

# WARREN COUNTY TREASURER

**Christine V. Norton**  
County Treasurer

**Robert V. Lynch II, CPA**  
Deputy Treasurer

To: All Supervisors  
From: Christine V. Norton, Treasurer  
Date: March 1, 2024  
Subject: Budget Analysis Report

## **Budget Analysis Report**

One of the purposes 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 January 31, 2024. Please note that we have not closed the 2023 year as of this date and there will be significant additional revenues and expenditures posted until we officially close the books over the next few months. We will provide final 2023 numbers near the end of April, 2024. We have noted the following items Supervisors should be aware of.

## **General Fund Balance**

The following shows the estimated balance of unappropriated surplus for the General Fund compared to the minimum balance needed to operate which equates to two months of operating expenses or 16.7%. The expected "Additional Appropriated 2024" amount is the amount the Budget Officer removed from the 2024 budget which can be appropriated in 2024 based on Board approval.

Estimated Unappropriated Surplus - 2023	\$ 44.2 million
Appropriated - 2024 Budget	<u>(1.9) million</u>
	42.3 million
Additional Appropriated - 2024	(0.2) million
Expected Additional Appropriated - 2024	<u>(5.1) million</u>
Balance Estimated Unappropriated Surplus	\$ 37.0 million
Minimum Surplus Balance Needed (2 months operating expense) - 2024	<u>32.5 million</u>
Balance of Surplus Exceeding Minimum Balance	<u><u>4.5 million</u></u>

## Revenues

### County Clerk

**County Clerk Fees** – As of January 31, the department has received \$111,063 in County Clerk Fees in 2023 and \$69,291 in 2024 which is a decrease of 38%. January actual revenues are 3% behind expected budgeted amounts.

**Mortgage Tax** – As of January 31, the department has received \$145,287 in Mortgage Tax in 2023 and \$131,784 in 2024 which is a decrease of 9%. January actual revenues are 2% behind expected budgeted amounts

The variance is attributed to a reduction in mortgages processed compared to the same time last year. The housing market seems to be slowing down.

**Automobile Use Tax** – As of December 31, the department has received \$462,655 in Automobile Use Tax in 2023 and \$493,643 in 2024 which is an increase of 7%. It should be noted that the 2023 amount is through December and is at 104% of the budget for this account, so the final actual revenue amount received has exceeded the budget for the year.

### County Treasurer

**Sales Tax** – It has been noted that we have collected \$26,575 less in sales taxes through January 31, 2024 than we did through January 31, 2023 which is a 0.5% decrease. We have received \$720,023 more than the 2024 revenue budget to date. **It should be noted that the net County budget surplus after accounting for the distribution to the Towns and Village is \$381,612.**

**VL/Tribal Compact Moneys (Casino)** – The County had not received Mohawk Tribal casino payments since the 3<sup>rd</sup> quarter of 2019. We have received a lump sum settlement payment for 10/31/19 to 12/31/21 in the amount of \$321,947. We do not know anything about 2022 and 2023 amounts owed.

### Tourism

**Occupancy Tax** – The department has collected \$91,186 less in Occupancy Taxes as of December 31, 2023 than we did as of December 31, 2022 which is a 1.2% decrease. These amounts represent collections for each year through February. We have not finalized 2023 figures yet and expect to receive payments for 2023 through March 31, 2024.

### Sheriff's Correction Division

**Jail Services, Other Government** – As of December 31, the department has received \$444,773 in Jail Services, Other Government in 2022 and \$146,984 in 2023 which is a decrease of 67%. It should be noted that the 2023 amount is the final amount and is at 37% of the budget for this account so the actual revenue received is significantly behind the budget.

The main causes for the decline are NYS bail reform laws and a significant reduction of federal inmates being transferred to the jail from the US Marshall Service.

## Building & Fire Code

**Building Permits** – As of January 31, the department received \$16,048 in building permits in 2023 and \$9,337 in 2024 which is a decrease of 42%. January actual revenues are 5% behind expected budgeted amounts.

It has been noted that there were several large projects in January, 2023 which we didn't have this year.

## **Expenditures**

### Occupancy Tax Reserve

We have historically waited until after year end to close the revenues and expenditures to the Occupancy Tax Reserve. We have decided to start closing on a monthly basis this year to more easily provide up to date information of the reserve available balance.

We created two sub accounts: Occupancy Tax Reserve – Minimum Balance and the Occupancy Tax Reserve – Encumbered in order to better track reserve activity.

- The Occupancy Tax Reserve balance is equivalent to the unappropriated surplus balance for the General Fund and represents what amount is currently available.
- The Occupancy Tax Reserve – Minimum balance represents the amount of reserve that we must keep on hand for cash flow.
- The Occupancy Tax Reserve – Encumbered balance represents the amount that has been obligated either through a contract or purchase order and is not available for other uses. A significant amount of the Occupancy Tax Reserve – Encumbered balance covers periods throughout the year.

The following represents the balances at the end of each month for the three reserve accounts. Please note that the Board approved to increase the reserve minimum balance to \$1,500,000 during the July Board meeting. **We will provide the 12/31/23 balances once we close the books for 2023.**

<u>Date</u>	<u>Occupancy Tax Reserve</u>	<u>Occ Tax Reserve- Minimum Balance</u>	<u>Occ Tax Reserve- Encumbered</u>	<u>Total</u>
12/31/2022	5,235,115	1,000,000	295,940	6,531,055
1/31/2023	3,297,376	1,000,000	2,247,601	6,544,977
2/28/2023	3,195,170	1,000,000	2,203,803	6,398,973
3/31/2023	3,186,913	1,000,000	2,310,769	6,497,682
4/30/2023	1,404,577	1,000,000	3,957,577	6,362,154
5/31/2023	1,402,862	1,000,000	2,476,644	4,879,506
6/30/2023	1,350,382	1,000,000	2,608,069	4,958,451
7/31/2023	906,190	1,500,000	2,542,154	4,948,343
8/31/2023	743,919	1,500,000	2,059,526	4,303,445
9/30/2023	2,417,379	1,500,000	1,700,477	5,617,856
10/31/2023	2,295,143	1,500,000	1,268,482	5,063,625
11/30/2023	1,484,198	1,500,000	1,313,680	4,297,878

### DPW Waste Containers

Currently, we have \$1.1 million in waste container inventory without adequate control over where each container is located at any point in time or if the container even exists. This is caused by the nature of the waste hauling business where haulers are continually replacing full containers with empty ones that may be owned by other entities. We suggest purchasing a tracking device system where trackers can be attached to each waste container to allow for proper control over the whereabouts of each County owned waste container.

The department has stated that they will start looking at pricing from several vendors to start the process.

## County Road Projects

The following shows the County Road project amended budget and costs for the past five years. Please note that any unexpended balance gets carried over to the subsequent year and is added to that year's budget for road projects.

The budgeted amounts include \$6.2 million in BAN money that was issued in 2022 in order to get the road projects caught up to a certain level of sustainability. As of 12/31/23, \$3 million of the BAN has been expended after a two-year period.

As noted below, DPW did not expend \$3,679,881 or 36% of the amended budget for the road projects. Please note that the department has been transferring unspent money that had been raised for County Road projects out of the County Road Fund to fund various DPW capital projects over the past three years for a total of \$1,852,110. The department has asked for additional road project funding in the amount of \$1,348,000 in 2024.

	2019	2020	2021	2022	2023
Amended Budget	5,275,182	4,155,480	5,579,432	12,453,922	10,289,246
Amount Expended	4,119,702	2,875,631	2,590,562	7,072,336	6,609,365
Amount Unexpended	1,155,480	1,279,849	2,988,870	5,381,586	3,679,881
% of Budget Unexpended	21.9%	30.8%	53.6%	43.2%	35.8%
Transfers of County Road Budget to Capital Projects	-	-	219,220	559,186	1,073,704

## County Debt Balances

The following shows the County's current debt outstanding as of January, 2024 along with ending debt balances for future years:

	Current Balance	End of 2024 Balance	2025	2026	2027	2028	2029- 2033
<b>Bonds</b>							
Pub Safety Bldg & Com Upgrade	-	-	-	-	-	-	-
Recovery Act Bonds, Various Proj	10,205,000	9,445,000	8,660,000	7,840,000	6,990,000	6,110,000	1,140,000
Court Expansion - 2015	5,510,000	5,120,000	4,720,000	4,305,000	3,880,000	3,445,000	1,055,000
Court Expansion - 2017	6,290,000	5,910,000	5,520,000	5,120,000	4,715,000	4,295,000	2,040,000
SUNY Adirondack NSTEM - 2017	4,260,000	4,000,000	3,735,000	3,465,000	3,190,000	2,905,000	1,380,000
<b>Leased Commitments</b>							
Copiers/Printers - National Business	263,215	200,298	135,457	68,690	-	-	-
Copier - Toshiba	18,849	15,570	11,835	7,936	3,871	-	-
Office Space - Mental Health	65,720	33,345	-	-	-	-	-
<b>Bond Anticipation Notes</b>							
Paving, Retaining Wall & Country side	6,320,000	3,720,000	2,480,000	1,240,000	-	-	-
<b>Total Outstanding</b>	<b>32,932,784</b>	<b>28,444,213</b>	<b>25,262,292</b>	<b>22,046,626</b>	<b>18,778,871</b>	<b>16,755,000</b>	<b>5,615,000</b>

## **Budget Exception Report**

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. Many of these items have been over expended for months without any action taken to amend the budgets.**

**Each department is responsible for ensuring that their budgets including salary and fringe are not over expended and if they are, the issue should be addressed immediately. Legally, the County is not allowed to incur costs for goods or services without sufficient budget in the expenditure line item to cover these costs.**

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