

# WARREN COUNTY TREASURER

**Michael R. Swan**  
County Treasurer

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Deputy Treasurer

To: All Supervisors  
From: Michael R. Swan, Treasurer  
Date: October 22, 2015  
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 September 30, 2015 and have noted the following items Supervisors should be aware of:

### **2015 Revenues**

#### **County Clerk**

**County Clerk Fees** – As of September 30, the department has received \$767,139 in County Clerk Fees in 2014 and \$789,596 in 2015 which is an increase of 2.9%. It should be noted that the 2015 amount is through August and is at 66% of the budget for this account, so the actual revenue amount received is lagging slightly behind the budget.

**Mortgage Tax** – As of September 30, the department has received \$970,431 in Mortgage Tax in 2014 and \$1,088,546 in 2015 which is an increase of 12.2%. It should be noted that the 2015 amount is through August and is at 78% of the budget for this account, so the actual revenue amount received is on target to exceed the budget.

**Automobile Use Tax** – As of September 30, the department has received \$323,315 in Automobile Use Tax in 2014 and \$329,238 in 2015 which is an increase of 1.8%. It should be noted that the 2015 amount is through August and is at 71% of the budget for this account, so the actual revenue amount received is on target to exceed the budget.

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

**Jail Services, Other Government** – As of September 30, the department has received \$445,470 in Jail Services, Other Government in 2014 and \$331,727 in 2015 which is a decrease of 26%. It should be noted that the 2015 amount is through August and is at 55% of the budget for this account, so the actual revenue amount received is lagging significantly behind the budget.

#### **County Treasurer**

**Sales Tax** – It has been noted that we have collected \$232,487 more in sales taxes through September, 2015 than we did through September, 2014 which is a 0.6% increase. In order to meet the 2015 budget, sales tax revenues will need to increase by 2.5%.

#### **Tourism**

**Occupancy Tax** – The department has collected \$214,231 more in occupancy taxes as of September 30, 2015 than we did as of September 30, 2014 which is a 7.2% increase.

## 2015 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. Please note that many of the exceptions for Westmount will be addressed by a budget amendment approved at the October Board meeting.

### Court Expansion Bonding

On October 8, 2015, bonds were issued in the amount of \$8 million for the first phase of the Court Expansion project. We had requested from the Superintendent of DPW a current estimate for the first project phase several months prior to the issuance of the bonds with continued follow-up requests. During a meeting with the Superintendent of DPW we were assured that he would meet with the project engineers in order to provide us with a current estimate in time for the bonding. We never received this estimate and were forced to use an old preliminary estimate for the first phase. Any significant variance in the amount actually needed will result in additional costs to the County. If we borrow too little, then we will have to issue Bond Anticipation Notes at an additional cost and if we borrow too much, then we will have additional unnecessary interest costs.

### Road Projects

The DPW department requested a transfer of \$76,300 out of the road project budget for another purpose which was approved through Board resolution. With the documented issue of lack of funding for road projects, it would seem that it would be important that all road project funding be used as originally intended. We suggest that this funding be returned to the road projects and another source of funding be identified.

### County Debt

The following shows the County's current debt outstanding as of September 30, 2015 along with ending debt balances for future years:

	Current	End of 2015					2020-	2025-	2030-
Bonds	Balance	Balance	2016	2017	2018	2019	2024	2029	2034
Pub Safety Bldg & Com Upgrade	8,860,000	8,860,000	7,695,000	6,555,000	5,430,000	4,325,000	-	-	-
Recovery Act Bonds, Various Proj	18,785,000	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	8,000,000	7,665,000	7,325,000	6,980,000	5,120,000	2,995,000	530,000
Capital Leases									
Westmount Co-Generation Plant	676,193	587,123	221,019	-	-	-	-	-	-
Municipal Center Energy Project	1,730,060	1,570,826	1,397,703	1,209,177	1,003,899	781,029	-	-	-
Countryside Adult Home Energy Proj	177,384	165,663	141,209	115,818	88,084	59,553	-	-	-
Bond Anticipation Notes									
Abatement & Demolition #1	-	-	-	-	-	-	-	-	-
Abatement & Demolition #2	29,207	-	-	-	-	-	-	-	-
Alder Brook Brdg over Trout Brdg	90,504	60,336	30,168	-	-	-	-	-	-
Harrington Road Bridge	35,869	23,913	11,957	-	-	-	-	-	-
Beach Road Bridge	359,958	239,972	119,986	-	-	-	-	-	-
2011 Storm Damage	660,000	440,000	220,000	-	-	-	-	-	-
West Brook Parking Lot	91,800	61,200	30,600	-	-	-	-	-	-
<b>Total Outstanding</b>	<b>39,495,975</b>	<b>38,199,033</b>	<b>35,442,642</b>	<b>32,479,995</b>	<b>30,111,983</b>	<b>27,715,581</b>	<b>16,665,000</b>	<b>9,400,000</b>	<b>530,000</b>

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