

**Finance Committee Meeting
January 22, 2025**

Attendees

Committee: Art Merrill, Wayland Gladstone, Wayne Marshfield, George Haynes, John Kosier, Joe Cetta, Tina Molé, Eric Wilson

Supervisor: Maya Boukai

Staff: Sherri Falcone, Beverly Shields, Amy Merklen, Penny Bishop, Kathy Preston

Mr. Merrill called the meeting to order at 10:30 a.m.

On a motion by Mr. Marshfield, seconded by Mr. Kosier, the January 8 committee meeting minutes were unanimously approved.

The January 13 Sales Tax report was reviewed. The sales tax deposit for the period of November 2024 was \$756,794 which is another negative amount of approximately \$90,000 compared to last year at this time. Overall, the revenue is down \$200,000 from last year with expected year-end adjustments yet to be made.

The balance of the contingency account is \$4,375. Mr. Merrill noted several departments have exhausted all of their budget. Another budget amendment resolution will be presented at today's Board Meeting for an additional 730 Hospitalization invoice that Behavioral Health is required to pay. Mr. Cetta compiled information on 730 Hospitalizations that he will share with the Board. The Clerk confirmed the Treasurer's Office needs an additional \$105,000 to pay 2024 community college tuition. She expressed that the Legal Aid to Indigents account is also exhausted. Mr. Merrill gave two options to make funds available to clean up 2024 expenditures; either move funds from unassigned fund balance or adjust contingency by putting more money in contingency from perhaps the sales tax revenue. Mrs. Preston stated the auditors recommended that the County Attorney review and advise according to County Law Section 366. Ms. Merklen discussed the section of the law and concluded that either unanticipated revenue or unreserved fund balance may be appropriated by Board resolution. Mr. Merrill said he realizes we are coming down to an end and this looks like a lot of extra work, however, philosophically, he likes the fact that the budget is this tight. They've kept a rein on it rather than collect taxes that are not necessarily needed. He agreed with Mrs. Preston regarding personal services lines for certain departments that need to be fully funded in the future. In reply to Mr. Merrill, she stated she would prefer to appropriate sales tax revenue. Mr. Haynes made a motion to move \$2 million from sales tax revenue to contingency to cover any remaining expenditures from 2024. Mr. Marshfield seconded the motion, and the motion was unanimously approved.

Real Property Tax Services – Sherri Falcone

Mrs. Falcone reported they received another court order in the Town of Davenport for their mobile home park which has been in litigation for a while and finally has settled out. They will have to refund 2021 to 2024 tax bills and will need to issue a corrected tax bill for 2025. This will be presented as a not-prefiled resolution at the afternoon Board meeting.

Discussion about a dedicated fund for capital repairs of county-owned buildings would continue once more information is gathered. The Clerk reported that the auditors plan to be here the week of June 9.

Mr. Marshfield distributed numerous documents and a summary of his observations regarding sales tax data. He referenced the County Attorney's undated letter to Finance recommending the county work out

agreements with every taxing authority in the county for the County to handle all In Rem foreclosures. The committee would need to know the village financial figures to see how much of an impact this would have, and it is possible these agreements could be a viable approach to help villages. Mr. Marshfield referenced the information Mr. Cetta shared about 730 NYS hospitalizations and noted the unexpected expenses that were incurred and expressed this is one reason why we need to utilize additional sales tax revenue. The 2024 amount of \$327,558 is for 2 patients with approximately four months of billing and there will be a third patient soon. The amount could be much higher in 2025. Mr. Cetta said this is court directed and not possible to gauge. Mr. Marshfield stated New York State used to pay half the cost and now the County is responsible for paying 100%. Mr. Merrill said he believes this is not something they should budget a large amount for then collect taxes if you don't need it.

Mr. Marshfield explained that he used the data he received from Mrs. Falcone to create spreadsheets which could be used by the Finance Committee to analyze the data in order to make any decision on sharing sales tax. He stated that the spreadsheets are based off the Committee Chairman's comments that these figures are for all the residents in Delaware County. He noted that the data includes tax-exempt properties. Mr. Marshfield explained what distribution amounts could potentially be when based on the full value including exemptions. The spreadsheet compares the amounts to what was requested by the mayors in their proposal. The data reveals the mayors' request was inequitable among villages and towns and confirmed their proposal was based on population. He noted that when the weighted vote includes the village population, it's a matter of double dipping. Mr. Merrill stated the mayors group would attend the next Finance Committee meeting and more information would be made available for discussion.

Mr. Cetta disagreed with using the market value of the real estate in the town versus the actual population. He developed a spreadsheet which is based off actual population in each community. He opined that it is not fair that sales tax revenue would be distributed based on property assessment value. He feels it should be distributed by population using Census data. Mr. Marshfield said if that's the case, there should be no more discussion from any village about being tax exempt.

Mr. Merrill gave an option to keep the budget at a zero percent increase and use sales tax revenue to avoid raising the tax levy. That would benefit everybody the same and that is what he cares about, that every taxpayer in this County gets treated exactly the same.

Mr. Gladstone stated that numbers are needed to see what County services are being provided to our residents, for instance with the bridge program. Mr. Merrill and Mr. Haynes confirmed the 21st Century Bridge Program is specific to Delaware County. Other services include engineering, landfill, composting, and planning. Mr. Haynes had gathered information regarding the original resolutions when the County increased sales tax which was to be used to offset increases in the County budget. Mr. Marshfield questioned if perhaps we need to increase the sales tax rate? Mr. Haynes said we may have to unless there is \$4 million that could be pulled out of the budget every year. Mr. Wilson suggested to perhaps start charging at the landfill. Mr. Marshfield expressed that the Delaware County Landfill is the gem of the state, and the landfill gets 1% percent of the sales tax revenue. Mr. Haynes stated the bigger question before deciding how to distribute any sales tax, is to figure out if the County could afford it.

In reply to County Attorney Merklen, Mr. Merrill said we have not received village budgets, but they will be required for future discussion.

Travel, equipment, and fill vacancy requests were approved as presented. Upon a motion the meeting adjourned at 11:50 a.m.