

Public Hearing
2012 Budget
November 22, 2011

The Public Hearing on the 2012 Budget was called to order by the Chair at 6:00 P.M. All Legislative members were present.

There were 10 people in attendance along with Treasurer James McFadden and Budget Officer Chuck Shager.

The Clerk read the legal notice as published in the official newspapers.

The Chair turned the meeting over to the Budget Officer, Chuck Shager.

Chuck Shager, Budget Officer, spoke. "To the residents of Tioga County and the Honorable County Legislature. I would like to present to you tonight the proposed county budget for 2012.

"As the difficult economic climate approaches a fourth year, many state and local governments nationwide have seen an erosion of their finances. As New York State remains in a recession and the county is still recovering from the flood of 2011; the demand for governmental services such as unemployment benefits, social services and Medicaid have increased. Federal stimulus funding has benefitted Tioga County slightly in 2011, while during this same period Sales Tax Revenue (25% of all County Revenue) has increased 5% through October. With this in mind, local officials have made prudent decisions formulating the 2012 county budget while still providing both valuable and mandated services for the citizens of Tioga County.

"General Fund expenses have increased from \$68,776,115 in 2011 to \$71,547,147 in the proposed spending plan. This represents an increase of 4.02% or \$2,771,032. Major appropriations include fringe benefits, social services and anticipated building and road repairs.

"The budget will see an increase in General Fund Revenues of \$1,319,972 or 3.02% from \$43,615,277 in 2011 to \$44,935,249 in the 2012 proposal. We are anticipating increased sales tax collections and Federal Aid, while a reduction in state aid is forecasted for next year.

“There have been significant appropriations in other areas of the budget, namely the Capital Fund. The County plans to meet our infrastructure schedule by replacing three bridges and 16 miles of roads next year. At a cost of 6.2 million dollars, Tioga will receive reimbursement of 2.3M in Federal Aid. The remaining 3.9M will be financed by Build America Bond proceeds.

“Subsequently, the total proposed spending plan of \$95,237,636 is an increase of \$2,274,896 or 2.44% over the current year. It is proposed that an increase of appropriated fund balance in the amount of \$1,115,000, be used to help offset the General Fund increase.

“This will bring the appropriated fund balance in the 2012 plan up to \$6,015,000. This appropriation will help meet the new 2% property tax cap implemented earlier this year through State legislation.

“The county tax levy will increase \$336,060 or 1.66% to \$20,596,898, although tax rates vary from town to town due to state established equalization rates. The composite tax rate for all taxing districts has decreased \$0.08 to \$13.47 per \$1000 due to a slight increase in net assessments.

“The other tax that appears on your bill is the recycling tax. The tax levy for recycling in the solid waste budget has increased from \$847,850 to \$931,408 an increase of \$83,558 or 9.86% for 2012. Appropriations have decreased \$158,092 or 11.82% from 2011. However, revenues have also decreased \$341,650 or 70.50%. The closing of the transfer station is the main reason for the revenue decreases; if the transfer station was to remain operational under County management then the increase would have been in excess of \$248,000. The proposed composite rate will drop slightly from \$0.57 to \$0.566 per \$1000 of assessed value.

“I would like to thank the County Legislature, department heads and all county employees for working very diligently at helping formulate this 2012 budget. A special thanks to Mary Hogan in the County's IT department for her patience and effort in assisting me in putting this budget together.

“I would like to point out the projected tax levy may not increase after tonight's hearing without an additional public hearing.”

The Budget Officer presented slides on the proposed 2011 budget.

“If you have comments to present to the Legislature regarding the proposed budget, the floor is now open.”

Ellen Reynolds spoke. “Can you explain how the rates are determined? I know you said it is a complicated formula, but I think as citizens we have to understand why our taxes go up 8% ,then they go down 10%, then they are back up, and I think I am seeing increases in both the recycling and the other tax as well.”

James McFadden, County Treasurer, spoke. “Basically in New York, unlike other States where everyone is assessed at 100%, all counties usually are assessed at 100% in other States, simply because there are no towns and villages, it is usually just County Government, everyone is assessed at 100% the taxes go 1.5%, everybody’s taxes go up 1.5%. In New York State it is a lot more complicated because of all the townships. The State Board of Real Property up in Syracuse has to on a yearly basis, they have to look at the entire tax base of the County, then they take a look at particular townships, and they want to make sure that the assessors are staying on top of the market values in properties. As they rise up and perhaps during the recession as they go down, and it can vary between Apalachin, Richford, and Barton on a yearly basis.

“Then there are other things like Pilot agreements, properties that become tax exempt, whether the total value in the Town of Barton is going up or down may be due to a reval that Spencer just did for instance or whether the prices of real estate, houses that are on the market, whether they are sliding down in places like Apalachin or Crest View Heights. They digest that data, they study a lot of variables. They want to make sure that the assessors are staying on top of it and are following it, and it is very difficult to do. If they are, they will keep the assessment at 100%, which they recently did in Richford, Berkshire, Spencer, and Barton, which did a reval three years ago.

“There is also a problem with Towns like Tioga and Candor that have not done a reval in 60 years, and whether the peoples properties are fairly assessed or underassessed. I think it is safe to say that there is a lot of deviation there. The State people come in and they look at this, I believe twice a year, and they will come and they will set equalization rates to try to equal the value trying to follow what a \$100,000 house is worth in Barton and whether an equivalent house say in Apalachin has gone up or down in value. They make these changes every year and they set an equalization rate.

“One of the biggest variations that Chuck and I saw this year was that the Town of Owego, their equalization rate, was at 76 last year and they raised it to 81. I think what that means is that the value of properties are sliding down in the Town of Owego. There are probably houses that have been on the market for two or three years and they keep reducing their prices. At the same time the Town of Barton we understand raised their assessments by about 4% and their equalization rate stayed at 100%, and I could not tell you why, but that is what goes on.

“Richford got clobbered last year. Richford did a reval and I think their assessments went up to 20% and then their taxes went up another 10% this time last year if I recall. This is why you get these deviations. Chemung County has 23 townships and if it was up in Norwich you would have 27 townships. The rates are twice as big on this spreadsheet. One of the keys is to in our office we have kept track of this over the past 20 years and if you go back and take a look at these rates for Barton and Owego, Richford, Tioga over the past 20 years, another major variable invariably has been growth in your tax base, not just from the County point of view compared to Broome or Tompkins, but also in each of the townships. If you look at these rates over 20 years, you will see that on average Owego goes up, the rates go about 1.5% maybe 2% every year. In Nichols the last 10 years taxes go up about 2% because they landed the Casino and Best Buy. In the other seven townships taxes go up about 3.5% to 4% a year because there is no growth, there are no factories, there is nothing going on compared to Owego and the river corridor. That is part of the problem, is when there is no growth, if anything there are dormant farms and other maybe negative things.

“The State tries to stay on top of the 1400 townships in New York State and they try to equalize. The best way to picture it is if you have eight brothers and the nine of you build a \$100,000 house in our nine towns say 10 years ago, are they all still worth \$100,000, some have gone up, some have gone down. The State tries to equalize that by setting your equalization rates so you all pay your equal value of taxes. On a scale of 1 to 10 how did I explain that, I do not know, but the fact of the matter is no one goes to Syracuse University and gets a degree on equalization rates. It does not happen. It is a very difficult thing to understand. That is why we have gone after HUD grants to try to stimulate the economy in the northern part of the County and that is why we make sure we build bridges throughout the County to try to draw factories. We try to fix three or four bridges throughout the County just to try to draw factories. Then of course you are competing against Pennsylvania on tax rates.”

Ellen Reynolds spoke. “So it is really key for the assessors to on a regular basis to assess properties, correct?”

James McFadden, County Treasurer, spoke. “That is true. For some reason, back in 1967 two counties, Nassau and Tompkins County up in Ithaca, County Government took over the assessing and they have professional assessors, and they have laptops. They go out to Lansing and out to Trumansburg, and they try to stay on top of it. As the value of cottages go up on Cayuga Lake, as a farm goes dormant in Trumansburg, they try to stay on top of it. It is not a perfect system, but I think it is safe to say that they are within 5% to 10% of whether you are underassessed or overassessed. In the rest of the counties every town still has there same old assessor and it is part-time and they get paid part-time, and it is probably mediocre results. I think it really hurts like Tioga and Candor who have not revalued and are falling behind the eight ball with these other townships. They really should do a reval.”

Ellen Reynolds spoke. “We really do not have any commercial endeavors or anything like that. Now does this hold true with the recycling tax as well.”

James McFadden, County Treasurer, spoke. “Yes, that was the second chart. The same numbers are used. It is the same equalization rates.”

Ellen Reynolds spoke. “When I looked at those numbers, I said it seems like you are being penalized for recycling because your tax rates go up. Whether it is 10%, 8%, whatever it might be, and it just seems like recycling is really what you need to do, but then on the other hand as a homeowner you are being penalized to do that.”

James McFadden, County Treasurer, spoke. “Actually it has been very successful. It has reduced the amount of garbage by almost 60% the last 20 years, but the recycle contract had not been bid out in nine years so when the guy who won the contract nine years ago gasoline was \$1.80 a gallon and minimum wage was \$4.00. His new contract is going up about \$300,000 just for gas and workers. It is a pretty successful program countywide.”

George Penney spoke. "I have a question as to future liabilities. I thought that that was the recent requirement that they be stated, namely the retirement pensions. I do not see a reference to such thing in the budget. I thought it was required to be stated. I may be uninformed or misinformed.

"I have a question on page two, there is shown an expense or request in this year's budget for \$14,000 for Stop DWI, which shows nothing for the previous two years. I wonder what that expense or that anticipated expense would be."

Chuck Shager, Budget Officer, spoke. "I am not sure where you are looking at, but it was the way we were allocating the DWI a little differently this year than they did in the past, the program. I would have to look exactly where it is, but it is how we were allocating things in the past compared to how they wanted to allocate it this year."

There being no further comments, the Budget hearing was adjourned at 6:29 P.M.