

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

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Deputy Treasurer

To: All Supervisors
From: Michael R. Swan, Treasurer
Date: November 17, 2016
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 October 31, 2016 and have noted certain items Supervisors should be aware of.

Revenues

County Clerk

County Clerk Fees – As of October 31, the department has received \$992,748 in County Clerk Fees in 2015 and \$993,265 in 2016 which is an increase of 0.05%. It should be noted that the 2016 amount is at 83% of the budget for this account, so the actual revenue received is on target with the budget.

Mortgage Tax – As of October 31, the department has received \$1,455,688 in Mortgage Tax in 2015 and \$1,993,425 in 2016 which is an increase of 37%. It should be noted that the 2016 amount includes \$463,377 which relates to an unclaimed mortgage tax overpayment in 2014 which was not claimed by the borrower within two years of the recording date. The County can now keep this money. If you factor this payment out, the 2016 amount shows an increase of 5% over prior year and is at 106% of the budget.

Automobile Use Tax – As of October 31, the department has received \$368,783 in Automobile Use Tax in 2015 and \$369,682 in 2016 which is an increase of 0.2%. It should be noted that the 2016 amount is through September and is at 78% of the budget for this account, so the actual revenue amount received is on target with the budget. The October collection amount was unavailable as of the date of this report.

Highway Administration

Consolidated Highway Aid (CHIPs) – It is County policy that all State and Federal aid claims are to be reviewed and approved by the County Treasurer prior to submission for reimbursement. The Treasurer's Office recently received a CHIPs claim to review and during the process it was noted that \$87,041 of eligible costs were not included in the claim and we requested that the claim be amended to include these costs. The Superintendent of Public Works did not want to amend the claim due to the volume of work required and decided to submit the claim without amending it and without County Treasurer approval which is in violation of County policy.

State and Federal aid claims should include all eligible costs and should not be submitted for reimbursement without County Treasurer approval.

We have not received a corrective action on this issue.

County Treasurer

Sales Tax – It has been noted that we have collected \$790,877 more in sales taxes through October, 2016 than we did through October, 2015 which is a 1.9% increase. In order to meet the 2016 budget, we need a 0.15% increase over 2015 actual.

Tourism

Occupancy Tax – The department has collected \$15,694 more in occupancy taxes as of October 31, 2016 than we did as of October 31, 2015 which is a 0.5% increase.

Sheriff's Correction Division

Jail Services, Other Government – As of October 31, the department has received \$372,000 in Jail Services, Other Government in 2015 and \$349,930 in 2016 which is a decrease of 6%. It should be noted that the 2016 amount is through September and is at 87% of the budget for this account, so the actual revenue amount received is on target to exceed the budget.

Health Services

Home Nursing Charges – As of October 31, the department has received \$3,392,904 in Home Nursing Charges in 2015 and \$2,919,283 in 2016 which is a decrease of 14%. It should be noted that the 2016 amount is through September and is at 69% of the budget for this account, so the actual revenue amount is lagging behind the budget. It should be noted that a \$55,646 adjustment was made in March to reduce 2016 revenue in order to align the Home Nursing Charges and the Long Term Care programs. If you factor out this adjustment, then the 2016 actual amount through September for Home Nursing Charges is at 70% of the budget, so the unadjusted revenue amount is still lagging behind the budget.

Lake George Watershed Conference

This issue was previously reported in prior 2013, 2014 and 2015 budget analysis reports and it has been reported that an application for payment has been submitted to the State. We have received \$30,000 in March and were notified that we should expect to receive \$50,000 during the second week in May (we have not received this payment as of the date of this report which was to be paid by the Town of Queensbury) and \$22,000 which was expected to be received in June (we have not received this payment as of the date of this report which was to be paid by the Town of Bolton).

We currently have an outstanding receivable from the Lake George Watershed Conference for \$102,500 dating back to 2007 relating to a Valley Woods Road Project. It is unclear whether or not we have a contract with the Lake George Watershed Conference for this project, but it is our understanding that they are to pay us when they receive State Aid reimbursement. If we do not collect on this receivable soon we will have to write it off and it will then have to be taken out of the County Road surplus.

Nursing Home IGT Payment

We have received notification that the County will be receiving the 2014-15 Nursing Home IGT payment in the amount of \$2,277,758 on or about December 2, 2016. This payment covers the period of April 1, 2014 to March 31, 2015. The local share of this payment is \$1,138,879 which will be paid by the County in November, 2016. We had accrued a receivable of \$1,900,000 and a local share liability of \$950,000 as of December 31, 2015 for this payment.

We expect to receive an additional IGT payment covering the period of April 1, 2015 to December 31, 2015 sometime in the future. We had accrued a receivable of \$600,000 and a local share liability of \$300,000 as of December 31, 2015 for this payment.

Saratoga North Creek Railroad

The Saratoga North Creek Railroad had been delinquent in payment for the County's and Town of Corinth's share of gross railroad revenues for July, August, September and October of 2016. We received payment for these four months on November 17, 2016. In accordance to the contract these payments are due by the 10th of the following month. This was an issue earlier this year when March, April, May and June were not paid until August of 2016. This issue needs to be resolved so that it does not become a recurring problem.

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.

Courthouse Expansion Project

It is important that our office be provided with specific information related to the Courthouse Expansion Project and be provided with monthly budget reports for each phase of the project so that we can properly monitor the project finances and more importantly not borrow more money than we need to. We have made several requests for the following information from the Superintendent of Public Works and have received information as follows:

1. Description of the work that is being done for each phase of the project. **We have received this information.**
2. A breakdown of what makes up the \$2.6 million in “soft costs” reported in the most recent cost estimate. There should be a detail of what constitutes this amount. **We have received this information and have noted that \$2.1 million of this cost is for the engineering firm.**
3. Monthly reports showing Courthouse Expansion project budget and what was expended to date for each phase of the project. We also need an expenditure timeline for each phase of the project. **We have received some information which needs to be produced in a different format before it can be used by us.**

Courthouse Expansion Project – Engineering Contract

We have noted some contract and billing issues that we are currently working on with DPW and the engineering firm which we expect to be resolved in the future. The details have been reported to the County Administrator.

County Debt Balances

The following shows the County’s current debt outstanding as of October, 2016 along with ending debt balances for future years:

	Current	End of 2016				2020-	2025-	2030-
	Balance	Balance	2017	2018	2019	2024	2029	2034
Bonds								
Pub Safety Bldg & Com Upgrade	7,695,000	7,695,000	6,555,000	5,430,000	4,325,000	-	-	-
Recovery Act Bonds, Various Proj	18,190,000	17,575,000	16,935,000	16,265,000	15,570,000	11,545,000	6,405,000	-
Court Expansion	8,000,000	8,000,000	7,665,000	7,325,000	6,980,000	5,120,000	2,995,000	530,000
Capital Leases								
Westmount Co-Generation Plant	283,146	221,019	-	-	-	-	-	-
Municipal Center Energy Project	1,570,826	1,397,703	1,209,177	1,003,899	781,029	-	-	-
Countryside Adult Home Energy Pr	147,345	141,209	115,818	88,084	59,553	-	-	-
Bond Anticipation Notes								
SUNY Adirondack NSTEM	3,278,000	3,278,000	-	-	-	-	-	-
Alder Brook Brdg over Trout Brdg	30,168	30,168	-	-	-	-	-	-
Harrington Road Bridge	11,957	11,957	-	-	-	-	-	-
Beach Road Bridge	119,986	119,986	-	-	-	-	-	-
2011 Storm Damage	220,000	220,000	-	-	-	-	-	-
West Brook Parking Lot	30,600	30,600	-	-	-	-	-	-
Total Outstanding	39,577,028	38,720,642	32,479,995	30,111,983	27,715,581	16,665,000	9,400,000	530,000

Please note that an estimated additional \$8.5 million will be issued for the Court Expansion project in bonds in 2017 and the SUNY Adirondack NSTEM BAN will be rolled into a \$5.8 million bond in 2017.

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