

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

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Deputy Treasurer

To: All Supervisors
From: Michael R. Swan, Treasurer
Date: December 29, 2022
Subject: 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 November 30, 2022 and have noted the following items Supervisors should be aware of.

General Fund Balance

The following shows the current balance of unappropriated surplus for the General Fund compared to the minimum balance needed to operate which equates to two months of operating expenses or 16.7%. This does include the other union salary increases. We should not try and factor in any 2022 sales tax surplus until year end because amounts are not certain.

Unappropriated Surplus as of 12/31/21	\$ 36.0 million
Additional Appropriation of Surplus in 2022	<u>(4.7) million</u>
Current Unappropriated Surplus - 2022	31.3 million
Minimum Surplus Balance Needed (2 months operating expenses)	<u>28.2 million</u>
Balance of Surplus Exceeding Minimum Balance	<u>\$ 3.1 million</u>

Revenues

American Rescue Plan Act (ARPA)

In June, 2021, the County received \$6.2 million in ARPA funding to be used for various purposes in response to the COVID pandemic. The County received the second \$6.2 million payment in June, 2022. As noted in the US Treasury Final Rule, costs must be obligated by December 31, 2024, and expended by December 31, 2026. The following is an accounting of the amount of ARPA funds expended and obligated as of November 30, 2022 and the balance available.

Balance Remaining as of 1/1/22	6,190,459
2021 Expenditures Approved in 2022	(122,335)
2022 Expenditures	(645,612)
2022 Obligations	(2,769,350)
2nd Installment - June 2022	6,210,186
Budgeted but not expended/obligated	<u>(7,109,030)</u>
Balance Available as of 11/30/22	<u>1,754,318</u>

County Clerk

County Clerk Fees – As of November 30, the department has received \$1,322,894 in County Clerk Fees in 2021 and \$1,173,957 in 2022 which is a decrease of 11%. It should be noted that the 2022 amount is at 87% of the budget for this account so the actual revenue received is behind the budget.

Mortgage Tax – As of November 30, the department has received \$2,713,453 in Mortgage Tax in 2021 and \$2,518,368 in 2022 which is a decrease of 7%. It should be noted that the 2022 amount is at 112% of the budget for this account so the actual revenue received has exceeded the budget.

Automobile Use Tax – As of November 30, the department has received \$427,987 in Automobile Use Tax in 2021 and \$396,679 in 2022 which is a decrease of 7%. It should be noted that the 2022 amount is through October and is at 79% of the budget for this account, so the actual revenue amount received is behind the budget for the year.

County Treasurer

Interest & Earnings – As of November 30, the department has received \$30,769 in Interest & Earnings in 2021 and \$248,383 in 2022 which is an increase of 707%. It should be noted that the 2022 amount is through October and is at 828% of the budget for this account so the actual revenue received has exceeded the budget.

Sales Tax – It has been noted that we have collected \$5,658,793 more in sales taxes through the first two payments of November 30, 2022 than we did through the first two payments of November 30, 2021 which is a 9.7% increase. This increase would have been greater if \$81,489 had not been withheld by the State for fiscally distressed health care facilities and \$10,386 wasn't withheld for the Village AIM payment. We have received \$12,047,711 more than the 2022 revenue budget to date. **It should be noted that the net County budget surplus after accounting for the distribution to the Towns and Village is \$6.4 million.**

Saratoga & North Creek Railway

Railroad Revenue – On December 28, 2022, we received a \$78,329.83 check from Bankruptcy Court on behalf of the Saratoga & North Creek Railway for the July 2017 through June 2018 contract year. The County's portion of this amount is \$45,716.32 and the Town of Corinth's portion is \$32,613.51 which will be paid to them before year end.

Tourism

Occupancy Tax – The department has collected \$550,221 more in occupancy taxes as of November 30, 2022 than we did as of November 30, 2021 which is an 10% increase.

Sheriff's Correction Division

Jail Services, Other Government – As of November 30, the department has received \$381,963 in Jail Services, Other Government in 2021 and \$412,953 in 2022 which is an increase of 8%. It should be noted that the 2022 amount is at 103% 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 \$232,982 in building permits in 2021 and \$283,598 in 2022 which is an increase of 22%. It should be noted that the 2022 amount is at 132% of the budget for this account so that actual revenue received has exceeded the budget.

Health Services

Home Nursing Charges – As of November 30, the department has received \$2,192,150 in Home Nursing Charges in 2021 and \$1,500,398 in 2022 which is a decrease of 32%. It should be noted that the 2022 amount is through October and is at 37% of the budget for this account so that actual revenue received is significantly behind the budget.

Public Defender

State Aid Claims – The Public Defender department has not submitted any State Aid reimbursement claims for 2022. It is important that State Aid claims be submitted on a quarterly basis for cash flow and financial reporting purposes. **This has been an issue for the last several years. The department has submitted several claims since the last budget analysis report, and is making corrections on a few claims.**

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.**

Each department is responsible for ensuring that their budgets are not over expended and if they are, the issue should be addressed immediately. There are numerous cases where a departmental budget line has remained over expended for several months. The following departments have not either addressed or fully addressed their over expended budget line items:

Legal Defense – Indigents
Public Defender
Budget Officer
County Clerk
Mail Room
Sheriff's 911 Center
Sheriff's Law Enforcement
Sheriff School Resource Officers – Queensbury School
Sheriff's Correction Division
DPW - Airport

Community College – Tuition

This issue was first reported in the October, 2021 Budget Analysis Report and we were told that the College was going to look into this and report back, but our office never received any such report.

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. Warren County invested \$5.7 million into the NSTEM project.

2017	314,673
2018	318,414
2019	385,979
2020	493,417
2021	571,097

County Debt Balances

The following shows the County's current debt outstanding as of November, 2022 along with ending debt balances for future years:

	Current	End of 2022				2026-	2031-	2036-
	Balance	Balance	2023	2024	2025	2030	2035	2037
Bonds								
Pub Safety Bldg & Com Upgrade	1,085,000	1,085,000	-	-	-	-	-	-
Recovery Act Bonds, Various Proj	11,630,000	10,935,000	10,205,000	9,445,000	8,660,000	4,250,000	-	-
Court Expansion - 2015	5,890,000	5,890,000	5,510,000	5,120,000	4,720,000	2,535,000	-	-
Court Expansion - 2017	6,665,000	6,665,000	6,290,000	5,910,000	5,520,000	3,425,000	1,050,000	-
SUNY Adirondack NSTEM - 2017	4,515,000	4,515,000	4,260,000	4,000,000	3,735,000	2,320,000	710,000	-
Capital Leases								
Municipal Center Energy Project	-	-	-	-	-	-	-	-
Countryside Adult Home Energy Proj	-	-	-	-	-	-	-	-
Bond Anticipation Notes								
Paving, Retaining Wall & Countryside	7,900,000	7,900,000	6,320,000	4,740,000	3,160,000	-	-	-
Total Outstanding	37,685,000	36,990,000	32,585,000	29,215,000	25,795,000	12,530,000	1,760,000	-

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