



# Onondaga County Legislature

**JAMIE McNAMARA**  
Clerk

**JAMES J. ROWLEY**  
Chairman

**TAMMY BARBER**  
Deputy Clerk

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## **WAYS & MEANS COMMITTEE MINUTES – JUNE 27, 2023** **BRIAN F. MAY, CHAIR**

**MEMBERS PRESENT:** Mr. Ryan, \*Mr. Burtis, Ms. Abbott, Mr. Knapp, Mr. Kinne, Mrs. Ervin  
**ALSO ATTENDING:** Chairman Rowley, Ms. Gunnip, Ms. Cody, Dr. Chase, Mr. McCarron, Dr. Kelly;  
also see attached

Chair May called the meeting to order at 11:36 a.m. *The minutes of the previous meeting had been distributed, and there were no objections to waiving the reading. There were no corrections to the minutes, and the minutes were approved.*

### **CONSENT AGENDA**

#### **1. EMERGENCY COMMUNICATIONS (E-911):**

- a. **Amending the 2023 Onondaga County Budget to Accept Grant Funds from the New York Statewide Interoperable Communications Grant Targeted Program (\$2,750,000)**  
*(Sponsored by Mr. Olson)*

#### **2. SYRACUSE/ONONDAGA COUNTY PLANNING AGENCY:**

- a. **Amending the 2023 County Budget to Accept \$450,000 of Grant Funds from the Federal Highway Administration for the Development of a Safe Streets and Roads for All Program Action Plan and Authorizing the Execution of Grant Agreements to Implement the Intent of this Resolution (\$540,000)** *(Sponsored by Mr. Burtis)*

*A motion was made by Mr. Kinne, seconded by Mrs. Ervin, to approve the Consent Agenda. Ayes: 6 Absent: 1 (Burtis); MOTION CARRIED.*

### **REGULAR AGENDA**

#### **1. COUNTY LEGISLATURE:**

- a. **Standard Work Day and Reporting Resolution**

*A motion was made by Ms. Abbott, seconded by Mr. Knapp, to approve this item. Ayes: 6 Absent: 1 (Burtis); MOTION CARRIED.*

#### **2. COUNTY CLERK:**

- a. **Mortgage Tax Apportionment**

*A motion was made by Ms. Abbott, seconded by Mr. Knapp, to approve this item. Ayes: 6 Absent: 1 (Burtis); MOTION CARRIED.*

**3. FINANCE:** Don Weber, Real Property Tax Director; Steve Morgan, Chief Fiscal Officer; Marty Masterpole, Comptroller

Mr. Weber presented items 3a and 3b.

**a. Adopting and Directing the Correction of Certain Errors on Tax Bills**

- How did state property get on the role?
  - When the state takes title, the assessor neglects to put a special exemption code on it, so the computer does not recognize it should be exempt; county finds it when it is delinquent

*A motion was made by Ms. Abbott, seconded by Mr. Kinne, to approve this item. Ayes: 6 Absent: 1 (Burtis); MOTION CARRIED.*

**b. Directing a Public Hearing to Consider Increasing the Income Limitation Relative to Partial Exemption from Real Property Taxes for Persons 65 Years of Age and Over (August 1, 2023 at 12:55 p.m.)**

- Increase income limits for senior citizen property tax exemption
- Last year NYS allowed local governments to increase maximum limit (did not have ability since 2006)
- Will keep to the maximum allowed by NYS
  - Previous income limit was \$29,000 - \$37,400
  - Increasing income limits to \$50,000 - \$58,400
- Keeping pace with inflation; comparable salaries from 2006 to now

**Questions/Comments from the committee:**

- Any consideration or any impact to the assessor's workload with this change?
  - Believe there will be significant increase to Town Assessor workload
  - 2 towns increased limits last year: Manlius and Salina
  - Number of exemptions increased 60-62% in both towns; quite a few more applicants walking in the doors
  - Workload is a town function, not county
  - Not aware of any grants available as this is something every town administers; unlikely for NYS to put extra money towards it
- Does this involve an application?
  - Yes; annual renewal
  - Senior citizens will have to physically go to town hall and bring tax returns or social security income statements to prove income for exemptions
  - Onerous on everybody
- Communication campaign may bring more streamlined process to local assessor's office
- It could be an additional 62% of applications beyond who is already eligible
  - That is what the 2 towns that passed it saw
  - Would assume the same, but there may be a variation with more rural towns
- How is this communicated to the towns?
  - Towns are aware of it and have been for some time
  - 2 ways of notifying property owners:
    - Statement on back of every tax bill stating the exemption exists and to contact assessor's office
    - Towns now required to send 2<sup>nd</sup> or 3<sup>rd</sup> notice in February to let taxpayers know it exists (new last year)
  - Doing this to give plenty of time for towns to notify constituents of this change
    - Has to be implemented and records updated within town assessor's office by March 1<sup>st</sup> next year
    - This will take effect for the 2025 taxes

- If this passes, this is only the county portion, so each town has to pass their own, correct?
  - Correct, this effects the county portion
  - Towns will pass it for town portion
  - School districts have to pass to effect the school tax bill
  - Village for village tax bill
  - When first passed at state level, Finance wanted to analyze impact to county
  - Pulling additional seniors into this exemption at certain levels - moving up those that already qualify and bring in new cohort of individuals that did not qualify previously
  - Analyzed potential impact with census data and other data points; difficult to estimate
  - Using Salina and Manlius as examples, able to extrapolate across the county
- Dilemma with assessments going up and taxes go up; these people are on fixed incomes; good thing even with more work at government offices
- What would the potential financial impact or revenue loss be?
  - No revenue loss
  - What governments (including county) decide to raise in taxes is going to be raised
  - It is a matter of how it is spread between the tax base
  - Does not impact revenue
  - This changes how it is paid and who
  - If it makes more properties exempt, people that do not have exemption will pay larger share
  - Analysis based on Salina and Manlius could potentially move tax rate \$.02 - \$.03
  - Expectation that in 2025 there will be robust assessment growth which would outweigh this shift
  - County Executive recognizes this as a needed benefit to senior population

\*Mr. Burtis arrived at the meeting.

- Is there a concrete example? (i.e.) If a house was assessed at \$200,000, then what are they talking about?
  - Depends on what their income is
  - If it is a senior, depending on where income falls, they would eligible anywhere from 5% - 50% exemption on value
  - Seniors have to go to local assessor's office with proof of income and apply for exemption every year
  - Under current program, if their income allows 50% of value, then that is the max
  - Rest of taxpayers make up the difference
  - Analysis shows it will not move the needle significantly
  - Investment and initiative to support seniors that will shift the deck for who is paying

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

- c. **Amending the Tax Exemption on Real Property owned by an Enrolled Volunteer Firefighter or Volunteer Ambulance Worker residing in Onondaga County Pursuant to Section 466-a of the Real Property Tax Law** *(Sponsored by Mr. Knapp)*

Legislator Knapp presented item 3c

- Passed earlier version of this tax exemption for firefighters and first responders – met with favorable comments
- One comment was that the 5 year term before exemption kicks in helps maintain older volunteers, but does not help recruitment – 5 years a long time
- Lot of towns adopted at 2 year wait period
- Resolution amends previously adopted resolution to move it from 5 years to 2 years

**Questions/Comments from the committee:**

- Not only towns but county's adopted it; followed letter of law when doing this
- Feedback from first responders was good
- Learned that the 1-2 year timeline is when new volunteer first responders decide whether this is for them or not

- Having this exemption at that threshold is one more carrot

Mr. Ryan, Ms. Abbott and Mr. Burtis requested to be co-sponsors.

- Need more to help volunteers; getting firefighter volunteers has been a challenge
- 2 budgets ago the legislature approved money and resources to aid in concentrated effort with Emergency Management (EM) to assist in recruitment leveraging county resources
- Fire Advisory Board determined to be lead in process working with EM and have been working on it
- This year added another \$25,000
- Legislature can help with strategic initiatives and support tax exemptions to volunteer
- There is also practicality
  - Being able to attend classes when offered
  - County is doing what it can to incentivize
  - State only offering courses in Cortland for 6 weeks in a row – for someone working or who has kids, it is a problem
  - State leaders need to change it
- Rural municipality is not held to same standard as densely populated areas; tough to keep rosters up

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

**d. INFORMATIONAL: ACFR and 1<sup>st</sup> Quarter Forecast**

**1<sup>st</sup> Quarter Forecast** – Steve Morgan, CFO

**Inside this issue:**

Indicator	Period	2023	2022
Unemployment Rate: Onondaga County	Q1	3.5%	3.8%
Employed Persons by Month (in 000's): Onondaga County	Q1	223.80	211.03
Employed Persons yr-over-yr (in 000's): Onondaga County	Q1	5.0	5.1
Overall Consumer Confidence: New York State	Q1	75	68
Consumer Price Index (all items) - Inflation Rate	Q1	5.8%	8.0%
Weighted Average County Interest Rate	Q1	2.1%	0.2%
Reconciled Quarterly Sales Tax Collections % Chg CYTD	Q1	7.2%	14.5%
Auto Sales CYTD: Onondaga County	Q1	5,796	5,950
Gasoline Prices per gallon paid by Onondaga County	Q1	\$2.93	\$3.13
Retail Gasoline Prices per gallon in Upstate NY	Q1	3.47	\$3.84

Onondaga County Clerk Fees CYTD	Q1	\$509,485	\$626,676
Lis Pendens CYTD	Q1	339	271
Existing Home Sales CYTD: Onondaga County	Q1	584	861
Average Median Home Price YTD: Onondaga County	Q1	\$246,400	\$222,773
Onondaga County Filled Positions	June	2,953	2,957
Average Monthly Public Assistance Caseloads YTD	Q1	4,685	4,479
Average Monthly Medicaid Caseloads YTD	Q1	41,003	39,384

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

\*February data for Public Assistance was pulled from WMS to account for error in usual report's data

- Indicators assessed when developing forecast and looking at detail
- Reconciled Quarterly Sales Tax Collected – 2022 1<sup>st</sup> quarter at almost 15% growth, 2022 ended at 5% growth
- 2023 1<sup>st</sup> quarter Sales Tax growth at 7.2%; currently at 2.9% year over year sales tax growth
- Onondaga County filled positions – even with last year; actively trying to fill 263 positions
  - Not lack of effort; trying to find new ways working with state to facilitate getting people in the door
  - Still waiting on HELP program; NYS has not approved yet
  - Bringing back part-timers and retirees within the rules
- Average monthly Temporary Assistance & Medicaid caseloads – pressure on both
  - End of COVID era with enhanced benefits to constituents in direct cash payments, additional assistance with rent and utilities, bump in SNAP (back to normal level)
  - Will see increased pressure as the COVID benefits assimilate out of system
  - Gradual increase; believe they will see a sharper increase

2023 First Quarter Budget Forecast				
	2021	2022	2023	2023
	Actual	Actual	Modified	Dpt_Projected
<b>Revenues</b>				
Property Tax Levy	156,419,220	156,449,957	155,254,668	155,254,668
Deferred/Uncollectible	(12,689,177)	(7,865,128)	(14,085,949)	(14,085,949)
Prior Year Collections	12,875,663	9,973,366	11,981,734	11,981,734
Pilots/Interest & Penalties	9,818,312	9,718,058	9,681,337	9,681,337
Room Occupancy Tax	1,700,808	4,466,508	5,871,508	5,871,508
Abstract Charges	10,775,161	11,053,758	13,117,066	13,117,066
Sales Tax - County Portion	323,082,905	339,835,896	332,894,784	347,217,985
Sales Tax - Municipalities/School Portion	108,978,535	114,166,298	112,223,014	115,865,270
State Aid	87,300,212	93,448,222	102,335,019	101,927,174
Federal Aid	80,325,210	91,921,079	95,792,137	97,834,430
Interdepartmentals	52,205,332	54,199,132	59,310,094	59,468,891
Project Fund Close-Outs	0	0	0	0
All Other	37,180,344	36,058,486	36,000,346	46,478,616
<b>Total Revenues</b>	<b>867,972,524</b>	<b>913,425,631</b>	<b>920,375,758</b>	<b>950,612,730</b>



## Appropriations

Mandated Programs	217,947,172	238,035,738	268,000,427	264,591,322
Wages	146,502,052	162,837,646	180,285,751	175,636,634
Benefits	74,308,985	72,810,614	78,952,214	78,952,214
Contracted Services	70,669,774	66,516,458	71,059,490	73,176,294
Interfund Transfers	51,247,592	77,804,788	91,109,945	91,174,196
Debt Service	17,873,125	17,918,889	19,027,174	19,027,174
Sales Tax - Municipalities/School Portion	108,978,535	114,166,298	112,223,014	115,865,270
Interdepartmentals	45,934,438	48,386,980	51,888,450	51,888,450
All Other	37,376,943	125,950,571	49,202,452	48,361,612
<b>Total Expenses</b>	<b>770,838,616</b>	<b>924,427,982</b>	<b>921,748,917</b>	<b>918,673,166</b>
<b>Fund Balance</b>				
Fund Balance	0	0	75,000	75,000
Carryover Fund Balance	0	0	0	0
<b>Total Fund Balance</b>	<b>0</b>	<b>0</b>	<b>75,000</b>	<b>75,000</b>
<b>Local Dollars</b>	<b>(97,133,908)</b>	<b>11,002,351</b>	<b>1,298,159</b>	<b>(32,014,564)</b>

## 2022 actual

- Local dollars show \$11M deficit in 2022
- In 2022, \$70.5M appropriated in fund balance for one-time initiatives
  - Aquarium, Housing Initiative and Senior Stimulus Program
- Before the appropriations, ended year with \$60M surplus
- Only needed \$11M from fund balance to pay the full \$70.5M; almost added in what was taken out in 2022
- \$60M surplus driven by:
  - Sales tax
    - Ended year at 5% growth and only budgeted 2% growth
    - Ended 2021 with 20% growth of sales tax
    - Based on previous performance, ended with \$40M county share of sales tax in 2022
  - Enhanced revenue for Medicaid (will be going away)
    - Continuing to get through this year - ACA enhanced revenue related to Affordable Care Act implementation
    - Shared with counties since inception
    - When federal government implemented ACA, a way to expand health coverage was expanding Medicaid eligibility; states had to decide if they wanted to expand eligibility or not; if so, the feds would pay for it
    - NY already expanded program
    - It will be going away next year; county will absorb partially this year and fully next year
    - Still remained in 2022, as well as COVID eFMAP
  - Those 2 combined created \$10M surplus
  - Did not anticipate COVID aid continuing through all of 2022 (ended last month)
  - Will continue benefit through end of 2023
- Next year Medicaid will be at full cap amount of \$105M; have not paid that amount in 10 years

## 2023 projection

- Revenues
  - Sales Tax
    - Projecting \$347M in county share; anticipate 2% growth; currently at 2.9% year over year
    - Believe COVID impact on sales tax coming to close
    - Starting to see economy slow and discretionary spending wane
    - Just shy of \$15M surplus on that line

- All Other
  - \$46.4M – driven by earnings on investments
  - Feds continue battle against inflation, continue to pass interest rate increases into economy
  - County interest on earnings on investments at level never been at
  - County has pooled investments earning over 5% with over \$100M in investments
  - Expect it to continue through this year and expectation of no more rate increases, possibly decrease next year
  - Did not anticipate that when putting this year's spending plan together
- Appropriations
  - Enhanced Medicaid dollars waning, but did not anticipate them being available as long as they have been
    - Anticipate \$8M surplus in Medicaid due to enhanced federal reimbursements; will be eliminated at end of year
  - Wages
    - Projected \$5M under budget in totality
    - Would be higher with regular salaries, but pushing overtime when necessary for departments
    - Not at full staff and overtime offsetting savings in 101
- Projecting \$32M surplus for 2023
- Concerns on expenditure side in mandate arena
  - Indigent defense attorneys and pay scale
    - State increased rate of pay for some attorneys from \$60 to \$158
    - Warranted but huge increase all at once, which is a struggle
    - Paying for half
    - State appropriated ~\$90M statewide; question if that is enough; projecting it will be for the county
    - Increase for county over \$8M
    - Forecast has state paying for half built in (could be bigger if that does not happen)
    - Includes Assigned Counsel and Hiscock Legal Aide
    - Developing 2024 spending plan, and will see number rise even more; negative pressure into 2024 cycle
  - Foster Care
    - Projecting to be over budget by \$7M gross
    - Get some revenue making it \$5M local increase
    - Commissioning consultant to assist with top down review of program
    - Working with department evaluating pain points and understanding driving factors behind it
    - Identify strategies and interventions to address pain points
    - Leftover from courts being closed – kids staying in care longer than they should; courts unclogged to an extent
    - Need to do objective thorough review
    - Budget had doubled
    - Realistically some of these things are out of county control - NYS sets the rates and reimbursement
    - Might be other things within county's control – objective to control them
    - Be responsible and reasonable on how managing program
    - Ultimate goal is reunification with natural parents
    - When that cannot happen, the next form of permanency is adoption, which takes time, energy and resources
    - Have not used an external resource to look at this
- Correctional Health
  - After 2023 budget adopted, it was determined the county needed to shop the Correctional Health contract
  - Result is contract significantly higher than budgeted
  - Item on next month to address it; requesting appropriating \$3M in fund balance to shore up the account for the year

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Fund Balance Analysis

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2022 Revenue	\$ 913,425,631
Less: Sales Tax Pass Through	(114,166,298)
Less: Interdepartmental Revenue	(54,199,132)
Total Revenue for Fund Balance Calculation	\$ 745,060,201
Current Fund Balance Goal 15%	\$ 111,759,030
Unreserved Fund Balance 12/31/21	\$ 201,072,182
<b>Appropriated in 2022</b>	
Adopted Budget	
2022 Surplus/(Deficit)	(11,002,351)
Unreserved Fund Balance - 12/31/22	\$ 190,069,831
Less: Encumbrances	(1,283,391)
FB Adjustments 2022	-
Appropriated in 2023	(75,000)
Unassigned Fund Balance - Estimated	\$ 188,711,440
Amount of Fund Balance as a %	25.3%
Amount of Fund Balance over (under) 15% Goal	\$ 76,952,410

## Fund balance

- Current fund balance goal of 15% is \$111.7M
- Unreserved fund balance 2021 at \$201M; talked about ending 2022 and drawing out \$11M
- Fund balance at end of 2022 is \$190M
- Take out encumbrances (commitments from previous year) of \$75,000
- Unassigned fund balance just shy of \$189M, which is 25.3% of general fund revenues; ~\$77M over goal

## Warning signs for 2024 and beyond

- Economists talking about recession forever, debate on being in one
- See numbers and sales tax, and no question going into a slow down
- Indications of public benefit programs continuing to receive additional pressure
- State passed budget pushing close to \$15M-\$16M onto the county dime next year
  - Taking enhanced Medicaid: ~\$8M
  - Increase in Indigent Defense pay scale: ~\$6-7M
- Storm clouds are there and will continue, especially with outlook of state finances
- NYS 5 year plan along with budget of \$229B – concerned the Medicaid cap that stabilized, will be on chopping block
- County position is as strong as can be
  - Healthy savings account
  - Focused on baseline approach – ensuring departments have resources need to continue operations
  - Any potential money above baseline is strategically invested in one-time initiatives for economic activity that drop off after year and fund baseline growth
  - On this cycle for 4 years and will continue to use to work hard and keep the bottom from falling out
  - i.e. if Medicaid cap opens up and have to budget double digit increases in the account, it would be a disaster
    - Costs year to year could go up 5%, 6%, 10%, and at \$100s of millions, it adds up quick



**Questions/Comments from the committee:**

- What are the rates on borrowing?
  - Good news on investing, but not borrowing – feds intimated 1 or 2 more bumps will be coming
  - Markets stabilized, so fiscal advisors believe market is as good as it will get
  - Probably looking at high 3s, low 4s
  - Pulling in the 1s last year
  - Will be more expensive to borrow, so plowed \$10M into DOT; will not be borrowing for work plan this year
  - Hoping to continue to do some of that to fund routine work
  
- Was there something in the federal legislation that did not allow the Medicaid funds to be diverted?
  - State decided it was an administrative decision that did not have to be voted on by the legislature
  - There are questions if it is legal, but not sure of the status of any official suit
  - NYS proposing and started phasing in sweeping money over this year and will conclude beginning of next year
  - County will budget full statutory amount
  
- What is the full budget statutory amount?
  - \$105M
  - Have not budgeted for \$105M in quite some time due to enhanced aid
  - Not broken out in the above data, but lumped in with the mandates
  - Based on full cap, its an \$8-9M increase compared to this year’s budget
  - Will be huge strain on next year’s budget – will see spike in the Medicaid line for 2024
  - NYS made it clear that the county will not be getting that money next year and COVID enhanced ends this year
  - Not a projection, but a reality
  
- The surplus of \$32M is wage savings, investments and sales tax
  - Budgeted 2% growth in sales tax in 2022
  - Budgeted 1% growth in sales tax in 2023
  - Grew in 2022 at 5%, would need negative growth this year to not meet this year’s budget
  - This is why projecting surplus at 2% growth
  - \$347M – projecting 2% growth over actuals (2022)
  - Driving surplus because ended 2022 at higher growth rate than budgeted for
  - When bringing over budget for 2024, assume growth rate in 2023 and 2024
  
- Are there any contracts the county will be resolving this year, and how will they be paid for?
  - In 2023 budget, set aside value of 2.5% for contracts that are out
  - Provision for Salary and Wage line has value of 2.5% increase to be used if needed; if and when contracts pass
  - Staffing – departments will probably be able to fund without any of that money (accounted for it)
  - Negotiations ongoing and set aside money for that; not going into budget cycle without giving employee raises
  
- Reasonable estimate on baseline for 2024?
  - Yes, will build on top of 2023; if there is no contract agreement by that time, will set aside resources
  - Allow money to sit in Provision for Salary and Wage, not in department budgets; move if needed
  
- When will the county know about the HELP program?
  - New program, so no history on expectation
  - Log jam at NYS level to get plans approved; state having issues filling 1,000s of positions
  - Came to Legislature in March/April for approval and sent to NYS
    - When state reviewed, they needed more info, county sent them more, and been back and forth
    - Hoping Civil Service Administration will make determinations and approve positions in July
  
- What was approved at Legislature seemed to be a logical beginning, because there is a need for positions
  - State well intentioned and trying to figure it out
  - State looking at it from data with canvassing efforts in municipalities and success rates
  - Slowing down process when municipalities across the state are in desperate need of the program

- What do they see going forward with revenue line of Deferred/Uncollectible?
  - Line ebbs and flows with economy and people's ability to pay tax bill
  - Typically lump them together and hope for the best
  - Expectation as economy sours, current year collections will struggle
  - Use most recent trend data to project into the future; if it is in range of where projected, happy with it
- What is the future of ROT?
  - Economy recovering and communities opening back up; people traveling and holding conventions and conferences
  - County collecting additional 2%, which was added a few years ago
  - Expectation that the line will continue to grow
  - Spending plan for 2024 will be at levels have not seen before; will see investments in line with that
- Where is the WEP fund balance?
  - Projection for this year – do not expect to use all set aside, which was \$4-5M, projecting using half of that
  - 2022 did not use any and added some to it
  - Up in the \$30M range; continue to use strategically to help with rate shock with massive investments
- Looking at \$30M surplus is 2023, but the storm clouds will pierce the \$30M
  - Serious pressures going into 2024
  - Approach to budget they are using, one-time items will fall off and expect growth in sales tax
  - Expecting to come into cycle well positioned, but it is coming to an end (most likely 2025 or 2026)
  - Sales tax historically tracks with normal inflation
  - If the county starts up new recurring spending, it will be cut down the road
  - Baseline growth in revenue will support baseline growth in baseline things the county does
  - Main revenue is sales tax growing 1.5-3% per year, the value will have to pay for cost increases in government, otherwise start cutting
  - Continue to give departments resources they need to operate at current levels
  - If there are excess funds, the county will invest them strategically to spur economic activity to raise sales tax and pay for base, or initiate programs/initiatives on one-time basis to address specific areas

### **Annual Comprehensive Financial Report (ACFR) – Marty Masterpole, Comptroller**

*ACFR on file with the Clerk*

To: Honorable Members of the Committee on Fiscal Ways & Means  
Onondaga County Legislature

Re: Annual Financial Report for the year ending December 31, 2022

Today our office hereby presents Onondaga County's Annual Comprehensive Financial Report (ACFR) for the year ending December 31, 2022. The report was released on May 26, 2023. The timely release of this report is beneficial to the maintenance of our bond rating and reinforces our reputation of sound fiscal management.

The ACFR was prepared under my direction by my accounting team. In addition, my audit team provided fundamental audit work in conjunction with the outside audit firm, Bonadio & Company. As a result of this joint effort and the commitment of this Legislature, we once again lead New York counties by becoming one of the first, if not the first, county to release our

financial statements.

This committee, as well as all members of the Legislature, should use these statements when evaluating past policy decisions and when considering future financial decisions. I respectfully offer the following guidance with interpreting this data:

Once again, the County has received an unqualified opinion from the independent auditing firm. In other words, Onondaga County has received a “clean” opinion, which means the County is fairly stating its financial position in all material respects.

This opinion is crucial for several reasons. As a sitting Legislator and taxpayer, it is encouraging to know the County is diligent in reporting financial data accurately and timely as this allows bond-rating agencies, taxpayers, vendors and any persons with an interest, to use this financial information to assist with making informed, reasoned decisions involving Onondaga County.

As a leader in government financial reporting, our County issues an ACFR as opposed to basic financial statements. As a result of issuing such a comprehensive report which is above and beyond the minimum standards, you should be confident using this data to aide in your legislative decision making capacities. The ACFR consist of the following sections:

1. Letter of transmittal- pages iii-vii
2. Opinion Letter from independent auditor-pages viii-xi
3. Management Discussion and Analysis-pages xii-xx
4. Basic Financial Statements consisting of:
  - a. Government Wide Financial Statements- pages 1-4
  - b. Fund Financial Statements-pages 5-18
  - c. Notes to the Financial Statements- pages 19-47

In addition, we respectfully encourage reference to the Required Supplementary Information when needed during budget sessions. This information includes:

Budgetary Information on Major and Non-Major Funds (pages 48-64) which reflects budget to actual financial figures and assesses our variance from the budget.

The Statistical Section, beginning on page 65, provides historical perspective on key financial conditions based on previously audited statements.

This document is beneficial with assisting in evaluating past decisions of the government and with making future choices. Legislative committees have asked questions in areas such as Fund Balance and Long-term Debt. The ACFR is a great source of reference for these issues (Fund Balance page 5 and 6 as well as Long-term Debt pages 32-35) as well as many other issues.

In closing, there isn't a single measure of financial condition that can fully capture the financial stability of our government. Each of your constituents may gauge financial success differently however, the discussion should begin with sound financial data. The issuance of the timely financial statements begins the process to ensure Onondaga County continues to thrive and serve the taxpayers. I am honored to submit this Annual Comprehensive Financial Report for the year ending December 31, 2022.

Respectfully submitted,

  
Martin D. Masterpole

Comptroller

- Appreciate staff and deputies who worked hard and collaborated to prepare the ACFR
- General fund balance second highest ever been – \$190M
  - After one shots: aquarium, housing initiative and senior stimulus program
- WEP fund balance at \$33M
- Sales tax up \$53.6M (total collected) with \$40.2M county share

**Questions/Comments from the committee:**

- Any comments on the storm clouds in the future?
  - Like to believe glass is half full over half empty
  - Taking conservative approach to COVID pandemic, and now at \$190M (gave money to seniors, aquarium)
  - Storm clouds exist, but hard to tell what the percentage will be
  - Thought the county would be in worse position than it is now
  - Have to be cognizant of the factors Mr. Morgan mentioned, and he does a good job forecasting
- On page 8 and 9, what is included in the column entitled “Nonmajor Governmental Funds”?
  - Pgs. 54 – 57 shows it includes Oncenter, county road, road machinery, library, water fund, etc.
- Is the Comptroller in agreement with the CFO?
  - Yes

- Does the revenue growth and anticipated excess of \$14M sound correct?
  - Yes; fund balance used to be in \$110-\$120M range which was healthy at the time
  - Does it mean the county should spend \$70M more? Do not know, and may not have been responsible spending
  - Sales tax during COVID had unbelievable spikes due to combination of everything; never could have budgeted for
- If everything in front of the committee turns out to be true, then what would the fund balance be?
  - Would stay the same, unless there are one shot expenditures
- Legislature has been told that the one shot process that was started, will continue, but not recklessly
- Will see one shot initiatives in 2023
  - Finance:
    - Approach is using baseline budget ensuring departments have resources need for wage/fringe
    - Operational costs are kept at current service levels
    - If there is money leftover (budget and year end), will identify one-time funding opportunities to fit County Executive's platform that will fall off the next year
    - Last 2 years brought over handful of one-time items knowing the county would end the year in the black
    - Legislature has been supportive as it gets the money out of annual operation budget
    - i.e. New equipment at Forensic Science Center or computers at DSS
    - Better approach to use yearend surplus and not clog annual budget
- Trying to gauge what the county has, and what will come back at budget
  - Finance:
    - Budget will ensure departments have resources to operate, enough resources are set aside for mandated costs, and anything leftover will be geared toward one-time investments (which will fall off in the 2025 budget)
    - There will be a time when sales tax gets back to reality, and the Legislature and Executive will be faced with cutting to balance revenues and expenses
    - In "honeymoon" period since the pandemic, and it will come to an end eventually; budgets work in cycles
    - It is about how the county manages when times are good, then when bad times come, the county will be prepared
  - Comptroller
    - Regardless of the project, what will generate the county money to get through tougher times is what needs to be looked at
    - Giving DOT cash helps with borrowing; every little bit helps, and want to maximize on what helps most
- What is the balance of the Healthcare fund?
  - Finance
    - Built up fund balance in insurance fund, because during pandemic no doc visits or discretionary procedures were done – will see impact as early as 2024 budget
    - \$10M in fund balance used last 2 years, because it is there and it is not a fund that should be carrying that amount of fund balance
    - Partly employee money - using it to stabilize PER (not bouncing all over for what employees pay for insurance)
    - Now back to this year's budget using \$5M fund balance, and preliminarily using \$5M in 2024
    - Would then be out of fund balance
    - Other pressures include Medicare Advantage premiums, which are projected to skyrocket (looking to get better rate), and the pension bill in 2024 with performance of retirement fund (bigger bill)
  - Comptroller
    - State pension at 106% funded and in 98% range now
    - Side note, found out yesterday that Comptroller's received the matching grant for \$75,000 for digitizing payroll records; cautiously optimistic it will be enough

The meeting was adjourned at 1:11 p.m.

Respectfully submitted,



JAMIE McNAMARA, Clerk  
Onondaga County Legislature



