

ULSTER COUNTY LEGISLATURE

COMMITTEE MEETING

NAME OF COMMITTEE: Education, Culture and Economic Affairs Committee

DATE: January 14, 1993

TIME: 5:00 P.M.

PLACE: Ulster County Community College

LEGISLATORS PRESENT: Chairman Dunn and Legislators Sfregola, Every, Irwin, Contini, O'Reilly, Schneller and Bertone

LEGISLATORS ABSENT: Legislator Felicello

OTHERS ATTENDING: Robert T. Brown, President, Ulster County Community College;
W. John Dunn, Dean of Administration UCCC;
Joseph Munster, Ulster County Information Officer;
Alice Cocalas, Executive Director, U.C. Development Corporation;
Lee Reidy, Director, Cornell Cooperative Extension;
Gloria Bonali, Ulster Arts Alliance

A quorum being present, Chairman Dunn called the meeting to order at 5:05pm and recognized Alice Cocalas, Executive Director of the Ulster County Development Corporation.

Mrs. Cocalas reported on recent activities including the New Paltz Development Corp., which is looking into various ways of attracting businesses to that area and also on Team Hudson Valley, which is a consortium of developers and utilities from seven counties who want to market the entire Hudson Valley.

She reported that Revolving Loan Fund activities have slowed down. These activities are dependent upon bank participation, which is difficult to get; but there has been a considerable increase in inquiries.

The Overall Strategic Planning Committee has been working on a 5-year marketing plan for the County which should be ready to February 9th. UCDC has lost its full-time secretary and she will only be replaced with a part time clerk in an effort to save money.

Regarding IBM/Edgewater, Mrs. Cocalas reported that because of cut-backs, layoffs, etc., there will be almost one million square feet of empty office buildings by the end of 1993. UCDC is applying for a Regional Economic Development Grant to enable it to assist in marketing the specific areas in question. It is difficult to fill these buildings and find jobs for the people who worked there. Mrs. Cocalas also said that it is sign of the times; this is happening in other corporations as well as IBM.

UCDC has also applied for a Commercial Revitalization Grant on behalf of the City of Kingston Community Development Corporation for facade improvements along Broadway. Progress on this application will be reported on as it occurs.

The current status of IBM/ISSC was also reported on by Mrs. Cocalas. ISSC is a wholly owned subsidiary of IBM which is in the process of buying equipment from IBM, which is a taxable transaction. It is going through IDA to eliminate some of the taxes; however, the matter is currently tabled. There is a considerable amount of money involved - approximately \$600 million over a four-county area. Mr. O'Reilly questioned Mrs. Cocalas as to what part the Legislature plays and she advised that the plan was to come before the County and ask that they pay half of what the County would pay. They would be willing to pay 1-1/2% rather than 3%. Mr. O'Reilly asked what authority the Legislature had to forgive these taxes, to which Mrs. Cocalas replied that if the company goes through the Industrial Development Agency, then the Legislature would have the authority. IDA takes title to the property which makes it tax exempt. These transactions are taking place in four different counties, and IBM is trying to have all agreements alike. Mr. O'Reilly asked why didn't the County just not collect anything, to which Chairman Dunn stated that was a bit premature, and Mrs. Cocalas reiterated that they are willing to pay 1-1/2%.

Mrs. Cocalas then reported that High Tech Semi-Conductors, Inc. is looking for a bond buyer so they can build a new facility. No buyers have been found as yet. She also ran down the list of prospects and inquiries. Chairman Dunn asked about the tire recycling business in the Town of Marbletown and Mrs. Cocalas said she had heard nothing from them since the last meeting.

Returning to IBM/ISSC, Chairman Dunn stated that he doesn't want to be premature, but he also does not want to look a gift horse in the mouth. Mrs. Cocalas clarified that the \$600 million was for four counties with Ulster at about \$75 million. Mr. O'Reilly said his intention was in looking for economic development in the whole county. Mr. Sfregola added that it may not be on the whole figure, but if they are willing to accept partial abatement and are willing to pay 1-1/2%, or payment in lieu thereof, he would be willing to support it. Mr. Contini asked what IBM/ISSC is proposing to do for this tax break. There followed a brief explanation and discussion of the procedures involved, after which Mr. O'Reilly asked when it would be appropriate to make motions. Chairman Dunn said that nothing solid had been proposed as yet, and suggested the Committee leave it to Mrs. Cocalas for some guidance. He asked if the IDA would have to have some initiative and

she agreed. Mr. O'Reilly would like to encourage the County to facilitate the matter with as little financial impact as possible. Chairman Dunn said any formal action at this time would be premature. He doesn't know what the attitude of the State is going to be, and it should be investigated before any formal resolution. Mr. O'Reilly said he did not want anything formal, rather a show of support for the position and feels a motion to encourage or express sympathy with IBM in this matter. Mr. O'Reilly moved that this Committee express sympathy for the motion of minimizing IBM's financial cost of this transaction. There was no second to the motion.

At this time, Dominick Sfregola made the following motion: "That this Committee supports the Industrial Development Agency Board facilitating and assisting the proposal before them of IBM/ISSC as in an amenable manner as possible". The motion was seconded by Ron Irwin and opened for discussion. Rich Schneller said he did not think a motion was necessary, but would like to know what the Committee can do to encourage the process. Mrs. Cocalas reiterated that it is premature to do anything at this point. IBM/ISSC has not gotten back to her office as yet, which was also questioned by Mr. Schneller and Mrs. Cocalas replied that IBM is well aware of the County's support. Following this discussion, the motion was withdrawn by Dominick Sfregola as being unnecessary at this time and the second withdrawn by Ron Irwin.

Mrs. Cocalas said that one county involved was concerned that the transaction be done without a bond offering. All counties want the exact standard agreement. Joan Every questioned if the bonds would be used to pay the taxes. Mrs. Cocalas said that if there is a bond sale, ISSC would have to get an IDA Bond, sell it, and use the proceeds to buy the equipment from IBM, or IBM could just transfer the equipment to ISSC; both ways are legal. Orange County is going ahead with it because there is a building involved, not just equipment. IDA Bonds have gotten a bad reputation due to activities of some other agencies.

Rick Schneller asked about the status of Brooklyn Bottling in Milton. He had heard they were having difficulties, but Mrs. Cocalas said she had only heard around Thanksgiving that they going to expand. This concluded the report of the Ulster County Development Corp.

Chairman Dunn recognized Lee Reidy, Executive Director of Cornell Cooperative Extension, who said the 1992 Annual Report had been mailed to all Legislators. The Program year runs from October to September so the Annual Report was combined with the newsletter, Ulster Current. Ms. Reidy gave a brief overview of past practices of Cornell Cooperative. Legislator Richard Fall is the Legislative Representative to Cornell Cooperative, and volunteers serve on the Board and Program Committees. She also gave a run-down of the funding formula of the County and State and mentioned that Schoharie County was not funded at all for 1992-93. Ms. Reidy said that her agency is looking at priorities over the year and at types of programs being offered, as well as information and research available from Cornell University. She is also looking into cost cutting measures, marketing, and sources of additional revenues. She discussed the U.S. Department of Agriculture plans to consolidate various agencies. Cornell Cooperative is not under that umbrella.

They are looking at Soil Conservation Service which is a federal agency that is here because the County funds the Soil and Water Conservation District, as well as Farmers Home Administration and Agriculture and Conservation Stabilization Service, which are also U.S. Dept. of Agriculture agencies. There is also a question as to whether it will continue until the new administration, but no answers as yet. She stressed that they are looking to consolidate, not eliminate.

Ms. Reidy discussed Schoharie County Cooperative Extension, which was not funded by the County. Schoharie is a small, poor County with a tax increase of 60%. Schoharie eliminated forty-five County positions and cut funding to Cooperative Extension. Since there is no County funding, state and federal funding will not kick in and, as of February 1st, there will be no program there. Surrounding counties will not be allowed to provide services. If minimal funding is not restored, there will be no 4H, no support to farmers, no nutrition information, and, as of February 26th, all staff will be gone. Some sharing of services between counties is done on a continuing basis. Mr. Sfregola asked if, as long as both participating counties are funded by their respective counties, sharing of services is allowed and Ms. Reidy agreed. Rick Schneller stated that it had been set up in the enabling legislation.

Ms. Reidy informed the Committee she hoped to have a program in place that attracts people to move to Ulster County as a place where people want to raise their children and has had good responses. She is also close to getting a long worked-on grant for a research study of buyers and shopping habits.

Mr. Sfregola requested clarification of that portion of her report stating that the County provides space, and asked if that meant she placed a dollar value on space as part of the State funding formula, and Ms. Reidy replied that was correct, and referred the Committee to the budget information on the back page of Ulster Current.

Mr. Schneller asked if Cooperative Extension was participating in the Direct Marketing Convention, and Ms. Reidy said Cooperative Extension was sponsoring it. She then gave an explanation of what the Direct Marketing Convention hoped to accomplish. She also informed the Committee that on February 4th and 5th, Cornell was sponsoring a program at SUNY New Paltz aimed at people looking to get into small farm specialty markets. There followed a general discussion of agriculture and farming in the area, and the report of Cornell Cooperative Extension was concluded.

Chairman Dunn recognized Gloria Bonalli of Ulster Arts Alliance, who reported that the New York State Council on the Arts Program of Decentralization, wherein a percentage of budgeted funds had to be applied in counties outside of the City of New York. There were nineteen organizations applying for \$13,000, and nine were approved for funding. Among them were: Actors and Writers; Delaware and Hudson Canal Society; Mountain Laurel School; The Waldorf School; Rosendale Library; and the Town of Rochester Environmental Commission for support of an out-door art park. Also funded were the Ulster Ballet

Guild for their 10th Annual Dance Festival, Woodstock School and Art and the Woodstock Youth Theatre. Awards and checks will be presented at a reception on Feb. 23rd. This will also bring money into the County.

Mrs. Bonalli advised the Committee that on Tuesday Paul Gershowitz approached the City of Kingston Common Council to renovate the old City Hall into a museum. There is also a joint project with Columbia, Greene and Dutchess Counties to work together to provide services, beginning with a needs assessment program. Mr. Sfregola asked the means of determining how funds are distributed. Mrs. Bonalli said there are two funds - decentralized and arts funds. All money is put together into one fund and in this way the State is able to fund more groups. Total appropriation in the State budget for arts was \$48 million, most of which goes to New York City. Joe Munster said that the total State funding for tourism was cut to \$3 million, mainly because tourist has no lobbyists. Mrs. Bonalli ended her report with the comment that she believes tourism and the arts go hand-in-hand.

Chairman Dunn recognized Joseph Munster, Ulster County Public Information Officer. With regard to Catskill Mountain Railroad he said that one mile of track on the east side of Route 28 has been laid, most of which is new. Joan Every asked if Catskill Mountain Railroad was a for-profit corporation, and he advised her it was. She also said she heard they had no insurance and Mr. Munster said this was incorrect and he will get her copies of their Certificates of Insurance. Mr. Munster and the Committee discussed the problem of rock cut washout from the 1987 flooding which will have to be repaired. They will have to wait to go into the stream until May.

A discussion of their financial situation followed, after which Mr. Munster asked for this Committee to introduce a resolution amending the Lease to require a \$1,000.00 deposit. The contract calls for a \$3,500.00 deposit or an amount matching previous years' rent. Mr. Munster said the spin-off is more important than the rent received by the County; however, Mr. Sfregola said is it important to have some rent received. There followed a brief discussion of a similar railroad in the Adirondacks used by 61,000 people annually. A motion was made by Dominick Sfregola to reduce the advance rent payment from Catskill Mountain Railway from \$3,500 to \$1,000 for the balance of the first five years, unless the rent exceeds \$3,500.00. The motion was seconded by Attilio Contini and the matter was open for discussion. Mr. O'Reilly asked if the operation cost the County any money and was told no. Mr. Munster said the County had tried to market the railroad when Marriott was interested but it never happened. Now, Catskill Mountain has a twenty-five year lease. Mr. Sfregola commended that after Marriott nothing happened until the current contract. Mr. Munster stated that the railroad really should begin in Rhinecliff so people could take the new ferry to Rhinecliff, get off and take the trail. There being no further discussion, the motion was put to a vote as follows:

For the motion:	9
Against the motion	0

The motion was passed unanimously.

With regard to the Adirondack Railroad, Rick Schneller asked if there was something which the County could do to coordinate and get things going, and Mr. Munster said he was trying to get some money out of Greenway. He also said Jay Hogan had been appointed and has been a considerable help. He also said the IDA owns the railroad and has licensed it to the Catskill Mountain Railroad.

Mr. Munster reported to the Committee that the new "bed tax" has collected \$419,380.08 in 1992.

Reporting on the Catskill Interpretive Center, which is located near the track bed at Mount Tremper, he advised that money has been appropriated for it; however, if it is not in the new appropriation, than that would be the end of it. Chairman Dunn said that Maurice Hinchey had pushed for it and Mr. Munster said it looks like Kevin Cahill is also going to support it, but he had heard nothing from Sen. Cooke's office. A draft letter to the Governor, Senators and Assemblymen is being prepared to ask for their support of Catskill Interpretive Center, which Mr. Munster read aloud. The general consensus of the Committee was to wait until after the budget was out. If it is in the budget the letter will not be necessary. If it is not, the letter can be sent. Mr. O'Reilly suggested it go to Assemblymen and Senators, rather than the Governor. Mr. Sfregola said he had spoken with Kevin Cahill and he is pushing for it. He also said that if a letter is sent, maybe a different letter should go to the Governor. Chairman Dunn thought it best to wait until after the budget is presented. The letter should also include Larkin, Bonacic and Bennett, but felt it would be better to wait.

Mr. Munster gave a brief explanation of matching funds, and a run-down of how they are appropriated and why. Rick Schneller said Ulster County should be going full speed to get people into the county instead of chasing them away with room taxes, etc. Chairman Dunn said it should be established that New York State is not putting any emphasis on tourism. They have collected \$53 million and nothing has gone back to the counties. The State is looking to the individual counties to sell their own tourism and doing nothing to assist them. This concluded the report of Mr. Munster.

At this time Chairman Dunn recognized President Robert Brown and Dean of Administration John Dunn of Ulster County Community College.

President Brown referred the Committee to the budget packages and audit report they had been given and, in particular, to the management letter of the auditors, which sets forth those areas which need to be worked on. Copies of the 1992-93 budget were given to each member of the Committee. President Brown reported that the college is doing well and enrollment is strong.

John Dunn reviewed the auditor's management letter. The comments referred to included bad debts which were not written off, which were reduced from \$35,000 to \$26,000. President Brown commented that \$26,000 in bad debts out of \$3.7 million in student revenues is not too bad.

With regard to government aid owed balances, Dean Dunn said that this problem goes back to 1978-79 financial aid awards and reconciling that to the federal government's record. He reviewed the financial aid award sequence to the Committee and said that at this point the college is going to meet with the Department of Education to either wipe out the old balances or write them off if they are small enough and take care of all old balances.

With regard to financial aid authorizations, the auditor's comment was that information did not always flow from office to office on the amount of an award. Dean Dunn explained the procedures, and that it was not properly communicated to accounting; however, the college did not lose any money.

President Brown said that federal financial aid is a fast-growing bureaucracy and he is still not sure of what the new changes and regulations are, or if they are retroactive or not.

Referring to last years' comments, John Dunn said we have improved on child care grants and amounts due from the federal government, as well as an improved cash management and improved nursing student loans.

This single audit report was given to the Committee, said President Brown, for its information and to show we are fiscally well managed. President Brown said the college is doing well. Although cash flow is difficult, the college manages on a daily basis. The college did not have to go to the County in December because a payment from the State was received. Last year the state aid payment was delayed, and we had to request an advance payment from the County.

With regard to the 1993-94 budget, the public hearing and workshop on campus is scheduled for May 25th, which is a tentative date. On Planning Assumptions, the State aid is expected to be flat with formerly \$1725 per fte now \$1600 per fte. There is no funding for contract courses. While enrollment is up, we still get less State aid. The County aid will continue at its present level. The President stated that this was the fifth year in a row that UCCC is on a level basis or has gone down.

President Brown also referred to the Editorial in Sunday's paper that was supposed to be complimentary about our collective bargaining, but said he has made no conditions with employee groups that there would be no layoffs. He reminded the Committee that UCCC had layoffs starting in 1987.

Full time tuition will increase a minimum of \$100. Prison Education enrollment will remain at current level.

Mr. Contini asked President Brown about the Prison Ed program and if there was any way of requiring payments up front. President Brown said that generally they do, and advised Mr. Contini that the Prison Ed program is a positive revenue generating program.

For the 1993-94 budget, President Brown said that total revenues are going to go down. We have less money to do more; some fund balances are going down maybe \$250,000. That, in combination will bring it down about \$50,000. There has been a loss of contract courses such as IBM. Dean Dunn said there used to be 250 per year - now it is about 100 and it is projected to go down from year to year, slowly. President Brown reported that inflationary costs and salary increases in 1993-94 will be absorbed into the budget. The college is not looking at mass lay-offs, but is doing some consolidation in clerical areas and some retiring faculty will not be replaced.

Linda Bertone questioned why there is no room in the nursing program. President Brown said it was because it is the highest cost program and was limited to 67 students in the Fall semester. He said it is not just the nursing courses, but the other science courses they must take. After that there is a waiting list. It took UCCC two years to find two replacement faculty. In addition, he said, there is not enough hospital space for the clinical portion of the course, even though we use four area hospitals. He said the class size has to be small of necessity but Ulster has one of the best programs in the State.

Mr. Sfregola asked if BOCES is only for LPNs and President Brown agreed. Further, he said, a student has to graduate from one of our programs in order to continue in SUNY, because the student has to have an R.N.

Regarding chargebacks, which must be paid when students living in Ulster County choose to go to school in Dutchess or some other county, President Brown said they are projected at \$1.7 million in the budget. The County cannot limit the cost because it is an entitlement program mandated by the State. The major cost is to Dutchess County and is from the Highland-Marlboro areas. This results from students identifying with Dutchess County even though they live in Ulster County. It will probably get worse, said the President, in view of the economy and the cost of higher education. He said that New Jersey legislated that if there is a program in your home county and you elect to go outside of the county, the home county does not have to pay. If there is no program in the home county, then the home county will have to pay.

Rick Schneller asked about a transportation scholarship arrangement for the southern part of the county. President Brown said this would not work because one group of students would obtain more services than another group. The mini-busses are doing a lot of good. Mr. Sfregola noted that many students from the New Paltz area take the bus. He also suggested that maybe the college should give more information to the guidance counselors in the county. President Brown said there will be a follow-up survey to inquire from all students going outside the County to ask their reasons. He knows that other schools offer certain programs which Ulster does not have, such as electrical technology. Mr. Sfregola stated that he would be supportive of looking for legislation to allow the County to operate similarly to New Jersey. President Brown said that would be especially beneficial to Suffolk and Nassau Counties.

Mr. Sfregola also asked about satellite centers and President Brown advised that he had looked at this several times over the years and the problem is that a satellite center is never going to be like a main campus. He said UCCC is still looking at renting space, such as in the former Metropolitan Building to make it more convenient for students. Chairman Dunn said UCCC is known for its ability to teach all basic courses, but guidance counselors do not seem amenable to the community college concept. When Mr. Contini asked what guidance counsellors seem to have against community colleges, President Brown said that same may be slightly elitist and do not feel that a two year college is as good as a four year college. Discussion among the Legislators and President Brown followed

Mr. Irwin suggested asking students in the survey about whether they would attend a satellite center if it were available, and President Brown said that could be done. He will get back to the Committee with the results.

Chairman Dunn asked if the revenue flow remains the same, whether through scholarships or individual payments, and President Brown said that scholarship funds go directly towards the student's tuition bill.

Regarding collective bargaining, President Brown said he is waiting to sign an agreement with one unit, but still have another unit to deal with; however, he hopes to come to an agreement in the Spring.

Construction is looking for general completion by the major contractors (with the exception of the punch list), by the end of next week. Many departments have been moving and are moved into the new areas. President Brown said he wanted the Legislators to go through the new facility before the formal dedication next fall.

President Brown reviewed the 12/1/92 Capital Budget, and said we will not go beyond \$9.8 million. John Dunn said it was budgeted for the main contractor and architect with projected balances at the end. There is some money left from architect's budget, but there have been some unplanned expenses. Dean Dunn reported that there is a surplus of about \$30,000 in the General Contractor's budget and some small surpluses in other areas; however, the electrical contractor will go over the funds will have to be transferred from the surplus funds. There was a technical error in awarding contracts plus contingencies and the college will have to come to the Legislature to authorize transfer of contingency funds from U.W. Marx to Fishbach. This is because the contingency was set up on a ratio rather than on actual figures. President Brown said that compared to the first two phases, this project has been wonderful. Mr. Sfregola said that staying within a budget of that size is great.

On other matters, President Brown said a new campus map is being drawn to include all new areas. The entire campus has been renumbered in accordance with the Americans With Disabilities Act. There are new signs for rooms and doors. Dean Dunn said they plan on installing plaques in each main entrance explaining the origin of the names of

each building. This concluded the report of Ulster County Community College.

Chairman Dunn said that in all fairness, there has been an overabundance of reports and that the Committee is being overburdened. It has become too much to come in at 5:00pm and work with no break for three hours. President Brown suggested that as much information as possible be delivered to the Committee in advance for their review. In addition, Chairman Dunn said that any one on the Committee can call any of the agencies if they have questions on the report prior to the meeting. Mr. Sfregola said that maybe the Chairman might discuss with each agency a plan whereby if they have nothing major to report at the time, they might skip a month appearing, just sending in their report. Chairman Dunn agreed.

There being no further business, a motion to adjourn was made by Dominick Sfregola and seconded by Joan Every. Chairman thereupon adjourned the meeting at 8:05pm.

Respectfully Submitted,

Vincent Dunn, Chairman
Education, Culture and Economic Affairs Committee