

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

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Deputy Treasurer

To: All Supervisors

From: Michael R. Swan, Treasurer

Date: August 23, 2017

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, 2017 and have noted certain items Supervisors should be aware of.

Revenues

County Clerk

County Clerk Fees – As of July 31, the department has received \$681,103 in County Clerk Fees in 2016 and \$702,191 in 2017 which is an increase of 3.1%. It should be noted that the 2017 amount is at 59% of the budget for this account so the actual revenue received is on target with the budget.

Mortgage Tax – As of July 31, the department has received \$1,063,292 in Mortgage Tax in 2016 (minus \$463,377 for one-time overpayment) and \$1,045,290 in 2017 which is a decrease of 1.7%. It should be noted that the 2017 amount is at 67% 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 \$242,603 in Automobile Use Tax in 2016 and \$249,356 in 2017 which is an increase of 2.8%. It should be noted that the 2017 amount is through June and is at 52% 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 \$564,368 more in sales taxes through July, 2017 than we did through July, 2016 which is a 2.0% increase.

Saratoga & North Creek Railway

We have received the County's share of December, 2016, January to June, 2017 gross revenues from the railway. The contract year runs from July to June and the County was paid a total of \$77,023.86 for the contract year ending June 30, 2017. **In accordance to the contract the railroad is to pay the County a minimum of \$81,958 each contract year so the County is owed an additional \$4,934.14 which has not been paid as of the date of this report. The railroad has not paid the County's share of July, 2017 gross revenues as of the date of this report.**

Tourism

Occupancy Tax – The department has collected \$63,686 more in occupancy taxes as of July 31, 2017 than we did as of July 31, 2016 which is a 7% increase.

Westmount Receivables

Medicaid – The County is currently owed \$552,683 in patient Medicaid claims. Since the nursing home was sold on December 31, 2015, we have collected \$131,733 in claims which were mostly received in 2016 through the assistance of a County employee who handled the re-billing while working extra hours. This employee was no longer interested in doing this and ended the arrangement at the end of 2016. Since then, attempts have been made to find someone to take over the billing without success. It is most likely that a substantial balance of the Medicaid receivable will not be able to be re-billed due to the age of the receivable. A decision is needed to try and find someone else to handle the re-billing or to write-off the outstanding balance.

The Board has elected to pursue collection of the receivables. The County Attorney has indicated that an RFP was sent out requesting proposals for collection of the Medicaid receivables but we did not receive any proposals. Based on this and the age of the receivables, it does not seem likely that the County is going to collect any additional money and that we should write off the outstanding Medicaid receivable as previously requested. This write-off will be fully covered by the Allowance for Uncollectible Accounts that was previously established for such purpose.

Sheriff's Correction Division

Jail Services, Other Government – As of July 31, the department has received \$251,807 in Jail Services, Other Government in 2016 and \$64,484 in 2017 which is a decrease of 74%. It should be noted that the 2017 amount is through June and is 16% of the budget for this account, so the actual amount is lagging significantly 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.

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.

Building & Fire Code

Building Permits – As of July 31, the department received \$107,927 in building permits in 2016 and \$100,556 in 2017 which is a decrease of 7%. It should be noted that the 2017 amount is at 57% of the budget for this account so that actual revenue received is currently lagging slightly behind the budget.

Health Services

Home Nursing Charges – As of July 31, the department has received \$1,939,144 in Home Nursing Charges in 2016 and \$1,848,452 in 2017 which is a decrease of 5%. It should be noted that the 2017 amount is through June and is at 44% 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.

The following departments had deficit balances in some of their appropriation codes as of June 30, 2017 which need to be addressed as soon as possible. **As noted below, several departments did not address this issue as reported in the April, May and June, 2017 Budget Analysis Reports:**

General Fund

Legislative Board (same issue in April, May and June, 2017)
Forfeited Crime Proceeds – DA (same issue in April, May and June, 2017)
District Attorney
Public Defender (same issue in May and June, 2017)
Budget Officer (same issue in April, May and June, 2017)
County Clerk (same issue in May and June, 2017)
Civil Service (same issue in April, May and June, 2017)
Board of Elections (same issue in June, 2017)
Waste Management Containment (same issue in June, 2017)
Information Technology (same issue in April, May and June, 2017)
Sheriff's Correction Division
Emergency Medical Service (same issue in April, May and June, 2017)
Mental Health Admin (same issue in April, May and June, 2017)
Public Nursing Home (same issue in April, May and June, 2017)
Social Services (same issue in April, May and June, 2017)
Long Term Care Ombudsman (same issue in May and June, 2017)
Planning
Planning GIS Program (same issue in June, 2017)

County Road

Traffic Control (same issue in June, 2017)
Maintenance of Roads (same issue in May and June, 2017)

County Road Projects

We have noted that the Riverbank Road CR11 project which was completed in 2016 for \$152,391 by our DPW staff needs to be redone in 2017. The Superintendent of Public Works indicated at the May 2017 Public Works Committee meeting that there was an issue with the material. If that is the case, then the County needs to seek compensation from the vendor who supplied the defective material. The County has contracted with an outside contractor to redo the road in 2017 for \$116,060 which was transferred into the County Road fund from the General Fund unreserved fund balance as part of the \$577,255 transfer approved at the June Board meeting.

It is our understanding from DPW that the vendor has agreed to compensate the County \$9,000 for the defective material only, even though additional costs related to this material were incurred by the County to fix the road. After factoring in the compensation from the vendor, the County has incurred a \$107,060 loss relating to redoing this road project. We suggest that the County Attorney look into whether compensation is owed to the County relating to additional costs incurred by the County that are directly related to the defective material.

Airport Access Road

DPW is in the process of building an emergency access road into the airport which was previously approved by the Board. The Superintendent of DPW has indicated that this is not a highway road which means that the County Road fund must be reimbursed for all costs associated with the construction including labor, equipment use and any materials. A source of funding for this project must be identified in the General Fund to reimburse the County Road fund. An estimate of the cost of the project was not determined by DPW.

County Debt Balances

The following shows the County's current debt outstanding as of July, 2017 along with ending debt balances for future years:

	Current	End of 2017				2021-	2026-	2031-	2036-
	Balance	Balance	2018	2019	2020	2025	2030	2035	2040
Bonds									
Pub Safety Bldg & Com Upgrade	6,555,000	6,555,000	5,430,000	4,325,000	3,240,000	-	-	-	-
Recovery Act Bonds, Various Pro	17,575,000	16,935,000	16,265,000	15,570,000	14,845,000	10,615,000	5,235,000	-	-
Court Expansion - 2015	7,665,000	7,665,000	7,325,000	6,980,000	6,625,000	4,720,000	2,535,000	-	-
Court Expansion - 2017	8,500,000	8,500,000	8,085,000	7,740,000	7,390,000	5,520,000	3,425,000	1,050,000	-
SUNY Adirondack NSTEM	5,763,765	5,763,765	5,485,000	5,250,000	5,010,000	3,735,000	2,320,000	710,000	-
Capital Leases									
Westmount Co-Generation Plant	-	-	-	-	-	-	-	-	-
Municipal Center Energy Project	1,397,703	1,209,177	1,003,899	781,029	539,915	-	-	-	-
Countryside Adult Home Energy	128,603	122,233	95,092	66,762	37,616	-	-	-	-
Bond Anticipation Notes									
SUNY Adirondack NSTEM	-	-	-	-	-	-	-	-	-
Alder Brook Brdg over Trout Brdg	30,168	-	-	-	-	-	-	-	-
Harrington Road Bridge	11,957	-	-	-	-	-	-	-	-
Beach Road Bridge	119,986	-	-	-	-	-	-	-	-
2011 Storm Damage	220,000	-	-	-	-	-	-	-	-
West Brook Parking Lot	30,600	-	-	-	-	-	-	-	-
Total Outstanding	47,997,783	46,750,175	43,688,991	40,712,790	37,687,531	24,590,000	13,515,000	1,760,000	-

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