

# WARREN COUNTY TREASURER

**Michael R. Swan**  
County Treasurer

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Deputy Treasurer

To: All Supervisors

From: Michael R. Swan, Treasurer

Date: June 27, 2018

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 May 31, 2018 and have noted certain items Supervisors should be aware of.

### **Revenues**

#### **County Clerk**

**County Clerk Fees** – As of May 31, the department has received \$486,179 in County Clerk Fees in 2017 and \$501,294 in 2018 which is an increase of 3.1%. It should be noted that the 2018 amount is at 42% of the budget for this account so the actual revenue received is on target with the budget.

**Mortgage Tax** – As of May 31, the department has received \$724,082 in Mortgage Tax in 2017 and \$759,615 in 2018 which is an increase of 4.9%. It should be noted that the 2018 amount is at 47% of the budget for this account so the actual revenue received is on target to exceed the budget.

**Automobile Use Tax** – As of May 31, the department has received \$155,719 in Automobile Use Tax in 2017 and \$163,603 in 2018 which is an increase of 5%. It should be noted that the 2017 amount is through April and is at 34% of the budget for this account, so the actual revenue amount received is on target with the budget.

#### **County Treasurer**

**Sales Tax** – It has been noted that we have collected \$526,126 more in sales taxes for the first two payments through May, 2018 than we did for the first two payments through May, 2017 which is a 2.9% increase. There will be one more payment for May at the end of June, 2018.

#### **Tourism**

**Occupancy Tax** – The department has collected \$44,457 more in occupancy taxes as of May 31, 2018 than we did as of May 31, 2017 which is an 11.9% increase.

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

**Jail Services, Other Government** – As of May 31, the department has received \$48,125 in Jail Services, Other Government in 2017 and \$74,421 in 2018 which is an increase of 55%. It should be noted that the 2018 amount is through April and is at 37% of the budget for this account so the actual revenue amount received is on target to exceed the budget.

## Airport Costs

The following shows a ten year history of Airport operating and capital costs. The airport has averaged an annual \$625,346 operating deficit during this time period and an annual total deficit including capital costs of \$816,861. The debt costs relates to the construction of an airport hangar which was authorized in 2006 and funded with \$1.0 million in debt. The local share costs represent the County's portion of capital project costs. The Local Share capital costs are expected to significantly increase over the next few years with the Runway Extension project.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Revenues	128,574	141,331	134,919	119,562	287,130	137,363	123,924	125,883	161,099	201,943	1,561,727
Expenditures	701,532	656,386	646,241	789,875	983,457	845,725	817,233	789,850	704,605	880,286	7,815,190
Operating Deficit	(572,958)	(515,055)	(511,323)	(670,313)	(696,327)	(708,362)	(693,310)	(663,967)	(543,506)	(678,343)	(6,253,463)
<b>Capital Costs</b>											
Local Share	94,944	55,777	42,821	30,738	7,545	96,566	56,772	117,015	48,889	199,936	751,004
Debt Principal	-	200,000	-	160,000	160,000	160,000	160,000	160,000	-	-	1,000,000
Debt Interest	37,491	18,947	15,557	32,146	24,000	18,000	12,000	6,000	-	-	164,140
Total Deficit	(705,393)	(789,779)	(569,700)	(893,198)	(887,872)	(982,928)	(922,082)	(946,981)	(592,395)	(878,279)	(8,168,607)

## Westmount Receivables

**Medicaid** – The County is currently owed \$552,683 in patient Medicaid claims.

**The Board has elected to pursue collection of the receivables. On January 22, 2018, the County contracted with a third party for the purpose of determining whether or not the County can rebill for the outstanding claims. If it is determined that the County can rebill, then we will have to hire someone to do the rebilling.**

**The consultant has completed his analysis of the outstanding claims and submitted a request to the NYS Department of Health to determine whether or not the County will be paid on these claims and is awaiting a response.**

**Universal Settlement** - \$327,093 was recorded as a receivable for a universal settlement prior to the sale of Westmount. This amount is to be paid over a five year period. The first payment is being held up because the new owners of Westmount are contesting that they are entitled to receive a portion of this settlement. **A settlement has been reached whereby Warren Operations Associates, LLC will be receiving \$120,000 of the Universal Settlement.**

## Building & Fire Code

**Building Permits** – As of May 31, the department received \$59,984 in building permits in 2017 and \$69,789 in 2018 which is an increase of 16%. It should be noted that the 2018 amount is at 38% of the budget for this account so that actual revenue received is lagging 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 \$72,500 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.

**The grant administrator handling this project for the County has been charged with a felony and everything is currently under investigation so it is uncertain when and if the County will receive payment. Based upon information provided by the Town of Queensbury, the Town fully paid their \$100,000 share of the project to the grant administrator who was acting on behalf of the Lake George Watershed Conference. The County only received \$50,000 of this money. We have recorded an allowance for doubtful accounts in the County Road fund for this other \$50,000 because it is questionable if the County is going to be able to collect these funds and it is likely that we will have to write this balance off.**

## Health Services

**Home Nursing Charges** – As of May 31, the department has received \$1,225,673 in Home Nursing Charges in 2017 and \$1,182,318 in 2018 which is a decrease of 3.5%. It should be noted that the 2018 amount is through April and is at 28% of the budget for this account, so the actual revenue amount is lagging 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.

## Lake Champlain Lake George Regional Planning Board

The County currently has an arrangement with the Lake Champlain Lake George Regional Planning Board to pay their payroll, payroll taxes, retirement, health and dental insurance and retiree's health insurance and the LCLG Planning Board then reimburses the County. **The organization is currently late in reimbursing the County for April, 2018 health and dental insurance in the amount of \$6,144.**

The organization is routinely one payroll behind in reimbursing the County for wages, taxes and retirement. They should be reimbursing the County each pay week for that particular payroll so that the County isn't advancing funds.

## County Debt Balances

The following shows the County's current debt outstanding as of May, 2018 along with ending debt balances for future years:

	Current	End of 2018				2022-	2027-	2032-	
	Balance	Balance	2019	2020	2021	2026	2031	2036	2037
Bonds									
Pub Safety Bldg & Com Upgrade	6,555,000	5,430,000	4,325,000	3,240,000	2,165,000	-	-	-	-
Recovery Act Bonds, Various Proj	16,935,000	16,265,000	15,570,000	14,845,000	14,080,000	9,635,000	4,015,000	-	-
Court Expansion - 2015	7,325,000	7,325,000	6,980,000	6,625,000	6,260,000	4,305,000	2,060,000	-	-
Court Expansion - 2017	8,085,000	8,085,000	7,740,000	7,390,000	7,030,000	5,120,000	2,975,000	535,000	-
SUNY Adirondack NSTEM - 2017	5,485,000	5,485,000	5,250,000	5,010,000	4,765,000	3,465,000	2,015,000	360,000	-
Capital Leases									
Municipal Center Energy Project	1,209,177	1,003,899	781,029	539,915	279,884	-	-	-	-
Countryside Adult Home Energy Proj	108,958	95,092	66,762	37,616	7,630	-	-	-	-
Total Outstanding	45,703,135	43,688,991	40,712,790	37,687,531	34,587,515	22,525,000	11,065,000	895,000	-

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