

**WAYS AND MEANS COMMITTEE  
MINUTES**

**TUESDAY, JANUARY 25, 2022  
3:30 P.M.**

PRESENT: Leigh J. Benton, Chairman  
Mike Anagnostakis, L. Stephen Brescia, James D. O'Donnell,  
Kevin W. Hines, Laurie R. Tautel, Michael D. Paduch, Barry J. Cheney

ALSO

PRESENT: Katie Bonelli, Chairwoman  
Thomas J. Faggione, Majority Leader  
Janet Sutherland, Legislator  
Peter V. Tuohy, Legislator  
Betsy N. Abraham, Legislative Counsel  
Steven M. Neuhaus, County Executive  
Harold J. Porr, III, Deputy County Executive  
Dan Bloomer, Director, Operations and Cost Control  
Matthew J. Nothnagle, Chief Assistant County Attorney  
Stacy Butler, Senior Assistant County Attorney  
Karin Hablow, Commissioner of Finance  
Kerry Gallagher, Deputy Commissioner of Finance  
Erik Denega, Commissioner, Dept. of Public Works  
Travis Ewald, Deputy Commissioner, Dept. of Public Works/Engineering Div.  
Brian Titsworth, Deputy Commissioner of Infrastructure Services  
(Buildings and Grounds), Dept. of Public Works  
James S. Brooks, Commissioner of Parks, Recreation & Conservation  
Deanna Crawford, Deputy Commissioner, Dept. of Parks, Recreation & Conservation  
Paul Martland, Vice President of Administration and Finance,  
Orange County Community College  
Dawn Ansbro, Executive Director at SUNY Orange Foundation  
Eric Ruscher, Director, Real Property Tax Service  
Deborah Slesinski, Budget Director  
Gretchen Riordan, Budget Analyst  
Dina Sena, Budget Analyst  
Jared Pickard, Manger, Drescher and Malecki  
Matt Montalbo, Certified Public Accountant, Drescher and Malecki

Chairman Benton opened the committee meeting at 3:30 p.m. by asking everyone to stand for the Pledge of Allegiance. All committee members were present.

Mr. Cheney moved to approve the request to accept a gift for SIM equipment for the Nursing department. This equipment will support the enhancement and enrichment of the College experience for Nursing students. The total cost of the project is \$130,400.00. The source of funding

is a donation from the College Foundation in the amount of \$65,200.00 and New York State in the amount of \$65,200.00. Supplemental appropriation is requested. No County funding is required. Approval to create a capital project is also requested at this time, seconded by Ms. Tautel.

Mr. Martland stated this request is for simulation equipment for the Nursing Department which is a critical department and much needed in the community. He added the state will match the funds.

Motion carried. All in favor.

Mr. Brescia moved to approve the request authorization to transfer \$37,378,225.92 from ARPA funds currently in contingency to be allocated for the following:

- **\$10,000,000.00 to Emergency Services (Civil Defense Administration) for the purchase of PPE and test kits**
- **\$17,000,000.00 to increase the existing capital project (\$3,000,000.00) for construction costs of the Medical Examiners Building to a total of \$20,000,000.00**
- **\$6,407,225.92 to create a capital project for the modernization for the Valley View Sewer Plant**
- **3,771,000.00 to create a capital project for IT cybersecurity insurance, software, and hardware**
- **\$96,200.00 for consulting services from Drescher & Malecki**
- **\$100,235.00 for consulting services from Cherry Road**
- **\$3,565.00 for consulting services from PFK O'Connor Davies**

Supplemental appropriation is requested, seconded by Mr. Hines.

Ms. Hablow explained the U.S. Treasury released the final rule which is the final guidance that was released earlier this month and will go into effect in April of this year. It is a very large document that is difficult to summarize, so she will provide it to all legislators. She then introduced Matt Montalbo and Jared Pickard from Drescher and Malecki. They have assisted with the ARPA funding and are dedicated to this engagement. To review, Orange County's total reward under the American Rescue Plan Act was \$74.77 million of which \$37.38 million was received in May of 2021. The remaining \$37.38 million is expected to be received in May or June of this year. She is presenting a request to appropriate the first tranche of those funds to be spent as shown on Schedule A (see original minutes). Before reviewing Schedule A, as requested by the Chairman, she would like to speak a little bit about the process that developed this budget. In October 2021, an RFP for consulting services was issued to assist the administration and compliance of these funds. At that time the Treasury had put out the Interim Final Rule which again was 155 pages, detailed and comprehensive in terms of the rules and regulations behind utilizing these funds. Although, the Treasury states they want to make it as efficient and simple as possible for us to use these funds, she felt the need to get outside professional assistance. The contract was awarded to the accounting firm of Drescher and Malecki, located in Buffalo. She reiterated that they joined the meeting in case anyone would like to refer to them with specific compliance questions. They will also be joining her in future legislative meetings when the ARPA funding is on the agenda for discussion. The next step in the process was to form an ARPA Task Force Committee which is made up of members from the County Executive's Office, Budget Department, Department of Finance, Drescher and Malecki, Chairwoman Bonelli, and Legislator Benton. The task force met earlier this month and discussed

several proposed projects and after much discussion, they came up with the list that has been presented to the committee today (see original minutes). This lists the high priority needs which are also consistent and compliant with the U.S. Treasury's final rule. The task force will continue to meet monthly for the next several months and that will be to ensure compliance with the final rule as well as discuss and prioritize spending of the next tranche of money which will come in May or June of this year. Once a budget is agreed upon for the next tranche of money, she will come back to the committee for discussion and hopefully approval for the final funds. She reviewed Schedule A with the committee and asked that they keep in mind that these funds can be obligated through December 31, 2024, so this is not a budget to spend between now and the end of this year.

Ms. Tautel commented that Ms. Hablow did great explaining this. She then asked how long the consulting fees in the amount of \$96,000.00 will last.

Ms. Hablow replied the contract was set up with a "not to exceed" of \$73,200.00 for the first year, so that will take them into year two. She stated that they are being billed on an hourly basis as needed, so it depends on how complicated the reporting and compliance requirements are for the project as well as any other expenses put through the ARPA funding.

Ms. Tautel clarified the same will take place for the Cherry Road consulting services for the software update pertaining to the accounting system.

Ms. Hablow replied, that is correct.

Ms. Tautel asked if any reports and/or studies done regarding the \$6 million for the Valley View Sewer Plant.

Ms. Hablow replied no, not that she is aware of, but she did speak with Commissioner LaDue last week regarding this and they agreed that discussions need to be had especially about the size and scope of the project. She pointed out that these funds are to kickstart the project and get engineering and planning in place, so they can address the legislature with the full scope of the project for approval.

Ms. Tautel then asked Chairman Benton if this would be bought to the Physical Services Committee or the Health and Mental Health Committee.

Chairman Benton replied that this will go to the Physical Services Committee, but he believes that the figure was determined from previous studies which is a starting point.

Mr. Paduch expressed his concerns for why the legislature was not involved and where the funds are being distributed. He stated that as the Minority Leader, he should be involved in all discussions regarding these funds as this is the first time he is hearing about it and that needs to change.

Mr. Benton responded that he would speak to Deputy County Executive Porr since he was the one that invited him to be on the committee.

Mr. Porr commented that the committee was put together to do this work and he felt that it was best to invite the Chairwoman of the Legislature and the Chairman of the Ways and Means Committee.

Mr. Paduch clarified that no other leadership was invited.

Mr. Porr clarified that is correct. No other legislators were invited, and they are here today talking with everyone as this is about expediting projects and getting them moving in the proper way.

Mr. Paduch stated that he understands, but his concern has been that the legislature should have more input regarding what those funds are being used for. He is not okay with this because they are now being told what the funds are being used for and not asked.

Mr. Porr indicated that is not true. This is the part of the discussion that is available to all legislators as the presentation is being made. He then pointed out that everyone has something in front of them to discuss and if they do not like it, that is fine, if they do like it, that is great.

Mr. Paduch clarified that the committee will be voting on this today.

Mr. Porr stated that is correct.

Mr. Paduch reiterated that there are a lot of concerns that cannot be bought up today just like the Valley View issue with selling the property. The legislature should have input and be involved in how these funds should be spent.

Mr. Porr stated that he is not speaking about Valley View right now, he is speaking about the ARPA funding. A presentation was given, and this is the forum to comment on it. He added that Mr. Paduch is speaking about process instead of substance.

Mr. Paduch commented that he is unaware of what happens "behind the scenes" since he is not included in any of the discussions. He would appreciate it if he was involved because some of his thoughts and ideas are important too and could be taken into consideration.

Mr. Benton stated this is only phase one, there is another half coming and these were the projects that were at the top of the list that need to get going as there is a three-year window for the use of the funding.

Ms. Hablow pointed out that all funds need to be obligated by December 31, 2024 and expended by December 31, 2026.

Mr. Paduch stated that he understands the process but feels more people should be involved with it. Again, he would appreciate it if he was involved.

Chairwoman Bonelli agreed with Deputy County Executive Porr in that they are speaking about process, not substance. She stated that when they had the meeting a few weeks ago, the Budget Department presented a long list of various projects that came from various departments or legislators themselves, therefore, everyone had the opportunity to bring something to the table. Everyone knew these funds were available to be expended and how it would be expended. She stated that she spoke to the Deputy County Executive back in November as far as having the legislative branch included in this and the most likely choice was the Chairman of the Ways and Means Committee. There were a bunch of projects presented and the ones that rose to the top are the ones that can be completed within the time frame and eligibility requirements are meant.

That is the discussion being had today and no one is being left out of this. If any legislators have other projects they would like to bring forth for consideration, she welcomes those suggestions and asks that they are given to her as soon as possible to see whether they are included in the next round of funding. She thanked the team that was put together to expend these funds and thinks they came forward with a great proposal.

Mr. Cheney clarified that the resolution states that they are "authorizing the transfer of \$37 million" to these items. He would like to know if the \$6.4 million for the capital project for the modernization of the Valley View Sewer Plant gives them the right to spend the funds or do they have to come back to the legislature to get the capital project authorized.

Ms. Hablow deferred to Legislative Counsel Abraham.

Legislative Counsel replied that she is seeing this based on the way the ARPA funding is, that Commissioner Hablow is tasked with creating these accounts, so to make use of these accounts and the money specifically for Valley View, Valley View would have to come forward with their own legislative request to make use of those funds.

Mr. Cheney then asked if they are losing out on other sources of funding because the ARPA money will be used because they do get funds from the federal government and state government to support the efforts at Valley View. He believes that as they spend money at Valley View, it effects the rate at which they can receive funding for the residents.

Ms. Hablow replied this is not unlike any other capital project that Valley View brings forward. In recent times, they have been using their own surplus money for projects and before that they would use bonding; therefore, this would not be any different.

Mr. Hines asked if the \$10 million spent on PPE will be reimbursed through the ARPA funding or will it be earmarked for future purchases.

Ms. Hablow replied that in 2021, \$6,815.08 spent on PPE which will be removed from the \$10 million. Regarding the last couple of weeks, she does not have an accurate number because some of the purchases are still pending, but the number of purchases for test kits and PPE is between \$1 and \$2 million. She stated the \$10 million will be reduced by purchases that have already been made but would not go all the way back to PPE purchased in 2020 as that would not be allowable under ARPA. Prior to 2021, they were in a lull for spending funds on PPE and test kits because they were not a consideration at the time. Most of that will be forward looking.

Mr. Hines stated that his other issue is the second tranche of funding that will come in May or June. He is looking to prioritize this and make a change as he is a proponent of Hazard Pay, so he would prefer to earmark \$5 million which would come from the sewer project for Hazard Pay and still have \$1.4 million for the sewer project at Valley View to get started knowing that the other funding will come in May or June. Furthermore, the \$5 million for Hazard Pay should be earmarked now because it is due to the employees now rather than six months from now.

Mr. Hines moved to amend the resolution by reducing \$5 million from the Valley View Sewer Project and earmark it for Hazard Pay, seconded by Ms. Tautel.

Mr. Benton asked Mr. Hines if he has firm numbers.

Mr. Hines replied no, that is why he is requesting the \$5 million be earmarked for now and surplus funds can be used when the second round of funds come in.

Mr. Brescia commented that before he votes on this amendment, he would like to know the County Executive's stance on this initiative because he has mixed emotions about this.

Mr. Benton stated he also has mixed emotions because they do not know the exact pay out plan, they are just assigning \$5 million.

County Executive Neuhaus stated that he can go in both directions. If anyone speaks to Mr. LaDue, they will know that he tells all legislators that Valley View is taking more and more money every year out of the "rainy day" fund to make the budgets work. There are several items on the to-do list for Valley View and predominately the ones that would get the hazardous pay are those who work at Valley View. Even though Mr. Hines mentioned doing evaluations, the County Executive plans on being around here for awhile and would spend his money on doing improvements that are less bills in the future for Valley View. This should be a discussion itself with everyone because he does not think that every employee in the county deserves hazardous pay. Furthermore, just because the county has money coming in as well as a second check, we have no idea how much this would cost, and this is taxpayer money. This is a one-time gift from the federal government, so it needs to be spent the right way. He then pointed out that there are 18 nursing homes in the county and only one is county run. Hazard pay deserves its own study and analysis as to how it would be divided up and who should get it. Again, these are his feelings, and one is that there should be an analysis done going from department to department then employee to employee and then using an educated system for what others received in the Hudson Valley and then decide.

Mr. Hines emphasized that is what he is suggesting. The funds can be earmarked for now, so the Department of Human Resources can do an analysis. He already asked that the Sheriff's Office do this, and he is aware the Legislator O'Donnell started the process for Valley View. He is not suggesting every employee, he is suggesting that the Department of Human Resources does a study for the people that did the work and were in hazardous areas. Other counties have done this, but he does not care about what other counties or private nursing homes did, he knows this is allowable under ARPA. It can be discussed even though the funds are earmarked, just like the other projects.

County Executive Neuhaus stated that the sewer work and/or raises, both take time, so he is okay either way.

Mr. Hines indicated that every Commissioner should have this analysis done within a month and the report should be given to Commissioner Gross as to who did what.

Ms. Tautel agreed with Mr. Hines and stated that she and the County Executive had a brief conversation regarding hazard pay and she has been recommending that a special sub-committee and/or task force be formed so they can work with the Department of Human Resources, department heads to get these reports and figure out exactly what it is needed and how to do it.

Mr. Paduch also agreed with County Executive Neuhaus and understands Legislators Hines and Tautel, but he has several concerns. Both items are equal but need a plan and must be further researched.

Mr. Brescia commented that he is also torn. At this point it is a "feel good" resolution. He is concerned at the fiscal portion of it; therefore, he will not be voting for it today, but will vote for it in the second phase when the information is more concrete.

County Executive Neuhaus stated this is a big decision and he is okay either way.

Mr. Hines further explained why certain departments qualify and who they would be including, the Sheriff's Office and Valley View, and the ones who worked from home would not qualify.

Ms. Hablow clarified that the ARPA regulations do not allow anyone to award essential premium pay to anyone who worked remotely, it must be in-person work.

Mr. Benton stated that the employees who were on an A/B schedule should not receive hazard pay either.

Mr. Anagnostakis agreed with everything Legislator Hines has said and the way he sees this is when the pandemic first began, people were going into their death, so the ones put in the situation deserve hazard pay. There is no reason why this cannot be done quickly.

Motion failed 5-4 with Legislators Brescia, Paduch, Cheney, Benton, and Chairwoman Bonelli voting against and Legislators Anagnostakis, O'Donnell, Hines, Tautel voting in favor.

Mr. O'Donnell stated that the Medical Examiners Building funding should be reduced by \$3 million and added to the second tranche of funding.

Discussed ensued with Ms. Hablow, Mr. Pickard and committee members regarding the process of approval for these items being presented today.

Mr. Paduch agreed with Mr. O'Donnell and pointed out that the price of the new building is much higher than previously discussed.

Mr. O'Donnell moved to amend the original request by deducting \$3 million for constructing cost of the Medical Examiners which would make the final cost \$14 million instead of \$17 million and adding it back to the second tranche of funds, seconded by Mr. Paduch.

Motion carried 5-3 with Legislators Anagnostakis, Brescia, O'Donnell, Paduch, and Benton voting in favor and Legislators Hines, Tautel, and Cheney voting against.

With no further discussion or questions regarding the plan as amended, Mr. Benton asked that the committee vote on the resolution as presented.

Motion carried. All in favor of the resolution as presented.

Mr. Paduch moved to approve the request for supplemental appropriation for the 2021 budget to increase the Distribution of Sales Tax line by \$12,823,842.62 due to sales tax collections coming in higher than budgeted. Once appropriated, these funds will be distributed to the cities, towns, and villages, seconded by Ms. Tautel.

Ms. Hablow stated this is a straightforward request and as everyone knows, sales tax came in above budget last year which is great.

Motion carried. All in favor.

Ms. Hablow addressed the committee with the next agenda item which was an update regarding the County of Orange Sales Tax Received Year-To-Date (County Portion Only) and a Gross Sales Comparison (see original minutes).

Ms. Tautel moved to approve the request for supplemental appropriation for Budget adjustments necessary for year ending 2021 for various departments, seconded by Mr. Paduch.

Ms. Slesinski stated this is a request for approval of the preliminary year-end adjustments for 2021 which includes \$15 million in additional revenues and expenditures in the debt service line. There is also \$15,569.00 from contingency to balance a couple of the other accounts. She pointed out that the balance of contingency prior to this transaction is \$1,206,533.79.

Motion carried. All in favor.

The next agenda item was a Budget Update.

Ms. Slesinski explained the focus is working closely with the departments to close out the 2021 year which includes most of the purchase orders in 2021. Currently, there is \$35 million still encumbered because the invoices take time to process. As of January 14, 2021, there are 337 vacant funded positions with a savings of \$900,000.00. The vacancy factor throughout the county is \$8.3 million between salaries and benefits and she would like everyone to realize that in 2022 the adopted budget does have 14 less positions than in 2021.

Mr. Cheney moved to approve the request for supplemental appropriation to the capital projects budget for Bridge Improvements. Funds from Morrison Bridge Replacement, which was approved under the 2021 Capital Plan as Project No. 55, will be substituted for Bridge Improvements. Upon approval, the funds will increase existing Capital Project No. 445-20, \$1,000,000.00 (bonding), seconded by Paduch.

Mr. Denega stated that this request is for the approval for the swap of capital funds. The Morrison Bridge Project recently had scour mitigation work done that has extended the life of the bridge, therefore, he was able to move the project down on the list.

Motion carried. All in favor.

Mr. Brescia moved to approve the request for supplemental appropriation to capital projects budget for Highway Paving. This project has been approved under the 2022 Capital Plan as Project No. 43, \$1,300,000.00 (bonding), seconded by Ms. Tautel.

Mr. Denega explained this is an annual request for 15 to 20 miles of highway paving on county roads and last year 24 miles were done. He added the bids are due back in February.

Motion carried. All in favor.

Mr. Cheney moved to approve the request for supplemental appropriation to the capital projects budget for Stony Ford Golf Equipment Replacement. This project has been approved under the 2022 Capital Project Plan as Project No. 91. Upon approval, a new project will be created, \$126,000.00 (bonding), seconded by Mr. Brescia.

Mr. Brooks stated the equipment is nearly 20 years old, so he is asking for approval to replace three pieces (see original minutes) as they have reached the end of their useful life and/or not working.

Motion carried. All in favor.

Mr. Cheney moved to approve the request for supplemental appropriation to the capital projects budget for Parks Building Equipment Replacement. This project has been approved under the 2022 Capital Plan as Project No. 95. Upon approval, a new project will be created, \$25,000.00 (bonding), seconded by Mr. Brescia.

Ms. Crawford asked that the committee approve this request in the amount of \$25,000.00 to replace Parks Building Equipment as the current equipment is very old. She added that the Parks Department is trying to be proactive with any equipment that has reached its end of life.

Motion carried. All in favor.

Mr. Brescia moved to approve the request for supplemental appropriation to the capital projects budget for Parks Equipment. This project has been approved under the 2022 Capital Project Plan as Project No. 90. Upon approval, a new project will be created, \$258,544.00 (bonding), seconded by Mr. Cheney.

Motion carried. All in favor.

Mr. Cheney moved to approve the request for supplemental appropriation to the capital projects budget for Hickory Hill Golf Equipment. This project has been approved under the

2022 Capital Project Plan as Project No. 92. Upon approval, a new project will be created, \$179,083.00 (bonding), seconded by Mr. Benton.

Motion carried. All in favor.

Ms. Tautel moved to adopt a resolution authorizing the County Executive to enter into an agreement with certain Orange County municipalities providing for the exemption from county taxation of lands owned and used by them for water supply and related purposes, seconded by Mr. Paduch.

Mr. Ruscher explained this is an annual resolution that refers to municipalities that own property outside of their boundaries which are used for municipal water services. These owners can apply for this exemption (see original minutes for list).

The meeting adjourned at 5:12 p.m.