

Budget Capital and Finance Committee
June 22, 2009
3:30 p.m.
Scott Heyman Conference Room

APPROVED

Present: J. Dennis, P. Mackesey, K. Herrera, M. Hattery (arrived at 3:36 p.m.), N. Shinagawa
Staff: J. Mareane, N. Jayne, M. Lynch, County Administration; P. Carey, DSS; P. Meskill,
Sheriff; B. Grinnell-Crosby, Health Department; E. Marx, Commissioner of Planning and
Public Works
Guests: P. Pryor, Citizen; V. Kacapyr, News Media

Call to Order

Mr. Dennis called the meeting to order at 3:32 p.m.

Changes to the Agenda

There were no changes to the agenda.

Approval of Minutes of May 29 and June 8, 2009

It was MOVED by Ms. Mackesey, seconded by Mr. Shinagawa, and unanimously adopted by voice vote by members present, to approve the minutes of May 29 and June 8, 2009 as submitted. MINUTES APPROVED.

Comments from the Public

No member of the public wished to comment.

Chair's Report

Mr. Dennis said he will be asking the County Attorney to look into what would be involved in revisiting the issue of Off-Track Betting in Tompkins County. Ms. Herrera said she opposed this before and will continue to oppose this because the difficult fiscal situation the County is facing could be worsened by OTB. She believes this would result in additional social services costs, gambling addiction issues, and damage to the local economy. Ms. Mackesey noted any revenue generated by Off-Track Betting would not be immediate as it would be a lengthy process if pursued.

Finance Director's Report

Mr. Squires was not present.

County Attorney's Report

Mr. Wood was not in attendance.

Public Information Officer's Report

Ms. Lynch had no report.

Departmental Fees

Ms. Jayne said some departments have questioned whether the Legislature would be open to a discussion of increasing fees in light of the present fiscal situation. Mr. Mareane said revenue enhancements has been discussed as one option to assist with balancing the budget, and noted an

assumption of \$1.3 million will be found through a combination of using new revenues, revenue growth, or applied fund balance.

Mr. Hattery arrived at 3:36 p.m.

Mr. Dennis said the Legislature should examine all fees that can be reasonably increased.

Ms. Mackesey asked that any proposal include information on the history of increases. She also expressed concern for the amount of time it will take staff to produce the budget; while she would like to examine fees, she does not want to impose a large burden on departments.

Mr. Hattery said he supports keeping fees in line with the cost of providing the service.

Mr. Mareane said it was suggested previously by Mr. Hattery that a look be taken at the Mortgage Recording Tax. He presented the following information to the Committee.

Summary: In Tompkins County, the Mortgage Recording Tax is currently set at 0.75% of the value of a mortgage, paid at the time the mortgage is recorded. Upon prior authorization by the State, the County may increase the tax rate by 0.25%, generating an estimated \$900,000 a year in additional revenue based on past history. The additional revenue produced by an increase in the tax is the equivalent of the revenue yield of a \$2.43 per \$1,000 property tax rate. (The revenue estimate is based on mortgage activity over the past two years, and may be somewhat optimistic in light of the current economy).

Forty-five of the 57 counties outside of New York City already have a mortgage recording tax rate of at least 1%.

The tax is paid by the borrower and, would add \$250 for each \$100,000 in funds borrowed if the rate increase was approved, bringing the total tax to \$1,000 on a \$100,000 mortgage. The tax is applied to both residential and commercial mortgages.

The Mortgage Recording Tax: The mortgage recording tax is an excise tax on the privilege of recording a mortgage.

The mortgage recording tax consists of six separate taxes imposed on the recording of mortgages on real property located in New York State. The total amount of tax depends upon the taxes that are in effect in the county and, where applicable, the city where the real property is located.

The six separate taxes have rates varying from \$.25 to \$1.75 for each \$100 and each remaining major fraction of principal debt or obligation that is secured by the mortgage (major fraction means more than half). This includes not only the amount secured at the time the mortgage is executed, but also the maximum amount that may be secured by the mortgage under any contingency anytime in the future.

The six taxes are:

1. the basic tax imposed by section 253(l) of the Tax Law,
2. the special additional tax imposed by section 253 (1 -a) of the Tax Law,
3. the additional tax imposed by section 253(2)(a) of the Tax Law,
4. the New York City Tax that is authorized to be imposed by section 253- of the Tax
5. Law,
6. the City of Yonkers Tax that is authorized to be imposed by section 253-d of the Tax Law and
7. the Broome County Tax that is authorized to be imposed by section 253-c of the Tax Law. With certain exceptions, the rate of the mortgage recording tax varies from a total tax rate of a minimum of \$.75 to a maximum of \$2.75 for each \$100 of the amount secured by the mortgage.

Tompkins County currently imposes number 1 and 3 and is eligible, with authorization by the State, to impose number 2.

Allocation of the Current 0.75% Tax: By law, the County Clerk collects the 0.75% mortgage recording tax and then distributes the proceeds of the tax as follows:

- o 0.50% to the municipality in which the mortgaged property is located
- o .025% to SONYMA

Allocation of the additional 0.25% tax: As is provided under section 253(2)(a) of the Tax Law, the County would retain the proceeds of the additional 0.25% tax. Based on collections of the existing tax, it is estimated the additional rate would generate approximately \$1 million annually.

Other Counties: Currently, 45 of the 57 counties outside of New York City levy a mortgage recording tax of 1% or more.

Mr. Hattery said this may be a reasonable alternative to some of the other alternatives the Legislature will be facing to avoid placing a higher burden on the property tax. Mr. Shinagawa said he thinks this adds to the diversity of the tax base and is supportive of further exploration into this. Ms. Herrera said the information presented shows many other New York State counties to be already collecting a rate higher than Tompkins County. She said she appreciates having viable options that she can consider and would like to explore any revenue source that might be available.

Mr. Hattery distributed the following information showing the total sales volume in Tompkins County 2006-2009:

Description	2006	2007	2008	2009*
Agricultural	1,066,490	1,850,074	1,910,034	34,151
Residential	222,248,999	210,882,348	193,569,672	34,725,822
Vacant	9,200,812	7,888,403	14,938,288	3,480,789
Commercial	39,688,316	39,759,041	53,962,535	8,262,375
Rec & Entertainment	1,445,000		981,092	833,500
Community Services		1,090,000	4,336,637	
Industrial	320,000	2,894,000	1,955,961	
Public Services	137,500			
Forest Land		96,000	105,000	
Totals	274,107,117	264,459,866	271,759,219	47,336,637

* 2009 Data through May 12, 2009

Mr. Mareane said he will research whether there are others of the six taxes included in his briefing statement that might apply to the County. Ms. Herrera requested that a proposal include the other taxes as much as possible so that the Legislature can have a well-rounded discussion of what its options are.

Capital Program Review

Ms. Jayne presented the 20-year Capital and Debt Program, stating this is an introduction to the document. Mr. Marx stated the Facilities and Infrastructure Committee will be working on updating the Capital Plan and needs to make changes if the Legislature's priorities have changed.

Mr. Hattery mentioned there have been discussions that have taken place with regard to the need to make adjustments to the Capital Plan with regard to the Old Library building. Mr. Marx said this is

one area that will need further discussion as some Legislators are reluctant to put too much money into a building given the uncertainty of its future.

There was discussion of the Jail. Ms. Mackesey asked if any changes in the membership of the Commission of Correction could impact the Jail. Mr. Meskill said he made a request to the Commission but is not hopeful of a positive response because the County has not made a decision on what will happen to improve the facility. The County has had variances since 1996 and removed those variances when the County decided not to proceed with building a new facility. Ms. Mackesey asked if the Commission has been asked if it would be possible to build an addition to the Jail. Mr. Meskill said the issue at the Center of the disagreement a few years ago was the Commission was dictating that a building be constructed to house a set number of inmates and the County being only supportive of a facility that would house a smaller number. Mr. Meskill said he would not support a 90-100 bed Jail because it would not give the flexibility that is needed and stated this size facility would not be large enough to accommodate the growth during the course of the capital program.

Ms. Herrera spoke of the past calculations that were done to determine what the boardout costs would be versus the debt of a capital program. At that time some Legislators believed that the number of boardouts did not warrant constructing the size of a facility with the number of beds being dictated by the Commission of Correction. She stated although it may be time to revisit this, she believes those numbers have remained lower and that was a good decision at the time.

Ms. Jayne said she spoke with the TC3 Facilities Manager this morning and they are still on hold with the final replacement of the electric panel. (A question was raised about the funding stream for that project and the College was asked to put that on hold.)

Rollover

RESOLUTION NO. - BUDGET ADJUSTMENT AND APPROPRIATION OF UNSPENT FUNDS FROM 2008 TO VARIOUS ACCOUNTS

MOVED by Ms. Herrera, seconded by Mr. Hattery.

Mr. Mareane noted there are some areas in the resolution where recommendations have been made to return funds to the General Fund. He stated Rollover funds have been addressed very stringently given the current fiscal situation. There are recommendations for some departments to be able to use Rollover in 2009 because there are compelling reasons for use. In some cases a recommendation is being made to return some departments Rollover to the General Fund. He made note of this because it is not a common practice that has occurred in the past.

Ms. Herrera said in cases where departments are permitted to retain use of Rollover funds in 2010, she would like to have a justification of a plan for use of the funds.

Mr. Hattery questioned whether the resolution presented is based on actions taken by program committees. He said he was under the assumption that the Committee agreed with the Department's request, particularly the Board of Elections with regard to usage of \$14,185 in 2009. The resolution will be revised to reflect this.

A voice vote resulted as follows on approving the resolution and submitting to the full Legislature: Ayes – 5, Noes – 0. MOTION CARRIED.

WHEREAS, various departments have been certified by the Director of Finance to have unspent appropriations and excess revenues from 2008 resulting in a surplus of \$1,207,714 on the County's books

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as of December 31, 2008, and

WHEREAS, pursuant to County Fiscal Policy, surplus funds have been requested for use in the amount of \$329,185 current year budget, now therefore be it

RESOLVED, on recommendation of the Health and Human Services, Planning, Development and Environmental Quality, Public Safety, Government Operations, Facilities and Infrastructure, and Budget and Capital Committees, That the following transactions are approved:

BUDGET APPROPRIATION:

FROM: General Fund Balance \$329,185

TO:

DEPT	Use of funds	Account		Requested Rollover
Facilities	Main Courthouse Stair Repair project	1620	54470	145,000
Weights and Measures	My existing computer equipment is 6years old and well out of warranty so I'm looking to replace two existing computers with one new one. Return to the General Fund	3630	52206	1,700 1,645
Public Works Admin	Return to the Appropriate Funds (A, CT and CL)			873
County Clerk	Archives grant completion - indexing backfiled land records into County Clerk EDMS (Challenge Industries is vendor) Laserfiche software upgrades for centralized digitized Records Center (Weblink, Workflow and Audit Trail modules) Return to the General Fund	1410	54442	32,844 42,389 127,515
Department of Assessment	Return to the General Fund			29,752
Board of Elections	Hewlett Packard LaserJet 9050DN and Security System Return to the General Fund	1450	52206	14,185 21,939
Legislature	Return to the General Fund			7,614
Information Technology	Purchase of new router to support Sheriff's Office, Airport Terminal, Crash Fire and Rescue, and Department of Emergency Response locations	1680	52202	5,267
Finance	Return to the General Fund			75,113
County Administration	Return to the General Fund			6,823
Planning Department	Matching funds for grant to purchase a hybrid car.	8020	52231	5,400
Probation	Purchase of copier to replace the 8 year old one at HSB Purchase of Copier to replace the 8 year old one at CJC	3141	52220	4,000 1,500
Sheriff's Office	3 Marked Patrol Cars - All exceed 90K miles	3113	52231	75,000

SEQR ACTION: TYPE II-20

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Adjournment

The meeting adjourned at 4:20 p.m.

Respectfully submitted by Michelle Pottorff, TC Legislature Office