

County Executive C. Moss

Address to the Catlin Town Council

Thursday, Oct. 10, 2019

The Deputy Executive and I, what we try to do is get to one meeting; town board meeting, local board meeting, city council meeting, throughout the year. We only have 4 municipalities to go to hit them all this year. Basically we just go by to see the town, Village, and city needs. Some of them need things that we can't give them, unfortunately.

Right now is a very busy time for us, working on the budget. We have about a \$3,000,000 gap right now. the majority of it is caused by employee health insurance, it has risen 14%, Blue Cross Blue Shield. The increase comes from the experiences of the claims that have been put in from April 1st 2018 through May 2019, there have been some big claims. That is leaving us quite a gap. I know there hasn't been a property tax increase in, I believe 14 years. Believe me, the way that was accomplished is moving money from here to here, to here. But at the end of the day, not something we want to do, but It is something for the first time. We may send up some legislature to go above the tax cap, like all the municipalities are doing. Had a good meeting with the chairman of the legislator today, trying to give him a heads up as to the direction that we are going.

The nursing facility; It's another big \$3,000,000 gap. Every year we, the County taxpayers, put about \$3,000,000 into the nursing facility, which is matched by the state, which is called IGTG (Intergovernmental Transfer Grant). So, \$6,000,000 a year they are getting, 3 from the taxpayers, 3 from the state, and they are just staying afloat. This is one of the discussions we are going to have after budget season.

Another deals with, can we afford to have a nursing facility. The majority of the Counties throughout the state have privatized their nursing facilities. I know probably 50/50 split between what people would like to do with it. At the end of the day we probably should put it up to a referendum, let the public decide. They really need to know it's an expense that's really driving up costs.

As far as Shared Services go, something different we tried this year is more of an ala carte menu. There is no uniformity in the manner in which we have been doing shared services. For example, we do finances for the Town of Elmira, we do finances for the Town of Big Flats. We charge one rate to Big Flats, and a totally separate rate to Elmira. There is no justification as to why one is paying the other, other than this is personal, knows that person, or it's political. We really tried to streamline to make everything even. It's tough, some of the municipalities that already have an existing shared services agreement, they can't get into the new format for a period of time. We have had 17 new agreements with various municipalities, everything from IT services, to payroll Services, highway department services. We will see how that goes this year. The state was in favor of it, they thought it was a great idea. We will see how 2020 goes with that. Everything is reimbursable in 2020. It's in 2021 that all municipalities will need to say okay, is this going to save us money, or not, and decide whether they want to stay with it. It's been very busy.

All I can tell you is as far as the lawsuit with the legislature versus the executive's office, didn't go in the executives favor.

There are issues with the legislature that we are just having a hard time getting through, one of them I will explain is term limits. In February, I sent a resolution package up for term limits for the legislature and also the county executive; 2 terms for the county executive, 3 for the legislature, but they won't act on it. I'm not saying it because Mike (Catlin's legislative rep.) is here, he is a friend of mine. The chairman decides what goes on the agenda. That has been up there for 6 months, and they won't put it on the agenda. I say let the public vote on it, the residents need to vote on it, If they don't want term limits, that's fine, we can move past it. If they do want them, let's get working on it. It is very frustrating at times, we send them upstairs and they don't have to act on them and they don't. Because I can tell you a lot of these legislators, when I was running for County Executive, ran on the coattails of yeah, they need term limits, we need open government, we need transparency. I think we have to hold them accountable. Believe me, I didn't want to waste the taxpayers money filing article 78, but that's part of the process. There are a lot of challenges, we are getting through them, working with them. I had a two-hour meeting today with the chairman today, we discussed a lot of issues. We are making progress, slower than I anticipated, wish it would be quicker. But things are going well. it's different from being sheriff, obviously. If you have any questions I will be more than happy to answer them, if you don't, I want to thank you for allowing me to address the board.

(Board Member: The usual question is the sales tax.

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The agreement we have right now is for 2019 and 2020. Next summer we will be formulating a new agreement. The town should be up about 6.7% right now. all the towns should be up. The county is only up 2% due to the new redistribution formula. We will have to look at that next time around. The city didn't get any increase in the formula, they got a waiver of money they owed the county for shared services agreement for employees. What we would like to do, when I promised in my campaign is, we would go back to the original formula for the municipalities. We have a

police department to support, they would go back to the original percentage. Everybody else would get half-back that was taken from them. But some of the calculations we are doing now, because of the increase in the sales tax, some of the towns that would only get half back are doing just as well right now because sales tax is up by 6.7%, but it was down in the third quarter. The wild card is internet sales tax, that is not going to be calculated in until the final quarter, which is November and December, which is our big sales from Consumer Square, Arnot Mall as well as Amazon. When we get that final one, hopefully, will stay 7, 8, 9 %, because that's really depends on how we balance the budget. The budget director anticipates it will rise 2% for 2020. So, we are only going to raise the sales tax revenue on the County's budget 2% for next year.

we are really basing on where it is tracking right now. We will find out where we are at at the end of December. We will be negotiating that and we will be getting input from all the towns and the direction that we should go next summer, as we Work on 2021 and 22.

(Board Member: asks to clarify internet sales)

Governor Cuomo passed a law for internet sales tax. Amazon, all these companies, people are shopping at home, now there is a tax added to that, that wasn't previously there. What they're going to do is, the aim was, the municipalities get, they are taking that directly out of the County's sales tax coffers, that is why we are down further than we thought we would be. The governor's office claims we will make that up in internet sales tax. What they won't show is how much sales tax is from shopping on County Route 64 as opposed to internet sales tax. We are not going to know which came from where at this time, it's all in one bundle. All the counties and NYSAC, New York State Association of Counties, is asking the governor, we need a break down, tell us how much is internet related versus how much in box stores, etc.. We are working through that, it will be

interesting to see how much internet sales tax, not only what we get but counties across the state to get.

(Board Member: you said that sales tax is not distributed by county, by the whole state?)

It's distributed by county, whatever our...

(It is accumulated by county)

Yes it is, we will get whatever our residents spend on the internet here-purchases we will get that here. Remember, it's going to be population driven so, when you have a big county, like Suffolk County, the more people you have the more people you have shopping on the internet. It's going to be nice for us to get a baseline in December, to see what the average is, so we can actually work on a budget and say okay at 2019 our internet sales tax is this amount. But that is the problem, the governor isn't giving us those kind of numbers yet. You have got to break it down so we can do a better job budgeting. we'll never get it in for 2020, you are right.

(Board Member: you have a plan for the old formula, the plan is not to decrease the percentage the towns are getting?)

I would hate to have to do that, I can't make any promises at this point. All I can tell you is that 14% Health insurance increase right now, we have got a \$3,000,000 gap we have been working on every day. It is not my plan to take anymore from the town. I wasn't in favor of the deal you have now, because the County was taking more, I mean, they do it to try and balance their budget, so we are no better than the State. The State puts the unfunded mandates on the County, the County turns around and puts the unfunded mandates on the Town, the Villages, and the City. The City is another big longer discussion. We are going to have the Shared Services Agreements from 2015 for the Department of Public Works, from the

Department of Buildings and Grounds. It's really putting the County budget- we're paying the payroll for all those employees, it's supposed to be one big shared services organization. We are not allowed to hire, the City still hires them, they still go by the city's contracts. When these shared services agreements were constructed, they should have been more thoughtful. We are probably have to reopen those shared service agreement and simply tell the city, the county can't afford to foot the whole bill. Because, when that happens, that is a decision making process that involves the sales tax. We will be looking to reopen those next year, I let the city manager and the mayor know. These are issues that we are going to have to discuss, we are going to have to come up with a compromise if we are going to keep the shared services agreement.

(Question blocked by a cough)

We should see that in the 4th quarter.

(In December)

We won't get the numbers until January.

We will be able to have it for negotiating the next sales tax agreement when we start next summer. We will have the information then.

(hoping to have a surplus)

You guys should be up about 6.7% over where you were last year at this time.

Everything becomes quiet.

Town Supervisor: OK, Thank you.

This concludes the County Executive information session.

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