

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

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Deputy Treasurer

To: All Supervisors

From: Michael R. Swan, Treasurer

Date: July 21, 2020

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.

Revenues

Social Services

The County did not receive any Social Service settlements in the month of May, 2020 and have not received anything in June, 2020 as of the date of this report. We have been notified by the State that monthly settlements are being held until they undergo an “enhanced review process”. The State could not provide a date when payments will be released. As a reference point we received \$673,509 in May, 2019 and \$2,038,621 in June, 2019. **The County has only received \$139,781 from the State since last month’s budget analysis report.**

County Clerk

County Clerk Fees – As of June 30, the department has received \$638,970 in County Clerk Fees in 2019 and \$505,460 in 2020 which is a decrease of 21%. It should be noted that the 2020 amount is at 40% of the budget for this account so the actual revenue received is behind the budget which is attributable to State shutdown.

Mortgage Tax – As of June 30, the department has received 617,965 in Mortgage Tax in 2019 and \$891,190 in 2020 which is an increase of 44%. It should be noted that the 2020 amount is at 47% of the budget for this account so the actual revenue received is behind the budget. This variance was caused by the State Legislature failing to authorize a portion of the County’s mortgage recording tax which expired on December 1st, 2018. The State Legislature approved the additional mortgage tax in 2019 and it was imposed with an effective date of April 1, 2019.

Automobile Use Tax – As of June 30, the department has received \$206,744 in Automobile Use Tax in 2019 and \$166,856 in 2020 which is a decrease of 19%. It should be noted that the 2020 amount is through May and is at 34% of the budget for this account, so the actual revenue amount received is below the budget.

County Treasurer

Sales Tax – It has been noted that we have collected \$1,468,804 less in sales taxes through June, 2020 than we did through June, 2019 which is a 6.1% decrease which is related to the State shutdown. The County is \$1,439,166 below the revenue budget and \$762,758 below the Distribution of Sales Tax expenditure budget for a net budget loss of \$762,758.

VLT/Tribal Compact Moneys (Casino) – We have not received our 4th quarter payment from the State as of the date of this report. We typically receive this payment in April. We have estimated the payment to be \$88,841. We have contacted the NYS Gaming Commission and they noted that they have not yet received the payment from the Mohawk Indians. We have also not received any payments for 2020 which is budgeted for \$420,000.

Tourism

Occupancy Tax – The department has collected \$357,779 less in occupancy taxes as of June 30, 2020 than we did as of June 30, 2019 which is a 43% decrease and is attributable to the State shutdown.

Sheriff's Correction Division

Jail Services, Other Government – As of June 30, the department has received \$141,063 in Jail Services, Other Government in 2019 and \$12,359 in 2020 which is a decrease of 91%. It should be noted that the 2020 amount is through May and is at 6% of the budget for this account, so the actual revenue amount received is significantly below the budgeted amount of \$200,000.

Building & Fire Code

Building Permits – As of June 30, the department received \$110,082 in building permits in 2019 and \$60,288 in 2020 which is a decrease of 45%. It should be noted that the 2020 amount is at 30% of the budget for this account so that actual revenue received is significantly below the budgeted amount of \$202,000 which is attributable to the State shutdown.

Health Services

Home Nursing Charges – As of June 30, the department has received \$1,605,885 in Home Nursing Charges in 2019 and \$1,140,712 in 2020 which is a decrease of 29%. It should be noted that the 2020 amount is through May and is at 27% of the budget for this account, so the actual revenue amount received is below 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.

Governor's Executive Order 202.39

Governor Cuomo issued Executive Order 202.39 which states the following:

The directive contained in Executive Order 202.4, as extended, that required local governments to allow non-essential personnel to be able to work from home or take leave without charging accruals, and required such number of non-essential personnel to total no less than 50% of the total number of employees across the entire workforce of such local government or political subdivision, is hereby modified to apply only to local governments that have not met the prescribed public health and safety metrics to be eligible for Phase Two reopening, provided such local governments in Phase Two regions may bring non-essential employees back to work beginning two weeks after such region meets the metrics to reopen Phase Two.

The Capital Region entered Phase Two on June 3, 2020 so it seems that the County is no longer required to limit non-essential workers reporting to work and workers can no longer stay home and be paid without using their accruals under this executive order. If you add the two-week waiting period to bring back employees then County employees should have been reporting back to work by June 17, 2020 assuming that proper safety plans have been put into place by each department. For the current payroll period ending July 19, 2020, the following departments had employees on paid administrative leave and not working on County business or using accruals:

County Attorney
District Attorney
Human Resources
Office for the Aging
Personnel
Public Health
Real Property
Social Services
Tourism

As previously reported, this is a tremendous cost to the County. **A Board resolution will be needed to authorize the paying of employees after June 17, 2020 to stay home and not work or use their accruals.**

Capital Projects

Departments should be reviewing their capital projects to make sure that they are closed soon after completion of the project. The following are capital projects where there has not been any recent activity and a determination should be made by the responsible department whether or not the project should be closed. Responsible departments should also determine if any outstanding State/Federal receivables associated with their projects are collectable and if not, they will have to be written off and a funding source will have to be identified for the costs not reimbursed by State/Federal government. **We haven't seen any action taken on the current list below.**

Department of Public Works	Date of Last Activity	Cash	State/Federal Receivable	Deposit with Other Govt
H199 - Corinth Road	5/2016	100,508	22,119	-
H200 - Quaker Road Signal Imp	12/2013	-	11,283	-
H219 - RR Track Restoration	5/2009	-	534	125,000
H258 - Tannery Bridge over Stony Creek	8/2010	-	63,791	-
H355 - Municipal Cntr Security Renovation	10/2016	-	-	-
H361 - Brant Lake Lower Dam	12/2015	-	-	-

Notes:

1. H200 – Quaker Road Signal Imp – There is a liability back to the General Fund that is not funded for \$136,647 which will need funding before it can be repaid and the project closed.
2. H219 – RR Track Restoration – The Treasurer's Office has made numerous requests to DPW over the years to obtain an accounting from the State for the \$125,000 deposit that was made to the State without any success. We need some sort of documentation from the State showing that they spent the County's money on this project.

County Debt Balances

The following shows the County's current debt outstanding as of June 30, 2020 along with ending debt balances for future years:

	Current Balance	End of 2020 Balance	2021	2022	2023	2024-2028	2029-2033	2034-2038
Bonds								
Pub Safety Bldg & Com Upgrade	4,325,000	3,240,000	2,165,000	1,085,000	-	-	-	-
Recovery Act Bonds, Various Proj	13,070,000	12,305,000	11,630,000	10,935,000	10,205,000	6,110,000	1,140,000	-
Court Expansion - 2015	6,625,000	6,625,000	6,260,000	5,890,000	5,510,000	3,445,000	1,055,000	-
Court Expansion - 2017	7,390,000	7,390,000	7,030,000	6,665,000	6,290,000	4,295,000	2,040,000	-
SUNY Adirondack NSTEM - 2017	5,010,000	5,010,000	4,765,000	4,515,000	4,260,000	2,905,000	1,380,000	-
Capital Leases								
Municipal Center Energy Project	781,028	539,914	279,884	-	-	-	-	-
Countryside Adult Home Energy Proj	52,291	37,615	7,630	-	-	-	-	-
Total Outstanding	37,253,319	35,147,529	32,137,515	29,090,000	26,265,000	16,755,000	5,615,000	-

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