

# WARREN COUNTY TREASURER

**Michael R. Swan**  
County Treasurer

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To: All Supervisors

From: Michael R. Swan, Treasurer

Date: February 25, 2019

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 January 31, 2019. Please note that we have not closed the 2018 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 2018 numbers near the end of April, 2019. We have noted the following items Supervisors should be aware of:

## **Revenues**

### **County Clerk**

**County Clerk Fees** – As of January 31, the department has received \$100,400 in County Clerk Fees in 2018 and \$108,205 in 2019 which is an increase of 8%. It should be noted that the 2019 amount is at 9% of the budget for this account so the actual revenue received is on target with the budget.

**Mortgage Tax** – As of January 31, the department has received \$213,176 in Mortgage Tax in 2018 and \$73,980 in 2019 which is a decrease of 65%. It should be noted that the 2019 amount is at 4% of the budget for this account so the actual revenue received is below the budgeted amount. This was caused by the State Legislature failing to authorize a portion of the County's mortgage recording tax which expired on December 1<sup>st</sup>. The State Legislature approved the additional mortgage tax in 2019 and it will be imposed with an effective date of April 1, 2019.

**Automobile Use Tax** – As of December 31, the department has received \$480,587 in Automobile Use Tax in 2017 and \$483,781 in 2018 which is an increase of 0.7%. It should be noted that the 2018 amount is the final amount and is at 100.8% of the budget for this account, so the actual revenue amount received exceeded the budget.

### **County Treasurer**

**Sales Tax** – It has been noted that we have collected \$139,374 more in sales taxes through January, 2019 than we did through January, 2018 which is a 3.7% increase.

### **Tourism**

**Occupancy Tax** – The department has collected \$171,201 more in occupancy taxes as of December 31, 2018 than we did as of December 31, 2017 which is a 3.8% increase. This amount represents collections for each year through February 20. We have not finalized 2018 figures yet and expect to receive payments for 2018 through March 31, 2019.

### **Sheriff's Correction Division**

**Jail Services, Other Government** – As of December 31, the department has received \$175,615 in Jail Services, Other Government in 2017 and \$127,213 in 2018 which is a decrease of 28%. It should be noted that the 2018 amount is the final amount for 2018 and was below the budgeted amount by \$127,213.

## Westmount Receivables

**Medicaid** – The County is currently owed \$552,683 in patient Medicaid claims.

**The Board has elected to pursue collection of the receivables. On January 22, 2018, the County contracted with a third party for the purpose of determining whether or not the County can re-bill for the outstanding claims.**

**The consultant has completed his analysis of the outstanding claims and submitted a request to the NYS Department of Health to determine whether or not the County will be paid on these claims and is awaiting a response. The consultant believes that the majority of these claims were denied because the facility was short-staffed and could not meet a 90-day submission requirement, and the billing staff's training in how to properly code claims was deficient. The consultant therefore reported that the likelihood of payment by the state is very low. The County Administrator's office is currently working on gathering and reconciling the information needed to re-bill if it is determined that it wasn't the County's fault and the State waives the two year old claims rule.**

**Universal Settlement** - \$327,093 was recorded as a receivable for a universal settlement prior to the sale of Westmount. This amount is to be paid over a five year period. The first payment is being held up because the new owners of Westmount are contesting that they are entitled to receive a portion of this settlement. **A settlement has been reached whereby Warren Operations Associates, LLC will be receiving \$120,000 of the Universal Settlement. We have received \$131,579 of the amount owed to the County with the balance coming at a later date. We received \$43,860 on October 22, 2018 with the balance coming at a later date.**

## Lake George Watershed Conference

We currently have an outstanding receivable from the Lake George Watershed Conference for \$50,000 dating back to 2007 relating to a Valley Woods Road Project.

**The grant administrator handling this project for the County has been charged with a felony and everything is currently under investigation so it is uncertain when and if the County will receive payment. Based upon information provided by the Town of Queensbury, the Town fully paid their \$100,000 share of the project to the grant administrator who was acting on behalf of the Lake George Watershed Conference. The County only received \$50,000 of this money.**

**In order to protect County interest, consideration should be given for legal action against the Lake George Watershed Conference or the Town of Queensbury to collect the money that is owed.**

## Health Services

**Home Nursing Charges** – As of December 31, the department has received \$3,755,214 in Home Nursing Charges in 2017 and \$3,927,827 in 2018 which is an increase of 5%. The 2018 final amount is \$272,173 below the budget. It should be further noted that program expenditures are correlated with the revenue and are also lagging behind 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.

## County Road Projects

The following shows the County Road project amended budget and costs for the past five years along with the amount of CHIPs funding included in the budget. Please note that any unexpended balance gets carried over to the subsequent year and is added to that year's budget for road projects. As noted below, DPW was unable to expend \$1,841,580 of the 2018 amended budget for the road projects.

	2014	2015	2016	2017	2018
Amended Budget	3,446,729	2,760,988	3,304,044	4,377,877	4,478,293
Amount Expended	2,787,119	2,495,668	2,708,714	3,035,064	2,636,713
Amount Unexpended	659,610	265,320	595,330	1,342,813	1,841,580
CHIPs Funding included in Amended Budget	1,792,175	1,827,675	2,026,128	2,255,870	2,255,783

It is our understanding that it is important that a certain number of miles of road be paved each year in order to properly maintain the County road at an acceptable level. If the DPW department is unable to complete the number of miles allotted in the amended budget, then consideration needs to be given to contract out the work that will not be completed by County staff.

## 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. **The County Administrator has been working on this issue with DPW and Planning and will report to Board at a future date. Two projects, H298 and H329 have been approved for closure and have been removed from the list below. There hasn't been any recent action taken to address the rest of the projects.**

Department of Public Works	Date of Last Activity	Cash	State/Federal Receivable	Deposit with Other Govt
H199 - Corinth Road	5/2016	100,508	22,119	-
H200 - Quaker Road Signal Imp	12/2013	-	11,283	-
H214 - Woolen Mill Bridge	10/2013	31	18,486	-
H219 - RR Track Restoration	5/2009	-	534	125,000
H258 - Tannery Bridge over Stony Creek	8/2010	-	63,791	-
H291 - Elevator Repair - Municipal Center	No Activity	-	-	-
H323 - Gaslight Festival Space	9/2013	-	-	-
H346 - Env Assess - Airport Obstruct Rem	12/2015	-	-	-
H348 - Airport Equipment Building Repair	8/2016	1,758	301	-
H355 - Municipal Cntr Security Renovation	10/2016	-	-	-
H357 - CR Wood Park Fest Space Fence	4/2015	-	-	-
H361 - Brant Lake Lower Dam	12/2015	-	-	-
	3/2016	-	-	-
<u>Planning</u>				
H297 - County Quadricentennial Program				
H314 - First Wilderness Scenic Byways	2/2012	-	-	-
H341 - Flood Mitigation Grant	5/2013	10	-	-
H363 - Loc Gov Records Mgmt Impr Fund	12/2014	-	-	-
	12/2016	11	-	-

### 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.
3. H291 – Elevator Repair – Municipal Center – This project was opened in August, 2008 for \$41,800 and has had no activity. This project was funded with reserve money and if there is no expectation to expend this money in the near future then it must be returned to the Reserve, Rehab County Buildings (A 871.00) in the General Fund.
4. H341 – Flood Mitigation Grant – There is a liability back to the General Fund that is not funded for \$858 which will need funding before it can be repaid and the project closed.

## County Debt Balances

The following shows the County's current debt outstanding as of January 31, 2019 along with ending debt balances for future years:

	Current	End of 2019				2023-	2028-	2033-
Bonds	Balance	Balance	2020	2021	2022	2027	2032	2037
Pub Safety Bldg & Com Upgrade	5,430,000	4,325,000	3,240,000	2,165,000	1,085,000	-	-	-
Recovery Act Bonds, Various Proj	16,265,000	15,570,000	14,845,000	14,080,000	13,280,000	8,605,000	2,740,000	-
Court Expansion - 2015	7,325,000	6,980,000	6,625,000	6,260,000	5,890,000	3,880,000	1,565,000	-
Court Expansion - 2017	8,085,000	7,740,000	7,390,000	7,030,000	6,665,000	4,715,000	2,515,000	-
SUNY Adirondack NSTEM - 2017	5,485,000	5,250,000	5,010,000	4,765,000	4,515,000	3,190,000	1,700,000	-
Capital Leases								
Municipal Center Energy Project	1,003,899	781,028	539,915	279,884	-	-	-	-
Countryside Adult Home Energy Proj	95,091	66,761	37,616	7,630	-	-	-	-
Total Outstanding	<u>43,688,990</u>	<u>40,712,789</u>	<u>37,687,531</u>	<u>34,587,515</u>	<u>31,435,000</u>	<u>20,390,000</u>	<u>8,520,000</u>	<u>-</u>

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