

**PHYSICAL SERVICES COMMITTEE  
MINUTES**

**(REMOTELY)  
MONDAY, JUNE 22, 2020  
3:30 P.M.**

PRESENT: Barry J. Cheney, Chairman  
Leigh J. Benton, Katie Bonelli, James M. Kulisek, Joseph J. Minuta,  
Michael D. Paduch, Paul Ruskiewicz, Peter V. Tuohy

ALSO

PRESENT: L. Stephen Brescia, Chairman  
Thomas J. Faggione, Legislator  
Kathy Stegenga, Legislator  
John S. Vero, Legislator  
Antoinette Reed, Legislative Counsel  
Harry Porr, Deputy County Executive  
Langdon Chapman, County Attorney  
Dan Bloomer, Director of Operations and Cost Control  
Deanna Crawford, Budget Analyst

Chairman Cheney opened the committee meeting at 3:31 p.m. by asking everyone to stand for the Pledge of Allegiance. All committee members were present.

Mr. Kulisek moved to adopt a local law authorizing the sale of Grand Street properties to a party other than the highest bidder, seconded by Mr. Ruskiewicz.

Mr. Porr stated the three buildings were purchased years ago for use by the college. Since that has happened, they have not been utilized and being the college will not need them going forward, he would like to have them be put up for best price and best use to a private development. This request is to allow the buildings to be sold for the best offer, not necessarily the highest offer.

Mr. Cheney pointed out that the actual sale will come back for action of the legislature prior to any sale being made.

Mr. Faggione mentioned that this passed the Rules Committee meeting last week.

Mr. Cheney stated that last week at the Rules Committee meeting he asked a question regarding the proceeds from the sale and how they may be handled. The way it is written is that it would be used to pay off the bonded indebtedness to retire the debt and any excess would go for general county expenses. He also inquired as to whether the legislature would also have the ability to direct any of those additional funds and believes the answer was yes, they would at the time of sale.

Mr. Porr commented he likes the optimism that there will be a gain on selling the properties, but the legislature must determine where the excess proceeds would go.

Mr. Kulisek asked since those properties were taken from the City of Newburgh tax rolls, is there a chance that the tax money which should have been paid on those properties had they been sold to a private entity, be recouped by the City of the Newburgh.

Mr. Porr replied no, he does not think they have ever paid property taxes.

Mr. Kulisek then clarified that any properties taken by the county for county purposes, the taxes are null and void, but if a property is taken and not used for county purposes, those taxes should be paid.

Mr. Porr stated he does not believe so.

Mr. Cheney stated that he thinks what Mr. Kulisek was saying was that while the county owned the three buildings, there was not an obligation to pay taxes, but if the county did not own them then there would have been a tax commitment. Furthermore, would it be something that the legislature and county would want to do to make the City of Newburgh whole on the taxes it did not receive because the property was held and not used.

Mr. Porr responded that assumes the buildings would be sold by the YMCA or another non-profit to a probable agency and that is something the county does not know. He deferred to Legislative Counsel Reed.

Mrs. Reed stated from time to time those buildings have been used for county purposes, so for instance, when the county was doing the construction of the Newburgh campus the contractor used one of the buildings for his main office. Also, from time to time there have been some activities in some of the buildings, so it depends on what year and what month it took place.

Mr. Cheney commented that the first thing they must learn is whether the owners of the buildings prior to the county obtaining them were paying taxes or were they tax exempt.

Mrs. Reed clarified that to the best of her knowledge, the City of Newburgh would have to lay a claim against the county for those monies due and owing as well as litigate it in court. She added that under the Real Property Tax Law there are proceedings that they should have brought if they thought the county should have paid those taxes. If the monies were given to the City of Newburgh, it would be gifting over money which would not be authorized.

Mr. Kulisek asked who would not authorize it.

Mrs. Reed replied it is not authorized under law.

Mr. Paduch clarified that the leftover money from the sale of the properties could be put into the enterprise fund, so it could be used toward purchasing other properties.

Mrs. Reed stated pursuant to New York State County Law 215, Subdivision 7, the monies are to be used for general county expenses.

Mr. Chapman explained the county would pay-off the bond then put the money in a fund which is determined by the Commissioner of Finance.

Motion carried. All in favor.

The meeting adjourned at 3:46 p.m.