

# WARREN COUNTY TREASURER

**Michael R. Swan**  
County Treasurer

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Deputy Treasurer

To: All Supervisors  
From: Michael R. Swan, Treasurer  
Date: October 21, 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 September 30, 2016 and have noted certain items Supervisors should be aware of.

### **Revenues**

#### **County Clerk**

**County Clerk Fees** – As of September 30, the department has received \$891,445 in County Clerk Fees in 2015 and \$895,948 in 2016 which is an increase of 0.5%. It should be noted that the 2016 amount is at 75% of the budget for this account, so the actual revenue received is on target with the budget.

**Mortgage Tax** – As of September 30, the department has received \$1,310,433 in Mortgage Tax in 2015 and \$1,838,983 in 2016 which is an increase of 40%. 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 5% over prior year and is at 95% of the budget.

**Automobile Use Tax** – As of September 30, the department has received \$329,238 in Automobile Use Tax in 2015 and \$327,818 in 2016 which is a decrease of 0.4%. It should be noted that the 2016 amount is through August and is at 69% of the budget for this account, so the actual revenue amount received is on target with the budget. The September collection amount was unavailable as of the date of this report.

#### **Highway Administration**

**Consolidated Highway Aid (CHIPs)** – It is County policy that all State and Federal aid claims are to be reviewed and approved by the County Treasurer prior to submission for reimbursement. The Treasurer's Office recently received a CHIPs claim to review and during the process it was noted that \$87,041 of eligible costs were not included in the claim and we requested that the claim be amended to include these costs. The Superintendent of Public Works did not want to amend the claim due to the volume of work required and decided to submit the claim without amending it and without County Treasurer approval which is in violation of County policy.

State and Federal aid claims should include all eligible costs and should not be submitted for reimbursement without County Treasurer approval.

#### **County Treasurer**

**Sales Tax** – It has been noted that we have collected \$741,850 more in sales taxes through September, 2016 than we did through September, 2015 which is a 1.9% increase. In order to meet the 2016 budget, we need a 0.15% increase over 2015 actual.

## Tourism

**Occupancy Tax** – The department has collected \$41,246 more in occupancy taxes as of August 31, 2016 than we did as of August 31, 2015 which is a 3% increase.

## Sheriff's Correction Division

**Jail Services, Other Government** – As of September 30, the department has received \$331,727 in Jail Services, Other Government in 2015 and \$310,248 in 2016 which is a decrease of 6%. It should be noted that the 2016 amount is through August and is at 78% of the budget for this account, so the actual revenue amount received is on target to exceed the budget.

## Health Services

**Home Nursing Charges** – As of September 30, the department has received \$3,058,652 in Home Nursing Charges in 2015 and \$2,593,991 in 2016 which is a decrease of 15%. It should be noted that the 2016 amount is through August and is at 61% of the budget for this account, so the actual revenue amount is lagging behind the budget. It should be noted that a \$55,646 adjustment was made in March to reduce 2016 revenue in order to align the Home Nursing Charges and the Long Term Care programs. If you factor out this adjustment, then the 2016 actual amount through August for Home Nursing Charges is at 62% of the budget, so the unadjusted revenue amount is still lagging behind 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 (we have not received this payment as of the date of this report which was to be paid by the Town of Queensbury) and \$22,000 which was expected to be received in June (we have not received this payment as of the date of this report which was to be paid by the Town of Bolton).**

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.

## **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.

### Courthouse Expansion Project

It is important that our office be provided with specific information related to the Courthouse Expansion Project and be provided with monthly budget reports for each phase of the project so that we can properly monitor the project finances and more importantly not borrow more money than we need to. We have made several requests for the following information from the Superintendent of Public Works and have not received anything:

1. Description of the work that is being done for each phase of the project.
2. A breakdown of what makes up the \$2.6 million in “soft costs” reported in the most recent cost estimate. There should be a detail of what constitutes this amount.
3. Monthly reports showing Courthouse Expansion project budget and what was expended to date for each phase of the project. We also need an expenditure timeline for each phase of the project.

***We will be unable to issue the next bond for this project until we receive the information requested above. We have not received any of the information requested above to date.***

## County Debt Balances

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

	Current	End of 2016				2020-	2025-	2030-
	Balance	Balance	2017	2018	2019	2024	2029	2034
<b>Bonds</b>								
Pub Safety Bldg & Com Upgrade	7,695,000	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
<b>Capital Leases</b>								
Westmount Co-Generation Plant	314,041	221,019	-	-	-	-	-	-
Municipal Center Energy Project	1,570,826	1,397,703	1,209,177	1,003,899	781,029	-	-	-
Countryside Adult Home Energy Pr	153,439	141,209	115,818	88,084	59,553	-	-	-
<b>Bond Anticipation Notes</b>								
SUNY Adirondack NSTEM	3,278,000	3,278,000	-	-	-	-	-	-
Alder Brook Brdg over Trout Brdg	30,168	30,168	-	-	-	-	-	-
Harrington Road Bridge	11,957	11,957	-	-	-	-	-	-
Beach Road Bridge	119,986	119,986	-	-	-	-	-	-
2011 Storm Damage	220,000	220,000	-	-	-	-	-	-
West Brook Parking Lot	30,600	30,600	-	-	-	-	-	-
<b>Total Outstanding</b>	<b>39,614,017</b>	<b>38,720,642</b>	<b>32,479,995</b>	<b>30,111,983</b>	<b>27,715,581</b>	<b>16,665,000</b>	<b>9,400,000</b>	<b>530,000</b>

Please note that an estimated additional \$8.5 million will be issued for the Court Expansion project in bonds in 2017 and the SUNY Adirondack NSTEM BAN will be rolled into a \$5.8 million bond in 2017.

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