

**SPECIAL
WAYS AND MEANS COMMITTEE
MINUTES**

**TUESDAY, JULY 21, 2020
4:30 P.M.
(ALL LEGISLATORS INVITED)**

(REMOTELY)

PRESENT: Leigh J. Benton, Chairman
Katie Bonelli, Kevin W. Hines, James M. Kulisek,
Joseph Minuta, Michael D. Paduch, Janet Sutherland

ALSO

PRESENT: L. Stephen Brescia, Chairman
Thomas J. Faggione, Legislator
Kevindaryán Luján, Legislator
Paul Ruskiewicz, Legislator
Kathy A. Stegenga, Legislator
Peter V. Tuohy, Legislator
John S. Vero, Legislator
Antoinette Reed, Legislative Counsel
Karin Hablow, Commissioner of Finance
Kerry Gallagher, Deputy Commissioner of Finance
Deanna Crawford, Budget Analyst
Gretchen Riordan, Budget Analyst
Nicholas DeSantis, Partner, PKF O'Connor Davies LLP
Chris Kopf, Partner, Partner, PKF O'Connor Davies LLP
Toni Giannelli, Administrative Assistant, PKF O'Connor Davies LLP

Chairman Benton opened the committee meeting at 5:35 p.m. by asking everyone to stand for the Pledge of Allegiance. All committee members were present with the exception of Legislator Anagnostakis who was absent.

Mr. Paduch moved to discuss and overview of the 2019 Comprehensive Annual Financial Report, seconded by Mr. Hines.

Mr. DeSantis addressed the committee with an overview of the 2019 Financials for the year ended December 31, 2019. Before reviewing the Comprehensive Annual Financial Report (CAFR), Mr. DeSantis referred the committee to page XII (see original minutes). The county received a Certificate of Excellence for financial reporting. Some of the information in the report provides a ten-year analysis of certain things such as sales tax, revenue, assessment value, etc. He referred to the **Independent Auditors Report** (page 1) which included a Report on the Financial Statements, Management's Responsibility for the Financial Statements, Auditors' Responsibility, Opinions, Other Matters and Other Reporting Required by Government Auditing Standards. He stated that Mr. Kopf will give the committee an abbreviated version of the CAFR.

Mr. Kopf reviewed the Orange County, New York, Report to the Board of Legislators power point which highlights the CAFR (see original minutes). He reviewed the following with the committee: audit results, financial statement highlights of the general fund revenue and expenditure summary, general fund revenues vs. budget, major general fund revenues vs. budget, major general fund revenues 5-year history, DSS local share 5-year history, general fund balance sheet, general fund retrospective, and enterprise fund year ended December 31st.

Mr. DeSantis referred to page 12 of the presentation and pointed out that the tax stabilization in the restricted category, those funds were kept at a consistent level. The future capital projects monies went from \$2.1 million in 2015 to \$500,000.00. He referred to the balance sheet (see original minutes) and pointed out the general fund advanced \$28 million to the capital fund. At some point when the bonds are issued, those monies will get repaid, but as of December 31st, \$28 million has been borrowed by the capital funds from the general fund. He then suggested that future Medicaid expenses be revisited because the State still maintains a cap on annual increases in the Medicaid area, but unfortunately with the situation in state-aid and revenues, he is hoping the county does not have to dip into that line in the future to appropriate it. Regarding the "five buckets" and property tax evaluation, Mr. DeSantis asked that everyone look at pages 44, 45, 47 and 48 of the CAFR (see original minutes), so he can further review it.

Mr. Benton asked the committee to look at page 53 of the CAFR regarding the OPEB of the county because everyone should know the OPEB responsibilities for the county is over \$900 million and it was \$169 million last year.

Mr. DeSantis pointed out it is \$1,173,000,000. He then referred to page 66 which shows the active headcount of retirees that make up the OPEB liability as well as active employees who have vested their health insurance benefits. Altogether, 40% of people are retired.

Mr. Benton commented that Orange County is in a better financial position than 98% of the State, so we should take credit for it.

Mr. DeSantis stated the county is in a good financial situation.

With no questions, Mr. Benton thanked Mr. DeSantis and Mr. Kopf for their presentation and hard work.

The meeting adjourned at 6:07 p.m.