

FINANCE/TAX REDUCTION/MANDATE RELIEF COMMITTEE

Monday, January 22, 2024 - 10:30 AM

Steve McNally, Chairperson
Robin DeLoria, Vice-Chairperson

Chairman McNally called this Finance Meeting to order at 10:45 a.m. with the following Supervisors in attendance: Clayton Barber, Matthew Brassard, Chris Clark, Derek Doty, Shaun Gilliland, Charlie Harrington, Ken Hughes, Steve McNally, James Monty, Cathleen Reusser, Favor Smith, Matt Stanley, Ike Tyler, Joe Pete Wilson, Davina Winemiller, Margaret Wood and Mark Wright. Robin DeLoria was excused.

Department Heads present: Laura Carson, Mike Diskin, Judy Garrison, Dan Manning, Michael Mascarenas and David Wainwright. Chelsea Merrihew was excused

Also present: Joe Keegan - NCCC.

News media: SUN – Alana Penny.

McNALLY: I will call the Finance tax reduction committee to order. County Clerk is excused. Auditors – Laura Carson.

CARSON: Good morning. We'll just go through this really quick I know you've had a very long morning. Page 1 is our department head expense report. The coroners responded to 137 calls in the past year and the funeral homes handled 38 removals.

Page 2 is the supervisor expense report. Page 3 is our invoice collection. In December we processed over 2,000 invoices and noted 135 errors. Year to date overpayments prevented were almost \$58,000 and our duplicate payments about \$53,000.

Page 4 is the auditor budget, we are under budget just so you know and Page 5 is the Assigned Counsel summary. We received over 200 vouchers to process. We paid 60. As you can see, the assigned counsel is over budget right now and we are still processing vouchers for 2023, so this isn't going to get better. It's largely due to the rate increase.

HUGHES: We don't have the odd pages of the packet.

CARSON: You don't have page 6 of the auditors?

HUGHES: We have 6 but not 5 or 3.

GARRISON: I believe it was copied without selecting double-sided. I apologize.

HUGHES: Yeah, it's probably just a photocopying issue I just wanted you to make sure you knew that. What you are talking about we are not able to see it.

CARSON: Okay I will send it back out this afternoon.

MASCARENAS: Just to speak a little bit too what Laura is talking about Assigned Counsel we kind of knew it right last year when April came, the Governor's budget came out and overnight they doubled the cost of Assigned Counsel for us we knew by year's end we were not going to

have the money because we budgeted to our actuals for a prior year. We did for this year, we budgeted what will be the correct amount there is some ebb and flow of the activity in that department but we did make it up in this year's budget so we'll see what this April brings but that's the result of what last April brought us.

CARSON: We will recoup half of it.

MASCARENAS: That is correct.

CARSON: That will help some and I am doing my best to process the vouchers. I still have over 200 invoices sitting at my desk that I'm trying to get through. Any questions?

McNALLY: I guess not. Thank you. Next up is Real Property – Dave Wainwright.

WAINWRIGHT: Good morning. Other than my budget I just have a couple of things I'd like to talk about. We keep a tally of how many deeds and survey maps we process in our office every year so in 2023, we processed 2,181 deeds which is actually down 60 from last year. What it means it's hard to say. The market is still strong as far as sales go but there's just I think a lot less inventory, there's just not as many things for sale. People who have sold are gone. People that just came in they are not ready to sell yet so these are indicative of what the real estate market is doing. Survey maps and subdivision maps, we processed 121 which is actually 14 more than last year.

And the other thing I want to talk about is the Governor signed into law at the end of last year, the end of '23 an amendment to the alternative veteran's exemption. Those of you may know the alternative to the veteran's exemption is for veterans that have served in a combat time of combat some maybe disabled, some may not, some may have war time she's now decided that active military can be considered veterans and there are a few caveats there. They have had to fulfill their initial military service, they weren't discharged or released, they reenlisted right off the bat had they'd been discharged it could not have been for dishonorable reasons and they have to have served or being serving for at least ten years so I think that there are a lot of people in certainly Watertown area, around Fort Drum and that kind of thing that would probably qualify and these are active military. I don't know that we've got too many around here. The assessors have this as well. It's come from the state it's just all the paperwork but the forms aren't complete yet so no one can apply at this time but it should be they said for 2024 so it should be coming.

And the last thing I've got are those second notice post cards that we've been discussing, these are for senior citizens just a reminder that there's an exemption out there for people over 65 with a certain income limit. All of our reports are done we will be sending them down to the printer's office today and they are going out in the mail right around February 1st. We've reduced I hope, we reduced the number of phone calls that assessors are going to be getting because we did put in a little extra wording this time and some bold highlights that we hope will thin out some of the people that obviously aren't entitled to this. Other than that, I don't have anything else.

McNALLY: Anything for Dave? If not, thank you. Treasurer's office – Michael Diskin.

DISKIN: Good morning everyone. Mr. McNally as our Chairman, very worthy replacement for Mr. Scozzafava.

McNALLY: He taught me everything he knows.

DISKIN: I hope not.

MONTY: That didn't take long.

McNALLY: It took about five minutes. (laughter)

DISKIN: We'll start with sales tax and sales tax for January came in pretty well it was about \$242,000 over last year. The actual end of the year ended about \$42,000 but keep in mind a part of that goes out to the towns and villages so to the county it was a little over \$39 million we still have actually we still have two months in that budget year to go for those of you that are new the four people, sales tax when you see these reports the way it's calculated the budget takes into consideration from March 1 from February 28 which is the calendar year for sales tax so while you look at these and you look at these for the fiscal year there's still two more months to go to add to our budget for 2023, so we'll end up seeing how that is but I'm pretty sure that we'll be in good shape to meet what we budgeted for last year. This was done a number of years ago by a former administration County Manager who decided that we should have a fourteen month period one year, I assume to help his budget and then it just changed everything so that it actually runs March 1 through February 28 that proceeds me being here and most everybody else here now that Tom is gone. Any questions on the sales tax? It's coming along better than it was towards the end of the year. December was a good month and that's what we got in January.

If not, the occupancy we had a good month in December. We had money that came in last month and we actually gained almost \$28,600 for the year it was down a little bit but as we said that was probably to be expected because 2022 was really a banner year I think that was the first year after everything from Covid and people started traveling again a lot of people felt that it was okay to start moving around and traveling so we saw a good year in 2022, so 2023 is probably going to be more in line with 2021, maybe a little higher than that.

McNALLY: We don't have copies of that.

DISKIN: You don't have copies of the occupancy?

McNALLY: No, does anybody have it?

DISKIN: I sent it out to everyone.

HUGHES: Electronically it is correct what you sent out but on the paper there is pages missing but that happened with the others.

DISKIN: I'm not sure what happened but I will resend it to you. Other than that it is the expenses and revenues for the year and we are actually about \$150,000 under budget mainly because to be honest with you mainly because we were shorthanded just like every other department so it shows up in the employee in the salaries in most cases which a lot of other departments ended up being short that's where we gained much because we lost two people during the year we gained one part time back but really the amount of money we spent in salaries and benefits was a lot less than what we had budgeted.

There are a couple of items on here and I did not have them in the agenda but they came afterwards and that's because the Governor's budget came out. In her budget there was a number of budget bills as many of you know she tries to get this passed through her budget bills and then typically the legislatures review it and adjust it and change it but there are two items in there that are of interest to me and the board I think. The first one is that they are again proposing to charge sales tax for short term rentals to require sales tax and collect it. I don't know what the impact of that is. It's been tried a couple times before and it hasn't passed but it's in her budget

bill for the year. It will require anybody that has a vacation rental to also collect sales tax. It does not require them to collect occupancy because that's a local issue but sales tax they would be required to collect. If this passed I'm looking at probably another three to four million in sales tax a year if they were to pay based on the short term rental amounts we get in now based upon our 5% occupancy we get 4% of that in sales tax and that's going to be a boost in our sales tax if that passes whether it does or not it remains to be seen if it gets any changes I know it hasn't passed the last couple of times they tried it but we'll see what happens this year.

The other one that is in the Governor's budget bill which was more important to me at least and to the board and that's how we're going to handle this revenue excess revenue from foreclosures what we are going to do with the overages. I read it over. Mr. Manning has reviewed it. It's not as bad as it sounds, it's not going to be as bad as it is obviously weren't going to be able to keep it the extra but the way that the proposal from the Governor is set there's going to be an application process for people they are going to have to apply for this money. We have to send a notice to them telling them there is an excess from the foreclosure, they then have a certain amount of time to send in a notice that they want to apply for it. If they apply for it it's going to be reviewed by court not by the Treasurer, not by anybody else or a court appointed referee if they don't apply during a certain amount of time the county gets to keep it. So we'll see what happens. If it goes to a court appointed referee because there are more than one person claiming it they will decide how that gets handled who gets it and who doesn't. Again, we're not going to get to keep any of it but if they don't apply for it and time passes it falls to the county we don't have to hand that money into the state where we do with other monies. We have to hold it for a certain amount of time but then we get to keep it in the end it goes to the municipality. Not as bad as it sounds. It will probably get broken apart by legislation and I'm sure changed in a number of ways when they get a hold of it but for now it's not as bad as we thought it was going to be. This legislation I think they probably looked at it I know I looked at the way it was done and very similar to what is done in the State of Michigan. I have a number of friends of mine who are Treasurers out in Michigan who have gone through this and this process the way it's done in Michigan with an application process and then they get to keep what is left if nobody applies for it so it is modeled after the Michigan statues at this point. Hopefully it will work out. The other good part in here is that it's not retroactive. We were concerned it would go backwards and people would be looking for excess money from two and three, four, five auctions ago and this appears not to be retroactive prior to May 25, 2023. We'll see what happens with that. I just wanted to keep you up to date on whether that legislation passes or not we'll see.

McNALLY: Any questions for Mike?

DOTY: Certainly the implications of determining if STR's be charged sales tax but also give them a classification of being commercial that's what we are all assuming and in the case of North Elba that could be certainly diminish the number of short term rentals in residential neighborhoods where commercial use is not allowed so for some that sounds like great news, for us where we look for the income from those bad news. That's a huge decision.

DISKIN: That probably will come up when you start getting into the legislature and start talking about it because I'm sure that's what is going to happen in other communities besides yours. We'll see what happens there.

BRASSARD: Mike, on the foreclosures the county administration fees are those, are we able to keep that? Or we don't know yet?

DISKIN: The administration fees that are written into the Governor's budget bill without having to

justify anything increased the fees from \$150 to \$250 or 2% of the amount of the tax levy. Now that's a good thing because 2% of the tax levy or the taxes that are owed are sometimes a lot more than \$250, you've got some taxes out there that are owed sometimes \$30,000 or \$40,000 if you can get 2% of that it's going to be in the \$800, \$900 range verses \$250 flat fee but even on the small properties where there's not a lot of taxes maybe owed on an abandoned piece of property, proposed legislation is going to allow us an increase of \$250 from \$150 so it will help but it doesn't go into adding any other administrative fees. It does say if you can justify to the court that your expenses are higher than that if you can get an approval, you have to get an approval from the court but it does increase the amount that we can get. I think it will help offset the expenses that we have.

McNALLY: Anybody else?

WINEMILLER: I just have a question. Will you please review the ROOST disbursements for this year?

DISKIN: Can I review them?

WINEMILLER: Yeah, the time frame.

DISKIN: Yeah they will be coming in, we should be getting them out probably next month. We split it in six months, we actually split it in seven and five because by the time we got it out to you so that money is being dispersed. It comes in, revenues are coming in this month which were the end of the year so now at the end of January once we have that in that's December money in February we'll calculate that and disburse the rest of it which will be actually based on the '23 year so next year it's going to go out quarterly so January, February, March we'll get that March money in April by the end of April I'll have a calculation so your first payment for your 2024 will be in May.

WINEMILLER: So the payment that is coming in February is part of the 2023?

DISKIN: 2023 because it is the latter part of '23 and December. July to December.

HUGHES: Can you please remind us Mr. Diskin how to do occupancy tax registration for new supervisors in the room?

DISKIN: Registration?

HUGHES: Yeah, how do we make sure that your office knows there is a new STR in our town?

DISKIN: Well a lot of it we rely on you to notify us but we will send out or if you have a question and want to know who is registered in your town I have a list of everybody that is registered in your town we can send out and you can take a look at it. You're our best source of finding out these things because you know who is in your town and who is renting and who isn't we don't necessarily know that.

HUGHES: That's the point I'm trying to make is that for the new supervisors, make sure you're aware that we know of what's going on.

DISKIN: Yeah, if you know somebody that is renting their house out or somebody bought a house

and turned it into a short term rental let us know, we'll send them the application packet and we'll get in touch with Dan Woods who does the leg work as the enforcement person and get that information out to them and require them to register.

MONTY: Mike, is that something you can send out? You said you could send out to each town?

DISKIN: Yeah we have it all broken out now.

MONTY: I think it might behoove not only the new supervisors but some of us older ones that have been here awhile if we could get a list of that?

DISKIN: Okay, sure.

MONTY: That would be great, thank you.

McNALLY: Anybody else?

DISKIN: I don't know how Mr. Doty is going to handle his but it will be a novel, bigger than the bible.

HARRINGTON: What are your projections for the next delinquent auction sale for taxes?

DISKIN: As soon as we know exactly how this budget bill is going to come out and what is going to change. Some of the things I'm hearing are the notification process is changing in this budget bill and that the Assembly and Senate want to change how we notify people and how we have to follow up with notifications so I'm a little uncomfortable starting any foreclosure process until we know what we're going to have to do in this new way. If they don't change anything then we can start immediately but most counties that I talked to are kind of waiting to see what's being changed in there whether we are going to have additional requirements for notifications as far as sending out foreclosure notices. We had it pretty well figured out in the past but if they change this how we do it and what is required and how we have to follow up on it that's going to make a difference on how we handle foreclosures so as soon as we know definitely what that is we'll start something. I hope sooner than later to be honest with you. We are ready to go. We have the list and everything. We have the names of all the people we have to notify. We just want to make sure we are doing it correctly if we don't send it out and then find out later on that we didn't do the right notifications.

DOTY: Just as a point of interest as far as how we keep track of STR's and their involvement with the county, it's taken care through a permit system. You can't get a permit in North Elba without supplying a number from the county that you're part of the process and that's with very few exceptions. Mike has helped us catch a few over the last year and we have a pretty good track record.

McNALLY: Thank you.

MONTY: I think to echo what you're saying Mike the last conversation with the State land bank group they've been working with NYSAC as well as those representatives from the Governor's office trying to piece this together. It's definitely going to be better than the way it was initially handed down but where it's at will be contingent on the budget.

DISKIN: There is some also in this budget bill legislation there some verbiage in there about setting the value of the property based on the actual auction price which is going to be helpful because some of the concern was we sell something at the auction lets' say the high bid was \$40,000 and you sold you and there was some concern of somebody could come back & say you didn't get fair market value, you've got to make up the difference. This legislation says whatever the fair market value is is going to be set by what you sell it for at the auction and there's also some discussion about private sales which includes transferring to the land banks. The budget bill as it sounds it will be good as long as it don't make a lot of changes in it. I don't know if you read all that was in there?

MONTY: I read most of it.

McNALLY: Okay, anybody else? If not, thank you. Next up is County Manager, IT Michael Mascarenas.

MASCARENAS: I do have a resolution this morning requesting to upgrade the fiber optic infrastructure in the primary complex here at a cost of \$26,359.40, with funds coming from IT Capital Project 13-2. That current fiber line that's there is around 25 years old and it's just showing some signs of failure, it isn't compatible with some new types of hardware so we are looking to upgrade that to an OM3 from an OM1.

**RESOLUTION AUTHORIZING AN UPGRADE TO THE FIBER OPTIC INFRASTRUCTURE FROM THE ESSEX COUNTY SERVER ROOM TO REAL PROPERTY, TREASURERS, PROBATION TO COURT, COURT TO THE DISTRICT ATTORNEY OFFICES IN THE AMOUNT OF \$26,359.40, WITH FUNDS TO COME FROM THE IT CAPITAL PROJECT 13-2.
Tyler, Wilson**

McNALLY: Questions, concerns? Mike I'm sure you have taken into consideration what the tear down of the buildings?

MASCARENAS: Absolutely IT yes, Hugh Heron has been phenomenal on this whole project. We started this last year when the board gave authorization through ARPA to do the necessary IT upgrades and I don't know how many of you know Hugh but he's phenomenal and he's gotten almost everything done purchased, installed, upgraded. This is one of the last pieces and then we get into phone infrastructure this year which needs to be upgraded as well but he's really taken the ball with this and run with it. He's done a phenomenal job.

McNALLY: Alright, all in favor, opposed – carried.

MASCARENAS: The only thing else I've got is was and I was going to announce it at Personnel but that ran over but this is running over too so we are having an orientation with department heads with new supervisors on February 7th it will be part of our monthly department head meeting. Any board members are welcome to attend that session. I've asked every department head to provide just short five minute type discussion of what their department does, provide you handouts. It's going to be a little overwhelming but, to say the least we have 24 departments and a lot going on but the big thing is who do you call when you have a problem and you start to learn that over time but just to put a name with a face and that will be most of the morning on February 7th. Any board members are welcome to attend if any board member wants to attend and share some of their experiences of problem areas that they've dealt with I'd love to have

you. I know Ken Hughes had talked to me about maybe attending that meeting and doing some of that for new members.

WINEMILLER: What time?

MASCARENAS: 9 a.m.

WINEMILLER: And where?

MASCARENAS: Right here, February 7th it's a Wednesday.

McNALLY: Great. Anything else Mike?

MASCARENAS: No, that's all I've got today.

McNALLY: Anything else for Mike? If not, thank you. North Country Community College – Joe Keegan

KEEGAN: Happy New Year to everyone. Nice to see you all. Congratulations Mr. McNally and Mr. DeLoria and actually congratulations to all on the recent appointments and elections and welcome to the new supervisors I look forward to working with you all in the upcoming year.

I want to give you all some status updates on the college and I'll start with some good news for spring '24. We start classes today and we're trending right now up again in the spring that will be the second consecutive spring and the third consecutive semester which is a good thing for everybody, it's a good thing for students, it's a good thing for the college, it's a good thing for the counties so we are quite thrilled about that.

I wanted to update you on our nursing program we I believe I let you know in the fall about an alternative associate degree in nursing which was to launch in the spring we do that which will put out up to another 29 associate degree nursing prepared, ready for their RN license program next December that runs off schedule of our current one and it allows us to increase capacity for our nursing program. We all know every corner of the county, state and the country seemingly needs nurses and we're really thrilled to add another 29 there.

I want to thank you for the resolution for David McNally's appointment to our Board of Trustees. We've moved that onto the SUNY and then the Governor's office so fingers crossed we'll have another couple of Governor's appointment which will allow the board to round out its full capacity. We are currently at eight board members which you all know makes getting a quorum a challenge and transacting business a challenge.

I want to thank the county for your support for students through the opioid settlement dollars to be able to offer scholarships to county residents in key areas that's aligned with the opioid settlement accords and that includes Chemical Dependency Counseling Program, Human Services, EMT and Nursing so thank you very much for that.

Mike prompted me to just give you a brief update on the New York State budget so the college has been actively engaging as part of our advocacy effort to get additional funding for the college through New York State. Last year, you may remember we came to you, let you know about the four plus four on the floor so that we got continued floor funding in getting additional cost of living increase. We did not see the cost of living. We did get the floor for us that's about a \$350,000 savings if the state doesn't take that away. This year we asked for the floor funding again for us that is in the Governor's budget so that is a really good thing. We've also asked for \$97 million dollars to bring the State really in line with the overall county contributions collectively across the state and to use those dollars to be able to fund workforce development and as part of that I've

been meeting with legislative leaders from across the state trying to advocate for community college funding. We know the value proposition of college and we know the needs in our communities we just need more operational funding. We've been flat from the state for well over five years and the cost to us has not decreased as you all know and so I would ask if this group, the Finance committee would be willing to make a resolution in support of that?

WILSON: So I would like to propose a resolution that Essex County Board of Supervisors ask both the Governor and the Legislature to support the community college in increasing funding with examples of the Empire State community College Workforce Guarantee that would add \$97 million dollars to workforce training through the community colleges and other counties are doing this as well so I would make that motion.

RESOLUTION URGING GOVERNOR HOCHUL AND THE STATE LEGISLATURE TO SUPPORT THE EMPIRE STATE COMMUNITY COLLEGE WORKFORCE GUARANTEE AND THE ADDITIONAL \$97 MILLION IN OPERATING FUNDS FOR SUNY COMMUNITY COLLEGES.
Wilson, Tyler

McNALLY: Questions or concerns? All in favor, opposed – carried.

KEEGAN: Thank you. I have one last thing. I want to give you an update for those of you that were able to join us at the legislative leaders breakfast back in the fall we completed the nursing lab and the science lab so students are coming to campus's with really brand new state of the art learning experience facilities and we're really grateful for the county for your support of that and to be able to add that to the offering for students. That's it.

MONTY: Joe, first off I want to thank you and the college for the First Responders course that you offered. I think that is going to be a huge, huge benefit not only to our EMS program but also to the fire districts and EMS throughout the county. I think it's a tremendous asset. I know we've got four that have signed up for this cycle from our own fire department and there's four more ready for the next cycle to go too so that's going to give us eight more potential first responders in the Town of Lewis and I think it's phenomenal. Thank you for that. Secondly, with the announcement with what's going on with Clinton Community College how do you think that could affect North Country potentially in a good way?

KEEGAN: Yeah, it's a complicated question for Clinton that's a really unique experience for them because they have Plattsburgh right across the way. It actually could strengthen Clinton's ability to offer their students a more full student life experience on their campus which I think would be good for Clinton County students and it could actually lead to maybe some loss of some students that we are currently getting from Clinton. It could lead to more students coming to us for the programs that we offer, it's really tough to tell at this point Jim.

MONTY: Thank you.

McNALLY: Anything else? Thank you. Anything else to come before Finance?

GILLILLAND: Just real quick, if supervisors are interested immediately following the adjourn Kristy Sprague will be making a public announcement outside.

MASCARENAS: Yes, after that you know who you are I sent you an email but if we could sit down for fifteen minutes and talk about negotiations. I don't know, I emailed everybody that I need, whoever is on the committee that would be great.

CLARK: I'm not on this committee but I don't know if this is the proper time but can we set a resolution in condolence for Rob Dobie this body worked with for a long time, he just passed.

RESOLUTION OF CONDOLENCE TO THE FAMILY OF ROBERT DOBIE. Wilson, Tyler

McNALLY: All in favor, opposed – carried. Thank you. He was a good guy. Anything else for this committee? If not, we are adjourned.

As there was no further discussion to come before this Finance committee it was adjourned at 11:23 a.m.

Respectfully submitted,

Judith Garrison, Clerk
Board of Supervisors