

**Office of the Onondaga County Legislature**

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Clerk

**J. RYAN McMAHON, II**  
Chairman

**KATHERINE FRENCH**  
Deputy Clerk

**WAYS AND MEANS COMMITTEE MINUTES - JANUARY 29, 2018**  
**BRIAN F. MAY, CHAIRMAN**

**MEMBERS PRESENT:** Mr. Jordan, Mr. Ryan, Mrs. Ervin, Mr. Knapp, Mr. Plochocki, Ms. Williams  
**ALSO PRESENT:** Chairman McMahon, *see also attached list*

Chairman May called the meeting to order at 9:04 a.m.

Chairman May noted that he issued a memo to members, department heads, etc., regarding the process going forward. A good process, a well-paced process, gives all legislators time, particularly in programs committees, to vet items and enables some good decision making. It will allow legislators to work better with the departments on these issues, provide the time to access them with our own questions. He said that he will probably be following up with a little bit more information, particularly as it relates to the budget process, and how we may approach it. The budget process is extraordinarily demanding. The Ways & Means Committee and the program committees are great venues for departments to share information and report on things and accomplishments throughout the year. "That said, it will enable us to hopefully focus on some more relative budget related matters."

**Chairman May said that items 6a and 10a are pulled.** Chairman McMahon, Mr. Knapp, and several members have made a lot of internal and external progress in regard to item 6a. It is a work in progress, and hope to have good results within county government and externally with the towns and villages.

***A motion was made by Mr. Knapp, seconded by Mrs. Ervin, to waive the reading a reading of the minutes of the proceedings of the previous committee. MOTION CARRIED. A motion was made by Ms. Williams, seconded by Mr. Knapp, to approve the minutes of the proceedings of the previous committee. MOTION CARRIED.***

Chairman Chairman May noted that the memo was published about procedures, committees were cancelled, and after Mrs. Maturo's monthly meeting, several items came in. Many of those items were deferred to committees; 1 or 2 are urgent and may come to the floor in February with requests for waivers.

- 1. ONONDAGA COUNTY SOIL & WATER CONSERVATION DISTRICT BOARD:**
  - a. Confirming Reappointments and Appointment to the Onondaga County Soil & Water Conservation District Board (David Knapp, Kenneth Bush, Jr.)**

***A motion was made by Mr. Knapp, seconded by Mrs. Ervin. Passed unanimously; MOTION CARRIED.***

- b. Confirming Reappointments to the Onondaga County Soil & Water Conservation District Board (Wayne Norris, F. Spencer Givens III)**

Mr. Plochocki said that he knows both well; Mr. Norris lives in his district. Mr. Givens is in Elbridge; both are farmers and great people. Chairman May said that he has had a lot of experience working with Mr. Givens on Ag. & Farmland Protection Board.

***A motion as made by Mr. Knapp, seconded by Ms. Williams, to approve this item. Passed unanimously; MOTION CARRIED.***

- 2. ONONDAGA COUNTY JURY BOARD:**
  - a. Confirming Reappointment to the Onondaga County Jury Board (J. Ryan McMahon, II)**

Chairman McMahon said that he has served on this board since he has been on the legislature.

***A motion was made by Mr. Knapp, seconded by Ms. Williams, to approve this item. Passed unanimously; MOTION CARRIED.***

**3. CORNELL COOPERATIVE EXTENSION BOARD:**

**a. Confirming the Appointments to the Cornell Cooperative Extension Association of Onondaga County Board of Directors (Debra Cody, Kevin Holmquist)**

Chairman McMahon:

- CCE does a lot of work with the county regarding soil and water; county funds them
- Have been key partners in deer and tick management programs
- Ms. Cody had an interest in serving; a municipality in Mr. Holmquist's district has been one of the leaders in the deer and tick management efforts

***A motion was made by Mr. Knapp, seconded Ms. Williams, to approve this item. Passed unanimously; MOTION CARRIED.***

**4. TOBACCO ASSET SECURITIZATION CORP.:**

**a. Appointing Two Directors to the Onondaga County Tobacco Asset Securitization Corporation (Brian May, Casey Jordan)**

Chairman McMahon:

- Meets once a year; Mr. Jordan has served on this board; appropriate for Chairman May to serve
- Has to do with the tobacco bonds; refinanced them over the past 2 years and saved quite a bit of money

***A motion was made by Mr. Knapp, seconded by Mr. Ryan, to approve this item. Passed unanimously; MOTION CARRIED.***

**5. ONONDAGA COUNTY FIRE ADVISORY BOARD:**

**a. Confirming Reappointment to the Onondaga County Fire Advisory Board (Michael S. Redhead)**

Chairman McMahon said that this is a County Executive appointment.

**Mr. Jordan asked to co-sponsor the resolution.**

***A motion was made by Mr. Jordan, seconded by Mr. Knapp, to approve this item. Passed unanimously; MOTION CARRIED.***

**6. WATER ENVIRONMENT PROTECTION:**

***PULLED* a. A Local Law Amending Local Law No. 1-2011 Establishing a Program to Promote Capacity Management, Maintenance, and Operation of the Public Sewers (Sponsored by Mr. McMahon) -**

**7. LEGISLATURE:**

**a. Amending Rule 37 of the Rules of the Onondaga County Legislature to Change the Structure of the Standing Committees (Sponsored by Mr. McMahon)**

Chairman McMahon:

- Taking a fresh look at committees and departments that report to them
- Proposing creation of a new committee, Human Services
- Previous Health Committee had human service agencies, social services agencies, and health agencies all under one committee -- by far the most amount of money in the budget
- Understanding the complexities of social services, it merits its own committee
- Departments are restructured -- some authorized human services agencies, Hillbrook under new Human Services Committee
- Cleaned up language -- all Oncenter activities moved under County Facilities Committee
- Human Services Committee existed in a different format 8 -- 10 years ago

Mr. Jordan said that Social Services Dept. used to be under Health Committee, but a number of Health Committee meetings were cancelled. He questioned that when there wasn't enough work to have something on the agenda every month, why create a separate committee that may or may not be having any real meetings. Chairman McMahon said that if the meetings are being driven by what comes to us from the departments, it's one thing, but there has been an interest by some colleagues to really dive into some of these issues. Mr. Jordan questioned why they couldn't do it under Health Committee. There weren't Health Committee agendas, and meetings were cancelled; it's not like there was so much to be considered that it was too much for the Health Committee to handle. This is creating a separating committee, but there wasn't enough work to keep the first committee busy. Chairman McMahon said that some people are interested in proactive things, not waiting on legislation from the departments. There are many times each month that committee's don't meet. Mr. Jordan said that there was a separate Social Services Committee for a number of years; it was consolidated because there weren't enough items on the agenda. He said that we consolidated for purposes of efficiency. To now go backwards, having a separate committee, that isn't going to be meeting all of the time, doesn't make sense. Chairman McMahon said that as a chair of a committee, you can determine your own work load and determine the conversations being debated. It is more appropriate when there is \$600 million of our budget, if not more, to have its own committee to really dissect it -- going into the budget process to really understand what is a mandated service and what isn't; if the fiscal cliff is hit, what services could actually be cut; what programs do we not really know about. All of these things have not been addressed by the Health Committee proactively.

Mr. Knapp said that if it doesn't work, we get rid of it. It doesn't cost any more money. Chairman McMahon agreed.

Chairman May said that what interests him is that half of the county's budget sits in these two areas. He said that when he comes out of a budget process or decisions process, regarding that half of the budget, he is always a little dissatisfied with the effort that we are able to give, with the information received at the Ways & Means level. If we do this and try to get to the next level of understanding what our opportunities are to economize without diminishing services, we can do better. There are opportunities there, and thinks it requires a next level type of scrutiny. He thinks what has stopped us in the past, is the \$9 for \$1 or \$5 for \$5 federal/state dollars that we get within those services/programs that make it very difficult at times to make good decisions.

***A motion was made by Ms. Williams, seconded by Mrs. Ervin, to approve this item. AYES: 6 (May, Plochocki, Knapp, Ryan, Williams, Ervin); NOES: 0; ABSTENTIONS: 1 (Jordan). MOTION CARRIED.***

b. **Appointing Legislative Counsel for the Onondaga County Legislature (Sponsored by Mr. McMahon)**  
*A motion was made by Mr. Knapp, seconded by Mr. Ryan, to approve this item. Passed unanimously; MOTION CARRIED.*

8. **FINANCE, DIV. OF REAL PROPERTY TAX SVCS.: Don Weber, Director, Real Property Tax Svcs.**  
a. **Approving and Directing the Correction of Certain Errors on Tax Bills**

Mr. Weber:

- Corrections over \$2,500 requires legislative approval
- 2 in Clay are for parcels in PILOT agreement, where the assessor didn't accept the properties
- 1st one in Lysander – incorrect sewer units on a commercial property
- Last one in Lysander – agricultural penalty was added to a parcel in error

In answer to Mr. Jordan, regarding the huge disparity from the original bill in the Clay property, Mr. Weber said that it was because it should have been exempt for county and town purposes. The property was supposed to be in a PILOT agreement. The original bill was based on full value.

*A motion was made by Mr. Knapp, seconded by Ms. Williams, to approve this item. Passed unanimously; MOTION CARRIED.*

9. **ONONDAGA COUNTY PUBLIC LIBRARY: Bill Fisher, Deputy County Executive**  
a. **Amending the 2018 County Budget to Make Funds Available in Connection with the Central Library Reconfiguration Project (\$4,350,000)**

Chairman May said that this is a lot to take in today; it is a little complex; and it not inclined to take a vote today. For the some members, it will be the first time hearing it. It would have been really beneficial to have this go to program committee, but there wasn't one, and there is a little bit of a clock ticking on this. By not taking a vote, members will have a chance to vet this further; anticipates that there is desire for this to go to the February session.

Mr. Fisher:

- 2014 – 2 local laws and a resolution that set this up; changing a grant project established by the legislature; resolution intended to take care of bookkeeping
  - 2 leases in place, authorized by local laws
    - one lease enabled renting space from condominium partner in Galleries, its part of a new space that library went into
    - other lease – space on 4th & 5th floors
  - 2014 – tenant SUNY Upstate Medical Univ. – authorized by legislature
    - Lease changed in ways that affect budget of grant project – all in general grants fund
    - No effect on county's general fund budget; no change in library's budget
    - Property tax, sales tax, and ROT – never sources for this project; no tax revenue going into this project
- Business goals: downsize library – was at 120K sq. ft; gave up 60K sq. ft on 4th 7 5th flrs; took on < 30K sq. ft on 1st and 2nd floors – reduce cost of central library and provide a better library
- 2014 – finance the 28K sq. ft on 1st and 2nd fl – was by using 4th & 5th fl. – an asset no longer wanted to use
  - Attempted to sell it; no one wanted to buy it; most logical owner was the other condo owner
    - Worked a deal with legislature's approve to lease space with condo partner, Onondaga Galleries LLC, Rochester based, Flaum Management
    - Used lease with SUNY Upstate, 60K sq. ft to finance lease of 28K on 1st & 2nd flrs.
    - Legislature's approval to enter into a lease that featured an option to buy
    - Local law – 2 year window to exercise that option – Nov. 2017 – Dec. 2019 – can elect to buy rather than lease property, for \$2.3 million
    - 2011 – Legislature authorized borrowing, \$5.2 million in bonds to build out Central Library
    - Bond Counsel insists that we have control of the property throughout the term of the bond
    - Bond had about 22.5 years left; had to buy the property or lease it for 22.5 years
    - 2014 – Legislature gave ability to negotiate a buyout – a lot less expensive than to keep paying a lease at \$8/ft; now time to exercise the option of a buyout
    - Galleries – Library Unit – county owned approx. 113K sq. ft.; county's unit within the condominium; Onondaga Galleries LLC owned the remainder, commercial unit
    - Now going to buy property that is part of the commercial unit – county will get deed
    - Wanted to close in November; property is not taxable - could have gotten it taken off the tax rolls as of Jan. 1st
    - Condominium partner decided not to close before the end of the year; there was a target date of 12/31/17, but they chose to put it off. County also put it off a little bit.
    - Law Dept. made it so that the County doesn't pay rent after Oct. 2017 – a way to pressure the other side to sell in a timely manner
    - County did not pay rent in Nov, Dec., and Jan, and won't in Feb.
    - Condominium Board (4 members appointed by Galleries, 2 by Co. Exec); he and Steve Morgan are Board members; attended Condominium Bd. meeting – griping that county wasn't paying rent; and said that the county needs to close on Feb. 7th
    - Agreed – want to close; not fair for them not to get rent if not moving rapidly towards closing; will bring to legislature as quickly as possible to close on Feb. 7th
    - Not moving forward on this resolution today would cause a delay in the closing date
    - Passed 11/3/14 - Local Laws 12-2014; Local Laws 13-2014, Res. No. 176-2014 – authorized creation of a grant project
    - Don't do a lot of grant projects -- referenced Parks Dept grant used to fund Amphitheater's ongoing operations, which gets pulled into financial statements in general grants fund
    - It is a bookkeeping/accounting decision that Finance and Comptroller agreed would be the best way to account for the county leasing space from condo partner and lease other space to SUNY Upstate – not a simple way to account for it
    - Resolution 176 says that money in the grant project can be used for 3 different things:
      - Tenant improvements – fit out property for tenant, set a budget, source to spend money; over time get enough rent to amortize the cost of tenant improvements, but didn't have the cash on hand because SUNY Upstate didn't prepay their lease--it was a 10-yr. lease
        - Had to say that rent money from SUNY Upstate would pay for the fit out
        - Didn't borrow any money from a bank

- Borrowed money from ourselves - \$2.4 million for 60K sq. ft. \$4/ft, 10 year lease - will get it back – charging more for rent than the fit out; net will also cover landlords responsibilities; county responsible for janitorial, operating and maintenance cost, and a number of things
- County is not responsible for utilities;
- County is responsible for parking spaces, but tenant pays county back
- Had to generate enough money off of lease to pay for lease of space elsewhere in Galleries
- Finished fit out; Upstate is happy – have parking and paying rent every month
- County recognizes rent as revenue – over time the budgeted revenue will get filled because the actual money will come in; budgeted appropriations is all happening (allowed by resolution)
- \$6,566,072 budgeted at the time
- Revenues: at that time expected to have rent being paid at \$11.40/sq. ft., which was close to what the actual lease was, but lease turned out to be more revenue
- Finalized lease – more revenue
  - SUNY Upstate paid \$1 for certain operating and maintenance, and rolled into rent – bumped total revenue by \$1,092,000;
  - Had to do the project – SUNY Upstate wanted to make some additions to the build out—additional work authorized at a value of \$357,834
  - Total \$1.45 million additional revenue from lease
- Revenue comes in/goes out – had to make changes to the property
- Had to budget for use of money because operating and maintenance expenses go back to expenditures left in 9 years of the lease
- To bring revenue in and spend it, you have to modify the grant project
- Prepare property for lease – bring up to to a code compliant “vanilla box” – HVAC, plumbing, fire protection, electrical – estimated \$10/sq. ft. – budgeted \$600k for landlord work, but it turned out to cost \$1.9 million to bring it up to code -- over \$30/sq. ft.
- Property really was a mess; 4th & 5th floor was not properly taken care of
- Once unable to sell property, and had to keep it, had a choice
  - Keep running it as a library – didn't want
  - Let it sit there and rot – get nothing out of the asset
  - Do what was necessary to get it up to commercial code to then find a tenant
  - \$1.3 million gap
- County pays for work orders to keep property up – coming in close to \$2/sq. ft. right not
- Over 10 year time frame, may spend more on operating and maintenance
- County is paying the share of the condominium unit charges that belong to the property
  - Under condominium agreement, most major systems are owned by Onondaga Galleries LLC
  - Library has been paying \$12,800 monthly for those condo unit charges; that has been moved to be divided between this lease and the library on the basis of allocation of space
  - Was about 120K sq. ft. – 60K leased to Upstate – roughly half of that has been going into the Finance Dept.'s grant project
  - Chief Gov. Acct. makes a journal entry once a year into that project to account for allocation of condominiums unit charges from the Library budget over to the Dept. of Finance grant project budget; will be making the entries monthly going forward
  - Asking to put \$5/sq. ft. into operation and maintenance and condo unit charges -- it's been trending at \$2, but don't want to have to come back and ask for more money in the grant project because we will run out in years 6, 7, 8, or 9 in the lease
- Effect of grant project – the less money spent in grant proj, the faster we get back to even; a grant project in the red is a bad thing
- If replenished and brought closer to being in the black then it's not really a problem – wouldn't need to move money out of gen. fund to bail it out
- Right now generated approx. \$750K in revenue off of lease; at \$5/sq. ft., \$300K on expense side--\$450K in net operating income – that goes to pay for less rent than that on library side
- Buy out the lease will save several million dollars – speed up the time to get the project from being in red to being in the black
- Originally-- hoped after 10 yrs. of leasing to SUNY Upstate would have money to finance the build out, carry operating & maint. expenses, and keep up with rent in library project
- Now -- if buy out lease, will be even in year 14 or 15; after that net operating gain comes off, with improved asset, feel comfortable that SUNY Upstate will renew the lease for 5 years
- At end of a 15 year lease with SUNY Upstate, will have gotten the project back to even
- Years 15 – 20 – will take money to be brought into library or appropriated for other use
- If SUNY Upstate chooses not to renew (but feels they will), will have to find another tenant (Mr. Fisher reviewed reviewed upgrades/changes to the property and and surrounding area.)

In answer to Chairman McMahon about what the ask is, Mr. Fisher read from the following:

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OFFICE OF THE COUNTY EXECUTIVE  
PROGRAM INFORMATION SHEET FOR  
AMENDING THE 2018 COUNTY BUDGET TO MAKE FUNDS  
AVAILABLE IN CONNECTION WITH THE CENTRAL LIBRARY  
RECONFIGURATION PROJECT

PURPOSE:	<p>Buy out lease on approximately 28,629 sq. ft. of space from The Onondaga Galleries Limited Liability Company ("Onondaga Galleries") for \$2,355,520, as provided under the Galleries Lease Agreement (#21215). Utilize rent payments, net of landlord expenses, from SUNY Upstate Lease (Lease L-700136, 10 years) of 60,000 sq. ft. on the 4<sup>th</sup> and 5<sup>th</sup> floor at The Galleries (owned by the County in condominium with Onondaga Galleries – and from lease renewal with current tenant or lease to new tenant).</p> <p>OCPL uses this space as part of its newly renovated Central Library. If OCPL continued to pay rent, the annual rent paid to Onondaga Galleries would be \$226,152 or \$5,276,880 over a lease term matching period for which the County has bonds outstanding for the Central Library Renovation project (a legal requirement). Buying out the lease saves \$2,921,360 (before adjusting for time value of money).</p>
OBJECTIVE/ WORK PLAN	<p>The Onondaga Galleries Limited Liability Company and the County of Onondaga have scheduled a February 7, 2018 closing on the purchase of 28,629 sq. ft. within the "Commercial Unit" at The Galleries (owned by Onondaga Galleries). The parties have recently held a Condominium Board meeting at which this transaction was scheduled. The attorneys for each party will finalize the documents by February 6 in order to conduct the closing on February 7. The County ceased paying rent effective November 1, 2017.</p>
FUNDING SOURCE	<p>Resolution No. 2014-176 (adopted November 3, 2014) established a Grant Project (#767351 – OCPL Galleries Leases) within the General Grants Fund (#10030). Rent payments from SUNY Upstate Medical University are received into Project #767351. Payment of \$2,355,520 to fund the purchase of the property will be made out of Project #767351.</p>
BUDGET	<p>Additional revenues of \$ 4,350,000 will be budgeted in Project #767351. The source of these revenues is rent payments from current and future tenants of the Library Unit space on the 4<sup>th</sup> and 5<sup>th</sup> floor of the Galleries. Additional expenses of \$4,350,000 will also be budgeted in this Grant Project for the cost of providing services to the County's tenant(s) and to finance the buyout of the lease with Onondaga Galleries.</p>

Mr. Fisher continued:

- "We are already under contract to make that purchase; we are legally obligated to make that purchase", legislature gave the authority for an option to do that, and they elected that option. "We are on the hook to close that transaction." It is written in the lease – do not have to come up with the money today, but have to by December 2019.
- Future revenues do not have to be used from the 4th & 5th floors -- can find it anywhere, but the proposal is to use them
- Can provide copy of lease 700136–SUNY Upstate
- OCPL not paying rent; language is pretty solid – if we don't pay rent and say we are closing on Dec. 19th, and they sued us, he thinks the county would win because the language is pretty tight. The annual rent paid to Onondaga Galleries would be \$226,152 or \$5,276,880 for lease matching bonding period.
- Buying out the lease saves \$2,921,360
- Need to factor in time value of money when doing a buyout -- "this doesn't do that; we don't really save \$2.9 million in discounted money; we save it in nominal money"

\*Mr. Fisher read the remainder of the document above.

Mr. Fisher said that the money is restricted to these things, added that all we can do is service the tenant, and buy out the lease. Once the lease is bought out, all we can do is service the tenant; "we can't take the money and spend it on anything else." He said that if we start to get more money or spend less money than the \$5/sq. ft. budgeted, and get to the point where we have the grant project back in the black, money will come in. There is no way to spend it without coming back to the legislature and asking for an appropriation.

Chairman McMahon said the proposal is to utilize the rents from Upstate to pay for the purchase option instead of bonding or budgeting it in the next year. In answer to Chairman McMahon, Mr. Fisher said that the amount is \$2,355,520.

Chairman McMahon said that the 2nd piece is that there will be more revenue coming in than we thought, but at the same time, we had to bring the property up to code and they almost wash each other out. Mr. Fisher said that they don't really wash out; the tenant improvements went up with the rent increase; there are more tenant improvements to amortize. Chairman McMahon said that of the \$4,350,000, \$2,355,520 will be spent out of it for the sale. Mr. Fisher agreed. Chairman McMahon said that then there is roughly \$2 million dollars, and asked if part of that is going towards paying ourselves back, \$1.3 million spent to get the property to up to code. Mr. Fisher said that would probably be after 15 years. Mr. Fisher said that it doesn't have to be paid back; there is a project in the red, once in the black you have covered the landlord work. Chairman McMahon said that the other \$2 million in revenue is going to just the janitorial maintenance. Mr. Fisher agreed, adding that there are 9 years left on the lease. Mr. Fisher said that \$2 is little low; \$5 is probably a little high, but if we spend less on operations and maintenance, then we get to the black sooner. Chairman McMahon asked who does the janitorial for the county now. Mr. Fisher said that the condo owner does the janitorial. There is a group in the city, procured by the Galleries, "a Latino group that does a really good job." He said that they clean the rest of the property, except the library. The county gets a bill from the Galleries, and we pay the Galleries to pay the janitorial. He added that you can't just spend money because we are getting it from a lease, there has to be an appropriation. To pay it, it goes into the annual operating and maintenance budget. Chairman McMahon said that a firm is hired by the Galleries, and those same folks clean and maintain ours floors. Mr. Fisher agreed. Chairman

McMahon questioned how we know that we are getting billed at the same amount that the Galleries is getting billed; how do we know if they are marking up our costs. Mr. Fisher said that he hasn't seen the detail, but knows that we get a detailed bill. He said that if you want to make sure they aren't marking it up; there is a way to do that. Chairman McMahon and Mr. Jordan agreed that it should be examined.

Mr. Fisher said that Facilities Management is responsible for everything else; nothing is breaking now because it's new. In a year or two, it will start costing us more; we don't know how much it will be. He said that he figured on calling it \$5, as it would be more than enough.

Chairman McMahon said that if the legislature agrees with the \$2,355,520 to go close; how does the other \$2 million come in. Mr. Fisher said that when bills are paid, it comes out of a project. If there is a budget in the project, then the budget check will succeed. If you run out of appropriations, it will fail and there will be no way to pay the bill. Chairman McMahon referred to roughly \$2 million of maintenance costs -- asked how many more years. Mr. Fisher said there are 9 more years; the lease expires Oct. 1, 2026. Chairman May said that it is 9 years known, but have to presume that if there is another tenant or the same tenant, those costs would go up. Mr. Jordan said that it is 9 years projected at \$5/per sq. ft. maintenance costs -- we are prepaying 9 years of operating expenses. Mr. Fisher said it is not prepaying; it is pre-appropriating; \$2.7 million -- allowing to be spent knowing that the revenue is coming back from rent. Mr. Fisher said that they do not have authorization to extend the lease; have to come back and get revenue from SUNY Upstate or somebody else; will get an appropriation to spend on the landlord side of the lease.

Chairman McMahon questioned, if this is approved from a functional standpoint, is a check cut from somewhere for \$4.3 million out our current account and then put into a grant account. Mr. Fisher said "No" and added that t \$2,355,260 is coming from pooled cash.

Mr. Maturo said that once the appropriation is made and we buy the property -- a claim is put through to purchase the property, we will pay \$2.3 million. Then you chase the \$2.3 million out however many years. Mr. Maturo said that this is kind of unique because governments really don't do this. They really don't front millions upon millions of dollars and then chase it over the life of the lease. Generally what is done is if we were purchasing a fixed asset, we would put it in a capital project and fund that -- whether it be debt or interfund transfers, so that it is covered. That is the way government normally purchases assets. He said that is what was done with the amphitheater. The amphitheater is in the capital project, but the operations are run through a grant project. Here we are already chasing \$4.8 million today, and now will chase another \$4.3 million. In answer to Mr. Maturo, Mr. Fisher confirmed that the payback is between 14 or 15 years. Mr. Maturo said that with a 14-year payback, we are only guaranteed 9 years on the lease. Now you have 5 years past that; if at the end of 9 years Upstate doesn't continue to lease, now we are forced to re-lease the property in order to get the funds to continue to payoff this buy out.

Mr. Jordan asked if the operating expenses are billed back to back and if we have 30 days to pay the bill. Mr. Fisher said that the janitorial and the unit charges work that way. He thinks that the charges paid to Facilities Management get charged interdepartmentally. Mr. Fisher asked Mr. Maturo, how, i.e. if Upstate puts in a work order on the 4th floor and a Facilities Management employee goes and does the work, how does it get billed to the project. Mr. Maturo said that he would hope that Facilities would bill the library department -- that expense should show up in that project. Mr. Fisher said that the project is a Dept. of Finance project. Mr. Maturo disagreed and said that it is a library project. Mrs. Venditti said that Mr. Fisher may be getting confused with the lease, which is in the Dept. of Finance. Mr. Maturo said that if the intention is to have the tenant pay us back, then it has to end up in the library project. Mr. Maturo said that we would hope that Facilities would bill this grant so that we can capture that cost.

Chairman May said that it is a lot to digest. Like it or not, there appears to be a deadline for the legislature to make a decision at the Feb. 6th session. He suggested members follow up and ask questions.

Mr. Jordan said that regarding the space that we are looking to buy out the lease on, right now there are costs that he landlord is basically absorbing. If we buy it out, they will no longer be absorbing those costs. He asked what those costs are, that we will be absorbing once we purchase the space. Mr. Fisher said there are some operating and maintenance costs, but because we just built out the space within the library, not much is breaking. Mr. Jordan asked if there are any projections over the course of the next 9 years as to what the cost would be. Chairman May clarified, that Mr. Jordan is referring to library assets, not assets of the general facility. Mr. Jordan agreed -- our share of that cost. Mr. Fisher said that they don't have the operating cost in the 60K sq. ft anymore -- not paying utilities on 4th and 5th floor -- paying in a smaller space. Whatever they are is in lieu of what they would have paid in more space. Mr. Jordan said that we were getting reimbursed for the expenses in the 60K sq. ft.; not paying the expense for the 28K sq. ft., but will be paying for them now. Mr. Fisher agreed, but rent has to be paid, which is millions of dollars more. Mr. Jordan said that his question is: what are those costs -- you are saying that we are saving an amount of money, but it's not factoring in the cost that we are now assuming, then the number isn't accurate. Mr. Fisher said that the number he gave is accurate -- it has nothing to do with the library budget. Mr. Jordan, again reiterated his question -- asking what the number is. Mr. Fisher said that he didn't know, and that it doesn't matter for the reasons Mr. Jordan thinks that it does matter. Mr. Fisher said that the money that gets spent in the library goes to the library fund -- it has nothing to do with this grants fund. It doesn't impact this decision -- "you don't co-mingle library funds with general grant funds." Mr. Jordan said that it is still an expense that the county doesn't have now, that it will have later on. Mr. Fisher agreed.

Chairman May asked what is meant by the "library fund." Mr. Fisher said that the library itself has its own fund -- all of the expenditures go through that. When Facilities does something in the library space, presumably they bill the library budget, which hits the library fund, which shows up in the financial statement. Mr. Jordan said it is left pocket vs. right pocket -- still an expense of the county; it's still an expense that we don't have now, but will have later on. Chairman May asked how the library is funded for anticipated capital repairs. Mr. Fisher said that these aren't capital repairs; they are just annual maintenance costs. In answer to Mr. Fisher, Mrs. Berger said that the county provides its own janitorial. Regarding things that break, it depends on if it is really a condo expense. Mr. Fisher said that we are already paying the condo expense -- that doesn't change. In answer to Mr. Jordan, Mrs. Berger confirmed that we have our own janitorial service in the library space -- they are county employees. Mr. Fisher said that he will form an estimate of what costs are currently borne by the landlord and transferred to the county after the property is transferred.

Mr. Ryan asked that if by way of the 2014 resolution, the County is obligated to buy back the space. Mr. Fisher said that the resolution authorized the county executive to create an option to buy. She put that into the lease, and by the time the lease was finalized decided to elect the option right then and there. The local law didn't finalize that obligation, but authorized it, and now the county has a legal obligation to buy it. Mr. Ryan referred to Mr. Fisher's previous comment "...if we didn't, we could possibly end up in court. He said that we could purchase this now for \$2,355 million; if we don't, we could possibly be on the hook for \$5.2 million. Mr. Fisher said "no." He said that the county has a relationship with this other company that is less than arm's length; "we own this property together." They have been good about it; we have tried to be good about it. He said that we must close by Dec. 2019. They agreed to not take rent after October of last year based on the assumption that we were going to close in an expeditious manner. The county doesn't really get a benefit from

postponing except two years where the landlord pays a little more cost than we do. They certainly would be upset; would not speculate if they would pursue litigation. Mr. Ryan said that he doesn't want to be on the hook for something for a lot more money, but at the same time, we are going to have a lot more square footage for something that we potentially may not have a lease for. In answer to Mr. Ryan, Mr. Fisher said that the duration of the lease is October 1, 2026.

Chairman May stated for clarification, that we don't have to purchase, but in not doing so we elect to pay a lot more within this whole financial arrangement. We have a two-year window to make that decisions. Mr. Fisher referred to Section 25 if the lease agreement, "... not later than December 31, 2019, the Galleries shall sell the premises to the county and the county shall purchase the premises..."

**10. LAW DEPARTMENT:**

**PULLED a. Amending the 2017 County Budget to Make Available Funds to Support Retained Counsel (\$47,000)**

**11. PURCHASE:**

**a. Revenue Contract Report –NONE**

11 a



Onondaga County  
Executive Department  
Division of Purchase

JOANNE M. MAHONEY  
County Executive

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ANDREW TROMBLEY  
Director

RECEIVED  
ONONDAGA COUNTY  
LEGISLATURE  
18 JAN 24 AM 10:39

TO: Brian May, Chairman, Ways and Means  
Committee Members, Ways and Means

FROM: Andrew Trombley, Director

DATE: 1/24/18

SUBJECT: Reporting Requirements under 2010-241 and 2010-242, Revenue Contracts

No Revenue Contracts to report.

Mr. Trombley asked to speak to the committee re: referral from Chairman May to work with some fire commissioners in Lysander.

- Assisted Northwest Fire District with sale of used, surplus equipment; will be assisting in getting an air conditioning unit into one of the fire houses
- Municipalities can work with the county - offer services of the auction company at no cost to the county; when sale goes through, they get 100% of proceeds and vendors pay a percentage
- Encouraged municipalities to contact county purchasing with procurement needs

In response to a question from Mr. Knapp, Mr. Trombley said that AED's are on contract to \$1,025 each.

Chairman May said that the Lysander group is a coalition that gets together to train 8 – 9 departments. Monthly they get together to talk about shared needs; have been doing it for a long time. They made the request; Mr. Trombley did a presentation for them; the reviews were fantastic. He encouraged members to inform their fire departments or boards of commissioner that this is out there for them. They are all volunteers and need all the help they can get, and this is a really good service.

**A motion was made by Mrs. Ervin to enter into executive session to discuss the employment history of a particular person, seconded by Ms. Williams. Passed unanimously; MOTION CARRIED.**

**A motion was made by Mr. Knapp, seconded by Ms. Williams, to exit executive session. Passed unanimously; MOTION CARRIED. A motion was made by Mrs. Ervin, seconded by Mr. Knapp, to enter regular session. Passed unanimously; MOTION CARRIED.**

Chairman May stated for the record that no action was taken during executive session.

**A motion was made by Mrs. Ervin, seconded by Ms. Williams, to adjourn the meeting. Passed unanimously; MOTION CARRIED.**

The meeting was adjourned at 10: 40 a.m.

Respectfully submitted,

DEBORAH L. MATURO, Clerk  
Onondaga County Legislature

# ATTENDANCE

COMMITTEE: *Ways and Means*

DATE: *1/29/18*

NAME	DEPARTMENT/AGENCY
PLEASE PRINT	
<i>Bucalansky</i>	<i>Parks &amp; Recreation</i>
<i>Dan Hammer</i>	<i>Purchasing</i>
<i>Jim Naturo</i>	<i>Compt</i>
<i>Matt Beadnell</i>	<i>Comptroller</i>
<i>Don Weber</i>	<i>Finance</i>
<i>Bill Kinne</i>	<i>LEG</i>
<i>Sue Stenczyk</i>	<i>Leg</i>

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