

AUDIT & ADMINISTRATION COMMITTEE MEETING
Held via Audio Webinar Pursuant to Temporary Emergency Orders

Chairman Pro Tem Neal Sullivan and Members Pro Tem Legislators Albano & Castellano

Monday

6:30pm

January 24, 2022

The meeting was called to order at 6:30pm by Chairman Pro Tem Sullivan who requested Legislator Albano lead in the Pledge of Allegiance. Upon roll call Legislators Albano and Castellano and Chairman Pro Tem Sullivan were present.

Item #3 – Approval of Minutes – December 22, 2021

The minutes were approved as submitted.

Item #4 – Presentation/ Putnam County Golf Course/ General Manager Katherine Hanrahand

Chairman Pro Tem Sullivan made a motion to waive the rules and accept the additional; Seconded by Legislator Castellano. All in favor.

General Manager of the Putnam County Golf Course Katherine Hanrahand stated the updated presentation includes numbers from December, which were not yet available when she originally submitted the presentation with the intention of attending the December Audit Committee meeting. She stated in terms of number of rounds of golf, the Putnam County Golf Course (Golf Course) had a stellar year with 35,188 rounds. She stated the average annual rounds over the past 10 years are 30,366. She stated April, May, and June were very busy months. She stated this is directly related to the renewed interest in Golf, which has been a positive outcome of COVID-19. She stated the number of rounds began to decline toward the end of the year. She stated in terms of revenue from golf, the Golf Course brought in \$1,566,718, which resulted in a positive variance of \$346,718 over what was budgeted for the year. She then spoke to the food and beverage side of the Golf Course. She stated from January to March 2021 there were no events held due to COVID-19. She stated once events could be held outdoors in the warmer weather, more events were scheduled. She stated there was a large turnout to the Summer Concert Events with 15 shows and over 10,000 attendees. She stated indoor events were also held later in the year. She stated there were also two (2) comedy shows with over 900 attendees across both shows. She stated they have concerts booked for 2022 and they are still booking events throughout this year. She stated the revenue for the food and beverage side of the Golf Course brought in \$1,044,141 which was a negative variance of \$39,859 under what was budgeted. She stated after the expenses, the net operating profit for the food and beverage side of the Golf Course was \$271,667, which is \$3,437 more than was budgeted for. She stated

she is excited to see what this year will bring on both the golf and food and beverage sides of the Golf Course.

Chairman Pro Tem Sullivan stated General Manager Hanrahand has done a terrific job and the numbers are excellent, exceeding the budgeted profit amount. He stated especially given the three (3) months the Golf Course was unable to host events due to COVID, the food and beverage side was still very close to the budgeted revenue amount. He stated continuing to improve this facility is benefiting the public, which is being shown in these numbers.

Legislator Albano stated the upgrades made to the Golf Course are working out really well. He stated he is glad the Golf Course was operational during COVID because it gave people a way to safely socialize.

Legislator Castellano stated he attended a few of the events held at the Golf Course last year and people were so happy to have a sense of normalcy back. He stated looking at the numbers, it is great that the Golf Course was able to turn a profit and he looks forward to 2022.

Chairman Pro Tem Sullivan stated the revenue from 2021 is a healthy indicator of how the Golf Course is doing.

Legislator Albano stated there were many attendees at the events who did not realize the County owned the Golf Course and they were impressed at the operation.

Item #5 – Correspondence/County Auditor
a. Sales Tax Report

Commissioner Carlin stated the County had a great year in terms of sales tax, but it needs to be viewed in context. He stated we are in a turbulent time and he is unsure what adjustments might be made related to the pandemic in the way the State calculates estimates. He stated the County ended the year with \$78 million in sales tax, which is much higher than what was budgeted. He stated in the last quarter, the numbers were beginning to decrease. He stated the most sales tax was collected between May-October 2021. He stated he is cautiously optimistic for 2022 and they were conservative with the budget taking into consideration issues such as inflation and supply chain problems.

Chairman Pro Tem Sullivan requested that Commissioner Carlin speak to the collection of sales tax from internet sales.

Commissioner Carlin stated the “Wayfair Decision” was a benefit to counties as it required the collection of sales taxes on internet sales. He stated there used to be an unlevel playing field where items purchased on the internet may not have required the payment of sales tax, but in a brick and mortar store taxes would be charged. He stated the State recognized that this was unfair and now everyone is on a level playing field. He stated specifically for Putnam County, this was very beneficial as more people turned to online

shopping, keeping the sales tax within the County, rather than going out of the County or State to shop at nearby malls.

Chairman Pro Tem Sullivan stated the State's ruling is critical to the numbers we are seeing for Putnam County.

Legislator Albano stated sales tax makes up a large portion of the County's budget so it is imperative to generate as much as possible, ultimately lessening the burden on the property owners within Putnam County.

Legislator Castellano questioned the effect the rising gasoline prices had on sales tax in 2021.

Commissioner Carlin stated he would need to look that up. He stated it can be difficult to distinguish because gasoline sales are combined with the sales from the attached convenience stores.

Legislator Montgomery thanked the business owners in Putnam County, especially those in the tourism industry, for generating this sales tax and working so hard to remain open through the COVID-19 pandemic. She stated she would like to highlight the bottom-line numbers: \$59,734,000 was budgeted in sales tax revenue and the County collected \$78,052,738 which is \$18,318,738 over the projected budget. She stated this surplus should be considered when thinking of how to support our local municipalities and businesses.

b. Board In Revenue Report

Chairman Pro Tem Sullivan stated in 2021 the board in revenue budget was exceeded by over \$700,000. He stated this is a small portion of the entire jail, which has a budget of over \$11 million. He stated the Administration budgeted \$50,000 for a study to be done on the jail based on the low population numbers and the requirement to continue funding 100% of the expenses although capacity is lower. He stated he looks forward to working with Sheriff Kevin McConville on how to make the jail operate more efficiently while reducing the cost to the taxpayers. He stated the expense of housing a board-in inmate is more than the County receives for housing them. He stated he believes the purpose for the low population is bail reform. He stated there are also high expenses such as constant 24-hour watches for certain inmates.

Legislator Montgomery stated she believes there have been several drafts of the study referenced by Chairman Pro Tem Sullivan. She questioned if he has seen of a copy of the study performed by the Bonadio Group.

Chairman Pro Tem Sullivan stated this is a different study; what he was referring to is the study that will be done this year. He stated an RFP (Request for Proposal) has not yet been sent out for it yet.

Legislator Montgomery questioned where Chairman Pro Tem Sullivan received the information he referred to.

Chairman Pro Tem Sullivan stated he referenced the budget numbers and census numbers.

Legislator Nacerino stated the numbers referenced have been discussed throughout the year, as has the need to look more comprehensively into the operation of the jail. She stated she looks forward to the study.

- c. **OTB Report** – Duly Noted
- d. **Transfer/Revenue Report** – Duly Noted
- e. **2021 Contingency/Sub-Contingency Report** – Duly Noted
- f. **2022 Contingency/Sub-Contingency Report** – Duly Noted

Item #6 – Correspondence/ Commissioner of Finance

- a. **Approval/ Budgetary Amendment 21A109/ Finance/ Year End Journal Entry #1**

Commissioner of Finance William Carlin stated this is an annual year end bookkeeping adjustment that is made based on activity throughout the year. He stated there are many adjustments made and he is glad to answer any questions on them.

Chairman Pro Tem Sullivan made a motion to pre-file the necessary resolution; Seconded by Legislator Castellano. All in favor.

- b. **Approval/ Budgetary Amendment 21A110/ Health Dept./ Additional PHEP COVID-19 Grant Funding**

Legislator Montgomery questioned if this funding is related to the County testing sites.

Commissioner Carlin stated no, this is related to the vaccinations.

Legislator Castellano requested clarification on why this money is going into contingency.

Commissioner Carlin stated this grant is reimbursing costs that the County has already incurred and paid for.

Legislator Montgomery stated the Legislature received a letter from the New York State Department of Health regarding additional funding. She stated it is her understanding that a portion of this funding is to go to underserved populations. She stated areas with low vaccination rates have been identified and she questioned how this funding was distributed to those areas.

Commissioner Carlin stated vaccinations sites were held in some of the communities with lower vaccination rates. He stated more specific details could be requested from the Health Department.

Chairman Pro Tem Sullivan made a motion to pre-file the necessary resolution; Seconded by Legislator Albano. All in favor.

c. Approval/ Budgetary Amendment 22A004/ Tourism/ I Love NY Program/ County Match

Director of Tourism Tracey Walsh stated when the County received the 2022 grant from I Love New York it was for \$48,897, which is \$7,103 less than was budgeted for. She stated therefore, since that budgeted amount of about \$7,000 can no longer be used for that line, she is requesting that it be moved into the miscellaneous line so it can be utilized. She stated out of that money, she plans to spend \$4,000 to continue with the Hudson Valley Film Commission and \$2,500 to fund part of an economic development grant. She stated this has no impact on the budget.

Legislator Castellano clarified that since New York State did not provide the full budgeted amount, the County's match was less and therefore this \$7,103 was left over and is not being transferred into the miscellaneous line and will still be used for Tourism.

Commissioner Carlin stated that is correct.

Legislator Montgomery stated this is \$7,103 being moved into new projects. She stated the Hudson Valley Film Commission is a wonderful project and it is great that the EDC (Economic Development Council) and IDA (Industrial Development Agency) are involved. She stated her suggestion is to fund things that are missing or have lost their funding that are critical to tourism. She provided an example of the \$7,500 the Village of Cold Spring no longer receives for garbage removal. She stated although that originally came from a recycling line, this is all taxpayer money. She stated a healthy amount of sales tax revenue was generated this year, much of it having to do with tourism. She stated tourism has a large impact on the Village of Cold Spring and this resource would go a long way in helping them.

Chairman Pro Tem Sullivan made a motion to pre-file the necessary resolution; Seconded by Legislator Albano. All in favor.

d. Approval/ Budgetary Amendment 22A006/ Health Dept./ Additional PHEP COVID-19 Grant Funding

Commissioner Carlin stated this is the same grant as was discussed in item #6b; this funding is for 2022.

Legislator Montgomery stated a portion of this funding is to be used toward the underserved populations and there are areas that have not had a vaccine site.

Chairman Pro Tem Sullivan made a motion to pre-file the necessary resolution; Seconded by Legislator Castellano. All in favor.

e. Approval/ Budgetary Amendment 22A007/ Finance/ Estimated COVID-19 Testing Site Costs in Carmel & Philipstown through February 28, 2022

Commissioner Carlin stated at the beginning of the year the County set up two (2) testing sites and will be requesting reimbursement through FEMA (Federal Emergency Management Agency). He stated the sites are projected to operate through February 28, 2022. He stated it is important to note that the hours of the testing sites are constantly being adjusted based on demand. He stated this budgetary amendment should provide enough funding to cover these sites as well as potential sites later in the year if they are needed.

Legislator Montgomery questioned why this funding is not related to the Health Department budget.

Commissioner Carlin stated right now it is a general fund expenditure and after a conference call with FEMA later this week, a FEMA Projects budget line will be established under the COVID response for the reimbursement. He stated this is similar to the \$100,000 of COVID-19 supplies received early on during the pandemic.

Legislator Montgomery stated understanding the impact this had on the resources used such as the town recreation department and the adjustments made and staff utilized, she questioned if the town would be reimbursed through the County or if they should apply to FEMA directly.

Commissioner Carlin stated it might be easier for them to piggyback on the County, but that would have to be checked with Safety Officer John O'Connor. He confirmed that the cost incurred should be reimbursable.

Chairman Pro Tem Sullivan made a motion to pre-file the necessary resolution; Seconded by Legislator Albano. All in favor.

f. Approval/ Budgetary Amendment 22A008/ Putnam County Golf Course Renovations/ Remediation of Asbestos

Legislator Montgomery stated in the backup material there is correspondence from Deputy Commissioner of Highways & Facilities John Tully that references the November Capital Projects Committee Meeting where it was discussed that this project along with other capital improvements would utilize ARPA (American Rescue Plan Act) funding. She stated she does not have the minutes from that meeting so she does not have the details of that conversation.

Chairman Pro Tem Sullivan stated he does not believe minutes are required to be taken at the Capital Projects Committee Meetings because they are administrative, internal meetings. He stated he is unaware if using ARPA funding was discussed at the November Meeting. He stated Deputy Commissioner Tully is present this evening and requested that he speak to this.

Deputy Commissioner Tully stated the meeting referenced in the correspondence was an internal Capital Projects Committee Meeting where multiple projects were discussed. He stated regarding the Golf Course, there were a series of projects that were contemplated. He stated at the time, it was determined that the priority was the floor in the kitchen because nothing could proceed without that being done. He stated that was supported by the Administration and Legislature and was placed in the Highway Department's operating budget. He stated the next phase of work that was contemplated was the engineering that needed to take place and an estimated \$250,000 was budgeted, before finding out about the presence of asbestos. He stated Commissioner Carlin was looking into future funding opportunities therefore a formal request was not made at that time for funding. He stated he can send a copy of the agenda from that meeting.

Legislator Montgomery stated she finds it to be bad practice not to have minutes from meetings where hundreds of thousands of dollars are being discussed to go toward capital improvements. She stated as was discussed in the Capital Projects Committee Meeting in August 2021, it is clear that \$250,000 per year has been put into the reserve fund for these projects. She stated in addition, a presentation was just given on the status of the Golf Course and for last year they came in \$346,718 over budget. She stated the ARPA funds are meant for critical infrastructure projects and supporting the community and close to \$0.5 million is being used for the Golf Course. She questioned how much is in the fund where \$250,000 is allocated annually.

Commissioner Carlin stated he does not have that information with him this evening. He stated Legislator Montgomery made a good point and explained why the request for use of the ARPA funds was submitted. He stated the County was made aware of the ARPA funding in March and April of 2021. He stated in that time, there was an interim final rule. He stated the County has been waiting to develop a comprehensive plan until the issuance of a final rule so it is known what the money can really be used for. He stated the final rule was set by the Treasury Department two (2) weeks ago and goes into effect on April 1, 2022. He stated the County has internally canvassed its departments to come up with plans that the APRA funds can be used toward. He provided examples of mental health plans through the Department of Social Services and critical infrastructure projects through the Highway Department. He stated this specific project at the Golf Course could be paid for using fund balance if the Legislature wishes. He stated they thought using ARPA funds would be easier because using less fund balance is more flexible for use by the Legislature. He stated wherever the funding comes from, the project needs to be completed soon as the golf season will open soon. He stated there was known water damage at the facility, but they were unaware of the asbestos. He stated there are tens of thousands of visitors to the Golf Course each

year between events and golf; it is a gateway of tourism for the County. He stated this is even more critical because Garrison Golf Course, one of the few 18-hole courses in the County, closed last year. He stated this could create opportunity for even more golfers to visit this facility. He stated he has also heard criticism that is this "ARPA project #1." He stated this is the first project because there is a deadline of when the next golf and event season begins, but it is one of many. He stated if the Legislature does not want to use ARPA, other funding sources such as the fund balance or general reserve can be used. He stated the only option that is not viable is to bond at this time.

Legislator Albano stated the Capital Projects list is a conceptual plan and the projects will be moved around in order of importance. He stated in terms of the Golf Course, it has proven to be a valuable asset and he is in favor of using the ARPA funding. He stated this is also the best time to do a project like this at the Golf Course, before their events really begin in the spring.

Legislator Castellano questioned if the use of ARPA funds for this purpose has been vetted to make sure it is appropriate.

Commissioner Carlin stated yes, it has. He stated this is only the first of many projects being vetted and considered for use of the ARPA funds. He stated once the projects are vetted internally, they will come before the Legislature for further vetting.

Legislator Jonke stated the amount of \$400,000 has been estimated for this project. He questioned who made that estimate and if the work will be done by an outside contractor or by County employees.

Deputy Commissioner Tully stated the estimate was prepared by the Highway Department. He stated there is still an unknown with regard to the asbestos abatement. He stated they are currently soliciting quotes from authorized vendors to provide that work. He stated as of right now, the only outsourced work being contemplated is the asbestos abatement. He stated there may be other minor work such as some structural engineering that would be performed by a third party, but the vast majority of the remaining work is able to be done by the Highway Department.

Legislator Jonke thanked Deputy Commissioner Tully and he complimented the workers in the Highway Department on their quality work.

Legislator Gouldman stated in reference to the ARPA funds, he received a letter from Putnam Valley Supervisor Jacqueline Annabi requesting that some of those funds go toward a renovation of the sub-station on Peekskill Hollow Road so the new Ambulance Corps can be housed there. He stated in addition to that, there are three (3) traffic lights in Putnam Valley that often have issues. He stated upgrading these traffic lights would be a critical infrastructure project that the ARPA funds would be ideal for.

Chairman Pro Tem Sullivan stated he is sure the use of ARPA funds for projects within the towns in Putnam County will be discussed in the future. He stated he is sure there

are requests from all towns and villages that each representative would like to bring forward for consideration. He stated the discussion taking place this evening is related to the use of ARPA funds for the repairs at the Golf Course. He stated the Golf Course facility is an old structure and the County has invested a lot of money to improve it and bring it up to current standards. He stated the significant improvements being done through this proposed project will allow it to continue being such a great facility.

Legislator Montgomery stated multiple requests for the plan for the \$19 million in ARPA funds have been made since March. She stated there are obviously conversations happening and other municipalities have had open meetings about their plans. She stated although it was not immediately clear what the funds could and could not be used for, there was some guidance available. She stated she has also requested an accounting of how much has been invested in capital improvements at the Golf Course since the County acquired it. She stated the County is flush with money without having to use these funds or bonding. She stated per the letter from Putnam Valley Supervisor Annabi and the email received from Village of Cold Spring Mayor Foley, there are concerns among the local municipalities about how these funds are being used. She questioned if Chairman Pro Tem Sullivan planned to read the email from Cold Spring Mayor Foley into the record. She then read sections of the email into the record. She questioned how the ARPA funds would be distributed throughout the County for tourism. She stated a request came from the Village of Cold Spring for \$7,500 to support tourism for a health and safety issue and garbage removal, meanwhile almost \$0.5 million is being proposed to be spent at the Golf Course. She questioned how this funding would be spread equally to support tourism if in fact that is the justification for using this money at the Golf Course.

Chairman Pro Tem Sullivan stated in regard to Legislator Montgomery's question of if the correspondence from Cold Spring Mayor Foley would be read into the record, he stated the email was received late this afternoon. He stated Commissioner Carlin is reviewing requests for the ARPA funding from both inside and outside of the County and the discussion can be had on those requested projects at a later date. He stated right now, this discussion is about the project at the Golf Course.

Legislator Nacerino agreed with Legislator Albano's comments and she supports using the ARPA money for this expenditure. She stated as noted, the distribution of funding will be discussed throughout the year.

Legislator Montgomery stated regarding the \$400,000 allocation for the ARPA funds and the requests she has made since March for the plan, she would like to request that this funding not be applied to this project until there is a clear plan for the \$19 million. She stated a plan should be developed prior to any funds being allocated.

Legislator Albano stated right now is a good opportunity to get this work done while the Golf Course is not operating.

Legislator Albano made a motion to pre-file the necessary resolution; Seconded by Chairman Pro Tem Sullivan. All in favor.

Item #7 – Approval/ Fund Transfer 21T362/ Dept. of Social Services/ Cover Anticipated Code Blue Motel & Transportation Expenses through 12/6/2021

Chairman Pro Tem Sullivan made a motion to approve Fund Transfer 21T362; Seconded by Legislator Castellano. All in favor.

Item #8 – Approval/ Fund Transfer 22T005/ Sheriff’s Dept./ Funding for Civil Division/ Inadvertently Omitted from 2022 Budget

Legislator Montgomery stated she is happy to support these items that the Sheriff’s Department needs. She stated she does not believe this was inadvertently omitted; the Sheriff at the time put in for this funding and it was denied and removed by the Administration and Legislature.

Commissioner Carlin stated what Legislator Montgomery is referring to is a position. He stated these are line items that were inadvertently left out of the budget system.

Legislator Montgomery questioned who inadvertently left the items out.

Commissioner Carlin stated the Sheriff’s Department left it out. He stated it was included on their worksheets, but not in the computer system. He stated it is clearly stated that it must be included in the computer system.

Chairman Pro Tem Sullivan made a motion to pre-file the necessary resolution; Seconded by Legislator Albano. All in favor.

Item #9 – Other Business

Chairman Pro Tem Sullivan mentioned that beginning in February, the Legislative meetings would be held in person.

Item #10 – Adjournment

There being no further business, at 7:48p.m. Chairman Pro Tem Sullivan made a motion to adjourn; Seconded by Legislator Castellano. All in favor.

Respectfully submitted by Administrative Assistant, Beth Robinson.