

# WARREN COUNTY TREASURER

**Michael R. Swan**  
County Treasurer

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Deputy Treasurer

To: All Supervisors  
From: Michael R. Swan, Treasurer  
Date: September 2, 2020  
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 August 31, 2020 and noted the following:

### **Revenues**

#### **Social Services**

The State has been releasing more payments but are still behind. As of August 31, 2019, we were paid through May and as of August 31, 2020 we are paid through March so the State is still two months behind on payments. The receivable balance from the State as of 8/31/20 is \$1.1 million more than the receivable balance as of 8/31/19.

#### **County Clerk**

**County Clerk Fees** – As of August 31, the department has received \$878,871 in County Clerk Fees in 2019 and \$737,223 in 2020 which is a decrease of 16%. It should be noted that the 2020 amount is at 58% of the budget for this account so the actual revenue received is behind the budget which is attributable to State shutdown.

**Mortgage Tax** – As of August 31, the department has received 980,700 in Mortgage Tax in 2019 and \$1,466,883 in 2020 which is an increase of 50%. It should be noted that the 2020 amount is at 77% of the budget for this account so the actual revenue received is on target to exceed the budget. This variance was caused by the State Legislature failing to authorize a portion of the County's mortgage recording tax which expired on December 1<sup>st</sup>, 2018. The State Legislature approved the additional mortgage tax in 2019 and it was imposed with an effective date of April 1, 2019.

**Automobile Use Tax** – As of August 31, the department has received \$290,678 in Automobile Use Tax in 2019 and \$261,957 in 2020 which is a decrease of 10%. It should be noted that the 2020 amount is through July and is at 54% of the budget for this account, so the actual revenue amount received is below the budget.

#### **County Treasurer**

**Sales Tax** – It has been noted that we have collected \$2,746,052 less in sales taxes through August, 2020 than we did through August, 2019 which is a 7.6% decrease which is related to the State shutdown. The County is \$1,765,005 below the revenue budget and \$829,552 below the Distribution of Sales Tax expenditure budget for a net budget loss of \$935,453.

**VLT/Tribal Compact Moneys (Casino)** – We have not received our 4<sup>th</sup> quarter 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.

**Compassionate Care Act (Medical Marijuana)** – As of August 31, the department has received \$89,659 in Medical Marijuana in 2019 and \$96,368 in 2020 which is a 7% increase. It should be noted that the 2020 amount is through June and is at 77% of the budget for this account, so the actual amount received is expected to exceed the budget.

### Tourism

**Occupancy Tax** – The department has collected \$733,689 less in occupancy taxes as of August 31, 2020 than we did as of August 31, 2019 which is a 39% decrease and is attributable to the State shutdown.

### Sheriff's Correction Division

**Jail Services, Other Government** – As of August 31, the department has received \$184,058 in Jail Services, Other Government in 2019 and \$130,003 in 2020 which is a decrease of 29%. It should be noted that the 2020 amount is through July and is at 35% of the budget for this account, so the actual revenue amount received is significantly below the budgeted amount of \$200,000.

### Building & Fire Code

**Building Permits** – As of August 31, the department received \$162,670 in building permits in 2019 and \$104,031 in 2020 which is a decrease of 36%. It should be noted that the 2020 amount is at 52% of the budget for this account so that actual revenue received is significantly below the budgeted amount of \$202,000 which is attributable to the State shutdown.

### Health Services

**Home Nursing Charges** – As of August 31, the department has received \$2,190,730 in Home Nursing Charges in 2019 and \$1,689,670 in 2020 which is a decrease of 23%. It should be noted that the 2020 amount is through July and is at 40% of the budget for this account, so the actual revenue amount received is below 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.**

**There are numerous departments that have over expended line items or line items that are projected to be over expended unless action is taken. During these critical financial times, these issues need to be addressed. A department should not allow any of its budgetary line items to be over expended and if it does happen then immediate action needs to be taken to address the issue at their next committee meeting. For year-end we do budget transfers between fringe benefit codes of different departments but this is for year-end over expenditures that were not able to be addressed by departments before the end of the year. During the year, these issues need to be addressed on a monthly basis. A reserve for employee benefit accrued liability (A 867.00) has been established to help fund payments of accrued sick leave upon retirement that cannot be absorbed by a department's current budget. There is currently \$65,000 available in this reserve.**

### Capital Projects

Departments should be reviewing their capital projects to make sure that they are closed soon after completion of the project. 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. Responsible departments should also determine if any outstanding State/Federal receivables associated with their projects are collectable and if not, they will have to be written off and a funding source will have to be identified for the costs not reimbursed by State/Federal government. The following project has been approved for closure by the Board of Supervisors but before that can happen we need an

accounting from the State for the \$125,000 deposit.

Department of Public Works	Date of Last Activity	Cash	State/Federal Receivable	Deposit with Other Govt
H219 - RR Track Restoration	5/2009	-	-	125,000

Notes:

1. H219 – RR Track Restoration – The Treasurer’s Office has made numerous requests to DPW over the years to obtain an accounting from the State for the \$125,000 deposit that was made to the State without any success. We need some sort of documentation from the State showing that they spent the County’s money on this project.

### **County Debt Balances**

The following shows the County’s current debt outstanding as of August 31, 2020 along with ending debt balances for future years:

	Current Balance	End of 2020 Balance	2021	2022	2023	2024-2028	2029-2033	2034-2038
<b>Bonds</b>								
Pub Safety Bldg & Com Upgrade	3,240,000	3,240,000	2,165,000	1,085,000	-	-	-	-
Recovery Act Bonds, Various Proj	13,070,000	12,305,000	11,630,000	10,935,000	10,205,000	6,110,000	1,140,000	-
Court Expansion - 2015	6,625,000	6,625,000	6,260,000	5,890,000	5,510,000	3,445,000	1,055,000	-
Court Expansion - 2017	7,390,000	7,390,000	7,030,000	6,665,000	6,290,000	4,295,000	2,040,000	-
SUNY Adirondack NSTEM - 2017	5,010,000	5,010,000	4,765,000	4,515,000	4,260,000	2,905,000	1,380,000	-
<b>Capital Leases</b>								
Municipal Center Energy Project	781,028	539,914	279,884	-	-	-	-	-
Countryside Adult Home Energy Proj	52,291	37,615	7,630	-	-	-	-	-
<b>Total Outstanding</b>	<b>36,168,319</b>	<b>35,147,529</b>	<b>32,137,515</b>	<b>29,090,000</b>	<b>26,265,000</b>	<b>16,755,000</b>	<b>5,615,000</b>	<b>-</b>

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