

**WAYS AND MEANS COMMITTEE  
MINUTES**

**(REMOTELY)  
WEDNESDAY, JANUARY 27, 2021  
3:30 P.M.**

PRESENT: Leigh J. Benton, Chairman  
Mike Anagnostakis, Katie Bonelli, Janet Sutherland,  
Kevin W. Hines, James M. Kulisek, Michael D. Paduch, Joseph J. Minuta

ALSO

PRESENT: L. Stephen Brescia, Chairman  
Barry J. Cheney, Legislator  
Rob Sassi, Legislator  
Kathy A. Stegenga, Legislator  
John S. Vero, Legislator  
Harold J. Porr, III., Deputy County Executive  
Dan Bloomer, Director, Operations and Cost Control  
Sharon Worthy-Spiegl, Deputy County Attorney  
Matthew J. Nothnagle, Chief Assistant County Attorney  
Karin Hablow, Commissioner of Finance  
Kerry Gallagher, Deputy Commissioner of Finance  
Erik Denega, Commissioner, Dept. of Public Works  
Travis Ewald, Deputy Commissioner, Department of Public Works/Engineering Div.  
Laurence LaDue, Commissioner, Valley View Center  
Donna Strecker, Director of Finance, Valley View Center  
Edward Magryta, Director, Airport  
Eric Ruscher, Director, Real Property Tax Service  
Deborah Slesinski, Budget Director  
Deanna Crawford, Budget Analyst  
Gretchen Riordan, Budget Analyst

Chairman Benton opened the committee meeting at 3:30 p.m. by asking everyone to stand for the Pledge of Allegiance. All committee members were present.

Mr. Kulisek moved to approve the request authorizing the County Executive of Orange County to sign the renewal Sales Tax Agreement with the cities of Newburgh, Middletown and Port Jervis, seconded by Mrs. Bonelli.

Ms. Hablow stated this is a two-year agreement that goes from March 1, 2021 to February 28, 2023 and has been signed by the appropriate parties in those cities. She asked that this be approved so the County Executive can move forward with the agreement.

Motion carried. All in favor.

The next agenda item was an update regarding Sales Tax. Ms. Hablow reviewed the County of Orange Sales Tax Received Year-To-Date, County Portion Only and the Municipal 2020 Sales Tax Due Other Government (see original minutes).

Ms. Hablow stated the next agenda item regarding the Valley View Enterprise Fund Balance (see original minutes) was a request by Legislator O'Donnell. As of December 31, 2020, on an unaudited basis, Valley View still had \$53 million in cash. She reached out to Ms. Strecker who helped with detailing any pending commitments that were outstanding, but not yet expended for capital projects that have been authorized by the Legislature but not necessarily spent down. Since they have not been spent down, they will further reduce the \$53 million by an aggregate of \$12.2 million which would decrease the cash balance to \$41 million.

Mr. Benton asked if there is an explanation for a \$1.6 million difference since last year.

Ms. Hablow replied no, it could have been the timing of when the report was run.

Mr. Benton commented that Valley View still has a substantial balance and there are more funds coming in such as IGT as anticipated for 2021.

Ms. Hablow reiterated this was unaudited and they will be working on the audited financials over the next couple of months and the numbers will be precise.

Mr. LaDue stated that these numbers do not include potential 2020 interest or the 2021 potential capital expenditures.

Mr. Nothnagle addressed the committee with a discussion regarding the Court of Appeals decision involving towns imposing charges for maintenance and demolition on the County through the real property tax system. He explained that there is an interlocking of real property tax assessment and collections system and the towns are considered the initial tax collectors, but pursuant to Section 936 Real Property Tax Law, the county bears the ultimate burden of non-payment of taxes. Towns are accredited in full for the amount due and owing; therefore, the county must track people down for deficiencies. A perennial issue in municipal government is dilapidated or dangerous properties and buildings or yards that are not properly maintained. He stated that they conditionally thought that towns could perform work for maintenance or demolition, issue a bill and place it on the tax bill, but there had not been any definitive court determination. There was an opinion from New York State Comptroller from the 1960's stating that if a town undertook the removal of rubbish from private properties it had to assess it and put it on the bill, but there was not any discussion regarding county responsibility. In 1990, the State Office of Real Property Tax Services issued an opinion that stated a town may enact a local law requiring the removal of brush, grass, rubbish, or weeds, could put it on the bill and it would be county's responsibility to try to collect any non-payment. In 2015, the attorney general issued a similar opinion for villages dealing with unsafe buildings, but there had not been any real court determinations. Furthermore, in 2016, Monroe County who for many years had followed the consensus of a credited unpaid maintenance and demolition charges, told the towns that moving forward, they were not going to do that anymore. He stated that did not go over well and a couple of large towns sued Monroe County by requesting a judgement annulling the courts determination. The initial court held in the towns favor said that unpaid taxes come within Section 936. He then pointed out that there is no copy of the decision available online. The county appealed to the Appellate Division which reversed and held in favor of the county in a 3-2 decision that maintenance and demolition charges were not taxes or

special levies; therefore Section 936 does not apply and there was no county duty to credit towns for these charges. Two judges disagreed, one of whom happened to be the Erie County attorney for many years. He stated that given it was a 3-2 decision, the towns had the automatic right to appeal to the State Court of Appeal. At the end last year issued a decision reversing the appellate division case and holding that the towns were entitled to relief. The court emphasized two sections of the town law, Section 64-5A which allows towns to enact a local law requiring removal of brush, grass, rubbish, and weeds with the expense to become a lean. Section 130-16 which deals with unsafe dangerous buildings, allows a local law in permitting a cost and expense to be also be leaned. This court did a more thorough look at the Real Property Tax Law and noticed there were multiple definitions of what a tax is and chose to use a broad definition of a delinquent tax in Article 11 which is part of the Real Property tax law that governs tax enforcement. They then determined that relates back to Section 936, which again obligates the county to credit towns, thus maintenance charges an unsafe building charges must be credited to the towns; therefore, the county must go forward and try to enforce it as prior tax enforcement. Furthermore, before Mrs. Reed retired, she suggested that there may have been some policy thinking because we have the "deep pocket" and have the resources to go enforce taxes as well as foreclose. It is better to put the burden on the county rather than the town which has limited ability to try and collect. In closing, this gives everyone a definite court's determination when referring to brush, grass, rubbish, and weeds as well as unsafe dangerous buildings. There are a lot of questions that arise, but that will have to wait for case law to develop.

Mr. Benton commented that another court case will be determined in the future and would take years to come forth.

Mr. Paduch clarified that everything stayed the same.

Mr. Nothnagle stated that is correct.

Mr. Ruscher stated this is getting out of control and he is hoping they are able to get a better handle on this.

Mr. Kulisek moved to discuss deed sale parcels, seconded by Mr. Minuta.

The first set of deed sale parcels for municipalities has two parcels. Parcel number one is in the Town of Montgomery (12-1-48.2), has a minimum bid of \$13,970.00 and amount bid of \$13,970.00. The second parcel is in the Town of Mount Hope (5-1-22) and has a minimum bid of \$1,630.55 and amount bid of \$1,630.55. Mr. Ruscher recommended that both parcels be approved because they meet the minimum bids.

Motion carried. All in favor of accepting Mr. Ruscher's recommendation to approve deed sale parcels Nos. 1 and 2.

The second set of parcels are county parcels. Parcels one and two are in the Town of Blooming Grove (28-11-4, 30-3-25). Mr. Ruscher recommends that the first parcel be approved and the second one be denied because he can get more money for it. The third parcel is in the Town of Deerpark (21-18-3) has a minimum bid of \$13,500.00 and amount bid of \$13,688.00; therefore, he recommends it be approved. Parcel number four is in the Town of Monroe (15-64.2). The minimum bid is \$16,500.00 and since the amount of bid is the same, he recommends it be approved. The fifth

parcel is in the Town of Montgomery (5-3-6) and has a minimum bid of \$5,500.00 and amount bid of \$5,000.00. Mr. Ruscher recommends it be denied for more money. Parcel number six is in the Town of Warwick (101-5-21.1). The minimum bid is \$15,000.00 and the amount of bid is the same; therefore, Mr. Ruscher recommends it be approved.

Motion carried. All in favor of accepting Mr. Ruscher's recommendations to approve deed sale parcels Nos. 1, 3, 4, and 6 and deny parcel Nos. 2, and 5.

Mrs. Sutherland moved to approve the request for supplemental appropriation for adjustments necessary to clean up 2020 Year End Balances in various departments, seconded by Mr. Hines.

Ms. Slesinski stated this is an annual task to clean-up the year-end balance and there is a chance there may need to be another adjustment later in the year.

Motion carried. All in favor.

Ms. Slesinski addressed the committee with an update on the Budget Department. She explained that the department continues to work in teams of two, rotating one week in the office and one week remote and the budget was loaded successfully at the beginning of the year. In the first two weeks of the year, they processed over 450 new encumbrances. The focus right now is closing out the year 2020 and one of their objectives is to close out purchase orders that have been paid out in full. They currently have a significant number of documents still outstanding that need to be reviewed. Additional items of concern continue to be recognizing and posting revenue especially the state revenues as she still monitors the sales tax payments. Currently the county is down about \$15 million from the budget so she is hoping that after the final payments come in, we stay around this number. She stated that she originally thought it could be much worse, but the fall gave us a little rebound. The department continues to work on the implementation of our Hyperion Budgeting software with multiple work sessions each week, as well as continue to monitor vacant positions. As of January 15, 2021, which is the first pay period, there are 294 full and part-time vacant positions which achieves a savings of \$900,000.00. In order to balance the budget, they did impose an 80% vacancy factor against positions that were vacant, so before they hire positions, they will need to review each position very carefully and work with departments to have a plan to meet their required vacancy. Lastly, she stated that yesterday she participated in a State Budget Review webinar. Some of the proposed highlights are the permanent sales tax is up to 4%, restoring 15% of the 20% withhold that the state had imposed earlier in the pandemic and the continuation of intercepting county sales tax for the distressed hospital fund. She has forwarded a County Impact Scorecard to Clerk Ramppen so everyone can see that it will describe some key components of the Governor's proposed budget.

Mr. Paduch clarified that the vacant positions for 2021 has saved \$900,000. He then asked if there is a total amount for what the county saved in 2020 by not filling the positions.

Ms. Slesinski stated that is correct and in 2020 the county saved \$18.5 million. The budgeted austerity savings was \$10.2 million, so we exceeded this amount by \$8.3 million.

Mr. Minuta moved to approve the request for supplemental appropriation to replace and upgrade irrigation central pumping station at Hickory Hill Golf Course. This is not a proposed project on the 2021 Capital Plan. The Parks Department will reduce 2021 proposed project No. 103 (Heritage Trail Segment 3) by \$165,000.00 to total of \$3,335,000.00 to fund the irrigation central pumping station project. Upon approval, a new capital project will be created, \$165,000.00 (bonding), seconded by Mr. Kulisek.

Mr. Brooks asked the committee to look at the packet with detailed pictures of the Hickory Hill Golf Course (see original minutes). He stated the pumps in the pump house which serves the irrigation for the golf course are 30 years old, have exceeded their lifespan by at least a decade and he has had numerous issues within the last year with leaks and the pumps not shutting off. In addition to that there is a serious problem in the pump house with the hole that the water pumps out of; therefore, grading needs to be done so the employees are safe walking across it to check the valves. He added that if the pumps do not work, they could lose the greens.

Mr. Kulisek moved to approve the request for supplemental appropriation to capital projects budget for strength paving. This project has been approved under the 2021 Capital Plan as Project No. 65, \$1,300,000.00 (bonding), seconded by Mr. Hines.

Mr. Denega stated this is a yearly request and some paving has been delayed due to COVID-19.

Mr. Paduch moved to adopt a resolution authorizing the County Executive to enter into an agreement with certain Orange County municipalities providing for the exemption from county taxation of lands owned and used by them for water supply and related purposes, seconded by Mr. Kulisek.

Mr. Ruscher explained this is done on an annual basis and is for municipalities who own property in a neighboring municipality. This resolution provides the opportunity to accept the county portion of the taxes for the towns, villages, etc. The list was thoroughly reviewed, and all affected assessors were sent the parcels included on the sheet (see original minutes). He stated the end result was there were two parcels that a municipality could not prove that they were used for water related purposes and the other parcel was split into two parcels.

Motion carried. All in favor.

The meeting adjourned at 4:34 p.m.