

**WARREN COUNTY TREASURER**

**Christine V. Norton**  
**County Treasurer**

**Robert V. Lynch II, CPA**  
**Deputy Treasurer**

To: All Supervisors

From: Christine V. Norton, Treasurer

Date: January 30, 2025

Subject: *December 2024 Budget Analysis Report (Preliminary)*

**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 imperative 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 December 31, 2024 on a preliminary basis.

Please note that we have not closed the year as of this date and there will be significant additional revenues and expenditures posted until we officially close the books over the next few months.

We will provide final 2024 numbers near the end of April, 2025. We have noted the following items Supervisors should be aware of.

**December EXECUTIVE SUMMARY:**

- **CONCERNS:**
  - **General Fund Balance (GFB) BELOW Minimum by \$195K.** Pg. 2/3
  - **Sales Tax:** Pg. 4
    - decrease of 0.6%, or \$245K, in the second half of 2024 potentially indicative of a downward trend go forward
    - 2025 Adopted Budget based on 2024 Sales Tax PROJECTIONS vs 2023 ACTUALS = EQUALS **tighter 2025 sales tax revenue go forward**
  - **Unpaid County Fed/State Claims – \$1.6M greater than 90 days, with \$2.1M Over a Year-Old** Pg. 7
    - presents a *cashflow concern* for the County
  - **Psychiatric Exp/Criminal – 645% increases since 2021; 2024** Pg.9
    - YTD actual of \$1.6M with only \$600K budgeted for 2025

**December EXECUTIVE SUMMARY, Con't:**

- **POSITIVES:**
  - **ARPA Dollars at Risk is \$0**, all has been obligated and we completed our 2024 reporting **Pg. 4**
  - Sales Tax **Exceeds** Prior Year Total by **\$1.3M** (1.7% while all NYS Counties experienced a 0.33% average increase) **Pg. 4**
  - **Interest & Earnings – significant increase:** **Pg. 4**
    - **20%** increase from prior year, and
    - **103%** ahead of expected December budgeted amount
  - **Occupancy Tax Exceeds Prior Year Total by 6%, or \$453K** **Pg. 5/6**
    - Occ Tax Collection Enforcement efforts account for **\$151K**, or **2%**, of the total increase in 2024 Occ Tax collections

**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%*.

*Please note this is on a budget basis only and should be used as a tool to determine available amounts for additional appropriations during the year.*

Fund Balance Surplus - 2023	\$ 42.2 million
Appropriated For 2024 Budget	<u>(1.9) million</u>
Unappropriated Surplus - 2023	40.3 million
Additional Appropriated During 2024	<u>(8.0) million*</u>
Balance Unappropriated Surplus	32.3 million
Minimum Surplus Balance Needed (2 months operating expense) - 2024	<u>32.5 million</u>
Balance of Surplus Exceeding/(Below) Minimum Balance	<u>\$ (0.2) million</u>

\* - The details of the Additional Appropriated Surplus – 2024 can be found on the following page:

Date	Resolution Number	Description	Amount
<b>Board Approved</b>			
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
6/21/2024	210	Mental Health - Psychiatric Exp/Criminal	300,000.00
6/21/2024	210	Railroad Repairs	326,000.00
9/20/2024	321	Mental Health - Psychiatric Exp/Criminal	500,000.00
10/18/2024	381	Coroners - Autopsies	75,000.00
10/18/2024	382	Various department equipment purchases	182,500.00
10/18/2024	385	County Attorney litigation expenses	3,000.00
10/18/2024	387	DSS - Court ordered detention costs	293,466.00
11/19/2024	442	OES - Hazard Mitigation Grant Local Share	3,664.72
12/20/2024	497	Mental Health - Psychiatric Exp/Criminal	450,000.00
12/20/2024	502	Sheriff - Overexpended line items	497,500.00
12/20/2024	506	Treasurer - Bond Closing Costs	67,206.00
12/20/2024	549	Municipal Center Heating System Repairs	80,319.04
			<u>\$ 7,991,504.51</u>
Required appropriation of General Fund Balance (66%)			\$ 5,253,004.51
Optional appropriation of General Fund Balance (34%)			<u>\$ 2,738,500.00</u>
			<u>\$ 7,991,504.51</u>

## Revenues

### County Clerk

**County Clerk Fees** – As of December 31, the department has received **\$1,131,296** in County Clerk Fees in 2024 and \$1,079,417 in 2023 **which is an increase of 5%**.

- **December actual revenues are 11% behind expected budgeted amounts.**

**Mortgage Tax** – As of December 31, the department has received \$1,751,448 in Mortgage Tax in 2024 and \$2,201,957 in 2023 which is a **decrease of 20%**. **December actual revenues are 17% behind expected budgeted amounts.**

- The County clerk had previously noted that there has been a significant drop in the number of mortgages in 2024 compared to 2023.

## County Clerk (cont.)

**Automobile Use Tax** – As of December 31, the department has received \$448,751 in Automobile Use Tax in 2024 and \$463,791 in 2023 which is *a decrease of 3%*.

- The 2024 actual revenue amount is through November and is on target with expected budgeted amounts.

## American Rescue Plan Act (ARPA) Dollars:

*As of 12/31/2024, the entire amount of ARPA funding received has been obligated and we have completed our 2024 reporting.* The breakdown between expended and encumbered is as follows.

	<u>12/31/2024</u>
ARPA Funding Received	\$ 12,420,372
Expended to Date	(11,369,032)
Encumbered to Date	<u>(1,051,341)</u>
Unobligated Balance	<u>\$ -</u>

**We will have continuing reporting and subrecipient monitoring requirements for 2025 and 2026. We will have to return any subrecipient unspent funds as of 12/31/26 to the US Treasury. Any unspent County funds as of 12/31/26 will also have to be returned to the US Treasury.**

## County Treasurer

### **Sales Tax:**

- We have collected \$1,229,713 more in sales taxes through December 31, 2024 than we did through December 31, 2023 which is a *1.7% increase*. All NYS counties averaged a 0.33% increase in 2024.
- We have received \$3,703,036 more than the 2024 revenue budget to date which is a *5.3% increase*.
  - **The net County budget surplus after accounting for the distribution to the Towns and Village is \$1,962,609.**
  - *There was a 0.6% drop in the second half of 2024 for a downward trend of \$245K in 2024.*

**Interest & Earnings** – As of December 31, the department has received \$2,033,385 in Interest & Earnings in 2024 and \$1,696,201 in 2023 which is an *increase of 20%*.

- *December actual revenues are 103% ahead of expected budgeted amounts.*
- We have seen a *\$166,064 (54%) increase* in income from our bond investment account as of December 31, 2024 compared to this time last year.

**Tourism**

**Occupancy Tax** – As of December 31, the department has collected \$452,986 more in Occupancy Taxes as of December 31, 2024 than we did as of December 31, 2023 which is a 6% increase. These amounts represent collections for each year through January 24. We have not finalized 2024 figures yet and expect to receive payments for 2024 through March 31, 2025.

***Total 2024 INTERIM Occ Tax Collections***

	<b>12/31/2024</b>	<b>1/24/2025*</b>	<b>2/28/2025</b>	<b>3/31/2025</b>
<b>INTERIM Revenue Collected through 2024 (1/24/25)</b>	7,082,185	7,649,617	TBD	TBD
<b>INTERIM Revenue Collected through 2023 (1/24/24)</b>	6,690,892	7,196,631	7,528,110	7,719,992
<b><i>Increase/(Decrease) from 2023</i></b>	<b>391,293</b>	<b>452,986</b>	-	-
<b><i>Increase/(Decrease) from 2023</i></b>	<b>6%</b>	<b>6%##</b>		

\*Due to Warren County’s modified accrual accounting, **2024 TOTAL Occ Tax Revenues will continue to INCREASE through 3.31.25.** As a result, **the \$7.6M 2024 INTERIM** year-end balance is through **1.24.25.**

- As such, please see Occ Tax Collections through January 21<sup>st</sup>, for both the **2023 INTERIM year-end balance and the 2024 INTERIM year-end balance** below. This detail above show that Total Occ Tax collections year over year **is still on track for a 6%## increase in 2024.**

**##** Occ Tax enforcement efforts of **\$151K**, included in Total Occ Tax Collections above, accounts for **2% of the increase above. Therefore, the ACTUAL Total Occ Tax YOY increase is 4% not 6%.**

- There is an additional \$189K in Occ Tax enforcement efforts expected to be collected in 2025

**Total 2024 INTERIM Short-Term Rental Collections ONLY**

	12/31/2024	1/24/2025	2/28/2025	3/31/2025
<b>INTERIM STR Revenue Collected through 2024 (1/24/25)</b>	\$ 1,110,634	\$ 1,526,489	TBD	TBD
<b>INTERIM STR Revenue Collected through 2023 (1/24/24)</b>	\$ 893,433	\$ 1,223,174	\$ 1,388,324	\$ 1,613,444
<b>Increase/(Decrease) from 2023</b>	<b>\$ 217,201</b>	<b>\$ 303,315</b>	\$ -	\$ -
<b>Increase/(Decrease) from 2023</b>	<b>24%</b>	<b>25%</b>		

**FINAL 2024 Year End STR ONLY numbers, through 3.31.25, will continue to flex as follows:**

- There will be an additional **X/TBD % increase** due to the 125 unregistered/annual filers found during the 2024 Granicus work, which will result in an **additional \$250K revenue lift, conservatively** (min/max revenue lift quoted by Granicus: \$250/\$650K);
- In addition, there are another 100 unregistered STRs identified that are still being validated.
  - Any revenues from this continuing work will show up in 2025 Occ Tax Collections.

**Sheriff’s Correction Division**

**Jail Services, Other Government** – As of December 31, the department has received \$164,198 in Jail Services, Other Government in 2024 and **\$147,909** in 2023 which is an increase of **11%**. December actual revenues are **153%** 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 December 31, the department received \$267,696 in building permits in 2024 and \$311,709 in 2023 which is a **decrease of 14%**.

- It has been noted that there were several large projects in January and February, 2023 which we didn’t have this year.
- Another factor contributing to the revenue decline is that **the department is behind on building code inspections and has not been able to conduct fire safety inspections this year due to staffing issues**

## **Unpaid County Federal/State Claims**

As of December 31, 2024, the County has \$3,723,610 in unpaid claims that are more than 90 days old, of which \$2,082,870 (56%) are over a year old. This has a significant impact on the County's cash flows. The following shows the breakdown by department.

<u>Department</u>	<u>90-365 Days</u>	<u>Over 1 Year</u>	<u>Total</u>
DPW - Road/Bridges	\$ 1,228,802	\$ 1,291,060	\$ 2,519,862
Public Health	244,276	379,241	623,517
Planning	34,770	161,507	196,277
DPW - Airport	11,226	175,961	187,187
Youth Bureau	12,350	61,701	74,051
Public Defender	72,790	-	72,790
Office of the Aging	35,752	-	35,752
Sheriff	-	10,018	10,018
Probation	-	2,071	2,071
Board of Elections	-	864	864
Mental Health	774	-	774
Real Property	-	448	448
	<u>\$ 1,640,740</u>	<u>\$ 2,082,870</u>	<u>\$ 3,723,610</u>

We will be working with the above departments to resolve the above delinquent reimbursements on claims. We will also be working with departments to develop a system for monitoring the submission of claims and the payment of claims submitted to the Federal and State governments.

## Expenditures

### County Debt Balances

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

	Current	End of 2024					2029-	2034-	2039-
	Balance	Balance	2025	2026	2027	2028	2033	2038	2040
<b>Bonds</b>									
Recovery Act Bonds, Various Proj	9,445,000	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	-	-
Paving, Culverts and SUNY ADK Voltage-2024	19,795,000	19,795,000	18,935,000	18,045,000	17,110,000	16,125,000	10,415,000	3,270,000	-
<b>Leased Commitments</b>									
Copiers/Printers - National Business	200,298	200,298	135,457	68,690	-	-	-	-	-
Copier - Toshiba	15,570	15,570	11,835	7,936	3,871	-	-	-	-
Office Space - Mental Health	33,346	33,346	-	-	-	-	-	-	-
<b>Bond Anticipation Notes</b>									
Paving, Retaining Wall & Countryside	-	-	-	-	-	-	-	-	-
DPW - Emergency Road Repair	-	-	-	-	-	-	-	-	-
<b>Total Outstanding</b>	<b>44,519,214</b>	<b>44,519,214</b>	<b>41,717,292</b>	<b>38,851,626</b>	<b>35,888,871</b>	<b>32,880,000</b>	<b>16,030,000</b>	<b>3,270,000</b>	<b>-</b>

The 2024 Bond Anticipation Notes were rolled into a Bond in November, 2024 with additional funding relating to:

- culvert repairs in the amount of **\$12 million** and
- SUNY Adirondack high voltage electrical infrastructure replacement in the amount of **\$1.4 million**.

The total bond issued was **\$19.8 million** and the County received a premium of **\$1.6 million** for a total of **\$21.4 million in proceeds**.



## Psychiatric Exp/Criminal

The following analysis shows the history of psychiatric criminal evaluation costs from 2016 to 2024.

- The final costs for 2024 are \$1.6 million and the County only budgeted \$600,000 for 2025.
- This means that the County will be looking to appropriate an additional \$1 million out of the 2025 General Fund Balance which is already projected to be below the minimum threshold.
- We will be working with NYSAC, our local state legislators, District Attorney and Public Defender to look for ways to reduce the County costs in the future.

<i>Psychiatric Exp/Criminal Totals: 2016 -2024 Actuals</i>											
	<b>ACTUALS</b>										<b>BUDGET</b>
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Budget**	
50/50 County/NYS & County ONLY	\$28,200	\$3,900	<b>\$103,000</b>	<b>\$21,100</b>	<b>\$42,200</b>	<b>\$222,300</b>	<b>\$306,800</b>	<b>\$846,200</b>	<b>\$1,655,426</b>	<b>\$600,000</b>	
<b>\$\$\$ Change</b>		<b>-\$24,300</b>	<b>\$99,100</b>	<b>-\$81,900</b>	<b>\$21,100</b>	<b>\$180,100</b>	<b>\$84,500</b>	<b>\$539,400</b>	<b>\$809,226</b>	<b>-\$1,055,426</b>	
<b>% Change</b>		<b>-86%</b>	<b>2541%</b>	<b>-80%</b>	<b>100%</b>	<b>427%</b>	<b>38%</b>	<b>176%</b>	<b>96%</b>	<b>-64%</b>	
NYS STOPPED 50% Funding in 2021						X	X	X	X	X	
<b>2021-2024 Increase in Exam \$\$\$</b>						<-----	<b>\$1,433,126</b>	>-----			
						<-----	<b>645%</b>	>-----			
<b>2016-2024 Increase in Exams \$\$\$</b>	<-----				<b>\$1,627,226</b>	>-----					
	<-----				<b>5770%</b>	>-----					
<b>2025 Budget** - at least 64%+ UNDERBUDGETED right out of the gate (1.1.25)</b>											

## 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 several 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

Issue	Amount	Owner	Date Identified	Days Issue Is Outstanding
1. Overtime for Sheriff's Correction and Airport have exceeded the 2024 budget. Budget amendments for both departments to address the overtime issue were adopted at the December Board meeting which covered everything except for a small amount.	\$ 2,203	Sheriff/DPW	4/3/2024	255
Department	Amended Budget	Actual	% Used	Budget Deficit
Sheriff's Correction Division	880,000	882,203	100%	(2,203)
Airport	18,581	18,610	100%	(29)
				<u>(2,203)</u>
2. Over expended department line items.				
Forfeited Crime Proceeds - Social Security	\$ 25	District Attorney	11/5/2024	78
Forfeited Crime Proceeds - Retirement	\$ 71	District Attorney	11/5/2024	78
Forfeited Crime Proceeds - Medicare	\$ 6	District Attorney	11/5/2024	78
Forfeited Crime Proceeds - Salaries-Regular	\$ 404	District Attorney	11/5/2024	78
District Attorney - Health Ins. Cost Reimb - Retiree	\$ 183	District Attorney	8/29/2024	111
District Attorney - Retirees Hospitalization	\$ 4,396	District Attorney	11/5/2024	78
Legal Defense-Indigents - Retiree Hospitalization	\$ 8,554	Assigned Counsel	5/10/2024	218
Legal Defense-Indigents - Hurrell-Harring - Salaries-Overtime	\$ 192	Assigned Counsel	7/2/2024	169
Legal Defense-Indigents - Hurrell-Harring - Hospitalization	\$ 426	Assigned Counsel	10/2/2024	112
Public Defender-Counsel At First Appearance - Health Ins Cost Reimb	\$ 106	Public Defender	10/2/2024	112
Public Defender-Upstate Quality Imp - Salaries-Overtime	\$ 3	Public Defender	5/29/2024	177
County Clerk-Health Insurance Cost Reimbursment	\$ 198	County Clerk	10/2/2024	112
County Clerk - Hospitalization	\$ 6,774	County Clerk	12/3/2024	57
County Clerk - Retirees Hospitalization	\$ 6,254	County Clerk	12/3/2024	57
Board of Elections-Dental Insurance	\$ 361	Board of Elections	10/2/2024	112
Buildings - Retiree Hospitalization	\$ 5,935	DPW	12/3/2024	57
Sheriff's 911 Center - Retirees Hospitalization	\$ 13,112	Sheriff	12/3/2024	57
Sheriff's Law Enforcement - Salaries-Part Time	\$ 12,740	Sheriff	10/2/2024	111
Sheriff's Law Enforcement - Health Insurance Cost Reimbursement	\$ 785	Sheriff	11/5/2024	78
School Resource Officers-Queensbury School Dist - Salaries - Overtime	\$ 4,520	Sheriff	11/5/2024	78
School Resource Officers-Wsburg School Dist - Salaries - Regular	\$ 13,208	Sheriff	8/29/2024	111
School Resource Officers-Wsburg School Dist - Social Security	\$ 465	Sheriff	8/29/2024	111
School Resource Officers-Wsburg School Dist - Hospitalization	\$ 7,344	Sheriff	7/2/2024	169
School Resource Officers-Wsburg School Dist - Medicare	\$ 109	Sheriff	8/29/2024	111
School Resource Officers-Wsburg School Dist - Retirement	\$ 5,848	Sheriff	7/31/2024	140
School Resource Officers-Wsburg School Dist - Dental Insurance	\$ 78	Sheriff	7/31/2024	140
Sheriff's Correction Division - Overtime	\$ 2,203	Sheriff	12/3/2024	57
Airport - Salaries - Overtime	\$ 29	DPW	11/5/2024	78
OFA-Hamilton County - Salaries - Regular	\$ 1,864	OFA	12/3/2024	57
3. VLT/Tribal Compact Moneys (Casino) - We have not received payments for 2022, 2023 and 2024 to date. The County Treasurer is looking into this.	Unknown	Treasurer	1/31/2024	318