

Minutes

Administrative Services Committee

May 13, 2019, 5:00 pm, Room 331

Gerace Office Building, Mayville, NY

Members Present: Scudder, Muldowney, Davis, Starks, Proctor

Others: Tampio, Ames, Dennison, Borrello, Hemmer, Bentley, Caflisch, Abdella, Giese

Chairman Scudder called the meeting to order at 5:00 p.m.

Approval of Minutes (04/15/19)

MOVED by Legislator Starks, SECONDED by Legislator Davis

Unanimously Carried

Privilege of the Floor

No one chose to speak at this time.

Proposed Resolution – Support of Vehicle Leasing and Fleet Management Service Agreements

Mr. Abdella: I think that most Legislators are aware that the County has been looking at the potential of leasing vehicles as an alternative to purchasing vehicles. That would not necessarily be the case in all situations but it would be an option that we would have available to us. An RFP was issued last year and proposals did come back. As technically, this type of contract is not one that requires specific legislative approval but to the extent it was, the use of leasing would be really new for the County. The decision was made to bring to the Legislature a resolution of support for the concept of leasing vehicles. From a budget standpoint, they would be paid for utilizing, as I understand it, the same account as our utilized for the purchase of vehicles. So there is no budgetary changes that are necessary to lease in these cases as opposed to purchasing in these cases. But at this point, after review of the RFP's, the desire is to move forward with Enterprise leasing which has been able to get similar awards from many other counties in New York State. So that is where we are. I can tell you that the key to this and the key to Enterprise's proposal was, the fleet management aspect which is, they will be on a regular basis, analyzing the fleet, the vehicles individually, their mileage, their condition, the market for resale, the market for purchase of that vehicle, all with the mind of making recommendations to us on a rolling basis that it's time to get in, it's time to get out, replace, lease for a term, and play that to the best that we can from a market standpoint to get the best price for us, both getting in and out of a vehicle as opposed to owning vehicles and kind of an instinct to keep driving them

until they drop, which may work for some of us in our personal households as the best (*cross talk*) but, necessarily doesn't work so well for County government. Some of our vehicles are low mileage, some are high mileage, it's all over the map and so what they help us with is making all of these decisions to manage the fleet the best way we can.

County Executive Borrello: That is an important point too because they were other companies that bid on this, that are just traditional car dealerships that say, hey, you are going to lease cars, we want to lease you cars. But this is truly about fleet management. I think that it is 11 counties, Kathleen, do you remember, I think there are 11 other counties that are currently doing –

Mrs. Dennison: I think that it is fourteen.

County Executive Borrello: O.k., 14 other counties in New York State that have Enterprise as their provider for this. So we have some history there, some testimonials and there are other options down the road should we so chose. For example, they have a maintenance program where they would actually designate certain local providers to be designated service areas. Right now we do face some challenges from time to time with regular passenger vehicles kind of getting backup at certain times for service. So, it's not a serious issue right now but in the future we have that option with them. There are a lot of advantages to this and ultimately it's going to save us money. I think we're estimating \$100,000 a year.

Mrs. Dennison: Yes.

County Executive Borrello: That is the real dollars. Dennis Brooks, our insurance guy, also feels that we're going to save our money on insurance as well. You are talking about vehicles that are going to be newer, safer, aren't going to require as much maintenance, not as much down time, so there is a tremendous amount of advantages to not renting a vehicle for 5/6 years and hundreds of thousands of miles and all the cost involved with maintaining and the down time, lost productivity, all those things. So this is really a big win for us beyond just the money that we're going to save.

Chairman Scudder: Is this Enterprise in a local level or is it a State level?

County Executive Borrello: They have a special division that does this, this fleet leasing kind of thing.

Chairman Scudder: Like National?

County Executive Borrello: Yes. It's a local - like Rochester. This particular group is out of Rochester but interestingly enough, you actually take delivery of the cars from local car dealers so they will get a little something out of it too.

Chairman Scudder: I like local.

County Executive Borrello: We'll be able to take delivery from local car dealerships so they get a little something that is part of that delivery. Anything else you want to add to that?

Mrs. Dennison: You've covered everything. The only other thing that I would say when it comes to the local dealers, there was some questions from them but any maintenance that is done on the cars could be done locally if it's not done by County staff. So in a way, the service part of it is no change from what we currently do.

County Executive Borrello: We've been talking about this for quite a while and we vetted this several different ways. We've spent a lot of time on this so I'm really at the point now where we're confident that this is the right now.

Chairman Scudder: So we're allowed to service our leased vehicle?

County Executive Borrello: Yes.

Chairman Scudder: I've never leased a vehicle so I'm –

County Executive Borrello: Yes, that is my understanding.

Chairman Scudder: You don't have to take it back?

County Executive Borrello: Simple things like oil changes and things like that. If there is warranty work, we will take it to the dealership but the stuff that you would have to normally pay for, like an oil change, tire rotation, that can be done by our own staff.

Legislator Proctor: When the lease is over, what are the responsibilities like damages and so forth? I know personally they can get pretty nitpicky with a scratch here and -

County Executive Borrello: It's not a traditional lease. It's more like, the right time to sell so it's kind of similar to a lease that you are getting to a point where o.k., your residual value is optimal so now is the time to get out of it but you are still making payments over time versus – even though we amortize over 4 years on a new vehicle purchase?

Mrs. Dennison: We amortize vehicle purchases over four years.

County Executive Borrello: But the money still comes out technically all at once. This way you are going to have the advantage of not having all that dollar amount come out at the same time.

Legislator Starks: So with it not being like a traditional lease, the whole mileage concept is a bit different?

County Executive Borrello: Yes.

Legislator Starks: Like it's only going to be for a low mileage vehicles or it's just an overall lease type of thing?

County Executive Borrello: It's going to be passenger vehicles. We're not going to do Sheriff's cars. Now we have that option in the future but as of right now, we're not going Sheriff's cars, we're not doing like commercial vehicles, like CDL licenses type stuff. It's basically passenger cars which we have a lot of passenger cars.

Legislator Starks: For when staff go on County business to places.

County Executive Borrello: Exactly. There is quite a few. Social Services has a lot of vehicles, Mental Hygiene, there are others.

Legislator Muldowney: D.A.'s office?

County Executive Borrello: Yeah.

Mr. Abdella: There is close scrutiny of any sort of damage incidents so we will have to report any damage as it occurs and we're carrying our insurance. So we will be responsible for those types of repairs but we would be, if we were in ownership, but that will factor into what types of vehicles we may lease. Mr. Bentley is here in terms of, some of the DPF vehicles that may be, for a lack of a better word, get beat up in the field, those would likely maybe not be the types of vehicles that we would lease because it will not be good from a resale standpoint.

Legislator Starks: So, not trucks for truck stuff.

County Executive Borrello: Yes exactly. Trucks around the landfill, things like that, where you have more of a chance of there being damage.

Mr. Abdella: But even some of the pick-ups that are really out there doing heavy work that we may not.

County Executive Borrello: Road work, things like that.

Mr. Bentley: If you are out there chipping the road, you are following behind and on the road beating it up pretty bad.

Chairman Scudder: It sounds like the real benefit is the management of the fleet. It's not that we're going to have a 24 month lease and drive it to the edge and turn it in. They might say, bring it in now or keep it another, whatever.

Mr. Abdella: Yes.

Chairman Scudder: So the management of the entire fleet should be our savings.

County Executive Borrello: And they are going to be actively looking at that. That is what they do and that is the big difference between them and everybody else that we received bids from.

Chairman Scudder: Anything else?

Unanimously Carried

Proposed Resolution – Authorize Transfer of Tax Foreclosure Properties to Jamestown Urban Renewal Agency (JURA)

Mr. Caflisch: The Jamestown Urban Renewal Authority made a timely request for the properties listed there for urban renewal purposes. They have spent considerable sum in demolition work already. It would be my recommendation that we move ahead with the transfer of those properties since they were in pretty bad condition and I think the Urban Renewal Agency has some good plans for it.

Chairman Scudder: Do they pay for the demo?

Mr. Caflisch: Yes.

Chairman Scudder: Questions, comments, concerns?

Legislator Muldowney: Was there a lot of taxes owed on those?

Mr. Caflisch: I forgot to bring that up. I thought that might be a question. It goes back several years. It was property that we couldn't get rid of.

Chairman Scudder: These are repeat offenders?

Mr. Caflisch: Well, they were derelict for a long time. I'm glad the City took the initiative to do demolition work and get something done there because it was a bad area.

Chairman Scudder: All in favor?

Unanimously Carried

Proposed Resolution – Authorize Transfer of Tax Foreclosure Property in the Village of Westfield

Mr. Geise: So this resolution authorizes the County to transfer property residing at 71 East Main Street in the Village of Westfield to the IDA. It's on the list of tax foreclosed properties for tax delinquency. This is the property that the IDA provided a loan in October of 2007 in the amount of almost \$500,000 to the owner, Ernie Rammelt. He paid that loan down to about \$292,000 which is still owed to the IDA. For the last couple of years, he's been paying interest only. He's had a hard time, I guess, renting space for several reasons. The amount owed

on taxes is \$80,000. The IDA will pay the taxes and the penalties upon transfer of the property. We'll make sure that the tenants are taken care of. Tenants currently are Value (*inaudible*) service and Living Glass Art Gallery. Then we'll do a negotiated sale. We'll try and re-coup some of our money. The appraisal on the property is only about \$250,000 so I expect that the IDA will take a haircut on it anyway, even though the sale of the property but we'll get some of that back.

Chairman Scudder: This is right in that block of – on the right hand side heading west?

Mr. Caflisch: Yes.

Chairman Scudder: The one that got a few years back, all remodeled and brought up.

Mr. Caflisch: The ROR building.

Chairman Scudder: Yes.

Legislator Muldowney: (*Inaudible*) State grant (*inaudible*).

Mr. Geise: Yep. So we'll do a negotiated sale and we'll try and get the best tenant we can in there and make sure that the existing tenants are not displaced.

Chairman Scudder: Is there anybody interested? Can you tell us that?

Mr. Geise: No we've heard that there is somebody interested.

Legislator Muldowney's statement inaudible.

Mr. Geise: No. On the ground floor.

Chairman Scudder: That is up and down. There is two tenants.

Legislator Muldowney: It's basically a brand new building.

Legislator Davis: I don't have any issue with this. I'm a little intrigued by the amount of loan versus the value of the building.

Mr. Geise: We are too.

Mr. Caflisch: It's probably the income approach to it because the rents are not bringing in.

Legislator Proctor: So if it were fully leased out then the value of the property would be greater?

Mr. Caflisch: Yes.

Chairman Scudder: That's how it tends to go. You always base it on –

Mr. Caflisch: I'm guess that's how it's been valued because I don't know how else you would value (*cross talk*), income approach is how you would do it.

Legislator Muldowney: That would be it most likely but it is also a brand new building. You could do a (*inaudible*).

Mr. Caflisch: Well, it is an older structure rehab.

Chairman Scudder: Anybody else?

Unanimously Carried

Proposed Resolution – Distribution of Mortgage Taxes

Mr. Caflisch: I prepare the resolution as I get numbers from the County Clerk's office. I couldn't give you a budgetary item whether it was – it looks pretty consistent but I don't know where we are with the budget. Maybe Kathleen would know more.

Chairman Scudder: Do you have anything on that? If not –

Mrs. Dennison: Not immediately.

Mr. Caflisch: It looks pretty consistent to me.

Chairman Scudder: When I looked at it, it looked, typical, consistent, and average.

Legislator Davis: What does this mean for the towns that I represent? Explanation purposes for me.

Mr. Caflisch: What it means is, anybody who is taking on a mortgage, there is a mortgage tax. It's 1 ½ % and a ½% goes to the State, ½% to the County, and ½ is divided between County and the municipalities. So it's an extra income for the municipalities. They get a credit for whatever mortgage is, are, initiated in those municipalities.

Legislator Davis: The higher the numbers, the more properties are being sold or purchased?

Mr. Caflisch: That's correct. There is a split for the villages based on assessed value.

Chairman Scudder: What you want is every property in your district being sold this year. You will have a whole lot of money.

Mr. Caflisch: Then you want some big projects. Projects that are IDA projects are mortgage tax exempt typically.

Mr. Abdella: When interest rates drop, if there is a way of refinancing, those also produce mortgage tax even if there is no sale.

Chairman Scudder: Anything else?

Unanimously Carried

Discussion - Amend Letter –Administrative Code – “Capital Project”

Discussion - Amend Letter – Administrative Code – “Board of Health”

Other

Chairman Scudder: Does anybody have any other, other?

Mrs. Dennison: I just have an answer to your earlier question about mortgage taxes. The budget for 2019 for mortgage taxes is just a shade over \$1.4 million. So in this resolution we’re looking at six months, \$640,000. So it’s a little less than half of the annual budget for 2019. If you look back at the actual results for mortgage taxes, the previous four years, ranging from \$1.2 million to \$1.35 million were the actual results. So, I can’t speak to the – if there is a big difference in timing between this six month period and the next six month period but it looks like in general this is on a pretty good pace to achieve the budget.

Chairman Scudder: One would guess the next six months would be a more active six months.

Mrs. Dennison: You would think so, yes. It seems to be in the ballpark for achieving their budget for 19’.

Chairman Scudder: That was an easy other.

MOVED by Legislator Starks, SECONDED by Legislator Proctor and duly carried the meeting was adjourned. (5:34 p.m.)

Respectfully submitted and transcribed,
Olivia Ames/Deputy Clerk, Lori J. Foster/Sr. Stenographer