



Tioga County Legislative Worksession Minutes **June 21, 2018 – 10:00 a.m.**

Legislators Present:

Legislator Hollenbeck
Legislator Monell (*departed @ 11:00 a.m.*)
Legislator Mullen
Legislator Roberts
Chair/Legislator Sauerbrey
Legislator Standinger
Legislator Sullivan
Legislator Weston

Legislators Absent:

Legislator Huttleston

Guests:

Matt Freeze, Reporter, Morning Times

Staff Present:

County Attorney Peter DeWind
Deputy Legislative Clerk Cathy Haskell
ED&P Deputy Director Teresa Saraceno (*departed @ 10:22 a.m.*)
Public Works Commissioner Gary Hammond
Chief Accountant/Budget Officer Rita Hollenbeck (*departed @ 10:43 a.m.*)
Accountant Jackson Bailey (*departed @ 10:43 a.m.*)
Personnel Officer Bethany O'Rourke

Call Meeting to Order –

Chair Sauerbrey called the meeting to order at 10:00 a.m.

Third Special Legislative Meeting -

Chair Sauerbrey called the Third Special Legislature Meeting of 2018 to order at 10:00 a.m. for Legislature consideration of the following resolution:

✓ Adjust Hourly Rate for Highway Worker (Seasonal) Public Works

Third Special Meeting adjourned at 10:06 a.m. with regular worksession immediately following.

Chair Sauerbrey announced she would be leaving today at 11:15 a.m. to attend the Regional Economic Development Council meeting where Team Tioga will be presenting the the Downtown Revitalization Initiative (DRI) Village of Owego grant application for \$10 million dollars. Chair Sauerbrey reported there were six submissions from the Southern Tier area and Tioga County is one of the top three. Chair Sauerbrey reported the Regional Board votes today, however, grant announcement is not anticipated for a few months.

Land Bank Property Discussion:

Chair Sauerbrey reported ED&P Deputy Director Saraceno is here today to continue discussion on the Land Bank and the properties she is seeking to transfer from the County to the Land Bank.

Ms. Saraceno provided an update compiled by the Treasurer's Office on the estimated back taxes for the properties that are potential projects for the Land Bank. Ms. Saraceno reported the intent is for the Land Bank to acquire and hold the properties until such time the Land Bank funding is available to begin the demolition and rehabilitation process.

Ms. Saraceno reported she researched different policies and how other Southern Tier Land Banks handle property acquisition and costs, as well as the process for their side lot program, start-up seed money, and how they interact and work with the villages. Ms. Saraceno reported one commonality amongst the counties is \$1.00 property transfers to the Land Bank, with the exception of Steuben County, as they transfer properties for amount of back taxes owed. Ms. Saraceno reported the other Southern Tier Land Banks have the villages handle the maintenance on the properties through a Memorandum of Understanding (MOU). Ms. Saraceno reported Tioga County Land Bank would do a MOU with each of the villages in regards to property maintenance responsibility, which includes grass mowing, snow removal, and securing the property until such time the Land Bank is awarded funding and able to start the demolition or rehabilitation process. Ms. Saraceno reported she has had this conversation with the Villages of Owego and Waverly and they are receptive to this idea.

In the event the smaller lots are unable to be re-sold due to size, zoning, setbacks, etc. and the side lot program or community park or garden is not an option, Ms. Saraceno reported the MOU would stipulate the property would go back to the village and they would assume all responsibility for maintenance.

Legislator Sullivan inquired as to who will be responsible if properties remain unsold and remain on the market for years. Ms. Saraceno reported once the Land Bank takes ownership, the Land Bank assumes the responsibility.

Ms. Saraceno reported she and County Attorney DeWind are still in the process of working on the draft MOU.

Legislator Mullen reported he has had lengthy conversations with the Village of Waverly Mayor and the village is more than willing to take on the extraneous costs of securing the property, grass mowing, and snow removal until such time Land Bank funding is awarded. In the future, Legislator Mullen reported he believes the County needs to emphasize with the local

municipalities that their code enforcement, assessor, and fire personnel need to be discussing these properties in an effort to reduce the current assessments.

Legislator Weston inquired as to how much the County wants the municipalities to contribute. Legislator Mullen reported the Village of Waverly Mayor is willing to be responsible for lawn mowing, snow removal, securing of the property, as well as have the Waverly Police Department patrol and check on the properties. Legislator Weston reported this is a service contribution and not a monetary contribution.

Chair Sauerbrey reported she looked at the identified Village of Owego properties and in her opinion believes these are all candidates for demolition.

Legislator Sullivan reported if the County is willing to sell these properties to the Land Bank for \$1.00 the County is somewhat losing out, therefore, inquired as to whether there is any way to ensure the assessments are changed accordingly.

Mr. DeWind reported once the County takes title of the property, the villages are limited in regards to effecting the assessment. However, Mr. DeWind reported this issue could be addressed as part of the whole initiative of what the County can do with the evaluation of properties and making villages whole for unpaid taxes.

Chair Sauerbrey inquired as to whether there is Legislature agreement to move forward with these properties for the Land Bank. Legislator Sullivan inquired as to whether we were good to go with these properties for \$1.00. Mr. DeWind reported this is just a preliminary discussion of intent with these properties. Mr. DeWind reported the County is in the process of finishing the paper work this week to get the foreclosures filed to get the petition in place. If all goes well, Mr. DeWind reported the County would end up with all of these properties. At that time, the Legislature will need to do a resolution to transfer ownership to the Land Bank at the agreed upon dollar figure. Ms. Saraceno reported the transfers to the Land Bank would not occur until such time the Land Bank has secured funding.

Approval of Worksession Minutes – June 7, 2018:

Legislator Sullivan motioned to approve the June 7, 2018 Legislative Worksession minutes as written, seconded by Legislator Monell with Legislators Hollenbeck, Monell, Mullen, Roberts, Sauerbrey, Standinger, Sullivan and Weston voting yes with Legislator Huttleston being absent. Motion carried.

Action Items:

ACTION ITEMS FROM JUNE 7, 2018:

ACTION ITEM #1 – 6/7/18 – Village of Newark Letter of Support Request –

Chair Sauerbrey drafted and sent a letter of support to the Village of Newark Valley. **This action item is completed and will be removed from the Action Item List.**

ACTION ITEM #2– 6/7/18 – Property Demolition Committee –

County Attorney DeWind will draft a letter of response to the Village of Waverly for Chair Sauerbrey's signature. **This action item will be carried forward from the June 21, 2018 Legislative Worksession.**

ACTION ITEM #3– 6/7/18 – Property Development Corporation (Land Bank) –

Based on today's Land Bank discussion, this action item was covered and determined that there would be no impact to the County staff or budget, as the villages are willing to assume property maintenance responsibility until such time the Land Bank funding is awarded and the

County is able to transfer the properties to the Land Bank. **This action item is completed and will be removed from the Action Item List.**

Other:

✓ **Budget Committee Update** – Chair Sauerbrey reported the Budget Committee (Legislators Sauerbrey, Standinger, Mullen, and Monell, Budget Officer Hollenbeck, and Accountant Bailey) met this morning and came up with clear directions for the 2019 budget process.

Budget Officer Hollenbeck reported the following:

- 2019 Budget guidelines will be very similar to what they were in 2018 with a more definitive direction as to when Departments will present their budgets to the Legislature.
- No budget kick-off meeting. The budget presentation will occur at the Leader's Meeting next week, as well as follow-up e-mail correspondence.
- Zero percent increases with the exception of salaries and fringe benefits.
- Capital requests will go through Public Works Commissioner Hammond.
- IT computer equipment requests will go through ITCS Director Camin.
- Staffing adjustments/changes will go through Personnel Officer O'Rourke.
- No new positions with the exception of ILS and Raise the Age Initiative.
- Property Tax Cap formula percentage established at 1.75%. This percentage is instead of the true 2% or the allowable tax cap levy, which is 2.05%. This allows a variance from year-to-year of approximately \$400,000 instead of the allowable amount of \$480,000, which puts the County in a position next year for an \$80,000 rollover. The \$400,000 year-to-year variance does not cover salary adjustments, as this is approximately \$600,000 or 3% annually.

Legislator Sullivan inquired as to what percent of the tax levy would be required to cover salaries. Ms. Hollenbeck reported she did run these calculations, as she proceeded with the previous Legislative directive to stay under the 2% allowable tax cap.

Chair Sauerbrey clarified that the Departments will be directed to present their budgets to their Legislative committee.

Ms. Hollenbeck will email the budget documents to all the Legislators and not specifically to the ones on the Budget Committee. Documentation includes the property tax cap formula, Department and Legislative budgetary guidelines, and the budget calendar.

Ms. Hollenbeck reviewed the General Fund Balance:

- In 2016 – 2017, the amount of fund balance decreased from \$23 to \$22 million. This is the first year the fund balance decreased in the last three consecutive years.
- In 2018, the County appropriated \$2 million dollars in the fund balance. Ms. Hollenbeck expects to use this full amount due to the retroactive pension and potential demolition cost loses in this current fiscal year. At year-end, the estimated fund balance will be \$19 million.
- In 2019, if the County appropriates another \$2 million dollars in the Fund Balance, the estimated year-end balance is \$17 million dollars.

Ms. Hollenbeck reported a sound fund balance is approximately 25% and this will leave the County with approximately \$17 million fund balance.

Ms. Hollenbeck reviewed the Capital Fund Balance:

- In 2016 - 2017, the Capital Fund Balance decreased \$500,000.
- In 2017 – 2018, the Capital Fund Balance will decrease to approximately \$3.9 million. This amount is unrestricted fund balance in the Capital Fund. The restricted fund balance in the Capital Fund is the established reserves. The increase in these funds are the result of the casino funds allocated in the equipment infrastructure/bridge reserve.
- At the end of 2018, the bond reserve funds would be depleted as they are working on the last two bond bridges this year. Upon depletion of funds, the reserve would be closed.
- FMAS will only have a residual amount of \$95,000. Discussion will need to occur with ITCS Director Camin regarding the IT Plan for the next steps on the AS400 project to finally transition from the AS400 system or the funds could be transferred into the other software reserve account.
- In 2018, \$1.8 million allocated in the equipment infrastructure, which includes 2018 purchases already appropriated, as well as her recommendation to allocate \$800,000 from the casino revenue into this account.

Ms. Hollenbeck reported another factor to determine the State of the County before going into the 2019 budget is the outstanding debt or bond of \$15 million from 2016, which was reduced to \$13 million in 2017, and at 2018 year-end, the balance will be \$12 million.

Ms. Hollenbeck reported the County annually budgets \$2 million dollars out of capital sales tax funds for the bond payment, which is extended out over the next ten years. Ms. Hollenbeck reported the County has two bonds that were issued in 2010 and 2013. Ms. Hollenbeck reported the 2010 bond for \$10 million was allocated towards energy (\$2 million) and bridges (\$8 million). The 2013 bond was for \$9 million dollars. Of this amount, approximately \$1.5 million is applied towards the principal with the remainder towards interest. These two bonds created a \$19 million bond debt for the County. Payoff for the 2010 bond is in 2023 and the 2013 bond payoff is in 2030. In accordance with the State Comptroller's debt guidelines, Ms. Hollenbeck reported this is well under the range. Overall, Ms. Hollenbeck reported the County is in good shape.

Chair Sauerbrey inquired whether the calculations include the increase in sales tax. Ms. Hollenbeck reported preliminarily she looked at potential salary and fringe benefit increases. Ms. Hollenbeck reported health insurance, retirement, negotiated salaries and potentially the non-union salaries is approximately a \$1.4 million variance from year-to-year.

Legislator Standinger inquired about the negative consequences for having too large of a fund balance. Ms. Hollenbeck reported the State Comptroller could indicate the fund balance is too plush and that the County is over taxing the taxpayers. Ms. Hollenbeck reported there is not a penalty. However, the State Comptroller's guidelines provide a variety of reasons as to why a municipality should have a significant cushion in the fund balance for unforeseen expenses. In regards to the County, Ms. Hollenbeck provided justification of the outstanding Sheriff's Department arbitration this past year for \$500,000 with continued costs due to the pension plan change, as well as experiencing two major floods. Ms. Hollenbeck reported having a significant cushion allowed for these expenses especially while waiting for FEMA reimbursement. Ms. Hollenbeck reported the County stayed under the 2% tax cap for the last six consecutive years, therefore, we have not been over taxing the taxpayers.

Ms. Hollenbeck reported she is currently working on developing a fund balance policy.

Ms. Hollenbeck reported adding positions will most definitely in the future carry forward ramifications larger than the COLA increases. Ms. Hollenbeck reported Personnel provided

her with a ten-year staffing history for each Department in comparison to current staffing. Further discussion on this will occur in the Budget Committee meetings.

Chair Sauerbrey reported it is important to make sure that the Law Departments (District Attorney, Public Defender, ILS, etc.) and Board of Elections are represented at the Leader's Meeting to obtain the budgetary guideline information at the Leader's Meeting.

- ✓ **Property Demolition Committee Update** – Chair Sauerbrey reported Legislator Weston, as Chair of the Property Demolition Committee, is looking for Legislator comments and suggestions. Chair Sauerbrey and Legislator Sullivan previously sent information to Legislator Weston.

Chair Sauerbrey reported she prefers the committee work not be done during the Legislative Worksession unless other Legislators would like to continue discussion at this time.

Legislator Sullivan reported there is a root cause to the problem and that is the properties are not properly monitored and continue to decline and the County has no recourse. Legislator Sullivan reported if the County is developing a new MOU with the villages then we need to have them agree to change the property assessments to alleviate increased costs when the County makes them whole. Legislator Sullivan reported the villages at this time are not incentivized to reduce the assessments.

Legislator Mullen concurs, however, is not sure what the process should be.

Chair Sauerbrey reported code enforcement services and assessing were topics of discussion in the Shared Services meeting and the municipal officials are willing to continue discussion in the future.

Legislator Roberts inquired as to whether the County could establish from this point forward that any properties eligible for Land Bank will not be considered until the assessments have been appropriately reduced.

Chair Sauerbrey reported she is in favor of Legislator Roberts concept, however, not sure how this will work as the foreclosed property is still owned by the property owner right up until time of sale.

Legislator Sullivan suggested proceeding with the Village of Waverly for the nine identified properties as long as the village assures the reduction of assessments on the remaining properties.

Legislator Monell reported a property assessment is not going to be changed until the private owner no longer owns the property.

Legislator Weston reported he would like to know the difference over the course of the last five years of how much the County has taken in on the sale of foreclosed properties versus how much has been paid out.

Chair Sauerbrey asked Legislator Weston how he wants to proceed with making these decisions. For example, we already have COG established and this discussion could be brought to the mayors and supervisors.

Legislator Weston reported he is looking for consensus amongst the Legislature and then would like to present to each of the villages to obtain their ideas to determine if there is a better way of doing business.

Chair Sauerbrey reported she would agree to take a recommendation from the Property Demolition Committee.

Legislator Weston reported he would reconvene the committee and discuss the questions, input, and data in order to make a recommendation to the Legislature. Chair Sauerbrey reported Legislator Weston should seek data from Treasurer McFadden, as well as County Attorney DeWind.

Legislator Sullivan reported she has drafted a list of questions, but until she has answers, she is unable to give any direction. However, Legislator Sullivan reported she is in favor of charging the villages with an established amount to be determined.

Executive Session:

Motion by Legislator Hollenbeck, seconded by Legislator Mullen to move into Executive Session to discuss an individual personnel matter. Motion carried to go into Executive Session at 11:01 a.m. with County Attorney DeWind and Personnel Officer O'Rourke remaining in attendance. Executive Session adjourned at 11:13 a.m.

Meeting adjourned at 11:13 a.m.

Next worksession scheduled for Thursday, July 5, 2018 at 1:00 p.m.

Respectfully submitted by,

Cathy Haskell

Deputy Legislative Clerk