

**JOINT
EDUCATION AND ECONOMIC DEVELOPMENT COMMITTEE
AND WAYS AND MEANS COMMITTEE
MINUTES**

**WEDNESDAY, AUGUST 4, 2021
2:00 P.M.**

PRESENT: Paul Ruszkiewicz, Chairman (Education and Economic Development)
Barry J. Cheney, Joseph J. Minuta, James D. O'Donnell, Kathy A. Stegenga,

Katie Bonelli, Acting Chairwoman (Ways and Means)
Kevin W. Hines, James M. Kulisek, Joseph J. Minuta, Janet Sutherland

ALSO

PRESENT: L. Stephen Brescia, Chairman
Betsy N. Abraham, Legislative Counsel
Harold J. Porr, III, Deputy County Executive
Karin Hablow, Commissioner of Finance
Kerry Gallagher, Deputy Commissioner, Finance
Erin Sztendor, Senior Accountant, Finance Department
Deborah Slesinski, Budget Director
Nicholas DeSantis, Partner, O'Connor Davies LLP
Chris Kopf, Partner, PKF O'Connor Davies LLP
Paul Martland, Vice President of Administration and Finance,
Orange County Community College
Agnes Wagner, SUNY Orange Comptroller
Dawn Ansbro, Executive Director, SUNY Orange Foundation
Fred Brennen, Facility Project Manager, Orange County Community College

Chairman Ruszkiewicz and Acting Chairwoman Bonelli opened the committee meeting at 2:11 p.m. by asking everyone to stand for the Pledge of Allegiance. All Education and Economic Development committee members were present with the exception of Legislators Sassi, Sierra, and Tautel who were absent. Legislator Stegenga arrived at 2:52 p.m. All Ways and Means committee members were present with the exception of Legislators Benton, Anagnostakis and Paduch.

Mr. DeSantis and Mr. Kopf reviewed the proposed Orange County Community College Budget for 2021-2022. Mr. DeSantis stated that the Board of Trustees approved the budget of \$62,958,000. They maintain sponsor contribution of \$19,052,000. Some aspects of the college tuition includes federal aid. Enrollment continues to decline, and they are at a 10% reduction. The tuition is at the same level for full-time students but the tuition for the college is the highest in the surrounding area. The report (see original minutes) shows comparison between their findings and the college's projections. It also shows the current budget compared to the proposed budget.

Mr. Kopf reviewed the revenue variances and noted that they have a favorable findings in tuition. The college had approximately \$2 million from the original CARES Act which they were able to use to cover the shortfalls in tuition and help pay for COVID related expenses. Overall, out of a \$62 million budget, they found about \$483,000 of revenue findings and that money can go into a surplus.

Mr. Hines asked if they took into consideration the part-time students who were learning remotely.

Mr. Kopf responded that they did take that into account when doing the trend analysis.

Mr. Kopf reviewed the personal services and through 2021 they project \$1.85 million favorable variance. They recognize the decline in enrollment. The Faculty and Chair contract expired August of 2017 which needs to be settled. The college is relying more on adjunct professors and with this shift and part-timers they had about \$130,000 in favorable findings. He addressed the contractual services noting a \$166,200 unfavorable variance. When they reviewed the electric accounts for the two campuses and the current usage rate, they believe when the campus goes back to on site, in person, the usage will return more to the 2018 to 2019 year than 2019 to 2020 since they were partially shut down. They predict a shortage on the electrical line about \$110,000. He added that would probably be the same with an unfavorable variance for water and sewer in the amount of \$25,000. They had a savings in employee benefits line. The overall the expense side of \$62 million, they had savings of about \$182,500. The college did a good job staying conservative because usually they are rather aggressive on their revenue and some salary savings. However, this year they did good by trying to anticipate what is ahead. They also had to be more conservative because they used the federal money they received.

Mr. DeSantis stated that the college used \$5 million in federal funds and some of the funds will spill over into the 2022 year. It is important for the college to accumulate a fund balance. They estimate that the college would produce a budget surplus of about \$1.6 million. They noted in the report that they had \$1.8 million in salaries. The county's sponsored contribution of \$19 million has to remain the same under state law. They advocated for many years to the college to prepare a multi-year plan. By doing that, the plan could include what efforts they are making to recruit students and offer new programs which would help ease the fact of how much sponsored contribution the county would need to pitch in because the state has not really increased their share of it. There is \$5 million in federal aid which is keeping the sponsored contribution where it is and it is keeping student tuition at the same level as last year. The college plans to use more of the stimulus money for the 2022 budget. The college budget will break even once the federal money is no longer available is either increase in enrollment, increase in tuition, asking the Legislature to increase your sponsored contribution or whether or not the State of New York will provide more money for FTE. The budget is balanced.

Mr. O'Donnell asked if the college can provide a list of courses that were eliminated for the years 2021 and 2022, and a list of the courses that were added.

Mr. Minuta ask how they would retrieve the money that is delinquent from the state.

Mr. DeSantis advised Mr. Minuta that would be a question for an attorney to see if they have the right to litigate with the state on their one-third contribution.

Mr. Minuta asked what would be a better way of conducting business.

Mr. Kopf referred Mr. Minuta to the exhibits in the back of the report and a comparison by category.

(Education and Economic Development)

Mr. Cheney moved to vote on the proposed Orange County Community College Budget for 2021-2022, seconded by Ms. Stegenga.

Motion carried. All in favor.

(Ways and Means)

Mr. Kulisek moved to vote on the proposed Orange County Community College Budget for 2021-2022, seconded by Mr. Minuta.

Motion carried. All in favor.

Mr. DeSantis addressed the committee with an overview of the 2020 Financials for the year end December 31, 2020. He stated that the county's finances have improved dramatically and have sustained themselves through the pandemic. He then referred the committee to page XII (see original minutes) which shows that the county received a Certificate of Achievement for Excellence In Financial Reporting. 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 distributed a handout, **Orange County, New York, Report to the Board of Legislators** which highlights the CAFR (see original minutes). He reviewed the following Financial Statement Highlights with the committee which included: General Fund Revenue and Expenditure Summary, General Fund Revenues vs. Budget, Major General Fund Revenues vs. Budget, Major General Fund Revenues 4 Year History, Major General Fund Revenues 5 Year History, General Fund Expenditures vs. Budget, DSS Local Share 5 Year History, General Fund Balance Sheet, General Fund Retrospective, and Enterprise Fund Year Ended December 31, 2020.

In closing, Mr. DeSantis stated that the county is in good financial condition and has maintained the reserves at a comfortable level.

With no questions asked, the meeting adjourned at 3:28 p.m.