

WARREN COUNTY TREASURER

Christine V. Norton
County Treasurer

Robert V. Lynch II, CPA
Deputy Treasurer

To: All Supervisors
From: Christine V. Norton, Treasurer
Date: May 29, 2024
Subject: April, 2024 Budget Analysis Report

Budget Analysis Report

One of the purposes 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 April 30, 2024 and have noted the following items Supervisors should be aware of.

General Fund Balance

The following shows the balance of unappropriated surplus for the General Fund as of the date of this report compared to the minimum balance needed to operate which equates to two months of operating expenses or 16.7%.

Fund Balance Surplus - 2023	\$ 42.3 million
Appropriated For 2024 Budget	<u>(1.9) million</u>
Unappropriated Surplus - 2023	40.4 million
Additional Appropriated During 2024 *	<u>(5.2) million</u>
Balance Unappropriated Surplus	\$ 35.2 million
Minimum Surplus Balance Needed (2 months operating expense) - 2024	<u>32.5 million</u>
Balance of Surplus Exceeding Minimum Balance	<u><u>2.7 million</u></u>

We have concerns about maintaining the minimum fund balance without difficult decisions on future spending. The CSEA contract settlement is expected to require a significant amount of fund balance use along with other costs that may arise during the year.

* - The details of the Additional Appropriated Surplus – 2024 are as follows:

Date	Resolution Number	Description	Amount
2/20/2024	67	Sheriff - SPCA Agreement not included in 2024 Budget	\$ 96,000.00
2/20/2024	69	Mental Health - Psychiatric Exp/Criminal	250,000.00
2/20/2024	70	County Clerk/Public Health - Legal Settlement	16,316.00
2/20/2024	71	DPW - Local Match for Federal/State Funded County Road Capital Projects	1,597,500.00
2/20/2024	74	Sheriff - NYS Mandated substance abuse services for incarcerated persons	117,032.75
3/18/2024	101	DPW - Equipment purchases	1,048,000.00
3/18/2024	102	DPW - Road Projects	1,348,000.00
3/18/2024	102	DPW - Local Match for Federal/State Funded Airport Capital Projects	230,000.00
3/18/2024	102	DPW - Airport road to bus garage	160,000.00
4/25/2024	154	DSS - Legal Settlement	250,000.00
5/16/2024	181	Workforce Development - County funding for department programs	100,000.00
			<u>\$ 5,212,848.75</u>

Revenues

American Rescue Plan Act (ARPA)

During 2021 and 2022, the County received a total of \$12,420,372 in ARPA funding to be used for various purposes in response to the COVID pandemic. As noted in the US Treasury Final Rule, funds must be obligated by December 31, 2024, and expended by December 31, 2026. In order for the obligation requirement to be met, a contract must be in place for services and subawards and purchase orders must be recorded for services, subawards and property by December 31, 2024. This requirement also applies to any funds that are reallocated for use by the County for providing government services.

The following is an accounting of the amount of ARPA funds expended and obligated as of March 31, 2024 and the unobligated balance remaining:

ARPA Funding Received	\$ 12,420,372
Expended to Date	(9,730,167)
Encumbered to Date	<u>(1,069,842)</u>
Unobligated Balance	<u>\$ 1,620,363</u> *

* - The details of the Unobligated balance as of March 31, 2024 are as follows:

<u>Project Name</u>	<u>Unobligated Amount</u>
Warren County Community Services Board (Mental Health)	\$ 444,448
Warren County Administrative Costs	269,424
WC Employment and Training Admin-Trades Position	175,058
Employment Training - Summer Allocation	114,948
Mental Health - Wait House	111,287
Bikeway Connection Study	100,000
Multi-Department Technology Upgrades	86,433
JLABS Childcare	75,000
WC OES Marine Rescue Team	74,994
WC Employment and Training Administration-Supplement	69,191
National Council for Mental Wellbeing	35,000
WC Employment and Training Job Coach	30,000
Habitat for Humanity	17,157
Joseph Warren Historical Center	15,781
Pandemic Response Equipment	1,234
Technology Access for out of work residents	409
	<u>\$ 1,620,363</u>

County Clerk

County Clerk Fees – As of April 30, the department has received \$328,056 in County Clerk Fees in 2024 and \$331,807 in 2023 which is a decrease of 1%. April actual revenues are on target with expected budgeted amounts.

Mortgage Tax – As of April 30, the department has received \$511,860 in Mortgage Tax in 2024 and \$689,683 in 2023 which is a decrease of 26%. April actual revenues are 1% behind expected budgeted amounts

Automobile Use Tax – As of April 30, the department has received \$91,175 in Automobile Use Tax in 2024 and \$119,875 in 2023 which is a decrease of 24%. The 2024 actual revenue amount is through March and is 6% behind expected budgeted amounts.

County Treasurer

Sales Tax – We have collected \$1,085,866 more in sales taxes through April 30, 2024 than we did through April 30, 2023 which is a 5.5% increase. We have received \$1,137,528 more than the 2024 revenue budget to date which is a 5.8% increase. **The net County budget surplus after accounting for the distribution to the Towns and Village is \$602,890.**

Tourism

Occupancy Tax – As of April 30, the department has received \$557,217 in Occupancy Tax revenue in 2024 and \$581,549 in 2023 which is a decrease of \$24,332 or 4%.

Sheriff's Correction Division

Jail Services, Other Government – As of April 30, the department has received \$57,056 in Jail Services, Other Government in 2024 and \$25,768 in 2023 which is an increase of 121%. April actual revenues are 55% ahead of expected budgeted amounts.

The Sheriff's Office has noted that there has been a significant increase in federal boarded incarcerated individuals. The County has no control over the number of federal inmates that are boarded at the County.

Building & Fire Code

Building Permits – As of April 30, the department received \$72,761 in building permits in 2024 and \$89,101 in 2023 which is a decrease of 18%. April actual revenues are 6% behind expected budgeted amounts.

It has been noted that there were several large projects in January and February, 2023 which we didn't have this year.

Expenditures

Occupancy Tax Reserve

We have historically waited until after year end to close the revenues and expenditures to the Occupancy Tax Reserve. We have decided to start closing on a monthly basis this year to more easily provide up to date information of the reserve available balance.

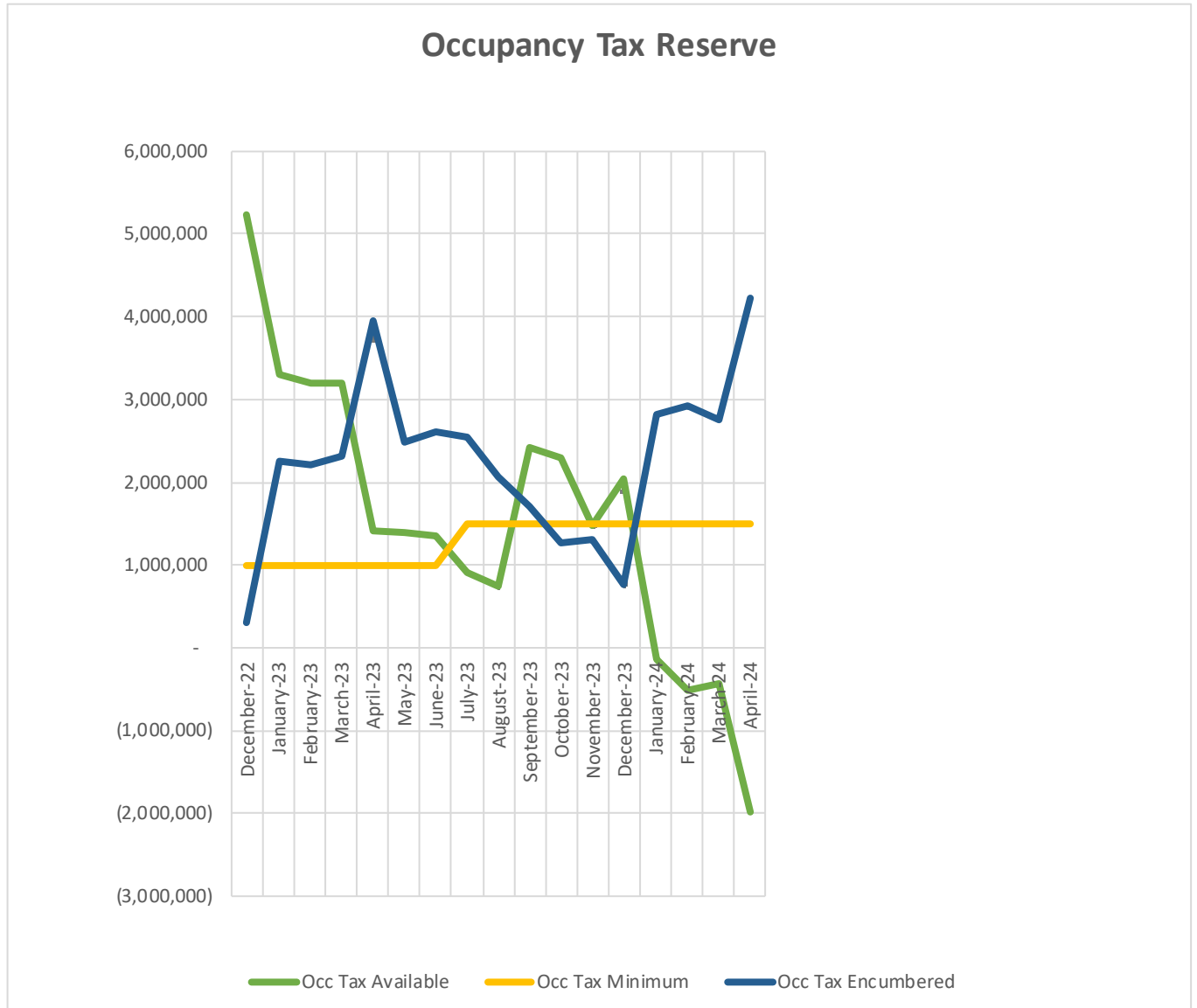
We created two sub accounts: Occupancy Tax Reserve – Minimum Balance and the Occupancy Tax Reserve – Encumbered in order to better track reserve activity.

- The Occupancy Tax Reserve – Available balance is equivalent to the unappropriated surplus balance for the General Fund and represents what amount is currently available.
- The Occupancy Tax Reserve – Minimum balance represents the amount of reserve that we must keep on hand for cash flow.
- The Occupancy Tax Reserve – Encumbered balance represents the amount that has been obligated either through a contract or purchase order and is not available for other uses. A significant amount of the Occupancy Tax Reserve – Encumbered balance covers periods throughout the year.

The following represents the balances at the end of each month for the three reserve accounts. Please note that the Board approved to increase the reserve minimum balance to \$1,500,000 during the July, 2023 Board meeting.

<u>Date</u>	<u>Occ Tax Reserve- Available</u>	<u>Occ Tax Reserve- Minimum Balance</u>	<u>Occ Tax Reserve- Encumbered</u>	<u>Total</u>
12/31/2022	5,235,115	1,000,000	295,940	6,531,055
1/31/2023	3,297,376	1,000,000	2,247,601	6,544,977
2/28/2023	3,195,170	1,000,000	2,203,803	6,398,973
3/31/2023	3,186,913	1,000,000	2,310,769	6,497,682
4/30/2023	1,404,577	1,000,000	3,957,577	6,362,154
5/31/2023	1,402,862	1,000,000	2,476,644	4,879,506
6/30/2023	1,350,382	1,000,000	2,608,069	4,958,451
7/31/2023	906,190	1,500,000	2,542,154	4,948,343
8/31/2023	743,919	1,500,000	2,059,526	4,303,445
9/30/2023	2,417,379	1,500,000	1,700,477	5,617,856
10/31/2023	2,295,143	1,500,000	1,268,482	5,063,625
11/30/2023	1,484,198	1,500,000	1,313,680	4,297,878
12/31/2023	2,043,167	1,500,000	760,023	4,303,190
1/31/2024	(142,679)	1,500,000	2,813,395	4,170,716
2/29/2024	(509,229)	1,500,000	2,919,435	3,910,205
3/31/2024	(428,673)	1,500,000	2,753,216	3,824,543
4/30/2024	(1,976,741)	1,500,000	4,231,506	3,754,766

The following represents the monthly balances of each of the three occupancy tax reserve accounts from December, 2022 to April, 2024.



County Debt Balances

The following shows the County’s current debt outstanding as of April, 2024 along with ending debt balances for future years:

	Current	End of 2024					2029-
	Balance	Balance	2025	2026	2027	2028	2033
Bonds							
Recovery Act Bonds, Various Proj	10,205,000	9,445,000	8,660,000	7,840,000	6,990,000	6,110,000	1,140,000
Court Expansion - 2015	5,120,000	5,120,000	4,720,000	4,305,000	3,880,000	3,445,000	1,055,000
Court Expansion - 2017	5,910,000	5,910,000	5,520,000	5,120,000	4,715,000	4,295,000	2,040,000
SUNY Adirondack NSTEM - 2017	4,000,000	4,000,000	3,735,000	3,465,000	3,190,000	2,905,000	1,380,000
Leased Commitments							
Copiers/Printers - National Business	242,457	200,298	135,457	68,690	-	-	-
Copier - Toshiba	17,677	15,570	11,835	7,936	3,871	-	-
Office Space - Mental Health	55,049	33,345	-	-	-	-	-
Bond Anticipation Notes							
Paving, Retaining Wall & Countryside	6,320,000	3,720,000	2,480,000	1,240,000	-	-	-
Total Outstanding	31,870,183	28,444,213	25,262,292	22,046,626	18,778,871	16,755,000	5,615,000

Budget Exception Report

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. Some of these items have been over expended for a few months without any action taken to amend the budgets.

Each department is responsible for ensuring that their budgets including salary and fringe are not over expended and if they are, the issue should be addressed immediately. Legally, the County is not allowed to incur costs for goods or services without sufficient budget in the expenditure line item to cover these costs.

Outstanding Issues to be Addressed by Respective Departments

<u>Issue</u>	<u>Date First Reported</u>	<u>Number of Days Outstanding</u>
1. \$1.1 million in DPW waste containers are not being inventoried and properly controlled.	1/31/2024	119
2. Overtime for Sheriff's Correction and Law Enforcement, Countryside Adult Home and Social Services are projected to exceed the 2024 budget.	4/3/2024	56

<u>Department</u>	<u>Budget</u>	<u>Actual</u>	<u>% Used</u>	<u>Projected Actual</u>	<u>Projected Budget Deficit</u>
Sheriff's Correction Division	400,000	285,499	71%	856,497	(456,497)
Countryside Adult Home	26,000	15,114	58%	45,341	(19,341)
Social Services	49,222	27,763	56%	83,289	(34,067)
Sheriff's Law Enforcement	425,000	151,530	36%	454,591	<u>(29,591)</u>
					<u>(539,497)</u>

3. Over expended department line items for Budget Officer, School Resource Officers, Queensbury School District and Probation	1/31/2024	119
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**Budget Officer – Over expended since 1/31/24 (hospitalization - \$1,786.82, dental insurance - \$33.32)
 School Resource Officers, Queensbury School District – Over expended since 1/31/24 (salaries – overtime - \$2,673.93)
 Probation – Over expended since 1/31/24 (salaries – overtime - \$64.79)**

4. VLT/Tribal Compact Moneys (Casino) - We have not received payments for 2022, 2023 and 2024 to date. The County Treasurer is looking into this.	1/31/2024	119
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Again, we invite comments from Supervisors and department heads to expand this into a more useful management tool in these critical financial times.