

Mr. Kenny asked if the position had been filled and Mrs. Vogel stated that selection had not yet taken place as the eligibility list from the September 12, 2009 examination was expected within the next two weeks. Mrs. Vogel said that she would proceed in accordance with civil service procedure, and noted the close time frame within which to hire staff prior to the New Employee training scheduled in mid-November.

Mr. Kenny apprised that the Notice of Intent to Fill Vacant Position for the Motor Vehicles Clerk position had been approved by the Board of Supervisors.

With regard to the Local Government Records Management Improvement Fund (LGRMIF), Mrs. Vogel announced that the notice of full funding in the amount of \$72,192 had been received. She cautioned that New York State may request a portion of that amount up to 10% and she hoped to receive the notice of the final decision from NYS prior to the Finance Committee meeting.

Responding to an inquiry from Mr. Pitkin, Mrs. Vogel stated that the State would release 50% of the grant award right away, which would likely necessitate a 2009 budget amendment.

Motion was made by Mr. Belden, seconded by Mr. Pitkin and carried unanimously to approve the request to amend the 2009 County Budget to increase estimated revenues and appropriations to reflect receipt of the LGRMIF grant funding, contingent upon the final award notice from NYS, and to refer same to the Finance Committee. *A copy of the request to Amend the County Budget is on file with the minutes.*

Mrs. Vogel apprised that the Mortgage Tax Expense had been examined as a potential source of revenue for the County. She referred to the fact sheet included with the agenda which demonstrated that legislation had been in effect relative to Mortgage Tax as follows: *Pursuant to Section 262 of New York State Tax Law, counties are entitled to retain an amount determined to be necessary, proper, reasonable to cover expenses incurred by the County Clerk in the collection of Mortgage Tax. The amount retained is taken from the total tax collected prior to distribution. It is not a new tax.*

Mrs. Vogel stated that such legislation allowed the County Clerk to examine expenses to determine an amount to be reasonable. She noted that allowable costs, as per the NYS Mortgage Recording Tax Manual for costs associated with Mortgage Tax Collection, could include items such as personnel time for duties associated with Mortgage Tax collection, systems and supplies, and she reiterated that it was not a new tax, as the funds were retained from taxes collected. She further stated that most counties collected some form of Mortgage Tax expense and Warren County was one of only five Counties in NYS that did not. She added that dollar amounts varied greatly among Counties with the average at approximately \$1 per capita. She explained that the procedure for adopting the option was relatively simple whereby the Board of Supervisors would approve a resolution along with a completed MT-3 Form to be submitted to the State Tax Commission requesting approval that a specific amount of Mortgage Tax be retained for expenses.

Continuing, Mrs. Vogel explained that the revenue would be generated from Mortgage Tax collections from the Towns, Warren County and New York State, all of which benefitted from the Tax. She cited the example of \$48,000 for total expenses claimed against the total tax collected in 2008 of \$5,082,192.47. The \$48,000 fee represented less than 1% of the total tax collected, Mrs. Vogel noted.

Mr. Pitkin confirmed that the current amount collected was .5% and that the County Clerk was asking that total expenses be offset by this process. He summarized that \$5,082,192 was the total mortgage tax collected in 2008, minus the \$48,000 in total expenses claimed, which resulted in \$5,034,192 total tax disbursed. Mrs. Vogel noted that the \$48,000 was well in excess of the .5% taken from the County which included basic, additional, local and State tax.

Mrs. Vogel expounded that if the hypothetical amount of \$48,000 was applied for Mortgage Tax Expense, it would be derived as follows:

- \$12,000 from the Towns
- \$12,000 from the County
- \$12,000 from County (Additional Tax)
- \$12,000 from New York State

Mr. Kenny summarized that the net gain would be \$24,000 (Towns and NYS). Mrs. Vogel stated that this was one method by which to derive a solution which addressed concerns related to expenses for Warren County.

Mrs. Simmes asked why the option was not introduced prior to the completion of the Town budgets and Mrs. Vogel stated that history consistently showed that the amount typically distributed to the Towns far exceeded the estimated revenue that the Towns budgeted for Mortgage Tax.

Relative to real estate, Mr. Strainer asked if the tax was prorated due to the disparity in real estate sales among the Towns and he inquired if the Towns could be reimbursed for that money. He stated that this was a viable option from which to gain additional revenue from the State and he acknowledged that the Town budgets could not withstand further reductions. Mrs. Vogel said it was her understanding that the tax was calculated from the total inclusive bottom line. Mrs. Vogel noted that most towns had underbudgeted their revenue for 2009, and she stated that the Mortgage Tax Expense at less than 1% was not excessive. Furthermore, she said, this was a revenue stream that should be examined especially if the County had concerns regarding revenue streams, and she noted the issue had been brought to the Committee prior to this meeting.

Mr. Thomas asserted that if the amount owed by the Towns was taken off the bottom line, Stony Creek would receive the least amount of Mortgage Tax and would subsidize the other Towns. Mr. Pitkin stated that it must be prorated in order to be fair and equitable. Mr. Strainer pointed out that the bottom line would realize a net gain, with \$12,000 in additional revenue from the State. He maintained that it was a good plan in terms of increasing revenue from the State; however, he said, it was not positive for the Towns who had already prepared their 2010 budgets.

Regarding proration, Mrs. Vogel expounded that proration was carried out electronically which made the process fixed and not changeable. Mr. Pitkin expressed concern that he had heard inconsistent information from Departments regarding the process for costing out services and he felt the County lacked a uniform procedure. Changing a Mortgage Tax expense, he said, raised the need to look at the entire County system.

Mr. Sheehan stated that he agreed with Mr. Strainer and that the County should make every effort to gain \$12,000 in additional revenue from the State. He felt that the County should go forward, and reimburse

the Towns for their share, and prepare in advance for 2011. Mrs. Simmes noted that State law regulated such processes. Mr. Kenny stated that the Towns would be required to pay a fee for the service which was a new expense.

A discussion ensued.

It was the consensus of the Committee that Mr. Kenny and Mrs. Vogel would address the issue of redistribution limitations with Paul Dusek, County Attorney.

The final item presented by Mrs. Vogel was a request to fill the vacant position of Recording Clerk which had not previously advanced beyond this Committee. She apprised that the Recording Clerk position generated a total of \$400,000 in revenue for the County. She explained that several months had passed and leave times had steadily increased. In terms of vacation leave time, she noted there was a significant amount yet to be used. She asserted that the Department worked hard to accommodate the staff reduction over the 7 to 8 month period, and would enter into 2010 short staffed and with a backlog of Mortgage Discharge work which, she stated, was a mandatory public service. Mrs. Vogel stated that the position had been included in the 2010 budget.

Motion was made by Mr. Belden, seconded by Mr. Strainer and carried unanimously to approve the request to fill the vacant position of Recording Clerk and to refer same to the Personnel Committee. *A copy of the Notice of Intent to Fill Vacant Position is on file with the minutes.*

Mr. Kenny articulated that Chairman Monroe had expressed extreme concern with regard to filling positions with the probability of future layoffs. Mr. Kenny stated that he felt the vacancy should remain open at this time.

Motion was made by Mr. Pitkin, seconded by Mr. Sheehan and carried unanimously to table the request to fill the vacant position of Recording Clerk.

There being no further business to come before the County Clerk - Motor Vehicles Committee, on motion made by Mr. Pitkin and seconded by Mr. Belden, Mr. Kenny adjourned the meeting at 10:12 a.m.

Respectfully Submitted,

Joanne Collins, Legislative Office Specialist