

**"SPECIAL"**  
**WAYS AND MEANS COMMITTEE**  
**MINUTES**

**TUESDAY, JULY 31, 2018**  
**3:30 P.M.**

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

ALSO

PRESENT: L. Stephen Brescia, Chairman  
Barry J. Cheney, Legislator  
Thomas J. Faggione, Legislator  
Paul Ruskiewicz, Legislator  
Kathy A. Stegenga, Legislator  
Laurie R. Tatuel, Legislator  
Peter V. Tuohy, Legislator  
John S. Vero, Legislator  
Antoinette Reed, Legislative Counsel  
Langdon Chapman, County Attorney  
Karin Hablow, Commissioner of Finance  
Meghan Buffamante, Senior Account, Finance Department  
Deborah Slesinski, Deputy Budget Director  
Nicholas DeSantis, Partner, O'Connor Davies LLP  
Chris Kopf, Partner, Partner, O'Connor Davies LLP  
Scott Oling, Partner, O'Connor Davies LLP

Chairman Benton opened the committee meeting at 3:46 p.m. by asking everyone to stand for the Pledge of Allegiance. All committee members were present.

Mr. Benton pointed out that there has been an addition to the agenda. Mr. Chapman will clarify an issue that does not require vote but will be a consent at the legislative session.

Mrs. Reed requested that the committee will need to go into an executive session for purposes of obtaining legal advice (attorney/client privilege).

Mr. Minuta moved to enter into executive session, seconded by Mr. O'Donnell.

Committee entered into executive session at 3:48 p.m.

Mr. Anagnostakis moved to leave executive session, seconded by Mrs. Sutherland.

Committee left executive session at 3:58 p.m.

Mr. DeSantis addressed the committee with an overview of the 2017 Financials for the year end December 31, 2017. Before reviewing the Comprehensive Annual Financial Report (CAFR), Mr. DeSantis referred the committee to page XI (see original minutes). The county received a Certificate of Excellence for financial reporting. There are only 44 other municipalities in the State of New York that get the award which is a compliment to the Finance Department, Legislature and Budget Department. 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. Oling will give the committee an abbreviated version of the CAFR.

Mr. Oling distributed a handout, **Orange County, New York, Report to the Board of Legislators** which highlights the CAFR (see original minutes). He reviewed the following with the committee which included: financial statement highlights of the general fund revenue and expenditure summary, major general fund revenues 5-year history, general fund revenues vs. budget, analytical points, DSS local share 5-year history, general fund balance sheet, and enterprise fund year ended December 31<sup>st</sup>.

Mr. DeSantis stated the total fund balance went from \$121 million to \$84 million.

Mr. Benton pointed out that when this began in the summer, he and the Finance Department did not know how much money Valley View had. They knew how much because they maintain all the expenditures. He added that he thanked the Commissioner of Finance who compiled the audit because it was never expressed the way it really was especially when it comes to bonding.

Mr. Anagnostakis stated that he knew Valley View had money, but no one admitted it which did not allow everyone to have a clear picture of what was happening.

Mr. Oling stated that they will keep the legislature posted next year.

Mr. DeSantis briefed the committee on the COLA (Cost of Living Adjustment) portion of the Labor Agreement. He pointed out that in years past they neglected welfare funds, health insurance increases, longevity, etc., and were focused on the fact that they negotiated 4% or 5%. It is so large that no one really pays attention to it.

Mr. Oling stated that they are starting to implement the new standard because it is required for the school districts this year. He then continued with the presentation.

Mr. DeSantis referred to a chart that was distributed (see original minutes) regarding the **General Fund**, Positive Budget Variance Surplus. He explained that the handout identifies some of the items that were amended when the budget was amended for grants and applied them to the revenue. The State Aid: General-Other of \$1.8 million is the variance found on page 90 of the CAFR and State Aid: Health-Other of \$5.6 million is also on page 90 of the CAFR. On page 91 of the CAFR, Federal Aid: Law Enforcement and Budget Operations is listed. If you add the grants that modified the budget, the revenue variance would have been a positive \$10.7 million rather than a negative \$34 million which is more in line with the sales tax increase and some of the other revenue. The Expenditure & Transfers side of the handout pointed out that the difference positive expenditure declined to \$24.5 million. He reiterated that the General Fund is \$31,512,544.00.

Mr. Paduch clarified that the \$24.5 million which was taken from other revenues at \$34 million came from other items in the budget that were over estimated.

Mr. DeSantis stated that is incorrect. The net of \$10 million increased because he added back what was applied for the grants which caused underspending of \$34 million. When the comparison is done, there is the adopted budget, the final budget where amendments are made and the actual budget which shows the variances. He explained that chart "drills down" what happens and shows that the county did better on the revenue side which was driven by the sales tax. He moved on to review pages 66 through 73 of the CAFR. In conclusion, the county is recovering nicely and starting to accumulate funds.

Mr. Benton thanked Mr. DeSantis, Mr. Oling and Mr. Kopf for their presentation.

The meeting adjourned at 5:10 p.m.