

**WARREN COUNTY TREASURER**

**Christine V. Norton**  
County Treasurer

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

To: All Supervisors  
From: Christine V. Norton, Treasurer  
Date: July 2, 2024  
Subject: May, 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 May 31, 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>(5.8) million*</u>
Balance Unappropriated Surplus	\$ 34.6 million
Minimum Surplus Balance Needed (2 months operating expense) - 2024	<u>32.5 million</u>
Balance of Surplus Exceeding Minimum Balance	<u><u>2.1 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
6/21/2024	210	Mental Health - Psychiatric Exp/Criminal	300,000.00
6/21/2024	210	Railroad Repairs	326,000.00
			\$ 5,838,848.75

## Revenues

### County Clerk

**County Clerk Fees** – As of May 31, the department has received \$424,298 in County Clerk Fees in 2024 and \$427,089 in 2023 which is a decrease of 0.7%. May actual revenues are 9% behind expected budgeted amounts.

**Mortgage Tax** – As of May 31, the department has received \$625,227 in Mortgage Tax in 2024 and \$868,442 in 2023 which is a decrease of 28%. May actual revenues are 12% behind expected budgeted amounts

The County clerk has noted that there has been a significant drop in the number of mortgages as of May 31, 2024 compared to May 31, 2023.

**Automobile Use Tax** – As of May 31, the department has received \$132,697 in Automobile Use Tax in 2024 and \$165,331 in 2023 which is a decrease of 20%. The 2024 actual revenue amount is through April and is 5% behind expected budgeted amounts.

### County Treasurer

**Sales Tax** – We have collected \$1,598,618 more in sales taxes through May 31, 2024 than we did through May 31, 2023 which is a 6.5% increase. We have received \$1,136,764 more than the 2024 revenue budget to date which is a 4.5% increase.

**The net County budget surplus after accounting for the distribution to the Towns and Village is \$602,485.**

### Tourism

**Occupancy Tax** – As of May 31, the department has received \$733,862 in Occupancy Tax revenue in 2024 and \$706,393 in 2023 which is an increase of \$27,469 or 3.9%.

**Sheriff’s Correction Division**

**Jail Services, Other Government** – As of May 31, the department has received \$74,481 in Jail Services, Other Government in 2024 and \$35,911 in 2023 which is an increase of 107%. May actual revenues are 73% 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 May 31, the department received \$104,803 in building permits in 2024 and \$116,270 in 2023 which is a decrease of 10%. May actual revenues are 4% 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**

**Tourism: Occupancy Tax Reserve Available Balance – 3 Month Projected Cash Flow Analysis**

In an effort to simplify past practices and to present the Occupancy Tax Reserve Balance as accurately as possible, the following *Occupancy Tax Reserve Available Balance - 3 Month Projected Cash Flow Analysis* is replacing our prior analysis.

The Tourism Department Head presented this analysis for the first time at the June 25, 2024 Tourism Committee meeting, emphasizing that her available reserve could change dramatically from month to month based on seasonality (revenue) and committed encumbrances and operating expenses (expenditures). Please note the positive shift in projected Occ Tax Reserve Cash Flow from April 2024 to May 2024 below. This cash flow projection has been in a negative position since the beginning of the year and is just now turning positive due to significant Occupancy Tax receipts associated with our County’s Tourism “high season”. While we expect the Occ Tax Reserve Available Balance and related cash flow to continue to grow in the coming months, it is imperative that this analysis be fully considered prior to further Occ Tax spend.

The following analysis represents the *Occupancy Tax Reserve Available Balance - 3 Month Projected Cash Flow Analysis* as of month end, reduced by the minimum reserve balance required for cash flow purposes and adjusted for 3-months of projected revenues and expenditures.

	<u>4/30/2024</u>	<u>5/31/2024</u>
Occupancy Tax Reserve	\$ 3,754,766	\$ 2,044,697
Reserve Minimum Balance	\$ (1,500,000)	\$ (1,500,000)
Occupancy Tax Reserve - Available Balance	\$ 2,254,766	\$ 544,697
3 Month Revenue Projection	\$ 1,100,000	\$ 1,850,000
3 Month Expenditure Projection	\$ (3,636,111)	\$ (2,212,519)
Projected Occupancy Tax Reserve - Available Balance	<u>\$ (281,345)</u>	<u>\$ 182,178</u>

The Following **Tourism: Occupancy Tax Collection** report was presented by the Treasurer at the June 25, 2024 Tourism Committee meeting.

### *Total Collections*

	<b>4/30/2024</b>	<b>5/31/2024</b>	<b>6/21/2024</b>
Total Revenue Collected through 2024	\$ 557,217.35	\$ 733,861.69	\$ 1,106,857.04
Total Revenue Collected through 2023	\$ 581,549.48	\$ 706,392.52	\$ 855,553.05
Increase/(Decrease) from 2023	\$ (24,332.13)	\$ 27,469.17	\$ 251,303.99
Increase/(Decrease) from 2023	-4.18%	3.89%	29.37%***

\*\*\* - The reason for the 6.21.24 - 29% favorable variance - is because 6.21.23 fell on a Saturday with no collections. If we were to exclude the \$271,470 received on 6.21.24, we would be down approx 2% comparatively.

### *Short Term Rental Collections*

	<b>4/30/2024</b>	<b>5/31/2024</b>	<b>6/21/2024</b>
Total Revenue Collected through 2024	\$ 82,240.03	\$ 131,686.85	\$ 167,403.25
Total Revenue Collected through 2023	\$ 64,566.11	\$ 83,475.87	\$ 103,615.69
Increase/(Decrease) from 2023	\$ 17,673.92	\$ 48,210.98	\$ 68,787.56
Increase/(Decrease) from 2023	27%	58%	62%

**County Debt Balances**

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

	Current	End of 2024					2029-
	Balance	Balance	2025	2026	2027	2028	2033
<b>Bonds</b>							
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
<b>Leased Commitments</b>							
Copiers/Printers - National Business	237,234	200,298	135,457	68,690	-	-	-
Copier - Toshiba	17,382	15,570	11,835	7,936	3,871	-	-
Office Space - Mental Health	52,355	33,345	-	-	-	-	-
<b>Bond Anticipation Notes</b>							
Paving, Retaining Wall & Countryside	4,320,000	-	-	-	-	-	-
DPW - Emergency Road Repair	4,100,000	-	-	-	-	-	-
<b>Total Outstanding</b>	<b>33,961,970</b>	<b>24,724,213</b>	<b>22,782,292</b>	<b>20,806,626</b>	<b>18,778,871</b>	<b>16,755,000</b>	<b>5,615,000</b>

The 2024 Bond Anticipation Notes are expected to be rolled into a Bond in November, 2024 with additional funding relating to culvert repairs.

**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>
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1. \$1.1 million in DPW waste containers are not being inventoried and properly controlled.

1/31/2024

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**May 2024 Update: Treasurer Norton spoke to Kevin Hajos about the potential need for impairment of these assets. Kevin addressed that he has a team member focused on this and they are closing the gap. Kevin will provide a status update by end of summer**

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

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<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	364,307	91%	874,336	(474,336)
Countryside Adult Home	26,000	17,294	67%	41,505	(15,505)
Social Services	49,222	32,775	67%	78,661	(29,439)
Sheriff's Law Enforcement	425,000	206,192	49%	494,860	(69,860)
					<u>(589,140)</u>

3. Over expended department line items.

Legal Defense-Indigents - Retiree Hospitalization - \$5,151.96

5/10/2024

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Legal Defense-Indigents-Quality Improv Funding-Dist #13 -

Office Equipment - \$1,430.53

4/3/2024

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Budget Officer - Hospitalization -\$2,297.34, Dental Ins -\$42.84

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County Clerk - Health Ins Cost Reimb - \$264.88

4/3/2024

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Sheriff's 911 Center - Health Ins Cost Reimb - \$186.15

1/31/2024

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Sheriff's Law Enforcement - Health Ins Cost Reimb - \$129.97

4/3/2024

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School Resource Officers-Qsbury School Dist - Salaries-OT- \$3,470.73

1/31/2024

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Probation - Salaries-Overtime - \$64.96

1/31/2024

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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

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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.