

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

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Deputy Treasurer

To: All Supervisors

From: Michael R. Swan, Treasurer

Date: May 23, 2023

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 April 30, 2023 and have noted the following items Supervisors should be aware of.

Revenues

County Clerk

County Clerk Fees – As of April 30, the department has received \$448,185 in County Clerk Fees in 2022 and \$331,807 in 2023 which is a decrease of 26%. It should be noted that the 2023 amount is at 25% of the budget for this account so the actual revenue received is significantly behind the budget.

Mortgage Tax – As of April 30, the department has received \$1,060,751 in Mortgage Tax in 2022 and \$689,683 in 2023 which is a decrease of 35%. It should be noted that the 2023 amount is at 29% of the budget for this account so the actual revenue received is behind the budget.

Automobile Use Tax – As of April 30, the department has received \$100,101 in Automobile Use Tax in 2022 and \$119,875 in 2023 which is an increase of 20%. It should be noted that the 2023 amount is through March and is at 25% of the budget for this account, so the final actual revenue amount received is on target with the budget for the year.

County Treasurer

Sales Tax – It has been noted that we have collected \$51,662 more in sales taxes through April 30, 2023 than we did through April 30, 2022 which is a 0.3% increase. We have received \$3,951,657 more than the 2023 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 \$2,094,378.**

Please note that we are currently looking at significant budget deficits for County Clerk Mortgage Tax and Clerk Fees and Sheriff Jail Services, Other Government so a portion of the Sales Tax budget surplus will be needed to offset these losses.

Interest & Earnings – As of April 30, the department has received \$10,107 in Interest & Earnings in 2022 and \$392,403 in 2023 which is an increase of 3,783%. It should be noted that the 2023 amount is at 116% of the budget for this account so the actual revenue received has already exceeded the budget.

Tourism

Occupancy Tax – The department has collected \$10,349 less in Occupancy Taxes as of April 30, 2023 than we did as of April 30, 2022 which is a 2% decrease.

Sheriff's Correction Division

Jail Services, Other Government – As of April 30, the department has received \$171,595 in Jail Services, Other Government in 2022 and \$25,768 in 2023 which is a decrease of 85%. It should be noted that the 2022 amount is at 6% of the budget for this account so the actual revenue received is significantly behind the budget.

Building & Fire Code

Building Permits – As of April 30, the department received \$68,582 in building permits in 2022 and 89,101 in 2023 which is an increase of 30%. It should be noted that the 2023 amount is at 34% of the budget for this account so that actual revenue received is on target with the budget.

Health Services

Home Nursing Charges – As of April 30, the department has received \$393,580 in Home Nursing Charges in 2022 and \$328,391 in 2023 which is a decrease of 17%. It should be noted that the 2023 amount is through March and is at 9% of the budget for this account so that the actual revenue received is significantly behind the budget.

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.

County Attorney

The following are the cumulative costs from January 21, 2019 to May 7, 2023 concerning the termination and subsequent re-appointment of a Legal Assistant in the County Attorney's office. This employee has not performed any work for the County during this time period. Please note that the employment discrimination settlement has not been signed yet by the employee.

	<u>Amount</u>
Salary and Fringe - 1/21/19 to 12/31/21	\$ 152,993
Salary and Fringe - 1/1/22 to 12/31/22	64,625
Salary and Fringe - 1/1/23 to 5/7/23	22,267
Insurance Recovery - 3/14/22	<u>(87,310)</u>
Net Salary and Fringe Cost to Date	152,575
Employment Discrimination Settlement - Res#177 of 2023	<u>125,000</u>
Total Costs to Date	<u><u>\$ 277,575</u></u>

School Resource Officer Contracts

As noted below, we are having serious issues with the collection of amounts due for the 2022-23 school resource officer contracts. Three of the schools have not even paid the amount due totaling \$206,000 and four of the schools paid late. The purpose of having the schools pay the entire contract in advance was so that no County funds would have to be used for these services. We are now, for the most part using County funds first and then getting reimbursed after. If we pay for the expenses first, then that has a negative impact on our cash flow. This whole set up was not supposed to impact any of the County's finances. We suggest adding a penalty provision in future contracts for not paying on time.

All of the schools signed their contracts after the school year began and after services were already being provided by the Sheriff Department. These contracts need to be signed prior to any services being provided. **This issue was first reported in the February, 2023 Budget Analysis Report and we have not received any corrective action.**

<u>School District</u>	<u>Contract Amount</u>	<u>Date Contract Signed</u>	<u>Due Date Of Payment</u>	<u>Amount Paid</u>	<u>Date Paid</u>
Hadley-Luzerne	90,000	9/26/2022	10/14/2022	90,000	11/8/2022
Queensbury	130,000	11/22/2022	10/14/2022	-	Not Paid
North Warren	38,000	10/17/2022	10/14/2022	38,000	2/15/2023
Lake George	74,000	9/28/2022	10/14/2022	74,000	2/21/2023
Bolton	38,000	9/23/2022	10/14/2022	38,000	2/15/2023
Johnsburg	38,000	3/13/2023	10/14/2022	38,000	5/8/2023
Glens Falls City	38,000	1/11/2023	10/14/2022	-	Not Paid

Overtime

The following shows the departments that already have issues with their overtime budget after only four months into the year. Sheriff's Correction, Countryside Adult Home and Social Services have already used more than 50% of their budget with the Sheriff's Correction already exceeding the budget. This is concerning and needs to be immediately addressed. **This issue was first reported in the February, 2023 Budget Analysis Report and we have not received any corrective action.**

<u>Department</u>	<u>Budget</u>	<u>Actual</u>	<u>% Used</u>
Sheriff's Correction	200,000	250,279	125%
Social Services	49,222	37,148	75%
Countryside Adult Home	26,000	18,772	72%
Sheriff's Law Enforcement	257,500	124,669	48%
Sheriff's 911 Center	40,500	17,559	43%

County Debt Balances

The following shows the County's current debt outstanding as of April, 2023 along with ending debt balances for future years:

	Current	End of 2023					2028-	2033-
	Balance	Balance	2024	2025	2026	2027	2032	2037
Bonds								
Pub Safety Bldg & Com Upgrade	1,085,000	-	-	-	-	-	-	-
Recovery Act Bonds, Various Proj	10,935,000	10,205,000	9,445,000	8,660,000	7,840,000	6,990,000	2,235,000	-
Court Expansion - 2015	5,510,000	5,510,000	5,120,000	4,720,000	4,305,000	3,880,000	1,565,000	-
Court Expansion - 2017	6,290,000	6,290,000	5,910,000	5,520,000	5,120,000	4,715,000	2,515,000	-
SUNY Adirondack NSTEM - 2017	4,260,000	4,260,000	4,000,000	3,735,000	3,465,000	3,190,000	1,700,000	-
Leased Commitments								
Voting Machines	159,095	159,095	121,688	82,703	42,140	-	-	-
Copiers/Printers - National Business	304,091	263,215	200,298	135,457	68,690	-	-	-
Copier - Toshiba	224	-	-	-	-	-	-	-
Office Space - Mental Health	20,763	-	-	-	-	-	-	-
Bond Anticipation Notes								
Paving, Retaining Wall & Countryside	7,900,000	6,320,000	4,740,000	3,160,000	1,580,000	-	-	-
Total Outstanding	36,464,172	33,007,310	29,536,986	26,013,160	22,420,830	18,775,000	8,015,000	-

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