



## **Tioga County Legislative Worksession Minutes** **September 20, 2018 – 10:00 a.m.**

### **Legislators Present:**

Legislator Hollenbeck  
Legislator Monell *(arrived @10:07 a.m.)*  
Legislator Mullen *(arrived @10:07 a.m.)*  
Chair/Legislator Sauerbrey  
Legislator Standinger  
Legislator Sullivan  
Legislator Weston

### **Legislators Absent:**

Legislator Huttleston  
Legislator Roberts

### **Guests:**

Matt Freeze, Reporter, Morning Times  
John Schumacher, Tioga County Fair Board *(departed @10:15 a.m.)*  
Charlie Truman, Tioga County Fair Board *(departed @10:15 a.m.)*  
Bryant Myers, Executive Director, Tioga County IDA *(departed @10:24 a.m.)*

### **Staff Present:**

County Attorney Peter DeWind  
Legislative Clerk Maureen Dougherty  
Deputy Legislative Clerk Cathy Haskell  
Chief Accountant/Budget Officer Rita Hollenbeck  
Accountant Jackson Bailey *(departed @11:00 a.m.)*  
Personnel Officer Bethany O'Rourke

### **Call Meeting to Order –**

Chair Sauerbrey called the meeting to order at 10:03 a.m.

## **Tioga County Fair Report –**

Mr. Schumacher reported he is here on behalf of Tioga County Fair Board President, Jonathan Marks, to provide an update to the Legislature on this year's fair and thank to them for their continued support. Mr. Schumacher especially noted the assistance received from Commissioner of Public Works Hammond. Mr. Schumacher reported this year's fair was successful and finally in the black after several years. Mr. Schumacher reported the "pay-one-price" contributed to the success of this year's fair. Mr. Schumacher reported Tioga County is one of the few remaining volunteer fairs with approximately 400 volunteers. Mr. Schumacher reported attendance increased by approximately 50%. Mr. Schumacher reported the Fair Board was able to secure Gillette Shows for this year's fair with a commitment they will return again next year.

Mr. Schumacher reported NYS has earmarked \$5 million dollars specifically for County fairs for infrastructure purposes only. Mr. Schumacher reported the grant application spans over three years and the Tioga County Fair Board applied and completed phase one and is in the process of applying for phase two. Mr. Schumacher reported Tioga County is eligible for \$95,000 per fair over the course of this three-year grant. Mr. Schumacher reported the application process is time-consuming and spanned over several months.

Chair Sauerbrey inquired as to who owns the fairgrounds property. Mr. Truman reported the Tioga County Agricultural Society owns from the walkway in front of the cattle barns to the back fence, as well as the recently acquired baseball field owned by the school district. Mr. Truman reported the Village of Owego owns the remaining area that spans from the walkway to the front of the fairgrounds on Route 17c, however, the Agricultural Society is allowed 100% use of the entire fairgrounds during fair week.

Mr. Truman reported this year's primary improvement was the cattle barns for purpose of highlighting agriculture in Tioga County. Mr. Truman reported he is hopeful that at some point the Amish will become involved in the fair.

Mr. Truman reported the next step involves changing the front of the current grandstand, as the time has come where grandstand seating is not adequate. The improvements include removing the current announcer's tower and extending back 125 feet across by 125 feet to bring the grandstand all the way around. This will allow for additional seating, as well as moving the public across the track safely. Mr. Truman reported discussion has occurred with the Village of Owego and they are 100% in favor of this proposed change. Mr. Truman reported enlarging the grandstand area will also open up the opportunity for larger events. Mr. Truman reported the open bleachers in front of the current grandstand are wooden and need replacement. Mr. Schumacher reported the grandstand improvement project could be incorporated into phase two of the NYS grant.

Chair Sauerbrey suggested Mr. Truman and Mr. Schumacher contact ED&P Director Tinney to discuss whether this could possibly be an opportunity for the Downtown Revitalization Initiative (DRI).

Legislator Weston reported there are historical grant funding opportunities available for this type of restoration and encouraged them to explore this option.

## **IDA Cost Benefit Analysis for Project Steel -**

IDA Executive Director Myers distributed copies of the Cost Benefit Analysis (CBA) for TBD HD, LLC. Mr. Myers reported this project started in November 2017 with the company discussing the purchase of IDA-owned property in Nichols, however, the company decided against this property and ultimately chose to pursue property in the Town of Owego.

Mr. Myers reported TBD HD, LLC is the company that applied for the financial assistance. This company is a steel galvanizing company that uses processes to coat steel. Mr. Myers reported TBD HD, LLC construction plan includes purchase of new machinery and equipment, 42,000 sq. ft. building, and an additional 5,000 sq. ft. office space. Mr. Myers reported the 47,000 sq. ft. facility would be located on 34-acres currently under contract for purchase by the Tioga County IDA. Mr. Myers reported the anticipated land purchase, building construction, equipment purchases, soft costs and other fees is estimated at \$13.9 million.

Mr. Myers reported TBD HD, LLC has applied for a standard real property tax abatement and standard sales tax abatement. Mr. Myers reported the company would not be taking a mortgage for the facility, therefore, no mortgage tax abatement offered.

Mr. Myers reported the company is in the process of selecting an engineering firm and will begin their official site plan work and local approval process shortly.

Mr. Myers reported the proposed site is the former Town of Owego gravel pit. Mr. Myers reported the project creates an anticipated new workforce of 34 employees with an estimated new payroll of \$1.3 million dollars by 2019. Mr. Myers reported the average wage is \$39,000, which is approximately \$10,000 higher than the average wage in Tioga County at this time. Mr. Myers reported project construction expected to begin this fall with anticipated completion by May-June 2019.

Mr. Myers reported the taxable items related to the construction, equipment purchases, and working capital anticipated expenses is \$8.3 million dollars. Mr. Myers reported the company asked the IDA to provide a sales tax savings estimated at \$671,000, which translates to \$335,000 for state and local portions.

Mr. Myers reviewed the proposed PILOT schedule for the real property portion identifying the current tax rates for 2018 with a 2% escalator each following year. Over the course of the PILOT, Mr. Myers reported the County could expect to receive approximately \$231,000 in real property tax revenue that is not currently collected. Mr. Myers reported it is important to note the Town of Owego is the current property owner, therefore, zero taxes are being collected at this time.

Mr. Myers reported there is a possibility of adding an additional 30 jobs subsequent to 2019.

Mr. Myers reported TBD HD, LLC is currently working on their wellhead permit application and the local approval is done.

Mr. Myers reported he made this same presentation to the Town of Owego earlier this week and they fully support this project.

Mr. Myers is requesting a letter of support from the Tioga County Legislature for this project.

Mr. Myers reported the IDA would be hosting a public hearing on September 27, 2018 in the Hubbard Auditorium.

Legislator Standinger inquired about truck traffic. Mr. Myers reported approximately 10 trucks per day. Mr. Myers reported the company would be utilizing Corporate Drive as a means of accessing the property.

Legislator Weston inquired about emissions into the atmosphere. Mr. Myers reported largely it is steam, however, they will be doing their environmental review. Mr. Myers reported his understanding is that any by-products created because of this process will be trucked out, disposed of, and treated properly in a facility in PA or NJ.

Legislator Weston inquired about required job skills and whether the workforce will need to come from outside the County. Mr. Myers reported the majority is unskilled labor, therefore, a possibility of utilizing dislocated workers due to the Sanmina closing. Mr. Myers reported the company shared they will be hiring a facility manager from outside the County.

On a straw poll vote, all Legislators were in favor of granting a letter of support on Legislature letterhead with Legislators Huttleston and Roberts being absent.

**ACTION: Mr. Myers will draft a letter of support for Chair Sauerbrey's signature.**

**UPDATE: Letter of support signed by Chair Sauerbrey on this date and given to IDA Executive Director Myers.**

### **2019 Budget Update -**

Budget Officer Hollenbeck reported there are three outstanding areas she would like to address and accomplish today:

1. Finalize outside agencies decisions
2. Provide information regarding fringe benefits for 2019 budget
3. Review Capital budget

### **Outside Agency Funding:**

- ✓ **All outside agencies (exception Soil & Water)** – Legislature decision made at the 9/6/18 worksession to maintain outside agencies funding at the 2018 amounts.
- ✓ **Soil & Water** – Legislature decision made at the 9/6/18 worksession to afford Soil & Water an additional \$10,000 increase.
- ✓ **Finger Lakes Wine Association** – Legislature previously agreed and is obligated to \$60,000 per year over the course of the next three years.
- ✓ **Tourism Office** - Ms. Hollenbeck reported the only unresolved issue is the additional \$20,000 for the Tourism Office. Ms. Hollenbeck reported the Legislature granted the Tourism Office last year \$25,000 for their moving expenses into the Visitor's Center. Ms. Hollenbeck reported this year's \$20,000 is in addition to their capped \$150,000 funding.
- ✓ **Library Funding** - Ms. Hollenbeck received an email request to increase the library funding. Ms. Hollenbeck reported the County currently funds approximately \$70,000 per year to the local libraries, which also includes the Finger Lakes Library System. Ms. Hollenbeck reported the new 2019 request is over a \$5,000 increase for primarily two libraries; Berkshire Library for an additional \$1,388 and Tappan Memorial Library for an additional \$4,000.

Based on last year's worksession minutes, Ms. Hollenbeck reported Tourism indicated their request would be more than a one-year request, but the Legislative straw poll vote only addressed approval for \$25,000 for the first year.

Legislator Mullen reported this does not preclude the Tourism Director from coming back and asking for additional requests through a budget modification, as the County has a contingency fund. Ms. Hollenbeck concurred, as the contingency fund is set up out of the general operating fund for utilization by departments or outside agencies. Ms. Hollenbeck

reported most years the full contingency account amount has not been used, however, this year we are close.

Chair Sauerbrey reported if the Legislature were going to lend any additional support to an outside agency she prefers this occur during the budget process versus using contingency account funds and budget modifications during the year.

Chair Sauerbrey reported she would like to see the Tourism Office established in their new location.

On a straw poll vote, all Legislators were in favor of supporting the \$20,000 additional increase to Tourism for the 2019 budget with the understanding that each year the Tourism Office will need to approach the Legislature with their annual requests during the budget process just like all other outside agencies with Legislators Huttleston and Roberts being absent.

In regards to the additional library fund requests, Legislator Standinger reported he does not have an issue with an increase, but unsure as to whether it should be for the amount requested.

Legislator Hollenbeck reported he believes the libraries should pursue donations through community businesses and individuals.

On a straw poll vote, Legislators Mullen and Standinger were in favor of supporting the additional library fund request with Legislators Hollenbeck, Monell, Weston, Sullivan, and Sauerbrey not in favor and Legislators Huttleston and Roberts being absent. Straw poll vote failed and no additional increase would be granted to the libraries for the 2019 budget year.

### **Capital Budget Requests:**

Ms. Hollenbeck reported she is waiting for Legislator Roberts and Mr. Hammond to finalize a decision regarding four pieces of equipment, which includes a dump truck, mechanic truck, one-ton flat bed, and truck box repair and lift gate. This is all part of the Public Works Capital Plan for both building maintenance and repair, as well as vehicle refresh and equipment. Ms. Hollenbeck reported she failed to ask the question whether these are new or replacement equipment requests.

Ms. Hollenbeck reported vehicles are refreshed from the County's current fleet and Public Works maintains a refresh plan for all county vehicles.

Ms. Hollenbeck reported there was an \$8,000 increase in the IT Capital Budget for computer equipment to replace the plotter for GIS.

Chair Sauerbrey inquired as to whether some of this additional funding could come out of the established reserve accounts. Ms. Hollenbeck reported the reserve accounts could be accessed for these purchases with the exception of the road/paving projects as they are reimbursed 100% through CHIPS funding and vehicles. Ms. Hollenbeck reported the Capital Infrastructure, Equipment, and Land Reserve account could fund Public Works equipment. The Hardware/Software Reserve Accounts could fund the IT computer equipment. In addition, funds are being set aside in the Hardware/Software reserve accounts for the replenishment of all voting machines.

Ms. Hollenbeck reported some of the building project expenses could also come out of the reserve accounts if it adds any value to the building or project. For example, the Public Safety building renovation, equipment such as generators and boilers, could all be funded through the reserve accounts.

The Legislature has the option every year during the budget process to determine whether to utilize capital reserve accounts and/or capital funds.

At the end of 2017, Ms. Hollenbeck reported there was \$10 million dollars in the Capital Fund and \$7 million dollars projected for year-end 2018. Ms. Hollenbeck reported of the \$7 million dollars, there is approximately \$3 million dollars in reserve accounts. Ms. Hollenbeck reported going into the 2019 budget year, Ms. Hollenbeck does not foresee any issues with the capital budget as it stands currently.

Legislator Sullivan reported she believes most, if not all, of these four pieces of Public Works equipment is replacement and not brand new "wish list" items. Chair Sauerbrey concurred stating the Public Works Committee would have previously vetted these items.

Ms. Hollenbeck reported the Sheriff's Office, as well as Social Services are requesting five new vehicles. Ms. Hollenbeck reported Mr. Hammond reviewed each Department's request and stated all requested vehicles are necessary. Ms. Hollenbeck further reported Social Services receives 75% reimbursement.

On a straw poll vote, all Legislators were in favor of Ms. Hollenbeck moving forward with the capital budget as it currently exists using as much of the reserve account funding as possible. Also, acknowledged that Legislator Roberts and Mr. Hammond still need to finalize a decision on the four outstanding pieces of equipment with Legislators Huttleston and Roberts being absent.

**Fringe:**

Ms. Hollenbeck reported she is still putting the fringe information into each of the departmental budgets. Ms. Hollenbeck reported there are eight different fringe benefits for each staff person in each department.

Ms. Hollenbeck reported if we had not seen the reduction in retirement, workers' comp, and unemployment insurance, the County would have seen a much larger bottom line number increase. Ms. Hollenbeck reported the health insurance increased by 9.5%. In addition to the increased health insurance, Ms. Hollenbeck reported the HRA deductible utilization rate was budgeted at 70% in 2018 and currently projected to be at 80% by year-end. Based on this information, Ms. Hollenbeck increased the 2019 HRA utilization rate to 80%. Currently, the YTD information after eight months is approximately \$780,000 and approximately \$800,000 was budgeted. Ms. Hollenbeck provided the Legislature with prior year information and changes, as well as the 2019 budget amounts.

Ms. Hollenbeck reported salaries are up, but the overall retirement costs are down due to rate changes.

Ms. Hollenbeck reported 2018 YTD the County has only had \$3,000 in unemployment insurance claims whereas \$20,000 is budgeted annually. Ms. Hollenbeck reported the last three consecutive years there has been less than \$10,000 in claims. Based on historical information, Ms. Hollenbeck reported the budgeted amount could be reduced. Ms. Hollenbeck reported the County has a trust account that was established several years ago specifically for unemployment insurance claims that is outside of the general operating fund. The amount in this trust account is currently \$68,000. Ms. Hollenbeck reported she is hoping to dissolve this trust account via resolution and put the funds back into the general operating fund where they originated, as the County has had minimal claims in the last eight years and funds are budgeted annually.

Legislator Sullivan inquired as to when this trust account used last. Ms. Hollenbeck reported the trust account was established in the late 1970's to early 1980's and was originally funded with \$77,000. Ms. Hollenbeck reported the last account activity was in the early 1990's for \$11,000. Ms. Hollenbeck reported this is an expendable trust account and not a reserve account.

In regards to actual costs, Legislator Sullivan inquired as to the 10-year average of actual costs. Ms. Hollenbeck reported she could verify one year where claims were in the \$20,000 range, however, all other years were under \$10,000.

Ms. Hollenbeck reported salaries and fringe increased by \$1.2 million dollars from 2018 to 2019 due to the positions that were previously created/added. Ms. Hollenbeck reported additional fund balance would most likely need to be appropriated.

### **Approval of Worksession Minutes – September 6, 2018:**

Legislator Sullivan motioned to approve the September 6, 2018 Legislative Worksession minutes as written, seconded by Legislator Hollenbeck with Legislators Hollenbeck, Monell, Mullen, Sauerbrey, Standinger, Sullivan, and Weston voting yes with Legislators Huttleston and Roberts being absent. Motion carried.

### **Action Items:**

#### **ACTION ITEMS FROM AUGUST 9, 2018:**

##### **ACTION ITEM #1– 8/9/18 – Delinquent Property Process –**

Chair Sauerbrey, County Attorney DeWind, and Treasurer McFadden met on September 11, 2018 to discuss the auction process and how the Treasurer does the redemption of properties. Chair Sauerbrey reported Mr. McFadden does not follow the current policy, however noted that he is not doing anything wrong and is working within his authority. Chair Sauerbrey reported Mr. McFadden was encouraged to move back the process to avoid any last minute issues.

Mr. DeWind reported it is a matter of how much negotiating was occurring in between filing the final petitions and taking title of the properties. Chair Sauerbrey reported Mr. McFadden explained this is a similar process across the State. Chair Sauerbrey also reported the Treasurer's Office make several attempts to contact the property owners regarding notification of late taxes right up until such time the property is being foreclosed.

Legislator Monell reported a significant amount of money is expended on the numerous attempts made and believes Mr. McFadden is looking out for the County's best interest.

Mr. DeWind reported the current practice reduces the number of properties required to go through the entire foreclosure process. Mr. DeWind reported if we established a deadline for date of redemption, based on the current policy, Mr. McFadden could financially return or sell-back to the original owners or next of kin without taking the properties back to the Legislature. The policy is written that if there is a financial interest such a lienholder that has been foreclosed at time we take title, then the property is gone. Based on the current policy, Mr. DeWind reported once the County takes title to the property there is no real way to sell the property back to the owner or family members.

Based on the information obtained, Mr. DeWind reported we are going to continue our current practice of taking properties on a case-by-case basis for extenuating or strange circumstances and bring them back to the Legislature for discussion. **This action item is completed and will be removed from the Action Items List.**

**Other:**

None

**Executive Session:**

With no confidential topics of discussion, an Executive Session was not necessary.

Meeting adjourned at 11:09 a.m.

Next worksession scheduled for Thursday, October 11, 2018 at 1:00 p.m.

Respectfully submitted by,

*Cathy Haskell*

Deputy Legislative Clerk