

**SPECIAL
WAYS AND MEANS COMMITTEE
MINUTES**

**TUESDAY, NOVEMBER 1, 2023
3:30 P.M.**

PRESENT: Leigh J. Benton, Chairman
L. Stephen Brescia, James D. O'Donnell, Thomas J. Faggione,
Kevin W. Hines, Barry J. Cheney

ALSO

PRESENT: Katie Bonelli, Chairwoman
Kathy A. Stegenga, Legislator
Janet Sutherland, Legislator
Laurie R. Tautel, Legislator
Peter V. Tuohy, Legislator
Betsy N. Abraham, Esq., Legislative Counsel
Harold J. Porr, III., Deputy County Executive
Richard B. Golden, County Attorney
Matthew J. Nothnagle, Esq., Chief Assistant County Attorney
Kerry L. Gallagher, Commissioner of Finance
Andrea Concannon, Deputy Commissioner of Finance
Paul Wiley, Director, Real Property Tax Service
Deborah Slesinski, Deputy Budget Director
Gretchen Riordan, Budget Analyst
Liz Matis, Budget Analyst
Dina Sena, Budget Analyst
Erin L. Sztendor, Budget Analyst
Nicholas DeSantis, Partner, O'Connor Davies LLP
Chris Kopf, Partner, O'Connor Davies LLP

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 with the exception of Minority Leader Paduch and Legislator Anagnostakis who were absent and Legislator Sierra who was excused.

Mr. DeSantis addressed that the committee by stating that the Legislature has engaged O'Connor Davies LLP to review the County Executive's proposed budget for the 2024 year. It has been their practice the past few years, that they review the budget to make sure the financial stability of the calculations made within the budget are in keeping with the Legislature's instructions to make sure the financial integrity of the County is paramount in deliberations and actions to approve the budget. He pointed out that everyone received two documents (on file in Clerk, Legislative Office), one is a spiral bound book which is the actual report on the County Executive's budget and the other is a PowerPoint presentation which Mr. Kopf will be presenting. With that said, the 2024 Proposed Budget as proposed by the County Executive is \$923 million which is an appropriation increase of slightly more than \$25 million, less than 3% growth compared to the 2023

budget. It contains 2,468 positions, ten positions less than what was adopted in the 2023 budget and provides for a payroll of \$195 million which is a net of a vacancy savings of \$6 million. It provides for a property tax levy of \$124,536,148.00 which is the same levy as provided in the 2023 budget. Some of the towns may see a reduction in their property tax bill because of growth and assessed valuation. Assessed valuation grew on a county-wide basis by 17%. The 2024 budget is heavily reliant upon sales tax revenue of which the County derives \$290 million and \$103 million is shared with various municipalities. Furthermore, the proposed budget contains \$2 million for contingency appropriation as well as \$2.1 million on the gain of sale of County property. It does not include any monies from the sale of tax acquired properties or appropriation from the general fund balance, however, it does contain appropriation of fund balance from other operating funds of about \$9.23 million (listing on page 65-spiral bound book). The budget for Valley View is up \$710,000.00 and continues to utilize the appropriation of net assets. He referred to Mr. Kopf, Partner, O'Connor Davies LLP, for the PowerPoint presentation.

Mr. Kopf presented the committee with a power point presentation: **Report to the Legislature-Review of the 2024 Recommended Budget** (on file in Clerk, Legislative Office) which included a Budget Overview, Discussion Items (Revenues and Expenditures) Summary of Findings, and 5-year Fund Balance Analysis.

Mr. DeSantis indicated that the County is in very good financial condition and the budget provides sufficient resources for all the current programs that have been articulated. They would be happy to answer any questions.

With no questions asked, the committee moved on to the next agenda item (**REVIEW AND VOTE ON AMENDMENTS TO THE COUNTY EXECUTIVE'S PROPOSED BUDGET FOR 2024 AS RECOMMENDED BY O'CONNOR DAVIES, LLP**).

Chairwoman Bonelli stated that Mr. DeSantis and Mr. Kopf, met with leadership including Legislator O'Donnell, the County Executive, Ms. Slesinski, and Ms. Gallagher, this was presented and discussed. During the discussion, they were able to identify that numbers changed from June to September and the projection for interest and earnings per Ms. Gallagher could be increased to cover the tax levy by \$2 million. She referred to the spreadsheet provided to the committee members/other legislators in attendance (on file in Clerk, Legislative Office). Based upon the recommendations from the auditors, this was a result of the discussion that was had. She pointed out that this was also done last year (reduce tax levy) and it fit with what the auditors stated.

Mr. DeSantis confirmed that they are consolidating this to the major findings by which the committee will act upon to utilize those findings.

Mr. Benton asked Ms. Slesinski to explain the spreadsheet to the committee.

Ms. Slesinski explained that they will reduce the property tax levy by \$2 million and raise the additional monies in interest and earnings. On the other side of things, the sale of real property was \$2,035,000.00, so they will remove that from the budget, increase property taxes in the Real Property budget, and then increase Sales Tax (undistributed) by \$2,035,000.00 which will decrease the property taxes. Lastly, they will increase the municipalities sales tax which will be an increase to the budget of \$730,000.00.

Mr. Faggione thanked the auditors, the Budget Department and Finance Department for their hard work and dedication during this process. He stated that he would be comfortable making a motion on what was just discussed.

Mr. Hines clarified that the overall budget will be cut by \$2 million.

Ms. Slesinski stated the tax levy will be reduced, but the total budget will be increased.

Mr. O'Donnell asked for further clarification on lowering the taxes and the interest.

Ms. Slesinski stated that they will increase the interest and earnings and lower the real property tax by \$2 million.

Mr. Faggione moved to increase Interest and Earnings (424011) by \$2 million and decrease property tax by \$2 million, seconded by Mr. Brescia.

Chairwoman Bonelli extended her thanks to all involved as this was a thorough discussion which helped ease the budget process.

Motion carried. All in favor.

The last agenda item was to **REVIEW PROPOSED CHANGES BY STATUTORY COMMITTEES AND LEGISLATORS AND VOTE.**

Mr. Benton acknowledged that a letter (via email) was received from Minority Leader Paduch.

Chairwoman Bonelli clarified that throughout the entire budget process, there were no changes, therefore, this is a request/proposal made by Minority Leader Paduch.

Mr. Benton read the email (on file in Clerk, Legislative Office) from Minority Leader Paduch: I'm sorry I won't be able to attend the special ways and means committee meeting, but I do have a couple proposals for changes.

1. As per the recommendations I've read from our auditors, there are, as of September 30, 398 vacant but funded positions totaling **\$19.52 million dollars in the 2024 budget proposal.** Their recommendation suggests that the county should analyze each of these positions and determine the need. Some have been vacant for over a year.

2. By leaving these vacant but funded positions in the budget the county will achieve a gross salary savings of \$16.9 million dollars in overestimated personnel expenses.

My proposals are as follows.

1. I am proposing to eliminate any funded but not filled positions that have been on the books for more than one year from the 2024 budget. By doing this we will be reducing taxation on our county residents.

2. These positions can easily be identified by having each department head review the vacant but funded positions that have been on the books for more than a year. The total reduction in taxation will be identified when this is completed.

With no recommendations and/or motions to Minority Leader Paduch's proposals, Mr. Benton adjourned the committee meeting at 4:33 p.m.