

**WARREN COUNTY TREASURER**

**Christine V. Norton**  
**County Treasurer**

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

To: All Supervisors  
From: Christine V. Norton, Treasurer  
Date: November 5, 2024  
Subject: September 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 September 30, 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%. Please note this is on a budget basis only and should be used as a tool to determine available amounts for additional appropriations during the year.

Fund Balance Surplus - 2023	\$ 42.2 million
Appropriated For 2024 Budget	<u>(1.9) million</u>
Unappropriated Surplus - 2023	40.3 million
Additional Appropriated During 2024	<u>(6.9) million*</u>
Balance Unappropriated Surplus	\$ 33.4 million
Minimum Surplus Balance Needed (2 months operating expense) - 2024	<u>32.5 million</u>
Balance of Surplus Exceeding Minimum Balance	<u><u>0.9 million</u></u>

\* - 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
9/20/2024	321	Mental Health - Psychiatric Exp/Criminal	500,000.00
10/18/2024	381	Coroners - Autopsies	75,000.00
10/18/2024	382	Various department equipment purchases	182,500.00
10/18/2024	385	County Attorney litigation expenses	3,000.00
10/18/2024	387	DSS - Court ordered detention costs	293,466.00
			<u>\$ 6,892,814.75</u>

**Revenues**

**American Rescue Plan Act (ARPA) Dollars AT RISK:**

During 2021 and 2022, the County received a total of **\$12,420,372** in ARPA funding to be used for various purposes in response to the COVID pandemic.

- As noted in the US Treasury Final Rule, funds must be obligated by December 31, 2024, and expended by December 31, 2026.
- In order for the obligation requirement to be met, ***a contract must be in place for services and subawards and purchase orders must be recorded for services, subawards and property by December 31, 2024.***
- The above requirement also applies to any funds that are ***reallocated*** for use by the County for providing any other government services.
- This risk was reported in the March 31, June 30 and August 31, 2024 Budget Analysis Reports.

**As of 10/31/24, there is approximately \$1,000,000 in unobligated funds at risk of being returned to the US Treasury.** Please see the analysis of ARPA funds expended and obligated as of 10/31/24 and the unobligated balance remaining below.

ARPA Funding Received	\$ 12,420,372
Expended to Date	(10,677,969)
Encumbered to Date	<u>(771,683)</u>
Unobligated Balance	<u>\$ 970,720</u>

- The County Administrator is working with impacted Department Heads and the Planning Department to ensure that 100% of unobligated funds are reallocated to ARPA compliant projects to ensure these funds are obligated by 12/31/24.
  - At the 10/29/24 Finance & Budget Committee meeting, the County Administrator requested and the Committee approved the creation of:
    - The Board Room Renovations capital project in the amount of **\$400,000** and
    - The Municipal Center Roof Repairs capital project in the amount of **\$100,000**
  - Leaving approximately **\$244,000** in unobligated funds that the County Administrator has identified ARPA compliant projects that can be obligated by 12/31/24.
  - In addition, there are approximately **\$256,000** in additional unobligated ARPA dollars that remain with Departments. The County Administrator has confirmed with each Department Head that these funds will be obligated by 12/31/24

## **County Clerk**

**County Clerk Fees** – As of September 30, the department has received \$824,250 in County Clerk Fees in 2024 and \$800,939 in 2023 which is an increase of 3%. September actual revenues are 10% behind expected budgeted amounts.

**Mortgage Tax** – As of September 30, the department has received \$1,279,531 in Mortgage Tax in 2024 and \$1,608,264 in 2023 which is a decrease of 20%. September actual revenues are 14% behind expected budgeted amounts

The County clerk had previously noted that there has been a significant drop in the number of mortgages in 2024 compared to 2023.

**Automobile Use Tax** – As of September 30, the department has received \$334,726 in Automobile Use Tax in 2024 and \$351,001 in 2023 which is a decrease of 5%. The 2024 actual revenue amount is through August and is on target with expected budgeted amounts.

## **County Treasurer**

**Sales Tax** – We have collected \$1,332,212 more in sales taxes through September 30, 2024 than we did through September 30 31, 2023 which is a 2.4% increase. We have received \$2,869,331 more than the 2024 revenue budget to date which is an 5.3% increase. **The net County budget surplus after accounting for the distribution to the Towns and Village is \$1,520,746.**

## **Tourism**

**Occupancy Tax** – As of September 30, the department has received \$5,260,856 in Occupancy Tax revenue in 2024 and \$5,158,055 in 2023 which is an increase of \$102,801 or 2%.

## **Sheriff's Correction Division**

**Jail Services, Other Government** – As of September 30, the department has received \$139,364 in Jail Services, Other Government in 2024 and \$56,859 in 2023 which is an increase of 145%. September actual revenues are 139% 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 September 30, the department received \$198,390 in building permits in 2024 and \$231,429 in 2023 which is a decrease of 14%. September actual revenues are 3% 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. Another factor contributing to the revenue decline is that the department is behind on building code inspections and has not been able to conduct fire safety inspections this year due to staffing issues.

**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 July 2024 to September 2024 below. This cash flow projection had been in a negative position at the beginning of the year and has turned 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>7/31/2024</u>	<u>8/31/2024</u>	<u>9/30/2024</u>
Occupancy Tax Reserve	\$ 2,099,967	\$ 2,676,774	\$ 4,900,483
Reserve Minimum Balance	\$ (1,500,000)	\$ (1,500,000)	\$ (1,500,000)
Occupancy Tax Reserve - Available Balance	\$ 599,967	\$ 1,176,774	\$ 3,400,483
3 Month Revenue Projection	\$ 4,300,000	\$ 3,700,000	\$ 1,600,000
3 Month Expenditure Projection	\$ (2,667,974)	\$ (1,831,788)	\$ (2,580,333)
Projected Occupancy Tax Reserve - Available Balance	<u>\$ 2,231,993</u>	<u>\$ 3,044,986</u>	<u>\$ 2,420,150</u>

The Following **Tourism: Occupancy Tax Collection** report was presented by the Treasurer at the October 22, 2024 Tourism Committee meeting.

***Total Collections***

	<b>8/31/2024</b>	<b>9/30/2024</b>	<b>10/18/2024</b>
Total Revenue Collected through 2024	\$ 2,768,676	\$ 5,260,836	\$ 5,670,081
Total Revenue Collected through 2023	\$ 2,503,432	\$ 5,158,055	\$ 5,345,725
Increase/(Decrease) from 2023	<u>\$ 265,244</u>	<u>\$ 102,781</u>	<u>\$ 324,356</u>
Increase/(Decrease) from 2023	11%	2%	6%

***Short Term Rental Collections***

	<b>8/31/2024</b>	<b>9/30/2024</b>	<b>10/18/2024</b>
Total Revenue Collected through 2024	\$ 262,389	\$ 507,094	\$ 584,014
Total Revenue Collected through 2023	\$ 165,205	\$ 405,582	\$ 441,341
Increase/(Decrease) from 2023	<u>\$ 97,184</u>	<u>\$ 101,512</u>	<u>\$ 142,673</u>
Increase/(Decrease) from 2023	59%	25%	32%

**County Debt Balances**

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

	Current	End of 2024					2029-
Bonds	Balance	Balance	2025	2026	2027	2028	2033
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	216,208	200,298	135,457	68,690	-	-	-
Copier - Toshiba	16,187	15,570	11,835	7,936	3,871	-	-
Office Space - Mental Health	41,499	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>33,928,894</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 in the amount of \$12 million and SUNY Adirondack high voltage electrical infrastructure replacement in the amount of \$1.4 million for a total bond of \$21.4 million.

## **Unpaid DOT Capital Project Claims**

The following is an aging report for DOT capital project unpaid claims as of September 30 of each year. As noted below, there are \$7,546,092 in unpaid claims that are more than 90 days old, of which \$2,090,354 are over a year old.

- This is a significant improvement (53%) from the \$11,513,497 in unpaid claims over 90 days old reported in last month's report.
- DPW has been in communication with DOT concerning this issue which seems to relate to a new payment system that DOT is using to process payments. This has a significant impact on the County's cash flow.

	<u>Current</u>	<u>1-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>90+ Days</u>	<u>Total</u>
9/30/2022	\$ -	\$ 1,272,299	\$ 384,982	\$ 1,081,414	\$ 312,589	\$ 3,051,284
9/30/2023	\$ 1,965,206	\$ 1,277,153	\$ 538,891	\$ 210,375	\$ 2,730,355	\$ 6,721,980
9/30/2024	\$ -	\$ -	\$ 75,017	\$ -	\$ 7,546,092	\$ 7,621,109

## **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

Issue	Amount	Owner	Date Identified	Days Issue Is Outstanding	
1. \$1.1 million in DPW waste containers was not being inventoried and properly controlled. The depreciated cost is \$568,000.	\$ 36,193	DPW	1/31/2024	268	
<p><b>October update: All but \$228,956 has been located. This was discussed by the Superintendent of Public Works at the Public Works committee meeting on October 23, 2024. It was decided to write-off all assets not found that were between the ages of 14 to 43 years which total \$192,763 and are fully depreciated. The remaining \$36,193 will be kept on the books with the hope that they may turn up.</b></p>					
2. Overtime for Sheriff's Law Enforcement and Airport have exceeded the 2024 budget. Overtime for Sheriff's Correction and 911 Center are projected to exceed the budget.	\$ 489,037	Sheriff/DPW	4/3/2024	205	
				<b>Projected Budget Deficit</b>	
<u>Department</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>% Used</u>	<u>Projected Actual</u>	
Sheriff's Correction Division	750,000	724,878	97%	966,504	<b>(216,504)</b>
Sheriff's Law Enforcement	425,000	513,579	121%	684,772	<b>(259,772)</b>
Sheriff's 911 Center	60,000	54,571	91%	72,761	<b>(12,761)</b>
Airport	15,000	17,457	116%	23,276	<b>(8,276)</b>
					<b><u>(489,037)</u></b>
3. Over expended department line items.					
District Attorney - Health Ins. Cost Reimb - Retiree	\$ 314	District Attorney	8/29/2024	61	
Legal Defense-Indigents - Retiree Hospitalization	\$ 4,592	Assigned Counsel	5/10/2024	168	
Legal Defense-Indigents - Hurrell-Harring - Salaries-Overtime	\$ 192	Assigned Counsel	7/2/2024	119	
Public Defender - Health Ins Cost Reimb	\$ 700	Public Defender	5/29/2024	153	
Public Defender-Upstate Quality Imp - Salaries-Overtime	\$ 8	Public Defender	5/29/2024	153	
Real Property Tax Service - Retirees Hospitalization	\$ 6,279	Real Property	7/31/2024	90	
County Attorney - Salaries-Overtime	\$ 35	County Attorney	5/29/2024	153	
Public Works Admin - DPW - Retirees Hospitalization	\$ 3,654	DPW	8/29/2024	61	
Public Records - Salaries-Overtime	\$ 8	County Clerk	7/31/2024	90	
Sheriff's 911 Center - Interoperable Comm Grant - Tech Equip	\$ 13,282	Sheriff	8/29/2024	61	
Sheriff's 911 Center - Interoperable Comm Grant - Repair/Maint	\$ 8,199	Sheriff	8/29/2024	61	
School Resource Officers-Wsburg School Dist - Salaries - Regular	\$ 16,093	Sheriff	8/29/2024	61	
School Resource Officers-Wsburg School Dist - Social Security	\$ 663	Sheriff	8/29/2024	61	
School Resource Officers-Wsburg School Dist - Hospitalization	\$ 7,875	Sheriff	7/2/2024	119	
School Resource Officers-Wsburg School Dist - Medicare	\$ 155	Sheriff	8/29/2024	61	
School Resource Officers-Wsburg School Dist - Retirement	\$ 7,394	Sheriff	7/31/2024	90	
School Resource Officers-Wsburg School Dist - Dental Insurance	\$ 88	Sheriff	7/31/2024	90	
Probation - Salaries - Part Time	\$ 2,211	Probation	8/29/2024	61	
Planning - Health Insurance Cost Reimbursement	\$ 377	Planning	8/29/2024	61	
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.	Unknown	Treasurer	1/31/2024	268	