

# WARREN COUNTY TREASURER

**Michael R. Swan**  
County Treasurer

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To: All Supervisors

From: Michael R. Swan, Treasurer

Date: July 27, 2016

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 June 30, 2016 and have noted certain items Supervisors should be aware of.

### **Revenues**

#### **County Clerk**

**County Clerk Fees** – As of June 30, the department has received \$580,434 in County Clerk Fees in 2015 and \$588,038 in 2016 which is an increase of 1.3%. It should be noted that the 2016 amount is at 49% of the budget for this account, so the actual revenue received is on target with the budget.

**Mortgage Tax** – As of June 30, the department has received \$714,900 in Mortgage Tax in 2015 and \$1,383,015 in 2016 which is an increase of 93%. It should be noted that the 2016 amount includes \$463,377 which relates to an unclaimed mortgage tax overpayment in 2014 which was not claimed by the borrower within two years of the recording date. The County can now keep this money. If you factor this payment out, the 2016 amount shows an increase of 29% over prior year and is at 63% of the budget.

**Automobile Use Tax** – As of June 30, the department has received \$245,435 in Automobile Use Tax in 2015 and \$242,603 in 2016 which is a decrease of 1.2%. It should be noted that the 2016 amount is through June and is at 51% of the budget for this account, so the actual revenue amount received is on target with the budget.

#### **Tourism**

**Occupancy Tax** – The department has collected \$159,747 less in occupancy taxes as of June 30, 2016 than we did as of June 30, 2015 which is a 20% decrease.

#### **County Treasurer**

**Sales Tax** – It has been noted that we have collected \$499,484 more in sales taxes through June, 2016 than we did through June, 2015 which is a 2.3% increase. In order to meet the 2016 budget, we need a 0.15% increase over 2015 actual.

#### **Sheriff's Correction Division**

**Jail Services, Other Government** – As of June 30, the department has received \$213,032 in Jail Services, Other Government in 2015 and \$226,056 in 2016 which is an increase of 6%. It should be noted that the 2016 amount is through May and is at 57% of the budget for this account, so the actual revenue amount received is on target to exceed the budget.

## Health Services

**Home Nursing Charges** – As of June 30, the department has received \$1,827,121 in Home Nursing Charges in 2015 and \$1,585,389 in 2016 which is a decrease of 13%. It should be noted that the 2016 amount is through May and is at 37% of the budget for this account, so the actual revenue amount is lagging behind the budget. It should be noted that a \$55,646 adjustment was made in March to reduce 2016 revenue in order to align the Home Nursing Charges and the Long Term Care programs. If you factor out this adjustment, then the 2016 actual amount through May for Home Nursing Charges is at 39% of the budget, so the unadjusted revenue amount is lagging slightly behind the budget.

## Lake George Watershed Conference

**This issue was previously reported in prior 2013, 2014 and 2015 budget analysis reports and it has been reported that an application for payment has been submitted to the State. We have received \$30,000 in March and were notified that we should expect to receive \$50,000 during the second week in May (we have not received this payment as of the date of this report which was to be paid by the Town of Queensbury) and \$22,000 which was expected to be received in June (we have not received this payment as of the date of this report which was to be paid by the Town of Bolton).**

We currently have an outstanding receivable from the Lake George Watershed Conference for \$102,500 dating back to 2007 relating to a Valley Woods Road Project. It is unclear whether or not we have a contract with the Lake George Watershed Conference for this project, but it is our understanding that they are to pay us when they receive State Aid reimbursement. If we do not collect on this receivable soon we will have to write it off and it will then have to be taken out of the County Road surplus.

## Invasive Species Boat Washing

**This issue was previously reported in prior 2015 budget analysis reports. We have not received any claims to review and sign and we have not received any State funding for these expenditures incurred in 2014. We have not been provided with a signed grant agreement.**

The Invasive Species Boat Washing capital project was approved in January of 2014 and as of June, 2014; the County has incurred \$362,731 in expenditures. We are not aware of any claims have been filed with the State for reimbursement and it has been our understanding that this is because we do not even have a contract yet with the State. The same individual who administered the funding for the Valley Woods Road Project with the Lake George Watershed Conference is also administering the State grant for the Invasive Species Boat Washing which has caused us great concern that we will not have timely filing of documents and State Aid claims.

## Saratoga North Creek Railroad

The County and Town of Corinth have not been paid for their share of gross railroad revenues from Saratoga North Creek Railroad for March, April, May and June of 2016. In accordance to the contract these payments are due by the 10<sup>th</sup> of the following month. We have made several attempts at collecting this money without success.

## **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.

## Court Expansion Bond Interest Subsidy

The County is eligible to receive a subsidy on the interest that we pay on the Court Expansion Bond. It is our understanding that our current bond counsel and former County Administrator were involved with the process of obtaining the subsidy. We have been unable to obtain any information on the process that is required to start receiving the subsidy from bond counsel or the State. We have paid \$104,856.35 in interest in April, 2016 and will pay \$100,931.25 in October. We do not have any information as to the amount of the interest subsidy.

## Future County Debt Service

This was reported on in previous Budget Analysis reports. Please note that the estimated annual debt service costs for the SUNY Adirondack NSTEM project were adjusted to reflect current estimates. The following table shows that the unfunded debt service that needs to be funded for 2017 is \$620,334 and assuming that a funding source will be identified for 2017 there will be an additional \$554,237 that will need to be funded for 2018. This totals \$1.2 million for the two year period. Significant reductions in County costs or permanent increases in County revenues will need to be identified in order for these two projects to be properly funded. As of the date of this report, we are not aware of the identification of a permanent funding source.

Project	Funded 2016	Debt Service 2017	Unfunded 2017	Debt Service 2018	Unfunded 2018	Unfunded Total
Court Expansion	205,788	533,513	327,725	1,087,750	554,237	881,962
SUNY Adirondack NSTEM	93,853	386,462	292,609	386,462	-	292,609
	<u>299,641</u>	<u>919,975</u>	<u>620,334</u>	<u>1,474,212</u>	<u>554,237</u>	<u>1,174,571</u>

## County Debt Balances

The following shows the County's current debt outstanding as of June, 2016 along with ending debt balances for future years:

	Current Balance	End of 2016 Balance	2017	2018	2019	2020- 2024	2025- 2029	2030- 2034
<b>Bonds</b>								
Pub Safety Bldg & Com Upgrade	8,860,000	7,695,000	6,555,000	5,430,000	4,325,000	-	-	-
Recovery Act Bonds, Various Proj	18,190,000	17,575,000	16,935,000	16,265,000	15,570,000	11,545,000	6,405,000	-
Court Expansion	8,000,000	8,000,000	7,665,000	7,325,000	6,980,000	5,120,000	2,995,000	530,000
<b>Capital Leases</b>								
Westmount Co-Generation Plant	406,059	221,019	-	-	-	-	-	-
Municipal Center Energy Project	1,570,826	1,397,703	1,209,177	1,003,899	781,029	-	-	-
Countryside Adult Home Energy Pr	159,489	141,209	115,818	88,084	59,553	-	-	-
<b>Bond Anticipation Notes</b>								
SUNY Adirondack NSTEM	3,278,000	3,278,000	-	-	-	-	-	-
Alder Brook Brdg over Trout Brdg	60,336	30,168	-	-	-	-	-	-
Harrington Road Bridge	23,913	11,957	-	-	-	-	-	-
Beach Road Bridge	239,972	119,986	-	-	-	-	-	-
2011 Storm Damage	440,000	220,000	-	-	-	-	-	-
West Brook Parking Lot	61,200	30,600	-	-	-	-	-	-
<b>Total Outstanding</b>	<u>41,289,794</u>	<u>38,720,642</u>	<u>32,479,995</u>	<u>30,111,983</u>	<u>27,715,581</u>	<u>16,665,000</u>	<u>9,400,000</u>	<u>530,000</u>

Please note that an estimated additional \$8.5 million will be issued for the Court Expansion project in bonds in 2017 and the SUNY Adirondack NSTEM BAN will be rolled into a \$5.8 million bond in 2017.

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