

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

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Deputy Treasurer

To: All Supervisors
From: Michael R. Swan, Treasurer
Date: August 26, 2021
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 July 31, 2021 and have noted the following items Supervisors should be aware of.

Revenues

County Clerk

County Clerk Fees – As of July 31, the department has received \$619,866 in County Clerk Fees in 2020 and \$854,997 in 2021 which is an increase of 38%. It should be noted that the 2021 amount is at 67% of the budget for this account so the actual revenue received is on target to exceed the budget.

Mortgage Tax – As of July 31, the department has received 1,206,352 in Mortgage Tax in 2020 and \$1,696,854 in 2021 which is an increase of 41%. It should be noted that the 2021 amount is at 85% of the budget for this account so the actual revenue received is on target to exceed the budget.

Automobile Use Tax – As of July 31, the department has received \$213,943 in Automobile Use Tax in 2020 and \$270,402 in 2021 which is an increase of 26%. It should be noted that the 2021 amount is through June and is at 57% of the budget for this account, so the actual revenue amount received is above the budget.

County Treasurer

Sales Tax – It has been noted that we have collected \$6,460,964 more in sales taxes as of July 31, 2021 than we did for the period as of July 31, 2020 which is a 23.1% increase. This increase would have been far greater if \$413,456 had not been withheld by the State for fiscally distressed health care facilities and \$10,386 had not been withheld by the State for the AIM funding to the Village of Lake George.

VLT/Tribal Compact Moneys (Casino) – We have not received our 4th quarter 2019 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. It has been noted that the casino closed on March 17, 2020 and did not reopen until August 28, 2020 so there was no revenue to share for this time period. **We have also not received any payments for 2021 as of the date of this report. We budgeted \$375,000 in 2021 for this revenue.**

Tourism

Occupancy Tax – The department has collected \$650,497 more in occupancy taxes as of July 31, 2021 than we did as of July 31, 2020 which is a 99% increase which relates to the COVID pandemic. The department has collected \$131,928 more in occupancy taxes as of July 31, 2021 than we did as of July 31, 2019 which is an 11% increase.

Sheriff's Correction Division

Jail Services, Other Government – As of July 31, the department has received \$28,150 in Jail Services, Other Government in 2020 and \$250,601 in 2021 which is an increase of 790%. It should be noted that the 2021 amount is at 125% of the budget for this account so the actual revenue received has already exceeded the budget.

Building & Fire Code

Building Permits – As of July 31, the department received \$86,605 in building permits in 2020 and \$128,351 in 2021 which is an increase of 48%. It should be noted that the 2021 amount is at 63% of the budget for this account so that actual revenue received is on target to exceed the budget.

Health Services

Home Nursing Charges – As of July 31, the department has received \$1,433,219 in Home Nursing Charges in 2020 and \$1,393,981 in 2021 which is a decrease of 3%. It should be noted that the 2021 amount is through June and is at 34% of the budget for this account, so the actual revenue amount received is significantly 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.**

Resigned Employees

There is a practice that has been going on for numerous years with several departments that is costing the County money. Employees who have submitted their resignations and have started other employment are being allowed to extend their resignation date by using their accruals to stay on payroll in order to receive an additional month of County health insurance coverage. In these cases, the employee is actually working at their other job while being paid by the County for being on vacation. In cases where an employee was hired after December 12, 2012, they are also earning accruals while doing this. Another potential issue is the County could be liable for workers compensation costs if the former employee is hurt at the new job while still on the County payroll or disability costs if the former worker is hurt outside of work while still on County payroll. If an employee who is resigning has medical issues and needs to maintain their health insurance during the transition then they can stay on the County health insurance through COBRA. This issue has been brought up in the past to Human Resources.

If an employee has resigned then the resignation date should be their last day of actually working at the County and the employee will then be cashed out on any accruals that are owed. This will save the County money and any potential liability exposure. This issue is currently being reviewed by the County's executive team and a policy is expected to be developed for approval. **No corrective action has been taken as of the date of this report.**

School Resource Officers

The Sheriff Department overspent the 2020-21 contract with Queensbury School for school resource officer services by \$11,668. There is not supposed to be any cost to the County for these services so it is important for the department to closely monitor the costs so that they do not exceed the contracted amount and become a County cost.

Capital Projects

Departments are responsible for administering their capital projects and making sure that they are closed in a timely manner after completion. 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. This has been a recurring issue and the County has been written up in the past by our auditors.

<u>Office of Emergency Services</u>	<u>Date of Last Activity</u>	<u>Cash</u>	<u>Balance owed to Other funds/Govt</u>
H358-Hazard Mitigation Grant Program	10/2017	-	2,152
<u>Planning</u>			
H292-FWHC-Making the Connection	4/2018	-	21,189
H312-First Wilderness 2008	12/2017	14,194	-
H313-First Wilderness 2009	11/2018	8,032	-
H334-First Wilderness 2011	11/2017	6,931	109
H347-Invasive Species Boat Washing	12/2018	-	257

Notes:

1. H358, H292, H334 and H347 all have balances owed to other funds or other governments and will need funding transferred into the project so that the liabilities can be paid.
2. H334 is over budget and will need a budget amendment before it can be closed.

County Debt Balances

The following shows the County's current debt outstanding as of July 31, 2021 along with ending debt balances for future years:

	<u>Current Balance</u>	<u>End of 2021 Balance</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025-2029</u>	<u>2030-2034</u>
<u>Bonds</u>							
Pub Safety Bldg & Com Upgrade	2,165,000	2,165,000	1,085,000	-	-	-	-
Recovery Act Bonds, Various Proj	12,305,000	11,630,000	10,935,000	10,205,000	9,445,000	5,200,000	-
Court Expansion - 2015	6,260,000	6,260,000	5,890,000	5,510,000	5,120,000	2,995,000	530,000
Court Expansion - 2017	7,030,000	7,030,000	6,665,000	6,290,000	5,910,000	3,865,000	1,550,000
SUNY Adirondack NSTEM - 2017	4,765,000	4,765,000	4,515,000	4,260,000	4,000,000	2,615,000	1,050,000
<u>Capital Leases</u>							
Municipal Center Energy Project	539,914	279,883	-	-	-	-	-
Countryside Adult Home Energy Proj	22,729	7,629	-	-	-	-	-
Total Outstanding	33,087,643	32,137,512	29,090,000	26,265,000	24,475,000	14,675,000	3,130,000

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