

## Office of the Onondaga County Legislature

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Clerk

JAMES M. RHINEHART  
Chairman

KATHERINE FRENCH  
Deputy Clerk

### ENVIRONMENTAL PROTECTION COMMITTEE MINUTES – NOVEMBER 9, 2011 CHAIRMAN JAMES CORBETT

**MEMBERS PRESENT:** Mrs. Tassone, Mrs. Rapp

**MEMBERS ABSENT:** Mrs. Ervin, Mr. Buckel

**ALSO PRESENT:** See attached list

Chairman Corbett called the meeting to order at 10:00 a.m. *Motions were made by Mrs. Rapp, seconded by Mrs. Tassone to waive the reading and approve the minutes of proceedings from the previous committee meeting. MOTIONS CARRIED.*

#### 1. LAKE IMPROVEMENT: Tom Rhoads Commissioner

##### REPORT FROM COMMISSIONER

- Accommodated requests for tabs and recycled paper
- Highly visible example of Project 50, Syracuse Crunch skating on ice crafted via rain water cistern capture
- DEC provided highly favorable feedback on the MWTP phosphorus optimization report, significant task item of the ACJ submitted on time

Chair Corbett noted the significant statement listed on the commissioner's report, "*once eutrophic, the lake is now in the mesotrophic range, with total phosphorus, algae, and water clarity conditions comparable to those of nearby Oneida Lake and several of the smaller Finger Lakes.*" This is amazing to see in such a short amount of time.

- Phosphorus white paper completed, executive summary included, heavy duty technical language; lake condition is now in comparable condition to Oneida Lake and several of the smaller Finger Lakes
- Tremendous changes in our community and environment, all encompassing, green and gray projects coming together making the community a great place to live and work
- Information is posted on the website, updating the community
- Metro WWTP Cogeneration Station uses methane from sewage sludge to produce heat and power, reducing utility costs for the plant, NYSERTA rebates \$87,000, hopefully with more to come

Chair Corbett commented that there were a lot of skeptics with this projects and the use of green and gray. As the lake continues to improve and as the Save the Rain projects are completed, he believes that people are starting to see that some of the projects they had doubts about are directly impacting what goes into the lake and our treatment plant. They are able to see that the more projects we complete, the faster the lake will be turned around. He complimented WEP on their efforts. Mr. Rhoads stated next month the County Executive will be featured on Governing magazine; national recognition that the whole team deserves. He appreciates Mr. Corbett's continued support. They are really making progress, and that is what comes through in the condition of the lake report. Chair Corbett added that this has really become a team effort, and believes that some of the legislators that were involved and supportive from the beginning deserve some credit for this.

Chair Corbett stated that normally they go through the entire update. Due to scheduling he asked that they summarize anything new and answer any questions the committee may have.

##### GRAY PROJECT UPDATE

- Aerial photos of construction projects
- New fact sheet for CSO Area 022 and 045 sewer separation project; bid date of 11-22-11

- Construction progress continues, expect to meet set milestones

In response to Mrs. Rapp, Mr. Capozza stated that CSO 045 is located near West Castle Street on the southwest side in the Midland service area. CSO 022 is located near Dinosaur BBQ.

#### GREEN PROJECT UPDATE

- Project 50 status summary, 50 total projects as of 10-25-11
- Forman Park update

Chair Corbett noted the Salina Street post office was going to be torn down but because of the green roof they decided to save it. Mr. Rhoads responded that because of the county's investment in the green infrastructure they made a decision to keep the post office open. Chair Corbett added this shows an impact; that post office is highly used because of the people that are able to walk to it in the downtown area. We have a domino effect. Mr. Rhoads stated that what you are seeing is the larger vision of the County Executive and Mr. Millea; placing tremendous infrastructure in the community.

Mr. Rhoads stated that in November they will be talking about the suburban GIF, adding there may be an announcement next week.

In response to Mrs. Rapp, Mr. Millea stated they are not as far along with the Erie Canal roof as they had hoped. Part of the issue is the number of projects that we are doing and the number of projects the contractor that won the bid is doing. Facilities has given the contractor a pass, this is not time sensitive. Mrs. Rapp added the Erie Canal is doing a whole expansion; new windows are in and look beautiful.

Chair Corbett stated he is more concerned with the capture; would have been concerned if we were behind on other projects. It is very unusual this time of year, to have this type of weather. Extending the construction season an additional 2- 3 weeks allows for an amazing amount of work to be done. Because of this we are ahead on the green projects; which helps our capture. Mr. Millea added they will be putting in a slide next month that will show the spread of where we have been and where we are going. We are going down 22 million gallons and from here it will get easier.

- New fact sheets for greening the gray projects, include Basin 045, Clinton Storage and Harbor Brook Storage
- Clinton Storage (trolley parking lot) good use of gray, green capture area of 6 acres in round numbers

#### GREEN IMPROVEMENT FUND

- Listing of various projects, GIF award and annual capture
- 2012 construction for a number of projects
- GIF version 2.1 on the website

#### METRO WWTP PHOSPHORUS PROJECTS/TMDL/AMP UPDATE

- White paper executive summary included; assists in understanding improvements made to the lake

Chair Corbett stated that this has moved so fast. There is a group that would like to get Onondaga Lake designated as a coldwater fishery, which it hasn't been since the colonial times. It will still be a challenge to do this because the lakes depth and the way it cleans itself. They are still talking about bringing in the fishing tournament because of the way the bass have returned. The lake is actively being used as a fishery for recreation purposes.

#### LEGISLATIVE/REGULATORY UPDATE

- Thankful for efforts with bonding resolutions, great work coming in 2012
- New resolution today, USGS stream monitoring
- Public relations capture for review; Crunch playing on frozen rain, Creekwalk officially opening
- Governing magazine named County Executive one of the 2011 Public Officials of the Year

In response to Chair Corbett, Mr. Lannon responded that EFC reimbursements are coming in, they are monitoring grants; and getting to the end on some of the larger scale grants. Chair Corbett added that as we go forward he anticipates that we will be ahead of our milestones. This may provide the opportunity for a second round of appeals for grants. Mr. Millea added they have applied for another grant; looking to consolidate with a wetland project on the west side. They are waiting to see, purses are a little tight these days.

Chair Corbett noted that there was concern about hydrofracking fluids and flowback water being brought into the county and wastewater treatment facility. The City of Syracuse passed a resolution and was very upfront with him, expecting that he would do the same. He advised them that the county already has the means to not accept this material at any of our facilities.

Mr. Rhoads provided the following memos to the committee:

### Onondaga County Department of Water Environment Protection INTER-OFFICE MEMO

**To:** Mathew J. Millea, Deputy County Executive – Physical Services

**From:** Tom Rhoads, P.E., Commissioner of WEP

**Date:** November 1, 2011

**Subject:** Status Report Update: Onondaga County Legislature Environmental Protection Committee – Resolution 413, Dated May 3, 2011, Review Whether Any Additional Measures Could Be Implemented to Prevent Disposal of Hydrofracking Fluids and Flowback at Onondaga County Wastewater Treatment Facilities

*The purpose of this memorandum is to provide a status report update regarding the Department's June 8, 2011, review of whether any additional measures could be implemented to prevent disposal of hydrofracking fluids and flowback at Onondaga County Wastewater Treatment Facilities (WWTFs). For your convenience, the June 8, 2011,*

memorandum is attached.

On September 7, 2011, the New York State Department of Environmental Conservation (NYSDEC) issued the full revised draft Supplemental Generic Environmental Impact Statement (SGEIS) on the Oil, Gas and Solution Mining Regulatory Program Well Permit Issuance for Horizontal Drilling and High-Volume Hydraulic Fracturing to Develop the Marcellus Shale and Other Low-Permeability Gas Reservoirs. The entire document is 1,537 pages, and is available for download from the NYSDEC website at: <http://www.dec.ny.gov/data/dmn/rdsgseisfull0911.pdf>. The submittal of written public comments are due no later than December 12, 2011.

It should be noted that Appendix 21 of the draft SGEIS includes a list of POTWs with approved pretreatment and mini-pretreatment programs. The NYSDEC notes the appendix is not a list of facilities approved to accept wastewater from high-volume hydraulic fracturing. Rather, it is a list of facilities that have SPDES permit conditions and requirements allowing them to accept wastewater from hauled or other significant industrial sources in accordance with 40CFR Part 403. Five (5) of the Department's treatment plants are listed, although Metro is only facility authorized to accept hauled wastes.

The draft SGEIS did provide additional measures of protection, and/or other requirements that would protect the County's WWTFs. They include the following:

- Section 6.1.8.1 Fluid Discharges to POTWs, Page 6-61, with regards to total dissolved solids (TDS), Discharge levels from POTWs would be limited to 1,000 mg/L. Typical influent levels of TDS at a POTW are approximately 300 mg/L. Therefore, a typical POTW can be expected to have a disposal capacity of approximately 700 mg/L (1,000 – 300mg/L) of TDS. The Metro WWTP has an average TDS concentration greater than 1,000 mg/l (1,130 mg/l in 2010). This is primarily due to background concentrations in the collection system (high groundwater with elevated salts concentration, Solvay waste products, etc.). As a result, the elevated TDS concentrations would prevent the Department from receiving NYSDEC approval to accept wastewater from hydrofracking processes
- Section 7.1.7.1 Drilling and Production Waste Tracking Form, Page 7-59, the Department proposes to require via permit condition and/or regulation that a Drilling and Production Waste Tracking Form be completed and maintained by generators, haulers and receivers of all flowback water associated with activities addressed by this Supplement. The record-keeping requirements and level of detail would be similar to what is presently required for medical waste. This would discourage unauthorized or deceitful discharge attempts at POTWs due to the record keeping requirements contained within the permits.

Based on our review of the draft SGEIS sections as they apply to Department operations and acceptance, and the current control measures identified in the June 8, 2011, status report, the County still appears to be adequately protected to prevent the acceptance of wastewater sources generated from the hydrofracking process (drilling fluids, flowback fluids, and production fluids).

At this time, it does not appear necessary to provide written comments on the draft SGEIS. If you should have any additional questions or comments regarding this issue, please do not hesitate to contact me.

**Onondaga County**  
**Department of Water Environment Protection**  
**INTER-OFFICE MEMO**

**To:** Mathew J. Millea, Deputy County Executive – Physical Services

**From:** Michael J. Lannon, P.E., Acting Commissioner of WEP

**Date:** June 8, 2011

**Subject:** **Status Report: Onondaga County Legislature Environmental Protection Committee – Resolution 413, Dated May 3, 2011, Review Whether Any Additional Measures Could Be Implemented to Prevent Disposal of Hydrofracking Fluids and Flowback at Onondaga County Wastewater Treatment Facilities**

In accordance with Resolution No. 413, dated May 3, 2011, the purpose of this memorandum is to provide a status report regarding the review of whether any additional measures could be implemented to prevent disposal of hydrofracking fluids and flowback at Onondaga County Wastewater Treatment Facilities (WWTFs).

Status of NYSDEC Regulations Governing Hydrofracking

New York State issued an executive order stating that no horizontal hydrofracking permits may be issued prior to the completion of a Final Supplemental Generic Environmental Impact Statement (SGEIS) on the Oil, Gas and Solution Mining Regulatory Program Well Permit Issuance for Horizontal Drilling and High-Volume Hydraulic Fracturing to Develop the Marcellus Shale and Other Low-Permeability Gas Reservoirs.

**Background - On September 30, 2009, the NYSDEC released the Draft SGEIS for public review and comment. The comment period on the Draft SGEIS ended on December 31, 2009. Due to overwhelming number of public comments, an executive order was issued requiring the following.**

1. The NYSDEC shall complete its review of the public comments, make such revisions to the Draft SGEIS that are necessary to analyze comprehensively the environmental impacts associated with high-volume hydraulic fracturing combined with horizontal drilling, ensure that such impacts are appropriately avoided or mitigated consistent with the State Environmental Quality Review Act (SEQRA), other provisions of the Environmental Conservation Law and other laws, and ensure that adequate regulatory measures are identified to protect public health and the environment.
- On or about June 1, 2011, the NYSDEC shall publish a Revised Draft SGEIS, accept public comment on the revisions for a period of not less than thirty days, and may schedule public hearings on such revisions to be conducted in the Marcellus shale region and New York City.
- Recognizing that, pursuant to SEQRA, no permits may be issued prior to the completion of a Final SGEIS, the Department, subsequent to the conclusion of the public comment period, shall report to the Governor on the status of the Final SGEIS and the regulatory conditions that are necessary to include in oil and gas well permits to protect public health and the environment.

As of the date of this memorandum, the NYSDEC has not issued the revised draft SGEIS; recent newspaper articles suggest the document will be released in July 2011. Due to uncertainties in the draft SGEIS release date and the public comments period, there is no indication when the Final SGEIS will be completed.

It should be noted that hydrofracking on vertical wells continues to be authorized by the NYSDEC provided the hydrofracking fluid volume is less than 80,000 gallons.

According to Virginia Wong, USEPA Region 2 Pretreatment Coordinator, all municipalities are required to have control mechanisms (permits) in place for hauled waste. Mrs. Wong is not aware of any municipalities in NYS currently accepting horizontal hydrofracking wastewater. USEPA does not prohibit the acceptance of hydrofracking wastewater; however, acceptance of the wastewater would be a Pretreatment Program modification and would require prior approval from USEPA. In addition, acceptance of hydrofracking wastewater requires adequate notification to NYSDEC, in order for NYSDEC to determine if a SPDES modification is necessary.

### Current Control Methods for Monitoring Wastewater Acceptance at County WWTFs

The County's primary control mechanism for controlling hauled waste and preventing the disposal of hydrofracking wastewater at County owned treatment facilities is the Waste Hauler Control (WHC) Program.

Currently, Onondaga County Department of Water Environment Protection (OCDWEP) accepts hauled wastes at one approved site – the Syracuse Metropolitan Treatment Plant. Hauled wastes are accepted from commercial waste haulers who possess an OCDWEP Waste Hauler permit in accordance with OCDWEP's Waste Hauler Control Program Policies and Procedures (attached) and the Onondaga County Rules and Regulations Relating to The Use of The Public Sewer System. Waste Hauler permits are issued for one year and list all permitted vehicles, waste types and conditions for discharging wastes at the Metro Treatment Plant. Failure to adhere to the Waste Hauler permit conditions and/or the WHC Program Policies and Procedures can result in permit revocation and fines and penalties.

In addition to the Waste Hauler Permit and the Program Policies and Procedures, other control mechanisms currently in place which would prevent the disposal of hydrofracking wastewater at County owned Treatment facilities include sampling each truck that delivers waste to the Metro Plant. Samples are visually inspected, pH verified and a minimum of one sample per day is sent to the laboratory for metals analysis. Wastewater technicians cannot accept waste that is not properly manifested, is not a permitted waste type, or does not comply with pH limitations. Additionally, invoices are reviewed and account names and locations are verified.

### Additional Measures To Prevent Disposal of Hydrofracking Fluids and Flowback

New control mechanisms that were recently implemented include a letter sent to all Waste Haulers that haul waste to the Metro Plant stating the County's policy of not accepting hydrofracking wastewater. The letter was sent with the permit renewal applications. Also, a sign was placed at the Waste Hauler Control office stating the prohibition of hydrofracking wastewater. Wastewater technicians have been instructed to observe and immediately report any unusual hauled wastes and to report immediately before acceptance.

Additional measures such as monitoring for Naturally Occurring Radioactive Materials, common in hydrofracking flowback fluids and production water, do not appear to be feasible or practical at this time considering the other preventive measures already in place. Further, the New York State regulations for radiological water quality standards only exist for Class A surface waters (Onondaga Lake is Class B and C).

In conclusion, for the short-term, the County appears to be adequately protected to prevent the acceptance of wastewater sources generated from the hydrofracking process (drilling fluids, flowback fluids, and production fluids). We would suggest that upon the NYSDEC's release of the revised draft Supplemental Generic Environmental Impact Statement (SGEIS) on the Oil, Gas and Solution Mining Regulatory Program Well Permit Issuance for Horizontal Drilling and High-Volume Hydraulic Fracturing to Develop the Marcellus Shale and Other Low-Permeability Gas Reservoirs, and prior to release of the final document, that we reconvene to discuss further measures that may need to be taken in light of the pending document. Specifically, whether the County should provide written comments on the draft SGEIS stating that Onondaga County has a policy, endorsed by the County Legislature, not to accept any wastewater generated from either vertical or horizontal hydrofracking processes and County owned WWTFs.

If you should have any additional questions or comments regarding this issue, please do not hesitate to contact me.

In response to Chair Corbett, Mr. Rhoads stated the county is well protected from a regulatory standpoint. All the ways in which the wastewater system is managed would currently preclude any of these fluids from coming to us. From a regulatory concept, the fluids could not be received. We also have the controls in place with our haulers and member municipality agreements, as well as internal controls to also make sure that it could not be brought in inadvertently or purposely. All the necessary measures are already in place.

**Chair Corbett asked to be emailed this information.** He has been asked to create a law for this purpose and believes that creating a law for something that is already in place would just be redundant. Mrs. Rapp agreed.

## **2. WATER ENVIRONMENT PROTECTION:** Tom Rhoads, Commissioner; Matt Millea, Deputy County Executive

### **a. Authorizing the County Executive to Enter Into a Contract with the United States of America, Department of the Interior, for the Operation and Maintenance of Stream Gauging Stations in the County of Onondaga (\$51,170)**

- Requirement of the ACJ
- Fortunate to have relationship with USGS paying for a portion of the gauging
- Portion has decreased over the years, getting as much as they possibly can
- Necessary budgeted item, requires authorization to enter into contract

Mr. Capozza added that as an ancillary benefit, this is one of the tools they use to tell them where the flood stages are. This is an important tool for the community, able to notify the residents. Chair Corbett added it helps in managing floods; can't prevent them.

**A motion was made by Mrs. Rap, seconded by Mrs. Tassone to approve this item. Passed unanimously; MOTION CARRIED.**

Mr. Capozza stated that via coordination with the National Weather Service the gauging stations will send a warning notice out that we are starting to run at or above flood stage. Mr. Rhoads added that if it gets really bad, the warning will scroll across the bottom of the television screen.

Mrs. Rapp asked if there was any kind of release that we could activate. Mr. Capozza responded there was not. They check culverts to make sure water is flowing properly, use sand bags to try and mitigate some of the impact, cover flood prone manholes with plastic, and notify DOT to close streets with flooding. They have a robust storm management program.

### **b. Advance Step R.P. 01 803330 5430 Deputy Commissioner of Water Environment Protection Grade 37, Step E @ \$88,423 to Grade 37, Step H @ \$91,752**

Chair Corbett stated this was previously discussed at committee and during budget. Mr. Millea responded that he had addressed this during the budget. This is recognition of a couple of points, Mr. Lannon stepping up and serving in the acting commissioner capacity and more importantly the way the County Executive, Mr. Rhoads and he envision WEP moving forward. They envision an outward looking commissioner, with the credentials that Mr. Rhoads has being in the community and thinking about long term plans, and having an inward looking deputy commissioner with a strong engineering background serving in a chief engineer capacity. Historically the commissioner at WEP has acted as the chief engineer. This really takes away from the outward looking view and puts them in the position of worrying about the pipes, the grit removal and the daily issues at WEP. The balance is to have both of them working on these issues with core responsibilities; one outward and one inward. In addition there was a very large spread from the commissioner to the deputy commissioner; this recognizes the deputy commissioner is a very important position.

Mrs. Rapp asked if this was in the budget. Mr. Millea responded that it was in the budget and was approved. They pulled the resolution to clear up the mathematics. There were too many moving pieces and they did not want this to cloud any issues with the bond resolutions. There are three pieces to the increase, the grade change, the step increase and the incremental steps that are already incorporated into the MC resolution. The total increase is \$2,252.

***A motion was made by Mrs. Rapp, seconded by Mr. Corbett to approve this item.***

Chair Corbett stated that he highly recommends this, noting that we have a tremendous team that is just going to get better. Mrs. Rapp added that you need to consider the complexity of the issues, how much is being handled and the level of expertise necessary to make sure that everything stays on track.

***Passed unanimously; MOTION CARRIED.***

**3. METROPOLITAN WATER BOARD:** Holly Rosenthal, Executive Director

**a. Advance Step R.P. 01 805700 5402 Water Plant Manager (B) Grade 33, Step E @ \$61,234 to Grade 33, Step H @ \$63,530**

Ms. Rosenthal handed out a print screen of their website stating it was a reminder to check out their website for some good information. <http://www.ongov.net/mwb/index.html>

- Water Plant Manager (B) is the Civil Service title, their official title is Water System Manager
- Responsible for the operations and maintenance for all equipment operating on behalf of the water system
- Compared similar titles locally and nationally
- Currently makes less than an individual subordinate to him; Water Plant Chemist @ \$64,500, Water System Manager @ \$61,000, with increase will remain slightly below this individual
- Position is 20% – 40% less than comparable OCWA position, with adjustment position will be between 18% - 30% less than comparable OCWA positions
- Compared American Water Works national survey for Water Operations Manager, position is 44% below their salary survey information and would be 39% below with the increase; based on a comparably sized community

Chair Corbett stated this item was reviewed and brought forward by Mr. Jordan.

Mrs. Rapp asked how they intended to pay for this since it was not part of the budget. Ms. Rosenthal responded that they believe they will have money available in their 101 account because of pending retirement salary savings. It is a difference of \$2,300; not the entire salary.

Chair Corbett stated that there are 4 items on the resolution. Mr. Troiano responded that the intent was to send each item to the corresponding committee for them to address their portion of the resolution.

Mr. Troiano noted this is not a title change; it is recognition of where this position is in comparison to local and national salary ranges for comparable positions and what other subordinates make.

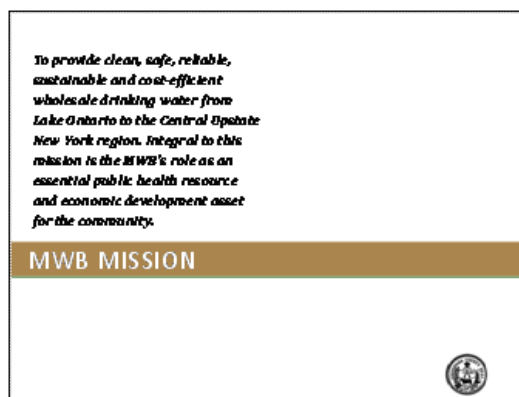
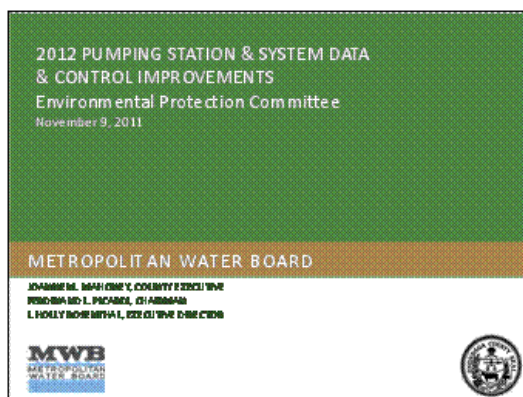
Chair Corbett stated he was not as familiar with this item. The explanations are good and he can support it but noted it will probably get a lot more scrutiny going through Ways & Means.

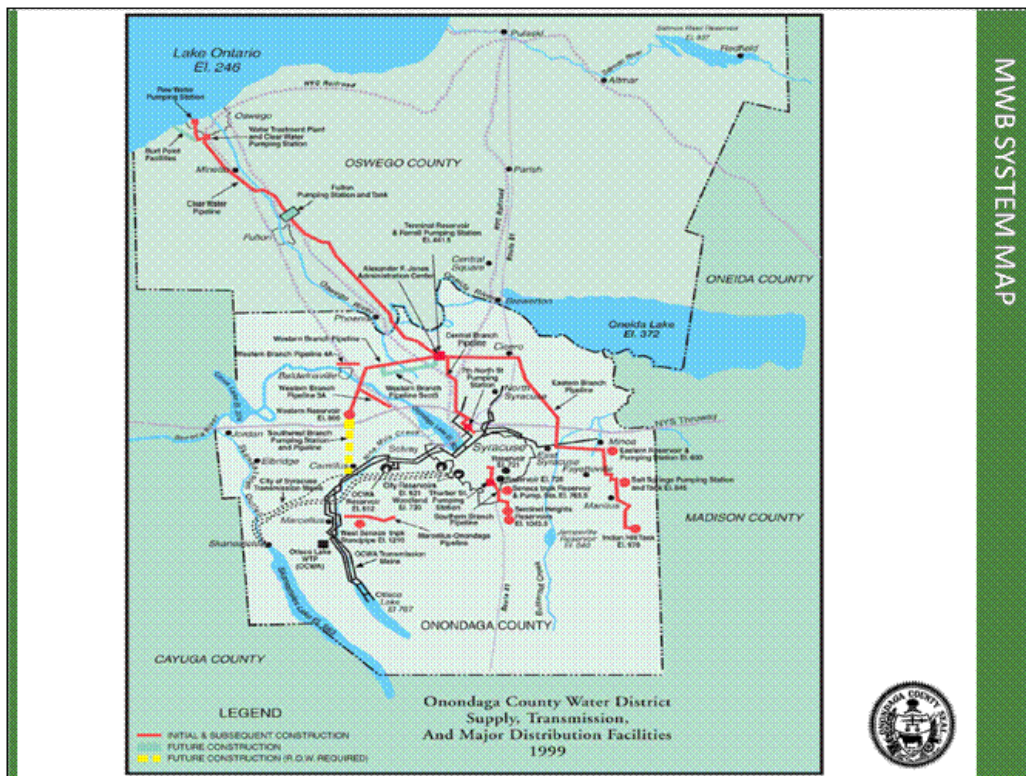
***A motion was made by Mr. Corbett, seconded by Mrs. Rapp to approve this item.***

Chair Corbett emphasized this item would receive further scrutiny at Ways & Means.

***AYES: 1 (Corbett); NOES: 0; ABSTENTIONS: 2 (Rapp, Tassone). MOTION CARRIED.***

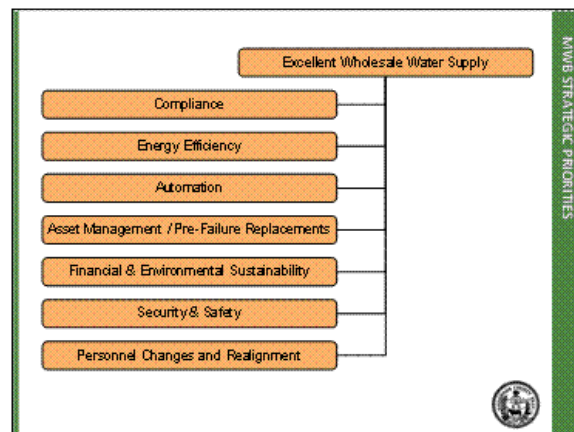
**b. A Resolution Calling a Public Hearing in Connection with Proposed Improvements for the Onondaga County Water District**





*This project addresses each of our priorities outlined in our 2012 budget, except compliance.*


*The compliance project will be bid next month*



*Basically we will be making improvements to all the remaining pumps in our system.*

*This is an opportunity to make the improvements at a reduced cost to the levy by using the energy savings initiated by these improvements to offset some of the bonding costs. She believes their utility bill is the third largest in the county and is the single largest expenditure on their budget.*





**PROJECT DRIVERS:**


- End of life penstock equipment: 43 Years of Service
- Estimated energy savings of up to 22%
- System reliability/failure prevention
- Operational efficiency
- Workforce optimization: Ongoing Attrition

It is proposed to fund a portion of these improvements through an offset of energy savings against debt service.

**BOTTOM LINE BENEFITS:**

- Replacement of End of Life Equipment prior to failure to reduce cost to the levy, no impact on rates
- Year-over-year energy savings
- Reduction in Greenhouse Gas Emissions /Footprint

2012: PUMP STATION IMPROVEMENTS



Over the long term, this will reduce energy costs. We will take some of the savings and use it to pay a portion of the debt service for the bond, while at the same time benefiting the environment.

TABLE 3: COMPREHENSIVE ENERGY AND ASSET RENEWAL PROJECT SUMMARY

PUMP STATION / PROJECT	ESTIMATED PROJECT COSTS (2012 \$)	ESTIMATED ANNUAL SAVINGS (2012 \$)		
		ENERGY	WORKFORCE	TOTAL
WESTERN PUMP STATION	\$1,100,000	—	—	—
EASTERN PUMP STATION	\$1,100,000	—	—	—
FAIRFAX PUMP STATION	\$1,100,000	\$20,000	\$20,000	\$40,000
FAIRFAX PUMP STATION	\$1,100,000	\$20,000	\$20,000	\$40,000
FAIRFAX PUMP STATION	\$1,100,000	\$20,000	\$20,000	\$40,000
FAIRFAX PUMP STATION	\$1,100,000	\$20,000	\$20,000	\$40,000
TOTAL:	\$3,500,000	\$40,000	\$40,000	\$80,000

ENERGY AND OPERATIONAL SAVINGS

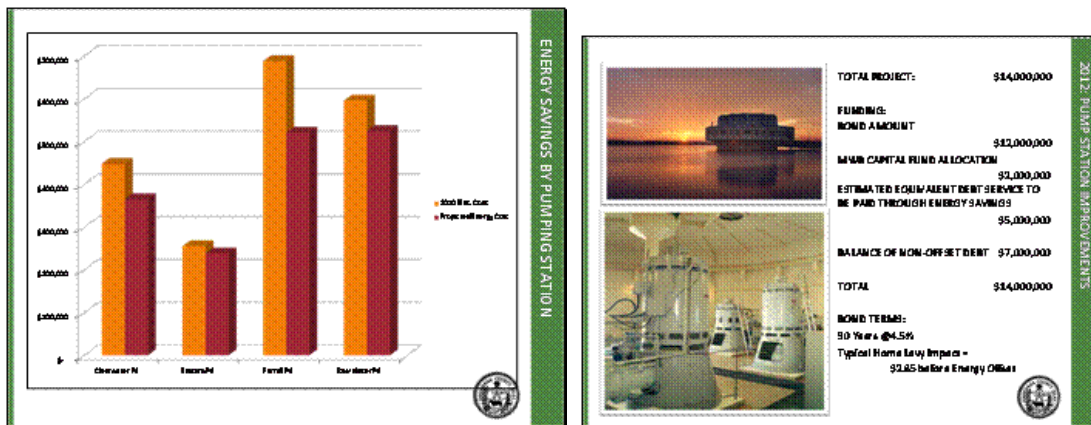


In response to Chair Corbett, Ms. Rosenthal went back to the map and described the water flow:

- Raw Water located right lakeside, where they take out the twigs and fish
- Water pumped from lakeside to water treatment plant Flows from water treatment plant to Clearwater pumping station Pump from Clearwater to terminal reservoir; will be tanks in a couple years. At the terminal reservoir, they have Farrell pump station Pump from Farrell to the east and west
- Going east they have Eastern pump station; pumps water into a large portion of the OCWA system

In response to Mrs. Rapp, Ms. Rosenthal stated this is an intergraded comprehensive upgrade; pumps, motors, drives, and automation for each of those facilities.

Chair Corbett added that he has been saying for three years, we need to upgrade these pumps. Unfortunately the opposite was happening. We kept taking money away. We have gone beyond the expected useful life of the pumps. This is our life's blood, our county is known for its water. We were at the point where we were playing Mexican standoff with Oswego. We were going to build our own pump station even if we had to run another whole line; this is how important this is.



Ms. Rosenthal noted the change in the resolution; annual cost of the improvements to the typical property owner in the district was reduced from \$4.11 to \$2.85.

In response to Mrs. Rapp, Ms. Rosenthal stated the \$2.85 figure is per typical household on the tax levy. This project will not impact the rates. They will be using money that has already been paid into the rate structure; using it to offset some of the costs of the bond. The project will be cost natural to the rates, with a very small impact to the levy.

**A motion was made by Chair Corbett, seconded by Mrs. Rapp to approve this item. Passed unanimously; MOTION CARRIED.**

The meeting was adjourned at 10:55 a.m.

Respectfully submitted,

Katherine M. French, Deputy Clerk  
Onondaga County Legislature

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## PUBLIC SAFETY COMMITTEE MINUTES - NOVEMBER 10, 2011 PATRICK KILMARTIN, CHAIRMAN

**MEMBERS PRESENT:** Mr. Dougherty, Mr. Meyer, \*Mr. Masterpole

**MEMBERS ABSENT:** Ms. Williams

**ALSO PRESENT:** see attached list

Chairman Kilmartin called the meeting to order at 9:04 a.m. **A motion was made by Mr. Meyer, seconded by Mr. Dougherty to waive the reading and approve the minutes of the proceedings of the previous committee meeting; MOTION CARRIED.**

**1. HISCOCK LEGAL AID SOCIETY/ ASSIGNED COUNSEL PROGRAM:** Susan Horn, CEO of Hiscock Legal Aid; Renee Captor, Executive Director of the Onondaga County Assigned Counsel

**a. Amending the 2011 County Budget to Accept State Funding for Legal Representation of the Indigent, and Authorizing the Execution of Agreements to Implement this Resolution (\$140,757)**

Mrs. Horn:

- Funding from Office of Indigent Legal Services recently established by the state; County given amount of money and asked to submit a proposal; purpose to improve mandated representation
- Proposal for Hiscock Legal Aid is to use the \$74,000 to hire an additional attorney for family court program; case load getting too high; will lower case load per attorney and improve indigent services

Mrs. Captor:

- Assigned Counsel proposal - establish contract with agency to set up and monitor volunteer service often required as condition of disposition; currently attorneys doing at their rate; previously was funded by county but discontinued
- Agency will find places to take the people, monitor them and confirm the work is done; then sent to attorneys

Mrs. Horn answered Mr. Kilmartin stating the NYS Office of Indigent Legal Services is a new department, and was established initially in last year's state budget but the first funding is this fiscal year.

Mrs. Captor:

- Funding stream in existence since 2004; restructured over last two years; authorized last year – put together this year
- County has received the money before; block amount that was reduced commencing this year and will continue to reduce over the next several years; reduction amount redistributed in the forms of initiative base grants
- Grant – consistent with funding received previously; different requirements

Ms. Vendetti stated the level is consistent with last year, and would have been in the budget if they had known.

Mrs. Captor:

- Funding is not to pay legal time; conditions for disposition most times is community service - needs to be assured done; attorneys currently handling but controls inconsistent from lawyer to lawyer; one agency to monitor and verify

Mrs. Horn:



- This is not granted on a competitive basis; based on formula; took 10% off top, for the 10% - have to tell how you would use the money; used to improve services; submit proposal to receive the funds
- Still somewhat automatic; contract to provide representation to all indigent adults in family court assigned; numbers change based on assignments; services will expand based on that; attorney position will help with case load
- Help reduce case load per attorney; improve quality of service; 8 attorneys currently; last year had 2,300 court cases

Mrs. Captor:

- Agency – CNY Services; does good work in the community; working with them on a grant to reduce population of jail

Chairman Kilmartin stated the position would be like a higher end administrator/coordinator. When people get disposition or resolution of a criminal case, many times they have to do community service; questions are where to go, how many hours, and who tracks the hours. Chairman Kilmartin stated previously lawyers have not done that because they should be in court working the cases. This will be someone to tell the person where to go, and what they have to do. They would handle getting the background information, written proof, send it to the court and resolve the administrative work. Mrs. Captor responded to Mr. Meyer that the person will be responsible for recruiting and tracking.

Mrs. Horn:

- Grant funding is not likely to go away; pretty consistent stream; hoping for additional money next year
- Would come to the County to get money if funding goes away; if there is no money, then would let the person go
- Last 2 years, have asked for additional funds to add a position because of case load; CE recommended to add but legislature took away; this grant is another source to provide the position

Mr. Dougherty stated his concern is the same as when the Sheriff comes in to say they have a state grant for equipment or vehicles. There are out year requirements (i.e. maintenance) on the County to keep supporting if the money dries up. Mrs. Horn responded she takes things year by year. If someone gives money for a new position, take it and if the money is not here next year, deal with it. The good news/bad news of hiring an attorney is if there are no funds, the attorney is let go. Mrs. Horn would hate to have this happen because of the case load. She stated hopefully there will be more funds from the state. Mr. Dougherty responded he supports it but would like to hear Mrs. Horn say that the option would be to let the attorney go.

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

Chairman Kilmartin took the next two items out of order.

Chairman Kilmartin stated in respect to 1A there was a minor change. The final line in 1A in account 4489 Federal Aid and Environmental Protection was struck, and corrected with account 02003133025 under Indigent Resource Services. This was the only change. Mrs. Tarolli responded to Mr. Kilmartin that another vote should be taken on the amended resolution.

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

\*Mr. Masterpole arrived at the meeting.

**2. SHERIFF: Chief Balloni, Commissioner; Michael McCarthy, Senior Deputy County Attorney**  
**b. Amending the 2011 County Budget to Accept State of New York Highway Safety Program Funds and Authorizing the County Executive to Enter Into Contracts to Implement this Resolution (\$105,500)**

Chief Balloni:

- Accepting \$105,000 in traffic safety revenue; grant program for over 20 years; expect to keep funding for years
- Started through Health Dept.; then to Safety Council - not-for-profit org; no longer wanted as it's a reimbursement so the money has to be fronted; difficult for not-for-profit; better in gov't organization; Health felt better handled by Sheriff
- Received the \$105,000 – hiring 2 part time employees; covers everything to do with their employment with County
- Personnel in Health Department have done the work before - working with Health to see if Sheriffs can use those people and grant fund part of their salaries; experienced people to coordinate and do the training
- Coordination most of their job – child safety seats, bicycle rodeos, traffic safety functions in the community; can't do with current personnel situation; helps Sheriff's Office and the community
- Worked with vendor contract employees; some difficulty – bid out to lowest bidder, can't say this person is good for the position
- Vendor contract - issues when signed contract, have to prove workers comp insurance, have to buy a business insurance policy; \$20/hr positions - hard time filling positions at 911

Mrs. Tarolli replied to Chairman Kilmartin that this is required off all vendors, and workers comp required by law as well as a small business package required.

Chief Balloni:

- Not opposed to vendor contract employees but difficult in reality to administer; coordinator or trainer; would not work in this type of venue
- Won't need to go outside to hire; may be able to do with the assistance with personnel in Health Dept.
- Would be full time in Health and half of their funding would be through this grant; looks like going to proceed at this point; know the people not the titles; done in past and fit in grant

Mr. Meyer stated the people he believes Chief Balloni is recommending are highly qualified and have done a fantastic job with the safety seat. Chief Balloni responded to Mr. Meyer that he believes it is the same structure as the Traffic Advisory Board. Mr. Meyer stated it is a very positive step.

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

Chairman Kilmartin asked Chief Balloni to provide Mrs. Stanczyk with the time the people are hired, their titles and the adjustments/allocations so they can be tracked internally. Chief Balloni agreed.

**a. Informational – Police Academy Merger**

Chief Balloni:

- Mr. McCarthy has been present at all meetings with city police; first meeting positive; gave them grounds for thought
- Another meeting a few weeks ago – positive; significant progress forward; not all items resolved - meeting internally to go over last of items
- Moving much closer at this point – internal meeting set up next Tuesday; will then meet with law again; final meeting with police to resolve issues after
- Initial meeting gave city grounds to see how they are proceeding; subsequent meeting - good points by city police
- Sheriff not anticipating any academy hires – may delay participation together further
- Short personnel – likely to get shorter; put 2 people in academy no one going to a substantial hardship; sheriff hesitant to go forward; hopefully next month will have good news

Chief Balloni agreed with Chairman Kilmartin that the intent is to finalize the memo of understanding that would bind the parties, and then put people through the academy as needed in the future.

Mr. McCarthy:

- Memory of understanding in place months ago but not a meeting of minds on significant issues
- Working with Sheriffs – getting optimistic to have deal
- Issues narrowed; see a way through; City being cooperative; patience and talking things out helping make progress

Mr. Meyer asked if there is an accounting of all police officers in the County; i.e. a chart saying Cicero has so many full time routes, so many part time routes and so many administrative personnel. How many total and where they are? Chief Balloni responded it is recorded on a yearly basis through the Division of Criminal Justice Services. The last edition was in 2009 and currently he is awaiting the 2010 edition. This will show how many sworn personnel in each agency and how many civilian personnel. It is printed yearly and includes full time and part time routes. **Mr. Meyer requested a copy.** Chief Balloni responded he will send the page that contains the information for the County as it is available on the internet.

The meeting was adjourned at 9:31 a.m.

Respectfully submitted,

Jamie M. McNamara, Assistant Clerk  
Onondaga County Legislature

\* \* \*

#### **HEALTH COMMITTEE MINUTES – NOVEMBER 10, 2011 ROBERT D. WARNER, CHAIRMAN**

**MEMBERS PRESENT:** Mr. Meyer, Mr. Laguzza, Mr. Holmquist, Mrs. Ervin

**ALSO PRESENT:** see attached list

*Chairman Warner called the meeting to order at 10:05 a.m. A motion was made by Mr. Meyer, seconded by Mr. Holmquist to waive the reading and approve the minutes of the proceedings of the previous committee meeting. MOTION CARRIED.*

1. **VAN DUYN:** Maria Cirman, Director of Fiscal Management

**a. Transfer from Equipment Account 215 (\$30,000) to Capital Projects Account 960 (\$30,000)**

- Funds were in equipment account for replacement of cafeteria floor, in desperate need of replacement, had hoped to have it replaced earlier in the year
- Looking to move the funds into capital project account, with floor replacement in early 2012

In response to Chair Warner, Ms. Cirman stated the floor could be included in their report for Medicaid reimbursement; currently at 82%.

Chair Warner added it would be nice to get the place in good shape in case they do end up selling it.

***A motion was made by Mrs. Ervin, seconded by Mr. Laguzza to approve this item. Passed unanimously; MOTION CARRIED.***

**b. Transfer from Contingency Account 650 (\$275,000) to Supplies Account 300 (\$275,000)**

- Food services contracted out in April of 2011, had anticipated change over in September of 2011
- \$2.30 per patient per day was not factored into the original budget for administrative costs
- Believed food costs increase would be 3%, actually 6%

In response to Chair Warner, Ms. Rooney stated the additional 3% was an increase in food costs. Mr. Laguzza asked if there was any lock in price. Ms. Rooney stated that when the budget was put together this was the anticipated number but the contract was actually signed in April, rather than September. Mr. Laguzza responded that the increase in food costs is not because of the early execution of the contract. Ms. Rooney stated they signed the contract sooner than they expected. They had anticipated not being able to start until September, they were able to start in April and this was the price when they negotiated the contract.

In response to Mr. Laguzza, Ms. Cirman stated they still had their own kitchen employees in April, as they had anticipated takeover in September. \$2.30 per patient, per day, was the management fee to dismiss our employees and have their employees run the entire kitchen. Ms. Rooney added that with the passage of the 2011 budget all the supply lines were cut back to the 2009 levels. This resulted in a \$400,000 reduction; they knew the food costs were going to be higher.

Mr. Laguzza stated the transfer does not mention the \$2.30 per day increase; amount should be spelled out on the documentation.

Chair Warner confirmed that the cost was \$2.30 per day, per patient with 500 patients, equaling \$1,150 per day. Ms. Cirman agreed saying the total was approximately \$180,000 for this portion.

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

**c. Transfer from Contingency Account 650 (\$175,000) to Professional Services Account 408 (\$175,000)**

- Used to cover contract nursing expense for 2011
- Constantly have openings in the CNA, LPN, & RN lines, cover with contract staff or overtime

Chair Warner asked what would be left in the contingent account. Ms. Cirman responded the balance would be the \$5.2 million minus whatever they are requesting here, these are the only items coming out of the contingent account. (\$3,758,167)

Mr. Laguzza asked what the status was on the vacancies and how many openings they have. Ms. Cirman responded that they constantly have about 40 CNA openings and LPN's.

Mr. Laguzza asked if they still had the program where they promote from within; LPN's, are sent to OCC to become RN's. Ms. Rooney responded that they had attempted to put this program in place but the OCC program was full. We would have had to initiate an entire program just for Van Duyn employees. It was not able to be accomplished that year. Mr. Laguzza asked if it was still being pursued; have them expand their program to help us out. Ms. Rooney stated they would love it. They have been looking at BOCES and Jobs Plus as potential job tracking.

Mr. Laguzza asked what period the \$175,000 covers. Ms. Cirman responded that it will take them through the end of 2011. Mr. Laguzza asked from when, has Van Duyn come before and asked for additional monies. Ms. Cirman responded, "No". Mr. Laguzza added this is just to close out the year; it is a lot of money.

Mr. Meyer asked them to help him understand the bigger picture; are they having trouble recruiting, and retaining people. Ms. Cirman responded, "Yes and yes". Ms. Rooney added there is a nursing shortage across the country. Nurses can choose which jobs they would like to pursue. Unfortunately nursing home work is not something that is the most desirable. Our pay is not the most competitive across the board, but she believes the biggest problem to be the nature of the work.

Mr. Meyer stated he was talking to an LPN who was not at Van Duyn. The person commented that the duties and responsibilities of the LPN's keep growing and growing; they feel that they are at one level but are expected to do more and more. He asked if this was an accurate statement. Ms. Rooney responded that this was the nature of the industry. More is put on nurses and LPN's because you can't get reimbursements for doctor coverage.

Mr. Meyer asked what the solution was. Ms. Rooney responded that the solution is, they are in serious negotiations with Upstate to have them acquire Van Duyn Home and Hospital; this is not our bread and butter. Mr. Meyer added that he was glad she brought this up. He has had some conversations with employees of Upstate and has been encouraged by a number of their comments. They are looking forward to Upstate taking over Van Duyn. They are excited about working with the population at Van Duyn. They currently work at Upstate for the money but if they could be at Van Duyn they are looking forward to it. Ms. Rooney stated that Upstate is very encouraged and excited about having a nursing home added to their portfolio and they are working toward it. Mr. Meyer added that college part of Upstate is adding programs and career paths that did not exist a few years ago. Ms. Rooney stated for geriatrics. Mr. Meyer responded the whole span. They are having trouble because a lot of people just don't know that these paths are out there.

In response to Mr. Meyer, Ms. Rooney responded that they have a drop dead date of November 30, 2011; up or down answer to their negotiations. They are working on this every single day. Mr. Meyer wished them good luck.

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

**d. Transfer from Contingency Account 650 (\$1,080,000) to All Other Expenses Account 410 (\$1,080,000)**

- Transfer necessary due to NYS Cash Receipts Assessment, state imposes a fee on all revenues received
- Medicaid revenues and some other things are excluded
- Originally 6%, increased to 7.2% for 4/1/11 – 3/31/12; will be adjusted after this point

In response to Chair Warner, Ms. Rooney responded that we have always had this charge but they raised the percentage inside the budget. Mr. Laguzza added that the mandate relief is going the other way.

Chair Warner confirmed that the state taxes all the revenue taken in. Ms. Cirman agreed stating they had budgeted \$2,092,000 but are now projecting close to \$3 million. Mr. Meyer stated in effect, it is a sales tax, except they don't call it a sales tax.

Mr. Laguzza stated we have no control, this is a mandate, it has to be paid. It is the reverse of what we have been trying to do. Ms. Ervin added there was nothing we could do about it.

In answer to Mr. Meyer, Ms. Cirman stated there are two components to the cash assessments. They did receive a lump sum rebate payment in July. From 4/1/2009 through 6/2011 they were paid an old rate. The rates were revised and they gave us a lump sum payment to recoup the difference. Chair Warner stated the question was, was there anything else mixed into this \$1,080,000. Ms. Cirman responded this should be everything.

Chair Warner reiterated there is nothing we can do about this.

***A motion was made by Mr. Holmquist, seconded by Mrs. Ervin to approve this item. Passed unanimously; MOTION CARRIED.***

Chair Warner added the informational ProAct item on the original agenda was taken off as they were unable to attend. He has advised them that they should wait until January when there will be a new legislature in place. This would allow them a better understanding of what ProAct is and what they do. Mr. Laguzza stated this was a good advice.

Mr. Meyer stated they have saved residents \$10 million through the use of the cards; this is a lot of money.

The meeting was adjourned at 10:21 a.m.

Respectfully submitted,

\* \* \*

**FISCAL WAYS & MEANS COMMITTEE – NOVEMBER 14, 2011**  
**CASEY E. JORDAN, CHAIRMAN**

**MEMBERS PRESENT:** Mr. Buckel, Mr. Holmquist, Mr. Lesniak, Mr. Kinne, Mr. Kilmartin

**MEMBERS ABSENT:** Mr. Corbett, Mr. Warner

**ALSO PRESENT:** *see attached list*

Chairman Jordan called the meeting to order at 8:45 a.m. *A motion was made by Mr. Lesniak, seconded by Mr. Kinne to waive the reading and approve the minutes of the previous committee meeting. Passed unanimously; MOTION CARRIED.*

**THIRD QUARTER REPORT** – James Rowley, CFO  
Mr. Rowley distributed the following:

**ONONDAGA COUNTY**  
**2011 -Third Quarter Indicators Report**

**Key Economic and Fiscal Indicators**

**2011**  
**Third Quarter Indicators Report**

**Inside this issue:**

<b>Indicator</b>	<b>Period</b>	<b>2011</b>	<b>2010</b>	<b>Page</b>
2011 Budget Forecast as of 9/30/2011 Results	Q3			2
Unemployment Rate: Onondaga County	September	7.4%	7.8%	3
Employed Persons by Month (in 000's): Onondaga County	September	213.0	211.8	3
Employed Persons yr-over-yr (in 000's): Onondaga County	September	1.2	(1.1)	3
Overall Consumer Confidence: Syracuse MSA	Q3	63.1	60.3	4
Consumer Price Index (all items) - Inflation Rate	September	3.9%	1.1%	4
Weighted Average County Interest Rate	September	0.71%	0.84%	4
Reconciled Quarterly Sales Tax Collections % Chg CYTD	Q3	3.6%	5.4%	4
Auto Sales CYTD: Onondaga County	August	16,026	14,646	5
Gasoline Prices per gallon paid by Onondaga County	September	\$3.11	\$2.13	5
Retail Gasoline Prices per gallon in Upstate NY	September	\$3.79	\$2.74	5
Onondaga County Clerk Fees CYTD	September	\$2.43M	\$2.38M	6
Lis Pendens CYTD	September	789	1,115	6
Existing Home Sales CYTD: Onondaga County	September	2,400	2,625	6
Average Median Home Price YTD: Onondaga County	September	\$130,861	\$134,356	6
Onondaga County Filled Positions (Jan 2010/Oct 2011)		3,814	4,060	7
Average Monthly Public Assistance Caseloads YTD	September	6,337	5,633	7
Average Monthly Medicaid Caseloads YTD	September	54,219	49,747	7

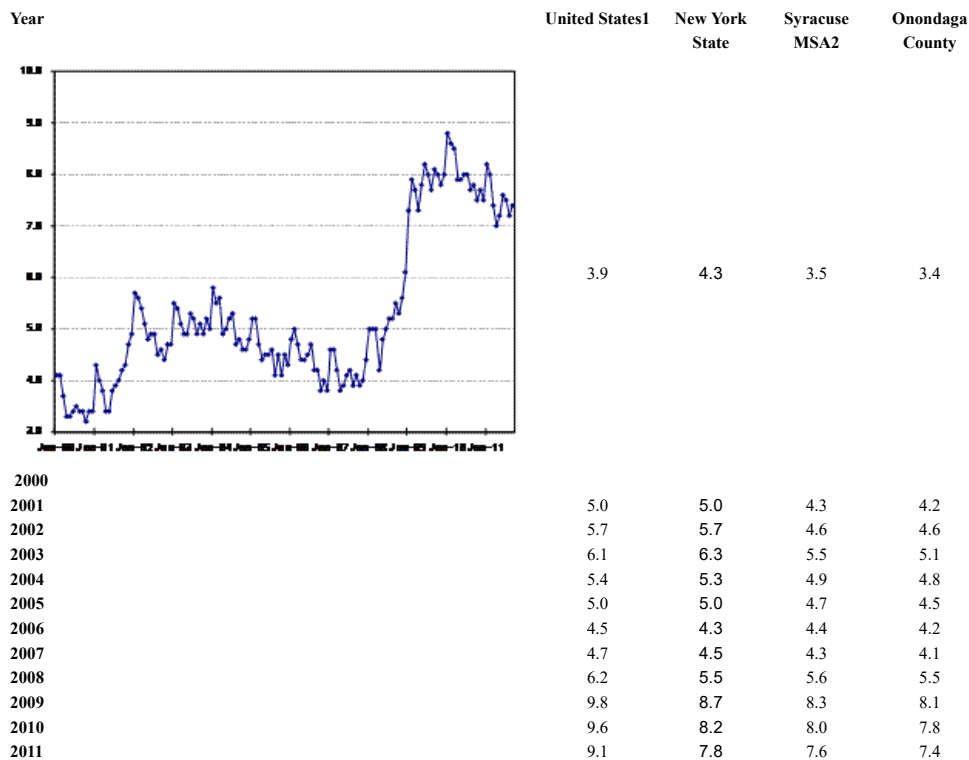
**2011 Budget Forecast as of 9/30/2011 Results**

	<b><u>2010 Actual</u></b>	<b><u>2011 Adopted</u></b>	<b><u>2011 Modified</u></b>	<b><u>2011 Projected</u></b>
<b>REVENUES</b>				
PROPERTY TAX LEVY	\$184,064,270	\$153,821,817	\$153,821,817	\$153,821,817
DEFERRED/UNCOLLECTIBLE	(\$12,901,578)	(\$12,436,773)	(\$12,436,773)	(\$12,285,642)
PRIOR YR COLLECTIONS	\$3,853,593	\$4,704,368	\$4,704,368	\$4,523,033
PILOTS/INTEREST &				
PENALTIES	\$8,067,120	\$7,599,888	\$7,599,888	\$8,073,206
ROOM OCCUPANCY TAX	\$4,968,791	\$6,219,577	\$6,219,577	\$6,119,058
ABSTRACT CHARGES	\$8,587,424	\$10,983,599	\$10,983,599	\$10,983,599
SALES TAX COUNTY PORTION	\$145,905,047	\$197,474,730	\$198,028,730	\$202,717,042
SALES TAX to				
MUNICIPALITIES/SCHOOL				
PORTION	\$147,759,335	\$95,924,741	\$95,924,741	\$100,717,769
STATE AID	\$93,289,325	\$100,664,620	\$100,664,620	\$86,641,519
FEDERAL AID	\$78,235,372	\$74,588,594	\$74,642,594	\$85,366,390
INTERDEPARTMENTALS	\$49,321,749	\$47,734,463	\$47,734,463	\$47,704,190
ALL OTHER	\$46,241,878	\$47,041,353	\$47,231,353	\$47,369,805
PROJECT FUND CLOSE-OUTS	\$807,973	\$1,368,921	\$1,268,921	\$1,268,921
<b>Total REVENUES</b>	<b>\$758,200,299</b>	<b>\$735,689,898</b>	<b>\$736,387,898</b>	<b>\$743,020,707</b>
<b>APPROPRIATIONS</b>				
MANDATED PROGRAMS	\$219,684,696	\$240,556,221	\$242,297,656	\$238,732,764
SOCIAL SERVICES ADMIN	\$57,551,617	\$61,529,850	\$61,538,567	\$61,561,262
SOCIAL SERVICES JPOS	\$8,709,780	\$8,944,001	\$8,944,001	\$8,944,001
PUBLIC SAFETY	\$102,263,974	\$114,040,421	\$115,509,275	\$114,613,616
FACILITIES	\$15,968,532	\$17,177,637	\$18,522,651	\$18,586,677

INFORMATION TECHNOLOGY	\$10,641,810	\$11,411,732	\$11,915,307	\$11,743,883
DEBT SERVICE	\$12,978,076	\$17,196,714	\$17,196,714	\$17,196,714
HEALTH	\$45,999,820	\$43,968,308	\$44,575,611	\$42,614,073
HIGHWAYS	\$17,837,017	\$19,446,094	\$19,446,094	\$19,262,538
PARKS	\$10,765,828	\$11,046,997	\$11,347,508	\$11,319,042
OCC	\$8,864,000	\$8,864,000	\$8,864,000	\$8,864,000
LIBRARIES	\$4,393,452	\$4,427,101	\$4,427,101	\$4,427,101
SALES TAX to MUNICIPALITIES/SCHOOL PORTION	\$147,759,335	\$95,924,741	\$95,924,741	\$100,717,769
INTERDEPARTMENTALS	\$43,762,963	\$41,291,322	\$41,319,790	\$41,657,622
ALL OTHER	\$41,217,826	\$41,528,498	\$41,517,758	\$41,255,541
<b>Total APPROPRIATIONS</b>	<b>\$748,398,726</b>	<b>\$737,353,637</b>	<b>\$743,346,774</b>	<b>\$741,496,603</b>
<b>Surplus/(Deficit)</b>	<b>\$9,801,573</b>	<b>(\$1,663,739)</b>	<b>(\$6,958,876)</b>	<b>\$1,524,104</b>
<b>FUND BALANCE</b>				
CARRYOVER FUND BALANCE	\$0	\$0	\$3,019,698	\$0
FUND BALANCE	\$0	\$1,663,739	\$3,939,174	\$3,939,174
<b>Total FUND BALANCE</b>	<b>\$0</b>	<b>\$1,663,739</b>	<b>\$6,958,872</b>	<b>\$3,939,174</b>
<b>Budgeted Surplus/(Deficit)</b>	<b>\$9,801,573</b>	<b>\$0</b>	<b>(\$4)</b>	<b>\$5,463,278</b>

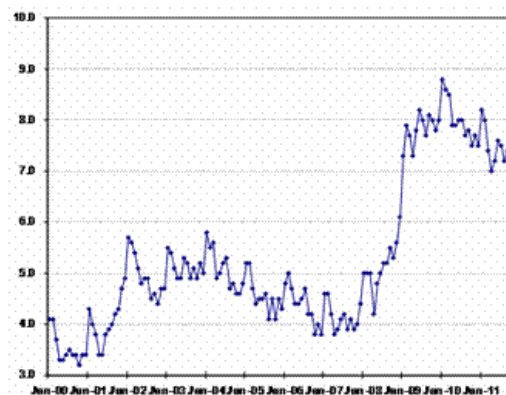
### Unemployment Rate

Onondaga County, January 2000 - September 2011



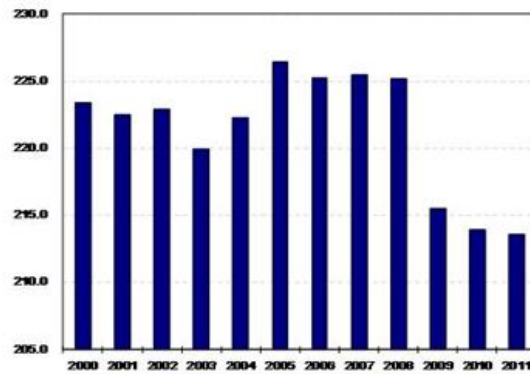
### Unemployment Rate

(Onondaga County, January 2000 – September 2011)



The unemployment rate in Onondaga County stood at 7.4% in September 2011—down from 8.2% in January 2011.

**Average Employed Persons by Quarter**  
Onondaga County, Third Quarter 2000 – Third Quarter 2011 (in 000's)

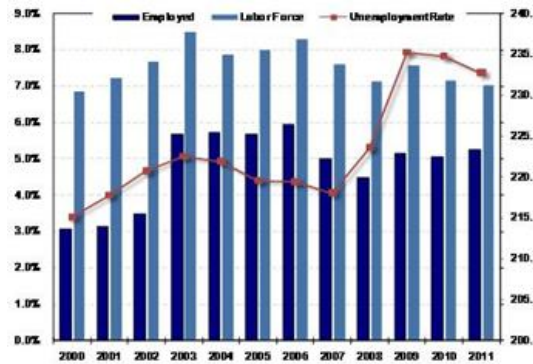


Employment accounts for Onondaga County residents only.

Source: New York State Department of Labor

Comparing the average number of employed persons during the third quarter only, 2011 has remained relatively constant with 2010. Which implies we are no worse off than last year. However, this is the lowest number of employed persons during the third quarter over the past decade

**Labor Force**  
Onondaga County, September, 2000 – 2010 (in thousands)

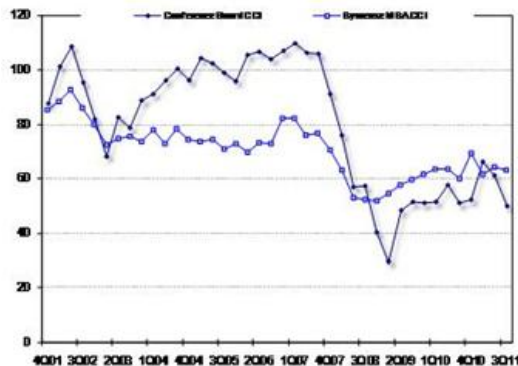


Employment accounts for Onondaga County residents only.

Source: New York State Department of Labor

The graph above shows the relationship between the employed person, labor force and unemployment rate. Notice the change in the number of employed persons is insignificant while the unemployment rate has decreased a noteworthy amount. This is due directly to the relationship between the labor force and employed persons.

**Consumer Confidence**  
Fourth Quarter 2001 - Third Quarter 2011

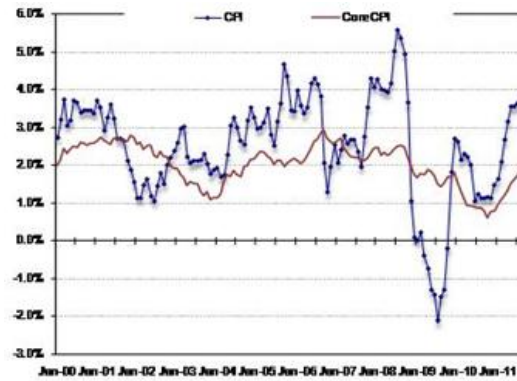


Source: The Conference Board, Siena College Research Institute

Says Lynn Franco, Director of The Conference Board Consumer Research Center: "The pessimism that shrouded consumers last month has spilled over into September...consumers expressed greater concern about their expected earnings, a sign that does not bode well for spending. In addition, consumers' assessment of current conditions declined for the fifth consecutive month, a sign that the economic environment remains weak."

**Consumer Price Index**  
U.S. City Average Inflation, Jan 2000 – Sept 2011 (1982-1984 = 100)



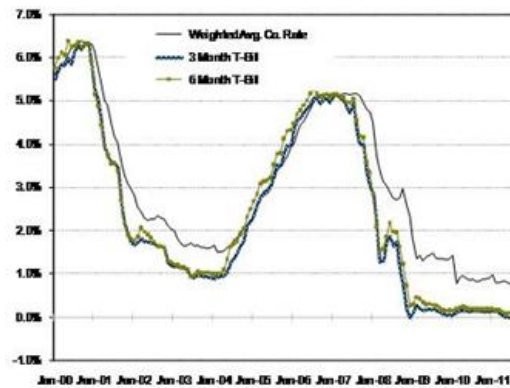


Source: Bureau of Labor Statistics (data not seasonally adjusted)

A line graph most clearly represents the extreme volatility of the nations inflation rates. In July 08, the inflation rate peaked at 5.6%, plummeted to – 2.1% in July 09, rose to 2.7% in Dec 09, fell again to around 1% until Dec 10 and continues on an upward trend. The core CPI measures inflation excluding food and energy items of which the Fed aims to maintain around 2%.

### Weighted Average County Interest Rate

Onondaga County, January 2000 - September 2011

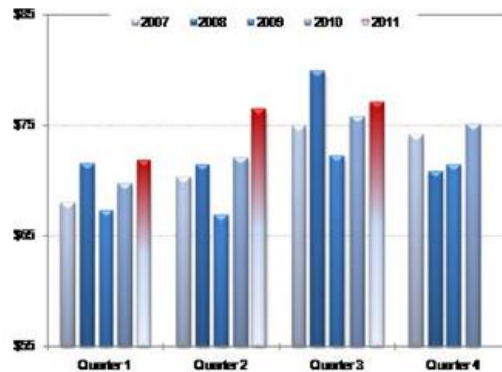


Source: Federal Reserve Board and Division of Management and Budget

The County's weighted average interest earnings rate stood at 0.71% in September 2011 versus 0.84% in September 2010. The 3 and 6 month T-bills rates are at 0.01% and 0.04%, respectively, in September 2011

### NYS Reconciled Sales Tax Collections

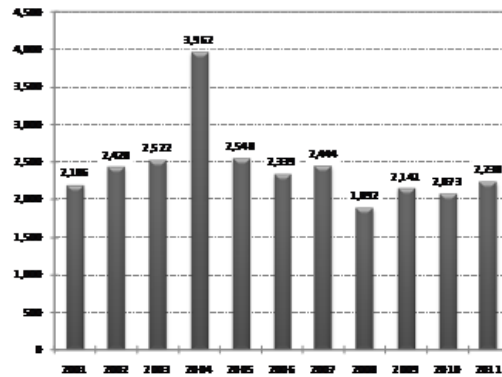
Onondaga County, Third Quarter YTD, 2007 – 2011 (in millions)



The cumulative New York State Reconciled Sales Tax Collections were \$225.4M as of third quarter 2011. Compared to the same period in 2010, the reconciled collection rate is only 3.6% higher this year.

### Auto Sales

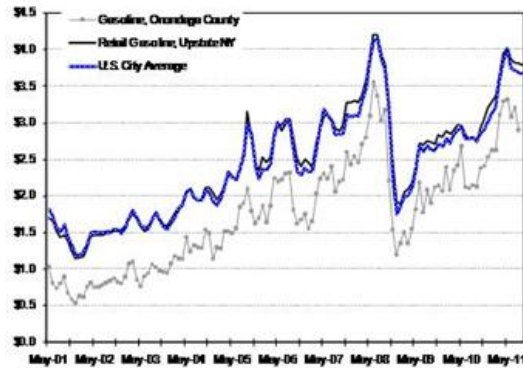
Onondaga County, August, 2001 - 2011 (in 000's)



Year-to-date, cumulative auto sales totaled 16,026 which is up 9.4% over the same time period last year. Year over year, August auto sales are up 8.0% over August 2010.

### Gasoline Prices

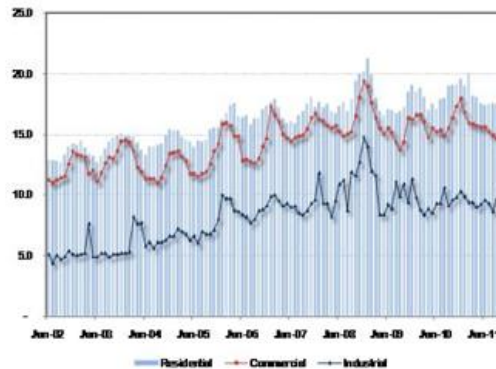
May 2001 - September 2011 (NOTE: County prices are tax exempt)



In July 2008, gasoline prices peaked at over \$4.00/gallon after which prices rapidly descended to just over \$1.50/gallon by the end of 2008. Again prices skyrocket to \$4.00/gallon in May. The County paid \$3.11/gallon in September 2011 with a 12-month average price of \$2.88/gallon as of September 2011. Prices are expected to decline slightly through year end.

### Average Electric Rates

Statewide (NYS), January 2002 - June 2011 (cents per kWh)

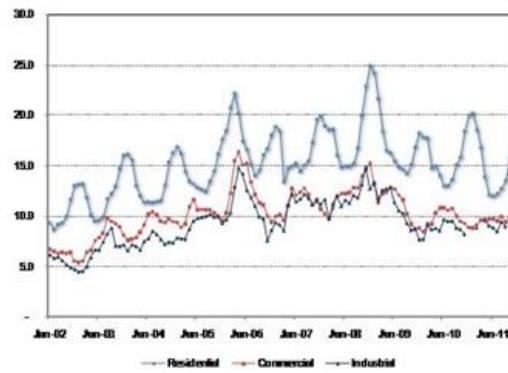


Source: NYSEDA and Energy Information Administration

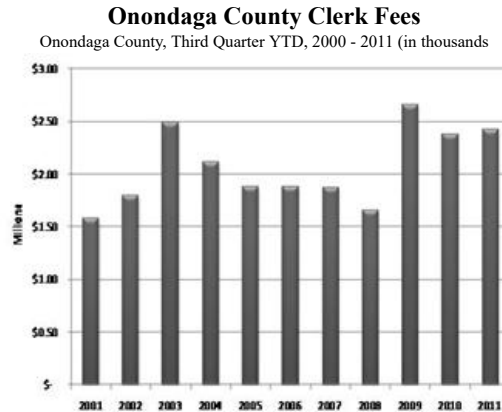
The chart above represents monthly electric rates statewide for residential, commercial and industrial users. The U.S. Energy Information Administration Short Term Energy Outlook anticipates average natural gas and electricity expenditures to remain close to 2010 levels.

### Average Price of Natural Gas

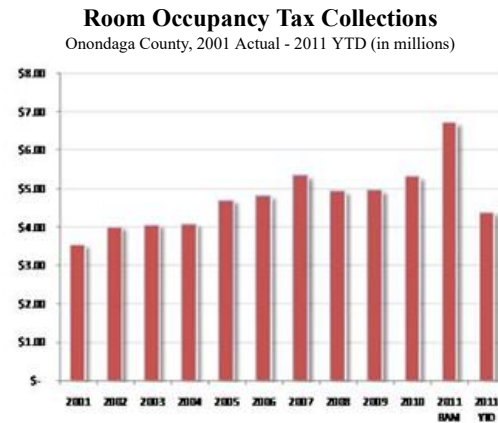
Statewide (NYS), January 2002 - June 2011 (\$/MCF)



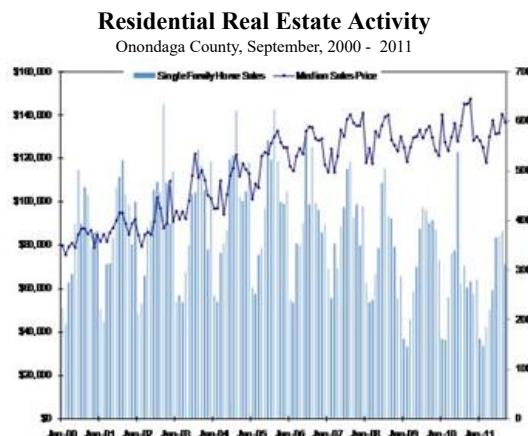
The chart above represents monthly natural gas prices for residential, commercial and industrial users. The average price of natural gas fluctuates, seasonally, for all users. Prices tend to increase towards the mid year and fall again towards year end.



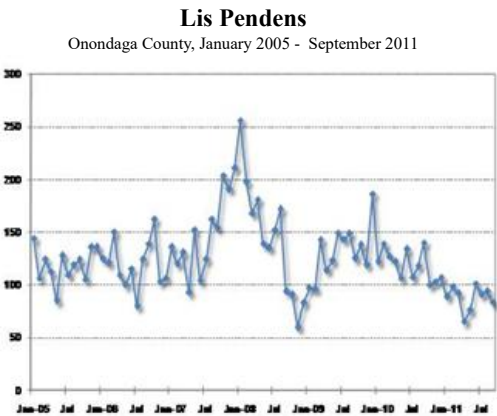
Clerk Fees include all fees collected by the County Clerk's Office. The majority of these collections are fees associated with mortgages (recorded deeds, recorded mortgages, mortgage discharges and assignments). The chart above represents cumulative fees collected through third quarter by year. As of third quarter 2011, collections are up 2.2% over the same period last year.



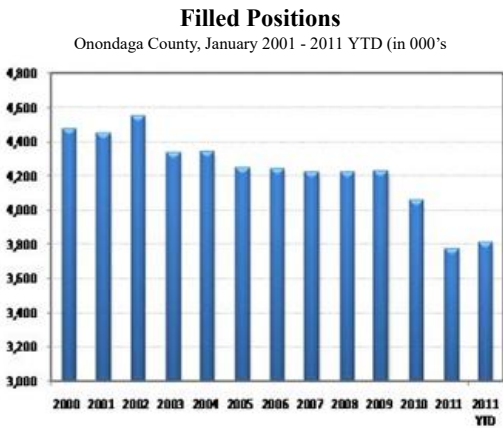
Room Occupancy Tax collections include room occupancy tax collections and interest and penalties on room occupancy tax collections for all funds.



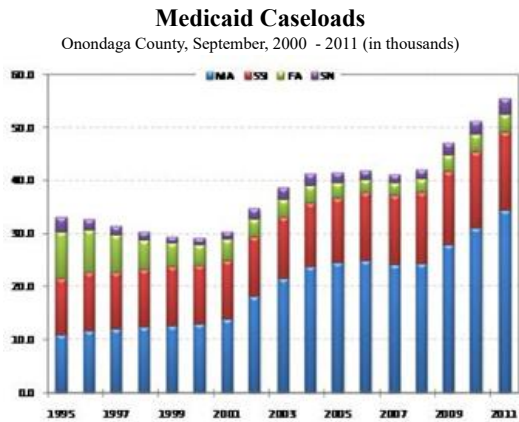
As of September 2011, cumulative single family home sales were down 8.6% over September 2010, while the median sales prices fell slightly, down 2.6%, to \$130,681 from \$134,356 over the same time period.



Lis pendens is the first step in the procedure to file for foreclosure. It is a clear indication of housing market sentiment and consumers well being. As of September 2011, lis pendens counts in Onondaga County totaled 789 or 29.2% fewer over last year during the same time period.



Onondaga County filled positions were fairly stable until 2009. In 2010 there was a 4% drop in filled positions over the prior year. In 2011, there was a 7.1% decrease in filled positions over 2010 a majority of which is attributable to the over 300 employees who took part in the 2010 Early Retirement Incentive offered by the NYS Retirement System.



Public Assistance caseloads continue to rise — a natural extension of an economic downturn. In September 2010, Family Assistance cases were 8.9% higher and Safety Net cases were 5.2% higher over September 2009. The Combined Total number of cases was 7.3% higher over the same time period.

In September 2010, there were 4,037 more cases or 8.6% more than in September 2009. Between January and September 2010, there was an increase of 3,017 Medicaid cases. The data represents monthly family caseloads [not individual] and includes Medicaid (non Temporary Assistance), SSI, and Temporary Assistance (Family Assistance and Safety Net).

### Medicaid Cost Cap

Responding to widespread concerns raised by counties, New York State implemented a plan to “cap” local Medicaid costs which began January 1, 2006. The costs were capped at a growth rate of 3.5% over 2005 costs. This rate then dropped to 3.25% in 2007 and dropped again permanently to 3.0% in 2008. Beginning in 2008, counties had the decision to pay the State a local contribution of Medicaid costs based on predetermined payment of either the 3.0% on the prior year’s base or a fixed percentage of sales tax revenue (based on the 2006—07 capped contribution and local sales tax base). Onondaga County chose to pay the State a local contribution of Medicaid costs of 3.0% on the prior year’s base.

Mr. Rowley:

- Locally – mixed bag economically
- Employment indicators – slowly moderating; minimal improvement in measures
- Inflation – on upswing
- Sales tax growth – continues to be strong; struggles in forecasting sales tax growth – employment has something to do it; high cost of fuel/energy has something to do with it; car sales in county up 9% year over year. Data received from state is very lagged, late getting to the County; is yet to get some data requested from the state
- Fuel prices – rising sharply
- Home sales / prices – nominally declining
- Public Assistance Caseloads – increase – sign of the times; very concerned

#### Revenues:

- Up over BAM by \$1.8 million
- Shifting between deferred and prior year collections
- Generally items are on budget
- PILOTS – better than budget by \$473k; about 50% comes from OCIDA; 25% comes from City PILOTS; 25% from towns – challenging to predict it; use trending to forecast
- ROT – lower than by \$100k because of reduced need to fund Syracuse Symphony Orchestra; transferred surplus to Oncenter as part of the 2012 budget
- Sales tax – up nearly \$4.7 million over BAM; projecting growth of over 3% over 2010 actual; 3rd qtr. collections up 1.7%; projecting 4th qtr. collections up 2% - conservative estimate – could be upside as result of sales tax
- State aid – down \$14 million from budget - offset by substantial increase in federal aid of \$10.7 million; reflects state dollars used for Family Assistance and federal dollars substituted in their place; state aid down dramatically in Special Children's Services - result of decreases appropriations
- Correction Dept – up in federal inmate revenue because of federal inmate population - \$500,000 over budget

#### Appropriations:

- Mandated programs– down primarily due to Special Children's Services
- Transportation – down approx. \$1 million over what was anticipated in budget; rate increases have not been implemented to the extent thought to be; Accrual in 2009 carried over – to pay for anticipated, reconciled costs that at this point the department doesn't feel will happen – will hit fund balance/surplus
- Family Assistance & Safety Net – continue to have significant caseload increases
- JD PINS, Foster Care – seeing continued improvement; counties continued focus on juvenile detention
- Public Safety – better than budgeted – cost savings and overtime savings in Sheriff's Dept Civil Unit; Custody Unit – about break even; Emerg. Communications – had vacancies that they didn't fill salary savings; Probation – contract savings – Pre-trial starting later than anticipated; OCSPA settlement - \$385,000 – not anticipating anything at this point—if there is a settlement, the idea is to come to legislature and ask for fund balance
- IT – salary savings – reorganization not as timely as anticipated
- Health – exclusively to Mental Health – carried over accrual to pay out reconciliations for various entities that County contracts with – department determines the accrual is not needed – excess to go to surplus
- Highways and Parks – slight savings

Bottom line - \$1.5 million surplus on actual basis; didn't use fund balance to extent anticipated in the budget

Looking at other levels of governments – concerned at the state level. Waiting from Medicaid redesign team to come out with \$1.2 billion savings plan. In 2011 budget, it could institute a claw back; certainly in 2012 going forward early indications at state level is that the next state fiscal year budget could be in deficit by \$3 billion. Washington, Super Committee – goal of coming up with \$1.2 trillion in savings – they are having a very difficult time putting that together.

Stock market – volatility in stock market on nearly a daily basis; Greece and Italy – a lot of risk

Borrowing rates – still excellent; federal monitoring policy – if continues long term, it might contribute to inflation. Signs of inflation are seen in indicators reports, at core level and aggregate CPI level.

The outward picture is cautionary; results expecting for 2011 are better than budget.

Mr. Lesniak referred to CPI – using 3.9% on all items, noting that it is not what the government is using for gasoline Ms. Venditti said that all items includes energy; core excludes energy and food – near 2%.

Mr. Rowley distributed the following:

#### Projected Fund Balance Position under Generally Accepted Accounting Principles

	<b>2011 Forecast</b>
Revenue - Estimated (net)	\$ 743,020,707
Sales Tax Pass Through	100,717,769
Total	\$ 642,302,938
Fund Balance Goal 10%	\$ 64,230,294
2010 Total Fund Balance	\$ 84,527,919
Less Reserves:	
Encumbrances	3,019,698
Prepaid Expenses	4,788,766
2010 Unreserved Fund Balance	\$ 76,719,455
Appropriated in 2011 budget	3,939,174
Undesignated Fund Balance - Estimated	\$ 72,780,281
Amount over the 10% Goal	\$ 8,549,987
Fund Balance not used in 2011	3,939,174

Projected 2011 Surplus	1,524,104
Amt over the 10% Goal b/f other adj	\$ 14,013,265
ERI	(5,882,345)
FMAP final reconciliation	4,708,324
Amt over the 10% Goal b/f 2012 Approps	12,839,244
Appropriated in 2012 Budget	(16,111,402)
Remaining amount under 10% goal	(3,272,158)
Est Unreserved Fund Balance 2011	60,958,136
	9.5%

Mr. Rowley:

- There are a couple of different ways to calculate fund balance; have to incorporate the county policy
- Looking at some different ways of potentially calculating the fund balance number relative to the 10% goal
- When Comptroller reports on CAFR and year end results, maybe there could be a discussion relative to changing the fund balance calculation
- Estimated revenue – general fund revenue anticipated in 2011
- Subtract the sales tax pass through that goes to City municipalities
- Net revenue – from which the 10% goal is calculated
- 10% goal = \$64 million
- Started the year with a fund balance of \$84.5 million
- Comptroller adjusts for encumbrances and reserves; brings unreserved fund balance to \$76.7 million
- Take away what was appropriated in 2011 budget, \$3.9 million
- Brings fund balance to \$72.7 million; about \$8.5 million over fund balance goal
- Add back fund balance notice used in 2011, \$3.9 million; add projected surplus, \$1.5 million; amount over 10% goal is \$14 million
- Forecast doesn't reflect: ERI to be paid in lump sum, \$5.8 million; Extra \$4.7 million in FMAP; puts amount over 10% goal at \$12.8 million
- Comptroller will report \$16.1 million appropriated in 2012 budget
- Under 10% goal, \$3.2 million
- Projecting unreserved fund balance at end of 2011 of \$60,958,136, about 9.5% of net revenues.

Chairman Jordan said that is showing projected fund balance at end of 2012 of \$60.9 million, but doesn't factor in sales tax revenues for 2012. Mr. Rowley said that the assumption is that the budget will come in exactly as planned; fund balance will be used exactly as designated in the budget.

In answer to Mr. Stanczyk, Mr. Rowley said that at 1/1/12, the unreserved fund balance would be \$60.9 million. Mr. Stanczyk said that it is already taking out what isn't spent in 2012. Mr. Rowley said that GAAP dictates that reserves are taken out. Mr. Stanczyk said that 1/1/12 the County would have close to \$80 million fund balance. Mr. Rowley said it would be close to \$80 million before reserving for the 2012 appropriations out of fund balance, \$16.1 million.

Mr. Stanczyk said that with interest rates what they are, the County should be bonding for "everything in the kitchen sink". Find a mechanism to keep the reserve fine, but make sure we take care of everything that we need to at today's dollar cost, and project the dollar costs at the lowest rates seen in years, and pay for the next 20 years. When interest rates are low, county should be bonding everything; when interest rates are high, should be using cash. The more things we spend money on now, it is good for our local economy. Mr. Rowley agreed with Mr. Stanczyk's points, and noted that the county is heading down those tracks in a prudent manner; passed \$26 million of bonding as part of 2012 budget process. Outside influences are being looked at -- Europe and national scene; are nervous about it -- want to be careful about how to move forward. Mr. Stanczyk said that he would be bonding more. Right now interest rates are artificially low, held by the government. Mr. Rowley said that another factor is how fast they can get projects going.

Mr. Kilmartin referred to the document, referencing the undesignated fund balance estimate of \$72.7 million, and asked if that is estimated for end of 2011. Mr. Rowley said that it is--wanted to show what it would be if the year ended as planned, and used the appropriated fund balance in budget. Mr. Stanczyk said that is the problem; it is more like \$84 million; not subtracting what was used -- added back into fund balance -- added in twice. Mr. Rowley said that it is adjusted; taken out and added in below.

Mr. Kilmartin reviewed the calculations; noting that in some respects this is what wasn't used in 2010, what is anticipated ending in 2011, and a projection in 2012. He asked if there is an estimate for the 4th quarter 2011 sales tax compared to the projection in 2011 budget. Mr. Rowley said that there is not; at this point in time he estimates that the year will end, before ERI and FMAP, with a surplus \$1.5 million. Mr. Kilmartin asked if the \$1.5 million contemplated the growth in the 1st three quarters; Mr. Rowley said that it does. Mr. Kilmartin asked if it contemplates any growth in 4th quarter above the budget projection in sales tax. Mr. Rowley said that is a conservative projection; anticipates ending the year at 3.1% above projection from last year.

Mr. Stanczyk noted that the County budgets conservatively; projections are conservative; it normally comes in better, which is good. Mr. Rowley said relative to the fund balance calculation, could be ahead of the game when the year ends in sales tax, but he anticipates the adjustments that the Comptroller books for encumbrances and prepaids, will go up. At the end of the day, it could be a little worse or a little better in fund balance.

In answer to Mr. Kilmartin, Mr. Rowley said that FMAP has been received for two fiscal years at state level -- spans 3 fiscal years for county. No more is anticipated.

The meeting was adjourned at 9:15 a.m.

Respectfully submitted,

DEBORAH L. MATURO, Clerk  
Onondaga County Legislature

\* \* \*



**KATHLEEN A. RAPP, CHAIR**

**MEMBERS PRESENT:** \*Mr. Masterpole, Mrs. Tassone, Mr. Kinne, Mr. Lesniak, Mr. Dougherty

**MEMBERS ABSENT:** Mr. Cox

**ALSO PRESENT:** Mr. Meyer, see attached list

Chair Rapp called the meeting to order at 9:01 a.m. **A motion was made by Mr. Lesniak, seconded by Mr. Dougherty to waive the reading and approve the minutes of the proceedings of the previous committee meeting; MOTION CARRIED.**

**1. FACILITIES MANAGEMENT:** Archie Wixson, Deputy Commissioner

**a. Advance step R.P. 01 800510 4785 Mechanical Systems Maintenance Director Grade 34, Step K @ \$72,250 to Grade 34, Step S @ \$79,719**

- Ask to approve advanced step for the Mechanical Systems Maintenance Director; 27 years – assumed more duties
- Rely on for operations of plant – also planning and design support; shown considerable savings and efficiency

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

**2. TRANSPORTATION:** Brian Donnelly, Commissioner; Thomas Gottstein, Senior Management Analyst

**a. Authorizing Execution of Agreements with Cayuga County and with Towns and Villages Located in Onondaga County to Perform Snow and Ice Removal Services on Onondaga County Roads for the 2011-2012 Winter**

**b. Amending the 2011 County Budget to Provide for the Purchase of Three Plow Trucks in 2011 (\$584,376)**

**c. Amending Resolution No. 499 - 2011 to Restore Funding to the 2012 Fund Balance to Account for the Purchase of Plow Trucks in Calendar Year 2011 (\$584,376)**

Mr. Donnelly:

- Three items on agenda; a is a contract for plowing of county roads; b and c is amending budget – authorized to use fund balance to buy three trucks; buy this year instead of next; 5 towns bowed out this year and need trucks to cover
- CE 2011 budget address – said intention to look at the additional miles of county road plowed by towns, hopes to have all County roads plowed by the towns; similar to how it is in most of NYS
- Formed committee – town supervisors, town highway superintendents, village mayors, representatives from county DOT and County Executive Office – discuss how to make reality; good discussions
- More clear on how the towns vs. the county conduct business; sizable difference

\*Mr. Masterpole arrived at the meeting.

- 3 year agreements with towns to plow roads expired – County historically has 3 year agreements with towns to plow
- Stopped discussions on large scale and went to small scale group discussions; what has to be done to have a contract in place for 1 – 2 years to cover the time between having the large scale discussions

ONONDAGA COUNTY  
DEPARTMENT OF TRANSPORTATION

2011-2012 TOWN PLOWING PROPOSAL

**SUMMARY**

- \$6,335 per mile - \$425 (7.2%) increase from 2010-2011 rate of \$5,910
- Rate goes to \$6,967 if Syracuse's snowfall for winter of 2011-2012 exceeds 151 inches (25% above area avg. of 120.8 inches as recorded by the National Weather Service at Hancock Airport)

- Offered to pay state severity factor to towns, on top of rate, if they take 25% of the balance of county roads within towns they're currently not plowing; move towards goal to have towns plow more roads on behalf of county
- Discussions in July; notified September 19th – rejecting offer; not taking any more miles and want \$8,500/mile
- Could not recommend to CE or legislature; had town supervisor meeting; discussed what to do for an agreement

2011-2012 County Rate Per Mile Offer					
Components:	2010/2011			2011/2012	
	% Breakdown		Increase	% Increase	
Personnel & Non Fuel Equip.:	56%	\$3,310	\$165	5.0%	\$3,475
Material	38%	\$2,246	\$112	5.0%	\$2,358
Fuel	6%	\$355	\$142	41.5%	\$502
Rate		\$5,910	\$425	7.2%	\$6,335

\* Material increase based on estimated bid increase of 5%

\* Fuel increase based on preliminary 2012 budget price per gallon estimate for diesel of \$4.26

\* Based on the 2012 adopted budget's prices for fuel and material rate would be \$5,909 – a \$9 (1%) increase

- Salt down 7% and fuel down; \$6,335 on table already so stayed at that rate; expected cost on next slide

11/18/2011

### 2008-2011 County Costs Per Mile

Budget Year	Season	Snowfall	County Cost Per Mile	Without High & Low Miles
2008	2007-2008	109.1	\$5,129	
2009	2008-2009	149.6	\$6,520	\$6,520
2010	2009-2010	106.1	\$6,100	\$6,100
2011	2010-2011	178.9	\$8,152	
2012 (Expected)	2012-2012	120.8	\$6,335	\$6,335
Average			\$6,447	\$6,318

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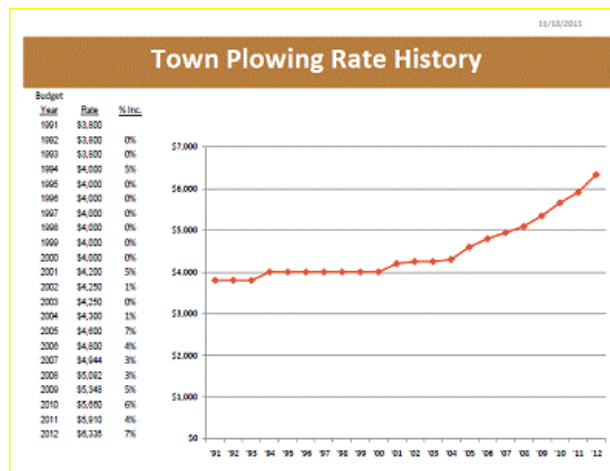
11/18/2011

### County & Towns Plowing Comparison

	County	Towns
Wages	Average County driver made \$17.44 per hour in 2011.	Average town driver made \$21.22 per hour in 2011 (22% higher than County).
Material	County uses, automated control spreaders on all its trucks. County material rate per mile in 2011 was 387 pounds.	Few towns use automated spreader controls to regulate amount of material used. Towns appear to salt at much heavier rate.
Plowing Methodology	County used one person plowing (OPP) on more than half its routes in 2011.	Most towns use two person plowing.

5

- Not proper to base offer to towns on worst year ever
- Some towns have a DICKEY-john but most don't; personal choice, maintenance involved, needs to be calibrated 2x/yr
- Can control speed of chain without a spreader and speed of spinner
- DICKEY-john will control the spreader and spinner, also as the truck slows, it will slow down the spread of salt; will stop when truck stops; not wasting salt at a light; steady rate; do allow to blast in icy area or dial down as needed
- Residential tough to do 1 person in a plow; rural areas, less travel and at night – certainly can be one person



Mr. Dougherty stated DOT is 50% higher than in 2004 in rough numbers, and it seems like a lot over 7 years.

Mr. Donnelly:

- Most critical year 2008 - fuel went up; cost dictated by NYS equipment rental rate went up - what NYS tells the counties to bill themselves because they have to maintain a machinery and highway fund; steel went up
- 2005 – negotiations pretentious with towns, towns say rate too low; previous administration tried to come up with something to address; current administration - look at costs and base contract on those costs

### Comparison of Plow Rates – Various Counties

County	Population (2000)	County Mileage	County Miles Plowed By County	County Miles Plowed By Towns	2011 Rate
Erie	950,280	1,283.90	-	1,283.90	\$ 6,687
Monroe	735,380	662.90	-	662.90	\$ 6,539
Onondaga	458,360	793.20	536.20	257.00	\$ 6,335
Warren	43,420	241.50	-	241.50	\$ 6,027
Oneida	235,520	393.80	60.42	333.38	\$ 5,500
Genesee	90,990	257.50	37.50	220.00	\$ 5,440
Sullivan	73,960	385.30	151.30	234.00	\$ 5,325
Essex	38,860	356.70	51.70	305.00	\$ 5,260
Montgomery	49,720	289.80	-	289.80	\$ 5,250
Ontario	130,240	229.40	-	229.40	\$ 5,210
Lewis	26,980	248.90	75.44	173.46	\$ 5,200
Jefferson	111,790	519.00	-	519.00	\$ 5,000
Fulton	55,570	542.90	79.90	463.00	\$ 5,000
Chautauque	139,830	551.50	524.50	27.00	\$ 4,970
Steuben	96,730	676.00	524.00	152.00	\$ 4,710
Cattaraugus	83,980	397.70	388.18	9.52	\$ 4,505
Livingston	64,340	242.50	-	242.50	\$ 4,000
Cortland	48,810	247.70	181.70	66.00	\$ 3,399
Broome	206,570	339.10	300.10	39.00	\$ 3,330

11/18/2011

### OCDOT Snow Contract with NYS

<ul style="list-style-type: none"> <li>• Lump sum contract with year end severity factor adjustment</li> <li>• It is not a rate per mile contract</li> <li>• Base established using County's average cost for winters of 2001-2003</li> <li>• Adjusted annually for labor, material, and equipment</li> <li>• Prior to the 2004-2005 winter, Onondaga County had plowed State roads under a time and materials contract</li> </ul>
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Additional Miles to be Plowed by OCDOT in 2011-2012		
Five towns will no longer be plowing 60.41 miles of County roads		
Town	Miles	Revenue to Town (@ \$6,335 per Mile)
Camillus	11.93	\$75,577
Clay	19.41	\$122,962
DeWitt	7.79	\$49,350
Manlius	11.64	\$73,739
Otisco	9.64	\$61,069
Total	60.41	\$382,697

- Slide 7 – dash represents the town plowing all the miles
- Slide 8 – the numbers were not shared with the town or counties
- Slide 9 – Will contact Dewitt sooner than later if possible to negotiate; currently configured routes w/o Dewitt plowing

Impact of OCDOT Plowing 175.41 More Miles than Budgeted	
<ul style="list-style-type: none"> <li>• Retaining 115 Miles: <ul style="list-style-type: none"> <li>• Refunding/Restoration of three permanent driver positions and five temporary driver positions</li> </ul> </li> <li>• Additional 60.41 Miles: <ul style="list-style-type: none"> <li>• Six temporary drivers and one temporary mechanic</li> <li>• Three additional trucks (one less backup truck)</li> <li>• Four additional routes</li> </ul> </li> </ul>	

- 115 was proposed in the budget; town not interested on day of presentation; the 60 is the 5 towns

Onondaga County DOT 2011-2012 Plowing Adjustments					
Cost			115 Miles	60.41 Miles	Total
MEO 1 (Full Year for 3 positions)	101	Highway Division	\$102,290	\$0	\$102,290
Overtime	102	Highway Division	\$92,552	\$48,618	\$141,171
Temporary Drivers	103	Highway Division	\$67,580	\$94,612	\$162,192
Benefits	120	Highway Division	\$117,793	\$32,196	\$149,989
Salt	300	Highway Division	\$320,841	\$168,539	\$489,380
Total			\$701,056	\$343,965	\$1,045,021
Winter Maint. (Parts & Labor)	300	Road Machinery	\$98,074	\$35,902	\$133,976
Fuel (Plowing)	300	Road Machinery	\$75,460	\$39,630	\$115,090
Total			\$173,534	\$75,541	\$249,075
Subtotal			\$874,590	\$419,506	\$1,294,096

- One year agreement – no additional full time but temporary drivers; number of individuals willing to plow part time
- \$874,000 is out of contract dollars; next slide shows differences

Onondaga County DOT 2011-2012 Plowing Adjustments			
2012 Contracted Services (570) Account			
	2012 adp.	\$6,335 rate less	
	<u>\$6,335 rate</u>	<u>less 60.41 miles</u>	<u>difference</u>
Town and village plowing (319.31 miles)	\$2,022,829	\$1,640,132	\$382,697
Funds for additional miles (115 miles)	\$728,525	\$0	\$728,525
Tully garage utility costs	<u>\$8,889</u>	<u>\$8,889</u>	<u>\$0</u>
Total:	\$2,760,243	\$1,649,021	\$1,111,222
Total costs from previous page:			\$1,294,096
Potential additional costs:			\$82,874
Incentive cost if snowfall exceeds 151 inches and rate goes to \$6,967			\$163,625
Town \$8,500 counter offer Cost:			\$2,714,135
Inc. Cost above \$6,335 offer:			\$691,306

Next Steps	
<ul style="list-style-type: none"> <li>• Reconvene Study Group in January, 2012</li> <li>• Open Items: <ul style="list-style-type: none"> <li>• Long Term Plowing Contract</li> <li>• New Town Facilities</li> <li>• New County Facility</li> <li>• Single Rate or Town by Town?</li> <li>• Independent Review of Costs / Methods</li> </ul> </li> </ul>	

- Estimated costs; light winter - costs go down; heavy winter - will be back
- Snow committees – towns reluctant to add more miles; would involve buying more trucks, highway depts.
- Only 1 year contract – 14 towns accepted offer; always situation where towns plow a certain number of county roads
- Would like terms that last much longer (3-5 years); other counties have 10 year agreements

- If not fruitful in discussions of towns taking more miles, DOT has 2 highway facilities that need work; have purchased land but no plan for facility – wanted to finish this process; has to be decided relatively soon
- Looking at varying rate for towns based on area, terrain and snowfall – northern towns have lake effect and heavy traffic; southern have higher altitude and heavy wind
- Comptroller looked at calculating costs – methodology reasonable; not sure how towns calculate; long time since time and materials contract
- Looking at rates paid by other counties – figure of \$12,000/miles; can't imagine ever paying that amount; can't reach agreement with towns, then begin discussions to take more miles back

Mr. Kinne asked if the towns pay more for their drivers and complain of facilities, and the county needs a new facility, then has the county checked to see if the town can use a county facility; add a bay. Mr. Donnelly responded that DOT would look to the surroundings in, i.e., Clay to see if they would want to participate. Most of the towns do not have very good facilities, and Clay has to take the front plows off because the bay will not accommodate a 10 wheel; only 6 wheel. Mr. Donnelly said that is something to look at.

Mr. Donnelly:

- Haven't had any towns come to County DOT to look at sharing facilities; except Salina
- Town of Tully – station a truck and rent space in areas out of realm; easier to hit instead of out of Jamesville reservoir
- Means, methods different across board; proud of DOT; work hard, long hours; towns feel they're better and vice versa
- Expectations and acceptance different depending on where people are; heavier population and travel - expectation 24/7 the roads will be clear; southern towns – expect hard pack on roads and go over night without a lot of trucks

Mr. Fisher responded to Mr. Kinne that the recommendation was it doesn't make sense for both the county and the towns to do the plowing. There is lifting of plows and duplication. It would be beneficial to the community as a whole to have one person plow which works in Monroe County. The goal is to have one out of the business; discussions need to continue and intend to continue until progress made. Mr. Kinne stated it drives him crazy that in a snow storm, the town or county will not put the blade down in front of his house but will at the top of the hill. Mr. Fisher agreed that both are burning fuel.

Mr. Donnelly agreed with Mr. Masterpole that all county miles 793.2 are county owned. Mr. Masterpole asked if Mr. Donnelly knows the total mileage within the county including all state owned, town and county owned roads. Mr. Donnelly responded he does not have that with him but there is a report out every two years that lists the highway mileage for every municipality by county, state, town, village roads, etc. Mr. Donnelly replied to Mr. Masterpole that he is not sure of the total mileage but knows Onondaga County is the second largest highway system, and Erie County is the first. Mr. Masterpole stated he appreciates what the County Executive did, but what if the negotiations went in the other direction. If the Town of Geddes wanted the County to do all the roads, then what if they pay the County \$6,335? Is that acceptable? Mr. Donnelly responded that he would entertain this. The towns and county roads are different in equipment; towns plowing with 6 wheel and county are 10 wheels. This would involve a capital investment on the county's end.

Mr. Donnelly:

- Would be ready to accept the price per mileage; confident in the numbers
- Never want to negate what the towns do; towns not interested in Rt. 57; County doesn't have expertise with small roads and cul-de-sacs; any entity could pick up expertise in the other
- Town roads - dealing with obstacles and traffic volume; width of pavement; no schools for training; have to go out, do it and be safe; hope to hire safe individuals

Mr. Fisher responded to Mr. Masterpole that the County Executive would listen to Mr. Donnelly and Mr. Millea with an open mind reference having the county plow all the roads. Chair Rapp stated the point was to have plowing delivered from home, and it makes more sense to have the County out of the business.

Mr. Meyer:

- Towns and villages - location of highway garages not ideal situation; a lot have constraint on lot size; don't have room to build; twice the Town of Cicero defeated items to add highway garages; voters spoken repeatedly
- Add County miles to chart – total square miles of counties and analysis - more miles than many counties do

Mr. Donnelly responded to Mr. Meyer that the trucks are full and ready for snow fall. Mr. Gottstein replied to Mr. Meyer that the last purchase price on fuel was \$3.15.

Mr. Donnelly responded to Mr. Meyers questions:

- \$4.26 initial number for budget; \$3.51 is adopted budget; \$6,335 closer to actual internal costs and appropriate number to stay with; materials based on the 5%; possible slush
- Avg. is full time drivers that drive plows across MEO 1,2,3; took average of towns stated contract price; hourly rate
- One person plows - did not leave existing routes; some miles fit with other routes; 57 instead of 53 routes for additional 60 miles; added 2 additional 1 person plow routes
- Towns were not doing all county roads; already out on Guy Young and Oak Orchard, hitting Mader – already there; county agreed to what towns thought was best route for town vs. county
- Camillus – 75% of county roads already were county plowed and now 100% - routes established already; not sure of a certain factor in additional cost – some may have higher costs where there are small spur roads - plow with pickup
- Only reason to come back to the legislature is harsh winter and need additional funding

Mr. Dougherty asked if the Town of Clay came back and said the county has to plow everything north of 31 at \$6,335, would the county do this. Mr. Donnelly responded it is difficult to answer without an analysis of the condition of the roads, types of obstacles and paving conditions. Mr. Donnelly stated those are things he would want to look at but would certainly entertain the idea. He would be lying to say he is familiar with the town highway system and curbing, catch basins, cul-de-sacs, concrete gutters and how they clear them out, cost factors, etc. Mr. Donnelly can't comfortably say yes but can look at it and come up with a price structure.

Mr. Donnelly responded to Chair Rapp:

- 7.79 miles in Dewitt – not sure it would change equipment; need to reconfigure routes; would adjust some costs

Mr. Lesniak responded to Mr. Kinne that the towns pick the roads they want to plow. Mr. Donnelly replied to Mr. Kinne that it is possible the county will bypass certain town roads to get to what has to be plowed. He stated the reality is the towns and subdivisions usually cross the county roads more often than the opposite.

***A motion was made by Mr. Lesniak to approve item a.***

Mr. Donnelly responded to Mr. Kinne that he is not sure a taxpayer cares what the color of the plow is; they want the roads plowed. Mr. Donnelly agreed with Mr. Meyer who stated that if the money isn't there, the commissioner cannot sign off on it and cannot take on more miles.

***Mr. Dougherty seconded the motion to approve item a. Passed unanimously; MOTION CARRIED.***

***A motion was made by Mr. Lesniak, seconded by Mr. Kinne to approve item b. Passed unanimously; MOTION CARRIED.***

Mr. Donnelly responded to Mr. Lesniak that all trucks are out of fund balance; asking to buy in 2011.

***A motion was made by Mr. Masterpole, seconded by Mr. Lesniak to approve item c. Passed unanimously; MOTION CARRIED.***

**3. ONONDAGA COUNTY PUBLIC LIBRARY:** Elizabeth Dailey, Executive Director; Sally Carmer, Director of Administrative Services

**a. Amending the 2011 County Budget to Accept Additional CNY Library Resources Council Funds for the Onondaga County Public Library (\$10,000)**

***A motion was made by Mr. Kinne, seconded by Mr. Masterpole to approve this item.***

Mrs. Dailey stated it is for cataloging and it is an ongoing project which they seek funding for every year. Mrs. Dailey stated they are also making this available to member libraries who have small collections.

***Passed unanimously; MOTION CARRIED.***

**b. Transfer from Other Employee Wages Account 103 (\$7,674) To All Other Expenses Account 410, \$7,674 (Branches)**

Mrs. Carmer stated the county security contract came up midyear and low bidder is 27% higher than previous.

***A motion was made by Mr. Kinne, seconded by Mr. Dougherty to approve this item.***

- Security from last year rebid but not low bidder; previous contract was 3 years; purchasing did the bid; 6 firms applied
- Different levels of security (1, 2, 3); different departments have different needs; different rates; this is OCPL costs
- contract is county wide, same rates apply for all departments at the same level of security

***Passed unanimously; MOTION CARRIED.***

**c. Transfer from Regular Employee Salaries Account 101 (\$8,498) to Maintenance, Utilities & Rents Account 413, \$8,498 (Branches)**

Mrs. Carmer stated the utilities came in higher than budget and there were salary savings this year.

***A motion was made by Mr. Kinne, seconded by Mrs. Tassone to approve this item. Passed unanimously; MOTION CARRIED.***

**d. Transfer from Professional Services Account 408 (\$17,921) to Maintenance, Utilities & Rents Account 413, \$17,921 (System)**

Mrs. Carmer stated she lost sight that Comptrollers re-categorized some items for the 2011 budget.

***A motion was made by Mr. Kinne to approve this item.***

Mrs. Carmer replied to Mr. Dougherty that the amount budgeted is being moved to the correct account.

***Mr. Masterpole seconded the motion. Passed unanimously; MOTION CARRIED.***

**e. Transfer from Professional Services Account 408 (\$8,500) to Maintenance, Utilities & Rents Account 413, \$8,500 (Central)**

Mrs. Carmer stated some of the facility maintenance is higher than what was budgeted.

***A motion was made by Mr. Kinne to approve this item.***

Mrs. Carmer replied to Mr. Kinne that an example that was unexpected was a broken glass door and cameras.

***Mr. Masterpole seconded the motion. Passed unanimously; MOTION CARRIED.***

**f. Transfer from Other Employee Wages Account 103 (\$10,598) to Maintenance, Utilities & Rents Account 413, \$10,598 (Central)**

Mrs. Carmer stated they are looking at a shortfall in the 413 account.

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

Chair Rapp agreed with Mrs. Dailey to have the next committee meeting in December at the library.

The meeting was adjourned at 10:00 a.m.

Respectfully submitted,

Jamie M. McNamara, Assistant Clerk  
Onondaga County Legislature

\* \* \*

**PLANNING & ECONOMIC DEVELOPMENT COMMITTEE MINUTES – NOVEMBER 17, 2011  
KATHLEEN RAPP, CHAIR**

**MEMBERS PRESENT:** Mr. Dougherty, Ms. Williams, 1Mr. Stanczyk

**MEMBER ABSENT:** Mr. Cox

**ALSO PRESENT:** Mr. Rhinehart, Mr. Meyer, Mr. Kinne and *see attached list*

Chair Rapp called the meeting to order at 10:30 a.m. *A motion was made by Mr. Dougherty, seconded by Ms. Williams to waive the reading and approve the minutes of the proceedings of the previous committee meeting. MOTION CARRIED.*

**1. INFORMATION TECHNOLOGY:** Ken Beam, Chief Information Officer

**a. Transfer from Regular Employee Salaries Account 101 (\$153,000) and Benefits Account 120 (\$74,970) to Furniture & Equipment Account 215 (\$227,970)**

- Excess funds available due to late implementation of ERI and reorganization of department

**1Mr. Stanczyk arrived at the meeting.**

- Funds used to upgrade core network switches, 10 years old, no longer supported
- Switches are the heart of the county network, without them could not connect servers or PC's
- Two 6500 core switches, smaller switches coming out of another project

In response to Chair Rapp, Mr. Beam stated this expense was not anticipated. When they contacted Sysco for the 2012 maintenance, they learned that Sysco was no longer maintaining these pieces of equipment and has advanced to new technology.

Mr. Dougherty asked if there was any reason this couldn't wait. Mr. Beam responded that there is a great deal of risk, if a switch stops functioning there is no support and the network would go down. It could take 30 – 60 days to get a new switch; must be built not premade.

*A motion was made by Mr. Dougherty, seconded by Ms. Williams to approve this item. AYES: 3 (Rapp, Dougherty, Williams); NOES: 0; ABSTENTIONS: 1 (Stanczyk). MOTION CARRIED.*

**b. Transfer from Regular Employee Salaries Account 101 (\$97,000) and Benefits Account 120 (\$47,530) to Supplies & Maintenance Account 300 (\$144,530)**

- \$6,500 used to purchase paper
- \$33,000 for network switches & uninterruptible power supplies for offsite facilities; example smaller health clinics and other sites with old gear; switch replacements were not included in original VOIP project; opportunity to bring them all up to grade
- \$89,600 for 9 IBM blade servers, used for redundant county data center; recently had power failures in the Civic Center county employees had to be sent home as they were unable to work; servers would be placed at the 911 center

In answer to Chair Rapp, Mr. Beam stated that they have had to send employees home in the past. With the most recent event, they were on the edge of sending everyone home when they were able to get things back up.

In answer to Mr. Dougherty, Mr. Beam explained that the Civic Center has original power switches from the date of construction. The switches are no longer being made; can't just order a new one to replace it. In his opinion they will need a capital project to update all the switches at the same time. Mr. Dougherty questioned what this has to do with IT. Mr. Beam explained that our power comes from National Grid to Facilities through these old switches. We depend on the switches to receive power for the entire building, including the data center. While the current switches are not hurting the equipment, we are forced to shut down all the time; impacting everyone in the county. This will help us to build a redundant data center at 911. We will have a connection through Metro to get back and forth; would be able to keep the facility up and running if the power was lost.

Chair Rapp asked why this was not part of the 2012 budget. Mr. Beam responded that it is an expense that they normally can't afford and something that would be difficult to get passed. Since they have the money left over in their budget, it is something that would be a great thing to do now. They had budgeted salary amounts for the full year, due to the length of time it took for the ERI and reorganization excess funds are now available.

Mr. Dougherty stated the blade servers would be installed for data redundancy and asked if everyone would have access to this countywide. Mr. Beam responded that it would be used to keep everyone working when they lose power in the building. They currently don't have anything like this in place. If the data center is shut down for lack of power, everyone is down.

In answer to Mr. Dougherty, Mr. Beam confirmed there are UPS's associated with this. Mr. Dougherty stated this is all part of the same project, it is not being sent to desktops. Mr. Beam agreed adding that 911 has a generator. If they lost power in both places, they would have a generator to keep things going.

Mr. Dougherty asked if there were backups being done now. Mr. Beam responded that they have backups on tape but they do not have a redundant data center to keep the servers up and running. This would give us the opportunity to do so. Mr. Dougherty added that this is a great thing and something that we should have been doing.

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



Mr. Dougherty stated that it scares him to learn that we do not have this capability. Mr. Beam added that we are not the only ones; most counties do not have this as they do not have the means to do so.

**2. ECONOMIC DEVELOPMENT:** Nora Spillane, Administrative Intern; Bill Fisher, Deputy County Executive

**a. Authorizing the Office of Economic Development to Apply for Reorganization of the Foreign Trade Zone on Behalf of Onondaga County, and Authorizing the County Executive to Enter Into Contracts to Implement this Resolution**

Mr. Fisher:

- 3 related resolutions; memo sent to committee members for review

**MEMO**

**TO:** Onondaga County Legislature Planning and Economic Development Committee

**FROM:** Mary Beth Primo, Director, Office of Economic Development

**Re:** Foreign Trade Zone #90 Information

**Date:** October 26, 2011

**What is a Foreign Trade Zone?**

A Foreign-Trade Zone (FTZ) is a secured, designated location in the United States, in or near a U.S. Customs Port of Entry, where both domestic and foreign merchandise is generally considered to be involved in international commerce (i.e., outside of the U.S. Customs territory).

The purpose of Foreign-Trade Zones is to incentivize international trade and create jobs and investment in the United States rather than abroad. Foreign merchandise may enter a Foreign-Trade Zone without a formal Customs entry or the payment of Customs duties or government excise taxes. Component parts imported directly into an FTZ, manufactured into a final product, and re-exported may be eligible for lower or reduced tariffs. If the final product is exported, no U.S. Customs duties or excise taxes are levied. If the final product is imported into the United States, Customs duties and excise taxes are due only at the time of transfer from the FTZ. If authorization has been granted, the duties paid are the lower of those applicable to the final product itself or its component parts (inverted tariff option).

A site which has been granted zone status by the Federal Foreign Trade Zone board may not be used for zone activity until the local U.S. Customs and Border Protection (CBP) officials approve the site for FTZ use. Once approved, zone activities remain under the supervision of Customs and are subject to spot checks and periodic inspections at any time. Although FTZs are considered involved in international commerce, FTZ sites and facilities remain within the jurisdiction of local, state and/or federal governments and agencies.

**Background**

Congress authorized the foreign-trade zone program in 1934. Intended to give a competitive edge to those U.S. companies in direct competition with foreign alternatives, Foreign Trade Zones (FTZs) allow delayed or reduced duty payments on imported foreign merchandise. In 1983, Onondaga County applied for and received a grant of authority to operate a Zone. FTZ #90 was originally wholly contained at a warehouse and distribution facility in Liverpool, NY. At that time, Onondaga County contracted with a third party to administer and operate the Zone. The introduction of NAFTA, in 1994, dramatically reduced export costs to the United States' two largest trade partners, Canada and Mexico. Consequently the use of FTZs nationally and locally was reduced considerably.

**Alternative Site Framework**

In late 2009, in response to changing global trade patterns and to streamline FTZ operations, the Federal Foreign Trade Zone Board introduced a new operating framework. Under the new model, many of the onerous administrative duties that previously fell to grantees, administrators, and operators now shift to those companies actually using and benefiting from the Zone. There is no longer a need for a zone administrator to liaison between grantees and operators. Additionally, a more flexible boundary modification system replaced the zone/subzone designations of the traditional framework. The Federal Foreign Trade Zone Board designed the Alternate Site Framework (ASF) to give grantees tremendous flexibility across their Zone to bring FTZ designation to companies with an immediate need. Rather than force activity to specific infrastructure, the ASF allows companies to designate areas of their own existing buildings as "usage driven sites". Within a service area, a grantee must still designate at least one "magnet site", which it intends to use to attract multiple FTZ operators/users. Finally, the ASF allows a grantee to extend its service area to surrounding counties that do not have the ability to obtain a grant of their own. Counties must have a CBP-designated international port in order to qualify for a Zone. Grantees may extend their service area to sites within 60 miles or 90 minutes drive time from the port of entry.

**Benefits of FTZ Activity in Onondaga County and Central New York Region**

The Federal Government's National Export Initiative aims to double the nation's exports in the next five years. Research indicates that increasing US export activity delivers economic growth, creates jobs, and produces higher paying jobs. The Institute for International Economics reports that U.S. companies that export not only grow faster, but are 8.5% less likely to go out of business than non-exporting companies. Onondaga County, in conjunction with the Brookings Institute's Metro Export Initiative, is in the midst of a comprehensive analysis of current regional export activity in order to design an Export Plan. In order to take full advantage of the Plan's recommendations, the County should be poised to offer maximum benefits to local businesses. Importers may be able to reduce their effective duty rates, utilize special entry procedures, and encourage production closer to market. Manufacturers may take advantage of inverted tariffs and eliminate duties on waste, scrap, and rejected/defective parts.

FTZ benefits are an economic development tool for attracting businesses in our target industries and may level the playing field with international sites. Exporters may also take advantage of Onondaga County's strategic position at the intersection of Interstates 90 and 81, access to the St. Lawrence Seaway, and proximity to markets throughout the Northeast U.S. and Canada. The Capital District Regional Planning Commission operates a 10 county service area; Monroe County and Erie County are in the process of transitioning their FTZs to the ASF. It is important for Onondaga County to keep pace with its upstate neighbors.

**Benefits of ASF Transition to Onondaga County**

The new ASF greatly reduces a grantee's administrative oversight of an active FTZ service area over the traditional site management framework. Once FTZ #90 is reorganized under ASF, interested companies would be subject to a standard application process in order to obtain grantee approval to apply to the Federal Foreign Trade Zone Board. Ultimately, it is the Federal Foreign Trade Zone Board and not grantees that make the decision whether an operator company may utilize FTZ benefits. Grantees' obligations consist of endorsing a potential operator's completed application for submission to the Federal Foreign Trade Zone Board, and annual recordkeeping and reporting to the Federal Foreign Trade Zone Board. U.S. Customs and Border Protection (CBP) are responsible for monitoring activity within designated FTZ areas. The grantee acts as an administrative pass through between the company and Federal Foreign Trade Zone Board.

Onondaga County, as the grantee, is able to recoup its administrative costs through an annual maintenance fees charged to operators. Companies operating at either the magnet site or their own usage-driven site are responsible for application costs, other expenses, and compliance with all required Federal laws and regulations.

- Federal government allows for Foreign Trade Zones (FTZ), been around for many years, weren't effective, weren't utilized, died a slow death
- NAFTA came along and took care of what FTZ's were used for, a lot of foreign trade with Canada and Mexico

- New form of FTZ now available, collaborating with Brookings on foreign exporting, surrounding counties had interest in an FTZ returning to Onondaga County
- Onondaga County would run the program, offer it to other counties
- No budgetary impact, any benefits received by surrounding counties will be paid for by them
- One of the features for a FTZ is that you must have a site; companies looking to benefit from the FTZ will be encouraged to locate at the Clay Business Park; site is speculative at this point; business park is currently raw land with some improvements

Chair Rapp asked what the driver was to put the site at the Clay Business Park versus the Tech Garden or another location. Ms. Spillane responded that the primary use will be from manufacturing and large scale importing and exporting. The Tech Garden is not set up to do this.

Mr. Fisher provided the following handout:

JOANNE M. MAHONEY  
COUNTY EXECUTIVE

333 W. Washington Street, Suite 130  
Syracuse, New York 13202  
P. 315.435.3770 F.315.435.3669

MARY BETH PRIMO  
Executive Director  
OCIDA

***The Clay Business Park  
Route 31, Clay, NY***

**Project Overview:**

*The Clay Business Park is a 335-acre industrial-zoned park located in the Town of Clay, Onondaga County. The Town of Clay is the second largest municipality in the 5-county Central New York region & third largest municipality in the 12-county area served by the Central Upstate Regional Alliance. Over 142,000 residents of Central New York live within a 10-mile commute to the Clay Park; 348,000 residents live within a 15- mile commute to the Park .*

*The Clay Business Park is the only publicly controlled park of its size in Central New York. It is the only site in CNY competitive with the large industrial parks located in the Hudson Valley and Buffalo-Niagara Super-Regions. The site can attract a wide array of investment and absorb the demand for "greenfield development" in other areas of the County & Region.*

*The Park's assets - topography, infrastructure and human capital - are those assets necessary to attract significant investment from the Region's targeted industries. The Park can accommodate large investors interested in siting a 1,000,000 sq. ft. building as easily as it can accommodate a 100,000 sq. ft. facility built for a high-growth company requiring expansion acreage.*

*Depending on the specific industry, job creation is expected to range between 1000 - 2500 FTE.*

**Total Funding Request:** \$6.2 m including \$4.2 m for sewer, \$1m for wetland mitigation & betterment, \$1m for signalized intersection. Park will be shovel-ready after this investment

**Total Private Capital Investment:** \$100 million to \$200 million of private capital investment for a planned build-out of 1 million to 2 million sq feet of space (Appendix I)

**Leveraged Funds:** OCIDA funds of \$ 2.44 M (\$3m present day funds)

**Job Creation:** 1000 - 2500 full-time, well-paid jobs

**Targeted Sectors:** The Park's assets (water, sewer, rail and power) will support development of four of the Region's priority sectors. Those sectors are:

- Clean Energy & Environmental Systems, particularly Photovoltaic & Bio-fuels
- Bio-Medical Manufacturing products and their suppliers, particularly Plastics
- Agribusiness & Food Processing
- Advanced Manufacturing such as the Semi Conductor industry

**Current Demand for Sites like Clay.** Since June 2010, the County Office of Economic Development has hosted 16 dairy and food processing projects, which could not find a suitable location in Onondaga County. Seven unfulfilled attraction projects demanded 200,000 sq ft of space and eight unfulfilled attraction projects were unable to find over 100,000 sq ft of space, which suited their needs.

**International Trade/Exporting:** The Park will be the primary location of the Onondaga County Foreign Trade Zone, the only FTZ in Central NY. The Park also is within 260 miles of Canada's east coast population centers: Toronto, Montreal, and Ottawa. Canada is the largest trading partner of the United States.

Mr. Fisher continued:

- Asked for \$2 million dollars for the Clay Business Park, part of the \$40 million dollar Governor's Regional Development Plan; if 1 of the 4 regions out of the 10 competing to receive the \$40 million, will have \$2 million from the state towards the Clay Business Park
- Legislators were concerned during budget process as to what was being done to accelerate the park, believe \$2 million and FTZ would assist in acceleration

Mr. Fisher stated he would turn it over to Ms. Spillane to describe what a FTZ is, how it is administered, and why it doesn't have a budgetary impact.

Ms. Spillane:

- Duty free, similar to when you go to the airport and purchase goods tax free
- Dramatically reduces company tariff rates, take advantage of inverted tariff option, final manufactured goods would have lower tariff rate than some of the parts that they have imported
- Costs saving tool that the Economic Development office could offer to businesses
- Simplified way to get to business, previously required a lot of paperwork, administrators could not be at same site as the business, had to go to a separate location, under the new alternate site framework (ASF) the Foreign Trade Zone Board has made this much simpler

- 2 different kinds of sites, magnet site where you would attract multiple users (Clay Business Park), usage driven site could be contained within an existing facility, would not have to relocate their operation
- All sites will be administered by the company, responsible for fees and paperwork, overseen by Customs and Border Patrol
- County is somewhat removed, previously had to have a site, there was an operator, we administered it and contracted with them, no longer necessary
- ASF allows for expanded service area, need to have international port for an FTZ, we have Hancock Airport, not every county has this capability
- Oswego County, including the Port of Oswego, Madison and Cayuga County's have expressed an interest in becoming part of our service area, essentially we get permission from the county and this is the end of their involvement, from there on our office would work with their companies to assist with an application, review application and submit to Federal Foreign Trade Zone Board
- Federal Foreign Trade Zone Board does the bulk of the administrative work, they review application for completeness, make all discretionary decisions; we are a pass through

In answer to Chair Rapp, Ms. Spillane stated Cortland County does not have an international port. Chair Rapp asked why they were opting out. Ms. Spillane responded that Cortland is a unique situation. A consultant has advised them that they might have an option to obtain their own FTZ. Chair Rapp stated that she thought they had to have an international port. Ms. Spillane responded that she cannot explain where this logic is coming from. In her conversations with the regional representative from the Commerce department this seems unlikely.

Mr. Dougherty asked if there was any reason why we might not get this. Ms. Spillane responded that she could not think of one. Mr. Fisher added that it has to be approved by the Federal Government. Ms. Spillane added that we currently have a grant and could continue operating. However, for everyone's benefit, Economic Development, Onondaga County and the ultimate end users, local companies could benefit from the new framework. The new framework is much easier, it is a service. She feels we should be offering the best service for those companies.

Ms. Spillane confirmed that we are not in competition with the other counties. We have the grant and are simply transitioning our ability to use it.

Mr. Stanczyk stated it is not only a benefit to our county and the surrounding counties that participate; it also may benefit the Clay Business Park, if there was someone looking to establish a warehouse and manufacturing operation. It is a plus, plus for us in terms of existing businesses and in terms of being a magnet attraction. Because of this we may be in better shape for the \$2 million in funding that we are looking for. Ms. Spillane added that this is a complimentary piece.

Mrs. Rapp stated this has been a long time coming. She has talked to several companies in her district who have a ready and waiting market in China. They just can't get there because of all the red tape. She feels this is very exciting and one of the biggest things they have done in awhile.

***A motion was made by Mrs. Rapp, seconded by Mr. Dougherty to approve this item. Passed unanimously; MOTION CARRIED.***

**b. Memorializing the Governor and the Legislature of the State of New York to Amend County Law §224(23) to Permit Onondaga County to Collaborate with Other Counties with Respect to Operating and Maintaining a Foreign Trade Zone to Promote Regional Economic Development and Requesting and Concurring in the Preparation of a Home Rule Request**

Ms. Spillane:

- Need to modify state enabling legislation to include the other counties as part of our service area

***A motion was made by Mr. Stanczyk, seconded by Ms. Williams to approve this item.***

In answer to Mr. Dougherty, Mr. Fisher explained that this is an on demand service. We don't do any work until a business asks us to do so. The Office of Economic Development has already done some research as to how much effort it will take and what comparable municipalities are charging for this service. Ms. Spillane will be able to give you some of the details.

In answer to Mr. Dougherty, Ms. Spillane stated that the county is involved because we are the grantee; we hold the grant and have to give anything coming through the grant our blessing. Our portion is very nominal; the majority of the discretionary work is done at the federal level. We review the application for completeness and market it as recruiting people. Mr. Fisher stated the application is reviewed and the County Executive or Director of Economic Development would sign something saying the application was all in order, it is then sent to the federal government. Ms. Spillane added that the federal government would review it as well as Customs and Border Protection. They have an intensive on site inspection for free trade. Customs is very specific about how this will work; this is outside of our purview.

Mr. Stanczyk stated this is simply regionalizing what we are doing; asking the governor to allow us to allow other counties into our FTZ. Ms. Spillane agreed.

***Passed unanimously; MOTION CARRIED.***

**c. Authorizing the Office of Economic Development to Apply to the Foreign Trade Zone on Behalf of Onondaga County for an Expansion of the Service Area in Collaboration with Other Counties, and Authorizing the County Executive to Enter Into Contracts to Implement this Resolution**

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

Chair Rapp asked Ms. Spillane to come back in six months and let them know how they have progressed.

**3. ONONDAGA CIVIC DEVELOPMENT CORP.:** Nora Spillane, Administrative Intern

**a. Confirming Reappointment by the Chairman of the Onondaga County Legislature to the Board of Directors of the Onondaga Civic Development Corporation (James Farrell)**

In response to Chair Rapp, Ms. Spillane responded that Mr. Farrell has been a good board member who regularly attends meetings.

***A motion was made by Mrs. Rapp, seconded by Mr. Stanczyk to approve this item. Passed unanimously; MOTION CARRIED.***

#### **4. Memorializing the Support of the Onondaga County Legislature for a Video Lottery Gaming Facility in Onondaga County, Subject to Satisfaction of Various Conditions (Sponsored by Mr. Rhinehart)**

Mr. Rhinehart stated the resolution memorializes the legislature's support for a lottery gaming facility in Onondaga County subject to satisfaction of three conditions. There has been discussion in both caucuses. We are talking about the hotel development what we have been working on for year. Mr. Wilmot and his company worked two development agreements with the county. One was second amended but financing has held the project back. What we have here is a proposal where by the gaming facility would help to pay for the development of the hotel. This is why he is supporting the resolution. Basically at this point, all we are doing is memorializing the state in hopes that the last gaming license will be issued to this developer to move forward within Onondaga County. At that point more work would need to be done, conditions would need to be met, local laws would need to be passed in order to advance the project. He intends to bring the resolution to the December session.

Ms. Williams stated that two weeks ago the Wilmore group came to their caucus and stated there was a deadline date to apply. She asked if the date had been extended. Mr. Rhinehart responded that the concern is that there is one license remaining to be issued by the state. It is their understanding that the Racing and Wagering Board is prepared to issue the license very soon. He feels it is important that the county take a position. If we are interested in having this in Onondaga County we need to let the state know this so that their application will be considered along with the other 2 applicants.

Ms. Williams asked if the hotel would still be a Westin. Mr. Rhinehart responded that the second amended development agreement calls for a Westin Hotel to be developed downtown, next to the convention center.

Mr. Stanczyk stated that he realizes this is a multistep process but he has a couple of questions about the resolved subject to satisfaction clause. Has there been a negotiated third clause and renegotiated development agreement. Mr. Rhinehart responded, "No, not yet". Mr. Stanczyk stated the second development agreement is past its due date and is expired. It has not been terminated because the County Executive has not terminated it. Mr. Rhinehart responded that he believes this is correct.

Mr. Stanczyk asked if there were any written agreements with the developer. He remembers the negotiations with the Carousel Center. It was determined that written contractual agreements needed to be in place. The developer was looking for tax breaks and claiming he would do something for them. The legislature added a clause stating the tax benefits would not accrue to them unless 800,000 square feet of additional development was added. If not for this agreement, we would not have an expanded Carousel Center. He added that he is not the governor but if he is getting a resolution from a county containing ifs and buts he would be concerned about it. However, he is more concerned as an Onondaga County Legislator; there is no written agreement. Mr. Rhinehart responded that he agrees with all the points brought up; however this is a process that is ongoing and works itself out. If this goes forward the legislature would have control over the developing agreements. A license has to be issued before we get to this point. If the license goes to another county, all of this becomes moot.

Mr. Rhinehart stated that he had brought up some good points and he assumes that the process would be very similar, should this move forward. Chair Rapp added that they would put bench marks in the agreement. Mr. Stanczyk stated he is concerned that we will be in a much different position to negotiate once they have the license. Mr. Rhinehart stated we would be in control. Mr. Stanczyk disagreed, saying the developer would be in control. Mr. Rhinehart stated he understands his concern but the first step in the processes is letting the state know that we are behind the developer to go forward. Again, if there is no license this does not move forward.

Mr. Rhinehart stated he was quoting Mr. Stanczyk, "We understand that we are at a standstill with the hotel". A hotel is the big condition for him; that is why he has this resolution. We are talking about economic development, jobs, millions of dollars in revenue for both the city and county but the big thing is the hotel. Mr. Stanczyk stated it is pie in the sky unless you nail it down. Chair Rapp added that the negotiation comes back to them, should they obtain the license. If the hotel is not part of the agreement she cannot imagine that the legislator would pass it.

Mr. Stanczyk stated the legislator is going to be very different in 45 days. He has does not know what is going to happen with the next legislature. The developer would be in the driver's seat in terms of conditions. Chair Rapp responded that she did not think so; they still need the legislature to agree to the terms for a resolution to be approved. Mr. Rhinehart agreed. Mr. Fisher added under state law the only place the New York State harness racing can take place is at the New York State fairgrounds. For that to change, this legislature would have to pass a law allowing it to happen somewhere else. This resolution just asks the state to consider Onondaga County for the license. There is still a lot of work that has to be done.

In response to Mr. Dougherty, Mr. Wilmot stated the license is renewed annually by the Department of New York State Racing and Wagering. The application is handled by the developer.

Mr. Dougherty asked if there was a mechanism in place to stop this if the legislature reversed their decision at a later date. Mr. Cuffy responded that a local law would have to be passed to allow the racino; another local law would have to be passed to remove it. It is the same as any other local law; you can change your mind. The state license is premised on the fact that the locality has a local law in place that allows for the racino.

Chair Rapp added that since it is renewed annually if the promises were not met, which is what she thinks he is say, the local law could be revised. Mr. Dougherty stated he was looking at it from another stand point. If a future legislature decides that they no longer want a racino and the developer has spent a fortune in building and development of a racino and building a hotel with the understanding that some of the revenue from this would be used to keep the hotel going we would be in a situation where we would be sued. Mr. Rhinehart asked if anyone had ever heard of a racino closing after it had been opened. He added it was a good question and wondered if there is such precedent. Mr. Wilmot stated if there was such a precedent, he believes it would almost make it impossible to finance this project.

Chair Rapp stated that they have all been under an intense marketing campaign adding that she is sure everyone got the flyers in the mail. Mr. Dougherty added that they were funded by gambling.

Chair Rapp continued, based on fairness Mr. Wilmot asked if he could respond to some of the accusations, answer questions and state what he sees as a benefit. She felt it was fair to offer them this opportunity.

Mr. Paul Wilmot introduced himself as the President of Wilmore, Ron Cocquyt, Vice President of Finance and Juris Basens, Vice President of gaming. He provided handouts to the committee (*On file with the Clerk*).

Mr. Wilmot stated he would like to start off by giving a brief update on some of the progress that has been made since they last met and then get into the benefits of the combined projects, as they see them.

- Received revised reinstated development agreement, currently under review by Wilmorite
- Received letter of interest from City of Syracuse for long term grounds lease of approximately 100 acres near Hancock Airport for racino location; agreement has not been executed as of this point
- Received letter in October from NYS Racing and Wagering Board asking for completed application to be submitted by 10/26/2011; addresses the time sensitivity for needing the resolution passed; copy of letter included on the last page of the handouts provided
- Tried to advance the Westin project for the last 5 years, does not have enough strengths on its own to get financed, combining Westin project with racino under single financing is a financeable deal, meet with Goldman Sachs
- Racino will buy \$2 million in room nights per year from the Westin, assist in stabilizing the Convention Center hotel, each year convention bookings should increase
- Convention Center currently operates on a \$2 million deficit, believe that over time Westin Convention Center hotel will diminish deficit and at some point will become a profit center for Onondaga County
- Project will create over 1600 construction jobs over 2.5 years
- Combined investment of over \$2 million in Onondaga County
- Create over 1700 permanent jobs in Onondaga County with a combined annual salary and benefits of \$71 million
- Host fee to the municipality; believed to be from \$5 - \$10 million annually
- Projects will pay room tax, property tax and sales tax
- Believe they have a very good chance at the 8th harness license, progressing in Albany, application submitted to Racing and Wagering Board

Chair Rapp stated that Mr. Wilmot told her about a study that determined \$100 million dollars was being spent at the Turning Stone from Onondaga County and asked him to elaborate on this. Mr. Basens responded the consulting group did a study based on regional gaming habits. With Syracuse being the center of a 50 mile radius, they concluded approximately \$100 million per year is being spent at casinos, primarily the Turning Stone.

Chair Rapp added that the conclusion needs to be that people in Onondaga County are gambling. Mr. Basens added that there are buses from Syracuse to the Turning Stone, approximately 6 different stops with as many as 3 pickups and as few as 2. This information can be easily found on the internet. Each passenger pays a fee of \$19 and is reimbursed \$20 via food, free play or hotel room. In addition, there is a vast schedule of bus tours leaving Syracuse and going to Atlantic City, Delaware, Niagara Falls and Connecticut for gaming. The tours happen almost daily and are fully subsidized. It might be \$250 for the tour but they are getting free room nights, food, beverage, or free play. They are not bringing anything new to the community; people in Onondaga County are gaming.

Mr. Dougherty asked for confirmation of the \$100 million figure. Mr. Basens responded the figure is based on the gaming habits study. They determined about \$100 million per year is leaving Onondaga County to game somewhere. Chair Rapp added that this does not mean that all the funds will stay in Onondaga County if the racino is opened. Mr. Dougherty responded that he understood people would still be going to Los Vegas. Mr. Basens stated this is based on a gravity model tied into a propensity to game. Mr. Dougherty stated that page 2 of the handout has a figure of \$2 million. Mr. Wilmot responded this was the total figure; \$100 million is specific to Turning Stone.

Mr. Dougherty responded that the Turning Stone made \$300 million last year. Mr. Basens responded that he would assume that this is top line revenue and confirmed one third is coming from Onondaga County. Mr. Stanczyk asked what their profit margin was. Mr. Basens responded that he does not know, as they are not public. Mr. Stanczyk asked what their estimated profit margin is. Mr. Basens stated they would estimate a Native American casino profit to be 50%, they don't pay taxes.

Mr. Stanczyk asked what their projected capture rate of the \$2 million would be if the racino was built. Mr. Basens responded a minimum of 60%. In addition they would create new market with the combination of the hotel and the new entertainment venue. They would reach into outer markets to draw people into Onondaga County that are currently not coming here. Mr. Wilmot added it is important to note that the state takes 64% of the revenues off the top. Your host fees are then negotiated.

Mr. Stanczyk asked to be taken through the numbers. Mr. Basens responded their margin is very small. The State of New York and the Lottery Commission own the devises. A racing license holder is licensed with the Lottery Commission; the Lottery Commission is the regulator and owner of the devises. They receive a graduated fee but the effective rate is approximately 38% of the gaming win. From this they have to pay all the operating expenses. The state takes 62% off the top of the winnings, not off the gross.

In response to Mr. Stanczyk, Mr. Basens stated \$120 million would be revenue after all bets were settled. The state takes 62% the other 38% goes to the racino to pay their expenses, service their debt and make their profit.

Mr. Stanczyk asked what the commitment to the hotel would be, how this would work, there is nothing on paper that explains what will be done if they receive the license. Mr. Cocquyt responded that the hotel cannot be financed by itself due to the amount of equity that would have to be put in. Putting it together with a racino adds cash flow, taking up to \$2 million per year in payments from the racino to the hotel business gives you enough money in the hotel revenue stream to pay the debt service attributable to the hotel.

Mr. Stanczyk stated they are proposing to do the planning, development, construction, operation and ownership of the hotel. If this was approved what can they rely on in terms of a timeline. Mr. Wilmot responded that since it was going to be single financing construction, they would start on both projects at the same time. If they were able to get the harness license in January, getting the SEQRA and necessary approvals would take about 10 months and construction would take about 2.5 years.

Chair Rapp stated it was suggested to her that it might be a risky proposition to build hotel that is not self sustaining. The resolution does state that this precludes us from putting in any public money into the hotel or racino. Mr. Wilmot responded that there was originally \$15 million assigned to this project and he believes that it has now been earmarked for a different project, that has not moved forward. He would say that there is a gray area as to where the money will eventually go. Mr. Fisher added that it has been publicly communicated by the County Executive that when Senator Magnarelli asked for the funds for the Hotel Syracuse project, she agreed to move the money to that project. The Hotel Syracuse has had an offer made to purchase at a tax sale auction. This is pending, if the property is acquired the \$15 million would be part of that project. Mr. Dougherty asked if this was state money. Mr. Fisher responded that it was New York State grant funds that have been around since the Pirro administration.

Mr. Stanczyk asked if they were relying on the \$15 million. Mr. Rhinehart asked if he was talking about the resolution proposed. Mr. Stanczyk stated the resolution states that we will be not putting in Onondaga County money which is the extra \$10 million that we were on the hook for. Mr. Wilmot agreed. Mr. Stanczyk asked again about the extra \$15 million. Mr. Rhinehart responded that the resolution says both and the condition marked under a) is that a successfully negotiated third amendment is reached. This legislature would maintain control and have to approve the finality.

Mr. Rhinehart stated the hotel project has been around for a number of years and Mr. Stanczyk has been a big supporter of it with his own views on it as well. Mr. Stanczyk responded that we should have built the hotel ourselves a long time ago. Mr. Rhinehart added, that ship has sailed. Again, this is a work in progress, we talked about 450 rooms, we looked at other proposals with less rooms but mixed use development, we talked about the Westin, before that there was another big name involved, he feels this is something that needs to go forward in the third amended development agreement. It is something that can still be worked out. As Mr. Fisher stated, the County Executive is talking about the Hotel Syracuse again. He personally disagrees with this but that is a topic for another day. This is why he added the conditions to this memorializing resolution, so that this project can get off the ground and be considered by the state. There are two other applications with public support from their towns, county and state representatives. Mr. Stanczyk brings up excellent questions; he does not disagree with any of them. There is a lot of work to be done if the license is achieved.

Mr. Stanczyk asked that those representing the developer answer if they are relying on the \$15 million for their proposal. Mr. Cocquyt responded that they are not relying on the money but would like the money. This has been a challenging project. If they can get a \$15 million dollar grant to help support them with the financing, they would want the money. Mr. Dougherty agreed saying he would be a fool not to.

Chair Rapp added this is not a deal breaker. If they don't receive the \$15 million, they are still going to build the hotel. Mr. Stanczyk responded that this is why the details should be spelled out. Chair Rapp stated the next agreement would absolutely have the details or would not be passed. Mr. Stanczyk responded that she was using the term we, it will be a different cast. Mr. Rhinehart added that the resolution will still be controlled by the legislature; of which Mr. Stanczyk will be a leader. Mr. Stanczyk stated he understands this but feels he made his point.

Chair Rapp stated she believes they have answered the question about feeling confident in building something that they know can't support itself because they are confident in the racino being able to fund the gap.

Ms. Williams questioned what would happen with the hotel if the racino does not bring in the foreseen amount of money. Mr. Cocquyt responded if the racino and hotel do not bring in the funds it would be an economic investment that doesn't work. There will be a hotel, if they are not the owner because the debt cannot be paid in that situation someone would come in and purchase it inexpensively. Just as you are hiring now with a hotel tax sale, someone is going to have a hotel adjacent to the convention center. When you have finance projects that don't work economically a second person comes along and buys it a much cheaper rate. They then have something that works from an economic standpoint. The same way we are asking for \$15 million to make this work, it is to enable this project to be able to get financing for the construction. Chair Rapp stated at the end of the day it would be Wilmore's risk. Mr. Cocquyt responded all their equity would be in the project.

Ms. Williams stated she was concerned. They are saying they would like the \$15 million even though it wouldn't stop the project. Mr. Cocquyt responded that if there is \$15 million in grant funding in a project, the project is more able to meet the debt service as you have that much less debt. This is the benefit of a grant. However, we are still putting our equity in to make the project work. Our equity is the last thing we get out of any one of these deals, that risk is the first thing that goes.

Mr. Stanczyk asked what the percentage of equity would be. Mr. Wilmot responded he believes they are at 20% for the combined projects. Mr. Dougherty asked that they explain this. Mr. Cocquyt responded that if they were to build a hotel for \$100 million and a racino for \$100 million the total cost is \$200 million. In simple terms you go to the bank for a mortgage for \$200 million, the bank will look at cash flow for the racino and hotel and put the two together, one might make \$3 million and one might make \$7 million, with the \$10 million the bank would allow you for finance \$160 million. Anything between the \$160 mortgage and the total cost of the project has to be put up by the developer. This gives the bank a cushion, the value of the projects would have to decrease from \$2 million to \$160 million before the bank has any risk.

In answer to Mr. Meyer, Mr. Basens stated the other racino licenses are located in Batavia, Hamburg, Monticello, Saratoga, Finger Lakes, and Yonkers. Mr. Meyers asked if they were all making money to the best of his knowledge. Mr. Basens responded that he could not speak for Batavia; except for Batavia he believes they are all profitable. Mr. Stanczyk asked if Vernon Downs had a license, six locations were named. Mr. Basens confirmed that Vernon Downs does have a license.

Mr. Meyer asked if Batavia was at risk of losing its license. Chair Rapp responded that when they were considering OTB, they talked to Batavia and they stated they were doing so well with their gambling they were not even interested in talking about OTB. Mr. Basens stated that he did not say they weren't doing well, he stated he could not speak for them.

Mr. Meyer stated New York State gets a piece off the top and are certainly going to make money. He questioned why they would want to limit themselves to the number of licenses available. He would think that they would want to have additional licenses. Mr. Wilmot stated that it could very well happen in the future. Mr. Basens added that current law limits the State of New York to 8 racing and wagering licenses. Mr. Meyer stated the state is in need of additional funds, he would think that they would want to have more licenses. Mr. Basens responded that they are applying under current New York State law. Mr. Meyer added his point was that the discussion of the last license is perhaps, the last license under the current legislation.

Mr. Meyer stated the resolution is not site specific. Mr. Wilmot responded that they were site specific in their application to the New York Racing and Wagering Board. It is the site adjacent to the Hancock International Airport, presently owned by the City of Syracuse. Chair Rapp stated that development would have to go through the Cicero Planning Board. Mr. Wilmot agreed.

Mr. Meyer asked if the property was currently tax exempt. Mr. Wilmot responded that this was his understanding. The improvements would be subject to property taxes.

Mr. Meyer asked how much of the \$1 million was online gaming various other gaming. Mr. Basens responded that he did not know; this figure is the propensity to game based on population. Chair Rapp added that, online gaming would probably be included in the figure. Mr. Wilmot stated they could obtain the information from the study group.

Mr. Meyer stated that on at least two occasions he had suggested that they speak with the Town of Cicero and asked if they had done so. Mr. Wilmot responded that they had not. Mr. Meyer asked if they could explain this, as it was very difficult for him to understand why. Mr. Wilmot responded that there were a lot of different paths moving to try to get everything approved. They have been working with the city, the county, Albany, New York State Racing and Wagering, the New York State Lottery, and the governor's office. If they are not able to get the resolution approved, they are done. Mr. Meyer stated if they did not have an agreeable assessed value to the property they are also done. Mr. Cocquyt added that this should be an economic benefit to the community. Mr. Meyer responded that it may or may not be for the Town of Cicero.

Mr. Rhinehart asked if this parcel was zoned for development, he thought that was what the airport park was for. Mr. Wilmot stated they want to see economic development of this site.

Mr. Meyer reiterated that he is baffled as to why they had not spoken with the Town of Cicero. Mr. Wilmot responded that they intend to do so. Mr. Meyer added that it has been a priority to speak with the City of Syracuse for the past six months. Mr. Wilmot responded that the City of Syracuse owns the property. Mr. Meyer added that it has not been a priority to speak with town of the proposed location. Mr. Wilmot responded that they did not know they had the airport site until they received the letter of interest, two weeks ago. Without the passing of the resolution, they are going nowhere. They wanted to have the letter of interest from Syracuse so that they would know the City of Syracuse and their firm were on the same page for the long term ground lease, before going to the municipality.

Chair Rapp stated that she had spoken to the supervisor elect. He suggested that part of the resolution include some payment to the host community out of the negotiated settlement. She would suspect that there would be some conversation about this when they actually put together a resolution. She will suggest that they put this information in. Mr. Meyer added that the supervisor and the supervisor elect have both been very available. He has had a number of conversations with them and the town board members, they are rather surprised. He suggested that they adjust their thinking process and start having conversations with the Town of Cicero. Chair Rapp added that this was good advice, before the December session.

Mr. Stanczyk asked what was being wagered at Vernon Downs and how many jobs are in place. Mr. Basens responded that it is public record. He would estimate their annual gross figure to be about \$75 million; 38% after payments. He does not know the number of employees but could get the information for him. This is a much smaller operation than what we are proposing. Vernon Downs has approximately 687 devices; we are talking about 2,000 devices. They have an onsite hotel but gaming amenities are limited, food, beverage and entertainment, compared to what we are proposing.

Mr. Stanczyk asked the distance of the racino from Vernon Downs; adding another site just takes away from somewhere else. Mr. Basens responded that they are approximately 30 miles away. Their competition is the Turning Stone casino, located less than 10 miles away. Mr. Stanczyk added that they have always been in competition. Mr. Basens agreed.

In response to Mr. Stanczyk, Mr. Basens stated that approximately 600 jobs would be racino related and 400 to 500 depending on the extent of the food and banquet services, would be hotel related. The balance of the 1765 jobs would be indirect and induced jobs that the two entities would create in the community; small businesses, suppliers, vendors. Mr. Stanczyk stated he would be interested in knowing the number of jobs at Vernon Downs.

In response to Mr. Kinne, Mr. Wilmot stated the county was not giving any tax dollars for this project.

Mr. Kinne questioned why the Town of Cicero would be involved if the land is owned by the City of Syracuse. Mr. Meyer responded the Town Board would have to approve any pilots, zone changes, site work, fire and/or police issues.

In response to Mr. Dougherty, Mr. Wilmot stated they would be leasing, not purchasing the land from the City of Syracuse. Mr. Rhinehart added that in real estate it is common practice to approach the owner of the property first, and then you would go to the town if you wanted to make any changes. He doesn't believe anything has been done incorrectly here. It is a process, one step at a time.

Mr. Kinne asked if they were going to address the comments on the flyers. Chair Rapp added that this was next. She found this information almost slanderous. She believes they should have the opportunity to respond on the record.

Mr. Cocquyt stated he had been with the Wilmorite organization for over 30 years. He believes the largest mischaracterization to be the question of the \$21 million dollars in the City of Rochester. He went on to explain the project:

- 1990 City of Rochester had 4 corners as the main retail crossroads
- Midtown Plaza - 2 locally owned department stores, enclosed mall, office tower with hotel and restaurant at the top, bus station; from the 1960's
- Chase Tower - high rise office tower; this section of the community had offices tied in by sky bridges, Bausch and Lomb, Xerox, Rochester Telephone
- Sibley Building - big department store built in 1907, takes up the entire block, 6 stories with office tower on top going up 12 stories, 1 million square feet, Sibley's left downtown in 1990
- City of Rochester concerned about keeping something in the Sibley building, asked Wilmot to assist them in doing something with the building

Mr. Cocquyt stated Wilmorite was formed in the 1950's. They have a community investment in Rochester. They did urban renewal districts just two blocks down from this location. They built the Crown Plaza Hotel, 2 office buildings on separate corners and a 525 unit elderly housing building. They have been in Rochester for years. The Mayor came to Mr. Wilmot and asked what they could do to keep something open in the Sibley building. They looked at the site from a construction company point of view.

- Cut atrium in the middle of 100,000 square foot floor plates that go up 6 stories, adding skylights, exterior windows and interior light
- County agreed to put in 200,000 square foot downtown community campus for Monroe Community College
- Plan became keeping small office tenants in the tower, redo the 1st floor to bring retail in, 2nd floor used for food court, 3rd and 4th floor used for Monroe Community College, the other 2 floors were renovated for big office use
- Packaged going out just as planned, with Charter One Auto Finance and First Federal Bank taking up the big office space
- 1990's saw saving and loan problem and First Federal Bank left, 6-7 years later Charter One Auto Finance taken over by another bank and left
- Ended up with vacancies coming into the project, difficult to get big users for 100,000 square feet
- At the same time adjacent to this location the city put out \$3 million dollars to a nonprofit organization from Albany to build a \$10 million dollar 1000 car parking garage, with a \$7 million dollar bond
- Parking garage ties into their building on 2 levels, their building ties into the Midtown Plaza on 1 level and Midtown ties into all the office towers around the rim of the quarter



- Separate Company was formed to take over and renovate the building with help from the county, the community college and the city; able to finance \$16 million for mortgage, they put in \$3 million of equity, project was about \$20 million, city agreed to put in \$4.5 million as second mortgage, then pilot agreement was given
- Operated under this structure for a number of years, revenue came in, paid the expenses and paid debt services, first mortgage, second mortgage and pilot payments were paid
- After the building started to atrophy from the vacancies that came along, ended up with 250,000 square feet of tenants; 1.7 million square foot building with 750,000 square feet of usable space, inefficient older building; 200,000 square foot community college with smattering of other tenants
- No increase of tenants coming into the community for office space, simply shift location as the rents continue to decrease
- Now in a position where they are current on first mortgage, in arrears on second mortgage and pilot
- Project was a community endeavor, never expected to get money out of it, project was \$20 million in debt from the start
- Put up \$3 million in equity and have invested over \$12 million to keep the building open

Mr. Cocquyt stated they do this because they go back to the 1960's with the City of Rochester. They are good community citizens and have the capability of doing something like this to keep the project going. He then provided the following information:

- Midtown Plaza is the next big building over, family department stores went out of business, the mall ran down, tower emptied out, restaurant and hotel are gone
- City received \$50 million dollar grant from the state to demolish Midtown Plaza, just completing at this time
- Now are at the crossroads with a million square foot historic structure, looks nice on the outside to keep it operating, across the street will be a big empty field, Chase Tower stands on one corner, the other corner has 1920 - 1930's almost empty buildings

Mr. Cocquyt added that they are good community partners; they did this project with the City Economic Development. They have been doing business with them for 20 years, on this project and plenty of others.

- 15 years ago Buffalo developer said they were going to put up a high-rise motel one block down, next to the Convention Center; put up all the precast floors and walked away
- Sat empty for 3-4 years, could sit in the office building and look right through the building
- Tom Wilmot, the Mayor and ten other businesses, utility company, telephone company, Xerox, Kodak, and a couple of banks put \$12 million dollars together and finished the building
- Sold building to an operator who runs the hotel, hotel is sky bridged into another parking garage and the Convention Center

Mr. Cocquyt stated they owe \$21 million and do not expect to see any equity out of this project. They keep it operating for the community. Mr. Wilmot encouraged everyone to do their own homework and give the City of Rochester a call. They have been a good partner with the City of Rochester since the 1960's. Mr. Rhinehart added the City of Syracuse has had similar problems for years.

Chair Rapp asked if there were any further questions of Mr. Rhinehart on the non binding resolution to move forward or from Wilmore. Mr. Meyer asked if Mr. Rhinehart had gotten the proposed amendment from the Town of Cicero. Chair Rapp stated that she just received it this morning. Mr. Rhinehart asked to be advised after the meeting.

Chair Rapp suggested that they not take a vote today as they have a public hearing this evening. She thanked everyone for coming, adding that she believes we need to have a balance on everything. They will listen to the public this evening and will have an answer for them on December 6th.

Mr. Wilmot thanked the committee and stated he appreciated their time.

The meeting was adjourned at 11:55 a.m.

Respectfully submitted,

KATHERINE M. FRENCH, Deputy Clerk  
Onondaga County Legislature

\* \* \*

## WAYS AND MEANS COMMITTEE MINUTES – NOVEMBER 29, 2011

**MEMBERS PRESENT:** Mr. Corbett, Mr. Kilmartin, Mr. Lesniak, Mr. Mr. Holmquist, 1Mr. Warner, 2Mr.Stanczyk, 3Mr. Kinne, 4Mr. Buckel  
**ALSO PRESENT:** Chairman Rhinehart, Mrs. Rapp, Mr. Meyer, *see also attached list*

Chairman Jordan called the meeting to order at 8:48 a.m. *A motion was made by Mr. Lesniak, seconded by Mr. Corbett, to waive the reading and approve the minutes of the previous committee meeting. MOTION CARRIED.*

## CONSENT AGENDA

### 1. HISCOCK LEGAL AID SOCIETY/ ASSIGNED COUNSEL PROGRAM:

a. Amending the 2011 County Budget to Accept State Funding for Legal Representation of the Indigent, and Authorizing the Execution of Agreements to Implement this Resolution (\$140,757)

### 3. SHERIFF:

a. Amending the 2011 County Budget to Accept State of New York Highway Safety Program Funds and Authorizing the County Executive to Enter Into Contracts to Implement this Resolution (\$105,500)

### 4. ONONDAGA COUNTY PUBLIC LIBRARY:

- Amend 2011 Budget to Accept Additional CNY Library Resources Council Funds for the OCPL (\$10,000)
- Transfer from Other Emp. Wages Acct 103 \$7,674 to All Other Expenses Acct 410, \$7,674 (Branches)
- Transfer from Reg. Empl Sal Acct 101 \$8,498 to Maintenance, Util & Rents Acct 413, \$8,498 (Branches)
- Transfer from Prof Services Acct 408 \$17,921 to Maintenance, Utilities & Rents Acct 413, \$17,921 (System)
- Transfer from Prof Services Acct 408 \$8,500 to Maintenance, Utilities & Rents Acct 413, \$8,500 (Central)

f. Transfer from Other Employ Wages Acct 103 \$10,598 to Maint, Util & Rents Acct 413, \$10,598 (Central)

6. **WATER ENVIRONMENT PROTECTION:**

a. Authorizing the Co. Exec. to Enter Into a Contract with the USA, Depart. of the Interior, for the Operation and Maintenance of Stream Gauging Stations in the County of Onondaga (\$76,780)

Mr. Stanczyk asked that items 2a, 2b, 5a, 5b, 5c be considered separately with further explanation.

***A motion was made by Mr. Warner, seconded by Mr. Lesniak to approve the items on the consent agenda, exclude items 2a, 2b, 5a, 5b, 5c... Passed unanimously; MOTION CARRIED.***

2. **INFORMATION TECHNOLOGY:** Ken Beam, Chief Information Office

a. Transfer from Regular Employee Salaries Account 101 (\$153,000) and Benefits Account 120 (\$74,970) to Furniture & Equipment Account 215 (\$227,970)

b. Transfer from Regular Employee Salaries Account 101 (\$97,000) and Benefits Account 120 (\$47,530) to Supplies & Maintenance Account 300 (\$144,530)

Mr. Beam:

- \$33k to update switches at offsite facilities
- \$6,500 for paper
- \$89k for servers for 911 to start having a disaster recovery scenario
- \$33k for data switches gear
- \$15k high speed scanners
- Savings in benefit account because it had taken longer than anticipated to take care of ERI and department reorganization, which didn't get done until May or June – salaries had been calculated for the whole year

In answer to Mr. Stanczyk, Mr. Beam said the positions are now filled. There will still be small surplus in 101 at close of year

***Mr. Lesniak made a motion to approve items 2a and 2b; seconded by Mr. Corbett. Passed unanimously; MOTION CARRIED.***

\*Mr. Buckel arrived at the meeting.

5. **VAN DUYN:** Maria Cirman, Director of Fiscal Management

a. Transfer from Equipment Account 215 (\$30,000) to Capital Projects Account 960 (\$30,000)

b. Transfer from Contingency Account 650 (\$275,000) to Supplies Account 300 (\$275,000)

c. Transfer from Contingency Acct 650 (\$175,000) to Professional Services Acct 408 (\$175,000)

Ms. Cirman:

- Item 5a – replace cafeteria floor; was in 2011 budget, but ran out of time – will complete in early 2012 – want to move it to a project account
- Item 5b – food services contract – in place all of 2011, but effective in April they took over management also. County no longer has its own employees in the kitchen; cost an additional \$2.30/day that wasn't anticipated to go into effect until September. A 3% increase in food cost was budgeted, but it turned out to be a 6% increase

Mr. Stanczyk asked if a back check has been done to see if the County is in better shape for farming this out. Ms. Cirman said that it was done in the past. Mr. Stanczyk said he would like to see the numbers

- Item 5c – contract nursing – CAN's and LPN's used on a regular basis – supplement with contract because they have a hard time hiring/obtaining staff.

Mr. Stanczyk questioned why the transfer is coming from contingency and not 101. Ms. Cirman said that at this point they may have money in 101, but is not sure about from now to end of year. Mr. Jordan said that nurses were recently hired and that would come out of the 101; Ms. Cirman agreed.

Mr. Kilmartin referred to changes in services, personnel, contracts, etc., and asked if the 2012 budget anticipates some of these adjustments or is it anticipated that there will be similar requests for changes during the 2012 cycle. Ms. Cirman said that they are trying to control contract usage and get it down by using more of their own staff. They are actively hiring and interviewing. The 2012 budget for contracted nurses was projected at the higher level because it goes up every year.

In answer to Mr. Kilmartin, Ms. Cirman confirmed that the contingency account noted in items b & c is the same amount, approximately \$5.2 million balance. She confirmed that after these two transfers, there would be an approximate \$4.74 million balance in the contingency account.

***A motion was made by Mr. Lesniak, seconded by Mr. Warner to approve items 5a, 5b, 5c. AYES: 8; NOES: 0; ABSTENTIONS: 1 (Stanczyk)***

## **WAYS & MEANS COMMITTEE – REGULAR AGENDA**

1. **FACILITIES MANAGEMENT:** Brian Lynch, Commissioner

a. Advance step R.P. 01 800510 4785 Mechanical Systems Maintenance Director Grade 34, Step K @ \$72,250 to Grade 34, Step S @ \$79,719

- Resolution in Co. Executive's budget; couple of technicalities that needed to adjusted
- Funding is in 2012 budget; needed additional information

Mr. Troiano:

- There were 3 advance step hires in the resolution submitted during budget process effective in 2012
- There was questions on what steps they would go to next year once the resolution passed
- The clarity has been provided in the back up material

**A motion was made by Mr. Lesniak, seconded by Mr. Corbett to approve this item. AYES: 8; NOES: 0; ABSTENTIONS: 1 (Stanczyk). MOTION CARRIED.**

2. **VAN DUYN:** Maria Cirman, Director of Fiscal Management  
a. **Transfer from Contingency Acct 650 (\$1,080,000) to All Other Expenses Acct 410 (\$1,080,000)**

**A motion was made by Mr. Warner, seconded by Mr. Corbett to approve this item.**

Ms. Cirman:

- Most of the transfer is for a cash receipt assessment expense, mandatory charge from NYS to nursing home facilities. No control over; based on revenues brought in
- It was 6% through March of 2011; and was increased to 7.2%
- In July 2011 received a payment for prior periods, approx. \$9 million – it is subject to the cash receipt assessment – had to pay 7.2% on it

Mr. Lesniak asked for a brief synopsis on the sale. Ms. Cerniglia said that they are in the process of working with Upstate; hope to have some final answers within the next couple of days. **Mr. Lesniak asked that when the answer is received, that it be emailed to the Legislature's staff to be forwarded on to legislators.**

Mr. Kilmartin questioned if we are close to coming to an agreement or Upstate saying "yes or no" within a short period of time. Ms. Cerniglia said that she believes they are close to an agreement moving forward, noting that Upstate has not come out formally, but things have been going very positively. Mr. Kilmartin asked if there is work towards a letter of intent or term sheet, and then if things go in the right direction, go into contracts. Ms. Cerniglia said that it is all being worked out right now -- an MOU and how to move forward in a timeline.

Mr. Kilmartin referred to the financials, after the transfer today, leaving about \$3.85 million left in contingency account. He asked if there are any projections to draw down on that mid-year in 2012. Ms. Cirman said that their 2012 budget shows a deficit of approximately \$10 million. They have IGT money to use toward the deficit; there will be \$5 million remainder.

In answer to Mr. Lesniak, Ms. Cirman said they received approx. \$7 million in 2011; and there is another \$9 million that might come through in 2012. In answer to Mr. Corbett, Ms. Cirman noted that IGT money is not taxed.

Mr. Rowley explained that to get the \$9 million IGT, they would have to ask for a 50% match from general fund balance. IGT is hit or miss. Can draw down again in Sept. of next year, but would have to put up \$4.5 million to do so. There is no money appropriated for the match. Ms. Cirman said that the local share is actually 36.41%, but usually budget it at 50% because they don't know if the State will change the regulations. They want to show that the government is going to make an effort and put a portion towards it. The Feds set the regulations. Ms. Gile said that IGT works the same way that Medicaid does. In NYS the estimate of federal Medicaid assistance is 50% usually. The 34% that Ms. Cirman referred to is because the County received enhanced FMAP for the last couple of years. That will be gone and IGT in the future will be back to 50% match.

In answer to Mr. Kilmartin, Mr. Rowley said that the the money has already been earmarked for the \$9 million, but have to come back to the legislature to get the matching portion.

Mr. Lesniak said that in essence, \$4.5 million would be needed for the deficit. Mr. Rowley agreed. He is not aware of any IGT money beyond September.

Mr. Kilmartin said there is \$10 million projected deficit, pull down \$9 million from IGT, after \$4.5 million; still have \$1 million deficit – will it have to be drawn from the \$3.8 million. Ms. Cirman said "no" they had \$7 million this year. Without the \$9 million next year, they are projecting \$900k in the hole for 2012.

Mr. Jordan and Mr. Stanczyk reviewed the numbers. **Mr. Stanczyk asked Mr. Rowley to provide the numbers to the committee. Mr. Kilmartin asked that the committee be provided, before the next Ways & Means meeting, with a rundown of the IGT calculations, contingency account at Van Duyn balance, and projected timing for uses and projected timing funds.**

**Vote was taken on the item. Out of room – Mr. Warner; passed unanimously. CARRIED.**

3. **WATER ENVIRONMENT PROTECTION:**  
a. **Advance Step R.P. 01 803330 5430 Deputy Commissioner of Water Environment Protection Grade 37, Step E @ \$88,423 to Grade 37, Step H @ \$91,752**

**A motion was made by Mr. Lesniak, seconded by Mr. Corbett to approve this item. AYES: 7; NOES: 0; OUT OF ROOM: 1 (Warner); ABSTENTIONS: 1 (Stanczyk). MOTION CARRIED.**

4. **TRANSPORTATION:** Brian Donnelly, Commissioner  
a. **Authorizing Execution of Agreements with Cayuga County and with Towns and Villages Located in Onondaga County to Perform Snow and Ice Removal Services on Onondaga County Roads for the 2011-2012 Winter**

Mr. Donnelly:

- One year agreement with various towns and villages for plowing county roads

- b. **Amend 2011 Budget to Provide for the Purchase of Three Plow Trucks in 2011 (\$584,376)**

- c. **Amending Resolution No. 499 - 2011 to Restore Funding to the 2012 Fund Balance to Account for the Purchase of Plow Trucks in Calendar Year 2011 (\$584,376)**

- Transfers in 2011 and 2012 to accommodate the early purchase of 3 plows that were authorized for purchase in 2012 fund balance

**A motion was made by Mr. Stanczyk, seconded by Mr. Corbett to approve items 4a, 4b, 4c.**

In answer to Mr. Lesniak, Mr. Donnelly said that he has reached out to Dewitt; have not received an answer; at this point they are out. Mr. Lesniak asked if the drop dead date has gone. Mr. Donnelly said that he has not given them a drop dead date. Mr. Lesniak suggested

that it be done so that routes can be made. Mr. Donnelly explained that they have configured and planned for Dewitt not participating. In the event Dewitt comes in, routes would have to change.

Mr. Corbett noted that last year we anticipated taking everything over and putting the new DOT unit off of Morgan Road, and making them one big facility. It got put on back burner anticipating that the towns and villages would take over a lot of it. He asked if there has been thought about continuing back to the first thought. Mr. Donnelly said that they have; are planning discussions in January, as this is a one year contract with towns and villages. Some towns elected not to participate, but 14 did. He still believes there is room and there are towns that have expressed interest depending on the financial details of taking more miles. Have to look at the reality – there are two highway facilities that are in difficult shape, and will have to make a determination in short order. He hopes by March, they will have mapped out a plan to bring to the legislature. Mr. Corbett said it is prudent; Mr. Lesniak agreed and said that there is a heliport facility that is on its last legs. It is something that may need to be looked at as a joint venture to house equipment currently at heliport. There are 2 highway facilities and a heliport that are in dire need of replacement – all need to be considered in building project.

**Passed unanimously. MOTION CARRIED.**

**5. FINANCE:**

- a. **Call for a Public Hearing on the Assessment Roll for Southwood-Jamesville Water District**
- b. **Call for a Public Hearing on the Assessment Roll for Warners Water District**
- c. **Onondaga County Sanitary District General Apportionment**
- d. **Onondaga County Sanitary District, 2012 City Abstract**
- e. **2012 City Drainage District Abstract**
- f. **Bear Trap – Ley Creek Drainage District Tax – General Apportionment**
- g. **Bear Trap – Ley Creek Drainage District Tax – Town of Clay Apportionment**
- h. **Bear Trap – Ley Creek Drainage District Tax – Town of DeWitt Apportionment**
- i. **Bear Trap – Ley Creek Drainage District Tax – Town of Salina Apportionment**
- j. **Bloody Brook Drainage District Tax – General Apportionment**
- k. **Bloody Brook Drainage District Tax – Town of Clay Apportionment**
- l. **Bloody Brook Drainage District Tax – Town of Salina Apportionment**
- m. **Authorizing General Apportionment of Harbor Brook Drainage District Tax**
- n. **Harbor Brook Drainage District Tax – Town of Geddes Apportionment**
- o. **Meadowbrook Drainage District Tax General Apportionment**
- p. **Meadowbrook Drainage District Tax – Town of DeWitt Apportionment**
- q. **Allocation of 2012 Onondaga County Water District Special Assessment Among Zones of Assessment and Fixing Composite Rates for the Several Towns and the City of Syracuse Within Said District**
- r. **Onondaga County Water District, 2012 City Abstract**

**A motion was made by Mr. Lesniak, seconded by Mr. Corbett, to approve items 5a – 5r. Passed unanimously; MOTION CARRIED.**

**6. METROPOLITAN WATER BOARD:**

- a. **Advance Step R.P. 01 805700 5402 Water Plant Manager (B) Grade 33, Step E @ \$61,234 to Grade 33, Step H @ \$63,530**
- A motion was made by Mr. Lesniak, seconded by Mr. Corbett to approve this item. AYES: 8, NOES; 0; ABSTENTIONS: 1 (Stanczyk)**
- b. **Authorizing a Public Hearing to Consider the Proposed Replacement of the Onondaga County Water District's Open Terminal Reservoir Located in the Town of Clay with the Two Enclosed Water Tanks as Required by Federal Regulation**

Mrs. Tarolli noted that this item is a technical correction; the resolution needed certain language with respect to the cost to the property owner. The language wasn't in there originally.

**A motion was made by Mr. Corbett to approve this item, seconded by Mr. Lesniak.**

Mr. Lesniak asked if the number for the homeowner is a maximum estimate. Ms. Rosenthal said, "no"; it is based on specific criteria provide by budget. Mrs. Tarolli said that it won't be higher than that. The Comptroller has a set formula that they have to comply with. It is the cost of the typical property owner.

Chairman Jordan asked if this would be an addition to the unit charge; Mrs. Tarolli agreed. The value of the property is \$125,000. Mrs. Tarolli noted the information is in the report and has to be in the resolution.

Mr. Lesniak said that he wants to make sure that we are not locking ourselves in any fashion. Mrs. Tarolli said "no" – just complying with State Comptroller regulations.

**Passed unanimously; MOTION CARRIED.**

**7. INFORMATION TECHNOLOGY: Ken Beam, Chief Information Officer**

- a. **Amending Resolution No. 500-2011 to Restore Funding to the Fund Balance Account for Purchase of Printing Machines (\$-439,000)**
- b. **Amending the 2011 County Budget in the Information Technology Department to Enable the Purchase of Printing Machines in 2011 (\$439,000)**

Mr. Beam:

- Need to move money form 2012 back to 2011 to purchase copying equipment for print shop
- Current copying equipment from Xerox has been on lease; it expired Oct. 31st; have been going month to month trying to negotiate a lower price with them for a new lease –couldn't get it done
- Would like to purchase Konica/Minolta equipment

Chairman Jordan said that item "b" shifts the money from 2012 budget to 2011 budget.

**A motion was made by Mr. Lesniak, seconded by Mr. Warner to approve items 7a and 7b.**

Mr. Beam confirmed with Mr. Stanczyk that \$439,000 was put in the budget and it is the amount the equipment can be purchased for.

**Passed unanimously; MOTION CARRIED.**

**8. WAYS & MEANS, MISC.**

**a. Amending Rule 37 of the Rules of the Onondaga County Legislature to Change the Structure and Number of Members Serving on Committees (Sponsored by Mr. Rhinehart)**

Chairman Rhinehart:

- Ways & Means Comm. currently has 9 members; with the reduction of the legislature to 17, that would be a quorum of the whole legislature
- The resolution states that all committees would go to 5 members. He has asked for input from legislators and it seems that the consensus is to have 7 members on Ways & Means Comm. and the others remain at 5 members - would like to change the resolution to so reflect

**Mr. Lesniak made a motion to amend the resolution to reflect that the Ways and Means Committee have 7 members and all other committees have 5 members, seconded by Mr. Corbett. Sponsor accepted the amendment.**

Mr. Stanczyk said 16 members would be assigned to committee; the Chairman would not. There will be 32 spots, and asked if everyone will get two committee assignments. Chairman Rhinehart said that he cannot speak for the next chairman. Mr. Stanczyk questioned if it makes sense to leave this to the January meeting when the new legislature is put together. Chairman Rhinehart said that having gone through it himself; he thought a head start would be good for the next chair. Mr. Stanczyk asked Mrs. Tarolli if there is any compelling reason to do this now. Mrs. Tarolli said that the Code/Charter require the Chairman to make committee assignments within 20 days from the Chairs appointment. It would have to be considered at January session, unless it is done before that.

Mr. Stanczyk said that through the last session, the Chairman gave a member only one committee assignment. He would rather have the discussion with the new legislature; would hate to have any members only have one assignment. With 32 spots, everybody should get two assignments, unless some members get one assignment and some members get 3. Without clarification of that, he would rather discuss this with the new legislature and vote on it in January with the new leadership in place. It is unfair for 30,000 people to be represented by someone who only gets one committee assignment.

Chairman Jordan said that the resolution does not indicate who gets assigned to what committees; it doesn't address how many assignments a person gets. Putting it off isn't changing the issues in this resolution. Mr. Stanczyk said that the Chairman makes the assignment, the Rules are very strong for that; it is not fair for a members to have one committee assignment; going forward there is still an opportunity here to do that. Chairman Rhinehart said that for that record, that person did not complain about that, only Mr. Stanczyk did. Mr. Stanczyk said that for the record, he feels two people should have at least two assignments. This legislature shouldn't make this decision. Chairman Jordan said whether it is this legislature or the next, the Chair still makes the decision. Mr. Stanczyk said that his point is that if there were more than 32 committee assignments, then some members might have more than 2 assignments, but hopefully everybody would have at least two assignments. The way it is here, it could end up with a member not having two committee assignments.

Chairman Rhinehart said that his concern with bringing this is that we shouldn't go into next year with 9 people on a committee; 9 people of Ways & Means Committee would be a quorum of the whole legislature.

Mr. Jordan asked if Mr. Stanczyk is suggesting that the number of committees be increased. Mr. Stanczyk said that there would be more than 32 committee assignment for 17 members or an understanding that every member would get 2 assignments.

Mr. Warner said that half of this legislature is going to be new people; they are very green, and if possible, if time frame allows that the maybe the new chairman should make that decision. Maybe some of the new people should have 3 assignments or more to get them up to speed. He can agree with the 7 on Ways & Means.

Mr. Lesniak said that if this is done at the January session, it makes a very short time table for the new Chair to make selections for the committees and for the committees to meet in January. It is better to get it done now and set it up; it can be amended in January.

Mr. Kinne said that he has never heard of this being a problem. If the new Chair wants to get ahead of the game he/she contacts members and ask if they have any particular interest in anything. He doesn't understand why we are doing it; it should be the new legislature and it could be done in a timely fashion. Chairman Jordan said that there is a condensed timetable. Mr. Kinne said that in the past it has been done, and it didn't come in advance of the new Chairman.

Mr. Corbett said that with 9 there will be a quorum of the whole on Ways & Means; 5 would not be enough – want as many as possible to have a broader perspective to go to the floor – have both sides of the aisle so they can take that information back to their caucuses to discuss what happened. Whomever the Chair will be, they will more than likely make calls to legislators to find out what member interest and expertise is. The issue now is to address the reduction in committee members.

**A motion was made by Mr. Corbett, seconded by Mr. Lesniak to approve the resolution as amended. AYES: 7; NOES: 1 (Kinne); ABSTENTIONS: 1 (Stanczyk). MOTION CARRIED.**

**b. Declaring the County Bell Helicopter (Air 1) to be Surplus Property, Providing for the Sale of the County Helicopter at Public Auction and Amending Resolution No. 159-1999, as Amended, Regarding the Disposal of Surplus Property (Sponsored by Mr. Rhinehart)**

Chairman Rhinehart:

- Resolution would declare the County helicopter to declared surplus and insist on sale of it at public auction
- County helicopter is a very costly proposition; the Bell is a very expensive unit to keep operating
- *Post Standard* has endorsed the fact that we can no longer afford to pay for every "what if" and continue to finance this operation
- Repairs & upkeep of heliport - \$2 million
- Part 135 – Sheriff's dept working on for over 5 years – costly with a number of benchmarks to be achieved including increased training for pilots and increased capability for personnel that would fly regarding rescue missions
- Engine overhaul due; needs new rotors and blades; will nickel and dime County

- This is not the Sheriff's helicopters; it is the taxpayers' helicopter – belongs to the County
- Legislature is in charge of keepers of the tax payers money
- Taxes gone up in the last couple of areas, yet still providing free helicopter service to surrounding counties
- How many helicopters are needed in CNY – private sector has 2 that service medevacs; State Police has their own; many counties in NYS don't have any helicopters
- 2 yrs ago he and Mr. Lesniak offered compromise to Sheriffs Dept – let private sector do medevac; County get a smaller bird for police work and save taxpayers money. The answer was no – all or nothing
- During the budget process the amount was reduced that the county will contribute to the helicopter program next year, but did not eliminate – feels now is the opportunity to do that
- Intends to bring resolution to session next Tuesday

Mr. Warner:

- Just went through this a couple of months ago and asked Chairman Rhinehart if the outcome was to keep the helicopter. Chairman Rhinehart indicated that it was.
- Legislature should wait for the Sheriff to get back in town before trying to sabotage this program
- There is a fund raising effort; in process of trying to have insurance companies pay for any flights that would qualify
- Trying to get a plan to have outside counties pay for service of helicopter.
- Not too long ago several legislators around the table were at fire departments and police stations, begging for votes, telling them they would strongly support the helicopter. Keep that in mind when going through this process – not just because they are leaving office and saying "I don't need them anymore" and pull plug on helicopter

Mr. Buckel:

- Points made for years from Legislature and Sheriff are all valid
- Concern is the process – it has been governed by emotion and in some cases legitimate concern
- Done this without the kind of cost benefit analysis from the outside, an expert that would be useful in defining the security, law enforcement benefits, and cost in continuing

Mr. Stanczyk:

- Proper place for this was during budget cycle
- Have allowed the Sheriff with some subsidy from County to continue operation of helicopter; have given Sheriff 12 months to see what they could do in terms of contracts and fundraising
- Now at a point, have to give them the Sheriff a lead line of a year and then go through the assessment and see what costs and benefit are and whether it makes sense to go forward
- Not the right time to pull the plug now; had a chance to do that during the budget process and decided not too

Chairman Jordan agreed with Mr. Stanczyk.

Mr. Kinne asked what the timeline is for the Sheriff to come back and show the amount of money raised and what he has done. Chairman Rhinehart said that the legislature did that last year and this year again. In fact were told that Part 135 was going to be done by August; then it got moved out to October. It is almost December and there is no Part 135. Mr. Kinne said that there should be some set plan in place so that the next legislature won't have to deal with this. A clear message should be given to the Sheriff that he has a drop dead date. It should be clear so the Sheriff can't ask for another 6 months extension on that date. Mr. Lesniak asked if Mr. Kinne is saying that if a resolution came out that said that by budget time next year if Part 135 isn't in place, and funds aren't raised to subsidize this helicopter to 80% of the costs, then the legislature should sell it. Mr. Kinne agreed, but doesn't think it can be forced on the next legislature.

Mr. Corbett asked if the people in the room could bring the committee up to date on any movement.

Chief Balloni:

- Foundation is out and actively raising money
- John Walsh, America's Most Wanted, has agreed to be on Foundation Board; agreed to produce several PSA at his cost to help in fundraising effort
- Nov. 22 – received information from Federal Aviation administration that they found the letter of compliance acceptable. It is the major hurdle to get over in getting Part 135 status to begin charging for medical air missions. Puts them at phase 3
- Should be able to charge by late December or early January at the latest
- There were a number of delays in dealing with federal administration – the actual attempt with the FAA started a year ago. It has taken about a year
- Foundation is poised to send out over 9,500 letters in December requesting funding; trying to coordinate with John Walsh and public service announcements
- Applying for grants – will see some from DEA
- Actively seeking, and some counties have given strong support for, giving money from their budgets next year to assist for going to their counties
- As close to poised as they can be for success; seems like an inopportune time to consider this resolution
- Meeting with a corporation this afternoon regarding a naming grant, who saw this item on the agenda and asked if the meeting should be delayed. Every time this comes up for discussion, people wonder why they should give money to a program that is going to get killed
- Need to complete giving Sheriff's Dept the opportunity to save the ship; have said what they are going to do and will do it

Chief Balloni reported on several recent successful examples of the helicopter in the community. He noted that this is a public safety issue and questioned why it didn't go to the Public Safety Committee. The process seems awkward. After the budget passed, and they thought the possession of Air-1 was secured, they went back to working very hard on Part 135, raising funds, and it seems like this came out of the blue. It hurts their efforts to do the job the legislature has asked them to do. Any funding from sale of this valuable public safety tool, would not reduce taxes in this year's budget – it has already passed. It would only go to fund balance. It seems like an attempt to circumvent the system and the things that they have been working together on.

Mr. Lesniak:

- Chief Balloni may have started working Part 135 a year ago, but as long as he has been here the discussion has been that Sheriff will get Part 135 and it has always been the excuse
- Until the legislature started cutting funding, then Sheriff took it seriously enough to go after Part 135
- Two years ago there was a resolution to stop flying out of county and the Sheriff didn't recognize it
- Last year there was discussion to downsize to a smaller helicopter – the Sheriff didn't want to talk about it – Sheriff wanted all or nothing
- Legislature put feet to the fire, then the Sheriff started moving and getting work done

- He is not necessarily in favor of this, but the time has come when it has got to get done. If it doesn't get done, it has got to go
- Taxpayers can't afford to keep subsidizing this bird for the region
- Understands Chief Balloni has been working on this diligently, but it has been in the hopper a long time and wasn't getting done.

Chief Balloni said that it is getting done. Referring to the Sheriff wanting all or nothing – Sheriff came to the legislature at that time and it was an agreed upon compromise to go out and find money in the Foundation, through grants, and approaching surrounding counties. All of which they have been doing. They are on the brink of being successful.

Mr. Lesniak noted that on Part 135, about \$8,000 can be recouped on a flight, but there are some additional costs to it. The committee should have the knowledge of what those costs will be. Captain Pellizzari said that the only thing identified so far that could be an additional cost is that Part 135 will affect their ability to do minor maintenance, i.e. change a light bulb. It is something that they would have to have a mechanic do. Mr. Lesniak asked if pilots have to have so many hours to keep Part 135. Captain Pellizzari said “no”; they have all of the ratings that they need; constantly have certified flights. There are a couple of night flights, landings; all requirements will be met. Mr. Lesniak said that there is a cost factor to those requirements. Captain Pellizzari said that those things will happen by them doing their jobs – they are not specific to training – they are just going to happen. There are no additional requirements to go to Bell in Texas for training. They have already surpassed Part 135 flying requirements for as long as they have been in existence. The biggest thing they had to do in the process was documenting everything. He doesn't believe there will be any additional training costs. There will be one pilot certified for Part 135. Over the years he will accrue chief pilot status, between 2 -3 yrs., and then can start bringing on more pilots that already have enough hours to be commercially rated.

Chief Balloni said they what are looking to hope subsidize – not looking to pay for the cost of the entire program for air medical, and work with these other areas to get it covered entirely. Basically, there is very little funding left in the budget.

**Mr. Kilmartin asked for a breakout of the other cost (not operational costs) of the helicopter program with the next 12 – 24 months – any necessary large repairs, mechanicals, overhauls, projection for the heliport, etc. Provide details on all of the other costs prior to session. Chairman Jordan said that he would like to see it projected out even farther than that. There are certain benchmarks and factor them into the next 3 costs – the hard costs and soft costs, and projection to pay for it.**

Mr. Balloni said in terms of the cost provided by Bell; Bell has figured in maintenance costs. As hours build up, it is know the maintenance cost per hour. It is provided every year – it covers all maintenance costs and operational costs – not pilots, not facility (soft costs). The heliport facility is used more for other public safety equipment and storage. It needs to be addressed whether the helicopter is done away with or not. It is an unfair representation to put it on the cost of just the helicopter program. To put part of it on would be fair, need a number of square feet anyway. Mr. Kilmartin said that he is looking for the legislature to get a good understanding of the operational costs going forward and to have a good understanding of the non operational costs, which could be significant. The legislature has been focused on contracting the program to reduce the cost to the taxpayers. Wants to make certain going forward, through FAA certification that the net result is not an expansion of the program and an increased cost for taxpayers. Some discussions have been about different uses and capabilities for the program once FAA certification is secured. The legislature has been pushing to try to contain the county helicopter program within the county so that county taxpayers are paying for the service for Onondaga County and not other counties. There is a risk if the FAA reimbursements don't cover a lot of the costs and the helicopter program is used more that the program will be expanded and increase the costs. Need to make sure this doesn't backfire and cost the county taxpayers more for an expanded program. Chief Balloni said that if they expand the program, it would only be for the purposes of coming up with more funding to minimize county costs. They would have to be carefully measured; would only expand it to increase the net to the program. They are trying to preserve the public safety tool. Mr. Kilmartin said that he wants to be careful that if through FAA certification, and getting 50% return on every cost of flight, and then doing more flights to bring in more revenue -- might be expanding our loss. There is a significant risk with that.

In answer to Mr. Lesniak, Chief Balloni said that Part 135 does not change status with clearing house availability.

**Mr. Stanczyk said that an assessment needs to be made about the hard costs and soft costs and it should come from the Budget Dept, not the Sheriff's Dept. If the program continues, there will be an ongoing subsidy from the taxpayers to provide it – need to know what we are willing to pay for it. Legislature needs to give Sheriff some type of goal to get to – if they get to it fine; if not there has to be consequences. Mr. Rowley noted that he will put together an assessment. Mr. Lesniak added that the Comptroller's office could do a full audit of the program.**

Chairman Rhinehart said that three years ago the legislature appropriated money. This has been the same thing year after year. Because the commitment was firmed up here and pressure was put on the Sheriff, things started to happen. They haven't happened quickly enough or to the extent there has been any change. Two years ago the legislature was told there was going to be a 501-C3. It took them 6 months to do it; he did for a ski hill in 30 days. The Sheriff said he is not a good fundraiser – that is obvious – the first one they had was poker run with motorcycles and there were 7 Sheriff's patrol cars there on a Saturday. They raised \$4,000; thinks it cost more money than it fundraised. At some point this legislature has to say enough and enough. The longer it is kept, the more money will have to be put into it. The Sheriff's Dept. budget had doubled in 10 years; \$70 million next year. Their office building is a mess; it needs to be replaced. The heliport is being used for storage and keep dogs – in other units the dogs go home with the owners. Have to figure out how to stop the bleeding and return that money to the taxpayers.

Captain Rinella said that the K-9s do go home; the facility was done by donations – no cost to taxpayers. They can't be trained anywhere; need to have a facility.

Al Calfuss asked to address committee – worked on this program for 5 years – working with hospitals, local fire depts. and agencies. Agrees there needs to be a plan, but the volunteers, EMS providers, police offers are over taxed. He asked for help and guidance with fundraising. It has been proven that the helicopter is a value to the community and neighbors Regarding 4 helicopters in the region – first response vehicle to be considered would be a police car, ambulance or fire truck – each does a different job. The helicopter does them all. The other helicopters do medevac. He referred to the work that the volunteers do and the time they spent – referenced a hunter in Cicero swamp that was having chest pains and couldn't walk out. They couldn't get to them by car; helicopter couldn't get to them by air, but they dropped care packets to him from the helicopter; had a doctor telling him how to take the medications. He questioned how much it costs for all of the volunteers to be out there searching – there were 10 -12 department there. Regarding costs -- think about what the county gets for free from volunteers. Look at the whole picture. Help them put a plan together; they can do it; they are over taxed. They have meetings, and training that is mandatory. He doesn't know any other department in the county that has lost as much money as Air 1 has, consolidated resources and has active working relationships with hospitals, EMS agencies, etc. Let's put a plan together that serves



the community. The Air 1 budget was a lot more 3 years ago than it is now; we are going in the right direction. This is ridiculous, as a taxpayer he can't believe this; as a volunteer he is ashamed – trying to get rid of the one service that makes a difference. It saves lives.

**A motion was made by Mr. Stanczyk, seconded by Mr. Kinne to approve this item. AYES: 0; NOES: 3 (Jordan, Warner, Buckel); ABSTENTIONS: 6 (Corbett, Lesniak, Holmquist, Kilmartin, Kinne, Stanczyk). DEFEATED.**

**c. Establishing the Policy of the Onondaga County Legislature that Onondaga County Develop and Own a Convention Center Hotel, to be Managed Pursuant to a Professional Services Contract (Sponsored by Mr. Stanczyk)**

Mr. Stanczyk:

- 7-8 yrs ago legislature went through assessment – made sense to get involved with the development of convention center hotel
- At the time, received two proposals – one for private owner and one for a developer to build the hotel for the county
- County Executive supported private developer; County signed initial development agreement in Dec. 2004
- A convention center hotel has not been built; important to community and success of convention center to have adjoining hotel
- Significant State money provided support to convention center construction and building that support them
- County applied for \$15 million; a direct subsidy to developer
- Afterwards were told by the next developer (that development rights were sold to) that they needed an additional \$10 million from Onondaga County as an "equity contribution" – County agreed to it
- Initial development had put a down payment source of funds for multi-year contract with professional hotel management organization, about \$5 million
- Hotels are being built in Onondaga Co., but in order to get financing, significant down payments need to be provided by the developer; and developers are allowed to only borrow about 50% of costs
- No movement forward in terms of getting private developer
- If there is process of right sizing; providing suitable amenities, then this could be done
- Potentially \$15 million from state and possibly more if there is a public convention center hotel rather than private
- There would be money from signing with a professional hotel developer
- If County builds its own hotel, approximately 8% of receipts – sales tax and ROT – would come to the County
- Advantages to build County hotel
- Proper mechanism is to say "we need a convention center hotel" and owners should be the citizens of Onon. Co.
- Resolution sets policy in place; asks Co. Executive to assent to policy or reject policy, have 60-day time period to explain to legislature how Executive Dept can figure out how to easily get this in place
- Proposal for racino is also the preferred developer - development rights 7 years ago for hotel; they are saying that if they get the racino build they will build the hotel.
- Don't know if the State will approve the proposal for the racino, so don't know if the County will get a hotel even if agree to what the developer is asking
- This resolution sets a policy in place to go forward as a county to develop its own hotel and have resolve to get it done

Mr. Lesniak agreed the Oncenter is subsidized; garage is subsidized; now Mr. Stanczyk wants County to build a hotel to be subsidized. If a private company is not building this hotel, County costs to build it will be substantially higher than what a private developer's cost would be because of labor laws that would have to be followed as a governmental agency. Doesn't see where this is at all a profit center for county. We need a hotel – it is the only way to get subsidy off of OnCenter. It is only another subsidy for the County if the County builds it.

Mr. Lesniak noted that regarding the racino, if the license is received, the hotel would come before the racino. Also, Wilmont is not asking for the \$10 million from the County to build the hotel. It makes the project a little better to take a look at. He can't support this at this time.

Mr. Buckel referred to cost benefit process – assumptions are being made here that are not valid, based on research he has seen. Every community across the country that have said that the solution to their convention centers was to build a hotel, have failed – whether private or public. The County needs to do a process – a rigorous, business-like process to examine this. There is not only the racino discussion, there is also discussion about the Hotel Syracuse – consequences to it could be adverse. Also, the Executive is initiating a process to possibly have privatized management of the money losing convention center facility. Feels all options should be open; would hate to do something today that would affect and have consequences for all of these possibilities for the legislature.

Mr. Corbett said that the convention center hotel was built to help the Hotel Syracuse; now we have to build the convention center hotel to help the convention center. He would like to see a hotel built; was involved in getting the \$50 million through IBEW for the project. They had the money and opted not to use it. Assemblyman Magnarelli has had discussions with the executives of the city and county to use the \$15 million as enhancement to put into the Hotel Syracuse for use as the convention center hotel. It is a historic building; there will a lot of problems with SHIPO. It is far beyond the codes. He had directed a lot of electricians there 1 ½ years ago; most of the companies have a mechanics lien because it went bankrupt. He does not think it will work. There are some very strong willed executives in government that really want it to happen. A lot of assumptions in the resolution may not come to fruition.

Mr. Kinne said that person was picked, on loan from SU, to conduct the study as to whether there should be a convention center and hotel. The study determined that the convention center would be a risky proposal but it would be in the best interest of the county to also build a hotel. The hotel hasn't been built. Would love to see the Hotel Syracuse refurbished, but it will not solve the problem – ask the experts. The conventions that have come here have told us that they love the convention center, but won't come back unless there is a hotel next door. People can't be asked to come here and not give them what they want just because we don't like it. The idea that whoever builds the hotel, private or public, will not cost the County anything, is wrong. At a bare minimum, it will cost the County the building of the walkway across. There will be other associated costs to the County. Other hotel managers in the community have said that they want the County to build the hotel; they say it will help them. In a perfect world, we would have a private developer come in a build it; 4 developers have told us that they can't do it. He questioned how long we will wait; how many more developers will tell us that they can't do it. He doesn't like the idea of the public doing this; doesn't like the public subsidizing the convention center. It started off at \$2.5 million; went down to \$2 million; this year it is up to \$3 million – what will it be next year. The longer we wait, the more money we lose, because less conventions will come to town. There is a golden opportunity with the Landmark Theater holding bigger plays; people will want to stay downtown. There is enough evidence out there – we need a hotel.

Mr. Stanczyk said that the \$15 million from the State is supposed to aid and abet convention centers. Putting the money into the Hotel Syracuse could be a very difficult conversion. It is not proximate to the convention center. The convention center was not built to support Hotel Syracuse. It was built because the community wanted to have a state of the art convention center to bring in conventioners, bring people into our community from outside. It was thought that there would be tremendous economic benefits. It is crucially important that

the legislature step up to the plate and make a decision on this; it should have been made 8 years ago. There are things that are approximate that can help us – Everson, Landmark. Have been lost in the number of rooms – there was an outrageous concept that we could have world-class hotel here; need 300+ rooms, all types of meeting rooms. A sufficient hotel is needed, with sufficient amenities, with a sufficiently strong name, with downscaled number of rooms, so that costs can be constrained. We have State funding; our own funding. It will help generate better convention business, generate more sales tax and ROT.

Mr. Jordan noted that a number of private entities have sought out building the hotel. The last one included considerable subsidies – it didn't happen because the as built appraisal came in too low. They weren't able to obtain financing for not even the full cost of the building. A number of people in the industry have made an assessment that it is not an economically viable option. He doesn't know of any situation where a government has done a project for less than a private entity can do it. This is talking about a project, who people in the business have said that they can't make it work at their cost. Now talking about the County doing it a much higher cost than what the private entities were looking at. Now it will be on our taxpayers' backs. Now we will have to subsidize the hotel as well as the convention center. The County is already maintaining a lot of buildings -- does not see how this will be in the financial best interest of constituents.

Mr. Stanczyk said that the current banking situation is such that a huge amount of money is demanded down from the developer. As the County, it is not an impediment. The County can put 50% down fairly easily. The County has a huge competitive advantage. Also 8% of total receipts will be a positive cash flow to the County. If we have a convention center hotel there, our convention center business will get better and the subsidy will get lighter. This resolution is asking the legislature to get off the dime and have a report come back.

Mr. Corbett noted that if this came to fruition, a decision would have to be made if the maintenance is privatized or if the Facilities Management would also have to take care of it. It would have to be part of the cost benefit analysis.

**A motion was made by Mr. Stanczyk, seconded by Mr. Kinne to approve this item. AYES: 2 (Kinne, Stanczyk); NOES: 6 (Jordan, Lesniak, Holmquist, Kilmartin, Warner, Buckel); ABSTENTIONS: 1 (Corbett). Motion DEFEATED.**

**8d. Approving an Alternative Allocation of Payments In Lieu Of Taxes for Anheuser-Busch, Incorporated Pursuant To General Municipal Law §858(15), and Repealing Resolution No. 482-2011 (Sponsored by Mr. Lesniak)**  
(spreadsheet on file with Clerk)

Mr. Lesniak said that the recapture clause has changed significantly since the Legislature passed this. The Town of Lysander, school districts and OCIDA have approved this. The recapture penalty is a significant modification.

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

Chairman Jordan took the agenda out of order.

1Mr. Warner left the meeting.

#### **10. COUNTY CLERK:**

##### **a. Mortgage Tax Apportionment**

**A motion was made by Mr. Lesniak, seconded by Mr. Warner to approve this item.**

Ms. Ciarpelli said that they are about \$500,000 behind last year at this point and distributed the following:

Year	Basic (Towns)	Additional (Centros)	Special Additional (Socynna)	Total
2002	\$ 4,300,225.74	\$ 1,804,625.20	\$ 2,041,755.96	\$ 8,146,606.90
2003	\$ 6,783,707.17	\$ 2,831,107.11	\$ 3,130,893.05	\$ 12,745,507.33
2004	\$ 5,085,717.00	\$ 2,581,500.45	\$ 2,720,900.22	\$ 10,388,117.67
2005	\$ 5,020,876.12	\$ 2,632,506.20	\$ 2,702,151.00	\$ 10,355,533.32
2006	\$ 5,712,914.04	\$ 2,530,351.17	\$ 2,642,102.05	\$ 10,885,367.26
2007	\$ 5,700,730.00	\$ 2,500,670.35	\$ 2,640,702.45	\$ 10,842,102.80
2008	\$ 4,510,293.21	\$ 1,900,221.03	\$ 1,900,571.33	\$ 8,311,085.57
2009	\$ 4,670,948.23	\$ 2,001,831.76	\$ 1,900,200.31	\$ 8,572,980.30
2010	\$ 3,043,837.00	\$ 1,700,043.40	\$ 1,502,900.44	\$ 6,246,780.84
2011	\$ 3,607,435.37	\$ 1,637,413.47	\$ 1,472,761.56	\$ 6,717,610.40

**Passed unanimously; MOTION CARRIED.**

**e. A Local Law Amending the Onondaga County Charter and Administrative Code to Provide for Information on Letters of Distribution (Sponsored by Mr. Meyer)**

**f. A Local Law Amending the Onondaga County Charter and Administrative Code to Provide for information on Letters of Distribution (Sponsored by Mr. Meyer)**

Mr. Meyer:

- Charter says that every single line in the budget has meaning; legislature votes on them
- A department is not given a total budget – they have to follow line by line of the items in the budget
- Legislature sets pay and positions
- Sponsored a resolution, passed unanimously, requesting that the new budget book include any letters of distribution
- Requested information on letters of distribution, which Budget Dept. provided
- Does not see where letters of distribution is defined; don't know what the legal status is
- Temporary adjustments -- referred to work Co. Facilities Department did a lot of work at the stadium. It was not temporary; had people there for weeks. It skewed the numbers; the numbers for the stadium in the budget were incorrect – actual maintenance was higher. The County Facilities budget was exaggerated because of doing the work there. He sees examples of this all over the budget.
- Steps weren't followed relating to the resolution passed -- introduced a local law during 2012 budget review
- Recently brought the local law to Ways & Means Committee and asked for suggestions, comments

- Item 8f was the original product; after consulting Comptroller's office, item 8e was created
- Wldridge case – subject of role of legislature and line by line control was debated for many months and then went to court. Many parts to case. Courts ruled on the role of Comptroller – monitoring day to day operations
- If monies, personnel are being used in other ways than how passed in the budget book, that is a diminishing of power and authorities of legislature
- When there is a defined use of personnel that is not part of the budget book, it diminishes the legislature's power and role

Mr. Lesniak understands that we need to know who is being paid what from what department; it should be in the budget book. He is not sure what the impact of these local laws will have on the legislature, this budget, or future budgets, or the accounting. He asked for clarification – interdepartmental billing is factored in the budget – it is different every year. It seems this results in a major change of how we are operating.

Mr. Maturo:

- Central departments, i.e. Co. Exec., Comptroller, Co. Legislature - considered overhead departments to the individual programs in the departments throughout County
- Prior to 2010 the way overhead costs of central department were charged back was through the A-87 indirect cost plan or a direct bill from the department based on the methodology and backup that was sent to all the departments
- For Federal purposes, if not billed by an acceptable methodology, as approved by A-87, reimbursement cannot be received; same thing applies with the State
- Anything can be billed, as long as there is an acceptable methodology behind it and as long as the central departments are depicted as overhead

What is happening with letters of distribution with the County Executive's office – their costs are treated as direct payroll expenses for the department. Just like any worker within the department – it is a direct payroll expense. When it is submitted for reimbursement, the majority of the time it will be kicked out, unless it is accounted for differently. The other concern with them is what the methodology is behind how those amounts got billed out to other departments. Discussion came up during 2012 budget process; it was said that it was on a "feeling" on how much time people thought they worked in each of those departments. The Comptroller's office knows that if those costs are reviewed by an outside auditor, state or federal, there is a very good possibility that those costs will be disallowed, and the County would have to reimburse any State or Federal aid. By taking them out of indirect costs, we are shortchanging A-87; foregoing reimbursement. It is a possibility that the way these salaries are being filled, directly to the 101 line as if they are employees of that department, puts the County in jeopardy of receiving reimbursements.

Mr. Lesniak asked if the Comptroller is saying letters of distribution shouldn't be allowed at all. Mr. Maturo said that it is their opinion that they can't see where letters of distribution is authorized to begin with. Mr. Lesniak said that letters of distribution, current and past administrations, have been going on for years. This is nothing new. Mr. Maturo said that in the past, his experience with letters of distribution has been that when people who were in a position in one department and they work at another department, all of their salary was billed to the department they work in. There was never the case of 20% here, 30% there, etc., and certainly never had it at the level of a central department, which is considered overhead.

Mr. Lesniak said that one local law says that departments which are part of the county's indirect cost plan shall not be charged via letters of distribution, rather charged via direct billing between the departments. Mr. Lesniak asked if it is saying that letters of distribution is gone. Mr. Maturo said "not necessarily" -- it is saying only in the central overhead departments. Mr. Maturo noted that this came out of an audit that Mr. Britt's staff has been working on for months, based on the number of questions about letters of distribution from the Legislature. Mr. Maturo said that they are not sure where letters of distribution is legal in the first place, on other than a temporary basis. Mr. Meyer asked the Comptroller's office to review the local law. A suggestion was made to be sure the central departments are billed in a way that reimbursement is maximized for the County. The Comptroller's office believes that the way it is accounted for right now, it does not do that. Mr. Lesniak clarified if it means that for these departments, a formula should be used for a direct bill. Mr. Maturo gave an example that is used in his department, where they do work for the Health and Dental Division. The auditor's time is tracked hour by hour; the department is billed based on the accepted methodology. Mr. Lesniak referenced IT department – a zero cost in the budget – it is billed out to every department in the county. Mr. Maturo agreed; it is done through a direct bill. Chairman Jordan asked what the difference is between a direct bill and letters of distribution. Mr. Maturo explained that IT has a bill that they give to the department with supporting documentation; Health, Mental Health, Social Services can then get reimbursement because they have the back up under audit. It also shows up in their budget as not payroll expense, but as overhead. Interdepartmental overhead expense gets reported differently to the cognizant agency than payroll does. Payroll is a direct bill; a direct payroll expense for the program – not an interdepartmental, not an overhead item. Mr. Lesniak said that with letters of distribution, there is no bill; it is just a factor of, i.e. 20% of a person's salary is charged to Health Dept. because they are administering the Health Dept. There is no hourly calculation, at the same time they are not hourly employees; they are salary employees. Mr. Maturo agreed. In answer to Mr. Lesniak, Mr. Maturo said that if hours are to be calculated, the accepted methodology is to do a time study to track hours. Mr. Kilmartin asked if the Comptroller is concerned about a number of issues: back up, audits, invoices. Mr. Maturo agreed.

Mr. Fisher said that it is not that the departments are not billing correctly, but may be double billing. The County Executive's office agrees that if they are doing anything by letters of distribution, that is also being picked up by the indirect cost plan, that they don't want to double bill it. That is what puts the County in jeopardy. He does not believe that it is correct that there is a huge amount of money in jeopardy; it is only the double billing that is in jeopardy. Mr. Britt indicated that the methodology used would be questioned.

Mr. Lesniak asked Mr. Fisher how many letters of distribution he has. Mr. Fisher said that by and large the departments do bill 100% of the person. There are 2 different ways to do it; Comptroller does it one way – direct bill. He referenced an example in the Sheriff's Dept. Feels as a budget methodology, the budget advantages outweigh the Comptroller's issues. Mr. Lesniak indicated that the example given about the Sheriff's Dept is not the issue. The issue is taking someone's salary being charged to another department, i.e. 20% to Health Dept, without any methodology as to how the 20% was calculated, and without any notification in the budget book. Mr. Fisher said that it was provided during the course of the budget. They are happy to provide additional information. It is unprecedented and very odd to change the Code and Charter to specify the budget book. Mr. Lesniak disagreed – this was passed in resolution last year to be provided in the budget book and it wasn't done.

Mr. Stanczyk asked what was added to the original local law. Mr. Maturo said that their concerns were the departments that were in the indirect cost plan being charged as such. Mr. Fisher asked if all departments are all indirect cost plan departments. Mr. Britt said that the only ones are service department, i.e. Legislature, Finance, Management and Budget, Personnel, Audit & Control, County Executive. Mr. Britt explained that there are acceptable methodologies for human services and physical services that are allocated to departments based on total expense. The County Executive department – physical services, 34% is spread to WEP. The problem is that when letters of distribution is used, it charges WEP's 101 line directly in a salary and then it is split. It is not transparent. It can still be charged, but by

direct bill. Mr. Fisher said that the local law does not say that – rules out letters of distribution. Mrs. Tarolli said that she did not draft this local law; the Charter vests the county attorney with the responsibility of drafting legislation. Charter and Code are the guiding documents for the County; have been existences since the 60's and 70's. They are very judicious in choosing changes made to Charter and Code. It the County Attorney's opinion, the version drafted by the Comptroller is illegal in that it requires a mandatory referendum.

Mr. Stanczyk said if the County Executive or Legislature hires someone new, the cost are spread. He asked if the Comptroller is saying that there are specific positions that are being allocated to things without documentation. Mr. Maturo said "yes". Mr. Stanczyk said if there someone is allocated to an area, then there has to be some type of justification as to what the time and concerns are. Mr. Maturo said that is part of it, but also where is it expensed. If it is expensed as 101, it is a direct salary of a program. It gets reported as a direct salary of that program; when it is not, it is an overhead cost. They have been allocating costs of the overhead departments for years – there are two methodologies. For those departments that don't want to track direct bills, don't want to track a time study, don't want to track how a supply expense gets allocated out, there is the A-87 indirect cost plan, which is based on acceptable methodology. What is being done here is a third method, based on no methodology. It is being reported to the departments as if it is a direct payroll expense, and it is not.

Mr. Rowley disagreed. By and large the letters of distribution are charged directly because there is a causal relationship. There is a roster position being borrowed by a department; the intern program is a good example. Mr. Maturo said that the Comptroller's office does not take issue with letters of distribution for what it was used for in the past. Mr. Rowley said by and large that it what letters of distribution is very well defined for. Mr. Maturo questioned the definition; the Comptroller's office has not been given anything to show what gives the authority to do it in the first place. They do not have a problem with IT controlling the office automation people and they are working full time at the Sheriff's Dept. They swipe in/out at Sheriff's – that is where they work. They don't have a problem with the administrative interns – all of those positions reside in personnel – they are charged to the departments where they are actually working in. Those are direct payroll expenses. They have an issue on how salaries are being apportioned, just based on percentages with no back up documentation, and treated as if the County Executive employees work in the departments directly. The Comptroller's office wasn't asked to write the legislation; they were asked for input on the legislation. They are more than happy to work with Mr. Meyer, Mr. Rowley, Mrs. Tarolli, and Mr. Fisher to get this right.

Mr. Buckel referred to the rule that Mrs. Tarolli referred to – requires the County Attorney drafting an approval for any motion or resolution to be approved. Without that it would require a majority vote of the entire legislature to suspend the Rules. Without that the committee does not have jurisdiction to consider this today. Mr. Lesniak said that item 8e is the item that Mrs. Tarolli says has to go to referendum; item 8f was drafted by the County Attorney.

Mr. Meyer said that all departments that come in during budget time complain about indirect, as they have no control over it. The people here, who are supposedly full time experts can't agree. For transparency we need to do a better job; the local law is his suggestion for a better job.

Mr. Kilmartin asked if the County Law Department does not draft a resolution, can the legislature take action on it. Mrs. Tarolli said that the Rules require the County Attorney approve all resolutions that are before the County Legislature. There is a stamp on the resolution, which says it has been approved by the county attorney's office. There is an argument with respect to local laws, that they fall into a different category – that Municipal Home Rule will govern, but there is interplay between the Legislature's Rules and Municipal Home Rule Law. In answer to Mr. Kilmartin, Mrs. Tarolli said that the County Attorney's office has to approve for form and legality, not substance. It takes a two-thirds vote to suspend the Rules.

Mr. Meyer asked Mrs. Tarolli what parts of item 8e are not approved for form and legality. Mrs. Tarolli said that she would have to confer with the County Attorney; it would be his final decision. **Mr. Lesniak asked that the County Attorney send correspondence to the Legislature as to what his issues are with item 8e.**

Mr. Kilmartin said that he gets the sense that one of the issues might be that Section 5 is a blanket prohibition. The Comptroller's office is saying that they won't object to certain actions. It would be interesting to know if Section 5 is the kernel of the issue; and if there is specific language that the county attorney would want in there to clarify Section 5 to meet his approval for legality and form. Mrs. Tarolli said that Section 5 is the crux of the issue. **Mr. Kilmartin asked that the County Attorney clarify it and if he has any proposed language, which would do away with objection to Section 5.**

Mr. Meyer said that there could be a mostly \$0 budget for the Legislature; it could be made \$0 local cost. The Environmental Protection Committee could be charged to WEP; Ways and Means work could be charged to Budget Dept; Public Safety Committee would be charged to 911, etc., but it would be a deception. He is asking for a full transparent process so that allocation of taxpayers' money can be done on those programs and evaluations can be done based on true costs.

Mr. Stanczyk noted that many years ago, the county property tax bills were changed to say "State Mandated Costs". It is extremely deceptive; it continues, and he continues to have issue with it. Things should be clarified.

**9. PURCHASE:**  
**a. Revenue Contract Report**

Memo on file with Clerk.

2,3,4 Mr. Stanczyk, Mr. Kinne, Mr. Buckel left the meeting.

**11a. PERSONNEL RESOLUTION - Sheriff – Police/Civil Division** (Sponsored by Mr. Lesniak)

Mr. Lesniak:

- Discussions during budget – Clay contract for police services, \$1.7 million in revenue lost from Clay contract
- When Clay department was absorbed, County absorbed more than it needed to provide the service to Clay – did away with entire dept. in Clay and absorbing some of their positions into vacant positions that the county had
- This does not fix the entire hole of \$1.7 million, but makes a move in that direction
- All vacant positions; have been verified by Personnel – nothing in works to fill them at this time
- At this point, does not want to see the positions filled and make the \$1.7 million a bigger hole

Chief Balloni:

- A number of positions were left vacant in anticipation of needing to move people actually in grant funded positions into the vacant positions

- If the vacant positions are abolished and the grant positions are funded, then there is no place to put them
- Suggested that if positions are to be abolished, that the grant positions be abolished so they can move real people into these vacant funded positions. Grant funded people would be moved to permanent positions

Mr. Lesniak asked when the grant funded positions are going to expire. Chief Balloni said that they left positions vacant in anticipation of meeting their budget – trying to meet budget without going over because they don't have revenue from Clay contract.

Chief Balloni said that this could have gone through Public Safety Committee. Mr. Lesniak said that they weren't sure where the helicopter issue was going, whether it would have been revenue to offset these positions. This is a backup – there is hole in the budget. Chief Balloni said that they are working diligently to fill the hole – he asked that a situation not be created where they have to lay off people because they don't have vacant, funded positions to put them in.

Mr. Kilmartin asked if the revenue that came from Clay, allocated to positions is called "grant positions". Chief Balloni agreed that they were. Chief Balloni said that they would like the Clay positions eliminated, not the regular budget positions that were left open on purposed to move people into and avoid layoff. There are 13 grant positions right now. There is no funded for them in 2012.

Mr. Lesniak said that if Chief Balloni is talking about moving people in the grant funded positions from Clay into these positions, and abolish seven grant positions, he doesn't have a problem with it. The resolution can be reworked. Mr. Kilmartin pointed out that there are 13 grant positions.

Chief Balloni noted that they are working on an RFP now for a staffing study to be done by an outside expert. It needs to be studied and come to fair conclusions

Mr. Kilmartin said that when the Clay contract was consummated, the Sheriff's Dept. took on 13 positions, \$1.7 million of revenue, services provided. The 13 were considered grant positions. Now the revenue is gone from the contract and there are still 13 grant positions. If trying to eliminate the total cost associated with the total revenue from the Clay contract, questioned why there wouldn't be an elimination of 13 positions. There might be reasons for these tough questions and concern for lack of transparency. This conversation started during the budget process. To be perfectly transparent, members had heard broad generalities that there might be something going on with the Clay contract. He asked very pointed questions to the Sheriff's whole team, during the budget presentation, about the Clay contract. Never once did anyone bring up that in June a letter had been received by the Law Dept. and the Sheriff's Dept. saying that the Clay wanted to cancel the contract and maybe would want to entertain a negotiation of it. He was surprised that a letter of that nature wasn't brought up to the legislature and wasn't brought up at all when the committee was asking questions about it. The legislature had not no notice of that until a week or two later. Chief Bottsford said that he found out in the morning when he read it in the paper. Clay indicated to the Sheriff's Dept, that they had to serve notice so that they could renegotiate the contract. They had no idea. Chief Balloni said that they did have the letter; they should have been more transparent. The concern at the time was that the legislature would act without negotiations and abolish a bunch of positions and be left in a position of "what do we do now". They had every intent to negotiate it.

Mr. Lesniak said that Clay has since done their budget and did not include any positions in their budget for reimbursement back to the Sheriff's Department, which is why his resolution is here.

Mr. Kilmartin said that the reality is that if a legal letter terminating a service contract was sent to the Sheriff' Dept, and maybe the Law Dept., if the budget had gone through without any adjustments in and if Clay had said that they don't want any part of the contract any more, the County would have a \$1.7 million bust in its budget. It is a significant amount of money that would have to be made up midyear 2012. Chief Balloni appreciated that it is a fair criticism. The reality is that they still need to service Clay. When Clay came to the Sheriff's Dept, they said that they would like to do away with the contract and would like the Sheriff's Dept, using sales tax, to provide 100% of the service provided today. That is when they got to negotiating something. They thought it was Clay protecting their right to negotiate it, not a termination letter. They didn't expect that Clay wasn't going to pass any of it.

**Mr. Lesniak asked Chief Balloni to transmit the grant positions numbers to Mrs. Stanczyk.**

***Mr. Lesniak made a motion to amend his resolution to reference the grant funded positions, instead of those listed on the current resolution; seconded by Mr. Corbett. Passed unanimously; MOTION CARRIED.***

The meeting was adjourned at 11:45 a.m.

Respectfully submitted,

DEBORAH L. MATURO, Clerk  
Onondaga County Legislature

\* \* \*

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