

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: REAL PROPERTY TAX SERVICES

DATE: AUGUST 24, 2007

COMMITTEE MEMBERS PRESENT:

SUPERVISORS BELDEN
MONROE
CHAMPAGNE
HASKELL
BENTLEY
F. THOMAS

OTHERS PRESENT:

MICHAEL SWAN, DIRECTOR, REAL PROPERTY TAX SERVICES
WILLIAM THOMAS, CHAIRMAN
PAUL DUSEK, COUNTY ATTORNEY
PATRICIA NENNINGER, SECOND ASSISTANT COUNTY ATTORNEY
HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE & FISCAL SERVICES

COMMITTEE MEMBER ABSENT:

SUPERVISOR GERAGHTY

JOAN SADY, CLERK OF THE BOARD
NICHOLAS CAIMANO, BUDGET OFFICER
PATRICIA TATICH, DIRECTOR, PLANNING & COMMUNITY DEVELOPMENT
WAYNE LAMOTHE, ASSISTANT DIRECTOR, PLANNING & COMMUNITY DEVELOPMENT
MARTY FITZGERALD, CONSTRUCTION COST COORDINATOR
JOANN MCKINSTRY, DEPUTY COMMISSIONER OF ADMINISTRATIVE AND FISCAL SERVICES
PLEASE SEE ATTACHED SIGN-IN SHEET FOR ALL OTHER GUESTS PRESENT
CHARLENE DiRESTA, LEGISLATIVE OFFICE SPECIALIST

Mr. Belden called the meeting of the Real Property Tax Services Committee to order at 11:36 a.m.

Motion was made by Mr. Haskell, seconded by Mr. F. Thomas and carried unanimously to approve the minutes of the July 30, 2007 Committee meeting, subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Michael Swan, Director of Real Property Tax Services, who distributed copies of his Agenda to the Committee members; *a copy of the Agenda is on file with the minutes.*

Mr. Swan stated that Item No. 1 on the Agenda pertained to the County Land Auction which had been held on Saturday, August 18, 2007. He added that the

County had auctioned 31 parcels with the bids totaling \$552,625. He further added that the outstanding taxes on the parcels had been \$75,238.42, which gave a net profit to the County of \$477,386.42.

Mr. Swan stated that Tax Parcel No. 117.1-1-17 on Back to Sodom Road in the Town of Johnsbury had accumulated back taxes in the amount of \$2,511.23 and had received a bid of \$151,000 at the County Land Auction. He added that there were representatives of the owner present and they would like to address the Committee.

Tucker Stanclift, Esq. introduced himself and stated that he was the attorney representing Cheyenne Koster, the son of property owner Barbara Koster. He stated that he had received a phone call last weekend from Mr. Koster who had learned Friday evening that the parcel would be foreclosed upon and sold at the auction on Saturday. Mr. Stanclift apprised that the parcel was a family owned camp upon which Mr. Koster had spent much of his childhood, hunting and snowmobiling with his father and grandfather. He stated that Mrs. Koster had claimed that she had not received notice of the foreclosure proceedings and he added, that there might be some competency issues with Mrs. Koster, who was 67 years old and suffered from diabetes.

Mr. Stanclift stated that the original property had been divided into two parcels for tax purposes; the camp which was 2 acres and 36 acres of vacant land which had been auctioned on Saturday. He added that Mr. Koster had filed the deed and paid the back taxes on the 2-acre parcel on Monday. He further added that Mr. Koster's grandfather had separated the 36-acre parcel for wildlife purposes. He stated that if this Committee gave Mr. Koster the option of redeeming the parcel, he would be willing to pay whatever costs were associated with the parcel (back taxes, filing fees, publication costs, attorneys' fees, etc.). Mr. Stanclift noted that Mr. Koster had made every possible effort to redeem the parcel as soon as he had been notified of the foreclosure.

Mr. Stanclift stated that he was aware that the bid proposal received at the County Land Auction had been \$151,000, which would be a significant profit to the County. He added that he would understand if the Committee was reluctant to allow Mr. Koster to redeem the parcel; however, he noted, that he felt it was the right thing to do.

Mr. Haskell questioned if the Committee had the authority to grant this request. Paul Dusek, County Attorney, advised that this was an unusual situation and he further stated that this particular property would normally have been treated as

one parcel; however, he added, the owner had obtained a tax exemption under the Fisher Act (Real Property Tax Law Section 480) which had separated the property into two parcels. He said that if the property had remained one parcel the County would not have been able to foreclose until next year due to the existence of the camp. He noted that the County Attorney's Office reported that all foreclosure notices had gone out correctly; however, he added, Barbara Koster had failed to take action. He added that the Committee would need to decide if they wanted to allow Mr. Koster to redeem the parcel.

Mr. Haskell noted that the property had a large amount of timber to which he had attributed the high bid proposal. Mr. Swan stated that the bidder wanted to construct a house on the parcel.

Motion was made by Mr. Monroe and seconded by Mr. Champagne to allow Mr. Koster to redeem the parcel and to remove the parcel from the County Land Auction bid list.

Mr. Champagne asked what rights the bidder had to the parcel and Mr. Dusek responded that the auction was designed so the bidders would have no rights to the parcels until such time as the Board of Supervisors approved the acquisitions. Mr. Haskell asked if Mr. Koster would be willing to pay the auctioneer's fee and Mr. Stanclift responded that Mr. Koster would pay whatever fees were required for the parcel to remain family land. Mr. Dusek stated that if the Committee allowed Mr. Koster to redeem the property, the County should not incur any loss and any additional costs or fees should be paid by Mr. Koster. Mr. Belden asked when Mr. Koster would be prepared to make payment and Mr. Stanclift responded that Mr. Koster would be prepared to pay the back taxes immediately and any other fees after they were calculated. Mr. Dusek stated that there was a possibility that the auctioneer's fees would not be owed due to a provision in the contract that stated that the auctioneer was not entitled to the 5% fee until the acquisitions were approved by the Board of Supervisors. Mr. Stanclift stated that it was important to note that the owner always intended for the property to remain forested and they did not intend to build on the parcel.

Mr. Belden called the question and the motion was carried unanimously to allow Mr. Koster to redeem Tax Parcel No. 117.1-1-17 on Back to Sodom Road in the Town of Johnsbury by paying the back taxes, in the amount of \$2,511.23 and any additional costs or fees associated with the parcel.

Mr. Koster and his representatives exited the meeting at 11:47 a.m.

Mr. Swan stated that before he proceeded with his Agenda, Patricia Tatich,

Director of Planning and Community Development, had requested to address the Committee. Ms. Tatich thanked the Committee for allowing her to make a presentation. Ms. Tatich distributed copies of the 'New Homeownership Program Proposal' memorandum to the Committee members, a copy of which is on file with the minutes.

Ms. Tatich stated that one of the goals of the Planning and Community Development Department was to develop new home ownership opportunities within the community. She added that the Department had researched housing assistance models within New York State. She further added she wanted to take advantage of the opportunity to use tax parcels under foreclosure for new construction activities for the County. She stated that the City of Glens Falls in partnership with Glens Falls National Bank, was embarking on a similar program.

Ms. Tatich apprised that current land costs prohibited families whose income was 80-90% of the median income from participating in home ownership. She stated that Marty Fitzgerald, Construction Cost Coordinator, had discovered that some of the parcels that were up for tax auction were suitable for use with this program. She added that the Department would like to utilize the land for housing for working families. She noted that families whose household income was 80-90% of the median income still had the ability to obtain a mortgage. She stated that the memorandum briefly described the program proposal. She added that the desired results would be to create a model program that would take into consideration the positive benefits to be achieved by the community, the new homeowner and the County. She said that they would initiate the new program through construction of new homes that would be affordable, energy efficient and suitable for potential expansion. She added that they would focus on first time homeowners currently residing and working in Warren County, utilizing tax sale properties, thus removing the inflationary costs of the land. She stated that one goal was to develop a financial model for determining the maximum cost for a home that incorporated a level of repayment of property tax liens to the County, as well as contributions to the Housing Improvement Fund of the Warren County LDC (Local Development Corporation). She said that this was the same model that was used in the Adirondack Community Housing Trust (ACHT) Program which was advocated by Senator Little. She noted that the memorandum contained a letter addressed to Marty Fitzgerald from Alan Hipps, Director of the Housing Assistance Program of Essex County, Inc.

Ms. Tatich apprised that she had spoken with the President of the Warren County LDC prior to the meeting; however, she added, there had not been a formal discussion with the LDC Board members regarding this proposal.

Ms. Tatich stated that she was asking the Committee to review several properties that had received bid proposals at the County Land Auction, to determine a course of action as it pertained to this program. She said that she had contacted the Town Supervisors of the specific parcels she was considering. She added that some of the Supervisors had preferred to let the bid proposals stand. She said that one of the properties was Tax Parcel No. 309.9-2-24 on Rhode Island Avenue in the Town of Queensbury. She added that Mr. Stec wanted this parcel to go to the program that was being initiated by the Glens Falls National Bank. She advised that the other two parcels were in the Town of Chester, Tax Parcel No. 35.-1-43 on Olmsteadville Road and Tax Parcel No. 68.-1-13.2 on Igera Road.

Ms. Tatich noted that Mr. Monroe had previously spoken of the need for affordable housing for working families. She added that the two parcels in the Town of Chester had the capacity for subdivision. She noted that she had been unaware of the County Land Auction on August 18, 2007; however, she added, that she was aware that the Committee made the final determination as to the sale of the parcels.

Mr. Haskell clarified that they were discussing three properties, one in the Town of Queensbury and two in the Town of Chester. Ms. Tatich responded that Mr. Stec had wanted the property in the Town of Queensbury to work with Glens Falls National Bank on a separate housing project. She added that the two properties in the Town of Chester were the ones that she was requesting for the 'New Homeownership Program'. Mr. Monroe apprised that he had met with Alan Hipps yesterday regarding the ACHT Program. He added that Mr. Hipps was expecting the grant funding in the near future and said that he felt this program would be a great start toward more affordable housing in the community.

Mr. Stec entered the meeting at 11:55 a.m.

Mr. Belden asked if the County would be able to remove these parcels from the auction bid list. Mr. Dusek responded if the County was to remove a parcel from the bid list they should have a valid reason for doing so. He added that in the case of Mr. Koster, he would feel comfortable arguing the case if the bidder challenged the County's decision. He further added that if the County wanted the parcel, the decision should have been made a month ago, before the parcel had been entered into the County Land Auction. He stated that due to the way that the County Land Auction documents were set up, he would be able to defend the case in court; however, he added, that he felt that removing the parcels after the action might taint the way the auction was viewed by the public and could cause problems in the future. He added that if the Committee felt the need was sufficient to remove

the parcels from the auction bid list, they could do so legally. Mr. Monroe added that the Town of Chester had precedence to the parcels; however, he said, he agreed that this should have been taken care of prior to the auction. He questioned if the auction documents specified that the sale was not complete until the Board of Supervisors approved and Mr. Dusek affirmed.

Discussion ensued.

Mr. Champagne asked why this program had not been brought to the attention of the Committee before now and Ms. Tatich replied that she had been unaware that the County Land Auction would be held.

Motion was made by Mr. Monroe and seconded by Mr. Haskell to remove Tax Parcel No. 309.9-2-24 on Rhode Island Avenue in the Town of Queensbury and Tax Parcel No. 68.-1-13.2 on Igera Road in the Town of Chester from the auction bid list and to notify the bidders of the removal.

Mr. Belden asked if Mr. Monroe would like to add to his motion that the County would transfer ownership of the parcels to the Towns and Mr. Monroe affirmed. Mr. Dusek questioned the status of the unpaid taxes. Mr. Swan stated that normally when the Town requested the property, the County transferred ownership for the cost of the back taxes. Mr. Monroe said he would need to obtain approval from his Town Board which he did not think would be an issue. Mr. Stec asked if the County could waive the back taxes and Mr. Dusek said that the taxes could not be waived because the past practice had been not to waive the taxes for the Towns. Mr. Stec said that he no longer wanted to have the parcel in the Town of Queensbury removed from the auction bid list. Mr. Swan said that the County would need to refund the 10% deposit and the 5% auctioneer's fee to the bidder. He inquired as to the fee that would be paid to the auctioneer and Mr. Dusek stated that the auctioneer's contract only entitled him to a fee of \$45 and he added, that the 5% fee was not guaranteed. Ms. Tatich stated that part of the program would be to bill the back taxes as part of the cost of the new home.

Mr. Monroe rescinded his previous motion and Mr. Haskell rescinded his second to the motion.

Motion was made by Mr. Monroe, seconded by Mr. Haskell and carried unanimously to remove Tax Parcel No. 68. -1-13.2 from the auction bid list, notify the bidder of the removal, refund the 10% down payment and 5% auctioneer's fees to the bidder and have the back taxes for the parcel paid by the Town of Chester.

Mr. Dusek requested that Tax Parcel No. 118.9-1-11 on Montgomery Road in the

Town of Johnsburg also be removed from the auction list. He stated that the owner of the adjacent parcel had made a claim that they had adverse possession of this parcel and would be bringing a lawsuit against the County.

Motion was made by Mr. Haskell, seconded by Mr. Monroe and carried unanimously to remove Tax Parcel No. 118.9-1-11 on Montgomery Road in the Town of Johnsburg from the auction bid list.

Motion was made by Mr. Bentley, seconded by Mr. Monroe and carried unanimously to approve the bid list from the County Land Auction, as revised. *A copy of the resolution request is on file with the minutes and the necessary resolution was authorized for the September 21, 2007 Board meeting.*

Mr. Dusek, Mrs. Nenninger and the employees of the Planning & Community Development Department exited the meeting at 12:07 p.m.

Mr. Swan apprised that Item No. 2 on the Agenda was a request to submit a grant application to the New York State Office of Real Property Services (ORPS) who was offering a 'Centralized County Assessing and Property Tax Information Program' Grant in the amount of \$50,000. He added that the grant advanced an award of \$25,000 to prepare a study for the implementation of a County-wide assessing or County coordinated assessing program for all municipalities within the County. He further added that an additional \$25,000 would be awarded upon receipt by ORPS of a copy of the study, as well as a copy of the minutes of the Board of Supervisors meeting that indicated that the plan was received.

Motion was made by Mr. Haskell, seconded by Mr. Monroe and carried unanimously to authorize the submission of the grant application, as outlined above. *A copy of the resolution request is on file with the minutes and the necessary resolution was authorized for the September 21, 2007 Board meeting.*

Moving on to the budget review, Mr. Swan said the Real Property Tax Services Agency Budget (A.1355) reflected a 2008 request of \$294,974 as compared to the 2007 appropriations of \$296,353, a decrease of \$1,379. He added that the decrease was mostly attributed to the fact that the Department no longer paid for auctioneer's fees or the cost of advertising for the auction.

Mr. Swan apprised that he had two proposed personnel changes. He said that he wanted to eliminate a Real Property Clerk position that had been vacant for almost a year. He stated that he was also requesting a change in title for Teri Ross (Employee No. 9778) from Deputy Director of Real Property Tax Services, base salary of \$40,563 to Real Property System Coordinator, base salary of \$50,563,

an increase of \$10,000.

Mr. Swan expounded that many of the Assessors for the Towns were close to retirement and, he added it would be difficult for these Towns to replace these employees. He stated that the Assessor for the Town of Queensbury was retiring and the position was being advertised. He said that the employee who was retiring was earning a base salary of \$63,000. He added that there were currently four applicants for the position, one of which was Ms. Ross. He expounded that the job title and salary that he was proposing for Ms. Ross was more in line with what employees in similar positions in other counties were earning.

Mr. Belden said that Ms. Ross had been with the County for nine years and was an excellent employee. Mr. Swan stated that with both the proposed personnel changes the Budget would be decreased by an additional \$15,000. Mr. Belden suggested that a portion of Ms. Ross' salary could come from the grant funding. Mr. Swan apprised that with the title of System Coordinator, Ms. Ross could be appointed as the County Assessor. He added if the County became a Consolidated Assessing Program (CAP) unit and a Town had a problem finding an Assesor, with this new title Ms. Ross would be able to be contracted to them to do their assessing. He further added that if Ms. Ross left Warren County to take the position with the Town of Queensbury, it would take the County an additional four or five years to initiate a County Assessing Program, as they would have to train a new employee.

Mr. Haskell stated that he was pleased that Mr. Swan was eliminating an unnecessary position. He added that he felt that Ms. Ross was an efficient employee and he further added that he felt she was worthy of the salary increase. Mr. Caimano noted that the Committee would be approving a 25% increase in salary which he felt would cause future problems. Mr. Champagne said that the County had increased salaries in the past in order to keep valued employees who had ended up leaving within a year of the increase. Mr. Caimano said that he would not recommend the increase unless Mr. Swan was confident that she would remain with the County for at least two more years.

Mr. Champagne suggested a contract be signed by Ms. Ross stating that she would remain employed by Warren County for at least two years. Hal Payne, Commissioner of Administrative & Fiscal Services, noted that Mr. Stec had said that the Town of Queensbury was hoping to make a decision by Monday regarding the Town Assessor position.

Discussion ensued.

Mr. Swan noted the Supplies to Towns Budget (A.1970) remained flat with a 2008 request of \$14,000 as compared to a 2007 appropriation of \$14,000.

Motion was made by Mr. Haskell, seconded by Mr. Monroe and carried unanimously to eliminate the Real Property Clerk position, to approve the change of title for Teri Ross (Employee No. 9778) from Deputy Director, base salary \$40,563 to System Coordinator, base salary of \$50,563, with a required two-year contract and to approve the Real Property Tax Service Agency Budget (A.1355) and the Supplies to Towns Budget (A.1970) as presented, and authorize the Committee Chairman to sign the budgets and forward same to the Budget Officer.

Mr. Monroe stated for the record that he was voting for the salary increase for Ms. Ross because she was worthy of the increase and not because he was afraid that the County would lose her.

Mr. Caimano questioned School Bill Process Fees (A.1355 1251) under Revenue; he said, that \$20,000 had been budgeted in 2006 of which only 58% had been received. He added that for 2007 nothing had been received to date. Mr. Swan responded that the Department was currently working on the School tax bills; however, he added, the Towns were not billed for this service until December.

As there was no further business to come before the Real Property Tax Services Committee, on motion made by Mr. Haskell and seconded by Mr. Champagne, Mr. Belden adjourned the meeting at 12:21 p.m.

Respectfully submitted,

Charlene DiResta, Legislative Office Specialist