

**EDUCATION AND ECONOMIC DEVELOPMENT COMMITTEE
MINUTES**

**(REMOTELY)
MONDAY, JULY 20, 2020
4:00 P.M.**

PRESENT: Paul Ruskiewicz, Chairman
Barry Cheney, Joseph J. Minuta, James O'Donnell,
Rob Sassi, Joel Sierra, Kathy Stegenga, Laurie R. Tautel

ALSO

PRESENT: L. Stephen Brescia, Chairman
Michael Amo, Independence Party Leader
Thomas Faggione, Legislator
Peter Tuohy, Legislator
John S. Vero, Legislator
Kevindaryan Lujan, Legislator
Antoinette Reed, Legislative Counsel
Harry Porr, Deputy County Executive
J. Daniel Bloomer, Director of Operations
Bill Fioravanti, Director, Economic Development
Matthew Nothnagle, Chief Asst. County Attorney
Alan Sorensen, Commissioner of Planning
Kelly D. Morris, AICP, Senior Planner/Project Manager
Karin Hablow, Commissioner of Finance
Kerry Gallagher, Deputy Commissioner of Finance
Deanna Crawford, Budget Analyst
Gretchen Riordan, Budget Analyst

Chairman Ruskiewicz opened the committee meeting at 4:23 p.m. with a moment of silence and followed by the Pledge of Allegiance. All committee members were present.

Mr. Fioravanti was first on the agenda with a monthly update on Economic Development (see original minutes). He updated the committee on two requests for proposals (RFP) for Camp LaGuardia and the three historic buildings on Grand Street. The proposal for Camp LaGuardia is due August 7th and the Grand Street properties is due July 30th. Senators Gillibrand and Schumer advocated for Orange County to be the home of the U.S. Space Command. He worked with the County Executive's office and put together a comprehensive proposal for Stewart International Airport to be the headquarters for the U.S. Space Command. They are hopeful Stewart will be chosen.

Mr. Sorensen provided an update on the eight-year review of the agricultural districts and the annual review. They created detailed maps showing parcels that are recommended to stay in the district and to come out. These maps were sent to all the municipalities and to the legislators in those districts. They are doing two things this year, updating the agricultural districts and they are merging districts 1 and 2. There are 14,675 parcels in the district and they are recommending 6,718 parcels come out. The summary report has been prepared and is presently before the Agriculture and Farmland Protection Board who will meet on Wednesday. Once they sign off on it, it will be sent to the Legislature for its review and hold a public hearing which will be September 3, 2020.

They plan on doing a mailing to all the property owners affected. They are working with Real Property Tax Service Agency in developing a mailing list.

Mr. Cheney asked if each individual property owner was going to get a letter.

Mr. Sorensen responded that those who have a property being removed will get a letter stating that their property is being recommended for removal from the Agricultural District. They will be advised of the public hearing date and where they can view the maps.

Mr. Cheney asked if the letter would say their property is no longer zoned or that the property was in residential use and no longer qualifies to be in the Agricultural District.

Mr. Sorensen stated that there will be a paragraph in the letter that identifies between zoning districts and agricultural districts. The zoning would remain the same for the property, but the removal will not affect their ability to continue to use the property for residential purposes.

Mr. O'Donnell asked if Mr. Sorensen planned to send a list of the names that are being removed from the Agricultural District to each Legislator.

Mr. Sorensen responded that he would do that.

Mr. O'Donnell asked for a copy of the letter that was being sent to the property owners and Mr. Sorensen replied that he will send it to the Legislators.

Ms. Stegenga stated that when some farms were sold to developers and were put into a residential district, although the maps are being updated now, were the classifications changed when they went from an Agricultural District classification to residential.

Mr. Sorensen explained that the Agricultural District is separate and distinct from the zoning districts. The local assessor would change the real property classification so when the property went from a farm to a single-family residence, it would have been changed to a residential real property class 210, which is single family residential. The only time they have the opportunity to remove a parcel from the Agricultural District is during the eight-year review which they are doing now. In 2012 there were probably a large amount of properties that were not flagged for removal from the Agricultural District. They now have those parcels identified and plan to have them removed, that is why the number of parcels is so large.

Ms. Stegenga further asked if there was any benefit to the property owner and could they come back to them arguing that they are being removed from the district. She wants to be aware of who is in her district and wants to be able to handle questions that her constituents might have.

Mr. Sorensen explained that the primary purpose of being in an Agriculture and Markets District is the right to farm. If a farmer is in an agricultural district and a new subdivision is being built and the neighbors move in, if there are loud noises or odors coming from the farm, the farmer is protected by being in the Agricultural District.

Mr. Cheney mentioned that one of the properties in the Village of Warwick was built in the 1980s and it has been listed as agricultural land ever since. Is there a way to coordinate

databases so that the Planning Department could see where development has taken place so you know what is to be designated as agricultural properties, rather than it linger on for decades.

Mr. Sorensen stated that they were updating in the Geographic Information System (GIS) Database Management System. They review development proposals and while they review subdivisions, they have information on the properties being subdivided. He would like to build a database that allows them to track the approvals in real time. He would like to coordinate with Real Property and the County Clerk to make sure that once the subdivision is approved, that it was constructed, built and the map is filed.

Mr. O'Donnell asked if there was an appeal process and was that information going to be included in the form letter.

Mr. Sorensen explained that the property owners will be notified of the public hearing and it will be spelled out for them in the letter.

Ms. Reed added that the property owners can reach out to Commissioner Sorensen and Kelly Morris regarding any concerns about their property. Each landowner will receive a copy of the notice of public hearing.

Mr. Cheney moved to set Public Hearing on Eight Year Review and proposed modifications of Orange County Agricultural Districts Nos. 1 and 2, seconded by Mr. O'Donnell.

Mr. Ruskiewicz announced that the public hearing will be held on September 3, 2020 at 3:15 p.m.

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Rob Sassi, Joel Sierra, Kathy Stegenga, Laurie R. Tautel

Leigh J. Benton, Chairman (Ways and Means)
Mike Anagnostakis, Katie Bonelli, Kevin W. Hines,
Joseph J. Minuta, Michael D. Paduch, Janet Sutherland

ALSO

PRESENT: L. Stephen Brescia, Chairman
Michael Amo, Independence Party Leader
Thomas Faggione, Legislator
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Karin Hablow, Commissioner of Finance
Kerry Gallagher, Deputy Commissioner of Finance
Dr. Kristine Young, President, Orange County Community College
Paul Martland, V.P. of Administration/Finance, Orange County Community College
Nicholas DeSantis, Partner, PKF O'Connor Davies LLP
Chris Kopf, Partner, Partner, PKF O'Connor Davies LLP
Deanna Crawford, Budget Analyst
Gretchen Riordan, Budget Analyst

Chairmen Ruszkiewicz and Benton opened the Joint committee meeting at 4:52 p.m. All Education and Economic Development committee members were present. All Ways and Means committee members were present with the exception of Mr. Kulisek who was absent.

Mr. DeSantis reviewed the proposed Orange County Community College budget for 2020-2021 (see original minutes). The revenues for the 2020-2021 academic year are forecast as 20.81% from the State, 31.14% from the County and 48.05% from student tuition, fees and other sources. The 2019-2020 adopted budget required a county contribution of \$19,052,882. The Board of Trustees proposed the County's share to increase to \$19,433,940 for the 2020-2021 budget. That is an increase of \$381,058. The Trustees increased tuition by \$192 for a total amount of \$5,376. Mr. Kopf did a comparison of tuition to the community colleges in the surrounding counties and with this increase, Orange County Community College will be the highest. The spending plan for the college has decreased and salaries increase by \$233,372.

Mr. Kopf reviewed the Summary of Findings. He explained that the tuition for the college is made up of multiple components, a major piece of the revenue is full time tuition. When they look at the full-time tuition, they look at the number of full-time equivalents (FTE's) that the college projected and the FTE's that are currently attending the college. Then they project with the increase there will be about \$580,000 less than 2020-2021 based on the number of FTE's they are projecting. They came up with this number based on historical data and approximately a 4%-5% decrease every year in enrollment. He pointed out that there are affects due to the current COVID-19 restrictions. Many students are not sure if they are going away to school, attend locally or take classes from home, so that number can change dramatically. The state instituted a 20% reduction in the payment to the college and if the state does implement the reduction, it will be significant to the college. The college put in a new fee in the projection this year called New Student Fee. The self-sustaining courses have always come in short and this year it is about \$100,000 less. The net revenue projection in shortfall is \$976,500. He addressed the expenses stating that the biggest area is personnel expenses. The overall budget for personnel for 2019-2020 was \$34.4 million and the college has requested \$34.66 million. This is made up of full-

time positions, part-time positions which are adjunct professors and there are stipends. They take into consideration for their projections the vacant positions, but they need to make sure that the positions budgeted are concurrent with the contracts. There are forty-one vacant positions which is about \$2.1 million in salaries that are budgeted without people filling the positions. When you do not fill a full-time position, it is usually replaced with an adjunct professor. There is a savings of \$30,000 in the part-time lines. The contractual services are made up of a few different areas and they found \$128,000 in favorable findings. There was a savings of \$62,000 in the electricity line because of the shut down due to COVID-19, and because gas and oil has dropped. For 2019-2020 the janitorial line is projected to be about \$153,000 over budget due to COVID-19. The school had to do a deep clean when the virus was first identified and there was an intense cleaning process. They saw an unfavorable variance with the health insurance in the amount of \$49,400 because NYSHIP did not publish their rates yet so they looked back over the last three to four years and provided an estimated increase. There is a net of favorable findings of \$423,800 and unfavorable findings variance on the revenue is around \$552,000 where they have concerns in the budget.

Mr. DeSantis stated that the Orange County Community College does their financial statements in a different format than what the county does. The county's fund balance is called their net position. For the college to determine that number they need to report post-employment benefits which is \$175,785,310. Since they reported that and sick benefit accruals and net pension liability, they have a deficit of \$173,354,489. If that was added back, there would be a fund balance of \$4.1 million. If their 2019-2020 projection of \$1.3 million, the college would have a fund balance of \$5.4 million. The college is proposing an increase to student fees to \$175.00 per new student which will be about \$75,000 additional revenue. He stated that if you review the state aid for full time students which is the same for 2019-2020, review the projected deficit and the money that is still available for capital chargebacks, review the additional \$75,000 for student fees and review the quasi fund balance which are assets that could be available, he felt the college should be able to address their own issues that they discovered. The county contributes about \$290,000 a year to the Orange County Community College Foundation and the foundation has a net asset of \$19 million. He pointed out that the county contributes \$302,900 for consulting services to the Foundation.

Mr. Sassi asked Mr. Kopf if he did any projections for a potential increase in enrollment as a result of the pandemic. In speaking with parents, he has been hearing a lot of kids are staying closer to home. Did they do a projection of maybe a 5% increase in the enrollment just in case.

Mr. Kopf responded that he did not. It is unknown to them what the impact will be. A 5% increase would be 125 students multiplied by the tuition would be \$700,000 and there would be an increase in state aid. They looked at the current registration numbers, they were down further than they were in the past.

Ms. Gallagher cautioned the Legislature to be conservative in estimating any kind of additional increase, although it is probably a realistic assumption by Mr. Sassi. In the Finance Office they have had a lot more volume in the past few months, especially with kids applying for a certificate of residency to go to the surrounding community colleges.

Mr. Tautel stated that it was mentioned there was a \$153,000 for cleaning the college due to COVID-19. She asked if that is something that could be reimbursed.

Mr. Kopf responded that it was his understanding that FEMA was handling some of the initial reimbursement expenses related to COVID-19. The college and the Finance Department should coordinate for any applications for funds.

Mr. Martland responded that Ms. Tautel was correct. Some of the expenses that were incurred related to COVID-19 response may be reimbursable. One is through FEMA and the other is through the CARES Act.

Mr. Benton asked when there was going to be a follow up meeting with Mr. DeSantis to put together their finalized proposal for the budget so that it is ready for Ways and Means Committee meeting next week.

Clerk Ramppen responded that they are scheduled to have a Special Ways and Means and Education and Economic Development and vote on the Orange County Community College Budget next week, Tuesday, July 28th.

Mr. Benton mentioned that they are throwing around ideas on how to adjust the budget, but he felt that Mr. DeSantis and leadership needed to meet again to discuss what adjustments they were going to accept.

Chairman Brescia suggested they meet before Public Safety on Thursday.

Ms. Bonelli stated that previous reports indicated that they should be working in conjunction with the college to come up with a multi-year plan and that has not been done. She would like a commitment from the college along with her colleagues on the Legislature so they can move forward.

Mr. Ruskiewicz stated that if they do have a meeting prior to Ways and Means, Dr. Young and Mr. Martland should be involved.

Mr. Faggione commented that on page three of the review booklet it says that the college has proposed no use of fund balance in its 2020-2021 proposed budget. He further stated that after reviewing page forty-one of the review booklet, it shows that there is \$5.4 million in the fund balance and they choose not to use any of it to offset the costs.

Mr. DeSantis referred Mr. Faggione to page thirty-five and explained that the college prepares their financial statements different than how the county does. They do their statements on the full accrual method and the county does theirs on the modified method. The college reports their statements to New York State Higher Education who reports the full liability for post-employment health benefits for retirees. That amount is \$173 million. The county reports their post-employment health benefits, but it does not report on a fund level, so it is not included in the fund balance in the general fund. If they were to add back the post-employment benefits which is a non-cash transaction to the college of \$173 million plus two smaller adjustments for pension liability and sick benefit accrual, the college would have a fund balance of about \$4.1 million. If you add in their projection of almost \$1.4 million of surplus for the current academic year, they would have about \$5.4 million of fund balance which is supported by cash, investments, receivables from tuition and state aid.

Mr. Paduch mentioned that the previous leadership meeting he did bring up some of his concerns which were the fund balance and the funded and unfilled positions. It appeared that they were going to fill about 75% of those positions and he did not know why. There is still an open contract for the faculty. He asked why the faculty is not paying for their health insurance to help with some of the cost. What happens if they negotiate after they vote, and they could end up with

an excess amount. It is important for the contract to get settled or they have some insight as to what they are doing because he knows they do not want to pay more for health benefits meanwhile everyone else is. Some of the \$750,000 in chargebacks could probably be used and he felt they had enough money in their fund balance. They need to negotiate the contract accordingly and they will have plenty of money. He was aware that the County Executive did not want to add additional money and he wanted to keep their budget flat and he supported that.

Mr. Ruskiewicz asked if Dr. Young or Mr. Martland wanted to make any comments.

Dr. Young was happy to have the opportunity to interact with the Ways and Means and Education and Economic Development Committees before any final determinations are made. Something that did not come up which cannot be addressed in the budget they are considering and they received that advice from O'Connor Davies that they should prepare only to receive 80% of the state allocation which is about a \$3.4 million hit on their budget that starts September 1st. This is a critical and crucial time for the college, the first in decades.

Mr. Ruskiewicz concluded by stating that they plan to schedule a meeting for Thursday, and everyone will be notified. He thanked O'Connor Davies for their hard work and presentation. It is a difficult time for everyone, financially, for the county, for the college and for everybody.

On the motion of Ms. Stegenga, seconded by Tautel (Education and Economic Development) and on the motion of Mr. Anagnostakis, seconded by Mr. Hines, the meeting adjourned at 5:36 p.m.