

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

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To: All Supervisors

From: Michael R. Swan, Treasurer

Date: March 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 February 28, 2023 on a preliminary basis. Please note that we have not closed the year as of this date and there will be significant additional revenues and expenditures posted until we officially close the books over the next few months. We will provide final 2022 numbers near the end of April, 2023. We have noted the following items Supervisors should be aware of.

Revenues

County Clerk

County Clerk Fees – As of February 28, the department has received \$217,305 in County Clerk Fees in 2022 and \$158,082 in 2023 which is a decrease of 27%. It should be noted that the 2023 amount is at 11% of the budget for this account so the actual revenue received is significantly behind the budget.

Mortgage Tax – As of February 28, the department has received \$495,865 in Mortgage Tax in 2022 and \$260,557 in 2023 which is a decrease of 47%. It should be noted that the 2023 amount is at 11% of the budget for this account so the actual revenue received is significantly behind the budget.

Automobile Use Tax – As of February 28, the department has received \$29,887 in Automobile Use Tax in 2022 and \$33,154 in 2023 which is an increase of 11%. It should be noted that the 2023 amount is through January and is at 7% of the budget for this account, so the final actual revenue amount received is slightly behind the budget for the year.

County Treasurer

Sales Tax – It has been noted that we have collected \$1,298,394 more in sales taxes through February 28, 2023 than we did through February 28, 2022 which is a 15.4% increase. We have received \$3,097,493 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 \$1,541,671.**

Tourism

Occupancy Tax – The department has collected \$852,374 more in occupancy taxes as of December 31, 2022 than we did as of December 31, 2021 which is a 13% increase. These amounts represent collections for each year through March 20. We have not finalized 2022 figures yet and expect to receive payments for 2022 through March 31, 2023.

Sheriff's Correction Division

Jail Services, Other Government – As of February 28, the department has received \$55,342 in Jail Services, Other Government in 2022 and \$11,788 in 2023 which is a decrease of 79%. It should be noted that the 2022 amount is at 3% of the budget for this account so the actual revenue received is significantly behind the budget.

Building & Fire Code

Building Permits – As of February 28, the department received \$32,428 in building permits in 2022 and 44,648 in 2023 which is an increase of 38%. It should be noted that the 2023 amount is at 17% of the budget for this account so that actual revenue received is on target with the budget.

Health Services

Home Nursing Charges – As of December 31, the department has received \$2,597,192 in Home Nursing Charges in 2021 and \$1,720,686 in 2022 which is a decrease of 34%. It should be noted that the 2022 amount is the final amount and is \$2,378,697 below budget for this account so that actual revenue received is significantly behind the budget.

It should be noted that there was a decrease in 2022 expenditures in response to the decline in revenue, but it wasn't in the same proportion. The table below shows that there was an adopted budget deficit of \$209,991 while the actual deficit was \$801,151 which means that the department cost the County \$591,160 more than what was originally budgeted and expenditures did not decrease the same amount that revenues decreased. The revenue and related expenditure budgets need to be looked at more closely by the department and reduced in future budgets to more realistic amounts so that revenue and expenditure budgets are not significantly overstated. **We have not received any corrective action concerning this issue.**

<u>Health Services</u>	<u>Adopted Budget</u>	<u>2022 Actual</u>
Revenue	4,100,000.00	1,724,388.88
Expenditure	<u>4,309,991.00</u>	<u>2,525,540.01</u>
Deficit	<u>(209,991.00)</u>	<u>(801,151.13)</u>

As of February 28, the department has received \$105,713 in Home Nursing Charges in 2022 and \$96,913 in 2023 which is a decrease of 8%. It should be noted that the 2023 amount is through January and is at 3% 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 March 10, 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.

	<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 3/10/23	12,706
Insurance Recovery - 3/14/22	<u>(87,310)</u>
Net Salary and Fringe Cost to Date	143,014
Employment Discrimination Settlement - Res#177 of 2023	<u>125,000</u>
Total Costs to Date	<u>\$ 268,014</u>

2022 BAN Proceeds

On May 24, 2022, the County issued \$7.9 million in BANs at 3% interest to fund three capital projects. The following shows the amount issued, spent and the remaining balance for each project as of February 28, 2023. As noted below, DPW has only spent \$1.3 million of this funding. The Superintendent of DPW has indicated that he expects the remaining amount for the 2022 bonded road projects to be spent this year. He further indicated that the Countryside project is currently underway, but we are waiting on right-of-way clearance before we can proceed with the Sagamore Retaining Wall project.

<u>Project</u>	<u>Amount Issued</u>	<u>Amount Spent</u>	<u>Balance Remaining</u>
H415-2022 Bonded Road Projects	6,200,000	1,293,766	4,906,234
H401-Sagamore Retaining Wall	700,000	-	700,000
H406-Countryside 2021 Capital Imp	1,000,000	-	1,000,000
	<u>7,900,000</u>	<u>1,293,766</u>	<u>6,606,234</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.

<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	-	Not Paid
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 two months into the year. Sheriff's Correction and Countryside Adult Home have already used more than 50% of their budget. This is concerning and needs to be immediately addressed.

<u>Department</u>	<u>Budget</u>	<u>Actual</u>	<u>% Used</u>
Sheriff's Correction	200,000	113,433	57%
Countryside Adult Home	26,000	13,688	53%
Social Services	49,222	18,374	37%
Sheriff's 911 Center	40,500	12,064	30%
Sheriff's Law Enforcement	257,500	64,722	25%

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 February, 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	5,890,000	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	194,924	159,095	121,688	82,703	42,140	-	-	-
Copiers/Printers - National Business	314,176	263,215	200,298	135,457	68,690	-	-	-
Copier - Toshiba	670	-	-	-	-	-	-	-
Office Space - Mental Health	25,897	-	-	-	-	-	-	-
Bond Anticipation Notes								
Paving, Retaining Wall & Countryside	7,900,000	6,320,000	4,740,000	3,160,000	1,580,000	-	-	-
Total Outstanding	36,895,667	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.