

CORPORATION COUNSEL

Significant accomplishments that impact the city budget: 4/22/14 Budget meeting

1. Sales Tax Distribution Agreement – This agreement was negotiated in concert with water and sewer service extensions into the surrounding towns. This agreement significantly altered the distribution formula and provides a larger share of sales tax collected than the previous agreements. In the 2012-13 fiscal year the city received an **additional \$650,000 over what it would have received under the old agreement**. This benefit will continue every year as a function of sales tax collected. Meaning that as more sales tax is collected the difference between the old and new formula will be greater.
2. Water and Sewer Revenue Sharing Agreements – These agreements accomplish a number of long term goals that are important to the area. These agreements provide water and sewer services for the surrounding towns and thereby encourages growth. Historically, any extension of services became mired in a political struggle; these agreements should avoid those impediments to growth. The expansion of water and sewer services is favorable to the city as the city has marketable excess capacity.

These agreements also provide for revenue sharing so that the city will participate financially in the growth of the tax base in the surrounding towns. **These agreements are long term and the participation of the city is proportionate to the growth. This creates a cooperative as opposed to a competitive approach to growth in the region.**

2012-2013 revenue sharing is **\$13,428 from the Town of Florida and \$5,377 from the Town of Amsterdam.**

3. Stopping the sale of tax liens – the city had begun a program of selling its tax liens, this program basically converted a portfolio of secured liens earning 24% interest into a cash asset earning 2% interest. The loss of interest revenue was not being appropriately factored in to the decision process. Even though the liens are not 100% collectable the loss of interest revenue exceeds the loss due to un-collectability. This is why the companies buy the liens in the first place.

This represents approximately **\$80,000 per year in net interest revenue.**

4. Retiree Health Insurance – the city has a very complex structure of health insurance benefits; a comprehensive review of the structure was undertaken by both the controller's office and the corporation counsel. Many errors and inconsistencies were discovered. Ultimately, a revised statute governing these benefits was adopted and many of the errors and inconsistencies were resolved.

Savings to the taxpayer exceed **\$200,000 annually in avoided costs.**

5. Labor Relations – in previous years the city employed outside labor counsel at an average cost of **\$30,000 per year**. The corporation counsel currently provides these services in house. Historically the city has been relatively inactive regarding employee discipline, in part due to the

costs involved in hearings and arbitration. This has changed; a number of employees that had been long term liabilities have been separated from city employment. City decisions regarding labor matters have improved because labor counsel is in house and available.

6. Revisions to the City Code and Charter – a large number of code revisions have been enacted that improve operations and enforcement. Notably, weight enforcement, unsafe buildings, building code enforcement, landlord registration, street openings, tax incentives for redevelopment, user fee abatement rules, purchasing policy, bonding restrictions, and building permit fees have all been revised.

The bonding change saves approximately **\$10,000 per year** in bonding costs.

The street opening fees generated **\$29,050** in 2012-2013, and should generate **similar amounts every year**. There was no revenue of this type prior to this change.

7. Prosecution of code cases – prosecuted over 500 city code violation cases.

Total fines and restitution to the city of **\$102,572.48 from 2008 to date**. There has been a significant improvement in building code enforcement.

Prosecution of parking tickets is now done in house and has produced significant revenue.

8. Fire Department added to County Workers Comp Plan

The County had been paying the cost of Workers Comp for volunteer fire departments. The County agreed to fund the City's fire department Workers Comp exposure. This cost had been self insured and results in approximately **\$24,000 of avoided costs annually**.

9. Revised Sewer Law and Billing

This change was to comply with DEC consent order and to correct the billing of metered sewer accounts. This change resulted in an increase to metered billing of approximately **\$500,000 per year**. Approximately 50% of this increase is from outside users.

10. Revised Water Billing

This change resulted in an increase to metered billing of approximately **\$400,000 per year**. Approximately 50% of this increase is from outside users. This change starts to correct the excessive charges paid by homeowners in the City.