

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

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Deputy Treasurer

To: All Supervisors
From: Michael R. Swan, Treasurer
Date: December 28, 2021
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 November 30, 2021 and have noted the following items Supervisors should be aware of.

Revenues

County Clerk

County Clerk Fees – As of November 30, the department has received \$1,079,912 in County Clerk Fees in 2020 and \$1,322,894 in 2021 which is an increase of 23%. It should be noted that the 2021 amount is at 104% of the budget for this account so the actual revenue received has exceeded the budget.

Mortgage Tax – As of November 30, the department has received \$2,217,954 in Mortgage Tax in 2020 and \$2,713,453 in 2021 which is an increase of 22%. It should be noted that the 2021 amount is at 136% of the budget for this account so the actual revenue received has already exceeded the budget.

Automobile Use Tax – As of November 30, the department has received \$393,984 in Automobile Use Tax in 2020 and \$427,987 in 2021 which is an increase of 9%. It should be noted that the 2021 amount is through October and is at 90% of the budget for this account, so the actual revenue amount received is on target to exceed the budget.

County Treasurer

Sales Tax – It has been noted that we have collected \$9,643,778 more in sales taxes through the second payment as of November 30, 2021 than we did through the second payment for November 30, 2020 which is a 20.0% increase. There will be one more payment for November on December 31, 2021. This increase would have been far greater if \$413,456 had not been withheld by the State for fiscally distressed health care facilities and \$10,386 had not been withheld by the State for the AIM funding to the Village of Lake George and \$213,907 to the towns.

VLT/Tribal Compact Moneys (Casino) – We have not received our 4th quarter 2019 payment from the State as of the date of this report. We typically receive this payment in April. We have estimated the payment to be \$88,841. We have contacted the NYS Gaming Commission and they noted that they have not yet received the payment from the Mohawk Indians. We have also not received any payments for 2020 which is budgeted for \$420,000. It has been noted that the casino closed on March 17, 2020 and did not reopen until August 28, 2020 so there was no revenue to share for this time period. **We have also not received any payments for 2021 as of the date of this report. We budgeted \$375,000 in 2021 and \$0 for 2022 for this revenue.**

Tourism

Occupancy Tax – The department has collected \$1,989,474 more in occupancy taxes as of November 30, 2021 than we did as of November 30, 2020 which is a 54% increase which relates to the COVID pandemic. The department has collected \$1,378,931 more in occupancy taxes as of November 30, 2021 than we did as of November 30, 2019 which is a 32% increase.

Sheriff's Correction Division

Jail Services, Other Government – As of November 30, the department has received \$242,034 in Jail Services, Other Government in 2020 and \$381,963 in 2021 which is an increase of 58%. It should be noted that the 2021 amount is at 191% of the budget for this account so the actual revenue received has already exceeded the budget.

Building & Fire Code

Building Permits – As of November 30, the department received \$175,035 in building permits in 2020 and \$232,982 in 2021 which is an increase of 33%. It should be noted that the 2021 amount is at 114% of the budget for this account so that actual revenue received has already exceeded the budget.

Health Services

Home Nursing Charges – As of November 30, the department has received \$2,588,672 in Home Nursing Charges in 2020 and \$2,192,150 in 2021 which is a decrease of 15%. It should be noted that the 2021 amount is through October and is at 53% of the budget for this account, so the actual revenue amount received is significantly below the budget.

COVID Grants – The department has not submitted any claims for its various COVID grants covering expenditures in 2020 and 2021. There are unclaimed expenditures of \$167,922 in 2020 and \$219,882 as of November 30, 2021 for a total of \$387,804.

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. **Over expended budget line items are highlighted in red.**

Salary Increases and New Positions

It is each department's responsibility to identify a source of funding for any salary increase or creation of new positions during the year and to request any necessary budget amendments to fund these changes at the time of the change request. This has been an issue in the past and most recently with Public Health, Sheriff and Civil Service requesting in 2021, salary increases or the creation of new positions for the 2022 adopted budget without requesting the proper budget amendments to fund these changes. If a department is trying to use vacant positions to fund salary increases or new positions, then these vacant positions need to be inactivated by the Board so that they are not filled while the position budget is being used to fund salary or position changes. We suggest that the proper budget amendments be approved at the Organizational meeting in January, 2022 for the Public Health, Sheriff and Civil Service changes since approvals were already made to make the changes at the committee level in 2021.

We strongly recommend amending the resolution request forms to create a new position and to increase salaries to require the department to detail how the funds are available to fund the change instead of just requesting the account code where the funds may be available.

Community College - Tuition

This expenditure code represents charges made by other NYS community colleges for Warren County resident students that attend their community college instead of attending SUNY Adirondack. Below are the tuition costs charged to Warren County over a five-year period. As noted there have been significant increases in 2020 and 2021. A determination should be made as to the cause of this significant increase in light of the fact that the 2016 NSTEM project funded by Warren and Washington Counties was supposed to reduce the number of Warren County resident students that go to colleges outside of the county. **SUNY Adirondack is in the process of reviewing information to determine the cause of the significant increases.**

2017	314,673
2018	318,414
2019	385,979
2020	493,417
2021 (Estimated)	617,790

Capital Projects

Departments are responsible for administering their capital projects and making sure that they are closed in a timely manner after completion. 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. This has been a recurring issue and the County has been written up in the past by our auditors.

<u>Planning</u>	<u>Date of Last Activity</u>	<u>Cash</u>	<u>Balance owed to Other funds/Govt</u>
H292-FWHC-Making the Connection	4/2018	-	21,189
H347-Invasive Species Boat Washing	12/2018	-	257

County Debt Balances

The following shows the County's current debt outstanding as of October 31, 2021 along with ending debt balances for future years:

	<u>Current Balance</u>	<u>End of 2021 Balance</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025-2029</u>	<u>2030-2034</u>
Bonds							
Pub Safety Bldg & Com Upgrade	2,165,000	2,165,000	1,085,000	-	-	-	-
Recovery Act Bonds, Various Proj	12,305,000	11,630,000	10,935,000	10,205,000	9,445,000	5,200,000	-
Court Expansion - 2015	6,260,000	6,260,000	5,890,000	5,510,000	5,120,000	2,995,000	530,000
Court Expansion - 2017	7,030,000	7,030,000	6,665,000	6,290,000	5,910,000	3,865,000	1,550,000
SUNY Adirondack NSTEM - 2017	4,765,000	4,765,000	4,515,000	4,260,000	4,000,000	2,615,000	1,050,000
Capital Leases							
Municipal Center Energy Project	539,914	279,883	-	-	-	-	-
Countryside Adult Home Energy Proj	7,630	7,630	-	-	-	-	-
Total Outstanding	33,072,544	32,137,513	29,090,000	26,265,000	24,475,000	14,675,000	3,130,000

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