

# WARREN COUNTY TREASURER

**Michael R. Swan**  
County Treasurer

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Deputy Treasurer

To: All Supervisors

From: Michael R. Swan, Treasurer

Date: November 23, 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. We have analyzed the revenue and expenditure budgets for the County departments as of October 31, 2020 and noted the following:

### **Revenues**

#### **County Clerk**

**County Clerk Fees** – As of October 31, the department has received \$1,114,932 in County Clerk Fees in 2019 and \$974,465 in 2020 which is a decrease of 13%. It should be noted that the 2020 amount is at 76% 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 October 31, the department has received 1,386,065 in Mortgage Tax in 2019 and \$1,981,380 in 2020 which is an increase of 43%. It should be noted that the 2020 amount is at 104% of the budget for this account so the actual revenue received has already exceeded 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 1<sup>st</sup>, 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 October 31, the department has received \$373,041 in Automobile Use Tax in 2019 and \$351,686 in 2020 which is a decrease of 6%. It should be noted that the 2020 amount is through September and is at 73% of the budget for this account, so the actual revenue amount received is slightly below the budget.

#### **County Treasurer**

**Sales Tax** – It has been noted that we have collected \$2,034,238 less in sales taxes through October, 2020 than we did through October, 2019 which is a 4.3% decrease which is related to the State shutdown. The County is \$686,597 below the revenue budget and \$322,700 below the Distribution of Sales Tax expenditure budget for a net budget loss of \$363,896.

**VLT/Tribal Compact Moneys (Casino)** – We have not received our 4<sup>th</sup> 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. It has been noted that the casino closed on March 17, 2020 and did not reopen until August 28, 2020 so there was no revenue to share for this time period.

#### **Tourism**

**Occupancy Tax** – The department has collected \$637,492 less in occupancy taxes as of October 31, 2020 than we did as of October 31, 2019 which is a 16% decrease and is attributable to the State shutdown.

## Sheriff's Correction Division

**Jail Services, Other Government** – As of October 31, the department has received \$214,425 in Jail Services, Other Government in 2019 and \$180,911 in 2020 which is a decrease of 16%. It should be noted that the 2020 amount is through September and is at 90% of the budget for this account, so the actual revenue amount received is on target to exceed the budgeted amount of \$200,000.

## Building & Fire Code

**Building Permits** – As of October 31, the department received \$204,207 in building permits in 2019 and \$156,448 in 2020 which is a decrease of 23%. It should be noted that the 2020 amount is at 77% of the budget for this account so that actual revenue received is below the budgeted amount of \$202,000 which is attributable to the State shutdown.

## Health Services

**Home Nursing Charges** – As of October 31, the department has received \$2,752,922 in Home Nursing Charges in 2019 and \$2,253,122 in 2020 which is a decrease of 18%. It should be noted that the 2020 amount is through September and is at 54% 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. **Over expended budget line items are highlighted in red.**

**There are numerous departments that have over expended line items or line items that are projected to be over expended unless action is taken. During these critical financial times, these issues need to be addressed. A department should not allow any of its budgetary line items to be over expended and if it does happen then immediate action needs to be taken to address the issue at their next committee meeting. For year-end we do budget transfers between fringe benefit codes of different departments but this is for year-end over expenditures that were not able to be addressed by departments before the end of the year. During the year, these issues need to be addressed on a monthly basis. A reserve for employee benefit accrued liability (A 867.00) has been established to help fund payments of accrued sick leave upon retirement that cannot be absorbed by a department's current budget. There is currently \$65,000 available in this reserve.**

## 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. The following project has been approved for closure by the Board of Supervisors but before that can happen we need an accounting from the State for the \$125,000 deposit.

<u>Department of Public Works</u>	<u>Date of Last Activity</u>	<u>Cash</u>	<u>State/Federal Receivable</u>	<u>Deposit with Other Govt</u>
H219 - RR Track Restoration	5/2009	-	-	125,000

### Notes:

1. 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. The State is currently reconciling this deposit.

## County Debt Balances

The following shows the County's current debt outstanding as of October 31, 2020 along with ending debt balances for future years:

	Current	End of 2020				2024-	2029-	2034-
	Balance	Balance	2021	2022	2023	2028	2033	2038
Bonds								
Pub Safety Bldg & Com Upgrade	3,240,000	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	37,615	37,615	7,630	-	-	-	-	-
Total Outstanding	36,153,643	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.