

November 20, 2012 Regular Meeting

The regular Town Board meeting of the Town of Stony Creek was held on November 20, 2012. Supervisor Thomas called the meeting to order at 7:00 PM with members present:

Councilman Nathan Thomas

Councilwoman Doreen Ryan

Attorney James Cooper

Absent: Councilman Harry Paul Gill

Supervisor Thomas reported we had a vacancy on the Town Board back in June, at that time the Town Board choose not to appoint someone at that time and wait for the election. We had an election although the vote is not official the Commissioner of Elections said the numbers are what they are and aren't going to change so with that its our choice whether to appoint or not appoint the winner of the election.

138-12. A resolution was made by Councilwoman Ryan seconded by Supervisor Thomas to appoint John D. Thomas of 314 Hadley Road, Hadley NY as Councilman to fill the vacancy created by the resignation of William Liebl.

Roll call vote, all in favor.

The Town Clerk administered the Oath of Office to John Thomas.

October 16, 2012 minutes. Correction: Page 236-change habitant to habitat.

A motion was made by Councilman Nathan Thomas seconded by Councilwoman Ryan to accept the October 16, 2012 minutes with this correction. All in favor, motion carried.

November 7, 2012 minutes. Correction: Page 242 Supervisor Thomas stated he did say 1.3 million to Warren County but should be 1.1 million to Warren County.

A motion was made by Councilwoman Ryan seconded by Supervisor Thomas to accept the November 7, 2012 minutes with this correction. All in favor, motion carried.

139-12. A resolution was made by Councilwoman Ryan seconded by Councilman Nathan Thomas to pay the General Fund bills in the amount of \$14,645.80. Roll call vote, all in favor.

140-12. A resolution was made by Councilman Nathan Thomas seconded by Councilwoman Ryan to pay the Highway Fund bills in the amount of \$19,709.16.

Discussion: Councilman Nathan Thomas asked about the Warren County bill in the amount of \$2,814.18. Supervisor Thomas stated this was for the paver, roller and labor for the crew; there is also a Peckham bill in the amount of \$11,365.47 for pavement.

Roll call vote, all in favor.

Town Clerk Report:

Conservation licenses \$ 40.67

Faxes \$ 5.00

Total Town Clerk fees \$ 45.67

Dog Licenses	<u>\$ 70.00</u>
Total town revenues to Supervisor	\$ 115.67
NYS Ag & Markets	\$ 14.00
NYS Environmental Conservation	<u>\$ 921.33</u>
Total disbursed	\$1051.00

Correspondence:

Lisa Bartow Director, Stony Creek Free Library-applying for \$2200.00 in bed tax fund for the winter concerts, which runs once a month on Fridays from January to April.

Sue Catana, President Stony Creek Chamber of Commerce-permission to use the town hall for Thursday December 6, 2012 at 6:30 to conduct they're meeting.

A motion was made by Councilman Nathan Thomas seconded by Councilwoman Ryan authorizing the Stony Creek Chamber of Commerce use of the town hall on December 6, 2012 to conduct their meeting. All in favor, motion carried.

Old Business:

Highway;

DEC tanks and drains:

Supervisor Thomas stated he did report on the night of the public hearing for the budget that the information and requirements had been done for the tanks on the Order of Consent items 1-11, the registration, proper labeling, painting of the big tank, closing out of the old gasoline tank, plus the 2000 gallon tank. They both have been closed out. That was submitted to Mr. Paszko, he replied and said we were in compliance so items 1-11 are taken care of.

The rest of it is the drains the information was submitted. Supervisor Thomas sent a letter certifying that the drains have been sealed off and we are not discharging any more water into waters of NYS and also submitted plans that Mr. Suozzo from Cedarwood Engineering had put together as to how we are going to put in a tank and haul system, we are going to put in two tanks and basically collect the water from the floor drains and when its full, haul it away. That was submitted to Mike Dauphinais and he came back and said we were in compliance with items 12 & 13, which includes the plans for the tank and haul system. Mr. Suozzo is going to check to make sure we can go ahead with the tank part of it. That is pretty much where we are. We are looking for two tanks Mr. Suozzo has specified that 1250 gallon tanks and they will require to have an alarm system with a float in one of them so when the water gets up to about 12 inches of the top of the tank a light will go off and an alarm will sound and it will be time to empty it.

That's where we are at. He isn't sure what the expense will be for the tanks. Councilwoman Ryan asked if the tanks would be under ground. Supervisor Thomas stated yes they would be underground. Councilman John Thomas asked if they can be concrete or plastic. Supervisor Thomas stated they are concrete and will have a load grading also, AASHTO, which is highway HS2024. He doesn't know if they expect someone to drive over them, he isn't sure what that is. They will have to have a manhole covers to get to them so you can pump them.

Supervisor Thomas also reported that Mr. Suozzo took soil samples from the contaminated dirt that was removed from behind the highway garage and a couple other piles they had.

Mr. Suozzo is having them tested so we can have it hauled to ESMI in Fort Edward, they will take the dirt if they accept it and burn up all the contaminants. So as soon as the test come back on the soil they will try to get rid of the contaminated dirt that is around here, there is a cost per ton and also a cost to haul it, you have to have a special DEC permit, it's a 364 permit. ESMI does haul it and there are also other haulers. Councilman John Thomas asked how much dirt could we potentially have to haul? Supervisor Thomas stated less than a tandem truckload. Councilman Nathan Thomas stated the third tank is one we already have. Supervisor Thomas stated yes. We could see what the difference is in prices between the load specifications that's there and just a regular tank. Maybe we could fence around it so people wouldn't drive over it and if we could save us a chunk of money. Councilman John Thomas stated if its anything like a septic tank basically it ends up with a thicker cover instead of a standard cover you end up with a cover 6 or 8 inch thick with re-bar in it.

Garage Door:

Supervisor Thomas stated he did speak with a guy from Winchip. The door is in they will be here Tuesday November 27th to install it.

Union Negotiations:

Supervisor Thomas stated he has been in contact with the union people in Albany and the highway guys and on November 27th at 11:00 AM it will be our first negotiation with the union. Supervisor Thomas would like one or two people to be present. Councilwoman Ryan will attend Councilman Nathan Thomas may attend he will get back to Supervisor Thomas.

Supervisor Thomas stated if you have a copy of the contract you may want to read it over and if you have any suggestions on how we should approach this we can always go into executive session and discuss it.

Dale Aldrich asked if this was for Board Members only? Supervisor Thomas stated yes this will be executive session. Mr. Aldrich asked if there would be a conflict of interest with Councilman Nathan or Councilman John Thomas attending because of John's son working for the town. Supervisor Thomas as far as John he would say yes but Councilman Nathan Thomas he doesn't know. It would be all right to vote on the contract after we negotiated it, for him to be negotiating it would be. Mr. Aldrich stated one or either one. Supervisor Thomas stated he didn't know. Councilman Nathan Thomas stated he doesn't have any personal gain from it. Mr. Aldrich stated he isn't saying whether you do or don't, he is just saying the legalities of it.

Attorney Cooper asked Mr. Aldrich what is the nature of the conflict?

Mr. Aldrich stated you have father and son, which he has already backed out and then you have first cousins. Attorney Cooper stated so they have family members who work for the town? Is that what you are saying? Mr. Aldrich stated yeah, not that it bothers him he doesn't care. He just wants you to scratch your head a little bit. Attorney Cooper stated he would have to take that under advisement. Mr. Aldrich stated he guesses it's a legal question.

Well house:

Councilman Nathan Thomas stated he hasn't gotten a chance to talk to Supt. Bradley about the well house on Lens Lake Road. Supervisor Thomas stated he thinks they have done repairs to that, he does think it was hit by the snowplow and think they have taken care of it. Councilman Nathan Thomas stated he saw a big reflector but didn't see any repairs yet.

Committee Reports:

Insurance:

Supervisor Thomas stated he has been trying to get a hold of the town's insurance adjustor that dealt with Anna (Sissy) and Ernie Randall. He didn't get a hold of her but was informed by Anna Randall that the insurance co. settled with them for \$5000.00. Attorney Cooper asked if these were the people with the dust problem. Supervisor Thomas stated yes.

New Business:

141-12. A resolution was made by Councilwoman Ryan seconded by Councilman John Thomas authorizing the expenditure of Occupancy Bed Tax funds to the Stony Creek Free Library in the amount of \$2200.00 to be used toward four concerts to be held on Fridays at the Stony Creek Town Hall during the Months of January to April and for advertising cost. Roll call vote, all in favor.

142-12. A resolution was made by Supervisor Thomas seconded by Councilwoman Ryan authorizing the Supervisor to sign the Snow and Ice Removal Contract with Warren County for the fiscal year 2013 in the amount of \$135,081.00.

Discussion: Councilman John Thomas asked if this is generally what we get each year and is it an increase? Supervisor Thomas stated yes and no it isn't an increase, he thinks it is the same amount the last three years. He thinks it was 2008 the last time we got a raise. Councilman Nathan Thomas asked how many miles of road does it cover. Supervisor Thomas stated 21.72 miles. Some county roads they pay \$4992.00 per mile and some they pay \$6378.00 plus there is the bridge on Grist Mill Road, the bridge at the four corners and Tannery Bridge. They pay us \$554.00 a mile for sweeping in the Spring. Roll call vote, all in favor.

143-12. A resolution was made by Councilwoman Ryan seconded by Councilman Nathan Thomas appointing Frank Thomas as the Town's Representative at the Warren County Youth Bureau for 2013. Roll call vote, Councilman Nathan Thomas-Yes, Councilwoman Ryan-Yes, Councilman John Thomas-Yes, Supervisor Thomas-abstained.

Town Accounting System:

Supervisor Thomas stated this is the Accounting System that his office uses; we originally purchased the license to use the software back in April of 2004. We paid about \$9600.00 at that time. When we brought it we brought it from a company called Admit and it was an Impact Program. It was less then a year and they sold to a company called Harris. Harris started out with a maintenance fee of around \$1000.00 the latest bill the town received from them is for \$1811.00 and to be perfectly honest with you their maintenance is something to be desired. They were pretty good the first 3-4 years since then Harris has developed another software system called Spectrum and their desire would be for the town to spend, 3 years ago it was \$17,000.00 and now its probably close to \$20,000.00, their desire is for us to purchase that system. We have several issues that are outstanding with Harris, they don't seem to respond and he would guess before he would want to spend \$1800.00 in maintenance fees that we should consider, Councilwoman Ryan asked if this was monthly. Supervisor Thomas stated no its per year. Supervisor Thomas stated we should consider moving on to greener pastures. At the time back in 2003 he spoke to people from Enhanced Business Systems.

At that time he didn't go with that one, but since then he did speak to Vincent Dimora, he is the President, he gave us an on-line demonstration of the system. He sent a proposal for a grand total of \$8152.50. Their maintenance annual fee is \$875.00; within this \$8000.00 is \$1092.00 for installation, setup and being trained on it. The Enhanced System has General Ledger, Accounts Payable, Financial Reporting, Bank Reconciliation, Cash Management, Budget Preparation, Securities; it has General Ledger analysis and Prep. Budget setup and a add on module that we will need is the payroll. That is the only proposal he has. He does know that the people they have now they don't want to maintain the system we have because you can tell by the way they act. He doesn't want to spend that much money to make them happy. Councilman Nathan Thomas asked if he was familiar with the Enhanced at all, you said you went through it on -line demonstration. Supervisor Thomas stated yes he did with Mr. Dimaro. He knows the Town of Hadley has had Enhanced for 10-12 years. The Town of Thurman switched to Enhanced last fall about this time last year. They also had the Harris program. That's the only two references he has. Mrs. Valerie Cutler asked when the contract ends. Supervisor Thomas stated the maintenance fee is due at the end of this month. Councilwoman Ryan stated but they're not maintaining it. Supervisor Thomas stated no. We have 3-4 outstanding items. You call them on the phone, then they call you back or they use to.

Councilman John Thomas stated if you go with the new system where would the money come from? Supervisor Thomas stated it would have to come out of the fund balance.

Councilman John Thomas stated he would say if your having problems with the one you have now, just in annual fees your looking at saving a \$1000.00 a year, \$925.00, unless it goes up. It wouldn't take to long for it to pay for itself. Supervisor Thomas agreed.

Supervisor Thomas stated we did save money when we switched to Harris or Admit at the time because at the time the last bill we got from the prior company we had was \$4900.00 and that was per year. Over the course of the last 7-8 years we have saved quite a lot of money.

Councilman John Thomas stated you mentioned payroll, will that be an extra charge for that program or is that included. Supervisor Thomas stated that is included in the price but that module was \$1795.00. Councilman John Thomas stated that's included in the \$8152.50.

Supervisor Thomas stated yes.

Attorney Cooper asked Supervisor Thomas if he could negotiate with them to waive the maintenance fee for the first month of installation. It should work then. Supervisor Thomas stated its possible he will try to.

144-12. A resolution was made by Councilman Nathan Thomas seconded by Councilwoman Ryan authorizing the purchase of the Enhanced Business System for the Supervisor's Office in the amount of \$8152.50, which will include the payroll module in the amount of \$1795.00. This will be taken from the Fund Balance. Roll call vote all in favor.

Supt. Bradley reported to Supervisor Thomas this morning that four-wheelers have been riding near the mining area at the landfill. He hasn't looked at it. Supt. Bradley stated he didn't think it was a good idea, somebody getting hurt down there and possibly drawing NESA up here to start inspecting us that type of thing. Councilman John Thomas stated he reported to Supt. Bradley that someone was down there with a car, he doesn't know how they got there but they were way up on the back on the furthest corner, they have been on the top of the sand pile with a vehicle.

Supt. Bradley did put a pile of dirt in there so they can't get in there with a vehicle but there is a lot of four-wheeler tracks down there. Councilman Nathan Thomas stated there is a gate there. Is there anyway of putting a lock on the gate. He knows they have been moving a lot of metal, hydraulic rams and a bunch of stuff out of the highway garage down there and there is a lot of traffic on the road anyway. It should be nothing to put a lock on it he would suggest that. There are probably 15-20 hydraulic rams down there.

145-12. A resolution was made by Councilwoman Ryan seconded by Councilman John Thomas authorizing the following budget transfer:

Debit A1990.4 Contingent in the amount of \$1568.67.

Debit A7110.2 Parks Equipment in the amount of \$1800.00.

Credit A1410.4 Town Clerk Contractual in the amount of \$395.92.

Credit A1620.1 Building Personnel in the amount of \$2972.75.

Roll call vote, all in favor.

146-12. A resolution was made by Councilwoman Ryan seconded by Councilman Nathan Thomas authorizing the following budget transfer:

Debit DA5112.2 Improvements Capital in the amount of \$5388.58.

Credit DA5130.4 Machinery Contractual in the amount of \$2706.78.

Credit DA5110.4 General Repairs in the amount of \$2681.80.

Roll call vote, all in favor.

147-12. A resolution was made by Councilman Nathan Thomas seconded by Councilwoman Ryan authorizing the following budget transfer:

Debit Fund Balance in the amount of \$8406.08

Credit A9010.8 State Retirement in the amount of \$8406.08.

Roll call vote, all in favor.

148-12. A resolution was made by Councilwoman Ryan seconded by Supervisor Thomas authorizing the following budget transfer:

Debit Fund Balance in the amount of \$9662.80

Credit DA9010.8 State Retirement in the amount of \$9662.80.

Discussion: Supervisor Thomas reported if this is paid before February 2013 the town will save \$1500.00. Roll call vote, all in favor.

Peter LaGrasse Assessor, gave the following report to the Town Board regarding State Land Assessment:

The Legal Basis of Adirondack Aggregate Assessment

New York State Real Property Tax Law (NYSRPTL) section 542 provides the rules for assessing state land, essentially stating that state land shall be assessed as if privately owned. Sec. 542.3(c) further provides that the total taxable assessed valuation of state owned wild or forestland in the Adirondack Park shall not be reduced

“To a total amount less than the total taxable assessed valuation of such state owned wild or forest lands within such park as approved by the state board... verified and filed in the year nineteen hundred sixty as adjusted by the state board for any change in the level of assessment thereafter occurring...”

This assessment is the Adirondack Aggregate Assessment mentioned above.

The Legal Basis of Transitional Assessment

New York State RPTL Sec.545 titled *State aid; state-owned land, Par.1* provides for transitional assessment to make up for the reduction of assessment on SOL. The law states:

“Whenever the state or an agency of the state acquires real property. ...Which constitutes two percent or more of the total taxable assessed valuation of the latest preceding assessment roll or there is a reduction in assessments on taxable state lands, the state board shall establish a “transitional assessment” which will in effect prevent any loss of taxable assessed valuation on the assessment roll for the first year affected by such occurrence or occurrences. For each succeeding year, the state board shall establish a transitional assessment which will in effect limit to two per cent of the total taxable assessed valuation on the latest preceding assessment roll the loss in taxable assessed valuation on such roll as a result of such occurrence or occurrences, and ... (ii) further reductions in assessments on taxable state lands...”

RPTL Sec 545 Par. 3 b. further provides that the state board shall “in making computations and determinations pursuant to this section, take into account increases or decreases in level of assessment on the assessment rolls involved;”

The entirety of RPTL Sec. 545 was signed into law in 1962 as chapter 269. The law provided that in the event that the assessor reduced the assessment on SOL in any year following 1962 from the 1960 assessment on SOL (which for Stony Creek was \$430,220), adjusted for changes in the level of assessment, a transitional assessment would be instituted to make up the difference. Thereafter, this transitional assessment would be reduced by two percent of the total roll. The law was slated to go into effect on April 4, 1962.

After the law was passed in 1962, and slated to go into effect immediately, something remarkable happened. The legislature passed a law in 1963 in essence postponing the two percent reduction in transitional assessment “for the next fourteen subsequent assessment rolls of such town...as if each of the such next fourteen subsequent assessment rolls were the first year of such reduction;” This in essence froze the transitional assessment that would have been established had there been a reduction in SOL without any two percent reduction for the next fourteen years. And remarkably the Legislature passed this law again the next year, 1963, and then the next year, 1964, and each succeeding year until 1973, thereby freezing any transitional assessments until 1987.

I hope you see that there are three factors affecting the assessment on SOL. They are:

- 1) The actual assessment that the assessor puts on SOL
- 2) The Adirondack Aggregate Assessment
- 3) The Transitional Assessment

The remaining portion of this report will study how these factors have worked out in the past, and predictions for the future.

Historical Survey of State Land Assessments

As previously stated in the introduction, in 1960 State Owned Land constituted 32.6% of the total tax base. The table accompanying this report traces the history of proportion of the State Owned Land to the total tax base. A sizable hike in the proportion of SOL did occur in 1985 and thereafter due to this writer’s efforts to stop the State from illegally changing the Assessor’s assessments.

Two Post Star articles dated October 26 and 30, 1985 document this effort, attached herein. The result of this lawsuit was an increase in Transitional Assessment seen in the 1988 Assessment Roll as compared to the 1982 Assessment Roll. The overall difference is that the State carried 65.7% of the roll as compared to 46.3% in prior years,

Additionally, the Town of Stony Creek defended a lawsuit brought about due to the State's claim of lower assessments than the Assessors saw fit. The action of the Board of Assessors to raise assessments was due to the budget proposal of Gov. Mario Cuomo to eliminate Transitional Assessments all together. This town did everything in its power to defend the Assessor's assessment, The Town settled for what was a good offer, roughly 20 million dollars when the State was claiming fourteen million dollars. The 1999 State Owned Land Assessment of \$479,697 translates to \$20,766,103 at the then 2.31% equalization rate. For that year, assessment and transitional assessment together amounted to 61.2%, nearly double the 1960 proportion.

We are now facing reductions in the tax base due to the transitional assessment being reduced. It is essential to understand that these reductions that have occurred for the last twenty-five years would not have been possible except that the town had transitional assessments in the first place. It is then necessary to understand where we are going, the subject of the last portion of this report.

The Last Ten Years of Lost State Land Assessments, and the Next Six Years

The last chart of State land Assessments from 2002 to the present, is a study of what is happening with the State Owned Land assessment, Aggregate and Transitional Assessment. In this chart, I have put down the full value (F.V.) to better understand the trend. During this period of time, the Board of Assessors has used the State's own values for the State Land. There has been no revaluation, so the figures are readily understandable from year to year. As you can see, the Parcel F.V. has not changed much in the last ten years. The Equalization Rate shows a more than doubling of the town's value; the privately owned land has doubled while the state land has not. Aggregate F.V. has increased six fold, Transitional assessments have gone down two thirds, while the Transitional F.V. has only gone down 28%. In summary, Parcel Assessments and Transitional Assessments are going down; Adirondack Aggregate Assessments are going up, about \$538,000 down and \$201,000 up in ten years, a net decline of about \$337,000. (That figure, \$337,000 represents 22.9% of the current 2012 Assessment Roll.)

The next six years will see the complete elimination of the Transitional Assessment, at the current rate of decline. What happens to the Parcel Assessment and the Adirondack Aggregate are unknowns. While the Parcel Assessment is based on the State research of sales of parcels that are being used for timber management and are low, the private sector has continued to show continued market demand.

It would be easy to proportion the already lost 22.9% that has occurred over the last ten years and predict an additional; 14% loss in tax base over the next six years when the Transitional Assessment will run out. This is possible, it may be the best prediction, it is not a mathematical certainty.

Thank you for addressing this issue.

Peter La Grasse

Historical Survey of State Land Assessments

Year	State Owned Land Ass'mt	Aggregate Assessment	Transitional Assessment	Total State Ass'mt	Privately Owned Ass'mt	Total Taxable Ass'mt	Percentage SOL Assessment
1960	\$430,220	0	0	\$430,220	\$891,288	\$134,508	32.6%
1973	\$434,910	0	\$141,480	\$576,390	no summaries in roll		
1974	\$434,910	0	\$141,480	\$576,390	no summaries in roll		
1981	\$435,320	0	\$142,030	\$577,350	no summaries in roll		
1982	\$435,320	0	\$142,070	\$577,390		\$1,247,313	46.3%
1988	\$641,174	0	\$866,257	\$1,507,431		\$2,294,585	65.7%
1991	\$756,842	0	\$10,005	\$766,847		\$1,509,571	50.8%
1992	\$756,842	0	\$807,170	\$1,564,012		\$2,360,863	66.2%
7/28/92	\$499,014	0	\$955,590				
8/28/92	\$412,281	0	\$956,260	\$1,368,541		\$2,016,302*	67.9%*
1999	\$479,697	0	\$650,990	\$1,130,687		\$1,846,144	61.2%

Notes: The year 1992 has three entries; the first was the Assessors initial figure of assessment given to the State. The second figure is the "approved 7/28/92" assessment from the State. The third figure is the "Revised 8/28/92" figure from the State.

Ten Years of State Land Assessment

YEAR	PARCEL ASS'MT	PARCEL F.V.	ADIRONDACK AGGREGATE	AGGREGATE F.V.	TRANSITIONAL ASS'MT	TRANSITIONAL F.V.
2002	\$433,461	\$19,702,772	\$113,360	\$5,152,727	\$489,490	\$22,249,545
2003	\$433,489	\$20,068,935	\$102,850	\$4,761,574	\$455,670	\$21,095,833
2004	\$437,515	\$21,342,195	\$111,390	\$5,433,658	\$421,770	\$20,574,146
2005	\$420,442	\$22,850,108	\$137,510	\$7,473,370	\$390,550	\$21,225,543
2006	\$358,517	\$25,979,492	\$194,670	\$14,106,521	\$357,320	\$25,892,753
2007	\$322,906	\$26,908,833	\$231,970	\$19,330,833	\$323,760	\$26,980,000
2008	\$279,232	\$26,849,230	\$268,320	\$25,800,000	\$287,320	\$27,626,923
2009	\$234,496	\$23,217,425	\$311,390	\$30,830,693	\$256,250	\$25,371,287
2010	\$234,703	\$23,707,373	\$309,010	\$31,213,131	\$223,130	\$22,538,383
2011	\$231,514	\$22,922,178	\$311,140	\$30,805,940	\$192,785	\$19,087,623
2012	\$225,423	\$22,319,108	\$312,830	\$30,973,267	\$161,750	\$16,014,851

Attorney Cooper asked to make comments; he stated he is still bewildered by the whole thing. In an effort to prepare for Mr. LaGrasse's comments tonight he called NYS Taxation and Finance and they directed him to some publications they have, so what he is going to say is his understanding of what those publications indicate. He thinks the public should be aware generally, and he isn't trying to be an advocate for the State or anybody else here because it looks like we are going to get screwed and nobody can be happy about that. In the general governmental concept that the State is immune to taxation but throughout the United States including the Federal Government they have voluntarily agreed to allow local government entities to tax them for reasons that they understand that where State Land is in a town and that is tax exempt has an impact on the people in that town. The first exemption that allowed towns to tax the State of New York, for its

State-owned lands, was the Forest Preserve here in the Adirondacks and in the Catskills. Because other State Legislators over the course of 100 years after the Forest Preserve came in effect complained that the State owned property in the Allegany State Park or Bear Mountain or any other place with State owned land outside of the Adirondack Park and Catskills Parks, it was unfair that they not get a piece of the State, so gradually Bills were introduced and the State Law was changed over time so that virtually all towns in the State where State Land existed are now able to tax State Land. They tried to do reforms, which coincidentally is the time frame Assessor LaGrasse is talking about here 1960-1962. The concept of Transitional Assessment came into effect at that time because they said if there was a deduction in assessment of State Land it wouldn't be fair to the towns where the State Land was to absorb that all in one year. So they came up with this concept of Transitional Assessment to phase in the shock to the local communities and the 2% of represented concept, well it can't go on forever, whether we can agree if that fair or not that's what Legislators are for. The concept of Transitional Assessments began in the early 1960's and continue to date. Assessor LaGrasse summary about how the effect was postponed squares with the information that he got. In the late 1960's they came up with the Adirondack Aggregate Assessment, which is a floor below which they won't allow State Land to fall for taxation purposes and its unique to the Adirondacks, the Catskills don't have it. Bear Mountain State Park, the Allegheny State Park they don't have an Aggregate Assessment. So maybe it was Senator Harris who did that he doesn't know, but it's a good thing it's not a negative thing it gives us a form of subsidy from the State that other areas of the State don't have. You have to keep that in mind when you look at our State Budget in the parallel and dysfunction of Albany, what condition our State Budget has been in these past few years and then add in hurricane, nor'easter Sandy and what the State's going to have to do to deal with that. You can understand that our complaint that the Transitional Assessment are starting to bite and are not going to be met with a lot of sympathy by the other State Legislators so it maybe the kind of thing that you just have to live with.

The way he understands it is if you say in 1987 when Transitional Assessment went into effect there was an assessment of State Lands in Stony Creek of only \$10.00 in 1988, the assessment went down to \$9.75 there would be a Transitional Assessment on that of .25¢. Attorney Cooper asked Assessor LaGrasse if this was correct. Assessor LaGrasse stated right. Attorney Cooper stated and the way the State would calculate it, they would multiply that 25¢ and reduce it by 2% and say we will pay 100% of the taxes like every taxpayer on the \$9.75 but the 25¢ we are going to pay 2% less than an ordinary taxpayer would. That would continue the year and the year after and the year after that and so forth. But it only happens when the State assessment goes down. Assessor LaGrasse stated yes.

Attorney Cooper stated so it isn't exactly a death curve but it is the trends for sure but its not 2% a year. You have to have a reduction in order for the 2% to kick in. That is the way he understands it, and asked Assessor LaGrasse if this is right. Assessor LaGrasse stated yes and of course we are dealing with, as well as Supervisor Thomas knows, with 2% of the total roll. None of the laws, Attorney Cooper stated just the States. Assessor LaGrasse stated right and the other feature is, there was one town that sued to say they had State Land and they didn't get Transitional Assessment they didn't get Aggregates and the court ruled that the Adirondacks were unique and that this other area had similar land and what not. It was State owned land but it didn't contribute to the State interest in the Adirondack Park. So that few years ago we had that lawsuit that we were concerned about, because had it won we would have had no taxes, no value on taxes from State Land at all because it would have declared that whole process illegal. So that challenge was faced and we won on that. So the concept that there is taxes because it is that the area has an overall interest to the entire State and therefore they should be some compensation for the State land. It isn't uniformed, each town varied in these properties depending on the history on what happened in 1960. The other feature is if in any year the assessment is increased legally and stands at that increase on the parcels of State land and there is a prior year after that is reduced the transitional will carry from the higher level. That's what happened in 1985 with that lawsuit. That's why you see the spike went up 65% in 1988. Attorney Cooper stated when you said we looked in effect since 1987 there had been in 25 years of transitional assessment and you said it went up one year but roughly is the transitional assessment 25 years is it approximately 50% of what we collected at one time or what we assessed at one time? Assessor LaGrasse stated he couldn't say that. Attorney Cooper stated it hasn't been an even 2% every year. Assessor LaGrasse stated you would think in 25 years you would have lost it. It hasn't happened because it has been increased by the actions of the town basically of raising the State Land. Attorney Cooper stated so you keep the transitional assessment at bay every year that you raised the State assessment. Assessor LaGrasse stated not quite. There were times it could happen, it was a fluke that it happened in 1985. It happened because in the Shandaken Case, which proved that the State was illegal in what they were doing and what happen is they arbitrarily just dropped it. Whatever we put in they dropped it. In the meantime they weren't giving the information he was asking for, their method. How did they determine their assessment? They wouldn't give it to him. They wouldn't tell him. Attorney Cooper stated he thinks you have to explain it to the people here. This Shandaken Case that Assessor LaGrasse refers to, Shandaken is a town in the Catskills. They brought an action against the State because prior to the decision in that case the NYS Board of Equalization and Assessment would send a letter out to the Assessors saying this is what the State Land will be assessed at in your town this year and the Shandaken Case, the courts established that the State had to take the role of any other taxpayer if they didn't accept the assessment of the local assessor then they had to challenge it the way anyone else would. So it was a change from imposition of and assessment figure to playing the game the same way everybody else did. Assessor LaGrasse stated right and stated it just happened at that time that we were in this conflict with not getting the data from them and doing the best we could to figure out what the value of the State Land was and it was actually quite high compared with what it was before and what happens is they give us a list of parcels with blanks on it and we put in the value. We send it to the State and then they either approve it or not.

What they were doing is just changing it and sending it back to Assessor LaGrasse and he made the corrections based on what they said they wanted the value to be. That happened for a couple of years running. He saw a newspaper article, Jim Bormann gave him the article about that case and he said Statute of Limitations we can get this. He arranged for the board members. He went to William Liebl, all the Board members were out of town but we arranged to call them and get permission to have the lawsuit filed on the due date and that gave back a windfall of \$170,000.00 to the town but more important than the cash was the fact that it legally raised the value of State Land, and the following year he dropped the value because he didn't want to fight with them and we got transitional assessment that boosted it up, otherwise we would have been out of it by now. So what seems like a problem and a curse, it's dropped down with a loss of tax base. You lose something you wouldn't have had. In other words you have to understand things are changing their going up but you wouldn't have had that tax base in the meanwhile. We have to look carefully and see. Is there a way of raising the actual value on State Land and convincing them that it should be that way and he has gone through this already, we have, Supervisor Thomas knows as a town. In a lawsuit and having what amounts to junk science which, is theory's that are not real and they try to stop that in court but if the court doesn't understand forestry they can't stop it and if the State comes in and talks for two days constantly about their method, and their method has no bases and was never taught at any School of Forestry, not recognized anywhere else in the world and that's what they're using and bring to court and the Judge says oh my goodness what do I do with this? I have to except this. Attorney Cooper asked Assessor LaGrasse to tell us about our lawsuit in the early 1990's, what did we agree to and there was a phase out. Assessor LaGrasse stated five-years frozen assessment, five-years frozen Transitional, but 20 millions dollars. Attorney Cooper stated didn't we agree that over a period of time we would lose the assessment of a product of that lawsuit, as he recalls there was a phase out of something, he can't remember what the something was.

Assessor LaGrasse stated that's all he remembers and all he knows is they were claiming 14 million dollars and we got 20 million dollars and it appears he didn't lose transitional because when you look past it in 1999 has 61% transitional. Attorney Cooper stated you talk to other assessors in the area, have other towns run out of their transitional assessment? Assessor LaGrasse stated he hasn't consulted with anyone else.

Attorney Cooper stated you would think they would have because they didn't have the advantage of what Assessor LaGrasse did. Assessor LaGrasse stated it's called transitional assessment, it's state Aid. Attorney Cooper stated the State uses it as welfare essentially, a grant or benefit to these little towns and unlike other welfare recipients ours has to end. Attorney Cooper and Supervisor Thomas thanked Assessor LaGrasse and that he has been working on this for a while. Assessor LaGrasse stated it's a good review. Supervisor Thomas agreed and it's the first time he has heard it and is starting to understand it. Assessor LaGrasse stated if you read it you'll understand it more it goes from the basics. He didn't want to talk about increases and decreases without getting the foundation. Supervisor Thomas stated he has seen the effects of it by doing the budget it's better to know the causes.

Councilman John Thomas stated you mentioned timber sales as a portion of how they estimate of how their land is. So if you took timber sales in 1960 and there were sales today, can you get that information to see what the difference is?

He knows as far as mills are paying for timber, what it was in the 1960's to now on some species there is a huge difference.

Assessor LaGrasse stated two features that in the 1990's when he was raising the State land and he only did it because transitional was threatened to be removed altogether, so he figured put the bases of the actual assessment where it belongs. Two things he found out, EnCon produces stumpage charts. The State was using stumpage charts maybe 10-15% less than EnCon.

The second feature was the species they were estimated, the proportion of different species of wood based on some model that covered five counties including Fulton, other area that don't have topography like we have. There's no way you could say, your talking northern pines and hard wood that you would have exactly the same proportion of different species. Our Forester instead did the appropriate survey of represented sample parcels where they actually counted each tree within it. That's the method that's usually used, its 1% sample but it is accurate. The State was hesitate, they would not even give the bases for how they determine that proportion of different species. Junk science, but they got away with it.

Councilman John Thomas stated they are still getting away with it if they tell you what the value of the land based on timber sales.

Assessor LaGrasse stated they have a computer model. When he was into it about 20 different features that were being used, ease of access, percent slope, and type of forest all of these things were evaluated on a computer model. Today he thinks that are using the same old stuff. The problem is we have had a blow down; the problem is we have trees gone past prime. He doesn't think their model even takes care of that. If they look at that more carefully they might even start lowering it more, he doesn't even know where its at. It's a can of worms once you start fooling with it. When he raised it he studied very carefully and got the proportions of what he thought were accurate based on what they are inventoried and then what's timber values should have actually been and that's how he based it. You can't fight that and there is too much risk in fighting this.

And he decided with the Supervisor to just accept the States value. He would like to do something different but what data inventory does he have other than there data, it's obsolete.

Attorney Cooper stated the chances are 50/50 in favor of us as opposed to hurting us.

Attorney Cooper thanked Assessor LaGrasse.

From the floor:

Supervisor Thomas wished everyone a Happy Thanksgiving.

A motion was made by Councilwoman Ryan seconded by Councilman Nathan Thomas to adjourn the meeting at 8:25 PM. All in favor, motion carried.

Respectfully submitted,

Susan Harrington
Town Clerk