

**SPECIAL
WAYS AND MEANS COMMITTEE
MINUTES**

**(REMOTELY)
THURSDAY, NOVEMBER 5, 2020
5:30 P.M.**

(ALL LEGISLATORS INVITED)

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

ALSO

PRESENT: L. Stephen Brescia, Chairman
Michael Amo, Independence Party Leader
Barry J. Cheney, Legislator
Thomas J. Faggione, Legislator
Kevindaryán Luján, Legislator
James D. O'Donnell, Legislator
Paul Ruskiewicz, Legislator
Rob Sassi, Legislator
Joel Sierra, Legislator
Kathy A. Stegenga, Legislator
Laurie R. Tautel, Legislator
Peter V. Tuohy, Legislator
John S. Vero, Legislator
Antoinette Reed, Legislative Counsel
Harold J. Porr, III., Deputy County Executive
Langdon Chapman, County Attorney
Karin Hablow, Commissioner of Finance
Kerry Gallagher, Deputy Commissioner of Finance
Deborah Slesinski, Deputy Budget Director
Deanna Crawford, Budget Analyst
Gretchen Riordan, Budget Analyst
Nicholas DeSantis, Partner, O'Connor Davies LLP
Chris Kopf, Partner, Partner, O'Connor Davies LLP

Chairman Benton opened the committee meeting at 5:31 p.m. by asking everyone to stand for the Pledge of Allegiance. All committee members were present.

Mr. DeSantis and Mr. Kopf addressed the committee with a presentation to discuss their findings in review of the 2021 Executive Recommended Orange County Budget.

Mr. DeSantis stated that the county has experienced an increase of a little more than 7% in its 2021 tentative tax base which is the taxable assessed valuation. It had been declining between the years of 2008 through 2014, but then it began to increase steadily from 2015 through now. Even though the property tax levy in this 2021 budget is increased by \$3.43 million, the actual cost to the homeowners has decreased per thousand dollars of assessed valuation. The county has

more funds in the property tax levy because of an increased assessed valuation, but the individual taxpayer is not paying more based upon on a county-wide rate. Sales tax revenue remains as the **largest revenue source within the recommended budget and the county is entitled to 3 ¾%.** He explained that the recommended spending plan for 2021 is \$813.81 million which is a decrease of \$3.25 million from the prior year. Included in this spending plan is a \$79.15 million appropriation, which is a representative of the portion of sales tax that the county contributes to local municipalities. He then pointed out that the report of their findings (see original minutes) that all legislators were given includes the full analysis of the budget and contains detailed narrative explanations of revenue and expenditure accounts which Mr. Kopf will now review.

Mr. Kopf presented the committee with a power point presentation: **Report to the Legislature-Review of the 2021 Recommended Budget** (see original minutes) which included a Budget Overview, Summary of Findings (2020), Summary of Findings (2021), Discussion Items (Revenues/Expenditures), Capital Projects, Summary of Findings (Revenues/Expenditures), 2021 Recommended Budget-Significant Findings, 5-year Fund Balance, Governmental Funds-2019 Fund Balance, General Fund-2019 Fund Balance, and General Fund-2020 Projected Fund Balance.

In conclusion, Mr. DeSantis stated this is a very difficult budget and has been acknowledged by the County Executive. When the budget was proposed, the County Executive said, "There are issues that are unknown and unclear," which was also a part of his budget message. As a result of the pandemic, monies not coming through the CARES Act and actions taken to withhold State-Aid, he would be remise to give the legislators advice on what should be a policy with respect to the use of fund balance to balance the budget. These are unusual times and the county has accumulated monies over the years, but nevertheless, the use of the fund balance is to try to make a bridge until the federal and state government come up with a better policy in providing funds for the local government. With that said, he and Mr. Kopf are not criticizing the use of the fund balance. Furthermore, the sales tax is something that must be discussed with the County Executive and his administration.

Mr. Porr stated they are confident that the workers compensation money will come through and when it comes to the sales tax, everyone is "walking in the dark," but being hopeful. That is the only conflict throughout the entire budget.

Ms. Slesinski agreed with Mr. Porr and stated they are hopeful it will come through.

With no questions, Mr. Benton asked for a motion to review and vote on amendments to the County Executive's proposed budget for 2021 as recommended by O'Connor Davies, LLP.

Mr. Hines interjected by stating that he does not think the committee should be voting on these recommendations, they should take them under advisement and not make any changes to the budget; therefore, he is unsure of what the motion is calling for.

Mr. Benton asked Mrs. Reed for input on how to handle this matter.

Mrs. Reed replied that consultants provided their recommendations, but she is unsure that they need to be acted upon; however, she does not think moving on the recommendations is the best course of action.

Mr. Benton clarified that they have the presentation, so it is the decision of the legislature to work with the County Executive's Office and the Budget Department to come up with a final budget to determine where the numbers line up for the next meeting on November 12th.

The committee moved on to the next agenda item which was to review proposed changes by the statutory committees and legislators and vote.

Mr. Benton asked that everyone refer to the recommendations page (see original minutes) which was update yesterday.

The first recommendation was made by the Education and Economic Development Committee regarding the Tourism Department (Motion by Stegenga/Cheney at request of A. Dana to make P/T Film Specialist #562930 a F/T position, \$44,770: 20% available from wages Personal Services line ~~\$16,500~~ \$16,705 ~~add~~ and \$20,000 from #571820 (Consultant Services) & spread over 12 months. Reduce "Specialty Payments" #576820 by \$8,065 (Budget remains the same – just moving lines around per D. Slesinski) **MOTION CARRIED-ALL IN FAVOR.**

Mr. Benton asked for a motion and a seconded to discuss this.

Mr. Anagnostakis clarified that this was not voted on or passed in any other committees.

Mrs. Reed stated this went to the Education and Economic Development Committee meeting and they voted to make this change, so now it comes before the Ways and Means Committee to bring it to the floor of the legislature for adjustments to the budget.

With no motion or second, Mr. Benton moved on to the next recommendation which was made by the Rules, Enactments and Intergovernmental Committee regarding the Board of Elections (Request by Legislator Mike Paduch to put \$248,806 back in BOE budget for line #560120 Per Diem Base Salary (pg. 18).

Mrs. Reed pointed out that the rest of the recommendations were not voted on in their statutory committees they were discussed, but not voted on.

Mr. Paduch reminded everyone who attended the Rules Committee meeting that he did ask that (per-diem position that was removed) they have enough money from the CARES Act to supplement any additional per-diems that they need. He thinks it is up to the County Executive to approve any hiring's, but as he remembers, there was \$1,286,559.00 in the adopted budget and only used \$1,090.00 as of June. There is plenty of money available, so he can amend or withdraw his original motion.

Mr. Benton pointed out that this is only for discussion.

The second recommendation made by the Rules, Enactments and Intergovernmental Committee was regarding the Legislature (Suggestion made to add \$210,000 #579500 "County Contribution" for member items back in budget for legislators (pg. 235).

Mr. Paduch stated that he understands we are going through hard times with the budget, but after some research and assistance from Ms. Slesinski, the amount of money that we had in the 2020 budget in the amount of \$210,000.00 was already taxed. If they re-encumber the funds into the 2021 budget, there is no taxation on it; therefore, they would just need to move the funds from last year into this year's budget. He reiterated that Ms. Slesinski helped him in understanding the process.

Ms. Slesinski explained that the funds can be encumbered this year and rolled into next year's budget and would be put in Other Revenue under the 2021 modified budget; however, there would not be a taxation savings in 2020. As the funds are encumbered, it would be assumed that it was spent, so the taxation would have to be used this year.

Mr. Benton commented that he does not think it is a good idea to reinstitute these funds this year.

Mr. Hines stated that if they reinstate the funds, it will eliminate the savings in the Legislative budget which was the giveback to the county for the 15%; therefore, they should not do it.

Mrs. Bonelli agreed with Mr. Hines. She stated the funds were part of the budget reduction and it is not a good way to spend money going into 2021.

Chairman Brescia stated that in the beginning he did tell Mr. Paduch that he would be in favor of this, but being we are in a pandemic, it is not the right time. They can always revisit this in the future.

Mr. Paduch expressed his concerns for these funds not being taxed and how they can be a help to their communities who need help, but he understands why it will not be fully supported.

Mr. Lujan echoed Mr. Paduch's comments and stated how it is important to support communities as it is part of their job.

Mr. O'Donnell asked if someone could make a motion to put the funds into the budget.

Mr. Benton replied that is what he is waiting for.

Mr. O'Donnell commented that this can go to the floor and they can have a full discussion.

Mr. Benton pointed out that he will need a motion and a second from this committee.

With no motion, the committee moved on to the next agenda item.

The next recommendation made by the Physical Services Committee regarding the Orange County Water Authority which was resolved (see attached email).

Mr. Benton stated the next two recommendations were made by the Health and Mental Health Committee (Chairman O'Donnell advised Commissioner/Deputy Commissioner of Health to submit supporting documentation to W&M Chairman for their request that "Public Health Investigator" position to be added into their budget (SEE ATTACHED EMAIL).

Mr. O'Donnell stated the Health Department made their case and were told to go back to the County Executive's Office for approval to bring it forward. He does not expect this to go forward from anyone in this committee.

With no motion, Mr. Benton stated the second recommendation from the Health Committee was regarding office space (CP#74 (pg. 11) Analysis of office space for Health Dept. \$250,000. Legislator Amo questioned the cost).

Mrs. Reed pointed out this recommendation is a capital project and was a discussion at the Health Committee meeting that does not need further action.

The last recommendation was an addition to the Capital Plan (**ADD NEW CAPITAL PROJECT FOR MEDICAL EXAMINER FOR X-RAY \$133,000.00-MOTION CARRIED-ALL IN FAVOR**).

Mr. Benton clarified that this must come back to the committee at some point throughout the year.

Mrs. Reed stated that is correct, but it still must be an amendment to the proposed 5-year plan.

Mr. Hines moved to amend the Capital Plan by adding a new capital project for the Medical Examiner's Office for an x-ray machine in the amount of \$133,000.00, seconded by Mrs. Bonelli.

Motion carried. All in favor.

Mr. Benton clarified whether it is necessary that the committee vote on the entire Capital Plan as presented.

Mrs. Reed stated there was only the one change which will now go to the full legislative session.

The meeting adjourned at 6:58 p.m.