at 57% of the budget for this account so the actual revenue received is on target to exceed the budget.

**Automobile Use Tax** – As of May 31, the department has received \$131,224 in Automobile Use Tax in 2020 and \$177,491 in 2021 which is an increase of 35%. It should be noted that the 2021 amount is through April and is at 37% of the budget for this account, so the actual revenue amount received is slightly above the budget.

### **County Treasurer**

**Sales Tax** – It has been noted that we have collected \$2,619,631 more in sales taxes for the first two payments through May, 2021 than we did for the first two payments through May, 2020 which is a 15.1% increase. There will be one more payment for May at the end of June. This increase would have been far greater if \$331,967 had not been withheld by the State for fiscally distressed health care facilities.

**VLT/Tribal Compact Moneys (Casino)** – We have not received our 4<sup>th</sup> 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. **We have also not received any payments for 2021 as of the date of this report. We budgeted \$375,000 in 2021 for this revenue.**

### Tourism

**Occupancy Tax** – The department has collected \$123,554 more in occupancy taxes as of May 31, 2021 than we did as of May 31, 2020 which is a 37% increase.

### Sheriff's Correction Division

**Jail Services, Other Government** – As of May 31, the department has received \$7,134 in Jail Services, Other Government in 2020 and \$186,930 in 2021 which is an increase of 2,520%. It should be noted that the 2021 amount is at 93% of the budget for this account so the actual revenue received is on target to exceed the budget.

### Building & Fire Code

**Building Permits** – As of May 31, the department received \$36,693 in building permits in 2020 and \$81,062 in 2021 which is an increase of 1,209%. It should be noted that the 2021 amount is at 40% of the budget for this account so that actual revenue received is slightly below the budget.

### Health Services

**Home Nursing Charges** – As of May 31, the department has received \$939,862 in Home Nursing Charges in 2020 and \$882,883 in 2021 which is a decrease of 6%. In should be noted that the 2021 amount is through April and is at 22% of the budget for this account, so the actual revenue amount received is significantly 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.**

### Airport Costs

The following shows a ten-year history of Airport operating and capital costs. The airport has averaged an annual \$553,152 operating deficit during this time period and an annual total deficit including capital costs of \$720,550. 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 2021 is budgeted to be \$330,110.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Revenues	119,562	287,130	137,363	123,924	125,883	161,099	201,943	190,579	308,210	255,802	1,911,495
Expenditures	789,875	983,457	845,725	817,233	789,850	704,605	880,286	572,882	552,173	506,929	7,443,016
Operating Deficit	(670,313)	(696,327)	(708,362)	(693,310)	(663,967)	(543,506)	(678,343)	(382,303)	(243,963)	(251,127)	(5,531,521)
<u>Capital Costs</u>											
Local Share	30,738	7,545	96,566	56,772	117,015	48,889	140,228	60,513	142,684	80,887	781,837
Debt Principal	160,000	160,000	160,000	160,000	160,000	-	-	-	-	-	800,000
Debt Interest	32,146	24,000	18,000	12,000	6,000	-	-	-	-	-	92,146
Total Deficit	(893,197)	(887,872)	(982,928)	(922,082)	(946,982)	(592,395)	(818,571)	(442,816)	(386,647)	(332,014)	(7,205,504)

## 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>Office of Emergency Services</u>	<u>Date of Last Activity</u>	<u>Cash</u>	<u>Balance owed to Other funds/Govt</u>
H358-Hazard Mitigation Grant Program	10/2017	-	2,152
<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. 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. H334 is over budget and will need a budget amendment before it can be closed.

## County Debt Balances

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

	<u>Current Balance</u>	<u>End of 2021 Balance</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025-2029</u>	<u>2030-2034</u>
<u>Bonds</u>							
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	6,260,000	6,260,000	5,890,000	5,510,000	5,120,000	2,995,000	530,000
Court Expansion - 2017	7,030,000	7,030,000	6,665,000	6,290,000	5,910,000	3,865,000	1,550,000
SUNY Adirondack NSTEM - 2017	4,765,000	4,765,000	4,515,000	4,260,000	4,000,000	2,615,000	1,050,000
<u>Capital Leases</u>							
Municipal Center Energy Project	539,914	279,883	-	-	-	-	-
Countryside Adult Home Energy Proj	22,729	7,629	-	-	-	-	-
<b>Total Outstanding</b>	<b>34,162,643</b>	<b>32,137,512</b>	<b>29,090,000</b>	<b>26,265,000</b>	<b>24,475,000</b>	<b>14,675,000</b>	<b>3,130,000</b>

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