



# Budget & Appropriations

## BOL Meeting Minutes - Final

Committee Chair: Catherine Borgia

800 Michaelan Office Bldg.  
148 Martine Avenue, 8th Floor  
White Plains, NY 10601  
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Friday, November 12, 2021

1:00 PM

Committee Room

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### CALL TO ORDER

*The County Board will meet pursuant to Chapter 417 of New York State Laws of 2021, allowing public bodies to meet and take action without permitting in-person public access to meetings and authorizes such meetings and public hearings to be held remotely by conference call or similar service, provided the public has the ability to view or listen and that such meetings are recorded and later transcribed. To access the meeting, please visit: <https://westchestercountyny.legistar.com>*

*With a quorum present, Chair Borgia called the meeting to order at 1:13 PM.*

*Others in Attendance: BOL: Colin Smith, Anand Singh, Alessandra Restiano BOL Remote: MaryJane Shimsky, Terry Clements, Jose Alvarado, Melanie Montalto, James Silverberg BUDGET Remote: Larry Soule, Gideon Grande FINANCE Remote: Ann Marie Berg, Cesar Vargas, Mario Arena, Stephani DiBuono*

**Present:** Committee Chair Borgia, Legislator Barr, Legislator Boykin and Legislator Walter

**Absent:** Committee Vice-Chair Gashi, Legislator Johnson, Legislator Tubiolo and Legislator Woodson-Samuels

**Remote:** Legislator Cunzio, Legislator Maher, Legislator Parker and Legislator Williams

### MINUTES APPROVAL

#### ***Monday, November 8, 2021 10 AM Minutes***

On motion of Legislator Barr, seconded by Legislator Boykin, the minutes were approved. The motion carried unanimously.

#### ***Monday, November 8, 2021 1PM Minutes***

On motion of Legislator Barr, seconded by Legislator Boykin, the minutes were approved. The motion carried unanimously.

### I. ITEMS FOR DISCUSSION

**1:00 PM- Department of Budget - Presentation on the 2022 Operating Budget & 3rd Quarter Report including Districts & Airport**

*Guests: Budget Director Larry Soule & Deputy Budget Director Gideon Grande*

**1:30 PM -Department of Finance - Presentation on the 2022 Operating Budget**

*Guests: Commissioner Ann Marie Berg, First Deputy Commissioner Cesar Vargas & Director of Fiscal Operations Mario Arena*

**2:00 PM -Debt Service , Fringe Benefits Miscellaneous Budget, 6N & 6J**

*Guests: Budget Director Larry Soule, Deputy Budget Director Gideon Grande, Commissioner Ann Marie Berg & First Deputy Commissioner Cesar Vargas*

*Chair Borgia invited the Budget Department to introduce themselves and begin with their presentation. Budget Director Larry Soule presented the third quarter report before the committee starting with the fund balance. He referenced having a \$27 million add fund balance by the end of the second quarter and now they are projecting a \$63 million fund. This increase allows for \$280 million in unrestricted fund balance. Under the assumption that they are not amortizing the pension, which increased their expenses and they will likely need an amendment later. They will be making a payment this December, and another one next year, this will leave them with \$16M remaining in their unamortized money for pension deferral. He also stated that Corrections and Public Safety had overtime above the budget, which they are working on adjusting.*

*Chair Borgia asked how much of the overtime in Corrections and Public Safety are attributed to COVID. Mr. Grande clarified that it is not just COVID activities, such as police at the County Center, but also if someone in a squad gets COVID they need to quarantine five people instead of just one.*

*Legislator Barr requested the COVID related numbers from Public Safety too since they got them for Corrections.*

*Chair Borgia also asked if the reduction of salaries are due to vacancies and Mr. Soule confirmed. He added that departments are having a difficult time hiring but they have several approved positions to fill.*

*Legislator Smith asked if there are areas of concern regarding hiring and shortages that they need to pay attention to. Mr. Soule responded that there are people that are retiring and they should probably look at that but they have not really seen an issue with respect to hires.*

*Mr. Soule shared about the supplies line, which is where energy bills are paid from. NYPA is increasing their rates by 24% in the coming year since the price of energy is going up and they*

accounted for that in the budget. In the contractual line, they have budgeted up to \$5.1 million including non-property taxes at \$108M, and 25% of that is shared with municipalities and school districts. In reference to revenue, they collect 100% of their property taxes. They are not going to do short-term borrowing during that time. Non-property taxes include sales tax and they expect to be about \$100 million better than budget and their sales tax. Sales tax is now over 38% of revenue compared to years prior. Capital revenues are down since they budgeted down by not budgeting for tax certs. Mr. Grande added that agency revenues are related to FEMA revenues associated with COVID response. Mr. Soule explained that they submitted claims to FEMA for COVID related expenses, despite a difficult application process, which ended up paying off. With respect to the sewer funds, they are on target with their \$17.8 million budget. Their primary source of revenue is taxes and they have not seen an increase just yet.

Legislator Walter asked if there is a conversation of changing property tax to user fees as this could be an incentive for the homeowner to use less. Mr. Soule expressed being unaware of this happening. Mr. Grande added that technically, they can do it but operationally it would be more difficult to make the change.

Chairman Boykin requested a chart showing how the tax levy reduction works to add up to \$7 million.

Mr. Soule proceeded to share that they are breaking event in the water fund. Regarding the refuse fund, they had an increase of recyclables from people at home and they have generated revenue from that of about \$2 million. Additionally, a \$2 million saving in the budget. In reference to the airport fund, they budgeted to use \$7.5 million in fund balance and they have over \$20 million dollars in reserves there. They have \$4 million in federal aid scheduled for use throughout the 4-year timeline for any airport purpose, which in turn will allow them to break even. They have also applied for a \$28 million grant from the State to help with their water capacity at the airport. This grant is a competitive grant for the airports and putting in a good application is helpful in receiving the grant.

Legislator Walter asked if the Board approved a water increase at the airport already this year. Mr. Soule responded that they are paying their share of the water district cost to increase capacity, but that is separate. The grant that they are applying for is for standby capacity at the airport, especially for fire suppression.

Chair Borgia invited the Department of Finance to introduce themselves and proceed with their presentation. Commissioner Berg shared that their total expenditures is \$5,759,639 almost exclusively of personal services. Their tax levy will increase by \$480,062 for salary increases and contractual changes. They have a vacancy factor in the department and finding people to work in finance has proved to be challenging. Some of their functions include general accounting, treasury, paying County bills and payroll, among other responsibilities.

Chair Borgia asked how many vacancies the department has and Commissioner Berg responded that there are 72 vacancies. They are working with Human Resources to have more people apply. Chair Borgia asked why their equipment expenses were not listed. Commissioner Berg responded that their equipment is not much and what they do have is through the IT Department. Chair Borgia also asked why there was a decrease in contractual

expenses. Commissioner Berg responded that they are interdepartmental expenses with IT and Law.

Commissioner Berg also explained that their revenue numbers have reduced as well since they anticipate less bonds this coming year in addition to less sales. She added that since they are not providing services to the IDA and the LDC, this would also reduce their revenue. This was an administrative decision. Commissioner Berg continued to share about their COVID response: purchased plexiglass partitions and hand sanitizer stations. The department remained operational throughout the entire pandemic since the work still needed to be continued. They staggered their schedules as well to pivot during that time.

Legislator Walter asked about their outreach to students whether digitally or directly on campus. Commissioner Berg confirmed that there are resources being shared consistently to increase awareness and interest.

Legislator Smith asked if the wait time between the receipts of vouchers to payment would be abbreviated. Commissioner Berg responded that some attorneys do not present their vouchers in a timely manner. Their timeframe to present the voucher is nine months and some people wait very long to submit it. Once the vouchers are submitted and they go through the process, the Finance Department sends the payment within 48 hours. Streamlining it to go through the County will help but not significantly, since part of the vouchers process is to go through the court for verification.

Commissioner Berg continued to speak about the mortgage tax receipts. The mortgage tax received to the clerk's office from April 1, 2021 to September 30, 2021 with a total of \$31,499,449.20 and for the whole year, it is \$19 million more than the prior year. People purchasing homes and the reduction on mortgage rates has been helpful.

The committee proceeded to vote on the item below and then Mr. Grande continued with the miscellaneous budget. The miscellaneous budget includes \$5 million for the department. No cash flow borrowing will be needed in the next year. Commissioner Berg added that they have enough cash to avoid borrowing as well.

Chairman Boykin asked for a total outstanding debt from last year-end and this year-end. Commissioner Berg said \$1.1 billion currently. They will be issuing \$185 million in December. Mr. Grande added that while the principle continues to increase, interest is not really going up.

Mr. Grande proceeded to share a 5-year growth chart, which includes the projections for next year as well. Commissioner Berg added that the distributions that were just paid out in November were based on the 2020 census so they are no longer using 2010's census. Mr. Grande added that from 2021 to 2022 they would have a 4% taxable base growth assumed. With respect to Other Tax Revenues, it has remained steady around the \$16.5 million range. Commissioner Berg clarified that the \$21 million is the County's piece. Mr. Grande also added that hotels took a hit during this past year but they project things to improve in this coming year.

Legislator Barr asked if they know how many hotels are off the tax rolls now. Commissioner Berg said there are about 52 hotels that are on now but they would have to circle back with

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information from two years ago to compare properly.

Mr. Grande then shared a 5-year pension projection. For the incoming year, they are projecting a similar amount as this year. After referencing the pension amortization statistics, by the end of 2022 they expect to be at about \$15 million range. Upon Legislator Walter's clarifying question about the amounts, Mr. Grande proceed to elaborate on the payment breakdowns. He continued to share about the healthcare portion of the budget as well.

Legislator Maher asked what inflation would do particularly to energy prices. Mr. Soule responded that the 4% rate is a combination of different things. Inflation is being factored in since they have no doubts that inflation, among other variables, need to be taken into account.

Legislator Barr asked what the non-County healthcare cost is. Mr. Grande responded that it consists of three primary sources: 1) federal subsidies that they get for having a drug plan that exceeds Medicare, 2) pharmaceutical manufacturer rebates and 3) employee and retiree contributions.

Chair Borgia proceeded to conclude the meeting.

1. [ACT-2021-206](#) **ACT-Mortgage Tax Receipts-4-1-21 through 9-30-21**

AN ACT to authorize the Commissioner of the Westchester County Department of Finance to pay Mortgage Tax Receipts to Cities, Towns and Villages.

**Submitted by COMMITTEE ON BUDGET & APPROPRIATIONS**

On motion of Legislator Barr, seconded by Legislator Walter, the above item was signed by committee. The motion carried by the following vote:

**Aye:** Committee Chair Borgia, Legislator Barr, Legislator Boykin, Legislator Maher, Legislator Parker, Legislator Walter and Legislator Williams

**Absent:** Committee Vice-Chair Gashi, Legislator Johnson, Legislator Tubiolo and Legislator Woodson-Samuels

**Away:** Legislator Cunzio

## II. OTHER BUSINESS

## III. RECEIVE & FILE

## ADJOURNMENT

Moved by Legislator Walter, seconded by Legislator Maher, the Committee adjourned at 2:46 PM.