

Audit Committee

Regular Meeting Minutes

DATE & TIME: June 8, 2022 – 3:00 PM
LOCATION: Powered by Zoom Meeting by dialing 1-646-558-8656, Meeting ID 821 4355 1442
PRESIDING OFFICER: Tracey A. Bartels, Chair
LEGISLATIVE STAFF: Amber Feaster
PRESENT: Legislators Kenneth J. Ronk, Jr., John Gavaris, Craig Lopez, and Eve Walter; Comptroller March Gallagher; and Deputy County Executive Marc Rider
ABSENT: None
QUORUM PRESENT: Yes
OTHER ATTENDEES: Deputy Comptroller Alicia DeMarco; Sam Sonnenberg, Office of the Comptroller; Drescher & Malecki Carl Widmer, and Kyle Patronik

- Chair Bartels called the meeting to order at 3:04 PM and called the roll.

Motion No. 1: To approve the Minutes and Transcripts of the March 29, 2022 Regular Meeting

Motion Made By: Legislator Walter
Motion Seconded By: Legislator Ronk
Discussion: None
Voting In Favor: Legislators Bartels, Ronk, Gavaris, Lopez, and Walter
Voting Against: None
No. of Votes in Favor: 5
No. of Votes Against: 0
Disposition: Approved

2021 External Audit – Drescher & Malecki: Entrance Presentation & Discussion

See transcript attached.

External Audit of the Annual Financial Statements Request for Proposal

See transcript attached.

Compensation Salary Study as required by the Ulster County Fair Pay and Salary Equity Policy established in Resolution No. 26 of 2022

See transcript attached.

New Business: None

Old Business: None

Chair Bartels asked the members if there was any other business, and hearing none;

Motion to Adjourn

Motion Made By: Legislator Walter

Motion Seconded By: Legislator Ronk

No. of Votes in Favor: 5

No. of Votes Against: 0

Time: 5:15 pm

Respectfully submitted: Amber Feaster

Minutes Approved: August 9, 2022

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Deputy Clerk Feaster: Okay, we're ready.

Chair Bartels: Okay, so we'll, we'll call today's meeting to order. It's three o' three, June 8th. This is the audit committee. Amber, do you mind taking attendance?

Deputy Clerk Feaster: Bartels.

Chair Bartels: Here.

Deputy Clerk Feaster: Ronk.

Legislator Ronk: Present.

Deputy Clerk Feaster: Gavaris.

Legislator Gavaris: Present.

Deputy Clerk Feaster: Lopez.

Legislator Lopez: Here.

Deputy Clerk Feaster: Walter.

Legislator Walter: Here.

Deputy Clerk Feaster: Oh, and then non-voting members: Gallagher.

Comptroller Gallagher: Here.

Deputy Clerk Feaster: And on behalf of County Executive Ryan, Marc Rider.

Deputy Executive Rider: Here.

Deputy Clerk Feaster: Deputy Executive Rider.

Chair Bartels: Great, thank you. Um, hopefully everyone has had a chance to review the minutes and the transcript from the March 29 meeting. I'll entertain a motion for discussion.

Legislator Lopez: I'll move it.

Chair Bartels: Moved by Legislator Walter. Second.

Legislator Ronk: Second.

Chair Bartels: Second by Legislator Ronk. Any comments, any questions on the meeting minutes and transcript? Seeing none all those in favor of accepting as presented.

Group: Aye.

Chair Bartels: Opposed? Okay, passes unanimously. So, Deputy Executive Rider just announced that he would need to leave by 3:30. I wanted to take Drescher and Malecki next in order. I'm wondering what the committee feels in terms of the personnel? I mean, I guess the one about doing the personnel study. How long, Deputy Executive Rider, how long do you need? Are you done at 3:30? Or could you come back on at four?

Deputy Executive Rider: I'm probably done at 3:30. But I, they can go first. And if we get into it, we get into it. I know Amber shared with the committee where the Personnel study is in status. I was just happy to answer any questions.

Chair Bartels: Okay, what is the committee's preference? Do we want to do personnel study first, or do we want to do Drescher & Malecki? Legislator Walter.

Legislator Walter: I mean, I hate to make Drescher & Malecki wait, but I feel like there may be some things we want to settle on going forward with the personnel study that it would be helpful to have the Deputy Executive here. So, it might be more prudent to just get that first.

Chair Bartels: So why don't we, why don't I suggest that we take the personnel, the person, the compensation salary study out of order, at least for discussion for the next 30 minutes. Once Deputy Executive Rider leaves, we can suspend that and go back to Drescher & Malecki and their updating and at least then if we have any questions that come up during this next 30 minutes, we have the opportunity for them to potentially be answered. Does that sound okay? All right. So, we're gonna, we're gonna take the Compensation Study out of order. And this is the Compensation Salary Study as required by the Ulster County Fair Pay and Salary Equity Policy, which was established per Resolution Number 26 of 2022. So, we, we, an RFP with a scope of services was circulated, as was very recently on email, which gave an update as to what the Executive's office is doing with regard to their management study. I don't know if everyone had a chance to look at it. Or if, if we want Amber to put that up. This is probably where we might have questions for Deputy Executive Rider. Want to share the email or the key points, Amber? And Marc, maybe while we're putting it up, do you want to give a like a brief summary of where we're at?

Deputy Executive Rider: So, you know, between Personnel and Budget, they identified I believe it was seven different counties. Again, their main reasons for selection criteria were proximity to Ulster County and, and similar in size, geographically, population wise as well. You know, there's been some difficulties in parsing out the data because we don't have full access to everything. You know, titles are public, and salaries and other things. But as Ken kind of highlights in his email, not every department is apples to apples as far as from county

to county. Certain county's have their Personnel Department do, like we do, Civil Service for the entire county, not just Ulster County government, but the Towns', everybody but the City of Kingston. That's a different department in, I believe it was connected the county. So having the same kind of responsibilities is something that they have to go through line by line and check. Not all of that information is, you know, ideally available, what they're not doing, and I know, what this committee has sought from the entire study, that you all want is, they're not really doing a comparison to the private sector. One of the reasons for that is that they don't have the, that data is not readily publicly available, and they don't have the expertise that another company, an outside company would have to have done several of these salary studies. So that's, that's one aspect of this management study that's not going to get done. The other piece is that they're only focused on, on non-union management. They believe that they'll probably have a draft report in the next month or so, for review, and then be ready to finalize the report by early August.

Chair Bartels: Okay. Any, any questions for Deputy Executive Rider?

Legislator Walter: I have one.

Chair Bartels: Okay, go ahead.

Legislator Walter: When you say internal salary comparisons have also been conducted. Can you elaborate?

Deputy Executive Rider: Yeah. So just comparing internally, our department heads. For instance, you know, some departments, department heads may manage four or five people. Other departments, they may be managing, like DSS, 300 people. So, comparing the department heads internally and also, as Ken highlights in his in his brief email, there are positions that are management that are comparable to union positions. An example of that is Confidential Secretary. Confidential Secretary is a management position. But there are other union Secretary positions, like there's a Secretary to the Commissioner of Public Works. The Secretary to the Commissioner of Health, actually, in our Management Handbook, it says that management shall get the same kind of salaries and benefits as similar union positions. That, that is where there may be an issue because, because management has taken zeros several times. Those Secretary positions may not be held in line with the union Secretary position.

Chair Bartels: Go Ahead, Legislator Walter.

Legislator Walter: Yeah. So, I guess I'm two things. One is, you know, we're going to propose an, should the decision come to propose another study, we obviously don't want to duplicate the work that was done, but add to it. And so, I guess the question is like, because I don't know if you mean internal salaries, like whether it's as comprehensive as what we might want, and maybe we want to get even more of a greater look at internal salaries. So is it possible to maybe even, even if it's not fully ready to mid-July, early August, like a table of contents, or something that gives us a better sense of what we would expect to see in there so that we know what's missing. And then, the other thing was, I recognize it can become so complicated in making comparisons when you're looking at other counties, I'm just wondering if there could be, I'm almost picturing like a key. But to know, the size of that county, the size of that department, the overall admin size, like maybe if there is, there is just some elements that we would be able to see about those county comparisons so that each time we compare the, that, we see the salary comparisons. We could see that out, you know, like, it's a super big county versus a smaller county if their whole admin department is like half of our size or double our size. So just wondering if you could consider some of those elements that then make us have an easier time and seeing, assessing those comparisons.

Deputy Executive Rider: I think they would definitely, when they're highlighting the comparable counties or like at least upfront, in some kind of introductory section. I will have them, but, you know Schenectady County population and how many employees where there's a comparison, the department, how many employees that kind of thing.

Legislator Walter: Yeah, so the two: the department size, and then the admin size. If that makes sense.

Deputy Executive Rider: Right. I mean, that might, that might take some more time, because I don't know that, that's the data that they've tracked down, but we can,

Legislator Walter: I assume it's all the people you're in, looking at anyway. So, it's just giving us an aggregate, perhaps, of that. You know, are we talking about an administration of, you know, 40 people or an administration of 30 people? Because that...

Deputy Executive Rider: When you say administration, what are you referring to?

Legislator Walter: Um, well, I guess it's, I'll tell you what I'm looking to know and then you can interpret it how you want. So, it's this idea that, you know, right now we have, for example, three Deputy Executives, right? And then we have a certain number of, I guess, Deputy Deputy Executives. So, like, how much work each of you do has, would it make a difference if there was just two of you? I mean, and it has a little bit to do with other elements, but it's just sort of useful to know that this, that that layer is three people. And so, you know, I don't, I don't really know how to explain it further. And you can sort of think about it, but it's this concept of, is this work being done by a very, not just the department size, but, or maybe it's still department size, maybe the department in that case would be the Executive's department. So maybe, I'll just say it's the department size, but it's not just the department size of the number of non-managerial but the department size of managerial people.

Deputy Executive Rider: Okay, management, and then non-management. Got it.

Legislator Walter: And then the other first part was this idea of having as much of a sense of what you are getting so that we know what's missing.

Deputy Executive Rider: Yeah. And I mean, I think the idea is when we turn over the report, assuming that this committee or the legislature is going to want more to be done, the data and everything that we've collected, I, I would see no problem turning over as well. Like, I don't think you know, not, you all don't, or whatever the company is, don't need to duplicate the work that we've already done.

Chair Bartels: Go ahead, Legislator Lopez.

Legislator Lopez: Now, how is this different from, well, I know they're two separate entities, but the Compen, compensation review board? How do they do it? How do they go about doing this? Because the various, it's obviously very similar. From what I looked at, it's, it's very, very complicated, because like Marc said, it's not comparing apples to apples, you have different positions, I guess, similar titles, and in a, different duties under those titles that you do. So how do you, how do you get like an honest assessment? And where do you get those numbers? Like, how does, how does the compensation review board do, they've been doing it, they do it every so many years? Is there, you know, maybe that's a model that we could follow

Chair Bartels: Legislator Lopez, they have a fairly limited scope in that they look at the elected officials. But we could look to that model. Legislator Gavaris, were you going to answer that question?

Legislator Gavaris: Partially, partially answer that, but add to it as well, is that, you know, one of the main things to get something that's apples to apples is we have to include private sector. I don't know how we can do without including private sector, comparing across counties throughout the state, the demographics, the location, cost of living, cost of properties. All that's going to be wildly different. And if you're going to have a level playing field, you've got to also include private sector.

Legislator Lopez: And union positions as well.

Legislator Gavaris: Yeah.

Chair Bartels: Legislator Ronk.

Legislator Ronk: Thanks. I, I believe fundamentally that you can't include private sector. Because it's a, that's, that's apples to oranges, like, right away. You know, people don't go into the public sector for private sector wages. They go into the public sector, because they're balancing work life balance and benefits and things of that nature. That, you know, are somewhat intangible when it comes to a compensation study.

Chair Bartels: Legislator Gavaris.

Chairman Gavaris: And I agree in concept, but they're, like brought up last time, this needs to be a total compensation analysis. Not just the hourly rate, but it needs to be the benefits that go along with that. That's what, a lot of the times, and the retirement, that's what makes working for the public sector so attractive, is, it's the benefits. It's not the hourly rate necessarily. It's the benefits. So, looking at that as compared to the private sector, you can make a level playing field when you look at the total compensation package that that person gets.

Chair Bartels: Legislator Ronk. And then Deputy Executive Rider, I don't know if you were responding, but.

Legislator Ronk: But again, how do you put the value on, on the work life balance portion? Which is one thing that people go into the public sector for, that they leave the private sector for the public sector for. I don't know how you, I don't know how you put a value on that that could make it comparable. I mean, there's certainly, again, you know, I understand there's certain tangibles, benefits packages, you know, state retirement system. Those things are tangible, you can put a value on them, but there are intangibles, I think, that cause people to go into public sector work, that I don't think that you can properly value for the purposes of a compensation study.

Chair Bartels: Deputy Executive Rider.

Deputy Executive Rider: Yeah, and I'll kind of bounce off of that. I'll say there are certain positions in county government that it's really going to be difficult to compare to private sector, like Chief Financial Officers, Chief Information, or, you know, Information Services, those are going to be three to four times what we pay in government. Attorneys are going to be double what we pay in government. And a lot of what goes into people choosing to come work for us are the kinds of things that Ken is talking about, or student loan forgiveness programs, or other things that I think adding private sector in, it's gonna be a little bit of be careful what you wish for, you know.

Alicia DeMarco: I would actually argue, as somebody who's worked in both the public and the private sector, that a lot of our management positions are pretty competitive with the private sector when you consider total compensation. It might benefit us to get those numbers together, because maybe some people would understand the additional benefits and what the county has to offer in terms of total compensation. I also think that the pool of applicants that we're looking at, we are competing with the private sector, that's a reality, there aren't a lot of people out there. So, if we're not at least aware of that, then we're doing ourselves a disservice. I'm also, I think that there are plans at the state level to double the salaries for assigned counsel and I think that the salaries of attorneys paid in the county and through the government needs to be evaluated, and maybe that's a good analysis to undertake.

Chair Bartels: Legislator Ronk and then Legislator Walter.

Legislator Ronk: Yeah, I just didn't know if this was gonna end up turning into a free for all, because I didn't hear you call on her and I don't believe that Ms. DeMarco is on the committee, so I just I really feel like that was inappropriate.

Chair Bartels: Thank you. I'll make sure to call on each person. Legislator Walter.

Legislator Walter: Yeah. You know, I, I appreciate that idea of including the private sector and I think it'd be very useful. I mean, there's also the nonprofit sector. I guess what I worry is how difficult it would be to have private sector salaries. I'm just not sure the, of how available and how much we can trust the details behind it. I mean, maybe, you know better Legislator Gavaris, but, you know, how we would, where would that, where would that be, that come from? And with the comprehensive including the kind of benefits of friends and, and all of those kinds of details?

Legislative Chair Bartels: Deputy Executive Rider, and then I'm, I'm gonna offer a couple of comments, questions before Deputy Executive Rider leaves.

Deputy Executive Rider: Yeah, the only thing I would say is, I do not think that that is within our ability between the Budget office and, and the County Attorney's office, or, and the Personnel office. So, if it's the will of this committee and the Legislature to go on and do those other analysis, I think it does need to be an outside entity.

Chair Bartels: Yeah, Comptroller Gallagher. And then again, I'm going to I have a couple of questions for Deputy Executive Rider before he leaves.

Comptroller Gallagher: Thank you. I just wanted to quickly say that the tables that the Compensation Review Committee included for their hearing notice are from a memorandum that this office generated for their consideration. And so, there's two memos to the Compensation Review Commission on our website, under memos and reports that you can look at. And, you know, it did not include the public sector. I mean, it did not include private sector. We were looking at public sector only, but I'd be happy to if anyone has questions about how we did what we did, I'd be happy to follow up. Thanks.

Chair Bartels: Okay, um, couple questions, Deputy Executive Rider. Your notes, or at some point you said that this report would be finalized between mid-July and early August but Ken Juras' response said the report was going to be realized in the next couple of weeks. Tat discrepancy, do we have a sense that this might come sooner than you originally thought?

Deputy Executive Rider: I was basing my response off of a response that I got back from, I think the differences is that there will be a draft report that's been put together in the next couple of weeks. But again, like Ken won't even have had time to sit down with Don, and review each of the sections. So, while his draft report will have been done, he won't even have had time to really review and evaluate it. And so, I don't think, I think it's a disservice to turn over something that early in the draft. Once he signs off on it, um, you know, I think it's, it's fair game to say it should be turned over to this body, but until he's at least seen it and signed off.

Chair Bartels: Okay, perfect. And the other question has to do with, in terms of your analysis, looking at other counties, are you also including the benefits package in each county?

Deputy Executive Rider: I don't know. Because I'm not part of the, That's a question I'll have to ask. Packages aren't, I mean, some may pay 10%, compared to 15 to 20. But the benefit packages from county to county when it comes to state retirement, and other things just aren't that different. But I will ask them that question.

Chair Bartels: But there's more than state retirement, as you know. There may be, you know, the, the, you know...

Deputy Executive Rider: Percentage of health and...

Chair Bartels: Percentage of health. Our steps. I mean, we, I don't know how other counties and management deal with longevity steps. You know, and ours, I mean, I'm going to be asking, in this budget cycle that they're included in, in, in line items, because we don't actually even get to see the salary per, per job. We see the salary without the steps. So often, when we're talking about what, what, what a line is making, we don't really know that there's an additional X amount of dollars separately. So, I would want to know how that, all those, all those days off, vacation days, all those things go into the kinds of package that Legislator Ronk was referencing in terms of people's decision to go into the public sector quality of life issues. So, there may be differences from county to county on that regard that I would want to know that we're capturing. Deputy Executive Rider, did you just raise your hand?

Deputy Executive Rider: Yeah, if I could just, real quick. So, for all union positions you actually do. What the budget, is put forth, is what the person who's in that seat at that time is at that step. For management, management gets a lump sum, lump sum, longevity paid at the beginning of the year, that is shown to you, but it's in a different part of the budget. So maybe it would just make sense for us to walk you through that when, when it's submitted this budget cycle, but that information is definitely all there in the budget.

Chair Bartels: It doesn't help me to have a lump sum. It would only help me to see it in each line in the way that it's done for the, for the union employees. That's, we don't have to get into that detail right now. But seeing a lump sum doesn't tell me when we're talking about individual raises, particularly in management lines, doesn't, doesn't help me in terms of what individual lines are making.

Deputy Executive Rider: But, but the budget, okay,

Chair Bartels: That's a conversation for another time.

Deputy Executive Rider: That's an offline conversation.

Chair Bartels: Yeah, yeah. And we can, and we can deal with that. I would I do just want to say that I agree. I would like to see some level of private sector comparison. I do think it would be valuable. You know, I think we, we all see the problems immediately in terms of attorneys. But I'd be curious, I'd be curious if we're going to be surprised, in terms of our competitiveness against other like items, and it may be valuable for us as we, when we come back to discussing this RFP, after Deputy Executive Rider leaves and we have the presentation, it may be valuable for us to think about how we include it in the RFP either, you know, as a separate standalone proposal in terms of the inclusion of private sector, or we include it at, just with the awareness that if it creates a big cost differential in the response, that it's something we could remove, or have them itemize so that so that we know whether or not we want to spend the money on a private, private sector comparison. Before Deputy Executive Rider leaves, Legislator Walter, did you just put up your hand?

Legislator Walter: Yeah, but it doesn't. I mean, it doesn't necessarily require him. I would just ask, wondering if anyone has ever seen those kinds of salary comparisons that have had private sector? So Marc could answer if he knows it. But I was actually going to see if our Comptroller had ever seen those kinds of comparatives, or at least if you had summaries.

Chair Bartels: Comptroller Gallagher.

Comptroller Gallagher: I did not come across any good salary study that had a nice comparison to private sector. So, I can't offer that as this, as a, you know, I can't give you an example of one right now. Sorry.

Chair Bartels: All right. Legislator Gavaris.

Legislator Gavaris: Just to go back to what Legislator Walter said before, asking where, where the information is going to come from, it's going to require somebody to call various businesses that are comparable positions, and ask for the information from them. And a lot of them quite honestly be would, be willing to give

that information, not in a direct, you know, if it's a larger group, that, they're probably more willing, because it'll hide the salary of what you're paying for an individual person, smaller entities are probably not going to be willing to. But I know what Warwarsing did eight years ago, when we had a hard time hiring staff, and they wound up doing a local salary survey and they were able to increase the rates based on that. And I don't recall how in depth it got. I don't remember the level of detail that was involved in it. But I remember that that was done several years ago, because they couldn't, they were, nobody was applying.

Chair Bartels: And if I'm not mistaken, I think that that the Hay Study, you know, which is the was the major study done years ago in Ulster County, I feel like it looked at benchmarks in the external marketplace. I mean, it's, it's, definitively spoke to the external marketplace, which I think meant beyond, beyond the public sector. So, so. Okay, so if it's the Committee's will given that it's 3:30. If we can, and we, and we have Drescher & Malecki here, I'd like to move to our external audit and have Drescher & Malecki make their presentation if that's okay with everyone.

Deputy Executive Rider: Thanks, everybody.

Chair Bartels: Thank you, Deputy Executive Rider. Good with everyone? All right, seeing, great, thank you seeing no dissent, Drescher and Malecki have joined us today. We have Kyle Patronik and Carl Widmer. Thank you for being here. And I'm going to hand it over to you to begin your presentation, then we'll handle questions. We'll see how it goes. It'll either be as it comes up, whatever, whatever works best for you. If not, we can take them at the end. We'll see how long the presentation is.

Carl Widmer: Thank you for having us. Just to address it right away. We don't mind being interrupted. I mean, we'd rather discuss a topic if there's a question at the time. So, feel free to interrupt. Carl Widmer, I'm the Partner at Drescher & Malecki, Ulster County's audit team, and also on the call with me today is a Senior Auditor, Kyle Patronik. Kyle will be needing to pull out at around four 4:15. Just FYI. He's not ducking out. Yeah, he's out of town and needs to get on the road with a couple passengers. But thanks for having us this afternoon. About this time each year, we like to meet with this group serving as the audit committee to kick off this year's external audit. I believe most of the individuals on this call we have met and worked with before, a couple of new faces. So, you know, we did provide a handout or an agenda, I believe was circulated prior to the meeting. It's really just to help serve as a reference point for this meeting, and make sure that we touch on things that everybody would want to touch on. But also, just to serve as a to do list to make sure we get through and take care of the important communications that need to happen each year. So being the audit committee, each year, your external auditors have some required communications with this group. And at the onset of the audit, the primary purpose is to give any updates that we may have going into this year's audit. But in addition to that, and I'd say more focus should be on if this group has any concerns or ideas for risk areas that they would like the auditors to pay attention to, in any extra capacity for this year to let us know really the forum to put this group together and give us any ideas outside of our, we're going to perform our standard audit in accordance with the right auditing standards each year, but it really is the tailor made steps that we want to offer to this group so that you get some extra added value each year. In the past, a couple hot topics... Go ahead.

Chair Bartels: Oh, no, sorry, my daughter just walked in.

Carl Widmer: No problem. You know, in the past couple of years, I know, some areas that were outside of the audit scope, but just areas that we served as, you know, a sounding board or to help on a review side of things has been related to fund balance policies. You know, that's been a key focus area, I'd say during 2021. You know, there's quite a bit of communication back and forth. And we do look forward this year to evaluating how the county ended up as it goes with the fund balance policy and taking a look at the compliance, the county's compliance with their own policy for December 31st numbers. But moving on, an introduction to the audit team. Of course, myself, a partner, this will be my fourth year, serving as partner on the engagement. We are also returning the senior manager and senior auditor, Erica Handley. I believe many of you have met her as well. She is returning. Kyle is returning. So, we were able to maintain some consistency. And we really do think that's pretty critical on the audit team that the upper management be maintained in a consistent manner. And

it's not only to stay familiar with the county, but also to help county personnel that are involved with the audit for a little bit of consistency on your end, as far as communications go, the way that you receive information. Each year, we tried to solicit feedback from this group. Whereas if you wished we had included any different information, or answered any different questions than information we typically provide, that you let us know. And then we're able to provide that information. And then we have the ability to put fresh eyes on, at more of the staff level, who are serving as most of the testing auditors on the engagement, if you will, to maintain that fresh look on things and make sure that we're not getting too comfortable.

Chair Bartels: Mr. Widmer, can I interrupt and just ask one quick question?

Carl Widmer: Sure.

Chair Bartels: So, in terms of the, the audit team, an issue, one of, a suggestion has come up regarding CPA licensure and qualifications and, and requiring a set number of years of experience in terms of municipal audits. All of the people that you have on your team, are they qualified to work on the audit? Or are they managing the audit? How does, can you explain a little bit how that works?

Carl Widmer: Absolutely. The hierarchy, if you will, the structure at our firm is going from Partner, Senior Manager, Manager, Senior Auditor, In-Charge Auditor, and then staff. In order to be a Senior Auditor, you need to have your New York State CPA license. So, Kyle has had that for several years. And as far as managing a municipal audit of your size, where we have the benefit of getting a lot of experience is we work solely on municipal clients. So, if you were to ask how many municipal audits does Erica Handley take care of on an annual basis, it would be anywhere from probably 30 to 50 in a given year. We have approaching 150 clients and we're working with, I want to say, it's about 25, give or take one or two, New York State Counties. So, our experience with New York State Counties in particular, definitely gives us the credentials and the special expertise. And also, you know that that's our side of it. You can believe me if you want. But then we also, of course, undergo a peer review by the AICPA as being a credential firm. Every three years we undergo a peer review, and they look at not just our audit files, but they also look at the way that you're increased sighted in on, how do you manage and assign audit teams to make sure that they're capable and there's a competent staff, and in all cases we've passed. So, that is how we've been able to handle it. Counties we do like to have a partner and a manager and a senior. Some of our smaller entities, we can get away with a more experienced senior with lesser involvement from the management tier. Does that address your concern?

Chair Bartels: It does. Thank you.

Carl Widmer: No problem. Probably the, the most important communication to come from your external auditors is whether we are independent. Of course, these financial statements are going out into the world. The users of your financial statements range anywhere from County resident taxpayers, to granting agencies, to banks, to the bond market. And what they're looking for from your external auditor is their professional opinion on whether the county's financial statements can be relied upon. So, we design our audit and perform our audit to get to the level of assurance where we believe yes or no, those financial statements can be relied upon. If we do believe that we issue an unmodified opinion. That has been what we've provided to Ulster County, in all years that we've been auditor so far. So, it seems critical, then, if our opinion is being relied on by all users of the financial statements, it's imperative that we don't have any conflicts of interest with the county. Being that we aren't too close, relationship wise, with any members key, key members of management, but I don't believe there's even you know, a clerk working in DSS or anything that has a conflict of interest with myself or any member of the Drescher & Malecki team. So, each year, we do review our relationships of all employees at Drescher & Malecki and ensure that if there are any conflicts of interest, that we either omit those personnel from those engagements, or if it's too significant a conflict to remedy, we would just withdraw from that engagement. So, this year, successfully evaluated independence and we are in the correct unbiased position to serve as your external auditors.

The next section, if, if you are looking at the handout, I'm just following along here, are the reports, the deliverables, and that's what you can expect from Drescher & Malecki at the end of each, each audit process. It ranges from the audited financial statements, which in the past has been called the Comprehensive Annual Financial Report, or a CAFR was the acronym. I say it that way, because recently GASB had issued GASB Statement Number 98 and they noted that that acronym, to certain cultures was a no, no, politically incorrect to use that acronym. So, it is now ACFR, the annual comprehensive financial report. So, we'll be calling it the ACFR or A.C.F.R. going forward, just an update to the group. In addition to the financial statements, there are a couple of compliance audits that we perform for the county. Two areas, the first area is on the federal side, we essentially act as an extension of the federal government. We use their audit guidance, it's called the Uniform Guidance to perform a compliance audit over the federal dollars that the county receives and disperses each year. It's commonly called the SEFA, schedule of expenditures of federal awards. And that's going to identify by program, the federal dollars that the county expended based on a risk assessment, and a rotation process that considers dollar amounts and the control environment of each program. There's a rotation. The SEFA last year for the county, now there's probably 40 programs. We don't test for any programs each year, it's on a sample basis on a risk assessed basis. Last year, I believe we tested four programs. This year, we'll be testing a minimum of four, it could be as many as six depending on the final amounts that end up on the county schedule. And that's a communication that once we receive even a final draft good numbers on the SEFA from the county, we typically communicate what programs are going to be selected for testing and send that over to Amber and I believe that's a communication that gets provided to the group just so that you're aware of the programs that are going to be tested this year. Other than the federal awards, there's also a separate compliance audit at the State Department of Transportation level, the DOT audit. Similar to your single audit on federal awards, there's the rotation process, a risk assessment. And those expenditures are also tested for compliance with the appropriate audit guidance from New York State. There is an auditors communication letter that basically reiterates what the responsibilities of the county and management are throughout the course of the audit. And also what our responsibilities are as the auditor, basically just making sure that what each party agreed to at the onset of the audit with the contract or engagement letter that each end held up their side, a management letter, that's, that's a document that this group I would say pays particular attention to. That's really our opportunity to provide any comments that we have on while it covers both internal controls, and maybe some, if we identify any deficiencies throughout performance of our testing, we'll often document it in the management letter, and then provide a recommendation to which the county would provide a response. And then on the other side, there is also just best practices, which last year, we did have a couple of those. Comptroller Gallagher.

Comptroller Gallagher: Yeah, on the internal control side, um, you know, we've been reviewing some internal control policies and procedures, and some of them refer to the former financial system known as HTE. So, I'm concerned that those have been acceptable internal control procedure documents in the past, and I'm wondering, you know, the breadth of the policies, or I should say procedures reviewed by, by Drescher & Malecki and how far down you're going and looking at those. And then I also had a second question, which is really going back to the experience of the firm, and I wanted to just ask if there was anyone who has experience with regard to computer security at Drescher & Malecki, I know some firms are adding this and, you know, it is a concern for all municipalities. Thanks.

Carl Widmer: To address the first concern with the labeling of the prior software, the process, what we're charged with and responsible for, is to gain an understanding of the internal control environment. The way that we've done that at counties is a stronger look in the initial first and two years to develop narratives through inquiries with staff. And then, in subsequent years, it becomes more of a follow up on prior years documents, to which in many cases, we'll share these documents with county staff and ask them for updates. We don't ultimately provide an opinion on the internal controls at the county. It's pretty explicit in our report. We are looking to document material weaknesses or significant deficiencies is what we're charged with. So, something like that, I mean, is it now embarrassing to hear that prior software's referenced in the document? Yes, it is. I would think this year, I'll pay particular attention to it and make sure that whatever document that is gets updated. But that is the process that typically in the first couple of years, we gain, the real detailed narrative walkthroughs. And then in subsequent years, it's a more of an update process, you know, what has changed, have, have personnel changed? And as you bring it up, skipping ahead, one of our concerns that we'll be

addressing this year, is probably no surprise but to address the turnover and key staff as it relates to in particular finance office. Pretty significant turnover. CJ Rioux was an individual that we worked, if we were to say how many hours are logged by county personnel with Drescher & Malecki, CJ would be a top that list every year. So, this year going through with Adam, um, I did have a chance to meet him at the County Finance School a few weeks ago. He seems very capable, competent. We've already reached out and offered if you need to help, please pick up the phone. So, I think this year will lend itself to a more detailed dig into some of those internal control documents as well. So, thank you for the feedback.

Comptroller Gallagher: And we'll, we'll share it. We'll make sure Amber has it to send to you. I know she does. So, we'll follow up. Thanks. Very Good.

Chair Bartels: Can I ask a question. And that's, are you, are you are there, are you aware of any changes in reporting requirements that would affect the 2022 external audit?

Comptroller Gallagher: Leases.

Carl Widmer: GASB Statement, no, I don't think there are any significant changes to the way that the financials, I think your 12/31/21 financial statements will be very closely comparable to 2020's report.

Chair Bartels: Okay. And then Comptroller your, your second concern with software and security. We do have an individual on staff that has a particular focus to it, that we tend to tap into, regardless of whether they're on, in this instance Ulster County's audit team. That's also an area that we're constantly looking on State Comptroller's website, GFOA, for best practices to auditors, to look at that area. There's no denying it's becoming increasingly risky and significant during the audit process. So that is that.

The next year, there's a couple other reports on, there's a few agreed upon procedures that we are engaged to perform on for the county as well. This has been an area of concern over the past couple of years as well, with one in particular and that has been an agreed upon procedure that we perform with social services. And one of their cost reports that they submit. It's called the CFR. They have a due date of June 1st, to submit this report. They prep information. In this case, Social Services utilizes an outside contractor to help prepare this report, the CFR and then that external company, it's the Vaneski group, they help with the county, provide Drescher & Malecki the information. We review it to a certain extent, and provide an agreed upon procedures report. We do the same procedure for the Department of Mental Health as well, as they have a similar cost report. Mental Health successfully went through these procedures. We submitted our issued report on May 28. Department of Social Services over the past years has historically missed the deadline. And without, not without, but they're aware of the deadline. And we're okay with submitting late. So, this group and past years have brought it to our attention and sort of said, why is it late? That's something that we helped to reach out to that department and sort of solicit some of their information for why it is, whether it had been turnover or other jobs that they prioritized ahead of completing this report on time. This year is another year that they have missed the deadline that we had asked if they hadn't anticipated timeline back in mid-April. And just a couple of weeks ago, I actually reached out to the outside contractor, the, the Vaneski group, and information still wasn't available. So, I just wanted to give the update to this group, that we are typically available to perform those procedures anywhere within probably two weeks to a month after we receive the package from the county and from Vaneski. And that's kind of where we stand officially, is we are waiting for that package from, from DSS.

Chair Bartels: Can I, can I interrupt for a moment and just ask you a couple of questions about deadlines, because there's been some suggestions in terms of changing deadlines and since that's what you're talking about. Is the deadline of September 30th, is that reasonable for completion of the management comment letter? Would, would October 7 be preferable? What are your thoughts on, on that?

Carl Widmer: I think it is. It's definitely manageable in that we would be prepared to provide you with a draft. However, I think this group prefers seeing that final draft and then having the chance to provide comments or revisions. And that typically isn't ready until near the end of September. This group, we typically meet mid to

late September to go over. And then it's the revision process that I think takes us beyond the September 30 as it relates to the management letter. If we wanted to make it a goal to get the management letter also out by September 30th for sure alongside the financials, I think it might take either an additional meeting or a little bit of a quicker turnaround as far as this group's opportunity to review that letter.

Chair Bartels: So, would, would October, October 7th might then make more sense for the management letter? Is that, is that what you're saying? It might give us that little bit of breathing room.

Carl Widmer: We would be comfortable with that. I don't know if the contract language, you know, if you would have issues if the contract says something else.

Chair Bartels: Yeah, we can. We can talk about it internally, we could stick with the current dates, but even as we're contemplating new dates, and, and in terms of the opinion on the financial statements, when do you expect those to be completed by?

Carl Widmer: That's the September 30th.

Chair Bartels: That's the September 30th.

Carl Widmer: Yeah, there's a deadline, because of that single audit, the Federal awards compliance audit, the County's responsible to submit that information by September 30th. So, both the financial statements and an electronic data collection form has to be submitted to the Clearinghouse. Federal Clearinghouse.

Chair Bartels: Would have a deadline of September 15th be reasonable or, or feasible for you for those.

Carl Widmer: It's going to directly correlate with how soon finance provides us. The financial statements themselves are drafted and authored by finance department. So, there is a lead time basically from when we receive a complete document, and complete typically, we get a draft and there's a couple things missing. So complete would be cover to cover. From that point, we would need, typically two to three weeks. And that has been about where we play out in getting it out by September 30. There's been information that has been, you know, received in September. So, getting it out by September 30th has been a challenge in itself.

Chair Bartels: So right now, it's a tight it's a tight deadline as it sits right now due to due to the communication with the finance department.

Carl Widmer: Yep. And I think, not that it's not possible, but I think the expectation has been it's a September 30th. I believe if you spoke to the finance department and worked with them, if they want to work towards an earlier release date, it would just have to be a total group effort. And everybody agreeing to a certain timeline.

Chair Bartels: Okay, Comptroller Gallagher.

Carl Widmer: Oh, you're on mute Comptroller.

Comptroller Gallagher: Given that it is new staff, and we've had a lot of turnover. We also think that Adam has been great to work with but um, and I'm only seeing this one sheet about kind of what you're covering? What is the process for alerting the audit committee of any problems that you encounter during the audit process? So, we don't want to wait until you know, these deadlines tick to find out like, Oh, we're not getting what we need, or there's a hiccup or something doesn't look good.

Carl Widmer: I guess we have been able to manage responding quickly, during September to still get out by the end of the deadline. I think the only time we've had to really update the group towards missing a deadline, potentially missing a deadline was when it came up with that agreed upon procedures report. Everything else we have been able to get out by September 30th so we haven't reached out. If that's a concern, I mean, of course, we

would take the help. We don't like to make anybody at the county's life more difficult by having someone over their shoulder if they're trying to get something done and putting forth an earnest effort. We try to work with them to still meet the deadlines. If it got to be a difficult situation and unresponsive. We would let this group know. Traditionally, Amber has been sort of the liaison to our audit team. So, we would let her know and sort of ask what would be the best course of action from here.

Comptroller Gallagher: Thank you.

Chair Bartels: Legislator Walter.

Legislator Walter: I'm just wondering, I mean, I appreciate that. Maybe there's a way of being proactive and kind of finding the middle ground? Could we propose a certain date that we just get an updated as of, you know, even if it's an email of how things are going, you know, and things that are might be challenged, rather than like, waiting for you to decide does this rise to the occasion of mentioning it? Or you know, that maybe there's this one particular date that you're, just allow us to see how status and even if it just says like the elements and you know, in progress, going well, or something like very brief, but that way, it sort of forces you to take stock and say, Is everything going okay or do I need to let this committee know without a real formal report or presentation?

Carl Widmer: Absolutely I think we've done that kind of an informal manner. We've been given updates to Amber, sort of mid-fieldwork to let her know where we're at with audit testing. And also, if there are outside departments that we're going to need to get in touch with or perhaps visit, that single audit, federal compliance audit, often involves an on-site. Ulster County has the past couple of years preferred, a more remote audit performance. So, we've been doing most of it from Buffalo and limiting the onsite visits. So, I have, I am fine providing a communication, I think. Is the easiest way to just address it to the whole group, or as I understood it, typically, we send our correspondence to Amber and then she has filtered it on to the committee. Is that still appropriate?

Chair Bartels: That's perfect. Yeah, that's still appropriate. But can I ask, you said that Ulster County has preferred a remote engagement? Is that, is that just since COVID? And, and how has that been articulated? And by whom?

Carl Widmer: We have reached out at the onset, it did start with COVID. I'll start with that. But I think in looking at the expenses that come along with traveling on site, that was a, you know, a factor in saving some money on the county side, if we can perform it remotely. We did check. Last year was the first year that it was really a follow up of Hey, should we still schedule on site? And I'm trying to think, who in particular, we said, Would it be remote or fieldwork, on site fieldwork? And we got the impression that on site, you know, would need to be scheduled and let everybody know where we'd be and when. So, we haven't been on site other than, unless it is considered necessary. And I'd say that's like when you're looking at documents that can't be shared electronically, which happens with DSS programs.

Chair Bartels: Is there any advantage to being on site? I mean, do you find in your work that being on site, you might, I don't know, that organically something might come up that you might not have? I just imagine that the, the, the nature of a remote engagement is, is more isolated by definition than, than an on-site engagement. And then it would strike me that an on-site engagement might have the possibility of you realizing oh, you really want to see this, and it just happens to be nearby versus you don't know what you don't know, when you're only talking over a computer and getting very limited.

Carl Widmer: I agree. I do agree there is an element that's missing when you're not on site with a person. And particularly this year, having a new key person in in Adam's position, we, we would not be opposed to having at least one primary short visit, to take care of meeting with all the relevant personnel rather than only coming on site if a single audit requires it.

Chair Bartels: That certainly makes sense to me. I don't know. Is that something that normally, well pre-COVID happened automatically, right? I mean, you were regularly on site. So, that wouldn't be something that this committee would have to approve in terms of an on-site, meaning how would we make that happen?

Carl Widmer: Give us the go ahead. I mean, really, that's it. I would just have to let our staff know. And we would, you know, it's, it's been difficult. When we're trying to schedule meetings with everyone. We've been directed to schedule meetings with different departments through Amber with the Legislative Office. So, if we were able to come on site, and visit everybody who's on site that week, that would probably facilitate the most efficient use of our time. And we'd probably plan for a week. I don't know if it would be the end of June, or in the month of July to come on site. Probably July, I would think we'd get going, accumulate, get through some testing, you know, pile up a few of these tasks that we'd rather complete in person and then come visit in July.

Chair Bartels: And is that normally, is that a part of what's budgeted for based on our initial contracts with you?

Carl Widmer: Yes.

Chair Bartels: Yeah, then we should absolutely make that happen. There's, I mean, my perspective, I don't know what the rest of the committee thinks. I see two nods. Oh, legislator, three nods.

Legislator Ronk: No objection.

Chair Bartels: Okay. So, let's work toward that if that's, if it's contained in the contract, and it's something that shifted because of COVID. I mean, I actually would say even particularly with the staffing changes, it would make, it would be even more critical to be in person at this point, so I think we should be moving toward that.

Carl Widmer: We'll make an effort to reach out to the relevant company staff that will be visiting that week, I think getting that SEFA, that Schedule of Federal Awards would be pretty critical timing wise, so that we could identify who, what outside departments we'll need to visit while we're on that trip to try to accomplish all of them on the same visit.

Chair Bartels: Okay.

Carl Widmer: Alright. Overall, our audit plan on here, there's, there's phases of the audit. There is the audit planning, that's at the onset. We did work with finance and a couple of departments during the months of January and February, just updating things with information that's available. Obviously, not testing year end balances yet, because those weren't provided or are really available. And then you move into substantive testing, that is the audit fieldwork. That's, that's the period of time when we would visit on site and perform testing. We're provided trial balances out of the county software, and we perform our testing over December 31st balances, that is scheduled to be performed. Like I mentioned, we're going to start June 20th. And then that, that ranges anywhere from four to six weeks, you know, most significantly the first four weeks, and then a few weeks to follow up after review comments. Comptroller.

Comptroller Gallagher: We'd very much like to have a conversation with you during the fieldwork phase. Happy to have a Legislative Fiscal Analyst there. But I think the first year I was here that we definitely did, and we have some things we'd like to share with you. So, we hope that will be part of that visit. And that even if it's not in person that you'll set aside time for a substantial conversation with our team.

Carl Widmer: Okay.

Comptroller Gallagher: Thanks.

Carl Widmer: I mean, that, that's a conversation we prefer to have in person, probably reach out, schedule a gamut of meetings for that week that works.

Comptroller Gallagher: Thank you.

Legislator Ronk: Being that....

Chair Bartels: Legislator Ronk.

Legislator Ronk: Yeah. Being that the legislature engages and it's an independent external audit, I think that it's important that Amber be there for that meeting as well.

Chair Bartels: I do too. Comptroller Gallagher, is your hand up a second time, or is it just... okay.

Carl Widmer: After getting through the fieldwork phase, we come back to Buffalo, finish up our audit file, while finance finishes up drafting the reports, the draft reports, they provide them to us. Basically, we run through that financial statement package to make sure that what the county is providing in their financial statements matches those reports for the trial balances that we tested during our fieldwork to make sure that what goes in the end report is what indeed, we tested. So, a little bit of a back and forth to make sure we're still in, in the same spot. And we get to meet with this group. Upon having final drafts, we try to circulate our draft documents to the group before we have our exit meeting. And at that time, we also get to discuss the management letter comments. So that that all happens nearing the end of September.

Consideration of fraud, this is an area, again, you know, oftentimes is, is misunderstood for what the external financial statement auditors responsibility is. You know, the focus of our audit is to gain assurance over the dollar amounts that are in the financials, it isn't to search and uncover fraud at the county. So that said, we, we do have a feeling that our, our audit procedures and undergoing those if we, we may encounter if there was fraud, just based on the procedures that we walked through any event we would uncover anything that was indicative of fraud, or even just like, like we got a weird feeling. That's something that we've communicate to this group. That's, that's one of the areas of an Audit Committee's responsibility. And it does go both ways. So, while we may uncover it throughout our procedures, this group here knows the county very well, right? We get to visit once a year for a few weeks. This group you are living the county so if there's anything and if it's uncomfortable to communicate in front of the group, we understand. But I encourage you to reach out to Kyle, Erica, or myself and let us know if you do have any inklings of, you know, this just doesn't look right. Would you mind taking a look at it? Do you think it represents an audit risk? So, if anybody did have anything that they were concerned with? No, please let us know. And that gives us an opportunity to etch out some additional procedures during our audit performance to address that concern. If it got to a point where it uncovered something that was fraud, you know, we'd probably talk with this group, and then determine what's the best action going forward. Because we are financial statement auditors, not forensic auditors. So, if it got to a certain point, we would help you make the next decision. And if we're the right group to help you, we will, if it would escalate, we would offer that advice, too.

Chair Bartels: Can I interrupt and ask a quick question? There was, there was a question sometime back about, about sharing of work papers. And so, I just want to understand whether or not that sharing is regulated and if you could speak to whether or not it's proper, allowable to allow unlimited access to clients of your, your workpaper, your workpapers?

Carl Widmer: So it's a good question, because the last year there have been several requests that we've complied with. There have been requests, in particular surrounding internal controls, I think that's the basis of the Comptroller's. And but earlier today, and there are, there are different areas, different workpapers that are more appropriate to be shared, and others that wouldn't be shared. Those that are more sensitive, and important to be independent. I'd mentioned before, we need to be independent from the county, if we start sharing things, such as inputs to our risk areas, the dollar amounts that we're considering material, those are all

things that if we were to share them, and people caught wind or heard of some of these areas, it would be an assistance to them to commit a fraud, you know what I mean? So, they would say, Oh, if I stay under this dollar amount, there's a good chance it doesn't get looked at during the annual audit, at least, if this isn't a risky area, I doubt they're gonna give that much time during the audit, this is an area I could take advantage of. So, it is tough, we have to make some judgment calls. It's never really comfortable sharing too much because we feel like the element of surprise is taken away. You know, we should have a full scope and full access to all records and individuals at the county. So, if we encounter any challenges to those, or difficulties in scheduling with people, we feel like the direction of our audit could be compromised by the county, when really, it should be, you know, you're hiring us as a capable governmental accounting firm. And we have a process that we're going to go through to complete a successful audit. If we start being directed a little bit, that's, that's when it gets a little bit hairy, I'll just say. We have been able to share certain work papers. I understand internal controls, it's helpful, especially to the comptroller's office and the efforts that they're putting, putting into it. Others been other requests where we've had to omit certain parts of the workpaper because it does have some of that more sensitive information that shouldn't be shared.

Chair Bartels: Thank you.

Carl Widmer: The audit timing I think we've discussed at this point, areas of concern. The ones that we included there, we've already covered being those cost reports and the timing of those. Mental health did complete their AUP on time. Social services, stay tuned. You know, we send periodic updates to see if they are available. A follow up on the prior to your management letter. I don't know how detailed we'd like to get this is an area that whether we've completed on this call, or completed closer to our fieldwork, we basically get an updated status on each of the management letter comments to say, what should the responses be and what items should be included in the 2021 version of this management letter? So, I know it's been a longer meeting. I didn't know if this group wants to decide to run through it. We could do it. Otherwise, I think we could facilitate a meeting or meetings with different individuals out at the county to make sure that we do you get updated statuses on each of those comments.

Chair Bartels: What's the committee's will? Do we want to run through them right now? Or do we want to do this at a separate meeting? This is the follow up of the prior year's comment.

Legislator Ronk: I feel like we have a lot to do so, I'd prefer a separate meeting. But if we want to, if that's not what, the will the committee, I understand.

Legislator Lopez: I have a meeting of 5:30. So, I've got, I've got two hours, if you can get it in then yeah, I have no problem with that.

Chair Bartels: We do. I mean, in an ideal world, we would be finalizing both the, the RFP for the, for the audit, and the RFP for the Compensation Salary Comparisons. So, I agree with Legislator Ronk. I mean, if it's okay, if it's okay with you all, if we could do this separately, we can schedule something via zoom. So it's, it's, it's not an imposition sometime soon. Comptroller Gallagher.

Comptroller Gallagher: Yes, I think that we should actually review several years' worth of management comment because some of the comments have dropped off the management letter. And I just think it would be a good idea to kind of capture some of those things from the past that may not have been fully addressed. And yeah, I would prefer a separate meeting. I'm sorry, to the committee, I have to leave at 4:30. But Sam and Alicia will remain in my stead and are happy to talk about the RFP process. Thanks.

Carl Widmer: If I could just add. I'm confident that based on meetings we could have with the Legislative Office, Comptroller's office, Finance, we'll get updated responses, and then maybe it wouldn't even be necessary to coordinate our whole group from Drescher & Malecki. To convey the results, we could just provide an updated document that says "Here are the responses" with the current status provided to Amber. And if you all wanted to review that, and if it warranted a discussion, we'd be happy to, to line up a meeting like today.

Chair Bartels: Yeah, I think that would, I think that would be great. Like that would be a good first step. I, I'm inclined to think that we probably will want to line up a meeting, even if it's a brief one, just so that this committee can, can have the ability to have a discussion with you all. And it's fine to do a further look back. That's fine, too. So. Okay, I really, we all appreciate you, you being here. Is there anything else that we want to touch on today?

Okay. All right. Thank you. Thank you. Thank you all. And, and I'll have Amber be in touch over, over the course of the next couple of weeks to, to set that next time as you're getting feedback on the questions regarding the follow up of the prior years' comments. And we'll say years, Comptroller Gallagher.

Carl Widmer: Take care, everybody. Thank you.

Chair Bartels: Thank you very much. Okay, so let's now let's move back to taking, let's, let's talk about where we're along. Let's move on to the external audit of the annual financial statements. Let's do that RFP first, if that's okay with everyone. Great. Comptroller Gallagher.

Comptroller Gallagher: I just want to ask a process question. I know, you know, I'm sitting here ex officio, so I don't have a vote. But often the county will convene an RFP committee that is made up and includes staff who have expertise. So, I would like to make requests that even if I am not on the RFP committee, that at least one of the CPAs from my office be included as a member of that committee to grade and evaluate these coming in. It's a request to you all, and I would just appreciate it and you know, it could be one or it could be both of them. I'm happy to step back in that instance, but I think having that CPA input would be great. Thanks.

Chair Bartels: Legislator Ronk.

Legislator Ronk: Thanks. Yeah, just on, on the independence question. I think that having Amber present at the meeting has us with a with a, you know, well tooled CPA to be able to guide us in choosing the firm. I feel like it hurts independents to have you know, the Comptroller's office, you know, have a member on the RFP committee, or the Executive's office for that matter.

Chair Bartels: Anyone else? Yeah, I mean, I've done this for a number, a number of years. We've never had a, we've never had the Comptroller's office or the Executive's office have a vote or have the scoring, although they have been present for the conversations. I too have some concerns about the independence. And it's something I think that, you know, we can, we can all ponder and discuss prior to the RFPs coming back. We have to, have some time. Comptroller Gallagher, go ahead.

Comptroller Gallagher: And maybe one suggestion is if, if we have access to the submissions, we could give you our own feedback. And you could use that however you wish.

Chair Bartels: Does anyone have any, any thoughts right now on that, or we want to think about, think about. Again, we don't have to make a decision right now. We will have some time before the submissions come back in. We first have to get the RFP out. Okay, so we'll, we'll think about it. We'll take it under consideration. Thank you. Thank you.

Okay, so, um, everyone has a copy of the RFP as it stood before. Um, I don't know if Amber, you want to put it up. And I know the Comptroller made several suggestions. Some of those, some of those suggestions were the reason for my line of questioning with Dresher & Malacki just because I wanted to get their input. Didn't want that, you know, I didn't want them to be here and actually weighing in on the next RFP, but just to see in terms of where we're currently, where we currently stand. So, we are on page three. Amber, the purple is "Executive, Legislative, and Comptroller staff", that's, that's a suggestion from Comptroller Gallagher? Yes. Again, I, I'm inclined to think that this quote this, this deals with the independence question as well. I'm curious what the members have to say to that. Go ahead, Legislator Ronk.

Legislator Ronk: I mean, I've been outspoken on the issue of independence for a long time in this audit. I, I'd be inclined to not accept that change.

Chair Bartels: Any other thoughts? Yeah. Go ahead.

Legislator Walter: I'm just curious what it said before, because of the way it looks, it said, it just said to the County, and that it was specified. But can you just clarify? Did it say specifically the County Legislature? And now it got changed to more people? Or did it just used to say the County? It just used to say the County?

Legislator Ronk: It just used to say the County but we're the engaging., the Legislature is the one engaging so they've worked with us.

Legislator Walter: Right. I understand that. But I guess I'm saying maybe the ideas, then if, if you're concerned that it specifies, not to the county, but to the County Legislature, but could still be the County.

Chair Bartels: Amber? Can I just confirm? Did it just say County?

Deputy Clerk Feaster: That's correct.

Chair Bartels: Okay, but again, I think probably it's, as engaging, as the engaging entity that would mean, I assume that would mean to us. But if we want to be more specific and limit, and that's what you're suggesting, let's, let's, Legislator Walter, that we may want to actually be specific enough to limit it to Legislature there only?

Legislator Walter: Well, usually what happens is, in my experience, in these Requests For Proposals somewhere early, as long as says, like it specifies somewhere early.

Chair Bartels: Definition.

Legislator Walter: Who the County is. In this case, it says the County of Ulster County, like I said, you know, the Ulster County Legislature here in the County, but I don't think we ever specified that even if it's coming from us that as a contract or as a, as an RFP, it never says that. So, if you, if it's important, it might be worth just adding one word to be more specific.

Chair Bartels: Legislator Gavaris.

Legislator Gavaris: I just don't see the downside to it. And I see it's just as more of a clarification. If all they're looking for is general consultation, and just, you know, looking to do things the right way. Why wouldn't we avail the consultant to any department?

Chair Bartels: Legislator Ronk.

Legislator Ronk: I mean, we've had issues in the past, with our independent auditors speaking to other branches of government without talking to us and, you know, having other branches of government reach out to the independent auditors without coming through us. And again, I think it harms the independence. If it's, if it's written that, you know, they'll avail themselves because it was essentially, they'll avail their staff to the Comptroller's office means the Comptroller could direct them to do things. I'm not you know, that's, that's not what I would like to see from our external auditors. It's an independence question to me.

Chair Bartels: Yeah, Legislator Gavaris.

Legislator Gavaris: I mean, from where I'm reading, it just says general consultation. It's not, if, for it to be directed by any of these, I mean, and I guess we could all funnel through the Legislature. That's probably more appropriate to your point Legislator Ronk, but I think that if there's a question that's out there, and our auditors can answer it, somebody should be able to get that answer. And if it's funneled through the Financial Analysts in our office, that's fine.

Chair Bartels: I mean, I do think, I mean, so, like Legislator Ronk, I'm concerned about independence. I mean, in fact, these are external auditors who are auditing, essentially the financials of the Executive's office, which are same financials that the Comptroller's Office has purview to, to analyze as well. So, having the Executive's Office or the Comptroller's Office direct this personnel, strikes me as a potential problem. I mean,

Legislator Ronk: Not just, you know, just to add to your point, Trace, not, not only do they have the ability to audit these things internally themselves, but they also do the certifying of the payroll and things of that nature. So, they're actually involved in the books.

Chair Bartels: Yes. Yes. Okay.

Legislator Ronk: It's worse, it's worse than just, you know, an internal auditor, you know, and an external auditor both, you know, doing, you know, like the same thing at the same time. It's actually on the other end, you know, they're, they're sort of administration, an arm as well.

Chair Bartels: Okay, Legislator Lopez, and then Legislator Walter.

Legislator Lopez: We talk about precedent all the time. You know, just the way that has been done in the past. And, you know, I don't see why there should be a change now. You know, and I also agree, I think that it puts the Legislature in a position where, you know, we don't want to give up those powers either. So, you know, I think, yeah, I think we stick with precedent, the way we do it the way that we have been.

Chair Bartels: Legislator Walter.

Legislator Walter: Yeah, I'm actually, I mean, I'm less concerned about those issues, more of this idea that, in essence, we're paying for this. And this is a very open thing, where it just says that these, this organization is available to these other Offices for a whole bunch of other things like at the same amount. So, like, what would, what would stop, and I'm not suggesting our Comptroller, Executive's office would do it, but like, what would stop them from like, using hours and hours of their time to ask them questions for a consultation unit, and, and, or fight or, you know, those kinds of things. So, I'm actually more in protection of whoever we have this agreement with, that they aren't just universally available for anyone to, you know, involve them in conversations. I would like our people all available to them, but I just think it's protections. And so, I'd go back to also saying that maybe it is worth though specifying that they're available, you know, more to the Legislature and the Legislative office.

Chair Bartels: So, can we, can we switch? Is the proposal then to switch the proposed amendment from Executive, Legislative, and Comptroller staff to, to Legislature and Legislative office?

Legislator Walter: Yeah, sorry. Just keep it simple. And, and do the Legislative staff or Legislature and Legislative stuff? Yeah, sure. I think it's reasonable. I don't think it's specified previously. I don't think it's been an issue previously, but again, it is making them essentially available to anyone in the County, otherwise.

Chair Bartels: Okay, so to clarify Legislator Walter, are you making an amendment that would say "to make qualified staff members available to the County Legislature and Legislative staff"?

Legislator Walter: I am.

Chair Bartels: Is there a second to that? I see that Legislator Ronk said second, I think and then Okay. All right. Yeah.

Legislator Ronk: Sorry. I second.

Chair Bartels: Okay. On the amendment.

Group: Aye.

Chair Bartels: Opposed. Okay.

All right. So next comment on the same page, the firm shall conduct planning, blah, blah, beginning to review the draft copies of the aforementioned reports no later than September 15, prior to the issuance in final form. So, we heard them say that right now, in the current focus, this is a contract they're operating under, the unamended contract. They, by September 15, would be a little bit tight because they, and it's because of our finance department, but I got the impression from their answer that if we switch this, if there were a contract that stated this explicitly, that everyone would be working under this understanding of September 15. And there, we might not have a problem. So, what does everyone think about including this September 15? Legislator Ronk.

Legislator Ronk: I just, you know, I'm always more of a fan of like, as soon as practicable, you know, I'm not, you know, I'm not big on hard and fast dates like this only because, you know, a lot of these things are fluid and like they said it could be tight. I don't know. I, I wonder what the reasoning is for the September 15 day, it seems arbitrary.

Chair Bartels: If I could answer, and the Comptroller's left. But I believe that suggestion was because they're required to issue these financial statements and audit reports no later than September 30th, despite the fact that our contract says October 7. Is that correct? Can someone confirm that? Yes, Amber's confirming that. So, we have a contract that allows them to issue reports after the required deadline, which isn't, which isn't our requirement, it's a State requirement. So, if we were to conform with the state requirement, we would change that October 7 to September 30, and the September 15, would guarantee that we had at least two weeks with them. And we had that back and forth prior to conforming with the State deadline. But again, this is with the expectation that this is moving forward, this would just be in the RFP for the next one. Legislator Walter.

Legislator Walter: Yeah, thank you. I mean, that was helpful, because it's not clear that the edit is also changing the October 7. So, to be clear, it's two edits: one no later than September 15, and that the final reports will be no later than September 30. Is that what the suggestion is? I mean, I do, I like the idea of having time because each, you know, we get these reports, and we sometimes have questions, there might be little, some elements that we're interested in and seeing in them. And so, if it is changing to the 30th, I think, you know, I'm in support of having a first version of it a couple of weeks in advance so that we can review it and give feedback.

Chair Bartels: Any other thoughts from the committee? I think this was a good catch on the Comptroller's part in terms of, again, getting it to the Federal, Federal Clearing House and the accurate date, so is everyone okay? Can I entertain a motion to make both those changes? Moved by Legislator Gavaris. Seconded by Legislator Ronk.

Legislator Gavaris: Can I just comment though, I just want to be sure that, and I think you addressed it earlier, Chair Bartels, with them if they're if they're experiencing any slowdowns or they're not getting the information they need, I think he pointed out that that would be the only way that it would, they couldn't hit that deadline. But I think if they give us updates, I think that'll resolve that issue. Just need to communicate with us.

Chair Bartels: Absolutely. You know, I'm going to I'm going to ask, and I know Amber has been excellent about communicating with them. But just to remind everyone, this is for the RFP that's going out for the next engagement. So, we're, you know, we're, we're right sizing the dates for the next one. So, I think we will have to stay on top in terms of communicating on this engagement. Okay, so we have a motion and a second. All those in favor of making these two changes.

Group: Aye.

Chair Bartels: Opposed. Okay, so passes unanimously. I'm moving on to the next comment. That's the "make workpapers available upon request". Legislator Walter.

Legislator Walter: This is just a little nitpicky. But in general, they're, the bullets. I mean, typically, they would start with a capital. One case they do in the other case, they're lowercase. I would think that they would normally all be capitalized, but at least have the continuity, if we're going to keep them lowercase then make the form all lowercase, too. Tiny thing.

Chair Bartels: Well, I think it's worthy.

Legislator Walter: So usually, I would, you would make each one capital.

Chair Bartels: Yep. Amber's doing it as we speak, so that's perfect. Okay, so on the issue of making work papers available upon request. Thoughts? Discussion? Alright. So, we heard, we heard from them that there are certain work papers that they're, that they have concerns about making available, both in terms of exposing input to risk areas and potentially creating actually an opportunity for fraud. I worry about putting in too broad. I mean, I get the impression that, you know, that auditors work within their, you know, sort of strict, and I'm going to say, you know, kind of dry guidelines. I worry about asking for something that's too broad. Legislator Walter.

Legislator Walter: Yeah. I mean, that was my sense. I guess I would, unfortunately, since they're not here, oh, well, Alicia's here, and Sam. Yeah. So, it may be helpful to know if there's some specificity of what was thought of, because maybe there is something that we would like, that we could be more specific about.

Chair Bartels: Go ahead, Alicia.

Deputy Comptroller DeMarco: So, I think generally speaking, the workpapers that we've requested have been provided to us, and there are very few that wouldn't be able to be provided to us. If you want to say make workpapers available upon request where appropriate or remove it, that's fine. I think without including it in here, you may if you have new auditors, have auditors who don't want to provide any workpapers or backup for what they did. I agree with Carl, that when they're determining thresholds and samples, that there's an argument to be made, that there's some risk involved there. But I think in other circumstances, when we're trying to review the financials and what was done, a large portion of the workpapers are very valuable to people in our office to understand what policies and procedures were reviewed. And the majority of the workpapers that we're asking for are schedules, reports, or documents that are typically created by County Offices, not necessarily the workpapers of the auditors themselves. But you know, that's where that comes from.

Chair Bartels: Sorry, I was on mute. Any other committee members have thoughts on this? What's the committee's will? Legislator Walter.

Legislator Walter: I'm not, you know, I appreciate that, I think the language provided such as, as appropriate might be fine. It just does make it clear that backup is useful for us if it or couldn't be potentially useful for us, even if it's not just backup to assess like the feasibility of this, but so that we're not duplicating efforts if we need some data for other reasons.

Chair Bartels: And again, I mean, if I can, just one thing I'm wondering is as we've made clarification, that the auditor is responsive to us, I'm wondering if this even would extend to the Comptroller's Office? You know, if not, just to our offices, request through our office.

Legislator Ronk: I think that the intent of the change, wasn't it?

Chair Bartels: Yes.

Legislator Ronk: I, I'd be inclined to leave it out personally.

Chair Bartels: Yeah, at the moment, I'm inclined to leave it out. I mean, I think it's something that, my opinion is that I think it's something that I would definitely want to ask about with, as, as we have, as we have responses from, from audit firms. You know, as part of the interview process when we're, when we're, when we're interviewing, biting on a on a firm. I think that might be the time to ask them about it. It worries me about asking for too broad a request. Legislator Gavaris.

Chairman Gavaris: I agree, and I think even just saying as appropriate, is too broad. You know, determining appropriateness is, I like the way they said it before. You know, where, where it increases a risk and exposes their method of sampling, we obviously wouldn't want them to hand that over. But if it's information that's coming from our internal offices to the auditors, I don't know why we wouldn't be able to have that anyway. So, I don't know that this is even necessary.

Chair Bartels: Any other thoughts on this? Okay, so is there a want to move this or to move on? Alright, if I see no motion to adopt, let's, let's move on to the next one. Can I just stop you for one second Amber, the date, in terms of the return right now, it says May 13. Let's just make sure whatever date we asked for is reasonable in terms of turnaround time. We can talk about that last.

Deputy Clerk Feaster: Yes. I will work with the purchasing department to make sure all the dates are consistent with our policies and,

Chair Bartels: And that we allow for appropriate amount of time. Okay. All right. So now we're in the qualifications and experienced: "Partner, management, supervisory staff. Identify the principles, supervisory, and management staff, including engagement partners, managers, and other supervisors and specialists who would be assigned to the engagement. Indicate whether each person is licensed to practice as a Certified Public Accountant in New York State. Provide information on government auditing experience for each person for the past three years and membership and professional organizations. The partner in charge of the audit must, must be a CPA, licensed in good standing with New York State and must have a minimum of 10 years experience overseeing audits of New York state counties, have a size and nature similar to Ulster County." Open to members. Any thoughts? All right, seeing none, I'm just gonna say that I have, particularly the, first of all, in terms of the first portion of this, to my knowledge and, and my recollection, every time we get a response, both from auditing firms, and on our budget, analysts responses, it contains this information generally, like we see detailed bios of all the people who are going to be involved in the engagement. I don't, it says attach resume. So that, so that's it's there. That's the first thing that I would say. Um, but, but I'm particularly concerned about the last sentence: 10 years experiencing overseeing audits of New York state counties of a size in nature, similar to Ulster County. I think we really crazily limit the scope of, of people who could do this, if we're going to, if we're going to do that.

Legislator Ronk: I agree.

Chair Bartels: I mean, I can think of two firms who will generally be responding and Drescher is one of them.

Legislator Ronk: O'Connor Davies is the other one

Chair Bartels: You got it. We got them both. So, I would like, I think that, you know, I think that we, as the, as the members who are going to be reviewing these responses, are experienced enough to ask these questions. And I have confidence in us to, to, you know, to push for that. And also, you know, for Amber's input, as well, but I mean, I just, I just, I feel confident without being overly descriptive here. So, I don't know what everyone else thinks.

Legislator Ronk: I tend to agree, Trace. You know, I think that any firm that's going to respond to this is going to have municipal auditing experience and if they don't have municipal auditing experience, we're not going to choose them. So, I feel like limiting the pool to just, you know, 10 years' experience auditing counties, I think that, you know, we've, we've looked at the value of various different auditing firms having audited or in, or reviewed budgets and whatnot from municipalities in general, not just counties. Yeah.

Chair Bartels: Any other thoughts? Go ahead, Legislator Walter.

Legislator Walter: I agree. That, got, raised the same kinds of red flags of the limitations that causes.

Chair Bartels: Okay, then we'll move on. "The county understands that review of Information Technology is a part of an annual audit. The County also knows that while IT aids the County in delivering services efficiently to its constituents, there are risks as operations become more and more technology oriented. Accordingly, the County prefers that its audit firm have IT professionals on staff who can assess and comment upon the information technology controls affecting the financial and data assurance processes, where possible. County's minimum expectations regarding the skill sets to be employed, need to include the ability to assess and report on Information Technology General and Application (ITGC) controls in those areas that apply to all systems components, processes, and data for county within the IT environment." Legislator Ronk, did you just have your hand up?

Legislator Ronk: Yeah, yeah, I just, I don't agree with having this section in there. You know, the County recently, you know, not so recently, but you know, engaged a firm, I think it was CGR, wasn't it? For a comprehensive IT study.

Chair Bartels: It was actually, well, gosh,

Deputy Clerk Feaster: Eisner Ampner.

Legislator Ronk: That's it. I get all these firms confused. Because we, you know, they're all so interconnected. But, um, you know, and really, they had a bunch of recommendations, very few, if any, probably none of which we had accepted. I just, I think this is outside of the external audit. And if we want to, if we want to look for this expertise, it's in a, it's in a, you know, different engagement.

Chair Bartels: I want to say, I'm inclined to agree with agree with you, Legislator Ronk. Although, I do expect that this is probably the way we're heading. You know, in five years from now, this is going to be a component of every audit. I just worry that we're going to limit the pool if we put this in and / or raise the cost exponentially by requiring it. Legislator Gavaris.

Legislator Gavaris: I agree with Legislator Ronk. It's going to be, this is a specialized audit for doing IT. There's multiple facets. There's network infrastructure, there's encryption. And because we have a health department, now you have HIPAA regulations and compliance in those fields. That is nothing that a regular audit firm, even if they have IT specialists as part of their auditors, they're never going to get to that level of detail on a generic auditing contract. You need a specific IT audit to do that.

Chair Bartels: Legislator Ronk. Go ahead.

Legislator Ronk: Yeah, I agree with John. And I agree with you, Tracey. And I also agree that, you know, five years down the road, this may be a common practice in, you know, external audits of municipalities. And by that time, all these firms that do these external audits are going to engage, you know, partners and staff that are going to have the expertise to do so. You know, but like you said, you know, at this point, we're going to be seriously limiting the pool of potential respondents.

Chair Bartels: Yeah. I mean, on a sidebar, I think we should look back at that Eisner Ampner and when we do, I mean, we're gonna see that one of the things that, in terms of the engagement letter that we haven't addressed is the IT aspects. So, I think we're going to want to talk about that as a body. But I don't want to limit this RFP. So, if I don't see any move to accept, let's move on. Proposed plan, narrative format, scope of work, and other tests be accomplished, including level of staff and hours to be assigned to each segment of the engagement. Any thoughts on, on this one?

Legislator Ronk: I mean, they do this already. Every proposal is going to have a delineation of what staff is going to do what, when. At least, at least, you know, an estimate.

Chair Bartels: Yeah. I mean, one of the things that comes to my mind, and I didn't want to ask Drescher. I didn't want to push it with Drescher, because I didn't want them to be writing the, the basically our next RFP, but one of the things that comes to my mind is, it may not be possible to know how much energy you're gonna have to put into a segment of engagement prior to that happening. You know, if you're, if you're follow it, you know, you're one step follows the next, and may sometimes, I'm expecting that some segments of the engagement might be determined by the engagement itself. So, I worry that we're asking for something that's not so possible, but I do, Legislator Ronk brings up a good point in that generally speaking, in many of these proposals, they will break out, in general terms, the amount of hours that they're directing towards something. I'm personally less concerned about the, the amount of hours assigned to each segment of the engagement than, than the actual work product itself. So, thoughts? Okay, so let's move on.

Alright. "Provide a narrative description of the approach to be taken on elements of the audit process, such as the determination of laws and regulations subject to audit work, sample size, and testing procedures, type and extent of analytic procedures. Okay, so any thoughts before I give my thoughts? Because this one I actually feel fairly strongly about. So, I think the previous sentence is what's meant to be the narrative description of, in a general sense but, sample size and testing procedures and type and extent of analytic procedures. This goes back to his earlier comment in terms of sharing work, work documents. I feel, again, not my expertise, but it would strike me that if an audit firm was sharing their sample sizes and testing procedures and types, and extent of their analytic procedures in their response to an RFP, they would be, they would be transmitting what it is they're going to be doing, and that's creating the opportunity for fraud. So, I worry that we would inadvertently be asking them to do something that could ultimately harm, not only the independence, but the efficacy of the audit itself, if they're telling us what exactly they're going to look, look at, and how they're going to do it. Because then anyone who wanted to commit fraud would know exactly what not to do and where to focus. Any thoughts? Does anybody else want to move on this? Or have thoughts on this section? No?

Alright. And cost proposal. This is all standard, right? Can we, can you stop at evaluation criteria for a second? Will you make sure that the, when we do the evaluation, the pricing is separate, right? And it's, and it's, okay, and it's our standard process? I just want to make sure. Okay, great. Anyone have any thoughts on, on this section? Okay. Seeing no other comments from, alright, so. So other than working through the dates, which are going to be, Amber is going to work with Purchasing just to make sure that we have ample time. And when I say working through the date, I mean, the response dates making sure that May 13 is asked so, so we're gonna get whatever the date, whatever the appropriate date is. I'd like to have a motion from someone to, to authorize, basically, to authorize to accept the changes that we just adopted, and to authorize Amber to work with the purchasing department to complete the RFP and get it published. But let me just say, we can do it, because we've made all those changes today, we could do that today. If everyone feels more comfortable, we can at this rate, we very well may need another meeting next week on the compensation. We can do it at that meeting as well. But I'm perfectly comfortable moving this tonight since we got through it in its form.

Legislator Ronk: I'm comfortable making that motion now.

Legislator Walter: I'll second.

Chair Bartels: Thank you. On, on the motion, any discussion? Okay, so again, this is a motion to accept the changes as presented to authorize Amber to work with purchasing on the date and to publish the RFP. All those in favor?

Group: Aye.

Chair Bartels: Opposed? Okay, passes unanimously. Alright. We got one out the door. That's good. So, it's five o'clock. Almost. Craig, you said you need, you have how long?

Legislator Lopez: 5:30. Right, Eve?

Legislator Walter: Yeah, although I wouldn't mind like not going straight through.

Chair Bartels: Not keeping it to the wire. So, let me ask the committee while everybody's here. Is there, if, is there the possibility of having, if Amber, if we look at the calendar, maybe even next Monday, next Tuesday? I mean, I would prefer Monday to Tuesday, but is there a day next week that works for everyone where we can get through the compensation and also get that out the door?

Legislator Walter: Can we start now? I mean, I don't need to, I just mean like 15 minutes to stretch my legs or 10 between. So, could we start this and, and,

Chair Bartels: We could, I mean I'll give us like 25 minutes, but, but still, we're gonna need another date, which is why I'd like to figure out the date because it's, everyone wants to look at next week. Ken, you have limitations, I saw. I mean, we all have limitations, but you want to tell me?

Legislator Ronk: I am unavailable at all on Monday.

Chair Bartels: Okay.

Legislator Ronk: Tuesday. We have Ways and Means.

Chair Bartels: Tuesday's a challenge for me, but I can. How about we look at Thursday? You have Laws and Rules on Thursday. Two, two of you are on Laws and Rules.

Legislator Ronk: Yeah.

Chair Bartels: So how about we look at Thursday prior to Laws and Rules?

Legislator Walter: What time would that be?

Chair Bartels: What time works for you?

Legislator Walter: I have meetings straight until five. I have little gaps at like 11 to 12 or 12 to 1, but yeah, otherwise I'm in meetings from one to five.

Chair Bartels: Do you want to go immediately after Laws and Rules?

Legislator Ronk: I just need to confirm with Jay. I'm not sure. We had been holding our caucuses on Thursdays but moving back to in person I'm pretty sure we are going after Ways and Means. Okay.

Chairman Gavaris: I have a seven o'clock that night. Other than that.

Legislator Walter: What time would Laws and Rules generally go to?

Chair Bartels: It probably, I feel like it might go to seven.

Legislator Walter: Is Wednesday out of the question?

Chair Bartels: Wednesday's pretty tough for me. But maybe in the late, if we look toward the later part of, if we go to seven o'clock on Wednesday. Seven work for anybody on Wednesday?

Legislator Walter: I happen to have a gap on Wednesday. I don't know if other people have the same kind of middle of the day challenges, but.

Legislator Lopez: There's ARP committee at five o'clock on Wednesday.

Chair Bartels: Yep.

Chairman Gavaris: Yeah, I can't do in the evening. I could do it during the day on Wednesday. I can't do evening

Legislator Ronk: And I can't do during the day on Wednesday. I've got to work thing down in Rockland.

Chair Bartels: On Tuesday, this is challenging. What are we at today? Today's Wednesday? Thursday.

Legislator Walter: Tuesday, I could do 11:30 to one.

Legislator Ronk: Is that past the Governor's Executive Order?

Chair Bartels: I thought it was the 16th.

Legislator Ronk: I don't know, that's why I'm asking.

Chair Bartels: I feel like it's the 16th.

Legislator Ronk: Are we holding our meetings next week on Zoom?

Chair Bartels: I have to confirm. I don't have them.

Deputy Clerk Feaster: Next week is on Zoom.

Chair Bartels: Yeah.

Legislator Ronk: I could do before Ways and Means on Tuesday.

Chair Bartels: All right. I feel like it's the best shot. Is everybody okay for before Ways and Means on Tuesday?

Legislator Walter: Are we talking four o'clock?

Chair Bartels: What time can you, what's the earliest you can do?

Legislator Walter: You know I have a meeting to four. But I don't really like going to it so, I could probably not go if I have a good reason.

Chair Bartels: Could you maybe do three?

Legislator Walter: I mean, I have a meeting at three. But that's the one I don't really want to go to. So why don't you send it out and I'll get myself out of it?

Chair Bartels: Yeah, let's do three, if that's okay, let's do three on Tuesday. I have some challenges on Tuesday. But let's all commit to really looking through the RFP as presented so that we can, we can maybe kind of work through it as quickly as possible. That would be ideal. Okay, and if for some reason someone can't be there, make sure we have, we have notes, because I think we just we really have to get it, get it out the door. And on that subject, I would feel more comfortable on this one, if we're more expansive, potentially with the RFP, and then we can cut things as people come back with it. You know? I mean, I'd rather ask for the, I'd rather ask for the comps. And then if we find that that's the aspect that's making it so expensive, then we, you know, then we, we dial back. Let's see, let's see what we come back with.

Legislator Walter: So, you know, it goes back to what I was asking before from Marc is, obviously, you know, we don't want to duplicate any of their efforts, we want to kind of see where we feel there were gaps in their efforts and make this something that really fills in those gaps. And so, it's a little hard to do without a really clear sense of what they are including and what they aren't including, which is why I was hoping and asking him, although it never really got answered like is there at least a table of contents or something? But I just feel like we're potentially, could pay and find that there's you know, the thing elements they do that we already got, we already have available to us now through the other study.

Chair Bartels: Well, let's um, let's maybe use this week. Maybe Amber, you can get back with Marc, I'll talk to him too. And we really try to get as much detail as possible. So that we're, we're not duplicating and maybe we craft language in the RFP that references an internal that work is currently being conducted on management and that that, because they're going to overlap that, that that work will be provided to the potential, you know, prospective firm, and that we would expect no duplication of effort. Legislator Gavaris, go ahead.

Chairman Gavaris: Do we reach out to other counties, statewide even, that, and see if they've done these and would get a copy of their RFP that they sent out? So, we have, you know, a roadmap.

Chair Bartels: I feel that this, that this RFP was drafted some time ago. Right, Amber? And I mean, the general bones of it were and then you did a considerable amount of research at that time, correct?

Deputy Clerk Feaster: Um, that happened. That's correct that that happened. The one that I, that was in the OneDrive shared with the committee this meeting and the last meeting was new with the considerations of resolution 26 implemented into it. So, all of that's accurate.

Chair Bartels: Yeah. And I would expect, I mean, the thing I think that we all have to sort of brace ourselves for, Amber, you can refresh my memory, is that the last RFP that went out, went out just for management, and came back six figures. We're sending out an RFP for the entire organization, I think we should be prepared to see, there's no, there's no sticker that can shock me at this point. Like it's going to, it's gonna see a high number. But it hasn't been done in a long time. I know that. I mean, I would say, basically, The Hay study was the last comprehensive, fully comprehensive salary study for the county. Go ahead, Legislator Gavaris.

Chairman Gavaris: Can I just ask what is our intentions after this is done? Because as Legislator Ronk keeps on pointing out, various studies that have been done over the years that are great bookshelf stuffers, but don't seem to actually result in anything. The crickets is not, it's not inspiring right now.

Chair Bartels: Well, you know, I forget the year, I have to look. Do you have offhand the year of Hay, Amber?

Deputy Clerk Feaster: It was 2000.

Chair Bartels: Yeah, so The Hay Study was done right before, basically, shortly before I joined the Legislature in for, and we were still talking about it heavily. And what The Hay Study recommended, would have resulted in, you know, double-digit tax increases multi, multi, multi million dollars at the time. So, no action was taken for that reason. So, I mean, I don't have an answer. I guess the expectation is that we're going to do something about it. But it's going to depend on what, what happens. Legislator Walter. Legislator Ronk next.

Legislator Walter: Yeah. I mean, I think that's kind of on us. I can say that each year at budget time when we're looking at salaries and looking at increases, or, you know, adding on or hearing arguments, we always want to know this kind of information. So, I think if, if we do this right, it's, it's for our sake, so that we are better at identifying which new positions to support at what level, which raises to support, and what level in which to not support? And but I do find, we've definitely, this comes up, because we've had, we've had these questions come up during budget time.

Chair Bartels: Legislator Ronk.

Legislator Ronk: Yeah, to your point and to Legislator Gavaris' point, you know, I have a concern that this is going to come back with, you know, results that show that, you know, we're under paying a lot of positions. I mean, I think that there's going to be results to say we're overpaying a couple of positions. But, you know, we're much more likely to, you know, as I've seen during budget time, much more likely to give increases than we are giving decreases. So, you know, I think that this, the whole endeavor is going to prove to be very expensive for the county, which is why I've had concerned about this in the beginning. And I've said that out loud, every chance that I've gotten to talk about it.

Chair Bartels: Can I, Can I just for one, one second Legislator Walter, and then I'll give it to you. I mean, I want to say that, you know, I voted for this, but I, I share your concerns. And the more I think about it, especially, you know, I don't have the resolution in front of me, but I think the resolution asked for an annual study or, I mean, it asked for it every couple of years, which also gives me pause. I mean, I, it's something I think that we really need to think about. These are expensive and there was, one of the things that concerns me is that in, in moving it forward, there has been a discussion about it not costing any money and being able to be done internally, and what we've heard from the Comptroller's office, from our own Financial Analysts, is that it's a massive undertaking, you know, the Comptroller's office was gracious enough to say, like, we'll do whatever you ask us, but there's only so much we could do. They would, they suggested that they would have to outsource. If we, if we asked for everything, they'd have to outsource a part of it. We heard the same thing from our own staff. So, it is going to it's going to cost something, and you know, it's going to result in information that I do, I worry about what happens if we don't act on information, in terms of, in terms of employee morale, also recognizing that we're doing studies for aspects of the organization that are that are covered by collective bargaining. So, that's how we arrived at the, the numbers that currently exist is through collective bargaining. And that's why, frankly, I mean, all of this is why, I also want to include the private sector. I, I tend to agree with Ms. DeMarco's earlier comments other than, you know, the, the fact that, I think we all know, we're going to see that attorneys compared to the market, attorneys, county attorneys are paid less. That's why it's hard to see, why it's hard to find county attorneys. But I think if we're comparing in the market in Ulster County and surrounding counties, I suspect that in some cases, you know, our full package is, is very, very positive. And we are competing against the private sector. So, information is power. But I think this is going to be it's going to be expensive. It is going to be an expensive endeavor. So, we'll see what happens when we come back. Legislator Walter and then legislator Gavaris.

Legislator Walter: I mean, it's as expensive as, depending on what we're asking for. And I think if we're very thoughtful about what we're asking for, again, considering that there is this other report, considering we have

our team that's very successful, you know, there, I think we could be thoughtful about it. But I just, I can remember so many incidences in my short amount of time where it's like, they want to hire this extra person, or they change their title. And then they tell us, this is the, this is the salary, and it's competitive. And, and we're always sitting there like with our hands tied, not really knowing how to assess this, this call. And even we'll have the Amber and her team kind of give us information to refute it. But having a report gives us a little bit more power. But you know, it has happened where we just are finding ourselves really not being able to critically evaluate again, these. You know, we're, we call this person this job, now, we moved into this job, and now we have this title, we have to pay them this amount. And we're just, we just don't know what to do with it except for be frustrated, which is part of that. So, but you know, there's like the mega study, or maybe there's something else that that's a little bit more reasonable, that would inform us in a way, like if we thought about the kinds of questions we have during budget time that, you know, this kind of summary at our fingertips done by an outside group would be useful. Like it doesn't, it's easy to think of all the things we could do, which would then be like a million-dollar study. But we can envision I mean, we can envision a \$20,000 study if we wanted to, you know, there's it's, it all depends on us being smart enough about targeting, what would we want to know, when we see during budget time, what would we want at our fingertips, not make our people go do research on but well, if we want at our fingertips and, you know, maybe it's just a comparison of Executive offices across counties, if that's what we want, or maybe it's but, you know, for example, so I just, I don't, it doesn't have to be massive, it. It's only massive if we think we want to get everything without any real plan.

Chair Bartels: Legislator Gavaris.

Chairman Gavaris: Legislator Walter said part of what I was gonna say, is that, you know, we have this information, already, at least some of it and that it's available. So, the, if we put an RFP out there, the respondents have to know that they don't have to dig as deep and have to do a lot of legwork. Potentially, we have a good portion of what they need already at hand. The other part though, is, you know, at budget time, I understand what you're saying, Legislator Walter, but the numbers can change literally from month to month. I mean, the real question is, what is the endgame here? What is the goal for us? Do we want to know are we paying the right salary now for people? Or are we talking about newly presented positions because to me, you know, the argument all the time comes to us as well, in order to get this person, this is what we have to pay them. Well, that's that specific person. Yes, that may be true. But is there a similarly qualified person that would take the position, maybe it's not the choice that you wanted, and I say you, the collective you, that they, that you would want, but it's a competent person that we could hire, and we'll go for the range that we feel is more acceptable, in which case, and we do that at the hospital all the time. If we've got, we're constantly doing market studies of the nursing staff, because you're competing within your county, but you're also competing with neighboring counties, and you're also competing against local jobs as well. People aren't, we can't pay what Westchester County pays their, their Legislative, their Executive, their staff. There's just, it wouldn't be a fair comparison. But you compare it to other businesses within Ulster County, there are similar comparisons.

Chair Bartels: Here, can I just, for one second, because I know we're gonna be getting off in a moment. But I just want to remind everyone just maybe to, to Legislator Ronk's point, but let me just, let me, let me pull this up, of what we actually, what we actually passed with the resolution said. And that's resolved, so it is one study at least every four years, what, no less than one time every four years. And it's gonna, it says that, resolved that each such study shall collect data, which shall include but not be limited to each active title, evaluation of knowledge or license required by the position, Supervisory controls complexity, physical demands and work environment, and that each study shall compare the salaries of all individuals with those same title within and throughout the count and those with similar job features within the county, same title and or similar job features with at least three surrounding county governments that must include one north and one south. So, it's saying, it is demanding that we look at similar job titles within the county, not capital County, within the County government, within two local counties, and that's for each job title in the entire organization. That's what, that's what we voted on. That's what, that's what right now we're contemplating. So, we can't do a \$20,000 study. We can either have Amber and Natalie, and our staff and the Comptroller staff undertake this divide and conquer. Or, which is why I think we need to go to RFP and get a baseline on what that costs, because then we can have

another conversation, we can say, Okay, this is what we passed, and this is what that's gonna cost. And then we might have to make an adjustment. Go ahead, Legislator Walter.

Legislator Walter: I think that's a very, point very, very well taken. I think. I think that that's exactly what you do. And maybe we even use the same RFP, but add that language right in there of those elements just to do it. And I would say, just for the record, Amber, for me, the one, before budget time, you know, what's helped, what I hear coming up all the time is, is our administrative side overblown? Is it just getting bigger and bigger and bigger? And how does that compare? And our attorneys, how are they being paid? And law enforcement? Right? I mean, that's all I keep hearing when I've been the, three budgets I've been in. So, I guess, if, assuming this is going to probably blow up. I could say honestly, those are the things that I feel like are most, most commonly coming up during budget period. So yeah, between us kind of thing.

Chair Bartels: Yeah. And maybe, maybe, and we can consider before next week, and I'm going to ask if you could please, to the committee, circulate the RFP, the proposed RFP, and the resolution, just bump them to the top of in one email to everybody, to our committee's inbox. So if everybody looks at that RFP proposal, looks at the resolution that we passed, and we think about it. I think Eve, that's a good point. We think about one, an RFP that addresses everything, it's all inclusive, that we can get, we can get a baseline, we can say this is what that's going to cost. And two, if there's something we really do want to focus on, that we think is, is critical and helpful that we can, there's nothing stopping us from putting out two RFPs. We can put a second RFP that just focuses on management or just focuses on the administration, maybe the things outside of collective bargaining. Again, to be able to say this would be very helpful to us in our deliberations. We have more latitude with management positions, obviously, in terms of what we're paying. With collective bargaining, not so much. Certainly not to Legislator Ronk's point in terms of going backwards. There is no going backwards. Right? So, so let's all, let's all think about it. I mean, I feel really grateful to be working with all of you because I feel like they're good conversations. And we may not be exactly on the same page, but, but I know that everyone's got, you know, the right intention in terms of wanting to solve this. So, and I really would like to get the overall RFP out so that we have we have responses that we can point to, to our whole body to be able to say like this, this is what this looks like. And in the interim, between now and Tuesday, if anyone has any thoughts, questions, anything they want to throw out, let's, let's, we can do it through Amber and Amber will circulate it to the entire group so that we can try to, so we come to the next meeting prepared. If everyone comes prepared to make changes and I'll work with Amber on the possibility and Eve you can talk to her further about what you're looking for, but the possibility of a smaller second RFP, which we can easily do at the same time potentially. Everyone good?

Okay. Anyone? Any, any other new business? Any other old business? Okay. Now, one, one thing we, that was on this was we had the Department of Mental Health, the independent accountants report, but we're going to do that as part of the next meeting with them, I assume, correct?

Deputy Clerk Feaster: That's just reports that they've come out with, so they've been communicated to the legislative body. They don't require any discussion.

Chair Bartels: Okay. So, for everyone who reviews them if anyone has any questions or concerns, we can discuss it with them. When we, next when we, next meet with them. Okay, everyone, I'll entertain a motion for adjournment. So moved by Legislator Walter.

Legislator Ronk: Second.

Chair Bartels: Seconded. Okay, all those in favor.

Group: Aye.

Chair Bartels: Thank you all very much. Good night. Feel better, Ken.

Time: 5:15 pm
Respectfully submitted: Amber Feaster
Minutes Approved: August 9, 2022