



# Onondaga County Legislature

JAMIE McNAMARA  
Clerk

DAVID H. KNAPP  
Chairman

MELANIE VILARDI  
Deputy Clerk

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## WAYS & MEANS COMMITTEE MINUTES – MAY 25, 2021 TIM BURTIS, CHAIRMAN

**MEMBERS PRESENT:** Mr. May, Mr. Rowley, Mr. Ryan, Mrs. Ervin, Mr. Williams

**MEMBERS ABSENT:** Mr. McBride

**ALSO ATTENDING:** Chairman Knapp, Ms. Kuhn, Dr. Chase, Mr. Bush, Dr. Kelly; also see attached

Chairman Burtis called the meeting to order at 9:37 a.m. *A motion was made by Mr. May, seconded by Mrs. Ervin to waive the reading and approve the minutes of the previous committee meeting. Passed unanimously; MOTION CARRIED.*

## CONSENT AGENDA

### 1. TRANSPORTATION:

- a. Amending the 2021 Onondaga County Budget to Accept \$1,167,013 in CHIPS Funding From the New York State Department of Transportation and Authorizing the Execution of Agreements (\$1,167,013) (Sponsored by Ms. Cody)
- b. Amending the 2021 Onondaga County Budget to Accept \$1,167,992 in Extreme Winter Recovery Funding From the New York State Department of Transportation and Authorizing the Execution of Agreements (\$1,167,992) (Sponsored by Ms. Cody)
- c. Amending the 2021 Onondaga County Budget to Make Funds Available for use in Connection with the New York State Pave-NY Program, and Authorizing the Execution of Agreement (\$1,921,913) (Sponsored by Ms. Cody)
- d. Amending Resolution No. 67-2020 to Increase the Authorization to Pay in the First Instance 100 Percent of the Federal and State Aid Eligible Costs by an Additional \$380,000 for the Construction and Construction Inspection Phases of the Old Route 5 (CR 98) and Warners Road (CR 63) Paving (2R) Project, PIN 3755.69, and Authorizing Execution of Agreements (\$380,000) (Sponsored by Ms. Cody)

*A motion was made by Mrs. Ervin, seconded by Mr. May, to approve the consent agenda. Passed unanimously; MOTION CARRIED.*

## REGULAR AGENDA

### 1. COUNTY CLERK: Chris Plochocki, Deputy County Clerk

#### a. Mortgage Tax Apportionment

- October – March; \$6,149,981.62 ; huge increase; up 24% from previous period and up 38% over same period last year
- Compared to 2019 – highest it has been; not only is real estate hopping, but interest rates are low, so there is refinancing

Chairman Knapp reiterated that almost all the money goes to the towns, villages and Centro.

***A motion was made by Mr. May, seconded by Mr. Ryan, to approve this item. Passed unanimously; MOTION CARRIED.***

## **2. ONONDAGA COMMUNITY COLLEGE:**

### **a. Adoption of Annual Budget for Onondaga Community College for the Fiscal Year September 1, 2021, to August 31, 2022, and Authorizing the County Executive to Enter into Contracts with Other Governmental Units in which Appropriations and Revenues are Approved by the Adoption of the 2022 Budget**

Chairman Knapp:

- Joint Ways and Means and Facilities meeting last week; nice presentation from Dr. Crabill and staff
- Past year challenging, but got through with flying colors and had nice graduation weekend before last
- Proposed flat budget; appreciate financial stewardship
- Have new plan and great new programs for fall to help train the workforce

Chairman Burtis said OCC has worked hard to get through the pandemic, they've done a great job, he appreciates their work, and he is excited to partner with them again.

Mr. May echoed the appreciation for the flat budget, and he said the student population is declining, but the college is continuously moving their product with the changing needs of the market. This allows the county to fill workforce requirements with OCC as a source. Mr. May also appreciated the capital overview, which was very ambitious and broken down by the needs versus the "nice to have" things.

***A motion was made by Mrs. Ervin, seconded by Mr. Ryan, to approve this item. Passed unanimously; MOTION CARRIED.***

## **3. COUNTY LEGISLATURE:**

### **a. Calling for a Public Hearing for Adopting a Pilot Youth Deer Hunting Program (Sponsored by Mr. May)**

Mr. May:

- Starts public process for determining whether Onondaga County will lock into the youth hunt pilot program
- Came out with good-looking plan to allow NY hunting families to do what rest of country has been doing a long time
- Allows 12 - 13 year olds to hunt with supervision from the ground; lots of prerequisites
- This sets public hearing date

Chairman Knapp:

- Part of state's budget; passed policy state wide allowing counties to opt in or out; many counties doing this
- Almost every state outside of NY has this program; been done safely with lots of guidelines to ensure proper supervision so no one is in danger

***A motion was made by Mr. May, seconded by Mr. Ryan, to approve this item. Passed unanimously; MOTION CARRIED.***

## **4. PERSONNEL:**

### **a. Personnel Resolution (Sponsored by Mr. Knapp)**

Chairman Knapp:

- Chief Governmental Accountant - grade 35; Comptroller came forward with individual and asked for advance steps
- Person is a long term employee; done outstanding job for county for 20+ years; advance will get an appropriate

promotion and increase in pay; pursuant with qualifications and experience

*A motion was made by Mr. May, seconded by Mrs. Ervin, to approve this item. Passed unanimously; MOTION CARRIED.*

## 5. FINANCE DEPARTMENT:

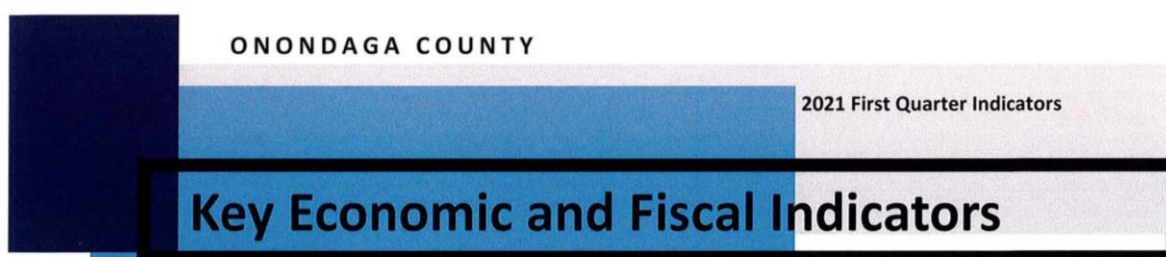
### a. Approving and Directing the Correction of Certain Errors on Tax Bills

Ms. Togni, Assistant Director of Real Property:

- Correction of errors: 2 for city and 6 for Tessy Plastics

*A motion was made by Mr. May, seconded by Mr. Ryan, to approve this item. Passed unanimously; MOTION CARRIED.*

### b. First Quarter Forecast – Steve Morgan, CFO



Inside this issue:

Indicator	Period	2021	2020
Unemployment Rate: Onondaga County	Q1	6.9%	4.4%
Employed Persons by Month (in 000's): Onondaga County	Q1	201.8	209.3
Employed Persons yr-over-yr (in 000's): Onondaga County	Q1	(7.4)	(0.4)
Overall Consumer Confidence: New York State	Q1	82.5	66.4
Consumer Price Index (all items) - Inflation Rate	Q1	1.9%	2.1%
Weighted Average County Interest Rate	Q1	.08%	.93%
Reconciled Quarterly Sales Tax Collections % Chg CYTD	Q1	5.5%	4.1%
Auto Sales CYTD: Onondaga County	Q1	7,055	5,390
Gasoline Prices per gallon paid by Onondaga County	Q1	\$2.35	\$1.89
Retail Gasoline Prices per gallon in Upstate NY	Q1	\$2.75	\$2.57
Onondaga County Clerk Fees CYTD	Q1	\$613,177	\$530,216
Lis Pendens CYTD	Q1	95	388

Existing Home Sales CYTD: Onondaga County	Q1	845	725
Average Median Home Price YTD: Onondaga County	Q1	\$196,926	\$174,472
Onondaga County Filled Positions	January	2,826	3,032
Average Monthly Public Assistance Caseloads YTD	Q1	4,425	5,330
Average Monthly Medicaid Caseloads YTD	Q1	37,515	35,654

CYTD = Cumulative Year-to-Date (January - Period listed)

**2021 First Quarter Budget Forecast**

	<b>2019 Actual</b>	<b>2020 Actual</b>	<b>2021 Adopted</b>	<b>2021 Modified</b>	<b>2021 Dpt_Projected</b>
<b>Revenues</b>					
Property Tax Levy	145,665,817	149,779,388	156,254,668	156,254,668	156,254,668
Deferred/Uncollectible	(14,585,747)	(14,000,592)	(15,279,227)	(15,279,227)	(15,279,227)
Prior Year Collections	10,953,125	11,453,950	11,043,943	11,043,943	11,043,943
Pilots/Interest & Penalties	9,246,862	10,342,233	9,825,920	9,825,920	9,825,920
Room Occupancy Tax	4,156,507	2,618,961	1,700,808	1,700,808	1,700,808
Abstract Charges	13,075,027	12,799,457	10,775,161	10,775,161	10,775,161
Sales Tax - County Portion	276,525,383	269,873,525	264,450,727	264,450,727	280,892,396
Sales Tax - Non County	92,683,159	90,244,932	88,524,193	88,524,193	93,630,799
State Aid	91,701,019	78,670,376	75,814,506	76,411,535	86,222,920
Federal Aid	85,831,030	80,694,994	89,998,180	89,998,180	85,641,936
Interdepartmentals	58,223,553	54,459,248	55,204,303	55,204,303	55,204,303
All Other	42,276,913	37,564,705	35,279,460	35,279,460	36,429,216
<b>Total Revenues</b>	<b>815,752,648</b>	<b>784,501,178</b>	<b>783,592,642</b>	<b>784,189,671</b>	<b>812,342,843</b>
<b>Appropriations</b>					
Mandated Programs	252,873,948	220,128,826	255,847,765	255,871,348	241,616,458
Wages	155,275,630	151,777,495	148,634,778	149,174,389	146,623,540
Benefits	90,004,763	86,332,337	72,013,400	72,270,542	72,076,563
Contracted Services	67,570,966	64,862,481	68,289,641	68,854,867	68,782,381
Interfund Transfers	49,869,949	47,525,761	53,237,145	53,843,795	53,843,795
Debt Service	18,201,937	17,655,913	17,913,127	17,913,127	17,913,127
Sales Tax - Non County	92,683,159	90,241,999	88,524,193	88,524,193	93,630,799
Interdepartmentals	50,447,637	48,157,088	47,364,387	47,364,387	47,364,387
All Other	31,882,705	31,271,496	31,768,206	32,279,151	31,898,098
<b>Total Expenses</b>	<b>808,810,694</b>	<b>757,953,396</b>	<b>783,592,642</b>	<b>786,095,799</b>	<b>773,749,148</b>
<b>Fund Balance</b>					
Appropriated Fund Balance	0	0	0	813,874	0
Prior Year Project Close Outs	0	(1,643,098)	0	0	0
<b>Total Fund Balance</b>	<b>0</b>	<b>(1,643,098)</b>	<b>0</b>	<b>813,874</b>	<b>0</b>
<b>Local Dollars</b>	<b>(6,941,954)</b>	<b>(24,904,683)</b>	<b>0</b>	<b>1,092,254</b>	<b>(38,593,695)</b>

## Fund Balance Analysis

as of 5.21.2021

2020 Revenue	\$ 784,501,178
Less: Sales Tax Pass Through	(90,244,932)
Less: Interdepartmental Revenue	(54,459,248)
Total Revenue for Fund Balance Calculation	\$ 639,796,998
Current Fund Balance Goal 10%	\$ 63,979,700
Unreserved Fund Balance 12/31/19	\$ 79,033,592
<b>Appropriated in 2020</b>	
Adopted Budget	
2020 Surplus/(Deficit)	26,547,781
Unreserved Fund Balance - 12/31/20	\$ 105,581,374
Less: Encumbrances	(1,092,254)
FB Adjustments	(1,643,098)
Appropriated in 2021 Budget	(813,874)
Unassigned Fund Balance - Estimated	\$ 102,032,148
Amount of Fund Balance as a %	15.95%
Amount of Fund Balance over (under) 10% Goal	\$ 38,052,448

- 1<sup>st</sup> page is key economic and fiscal indicators tracked and used for forecasting; 2<sup>nd</sup> page is forecast, 3<sup>rd</sup> page is snapshot of fund balance
- Reconciled quarterly sales tax collections percentage change of 5.5%; budgeted 4% growth, so 1<sup>st</sup> quarter above budgeted growth; sales tax growth is stronger with auto sales up, gas prices up
- Average median home prices skyrocketing; mortgage tax reporting in line with that information
- Forecast - 2019 actual with \$6.9 mil surplus; 2020 numbers just shy of \$25 mil surplus (Comptroller's team almost final with draft of CAFR); believe this is final number
- Next columns are adopted 2021 budget and modified; final column is 2021 projection using 1<sup>st</sup> quarter data
- Major revenues and appropriations are mainly in line with budget; aside from categories driving surplus
- Under revenue - sales tax; project county share \$281 mil; budgeted \$264 mil; 2021 sales tax was based on -7% growth and 4% growth in 2021 on top of that; ended 2020 at -2.5 % not -7%, which sets up on positive prospective
- Factored in budgeted 4% growth; surplus merely a result of ending 2020 better than anticipated
- Will continue to evaluate sales tax and make adjustments - pick up of \$16 mil

- State aid - 2021 adopted budget included \$20 mil reduction of state aid (direction from state and governor); found out \$20 mil retracted with stronger numbers and windfall of federal money; 2021 no reduction of aid
- Pick up of \$20 mil – do not see, because state aid driven by expenses in mandate areas; see pick up of \$10 mil
- Appropriations – mandates; \$14 mil projected surplus; half is Medicaid
- CARES Act included stipulation of increased federal reimbursement; required to pass on to locals; will be \$7 mil higher than anticipated
- Those 3 things driving projection of \$39 mil surplus; other than items highlighted, everything else projected to be in line with budgeting; from appropriations standpoint makes sense with reduced budget in 2021 versus 2020
- Less margin for error; spending will be more in line with budget versus typical year with turn back of underspending
- Snapshot of fund balance as of May 21<sup>st</sup>; subject to changes with financial statement audit
- Policy goal of 10% of general fund revenues; adjustments to be made
- 2020 general fund revenue, take out sales tax pass through, take out interdepartmental revenue (double counting with departments) – both items modified with legislation throughout years to change calculation of goal
- Revenue calculation – 10%; goal just shy of \$64 mil; fund balance at end of 2019 was \$79 mil
- Surplus has additional adjustments – unreserved fund balance at end of 2020 was \$105 mil; encumbrances and handful of adjustments (old projects needing equity fund transfers from general fund to balance, determined no further revenue)
- Funds appropriated in 2021 so far including positions and \$600,000 for body camera program
- Unassigned fund balance is at \$102 mil; almost 16% of general fund revenues; \$38 mil over 10% goal
- Potential changes, but unlikely; will update if there are; Comptroller will come over to report on CAFR when complete

Mr. May asked if the reduction in federal is from the increase to the state. Mr. Morgan said no and clarified that the decrease in federal is a result of less mandate spending. A lot of spending for program expenses and administration of the mandates are funded with state and federal aid. When those expenses are down, the revenue gets pushed down. That is why federal aid is down, and there is not a full \$20 million pick up on the state side.

Mr. May asked Mr. Morgan for an assessment as to why the spending is down. Mr. Morgan replied that they anticipated a rush in public benefit programs due to the circumstances, but they are not experiencing that.

Mr. Ryan asked if the increase from 4.1% to 5.5% is reflective on the revenue side. Mr. Morgan:

- Indicators on front page are not indicative of the assumptions used in forecast, just general economic and fiscal indicators overall that help with projections
- Sales tax projection this year using 4 % growth; on top of how ending 2020 which was a -2.5% from 2019
- Budget adopted at -7% in 2020, 4% growth in 2021; sizable surplus because of how ended 2020; considerably better
- Not using 5.5% for projections, only using 4% growth right now; will adjust projection as needed; as of 1<sup>st</sup> quarter year over year growth is 5.5; if continue on this path, will be better than last year; certainly expected to grow this year
- Take into consideration that 2021 will be a unique year; cannot base revenue growth on go-forward basis; be careful when constructing 2021 spending plan; flatten out anomalies
- Will look at trend data over years and not overinflate revenue; not setting unrealistic expectations in 2022 and future years; this year like no other from fiscal standpoint

Mr. Ryan asked for clarification on the decrease in program utilization of mandated programs and the projection. Mr. Morgan:

- Budgeted \$256 mil in mandates and projecting to spend \$241 – \$242 mil; almost \$14 ml surplus; half is Medicaid alone
- Weekly bill is local payment; not tied to what spend or who is on it; set amount pay every week based on statutory cap
- Includes enhanced federal reimbursement due to pandemic, which pushed expenses down \$7 mil more than anticipated in 2021 budget; projecting to spend less; will see where it is at end of year – will contribute to surplus or deficit
- Based on how constructed 2021 budget, positioned well; little chance will not end 2021 in surplus; not getting cut \$20 mil from state keeps the county in black for 2021

Mr. Ryan asked why wages are down from \$149 mil to \$146 mil. Mr. Morgan:

- Typical; takes time to fill positions; have filled quite a few since beginning of year; all fills go through budget office; signed quite a few; still have positions to be filled
- Not unusual to underspend in salary line; someone leaves, typically takes 1 month or more to backfill
- Resignation, termination or departure - not questioning, filling those 1 to 1; departments are lower than they have been



- County Executive has approved hires in Children and Family Services (CFS) and DSS that were plus ones; recognized need for some shoring up and filled a number of positions
- Cannot fall into trap of comparing to previous years - this is what it was and needs to be; need deeper dive into operations and production
- Is there evidence that lower staffing levels are having negative consequences or impacts on operations?
- Need to use that to make decisions, not what department had in 2019, so they need the same – false narrative
- Need to look at operations and results calling for same level of staffing; want to provide level of service; concerns there that they will address; will not go down path comparing numbers; not how to operate or evaluate

Mr. Morgan replied to Mr. Ryan that the number of employed persons is still lagging behind the first quarter of last year. The hope is that number starts to come up and match the first quarter of 2020. Most positions that were vacated for any reason are being back filled; i.e. CFS got 10 positions and DSS Economic Security got 10 – 12.

Mr. Morgan answered Mr. Rowley that this is a general fund projection only. There are no stimulus funds in this projection. Those are all handled in the grants fund, otherwise it would give false data for trending in operating.

Mr. Rowley asked if any of the CARES Act money was used for reimbursement or costs for COVID. Mr. Morgan:

- No; COVID costs related to pandemic (i.e. PPE, medical equipment, vaccine sites) are all reimbursed through FEMA
- Ms. Smiley and staff done great job working with state and FEMA reps; 1 of first municipalities to receive reimbursement; expecting almost every dollar spent for pandemic will be paid in full through FEMA
- Set spending outside general fund; expenses incurred in general fund in response to pandemic are transferred out
- Base operations in main operating general fund

Mr. Morgan agreed with Mr. Rowley that if they end 2021 with a \$62 million surplus, it would be a record.

Mr. Rowley asked if Mr. Morgan expects the fund balance and 2021 projected revenue to be up. Mr. Morgan:

- Starting with base, yes; 2021 revenue projecting to be \$812 mil; base will change and goal will move
- Looking at surplus of \$39 mil; fund balance as percent of net revenue next year as high as 25% - do simple math; projecting now and add to that; will be in that range
- Have to avoid potentially using dollars to support operations; approach to use dollars for one shot expenses - always spinoff investing in something that will impact operations, but plan to develop in that context
- 2021 budget is third budget year did not budget fund balance; used to use \$4 or \$5 mil; nice to not rely on that
- Be cognizant going forward if fund balance continues to grow; ways to invest dollars that do not impact operations

Mr. Rowley asked where they might be headed with the next round of stimulus. Mr. Morgan:

- Had surveillance call with Fitch (rate agency had at AAA till lost last year - premature on their part); reported how strong county ended in 2020, actions that were taken, and gave glimpse of this year
- Fitch will not change rating now; surveillance required on annual basis, because they rate county's outstanding debt
- Expect negative outlooks to be stable; do not see knee jerk reactions in regards to changing rating; this time next year, there is potential for a slight change in ratings
- Still question decision to downgrade from AAA rating in June 2020; not enough information, which means they were possibly waiting for reason to do it; overall expect ratings to tick up in outlook perspective
- Would be shocked with new issuance of debt if all county's ratings not at least stable; maybe market in 2021, enough there to look at rating change; still think county's ratings are strongest in state; not as strong as used to be
- Some rating agencies changed metrics - fund balance not realistic; cannot hold \$160 mil in fund balance
- Will manage funds and employ policies, and if hover around \$100 mil with AA, then that is what have to deal with
- Not impacting borrowing costs; maybe couple basis points

Chairman Knapp asked if they know when the federal Medicaid support will end. Mr. Morgan:

- Connected to federal health emergency that Director of HHS declares; right now in it is still in effect; tied to that
- Declared quarterly; every quarter it continues, it adds another quarter of enhanced federal dollars; will continue to monitor and include in projections; will include in 2022, if it continues; expect it will be lifted at end of year

Chairman Knapp agreed with Mr. Morgan that they need to use the extra money for one shot projects. Mr. Morgan

commented that the money is available and has to be obligated by 2024, and fully spent by 2026.

Mr. Morgan answered Ms. Kuhn that a handful of the positions for DSS were for the rent relief. There is another round of that money, so that program will be ongoing for a while. When the program winds down, those people will be folded into regular positions. Through attrition they will look at how many positions were lost, and how many they brought in for grant management.

Ms. Kuhn asked how they measure staffing needs with operations. Mr. Morgan:

- If looking at (i.e.) DSS, there are state eligibility requirements with deadlines of 30 or 45 days; one metric can use
- Lot of programs have performance standards and metrics – (i.e.) cutting number of days in foster care, avoiding foster care, determining eligibility within a time frame, etc. – measure, collect data and evaluate data; will use this data
- Not rationale of having less than before; if using that, than only making decisions based on what done before
- Know the better way to evaluate is looking at data to understand where the department is in line with metrics
- Health Department, CFS, etc. all use the same metrics

Mr. Ryan asked if the one shot was about fund balance and not using for reoccurring expenses (not rescue plan money). Mr. Morgan:

- Yes; point making that one shot revenue should be used for onetime expenses; not for operations where there are ongoing expenses to be supported
- i.e. Capital improvement projects or equipment that will not have ongoing annual costs
- Separate from American Rescue Money – can view through same lens, whether it is excess fund balance or revenue from state government; no matter where it is coming from, it should be used for one time expenses, not base operations

Mr. May as asked if this year will be an advantageous time to borrow. What about existing debt? Mr. Morgan:

- Working with departments to look at capital projects; first step to recoup what was spent over and above revenues they have already; scan capital projects to see what spending is compared to revenue - wherever upside down, have to borrow
- Second step to work with departments to see what spending on these projects
- Marry those two and be little conservative; looking at \$50 mil to borrow; about same amount coming off
- When opportunities for refinancing arise, will take advantage
- People scraping barrel to get refinance opportunities – county already did; have not heard anything in while
- Most debt is callable or at interest rate which does not make sense to refinance
- Will take advantage of any opportunities out there as long as meets expectation for savings

***A motion was made by Mr. May, seconded by Mrs. Ervin, to adjourn the meeting. Passed unanimously; MOTION CARRIED.***

The meeting was adjourned at 10:36 a.m.

Respectfully submitted,



JAMIE McNAMARA, Clerk  
Onondaga County Legislature



## ATTENDANCE

COMMITTEE: **WAYS & MEANS COMMITTEE**DATE: **MAY 25, 2021**

NAME (Please Print)	DEPARTMENT/AGENCY
Sup TORNEY	OCC
Mark Manning	OCC
Mary Beth Togni	RP
Yvette Velasco	Law
Lynn Ockenden	Law
Isabelle Harris	CE
MARY VOSS	DOT
Brian Donnelly	CE
Steve Mazan	Finance
TARA VERDITTI	Finance
Chris Plochack	County Clerk
John DeSantis	Leg
Darcie Lesniak	Leg
Tim Frateschi	Leg