

SPECIAL SESSION-MONDAY, APRIL 10, 2023

The Yates County Legislature convened in special session Monday, April 10, 2023 at 10:03 a.m. with Chairwoman Church presiding, Mr. Jayne at 10:12 a.m., and Mr. Button at 10:47 a.m.

Chairwoman Church gave Ms. Flynn, County Administrator/Budget Officer, the floor.

Ms. Flynn made the following comment:

Good morning, everyone. I'm glad we're getting together to discuss some of our county wide projects, and hopefully I can assist you all in prioritizing them.

Ms. Flynn shared the following Memo with the Legislature and discussion ensued:



OFFICE OF THE
YATES COUNTY ADMINISTRATOR

417 LIBERTY STREET, SUITE 1002
PENN YAN, NEW YORK 14527
(315) 536-5192

Winona B. Flynn
COUNTY ADMINISTRATOR

TO: Yates County Legislature
FROM: Nonie Flynn
SUBJECT: Countywide Projects Prioritization Workshop
DATE: April 7, 2023

Unassigned General Fund Balance:

In 2021, resolution #245-21 established our General Fund balance policy that set targets for ensuring accounting and fiscal stability considering risk factors such as the predictability of future revenues, the volatility of expenditures, exposure to significant one-time outlays, legal claims, liquidity concerns and persistent inflation. Our objective is to maintain an unassigned General Fund balance with a level between 25% and 50% of current year budgeted General Fund expenditures. The policy also states if this balance exceeds 50%, the balance shall be utilized to fund capital expenditures or pay down outstanding County debt.

Based on our 2023 budgeted General Fund expenditures of \$44,706,471, an appropriate unassigned General Fund balance should be between \$11,176,618 and \$22,353,236. At the end of 2022, the unassigned fund balance of the General Fund was \$23,057,902. This level is \$704,666 over the 50% maximum General Fund balance objective. Based on our strong sales tax receipts again so far this year, however coupled with future economic uncertainty, an unassigned General Fund balance of \$16 million is appropriate. Please keep in mind, due to inflation, along with the increased sales tax revenue, are increased expenditures throughout our budget. This leaves us with approximately \$7 million to appropriate in 2023 to our reserves. By properly funding reserves with excess fund balance, we can eliminate our reliance on debt to finance future capital projects.

Countywide Projects:

The following, in alphabetic order, are possible assignments of unassigned General Fund balance in 2023 and to assist the legislature in prioritizing outstanding projects:

2024 Property Tax Reduction - We can use the Budget Stabilization fund balance or unassigned General Fund balance to continue on our trend of reducing taxes for our residents in our 2024 budget. We have maintained a tax levy of around \$16 million for the last eight years.

Broadband — We recently applied for a \$9,087,389 USDA grant to serve the remaining 680 unserved households in our County. We should hear if we are awarded these funds in the near future.

Budget Stabilization Fund — We could add to the current fund balance of \$1.2M.

Building Reserve Fund — The current balance in this fund is \$15,586,387. By adding in the \$4,839,056 ARPA funds, we have a balance of \$20,425,443. The current projected cost of the new HWY/OEM/PH building is \$25,830,513. This cost includes the fuel island. The additional cost for the proposed natural gas line is up to approximately \$1.8 million. Thus, we have a shortfall of between \$5,405,070 and \$7,205,070 (with the \$1.8M for natural gas).

The County also had a needs assessment for our Public Safety building completed in April 2021. At that time, the cost for upgrades was \$3.2M. The updated cost estimate for upgrades and add-ons has escalated to \$12M. This includes general contractor, mechanical, electrical, plumbing, site work, architecture, engineering and a cost for alternate jail operations. This is assuming we have the engineering work completed in 2024, the construction started in 2025 and completed in 2026. We will need to add to this reserve for this upgrade.

Capital Improvement Plan — Department heads will be presenting their capital plan requests to their Standing Committees in May. One major project that will be added to our 2024 budget will be the Countywide Emergency Medical Services with an estimated net cost of at least \$380K. Another capital project that will be upcoming is the replacement of the County Office Building roof at an estimated cost of \$2M.

Countywide Water Project — The County also commissioned a County-Wide Water Feasibility Study in 2021 which included recommendations and possible funding opportunities. We could add to the Infrastructure Reserve fund for possible future projects. The current balance in this fund is \$7,311,279, however the full expenditures for the Communications project have not yet been taken from this reserve.

Do Nothing - Keep the cushion that we have to weather the possibility of continued inflation or a recession.

Horizon Park Expansion Infrastructure — We could add to the Infrastructure Reserve fund for possible future project requests from the IDA.

Municipal Projects — Funding can be used to support specific projects of our municipalities. The financial support that we gave to the Towns of Middlesex and Potter and the Village of Penn Yan for their park improvements through our 2023 Natural and Recreational Resource Protection Grant was greatly appreciated by the three municipalities.

Sales Tax Sharing — Of the 20 counties that are not required to share sales tax (because they do not have a city), eleven do not share and nine do share. Please find attached a summary of the agreements in place for the nine that do share. Below are some options for sharing:

- Distribution based on:
 - a fixed percentage of sales tax receipts.
 - a fixed percentage that exceeds a fixed dollar amount.
 - population. People generate sales tax, not assessed value.
 - a combination of population and assessed value.
 - other method(s) to be determined.
- Allocate sales tax based on previous year's receipts, similar to the approach taken with occupancy tax that the Tourism Advisory Committee recommends or the allocation for the Natural and Recreational Resources grants.
- Share only with towns and villages, not school districts.
- For determining amounts to be given to villages, evaluate formulas used by the federal government for distributing ARPA funds to villages and/or Aid and Incentive to Municipalities (AIM) payments from New York State.

If the legislature opts to share sales tax, and once the preferred method is chosen, I can then present estimates of the dollar amount to which this will equate.

Prioritizing the above projects and assigning a timeline will assist in our budget forecasting for the next five years.

Bonding Cost:

It also was requested for me to provide the cost of the bond and interest for the County Office Building and Courthouse project. The bond payments began in 2002 and the last payment was in 2020. We paid \$20,214,584 in principle and \$8,084,727 in interest. The fiscal advisor fees were \$58,500 and there were additional attorney fees for this.

Summary of County Sales Tax Sharing Agreements and Arrangements

*For the counties that are not required to share sales tax because they do not have a city in their county.

County Name	Recipients	Rate	Agreement
Essex	Town Village	4.00%	First 3.75%: Retained by County. Additional 0.25% shared. Town shares are based 50% on assessment and 50% on population. Village shares are based on the percentage of the total assessment within the town.
Livingston	Town Village	4.00%	First 3.00%: The County retains 93.33% and distributes 6.67% to towns and villages based on property value and population. Additional 1.00% retained by County.
Orleans	Town Village	4.00%	First 3.00%: The County retains 77.811% and distributes the remainder to towns and villages based on population and property value - subject to a cap of \$1,366,671. The balance goes to the County. Additional 1.00%: Retained by the County.
Rockland	Town Village	4.00%	First 3.75%: Retained by County. 0.125% distributed to towns and villages based on population. Additional 0.125%: Distributed to towns and villages with police departments based on # of officers.

Schoharie	Town Village	4.00%	All 4.00%: The County retains 95% and distributes 5% to towns and villages based on property value.
Schuyler	Town Village	4.00%	All 4.00%: The County retains 80% and distributes 20% to towns and villages based on property value.
Tioga	Town Village	4.00%	First 3.00%: The County retains 67% and distributes 33% to towns and villages based on population and property value. Additional 1.00% retained by County (50% for Capital Fund, 50% for General Fund).
Washington	Town Village	3.00%	All 3.00%: 7% is shared with towns and villages based on 50% population and 50% assessed value.
Wayne	Town Village Schools	4.00%	All 4.00%: The County retains 50%, distributes 33% to school districts based on average daily attendance (with a cap at \$5.4M), and 17% to towns based on population. If there is a village within a town, the distribution is based on property value.

Census Information - Towns and Villages

Source: U.S. Census Bureau, 2020 Census.

2020 Census Redistricting Data (Public Law 94-171) obtained from:

<https://pad.human.cornell.edu/census2020/index.cfm#pl>

Note: Colby discovered 14 residents shown in Benton that should be in Milo.

2020 vs. 2010 Census Data by Town

Town or Village	Population		Change from 2010 to 2020	
	2020	2010	People	Percent
Barrington	1,541	1,672	(131)	(7.83)
Benton	2,971	2,784	187	6.72
Italy	1,099	1,141	(42)	(3.68)
Jerusalem	4,405	4,473	(68)	(1.52)
Middlesex	1,377	1,495	(118)	(7.89)
Milo	6,817	7,040	(223)	(3.17)
Potter	1,858	1,865	(7)	(0.38)
Starkey	3,407	3,530	(123)	(3.48)
Torrey	1,299	1,282	17	1.33
Dresden	298		298	#DIV/0!
Dundee	1,716		1,716	#DIV/0!
Penn Yan Total	5,028		5,028	#DIV/0!
PY - T/Benton	552		552	#DIV/0!
PY - T/Milo	4,408		4,408	#DIV/0!
PY - T/Jerusalem	68		68	#DIV/0!
Rushville - T/Potter	457	1,282	(825)	(64.35)
Total County	24,774	26,564	(1,790)	(6.74)

	2020 Population		Jeff	Cornell
	Total US Census	Error +/-		
Dresden	314	98	298	293
Dundee	2077	295	1716	1690
Penn Yan	5072	463	5072 ✓	5056
Rushville	724	467	457	651

The consensus of the Legislature was for Ms. Flynn to bring forward a resolution at the May Finance Meeting to transfer \$7,205,070 into the Building Reserve Fund.

For full discussion, please listen to the audio at www.yatescounty.org

Meeting adjourned at 12:26 p.m.