ULSTER COUNTY LEGISLATURE

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MINUTES

NOVEMBER 4, 2021

SPECIAL INFORMATIONAL MEETING: PROPOSED 2022 BUDGET PRESENTATION

Powered by Zoom Meetings, Meeting ID: 860 1978 4710, By Telephone Dial (646) 558-8656

5:30 PM

MEETING CALLED TO ORDER BY CHAIRMAN: 5:30 PM

PLEDGE OF ALLEGIANCE TO THE FLAG AND MOMENT OF SILENT MEDITATION:

ROLL CALL: Present: 15 Absent: 8 (Legislators Criswell, Delaune, Fabiano, Lopez, Maio, Parete, Roberts, Ronk)

Please Note: Legislator Parete arrived 5:36 PM and left 6:25 PM. Legislator Roberts arrived 6:11 PM. Legislator Gavaris left 6:30 PM and returned 6:48 PM.

SPECIAL INFORMATIONAL MEETING: Capital Markets Advisors presented their analysis of the 2022 Ulster County Budget. (See transcript for details)

CMA Attendees: Margaret Guarino, Len Bernard, James Nytko, Tom Vouzakis

Other Attendees: Joseph Maloney, UC Comptroller March Gallagher, Deputy Comptroller Alicia DiMarco, Public Cheryl Schneider

MEETING ADJOURNED: 7:26 PM

NEXT MEETING:

Three Public Hearings on the Proposed 2022 Ulster County Budget and the Proposed 2022 – 2027 Capital Program are scheduled for:

- Monday, November 8, 2021 – Powered by Zoom Meeting, Time 6:00 PM
- Tuesday, November 9, 2021 – Powered by Zoom Meeting, Time 6:00 PM
- Wednesday, November 10, 2021 – Powered by Zoom Meeting, Time 6:00 PM

The next Regular Meeting of the Ulster County Legislature will be held on November 16, 2021 at 7:00 PM. Further Meeting details shall be forthcoming.

Ulster County Legislature
Special Informational Meeting on Proposed 2021 Ulster County Budget & Proposed 2022-2027 Capital Program
Meeting Transcript
November 4, 2022

Chairman Donaldson
Alrighty, I call the meeting to order and Herb is the - did Herb show up? Oh yeah here he is, okay Herb Litts start. You can start with the pledge the flag. Everybody stand. Go ahead Herb.

Legislator Litts
Pledge Allegiance sorry, I got halfway through and realize I was muted. I pledge allegiance to the flag of the United States of America and to the republic for which it stands one nation under God indivisible with liberty and justice for all.

Chairman Donaldson
Alright be seated. Roll call.

Clerk Fabella
Just waiting for Legislator Wawro to connect. There we are.

Clerk Fabella
Okay, Archer.

Legislator Archer
Here.

Clerk Fabella
Bartels.

Legislator Bartels
Here.

Clerk Fabella
Bruno.

Legislator Bruno
Here.

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Clerk Fabella
Cahill.

Legislator Cahill
Here.

Clerk Fabella
Corcoran.

Legislator Corcoran
Here.

Clerk Fabella
Criswell.

Clerk Fabella
Delaune.

Clerk Fabella
Donaldson.

Chairman Donaldson
Here.

Clerk Fabella
Fabiano.

Clerk Fabella
Gavaris.

Legislator Gavaris
Here.

Clerk Fabella
Greene.

Legislator Greene
Yes. Here.

Clerk Fabella
Haynes.

Legislator Haynes
Here.

Transcribed by https://otter.ai

Clerk Fabella
Heppner.

Legislator Heppner
Here.

Clerk Fabella
Litts.

Legislator Litts
Here.

Clerk Fabella
Lopez.

Clerk Fabella
Parete.

Clerk Fabella
Maio.

Clerk Fabella
Petit.

Legislator Petit
Here.

Clerk Fabella
Roberts.

Clerk Fabella
Ronk.

Clerk Fabella
Uchitelle.

Legislator Uchitelle
Here.

Clerk Fabella
Walter.

Transcribed by https://otter.ai

Legislator Walter
Here.

Clerk Fabella
And Wawro.

Legislator Wawro
Here.

Clerk Fabella
15 present, eight absent. Chairman Donaldson this is your special informational meeting. I'll turn it over to you.

Chairman Donaldson
Alrighty, so. Oh, let you guys take over. And you can - will you be able to share the screen I think, is that correct? Or do you need that?

Margaret Guarino
Tom, are you going to work that?

Tom Vouzakis
Yeah, I'm going to share my screen and show the presentation.

Margaret Guarino
Okay. I'm going to start this. I'm Margaret Guarino, Managing Director of CMA in charge of the strategic advisory group. I want to thank Chairman Donaldson and the dedicated members of the County Legislature, the members of the Ways and Means Committee, members of the legislative staff, especially in primarily Amber Fester and Natalie Kelder. We've couldn't do this without them. We also want to show our appreciation and commend the cooperation of the County Executive, his administrative staff, the staff, members of key departments we've interviewed. As I said, last year, and I will say it again, in our business many, many times, it's hard to get department heads and the administration to cooperate because we're going into intensive interviews. And we were surprised last year and I certainly appreciate this year, that cooperation. The members of my team are on. There's myself, there's Tom Vouzakis, who's running this slideshow. There is James Nytko, and Leonard Barnard. So, they've worked hard on this and I appreciate everything they've done also. Tonight, we're here to discuss the findings in respect to our review and analysis of the proposed 2022 budget. This is something we feel very strongly about. And we know that we work for both you and the county stakeholders. And this engagement is near and dear to us. We take it very seriously. I'm a taxpayer in Ulster County, and James grew up in the neighboring Dutchess County. So, we have a lot personally involved in this. The engagement details are the following: Originally, we commissioned by the legislature in September 2020. This marks our second review of the county's budget. Many unique considerations went into this report, because of the continued impact of COVID-19. We successfully adapted this approach, and we account for this throughout this report. Now to discuss the report the approach I'm sorry, I'm going to turn it over to Tom.

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Tom Vouzakis
Thanks, Margaret. So, as Margaret mentioned, having done this report last year, and speaking with all most of the department heads, and some of the same folks, let us get a quicker start this year, then then starting from scratch. But to do so we took into account a number of things. First, obviously, this year's budget. But we also looked at last year in the previous year's budgets, the county's audits, any resolutions or press releases put out by this body, and then documents of other governments to benchmark and any best practice publications from GFOA or the like, that gave us our baseline. But to get a better understanding of the county's operations, and even more so than we might have last year, we once again spoke with a number of the key department heads to find out what was the driving factors behind any of the numbers in the budget, how they approached, going into next year. Things of that nature. We also spoke with other jurisdictions, other neighboring counties CMAs financial advising practice has over 400 clients in New York state, so we have a wealth of knowledge to derive a better understanding from. So we certainly took that into account as we were speaking to department heads and looking through any of the documents that were available to us.

Tom Vouzakis
Now, of course, the biggest obstacle for the county putting together the budget as well as us in reviewing the budget was how to take into account the ongoing pandemic. We've all probably gotten used over the last 18 months to a number of different ways of living, but it's hard to really tell how that's going to impact the coming fiscal year, from the county's point of view. Any kind of continued disruptions, obviously, there's a lot of supply chain short shortages going on right now, some inflationary pressure that could impact supply costs, wages, things like that. And any potential resurgence of cases through mutations like the Delta variant or things of a like that we wanted to be cognizant of, and we felt that the county should be cognizant of going into next year. So once we had, all the documents are in our baseline, and we had some obstacles that we were going through, we had to decide how to approach going through the budget review and putting together this report. One of the first things we did was a trend analysis looking at previous actuals previous budgets of the county, and how we would expect them to trend based on historical data, benchmarking against the county's peers, other counties in the state, and then how the budget how the county has performed versus their budget in prior years. So one of the first things that we looked at was the revenue side. And as I mentioned, a big factor in this was how much to take into account the COVID 19 pandemic primarily, primarily because it's so far outside of the county's control. So whenever we were discussing revenues with department heads with county administrators, we always felt that it was safer to err on the side of conservatism and caution when planning for any types of revenues going into next year. And we certainly took that into account when putting together our report. Now this also brings about an opportunity because of the Federal Stimulus monies that have been flowing to the county and will continue at least through the American rescue plan act of 2021. The counties received one tranche already and will receive its second tranche sometime next year. So how utilizes those funds is gonna is going to speak a lot to how 2022 and the ensuing years go. To speak about the rest of the revenues, I'm gonna turn it over to Len Bernard.

Len Bernard
Thank you that last point on the last slide, to limit risk of developing structurally imbalanced budgets, revenue should remain conservative as possible. Very important. When you overestimate revenues in a budget obviously, and or underestimate expenses. It leads to bad budgeting, and disaster. So revenues,

it's very important to budget revenues accurately. So I want to talk about first sales tax. Sales tax is one of the uncertain revenues in your budget. It's the largest source of revenue in your budget. This year, or in the 22-proposed budget, it is 100, the estimate is $143 million dollars, or 41.29% of the overall revenue in the budget. So it accounts for most of about a large portion of your revenue. That $143 million represents about a 19% increase over what was in the budget in 2021. That's a very substantial increase. And something that gave us a little pause. Your 10-year average percentage of total budget for sales taxes about 35.5%. So 41.3% is quite as quite a large jump, going from $120 million in your 21 budget to $143 million in your 22 budget, again, is about a 20 about a 19% increase. And, again, a very large jump and something that should be looked at very, very carefully. Sales tax is uncertain as a very uncertain revenue for several reasons. Number one, sales tax is dependent upon consumer demand. It's dependent upon the economy, it's dependent upon demand for products. Right now, as you know, economic growth has slowed down in the last quarter to about 2%. We have supply chain problems in this country right now with respect to getting product to commercial establishments. All of these things create risk. And also, you know, credit risk in terms of the ability to collect sales tax. We're not sure that $143 million is the right amount for next year. If you look at if you look at the trends over the last 10 years in sales tax collection and county, the most of county received in any given year was 127, a little over $127 million. To go from $127 million to $143 million. Again, a big jump, the most sales tax increase in any given year. Over the last 10 years was about 6%. So again, you're talking about a year to year increase of 6%. But you're talking about a year to year increase now in 2022 of 19%. Again, gives you pause. 2022 projection based on a 10-year trend should not be $143 million, it should be much less. If you base your 2022 projection on the last several months because the last several months collections have been up, perhaps, but again, do you want to risk you want to risk a next year's estimate based on the last three months or do you want to base it on the last 10 years? The literature which in the detail report you'll see. We have a very extensive section on economic literature which talks about the uncertainty right now in the economy, which could affect your sales tax collection. So bottom line is that we're recommending that the sales tax number the projection for 2020 to be looked at and maybe be moderated a little bit -three to $4 million. We feel more comfortable with that. And again like I said you do not want to overestimate revenue. Because once you do it creates problems creates an unstructured budget actually. Next item is real property taxes. As you know, there's a state imposed real property tax cap of 2%. We recommend that. And I think we recommended this in last year's report also, that the county adopt a resolution which would allow them to pierce that 2% real property tax cap. Again, we don't think that it will be needed. But what it shows is a willingness to raise property taxes if needed.

Len Bernard

I know I talked about this yesterday, you really can't cut off property tax as a revenue. If you look at the trend in the county over the last 10 years, Real Property Tax has an increased at all year to year. And again, you can't just dismiss sales tax out of hand. Sales tax is one of your one of your bigger revenues, that $81 million in the 2022 proposed budget. Again, it that's not much of an increase over there. In fact, I think it's a slight decrease over 2021. And in line with what has happened over the last 10 years. So you, again, Real Property Tax 81% 80 I'm sorry, eighty-one million dollars, which is 23% of the overall revenues, you have to allow yourself at least the opportunity to talk about raising it in the future. Again, we think you should pass the resolution, which would allow you to pierce the tax cap in 2022, even though you probably won't need to. But again, that shows a willingness to raise property taxes, it's a good sign. It's a good signal to send out to the rating agencies, because one of the things they look at is a municipalities willingness to increase their revenue streams. And again, this is one of your bigger revenue streams. So again, we think that the recommendation here is to pass that resolution showing that you are willing to be flexible on property tax collection.

Len Bernard
Okay, the next is state and federal aid. This is another uncertain revenue. As you know, a large portion of your revenues come from state and federal aid. In the 2022 proposed budget, over $88 million is projected in state and federal aid. This is about the same level as 2021. So it is it's a fairly conservative estimate. But one thing you have to keep in mind moving forward is that federal and state aid are subject to many uncertainties. As we all know, the federal and state budgets are always very controversial. And they go in terms of revenue in terms of grants in terms of local aid, you know, what they vote in, they can vote out. Political winds certainly have an impact on state and federal aid also. So one of the things that we are recommending here is that the projection or the amount in the 22 budget remain where it is not being increased during your deliberations. We think it's a good number. But of course, during the budget year 2022, you should closely monitor the flow of aid to make sure that the projected amounts are being received. And if they are not, or if there are any cutbacks mid-year, you certainly should adjust your budget accordingly. Next one, hotel occupancy tax. Now this is a tax that the county has control over. It's something that I believe, believe the county legislature has discussed in the past I did a little research and found that there has been discussion in committee on the on the issuance of an occupancy tax, it hasn't been done. But quite frankly, we think it's one area where you could substantially increase your yearly revenue without having to increase sales tax for property tax. It your rate of occupancy tax the rate that the county charges is 2%, which is about half the amount that most neighboring counties charge and it's about half the state average for counties. So there is room there for you to increase the rate. Obviously, if you were to go from 2%, which is your current rate to the market rate of 4% you could actually double your revenue. Next year the projection is 2.8 million dollars for occupancy tax. If you were to increase the rate, obviously, you can increase that number. If you were to double the rate, you would double that number, if that 2.8 million is a good projection, which we think it is. Now, one of the issues, obviously, is if you increase the, if you increase the rate, what impact would it have on the hospitality industry?

Len Bernard
Not sure that the rate is going to have that much of an impact on demand for accommodations. There are other factors, certainly, that would impact that more like the economy, which of course, is always a, a uncertain factor. And certainly something that could impact- might be a good idea to think about gradually increasing. It might be it might, it might be wise to maybe think about increasing the occupancy tax, or the rate for the occupancy tax gradually over time to see what impact that does have on the hospitality industry. Again, I think the only impact that's going to have is that you're just going to increase the amount of money you collect, versus what you would have collected by keeping it at a lower rate. So to me, in a lot of ways, this, this one is a no brainer, at least to take a look at it and think about raising it gradually over time. And like I like I said earlier, there's a lot of there's the possibility where you could actually increase your revenue between two and $3 million.

Len Bernard

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So next, slide. Departmental revenues. This is the smallest segment of your revenues. In 2022 budgets about 10 and a half million dollars, which is about 3% of your overall revenue. Again, COVID could impact some of these departmental charges. But again, we're not talking about a large number here. The amount in the budget for this year, the $10.5 million is actually a little bit higher than the average amount that has been collected over the last five years. So what we're recommending here is that you take another look at it, and you may want to moderate the amount in the budget for 2022. And that's really it for the revenues. I think James is gonna take over on the expenditures at this point.

James Nytko
Excellent. Thank you. Thank you, Len. Yes, I'm going to discuss the expenditure section of our report. As you're probably aware, the 22-proposed budget of the county includes total appropriations expenses of about $351 million. Now, similar to the revenue section of our report, the methodology we utilize looking at the expenditures is very similar. We utilized trend analyses, benchmark analyses, we looked at some expenditure variance reports, that's essentially the budget to actuals, and a number of different financial ratios. Unfortunately, as Tom had mentioned, we're still in a world where we're COVID is active. You know, maybe it's not as intense of a concern, as it was last year, because we have a you know, it's coming into a little bit of a sharper focus now. But it does continue to be out there and it's causing some unknown factors that and some of those factors are outside of the direct control of the county. And those could have a significant impact on really the revenue side of the budget. Nevertheless, we feel that expenditures are a little bit easier to control than the revenue side. You can you can strategically increase your expenditures to match revenues, particularly 22 If things start to develop unfavorably.

James Nytko
Next slide, Tom. So one of the areas that we looked at was generally personnel. As is common with, you know, any municipal jurisdiction, the services provided by the county are extremely labor intensive, and as a result, wages and benefits account for a significant portion of the county's annual recurring expenditures factors about 27% or so of the 22-proposed budget relates to regular part time, overtime, and contractual pays alone. Another 17.6 goes to pay that's relating to health insurance, Social Security, worker’s compensation, retirement and unemployment. So overall, regular pay comes in at about 13.3%. And that's between the adopted 21 budget and the proposed 22 budget. That's an increase, although some of the increase in the pay is attributable to the recently settled contracts with the employees particularly CSEA apportion is also attributable to about 59 positions, which have been included and added to the 2022 budget. We looked at this using a conservative 50% of salaries to calculate potential future benefit costs. The estimated expense for these benefits for the 59 positions is about $1.7 million, bringing the total estimate for those salaries plus benefits for those 59 positions to about $5.3 million for the first year, with contractual increases likely in future years. We feel that the county should carefully review the creation of these 59 positions with the goal of only finding those positions that are deemed to be essential, and to only find them when those positions are necessary.

James Nytko
So I think we kind of covered some of this already. But you know, as far as the, the labor contracts, right now, we just feel that it's, it's probably to really monitor, you know, we did a year to date review of those. And it seems that up to this point in 2021, they're appropriately funded. And the county executive notes that there's no funds that have been budgeted for the settlement contracts, that's, you know, kind of

creates an area for risk in the budget, ignoring the impact of employee contract settlements in future years, you know, could potentially build a deficit into the budget. So we just wanted to bring that to the county's attention. So the overtime, budgeting for overtime, it's always very difficult. It's a difficult task, while also trying to control staffing costs and the impact of those costs over the yearly operations and the services that are required to be provided by the county. You know, particularly with the COVID 19 pandemic, it's made budgeting for overtime, you know, exceptionally more difficult than it had been in prior years. We have some detail in the report. And I would, you know, recommend that you go and review it. The exhibit is on the screen here. It's exhibit exp. - 6. And I'm going to maybe turn this over to Len for a moment. And he can talk a little bit more about the analysis that we conducted as it relates to overtime in the budget.

Len Bernard

Yeah, I was looking at, I was looking at the most recent variance reports. And I noticed that the -there were a lot of overtime lines that seem to be under budgeted at the beginning of the, at the beginning of the year. That required budget modifications during the year. And I think that it indicated to me that over time, wasn't being totally budgeted properly or fully. I found 11 lines that really need to be looked at, again, in terms of the way they're budgeted for 2022. Because if you look, you'll see that the actual end, what I did was I did a little calculation and created a formula. So I took the 2020 amount, the actual amount spent on overtime, then I took the amount currently in the budget, the amended amount, and average to two and then added 5%, which would wreck which would, which would account for any raise and set any increase in salaries and longevity. And then came up with a number that 2022 and should be used for 2022. And I did that for a while now that 11 lines may not sound much but there you know the overall there's 49 lines with better budget at over $1,000. So 1111 lines, that's 22% of the overtime lines. So it's pretty significant. Some of these lines are actually pretty big. And I think I give an example in the report where one line was budgeted for zero in 2020, in a budget mod was done, almost $15,000 was spent on the line. And then in 2021, the line was budgeted for zero again, and another amendment had to be done for almost $9,000. And most of that $9,000 is already been used in 2021. The 2022 budget zero was budgeted again. So I mean, it's an indication that, you know, either it's not an important line for someone or it's something that should be looked at. And again, that is probably the most extreme example, but there are others where substantial amendments were done and then the budget for 2022 doesn't really reflect it now. There may be in isolated or individual cases and reason for that there may be a one-off expense that may be covered or a project. But overall like I said 66 over timelines altogether 49 of what your budget for over $1,000 then you know found that over 20% of them really needed needs to be really need to be looked at and looked at, again to make sure that moving forward, they're budgeted properly. And again, I would recommend that maybe somebody take a look at all of the overtime lines that have over $1,000. And just to make sure that the 2022 amounts are appropriate. Okay, thank you. Thank you.

James Nytko

Tommy go to the next slide. So purchase orders, these are purchase orders and the conferences they create. It's an important budget monitoring tool and really a management tool as well. When a PO is created, the money needed to pay for an item or for service being contracted for is encumbered, or frozen, and thus, you can only be really used for that purpose for the purpose of the purchase order. Using a PO or an encumbrance it's a valuable tool. And if the it ensures that the budget is going to adhere to a certain line, it's not going to be overspent in the budgeted funds are going to be spent only on the items that you know that they're required to be spent for. Now, a lot of the times when we're conducting reviews like this, we look at, you know, best practices, you know, the different associations, what do they say about things like this, and one of the primary entities that we look at is an entity called the Government Finance Officers Association. And they recommend utilizing purchase parts as an efficient alternative to purchase orders for you know, similar small or high volume purchases. And we believe that the county should review its purchase orders and its encumbrances to ensure that the budgeted funds are only utilized for their intended purposes that they're identified for in the budget and that the lines are not overspent. You know, as, as we've indicated a couple times, you know, we did conduct focus interviews with, you know, various departments of the county. And we felt that, you know, the, the county staff would likely agree with that recommendation. So, the Budget Variance reports, you know, for the purposes of the review this year, what we had done is we actually created a full section of the of the report that's dedicated to this. And what we wanted to, to showcase with that was, you know, you could see this variance report with the revenues, followed directly by, you know, by the expenditures, and I think, you know, kind of tells a bit of a story. We did a five year analysis, that covers, you know, generally all of the governmental funds, you know, the findings for the revenue side, suggests that, you know, several sources of revenue in in those governmental funds have historically been under budgeted in the most two recent years, 2019 and 2020, the negative variance for revenues increase, you know, rather significantly, which, particularly 2020 is understandable, in light of the COVID 19 pandemic in the economic impact that, unfortunately, ahead around the nation. The findings for the expenditure, sharply contrasted those of the revenues for each of the last five years 2016 through 2020, the completed audited years, some variants for those were always positive. And they were, you know, relatively by $20 million, $15 million, except for 2020. You know, that positive variance jumped up to about $38.9 million. You know, those small variances would be appropriate in a budget, you want to make sure that there's sufficient, you know, room built in a disproportionate positive expenditure variance, you know, can suggest that there may be a little bit too much padding in the budget. So we just wanted to make sure that we pointed out, you know, that that relatively large increase, particularly in light of, you know, the trend, so it's typical, you know, we've seen the under budgeting of the revenue, so you'll see a lot of red in that area. But on the expenditure side, it's just, it's, you know, quite different.

James Nytko
So, fund balance, you know, during our review, the 2020 budget, we concluded that the county, you know, really kind of depends on a lot of different types of revenue that can be sensitive to fluctuations in the economy. As Len had indicated before, your primary source of revenue being sales tax is extremely volatile, and, you know, can be changed dramatically. The other two sources that Len had indicated in this fashion were, you know, both state and federal aid, which accounted for, you know, roughly 25 to 30% of the budget. So there's not sometimes reliable sources. They can be impacted by a number of things. Obviously, the pandemic, as we've all unfortunately seen, you know, can impact that changes to the climate, severe weather damages, you know, even political actions that are happening in Albany, and at the federal level, can have significant impacts on you know, what gets budgeted for those sources year to year to year.

James Nytko

So, as a result, we felt that, you know, kind of viewing the fund balance, it's extremely important to take kind of those items into consideration. So therefore, we believe that the county should perhaps be looking at utilizing less appropriation of fund balance in the general fund for the 2022 proposed budget year. Of note, though, you know, it, the 22 budget does include a smaller appropriation of fund balance as compared to the 2021 budget. The county's fund balance policy, which is recently adopted this past September, we felt should be reevaluated to address budgetary appropriations, during fiscally challenging economic times. And again, going back to talking about some of the factors that, that I previously discussed, the pandemic climate changes all of those different areas, which could have, you know, severe and, you know, significant impacts on some of those economically sensitive revenue sources. So that, you know, the issuance of debt is very important. It's a very important revenue source for the county, it's, you know, how funds, different projects purchases, it's equally important to strategically utilize that power to make sure that you're moving in the correct and the right directions. And, you know, that's really why, you know, the state, and there's several state and federal laws, which kind of oversee how you're able to issue that setting parameters around it and things of that nature.

James Nytko

In the 2022 budget, the sum total of long term bonded debt, short term note debt, and if we include authorized, but on issue debt, it's close to $250 million. Now, that's, again, I'm not that number is not what's actually outstanding. If you look on the screen here, you'll see the net indebtedness right now as of October 25, and that's prior to debt that's currently being issued is about 100 and 102 million. Regardless, those are those are very, very large numbers. And we feel very strongly that as a result of that, of those, you know, the importance of debt and those know those numbers, that it's important that the county consider crafting and perhaps adopting a debt management policy. You can go to the next slide, Tom. The cashflow borrowings

Legislator Archer

Is there a way I'm sorry, James, is there a way to ask a question while we're on a specific topic Chairman? Anyway,

Chairman Donaldson

Let them go through Lynn and then we'll go back and not I'll call on you first. Okay.

James Nytko

Thank you. So cashflow borrowings, the county doesn't currently issue any cash flow bonds, what we're talking here is, you know, something called a tax anticipation note or a revenue anticipation note. Those are utilizing instances when there's perhaps a gap in your finances, you need to kind of bridge through it version of the year. What the county does do is they annually adopt both a tax anticipation note resolution and a revenue anticipation patient note resolution, which would allow you to go into the debt markets to borrow if you needed to, you know, we feel that that, you know, is a fine practice. Because if something happens, and something develops very unfavorably during 2022 year, you're able to, you know, kind of quickly go in and do that. So it's not that the county's issuing for those obligations. But you know, it affords them the ability to jump in the market rather quickly, if necessary. So we felt that was a fine practice.

James Nytko
The upcoming issuance of debt, I do believe that the county had issued a series of bond anticipation notes and also through a series of serial bonds earlier this morning, those were those were priced. They have not closed yet. You know, as you can see in the screen here, the closing is tentatively scheduled for November 17. Since that date is going to occur, you know, prior to the adoption, that resolution, you know, with the pricing today, the county should understand what the impact would be of those obligations on its finances in 2022. By that I mean the principal payments that will be required, the interest rates that they were sold that which generate, you know, the amount of interest. So we just wanted to make certain that for the adopted budget, those actual numbers get placed into the budget. So it's, you know, right now what's in theirs is really, you know, just an estimate so we want to make sure that for the adopted budget reflects the actual payments, that the debt was priced at.

James Nytko
The capital improvement plan, we have a large section of the report, you know, kind of dedicated to the capital improvement plan over the period 2017 to 2021. Spending, the capital proven plan has been relatively stable until recently, you know, by comparison to those prior years 2022 shows a significant increase of about 53.24%. And that's just we're comparing it to 2021. There's some charts and some graphs that you'll see in there, you know, kind of give you a visual representation of that. So we'd recommend that you, kind of go through and look at that in the report. We also felt that, you know, some of the charts, it could be made a little bit more-clear in the plan itself. There are, you know, summary tables in the beginning, which are excellent, it kind of breaks it out, you know, very well, what, you know, what the programs are going to be funding, what their uses are what seems to be lacking, and I believe this was a recommendation from the report last year is the funding source. It's in the detail of the document, it's certainly there, we just felt like including it in this summary information up front might be might be helpful, and a good addition to that capital improvement plan.

James Nytko
Another big area that we wanted to discuss is the American rescue plan act of 2021. I'm sure at this point, you know, many folks on this call are aware of what that plan is. But it's federal funding as a result of the COVID pandemic. The county does have an allocation under this plan. So under the AR PA, the (inaudible) allocation funding’s, you know, about 34 and a half million dollars, there's a lot of rules and parameters around the ARPA funds. The funding is subject to requirements that are specified by the United States Treasury. In their interim final rules, the key word there is interim, the rules have not been set in stone yet at this point. The interim rules were adopted this this past May. So they're still relatively new, and a lot of folks are trying to digest it. It's a very large document. And it's, you know, parts of it are rather confusing. We were hoping that the Treasury would be finalizing those rules at some point, you know, in the fall, we'd originally heard perhaps September, perhaps October, here we are November, they have not yet been finalized. So it's important just to keep in mind that, you know, although there's these very significant rules surrounding the program, they're still interim at this point. One of the key things that's identified in those rules is the eligible uses for those funds. They're not, you know, free funds that can essentially be utilized on any sole purpose that the county wishes to use them on. They need to be spent on very specific, specific areas. Some of those areas include, you know, support of public health expenditures, addressing the negative economic impact of the COVID 19 pandemic, the ability to replace

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lost revenue, providing premium pay to essential workers and investing in certain types of infrastructure, primarily water, sewer and broadband.

James Nytko

One thing that we would bring to, you know, to the counties attention is there is some federal legislation that is, you know, kind of being kicked around right now it passed, the house has not yet passed the senate, but it would kind of broaden some of the rules surrounding these ARPA funds. In particular, infrastructure and the types of infrastructure projects that those ARPA funds could essentially be utilized for. Now, it's important, again, to remember that there's, you know, really significant and strict requirements around these funds. I think, with the ARPA funds, one of the end goals is to make sure that, you know, the Treasury doesn't ever come back and, you know, try to claw funds back, if they're utilized in an incorrect or improper fashion. It's, it's certainly, you know, possibility that something like that could occur. So we caution the county, you know, the inappropriate use of those funds. And an ineligible project or costs could result in a claw-back by the Treasury. And that would obviously have a very significant and direct impact, negative impacts on the counties and counties finances. So the recommendations that we have, you know, directly surrounding these funds are that the county should really spend some time to develop a comprehensive understanding of the US Treasuries interim final rules. Again, they're very complex and they're very confusing. We felt that it's important for the county to continually monitor its revenues. which they have been, but they need to continually monitor to see, you know, what is the effect of the pandemic? You know, obviously, it's still here a couple years out a couple years later. And it's having some significant impacts on the economy. So understanding those, those impacts are certainly important, avoiding, you know, utilizing those funds to, to utilizing those funds to pay for projects that, you know, may have a long term financial commitment, essentially tail, really more of a best practice. But it's something that, you know, we always, you know, we, we actually provide some consulting services for a few clients on ARP related monies. And one of the first things that we always say is don't ever find anything, you know, with a tail, you don't want to see that you're putting yourself in a worse position, once those funds run out a couple years down the line, and then you are today. So that's, that's very important. And, you know, important for the county to plan for the best and most strategic use of those ARP funds, and their allocations. And with that, I'm going to hand this back over to Margaret.

Margaret Guarino

We did this slide. So go to the next slide. Yeah. Well, in conclusion, we feel very strongly that the findings, and the initiatives identified in our 2022 review, will assist the county to develop sustainable financial operations. If key recommendations that we have detailed in this review, were to be initiated by the county, CMA believes the net impact to be in the range of about $3.5 million. That is a financial impact. But we also know that there are other recommendations we made, that if you adhere to them, we feel very strongly that the county would remain in a sustainable financial condition. And we thank you for this opportunity. We hope that this is a report that you can utilize, and, and that we have done the job us to do. So again, chairman in everyone else, thank you very much.

Chairman Donaldson

I thank you, when we with the question, if you don't mind. And I just want to ask one quick question and you get yourself together for questions okay. The ARP money that we are looking at and what the what

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we've done is we're going down three employees overseeing all of this, all that type of spending. And I'm curious as to what your opinion on that and what it is -how it's done in other places, shall we say?

James Nytko

Absolutely, I think I can answer that question. Chairman, everybody's kind of handling this in different fashions. We've seen some jurisdictions are, you know, putting together full Taskforce, which will, you know, come together and make recommendations that will go to, you know, governing board or whatever the case may be. We have seen some, some jurisdictions have brought staff in specific to work on, you know, ARPA, and its related, you know, parameters or whatever you want to, you want to call them. A lot of places have brought in consultants, I think one of the benefits of bringing in consulting, you know, teams is you're not limited to just, you know, what's going on in your municipality. You know, generally a lot of these consulting firms whether, you know, to firm like ours or firm, an accounting firm, you're probably, you know, working with other jurisdictions as well. So it kind of opens that up. And I can tell you, just from our experience, you know, we participate pretty frequently in webinars that are hosted by different associations, you know, GFOA, the New York Conference of Mayors, you know, the United States Conference of Mayors. And it's interesting, because a lot of the times these conversations develop and, you know, between the different municipal officials and what we're looking at something this way, we're looking at it that way, and you know, that that can be, you know, very valuable. So, I'd say it's a combination of both things. One thing I can, you know, bring to your attention is, you know, earlier this morning, Orange County released an RFP for, you know, various types of consultants to work on the ARP funds. The key thing is, you know, there's a lot of rules surrounding these, these monies and they really need to be understood. So you want to make certain that, you know that that those are because it's, you know, there's a risk, if you're if you're funding things are not eligible to be funded with these with these monies, you know, you don't want to be in a position where the where the Treasury comes knocking on the door, you know, a couple years down the line. You know, there's, there's a lot of reporting requirements. You know, I didn't mention this during, you know, during the presentation, but this is going to be something that's being monitored. So there was an interim report that was filed by the county. That was the first report that was this past August 31, as that was that report. Now moving forward, the county is going to be required to file quarterly reports, the first quarterly report was supposed to be filed October 31st. However, because and this is just my assumption, I think there's a widespread misunderstanding this program. I think a lot of jurisdictions don't fully understand it. The Treasury moved that date back, the quarterly reports now, your first reports not going to be due until January 31, of 2022. After that, moving forward, you'll be required to, to file quarterly reports. Now, those quarterly reports, they're going to be expenditure reports, they're going to want to know, really kind of two things, what are you what have you obligated, meaning, you know, what projects have you passed a resolution saying you're going to fund or you know, contracted for? And what have you actually spent those monies on? We haven't had to file them yet. So you know, we're not fully certain what they're going to be looking at, you know, in those reports, but, you know, generally that's going to be if you're giving money, perhaps to other organizations, you know, local small businesses to try to stimulate them - other organizations, be very careful with that. Because one of the other key things to remember with these monies, is, when you give funds to somebody else, they become a sub recipient. The county is the recipient, but those other organizations become a sub recipient, the county remains on the hook for those funds. So if those funds are utilized incorrectly, or improperly in the counties and counties not monitoring the use of those funds, you could find yourself in a much worse position.

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Len Bernard
So James, would you would you recommend, would you recommend contract that the county enter into contracts with anyone written contracts that cover issues like that? So to get to ensure that the monies are spent properly?

James Nytko
Absolutely, I mean, we've seen I mean, that the clients that we represent for our but you know, they're, they're kind of handling in two ways. We have some folks that are, you know, utilizing we call an intake form, and that's kind of information gathering. Because when you're dealing with, you know, an outside organization, the minute that you start talking to we should really be gathering, gathering information on them. Treasury is pretty clear that you need very detailed files on this. So, you know, from minute one, you should be detailing, you know, those, you should so that's

Margaret Guarino
Excuse me, Jay, for some of our clients, we've actually developed a intake form that will become part of the permanent record. So if the federal government comes in questions, the use of anything, we have the records of what the money was, is going to be used for. And as, as Len said, in a contract, that the contract is very detailed, and puts them on the hook, if there is the possibility of a claw-back. So those are all things you have to consider when it comes to a ARPA funds. Go ahead James.

James Nytko
We've seen other clients, you know, kind of supplementing like intake forms with an actual agreement. I mean that would be something that would need to be, you know, reviewed by a, obviously legal team, your in house, legal counsel or somebody else. But we've seen that as well. And as Margaret had kind of mentioned, you know, you're able to utilize these monies for outside organizations, not necessarily just for grants, but you can make loans to them. So we've seen some folks, you know, considering the idea of using forgivable loans for their sub recipients, because what that does is -it gives you makes make sure that there's a vested interest and then, you know, giving you what you need to then complete your reports to the Treasury and God forbid, they utilize, you know, monies in an improper fashion, you know, it keeps the county not on the hook.

James Nytko
Now, the other thing to consider, and I know kind of throwing a lot of information out there about this, but they're spending requirements, you know, surrounding these funds as well, but there, it's, you have plenty of time to spend the money. You have to obligate the funds by the end of 2024 December 31, 2024. So again, obligated means you're in a contract with somebody you've passed a resolution So we're using for XY or Z and then the monies have to be officially spent, by the end of 2026. Any money is not spent at that point, have to go back to the Treasury. But the key thing is, you know, you have time here. So it's not that you have to race out and spend these funds. You can take your time, sit back, think strategically, and make certain that the monies are being spent in eligible areas, and that you're not risking the potential for a claw-back 2, 3, 4 - 10 years down the line from now, when the Treasury gets through actually looking at all of these different reports that are that are being filed.

Len Bernard
I think the comptroller had a question. I saw it pop up on the screen.

Comptroller Gallagher
Would you recommend that Ulster County file for lost revenues to buffer us from any ineligible ARPA, you know, any projects or spending that's found to be ineligible?

James Nytko
Absolutely.

Margaret Guarino
Absolutely.

Comptroller Gallagher
Have your other clients made such filings?

Margaret Guarino
Yes.

James Nytko
Yes.

Chairman Donaldson
From this point on, I will call on people with

Len Bernard
I'm sorry.

Chairman Donaldson
It's gonna get out of control. If it's doing through chats and all that. So anyway, Lynn, I think you were the first person that wanted to go. And then he Manna and Jonathan.

Legislator Archer
Just a couple of follow up questions. If I could James. On the debt policy, you had a couple of recommendations on how to tighten up our policy and give us a little more wiggle room. So were those included in your package? Because I haven't gotten through the whole thing.

James Nytko
There was not like a sample debt management policy. There wasn't anything like that. That was a recommendation that, you know, it's our understanding that there really is not a formalized policy in place. And they're really at this, you know, there should be that was our

Len Bernard

One of the things that I think it's mentioned somewhere, it's not listed as a recommendation. But in your authorized but unused category of debt, you know, you have a chart that's in the, that's in the capital plan, and I believe it's gonna wind up being in your budget, it's (inaudible), there's a blank page there. But you have unused you have authorized but unused debt authorization. Some of those authorizations are like seven and eight years old. So one thing that any future debt management policy should contain is some kind of some kind of provision when you sunset some of these old authorizations that aren't being used.

Legislator Lynn Archer
Is there a value? I could never figure out. I've had asked this question of the Commissioner of Finance and have never gotten a straight answer on this. Is there a value to keeping that unused debt on your sheet on your balance sheets? I'm trying to understand why isn't it claimed?

Len Bernard
Well, I've been a town board member, and I've been a finance Commissioner. And my answer to that is no. I mean, for something that's seven or eight years old, it would it really is unfair to the current elected officials, because they weren't around when those projects were probably even discussed. And to come back and say to them, Hey, you know what, we're going to go do this now. And you're sitting there saying, Well, wait a second, I know nothing about this. Well, you know, it's it was it was discussed, and it was debated, and an authorization was done. And that authorization is still good. So you should go back periodically, and review those outstanding authorizations and decide whether or not the projects are still viable, and whether or not they're still something you want to pursue. And if they're not, you should you should do a resolution, basically taking your back and authorization.

Legislator Archer
Zeroing them out.

Len Bernard
Correct.

Legislator Archer
Okay, that's helpful. And one of the things that we had talked about, was it using potentially using and this goes back to the whole ARP piece as well, potentially looking at what we have an outstanding debt and looking to see if we could pay that down with ARP money. Is that a is that a viable option or not? Okay.

James Nytko
No, there's very few limitations, you know, that the that they put right out there. Those limitations are you cannot you cannot put the money into any types of fund balance, you know, and unpaid debt service or even issuance costs, you know, surrounding debt service. You can't fund pension costs. There's a there's a handful of things, but it's pretty clear that that would not you know, be an eligible use of the funds.

Legislator Lynn Archer

Okay. And my final question, did you look at the proposals in the budget for how ARP money was being proposed to use and did was there anything in that, that raised a flag in your mind

James Nytko
We didn't do a line by line of how those monies at this point are going to be utilized. I just think with the, you know, the timing surrounding the report itself, but just we didn't, we wouldn't have had the time to, you know, to really try to qualify each of those projects to make certain you know, that they fit the eligible criteria.

Len Bernard
James, you did,

Margaret Guarino
Excuse me Len. But if you have hired three people, or the administration has, they should go through that. Or if you hire a consultant, the consultant should go through that, but you should make sure it's correct.

Chairman Donaldson
What would be a cost on the consultant for doing this, you think?

James Nytko
It would vary, it would vary. One thing I can tell you is that it is an eligible expense of the ARP fund, you can utilize the ARP funds to pay costs relating to consultants to make certain that, you know, you're not going down the wrong direction.

Margaret Guarino
Yeah, it would depend on the role of the consultant, you know. We have in another city, we have complete role. We're involved in everything, putting the form, developing the forms, putting the forms together, we developed a portal for them. So it's transparent to the public, we were doing soup to nuts, that's one. Then there are others that were just like, overseeing the decisions they're making, and we're not as involved. But we're just making sure that it is hearing to the rules and everything, that's entirely different. So it really depends.

James Nytko
It depends what your need is, you know, we have, I've seen other folks that are out there that, you know, seem to have some understanding of the program, and maybe they just, they don't need that eligibility kind of criteria or the planning component of it, but they need to understand the accounting side of it, so maybe they'll, you know, they'll have an account there. We've seen, you know, clients that have both of those things, you know, they have a team that comes in and helps them to understand kind of the, the big picture of the of the funds and how they can impact. And then they also have an accounting firm to come in, because, you know, there's very different kind of things that are at play here and accountant may not be, you know, good at, at doing other aspects where a planner is good at planning and kind of, you know, making certain that you're, you know, utilizing eligible costs and things of that nature. So there's, you know, we've seen, you know, very different things.

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Chairman Donaldson
Alright, don't start with Manna had her hand up first, so Manna.

Legislator Greene
Thank you. First of all, I want to thank the consultants for a very educational presentation. You know, for somebody who's not an expert in finance, it was very accessible, I thought they're really good ideas. And I learned a lot. That said, the there was a great deal of reference to COVID, a national pandemic that certainly affects Ulster County and New York state. There was absolutely no reference or recognition to the other crisis. That is the global climate crisis. So the fact that New York state has a very strict climate law about that addresses the need to generate renewable energy and to reduce emissions. In this day and age, I find that a really striking lack of deficit and it comes from separating finances and economics from the environment as if it wasn't in the context of the environment. And to me, that significantly reduces the credibility. Not to say that I did, as I said earlier, I did learn a lot and I think in terms of conventional financial analyses, you did a good job, but to mention COVID and not mentioned the global climate crisis, or the New York State climate law is, you know, really makes me question your overall credibility. And I say that in blunt terms, because I think moving forward, I will be recommending that purchasing include those critical elements in the RFP that that seeks a consultant to do this work. So, do you have the closest thing that you came to recognizing the global climate crisis and what impacts it is likely to have on Ulster County is mentioning the ARPA projects that do absolutely include that. But, um, do you have any comments? Did I miss here? And will you consider including this in analyses moving forward?

Margaret Guarino
Well, our job was to look at the existing budget, and go through the existing budget and do an analysis. If there was anything in the budget, that had to do with any mitigation of the impact of global warming, or the environment, it's certainly something we would have commented on and, and measured and analyzed. If you want us to look at that, to analyze the budget and say, this was missing and should be included, it would take it would be have to be based on a study that says what the county should be doing, and then we could measure it. And that's the only reason why you don't see it. The ARPA funds, it's addressing some, if it's addressing some of the climate impacts, and a consultant is hired, they should definitely look at that. But there was nothing in there in the budget that we could have commented on, or analyzed as a financial impact. So that's why it just wasn't in our scope. But if you want to include it in this scope, or in the future scope, it's certainly something we would look at. It's something we all personally care about. So that's the only reason why you don't see it. Anything to add,

Chairman Donaldson
Jonathan.

James Nytko
You know, we are your consultants, you know, through the adoption of the budget. So to the extent that you would like information on or details on some of those areas, we'd be more than happy to, you know, to kind of delve into some of those for you.

Len Bernard

Okay, we do we, that the document itself, just document itself does have it, you know, in terms of findings, recommendations, we do, we do talk about the need to hire a I believe it was an energy consultant for the for the town. We do too, we do talk about in the in the, in the in the document about seeking out a grant money and working with state organizations like NYSERDA to obtain money from the state, which is available, hiring someone who would be the point person for the county, and dealing with those issues that is in this report. And I think there's also a reference in the section on fund balance, which we say that it's important to maintain fund balance out of a certain level in order to deal with, to deal with crises, and one of them related to climate change, and the storms and the kind of damage those storms can do, you know, to property, both public and private. So, you know, in that in that way, we do address a global warming and climate change in the report. But like Margaret said, there's nothing in the in the budget directly that we could go to and analyze based on what the engagement was the parameters of the engagement.

Chairman Donaldson
Jonathan.

Legislator Greene
I think I would question that, in that, for example, there is a new hire in the Department of Environment that is going to be working with businesses. But a comment a recommendation might be to point out what a small part of the budget, that is, it's not non-existent. But you know, and given the state law, not just, you know, Legislator Greene complaining about the environment all the time. But this is a state law, that we're all going to have to contribute to the success of. It's very timely, it's very important and very neglected in this report. Thank you.

Legislator Heppner
Thank you, Mr. Chairman. And thank you to our consultants, Amber, Natalie and the staff and everyone for all your work. I'd said a quick question going back to the occupancy fee. You know, the biggest thing, and this is a discussion we've been having amongst ourselves as legislators, especially upon entering in the contract with Airbnb, which I think was an important step. But one of the things that we want to do, and I think I don't want to speak for all legislators, but I think there's a consensus that we want to work also with our partners in the lodging coalition, and our businesses in terms of raising that fee, because as you said, we are significantly lower almost half of some of our neighboring counties in the Hudson Valley. It's even a bigger divide, if you go up to the Adirondacks, looking at some of the numbers, which is obviously, you know, relies on their tourist economy very crucially, as well. So but, you know, and working with the lodging coalition, and the community, you know, based on your experiences, do you have any reference points or information that you might be able to provide us when you've obviously, we have to go to the state for a home rule on this. But if it was to be increased, have you? Do you have any numbers or data or information from yourselves personal experience with clients or outside in terms of research, that shows the impact of raising that occupancy fee? On the level of tourism, you know, again, this is a we know, this is a fee, not paid by residents, but those coming in? Is there any information or

knowledge that you all have institutional or academic, have any impact on the tourism economy, once that fee is raised, then I just have a quick two follow-ups.

Len Bernard

I can hear I can, I can partially, I can give you a little bit of information, because, you know, I was the finance commissioner in a resort area, eastern Long Island, and I was also on the town board there. And I can tell you that what we found and again, I don't have any empirical data, something I would probably have to research. But as hotel motel tax was raised over time, it really never had an impact on occupancy. The things that had impact on occupancy was more than you know, the economy at that particular point in time. Whether things like that are things not related of a 2% raise and the occupancy tax, I don't I don't think based on what I've seen, an eastern Long Island is going to have a negative impact on people's desire to come and spend time in your hotels and motels and, and rent apartments and be tourists. So like I said in my presentation, I think I think the only thing the only impact is going to have is that you're going to collect more revenue than you would have otherwise. Because there are the other factors are the things that really impact demand. And that is, you know, that is the economy, whether, you know how well the town does keeping the keeping the area attractive, and tourist friendly. So, again, I don't have any empirical data, but over time, you know, I've never seen it negatively impact a resort area, at least a resort area that I was familiar with.

Legislator Heppner

Thank you. And if I may, Mr. Chairman, just one more. In other conversations we've had as a legislature, amongst colleagues is the direction of said revenue for the occupancy fee. You know, currently, obviously, it states how it's spent in our home rule request to the state that's been approved. But there's also been discussions, for example of a competitive grant option for local municipalities for somebody who are incurring some of the costs in like, you know, for parking lots and things like that. Or, you know, another great something I believe in, is, you know, towards, you know, affordable housing efforts. So if you can you just state you know, do you have any recommendations on how we direct revenue? You know, I think you said three to $4 million, potentially with a 2% increase. But do you have any recommendations on that front in terms of actually directing the revenue?

Len Bernard

Um, Jay, I mean, I'm not sure I understand the question exactly in terms of how to how we how you would use the additional revenue that's collected?

Legislator Heppner

Apparently, we direct our revenue back towards Tourism

Len Bernard

Right? Right. Right.

Legislator Heppner

There's been suggestions of, like I said, a competitive grant process from directing towards affordable housing, you know, different, you know, options instead of just or, you know, especially avoiding keeping, you know, just going to a general fund.

Chairman Donaldson
I think that's more of a policy, I think that would be out of their preview, because it's more of a policy, you know, what I mean?

Legislator Heppner
I was just curious, because it is, again, an additional revenue.

Len Bernard
Well, I mean, what you would want to do - I think the chairman is absolutely correct, that it's apologies policy decision that the, that the legislature would make. But what I would advise is probably establishing some kind of a committee or working group, again, not to, you know, not to spend years and years on developing a plan, but coming up with some kind of list of priorities as to what would best how that money could best be spent and helped the tourist industry. And that committee probably would have, you know, members of the legislature, some of your department people, and certainly people from the industry, and come up with a with a list, you know, a priority list of how you would want to spend that money. You know, that would be my recommendation. I think you have to get everybody involved, but the ultimate decision would be left to the legislature.

Chairman Donaldson
Any other questions Jonathan.

Legislator Heppner
Jonathan. No, I'm good thank you.

Chairman Donaldson
Okay Legislator Cahill.

Legislator Cahill
Thank you very much, Mr. Chairman, and thank you for a great presentation. I've just got a couple of real quick questions. And of course, we're going to be talking about the hotel motel tax a little bit. So, you know, you know, my question is, so we have established that we're about half of the market rate in our guests in our region, is that what that's based on? Or is that based on a wider, you know, wider sample? Or is it just like in the Hudson Valley or something like that?

James Nytko
Statewide.

Legislator Cahill
Statewide okay, great, thank you very much. And the other thing you recommended, increasing the mortgage and transfer tax. Right. And so again, I'm gonna ask a very similar question. How is Ulster

County's mortgage and transfer tax rate compared to other counties in the region? Have you guys done that analysis at all?

James Nytko
We could provide you certainly with, you know, kind of a breakdown, maybe that would be helpful. Just to give you kind of a benchmark analysis specifically on that. Then I think you looked at it a little bit, we could give you a breakdown of that would you know, kind of show you either just made Hudson counties, it's probably most applicable? Or, you know, with that, too, we may be able to expand it out a little bit as well.

Legislator Cahill
Yeah. Because I think, you know, both of those things are a constant. I was in the legislature 10 years ago, and I'm back again. And the same discussions we have year after year after year. And you know, as time goes on, we've left you know, 10s of millions of dollars on the table compared to our neighboring counties. Right. So I think that, you know

Len Bernard
I think you I think you have a comptroller's report that, look at this, and I think the controller's in on this, meaning that the estimated anywhere from like three and a half million, the $6 million of potential of potential revenue here. Right. As far as the transfer tax goes, I think, the transfer tax I looked at, I did some research, I think in committee, it's been discussed as recently as, as recently maybe as March or April. I think you're looking, I think you have something drafted looking at 50 cents per $500 of property transfer is that right?

Legislator Cahill
Or something like that?

Len Bernard
Yeah. And so and that, and I would imagine that and that transfer tax would be used for probably land preservation, water preservation. I know that the state legislature just adopted a law and the governor signed it. And again, you know, I'm from Long Island from the east end of Long Island, where the five East End towns are actually in addition to their property transfer tax, well, in addition to the transfer tax for open space, and water preservation, and now gonna impose a little bit extra, and that money is going to be used for affordable housing.

Legislator Cahill
Right.

Len Bernard
Which is, is really a great thing, because affordable housing workforce housing is something that's very needed in this area. And based on our interviews with department heads, I believe it's something that you know that you guys are very interested in also their affordable housing, housing for local people, housing for local workers. So you know, the transfer tax, you know, that I think this new law has shown that it can be used for it can be done and be used for multiple things. And this new law that that I know

that it's going to be that's going to referendum now. But the but the law has been passed. I think it's going to be a great thing for affordable housing on the east end of Long Island. So That's another thing. And that's an I think we have that in the report. So it's something to look at and consider, but, you know, I, I agree with you, I think it's something you guys should really look at, I think there's a lot of money there to be had. And in that, in that chart that we did the net effect of the recommendations and the findings, that and again, we were relying on the controller's, I think estimate of what potential revenue is. But it looks like it's a pretty good number. And it's a large amount of money, you're right.

James Nytko
When conducting these reports, you know, when we're looking at new mortgage, extra tech, things like that, you know, our goal is to, you know, we want to make sure that the budget is, you know, structurally balanced and sound, you know, long term. So when we see a recurring source of revenue, like one of those things, that seems to be out of market rate, you know, that's why we want to make sure that, you know, we're bringing it to your attention, because that, you know, looking at those, you know, items, those again, recurring revenue sources is a key thing. All right, structural alignment,

Legislator Cahill
Ulster County doesn't have to be the Sam's Club of the region, right? We don't have to be the cheapest place to live in the region all the time. Right. So my last question is on that very chart that you just mentioned, and it's on the sales tax revenue, recommending that we decrease it by $4 million. And I know that, you know, it's a post pandemic bubble, I'm going to guess has something to do with it. But our sales tax revenue has been terrific. And it's going up and up and up. And so is that a typical conservative approach that you folks take to a non-guaranteed recurring source of revenue when you look at that? Is that is that basically how you approach that?

Len Bernard
I think you need to go back. And yeah, you need to go back and look over time, you know, and again, if you go back and look at yourself, the actual sales tax realized, over the last 10 years, you'll see that, too, you know, a 20%, jump in one year, you've never done that ever, and the most you've ever collected was $127 million. And that happens a couple of times, but your yearly increases, I went back and looked and I don't think you've had a yearly increase in more than 6%. And, you know, year to year, over the last 10 years or so. So that right away, that raises a red flag. Now, you're right, your collections over the last several months had been pretty good, but a little a little up and down. July was up August came down below July and in September spiked back up again. And I think if you read the report, you'll see I think we have we did an extensive literature search. And you can see there are a lot of opinions out there that are saying that the economy could slow some. And you know, we certainly are having problems with supply chain issues. So product may not even be there to buy. I think, to kind of, I think to put all your eggs in the basket of the last three months is a dangerous thing. Okay. Because I think what you said originally about the bubble, I think there's also a bubble, people have been pent up for a year, and all of a sudden, now they can get out that initial, that initial spike, I think you saw that initial spike in August and September. You probably going to see some pullback. Now, again, another uncertainty introduced into the formula here. So you know, we're not saying that, you know, you shouldn't increase the projection. But to go from, you know, 120 million. And again, you know, you're probably going to collect more than that you're going to collect more than that this year, that a substantial amount more. But to go to 143,

maybe wiser to go to 141 41, just to you know it because we don't get it, you're going to have to dip into fund balance. And then now you're lowering your fund balance and that takes away from your rainy-day fund. So if you If then, you know, if you have some kind of reduction in state aid or federal aid, all of a sudden now that now your situation is compounded and made even worse, so

Legislator Cahill
The dominos, yeah, gotcha. Thank you very much, appreciate it.

Chairman Donaldson
You gave me a little laugh there, Brian, because we've been talking about that for over 20 years. With the both the you know, the occupancy tax and a transfer tax. And it seems like even after a 35% tax increase, we still weren't able to get the guts to go in and actually do increase the occupants, the occupancy tax, but anyway, all right. Legislator Bartels.

Legislator Bartels
Thank you. Thank you and Legislator Cahill touched on some of my questions, because I really did want to focus on the sales tax estimates. So just to be clear, you said that in looking back, the 6% was generally the highest increase on a year over year basis in terms of the sales tax revenue estimates. And this year, we're proposing the budget proposing a 19% increase?

Len Bernard
Correct.

Legislator Bartels
If so, your suggestion is to pull that back somewhere in the range of you said three to $4 million. Is that correct.

Len Bernard
Yeah. I mean, yes, yes.

Legislator Bartels
And, and again, that would come, obviously, with some necessary cuts in in the budget in order to create the same balance because the revenue without that attendant revenue, we would need to make up for that as well. Do we know and this is not maybe not a question for the analyst but, what are we on track in terms of the sales tax revenues for 2021? Where what are we on track to receive? Do we have any sense of where we are right now?

Chairman Donaldson
Burt said yesterday that he was going to collect probably the 143 this year. I believe that's what he said. Did he March?

Len Bernard
He said that? Yes.

Amber Feaster
Right now we're at 89% of the adopted budget.

Legislator Bartels
Right now at 89% okay.

Legislator Cahill
And what date is that through Amber?

Amber Feaster
Through 10/31. And I ran that report on the first of the month, or the second.

Legislator Bartels
And Burt is saying that he's confident that we're going to bring in the 143. this year, and then he's banking on a repeat of that for next year?

Chairman Donaldson
He said, we're going that's basically what he said yesterday, when we had the executive - the oversight over it. And I asked question, and that's basically what Burt said yesterday.

Legislator Bartels
Okay, I mean, this, I just have to say, for me, this gives me pause. I mean, this is something I think that we really need to consider having a 20% or a near 20% increase in an estimate, and accepting it as an ongoing condition. Given everything that we're seeing out there, not the least of which has changed supply demand problems. I mean, I think we, I think we need to take this suggestion very seriously,

Len Bernard
You raise a good point. You just you just raised another really excellent point. And that is, once you increase it by that much in one year, what do you do the next year, if you don't meet it next year, you know, in 2022, what happens in 2023, when you do your budget, you're going to have to reduce it back down again, which means you're going to have to come up with that lost amount somewhere in your budget to keep it balanced. So you raise a really good point, you know, once you increase it by that much in one year, if you're wrong, it creates a real problem down the road, because now you're

Legislator Bartels
Unsustainable.

Len Bernard
Correct.

Legislator Bartels
And I also just want to I mean, I think we all know this very well, but something that I'm thinking about in terms of the jump in sales, tax revenue, you know, it's, it was such an unusual year, we had people really

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stuck, stuck home. So spending, they're spending their money at home, we also had stimulus checks coming in. And you know, neither of those things are going to stay static. We know that to be true. So, you know, I think that, you know, when you take all factors into consideration, looking at what our constituents in the county is facing? I mean, I'm taking your recommendation very seriously.

Len Bernard
Yeah. And the other legislator who was just on before you, you know, when he had mentioned the bubble, and I think you just kind of alluded to that - people have been pent up for a year. And, you know, when they were able to get out, you have that big surge, that big spike right at the beginning. And I think that, that showed up in August and September, and in all likely-hood is going to be a little bit of a pullback. So, you know, I know that September number was a big number for the county. But I don't think that that September number is going to be repeated again. I may be wrong, and I hope for the county's sake, I am wrong. But again, are you willing to risk it? You know, risk being short next year based on a couple of good months this year, and with every with all the other uncertainties? You know, I again, we're just we're trying to give you the best advice we can.

Legislator Bartels
Thank you.

James Nytko
On context, you should also consider the expenditure side of things. If you look at 2020 in the various numbers, we'd indicated there was a significant positive variance on the expenditure side, and a lot of that probably resulted from expenditures that the county didn't incur as a result of pandemic. And we know that those expenditures that we return to normalcy are going to go, you know, right back up. So, you know, when thinking about sales tax, we don't want to see in a position again, where those expenditures come back up. And you're severely under budgeted because then, you know, it's out of its out of line.

Chairman Donaldson
But you also didn't mention, Tracey, was also the idea that, you know, people were correcting - a lot of people were on unemployment and collecting the extra $600 or something like that a week. That's not there anymore. So oh, that's another part of the picture then lending to what you were talking about the, you know, the idea that, you know, stimulus checks.

Len Bernard
Another good, that's a good point and James point that he just made? Again, you know, I think when we did our departmental interviews, I don't think I know, a number of the department heads actually acknowledged the fact that, you know, some of their expenditures were down this year. Because, you know, the because of COVID, because, you know, they weren't doing certain things. I mean, child childcare was one big line. I mean, one of the reasons why the fund balance went up in 2020, I think, or not this year, or last year, in 2020, was because expenses were down big in some areas like childcare,

because all the kids were home, so you didn't need to spend childcare money that was budgeted for. So, like James said, you know, those expenses are going to come back, so you have to be real careful.

Chairman Donaldson
Tracey, do you have any more?

Legislator Bartels
No, that was my main. Thank you.

Chairman Donaldson
Um, anybody? Before I call on you Lynn, is there anyone else that wants to that hasn't asked a question yet? If I don't see you - you gotta speak up? No, okay. Heidi?

Legislator Haynes
Now oh, sorry.

Chairman Donaldson
No?

Legislator Haynes
I got muted.

Chairman Donaldson
No problem go ahead Lynn.

Legislator Lynn Archer
And now I'm just going to add to the conversation with regards to the sales tax. We saw a big uptick at last year in building supplies, a lot of building. But right now we're seeing a lot of buildings around the community. And I'm going to all the different towns, things that we're starting to be built and that are sitting there waiting for supplies that aren't coming in. Backlog supplies, we've got the same thing on cars, which is also a big sales tax revenue generator for us. I think we're gonna see a dip in cars going into next year. So, you know, just along the lines of what everyone's saying, I think we're seeing things already that are indicating we may have some problems down the road.

Chairman Donaldson
Yes. If you go out to the car dealers, like for instance, the Honda dealer, they used to add, I mean, any huge parking lot was full of cars. Now, there's not even half the number of cars and probably about 1/3 that they normally would keep on the lot. So you're right Lynn.

Legislator Bruno
Yeah. To add to that I can, I can tell you from family, my son in law is a car dealer. And they have no new cars. None.

Margaret Guarino

No, I can I can add to that a friend of mine, his lease was up on a Toyota. And he went to get a new car. And they basically told him, we're going to extend your lease for six months, because we have no cars. And lumbers gone up almost 30 - 40%. So people, hesitating now to do improvements. So I think we have to be cautious.

Chairman Donaldson
Right, I think the lumber is starting to come down. But, Brian.

Legislator Cahill
Thank you. Thank you very much, Chairman. So I want to really quickly talk about the 59 additional positions in the budget. You know, obviously new positions have a really long term negative effect on our expenditures, right. I mean, not that we, we don't need to have people work. And of course we do. But, you know, that seems like a large, large number in one budget. I know you guys looked at that. Did you look at the department specifically and percentages of increase in each department or anything like that. We I just want to give you guys we just got this report an hour ago. So you know, a little bit before the meeting, we really haven't had a chance to go through it. So I'm sorry for questions. Obviously answered in the report. I apologize ahead of time for that. Yeah,

James Nytko
There is a table in the report I mean, which breaks down the positions by department you know by position title. And I think we had, like, was it regular pay? I think we had in their Len?

Len Bernard
Yeah, we looked at regular pay. Well, the way it's budgeted for this year.

James Nytko
For this year, correct.

Len Bernard
But one of the, you know, in the, in the report, we do it we do look at and I think it was done. It was mentioned in presentation also, when James presented expenditures, a 59. your, right, it's a lot in one year. Now, we did the departmental interviews, and obviously, the departments that are getting new people, you know, you know, everybody claims they need, you know, they need the people. Well, and certainly, you know, my experience tells me that shows me that that's always the case. So, you know, there are a couple of departments where there's, you know, 5, 6, 7 editions. I think what needs to be done is 59, in one year, we came to the conclusion, even with the express need by the department heads 59, at one time, is a little bit much, maybe a little bit too heavy to absorb in one year, and maybe it needs to be spread out over several years. Again, we came up with, you know, again, a kind of a estimate, you figure $50,000 for a position and 25,000 for benefits at 75,000 a year per position. So if you can trim that down by 10 or 15 slots, or even more, you know, you're going to save a substantial amount of money. Then you hire, you know, you're higher than new people that you've prioritized. And I think that's the way we put it in the recommendation, that people that are present new positions that are deemed to be of high priority should be looked at first. And perhaps some kind of gradual increase could be done, you know, measuring the impact on the finances and impact on operations? You know, do you really need

those extra two or three people next year? Or maybe not? But certainly doing more gradually than 59 in one year? I know that. I know that the executive branch says that what we're trying to get back to 2019 levels. I think in the report last year, we said that, well, you know, this may be an opportunity to make some cuts and reduce your overall staffing. And moving forward. So if the idea now is to get back to 2019, you really didn't take advantage of any cutbacks or, you know, that you made last year through the retirement incentive? Or, you know, or not filling on not filling positions that were opening. So again, we do address it, we do say that maybe some kind of priority should be should be applied to these positions. And, you know, and maybe 59 shouldn't be hired. Maybe it should be done a little more slowly, don't you? That's basically what we have in the report. Right, James, I mean, can you think of anything else?

James Nytko
No.

Len Bernard
So yeah, I think it's something you should look at as the legislature and ask maybe, for some kind of priority as to, you know, how many of these are really essential for next year? And I think that's the way we put it in the recommendation. Thank you.

Clerk Fabella
Dave, you're on mute.

Chairman Donaldson
Sorry about that. I was calling on you Legislator Bartels. I saw your hand up. And then Legislator Cahill also.

Legislator Bartels
Thank you, Chair. So on the subject of the positions, was any analysis done to determine whether or not those positions, the positions that are being requested are filling positions, old positions that were incentivized in anticipation of a difficult time? Or are they totally new positions? Or both? Or was the analysis not yet done?

Len Bernard
We didn't summarize. I think if you go through the departmental write ups, I think they're, they're covered in the departmental write ups where we were told, you know, it was to fill, because you can't tell by just looking, you know, looking, you know, you have to kind of get behind the positions. So we did get through the interviews, but we, you know, we did not, we did not aggregate it.

Legislator Bartels
Okay.

Len Bernard

So my answer to that is some of them are positions that, you know, that were there previously, and they either eliminated the position last year, and they're bringing it back. And then of course, there are some new ones.

Legislator Bartels
So again, just to out loud to my colleagues, I think, I mean, I think one that the that the suggestion to request a prioritization is a good suggestion, but I also think that we should internally do that analysis to be able to see in an aggregated form, you know which positions are backfilling previous positions that we may or may not have understood to be temporarily removed or deleted in anticipation of difficult financial times, and which are totally brand new positions. Because as you say, sometimes that's not always so easy to tell, particularly if, if there's been a title change or a deletion. So

Chairman Donaldson
They're listed on page 38.

Legislator Cahill
Yeah.

Chairman Donaldson
If you haven't looked at that.

Legislator Bartels
I haven't I, we just got this.

Chairman Donaldson
It's listed on 38. I know it starts out with the DA that we just did. In other words, we okayed those people that we needed DAs office.

Len Bernard
Yeah, page 38 is a listing of all the positions with their salaries and departments. And I think we, I think the number is like 17 of those positions are partially or fully funded, through, you know, outside funding, which is, again, a whole other issue, because the question then becomes, how long does that funding last? And what do you do when the funding goes away?

Legislator Bartels
I'm sorry to interrupt but the listing, I just was able to pull it up very quickly. I'm grateful for the listing, but the listings, just a straight listing, it doesn't compare it to 19 and 20, which might be helpful. And I know something that our own financial analyst could do pretty easily quickly.

Legislator Cahill
Which they have Tracey, by the way. They have they sent an analysis on the personnel stuff. I don't know when they originally went out, but

Len Bernard

I actually know the absolutely right. We do we have that we didn't put it in the report. I guess we could have we you know, it could - we could edit it, you know, we could add the report and source it to you know, to your staff. But you're right that was done. There is a there is a break, there is a breakdown. And thank you for reminding us. I'm sorry. We did get that. I do have it right here.

Margaret Guarino
Amber, if you want or the Chairman, either one, we could add that to the report. That's not a problem.

Legislator Bartels
Thank you.

Chairman Donaldson
Legislator Bartels you have anymore? Okay, then I think it was Cahill.

Legislator Cahill
I'm good Dave. That was my previous hand up.

Chairman Donaldson
Alright, but I have a question on the, on the three projections that you saw there, listed for the ARP, people that, you know, on the executive felt that this was the best way of doing it, and was basically what we ended up going along with. Now, you see the numbers on that and the three people. Do you think that that's a reasonable way of going about doing this? Or do you think it would be better off the money being used, and I realized that, you know, it's kind of a catch 22 for you to ask this because your consultants obviously. So, you know, it's like, you know, what do you when you ask a surgeon to do something, they'll tell you to cut it. So anyway, what do you what is your opinion on that, and the numbers when it, you know, with the salaries that are in that? I guess James or Len.

Len Bernard
James and I actually discussed this yesterday, so I want to let him answer this one.

James Nytko
I mean, I, everybody's handling it differently, I think, you know, we'd indicated that before. You know, these are gonna, you're gonna, this is a complex program. So, you know, to find people that are capable of, you know, kind of doing this work may be difficult. The timing constraints around this are also something that needs to be considered, you know, What's the timeframe for bringing these folks in, because you need to have people on staff now, before these funds start, you know, really being spent, to ensure that they're going, you know, kind of, you know, down the correct path, the right path. You know, we're not saying that, you know, these positions, you know, shouldn't necessarily be brought in, but they should also maybe be sourced to other areas as well. You know, perhaps you bring in one of these folks as a like a Grants coordinator. And I do think there's a recommendation in the report to bring in a Grants coordinator because outside of ARPA alone, there's other federal funds, you know, that are available and it's interesting. I actually participated in a webinar a couple days ago. And I think it was the US Conference of Mayors maybe I don't recall which Association it put on, but it was discussing you know, a lot of these federal agencies also got you know, a lot of funding through this and there's outside

of ARPA there's other areas, you know, that that could be investigated. So if you have you know, grants coordinator, primarily looking at ARPA, you know, maybe they could be looking at at some of these other areas as well. I know, I think USCA has funding that, you know, that they are putting out and making available. And there's a whole bunch of other sources. And, you know, to the extent that, you know, you have somebody that brings in a, you know, even $100,000 grant that the county otherwise wouldn't have had. I mean, they're, you know, they're covering their salary. So, you know, perhaps expanding, you know, expanding that role, you know, it could be a positive thing. You know, three positions, you know, that it does seem like, it's, it could be a lot. You know, back to the question about consulting, and consultants, you know, I think one of the benefits again, there is, you know, bringing in consultants, you're not, you know, I've mentioned this before, but you're not limited to, you know, putting the blinders on and kind of just looking, you know, within your own jurisdiction. You kind of get the ability to see what other folks are doing. And I think that's an important component of ARPA's understanding everybody's approach, because all those approaches are different. And if you can see, you know, what municipalities are, you know, kind of moving in the same like path, then, you know, that likely means that it's probably the right approach. And I think that's, you know, that could certainly be a positive thing as well.

Margaret Guarino
There's an end date to this program. So by 2026, if you haven't spent the money, it's going back? What do you do with those three positions?

James Nytko
Yes, and I think, you know, in our conversation, Burt had mentioned that there may be a sunset clause around this, but you're also going to be bringing people that are, you know, that may be aware that this could be a temporary role for them. Because once these funds are no longer available, then you know, that position could be gone.

Len Bernard
And I think, just to add to that, you now, I believe yesterday was also determined that these three people have not been hired yet. So the question becomes, what is the pool and again, James explained how technical this is, and how complicated it is. And so you really need someone to come on pretty quick, that already has a really good understanding and knowledge of ARPA. My guess is most of those people have already been gobbled up by other jurisdictions. So the question is who you're going to hire at this point to come in with the kind of expertise you need to hit the ground running. So you know, then you may find someone. But then again, you may not so certainly the alternative to hire, and I'm not saying that it should be, you know, one firm as opposed to another. But the question becomes, who's out, you know, what's the pool of available, people that have the kind of expertise you really want to, you really want them to have at this point with the program already started? So another thing, that's another thing to consider? But I think James's idea that if you do, you know, three, maybe it's three, too many? I don't know. I mean, it seems like what they've done here is set up an organization structure, because if you look at the three positions, in the titles, at, you know, it's really a little unit that they're setting up with, you

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know, a supervisor and someone you know, just below them that does certain technical work, and then a support person. Now the need all of that, I don't know. And like Margaret said, what's going to happen in a couple of years, when the money's not there? I know there's a sunset provision, but are you really going to fire these people? Or are you going to keep them on? And what are they going to do? Hiring maybe someone who's really knowledgeable on grants that could really understand you know, learn ARPA quickly, who then could work for the for the county after that securing additional money, like James said, Only, it only takes like, one grand a year for this for that type of position to pay itself. So, you know, that may be the alternative to look for that one good person that you hire full time and law in long time and have that person be your coordinator. You know, you have some, you know, again, you already have these three positions in the budget. They're funded by ARPA. But again, who are you going to get at this point? I mean, I would have hoped that see these positions filled already. So just another just some other thoughts.

Chairman Donaldson
Legislator Bartels.

Legislator Bartels
Well, I was just wondering and speaking about those positions, and your thoughts on those positions, if you had read the job descriptions, as they were presented to the legislature and posted, or if you were speaking just generally in terms of

Len Bernard
Speaking generally, but those positions, I mean, you know, I've supervised HR as being a finance Commissioner. And those, you know, again, those are pretty general titles. I don't know how specific the job descriptions were that went out. And

Legislator Bartels
I mean, I can say that, and maybe we should get them to you if we could do that, because, you know, the job descriptions were fairly, fairly detailed, but they - the kinds of work that you're describing, I don't know that they would even fully cover, you know what I mean? It's they were not, they were not specifically grant writers, they were not. They were not specifically financial people. I think more like project managers is kind of your description of that is, you know, and I think we're pretty close to hiring them. And I, I definitely, they definitely do have sunsets, looking at the resolution.

Margaret Guarino
You know let us look at them being that this is the work we do. So we can look at those job descriptions, and make sure they're going to work for you. We don't mind doing that. Send it to us.

Legislator Bartels
Thank you very much.

James Nytko
We have clients that have hired folks, you know, for this purpose. So, you know, we could certainly reach out to them and see if they have job descriptions, and you know, perhaps we could kind of benchmark and see how the two compare.

Legislator Bartels
Yeah, fantastic, thank you.

Len Bernard
I think the grants analyst ideas kind of, you know, we understand the fact that if you, if you went that route, the person you hire would, you know, would have the grants background. But those types of, quite frankly, those types of people are, are usually pretty good at dealing with, you know, something like ARPA. I mean, they do have those kinds of skills, but we do realize that they would have that person would probably not have one of these three titles, that person would have a different title and there'd be a different process. It's just a different tack to take and again, if you when you read the report, you'll see that you'll see how it's how we lay it out and I think it's pretty clear that it would be a different way to approach this then then hiring three people in creating a unit.

Chairman Donaldson
Do I have anyone else that had any questions?

Chairman Donaldson
Does any other legislator or does the comptroller have any questions?

Comptroller Gallagher
No, thank you.

Chairman Donaldson
Does Alicia have any questions?

Alicia DeMarco
Good thank you.

Chairman Donaldson
I don't see anyone else or if anybody else - yell out. I don't see any hands.

Legislator Litts
For adjournment.

Chairman Donaldson
Alrighty, and then a motion for adjournment from Legislator Litts. Seconded by.

Chairman Donaldson
Legislator Cahill. All those in favor?

Committee Members
Aye. Aye.

Chairman Donaldson
All right

Legislator Litts
Good night everybody be safe. Stay healthy.

Committee Members
Thank you. Be healthy. Good night.

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