

**AUDIT & ADMINISTRATION COMMITTEE MEETING
HELD IN
ROOM #318 OF THE COUNTY OFFICE BUILDING
CARMEL, NEW YORK 10512**

Members: Chairman Castellano, Legislators Gross & Nacerino

**Thursday January 29, 2015
(Immediately Following Special Protective starting @ 6:00pm)**

The meeting was called to order at 6:35 P.M. by Chairman Castellano who requested Legislator Gross lead in the Pledge of Allegiance. Upon roll call, Legislators Gross, Nacerino, and Chairman Castellano were present.

Item #3 - Approval of Minutes – December 22, 2014

The minutes were approved as submitted.

Item #4 - Correspondence/County Auditor

- a. **Sales Tax Report – Duly noted**
- b. **Board In Revenue Report**

Undersheriff Peter Convery stated the board outs have decreased.

- c. **OTB Report – Duly noted**
- d. **Transfer/Revenue Report – Duly noted**
- e. **Contingency/Sub-Contingency Report – Duly noted**

Item #5 - Correspondence/Commissioner of Finance

- a. **Approval/ Budgetary Amendment (14A123)/ District Attorney/ Special Services (Also Reviewed in Protective Services)**

Legislator Nacerino made a motion to pre-file the necessary resolution; Seconded by Legislator Gross. All in favor.

- b. **Approval/ Budgetary Amendment (14A124)/ Sheriff's Dept./ Overtime/ Youth Division (Also Reviewed in Protective Services)**

Legislator Gross made a motion to approve Budgetary Amendment 14A124; Seconded by Legislator Nacerino. All in favor.

- c. **Approval/ Budgetary Amendment (14A125)/ Sheriff's Dept./ Overtime/ Philipstown Court Security (Also Reviewed in Protective Services)**

Legislator Nacerino made a motion to approve Budgetary Amendment 14A125; Seconded by Legislator Gross. All in favor.

- d. **Approval/ Budgetary Amendment (15A002)/ District Attorney/ Asset Forfeiture Program (Also Reviewed in Protective Services)**

Legislator Nacerino made a motion to pre-file the necessary resolution; Seconded by Legislator Gross. All in favor.

e. Approval/ Budgetary Amendment (15A004)/ Sheriff's Dept./ FY14 Explosive Detection Canine Team Grant (Also Reviewed in Protective Services)

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

Item #6 - Approval/ Fund Transfer 14T357/ Office for Senior Resources/ Air Compressor Only (Tabled from December Audit)

Chairman Castellano questioned why the air compressor was needed and who would use it.

Director of the Office for Senior Resources Pat Sheehy stated the air compressor would be located at the Donald B. Smith campus, which is where most of their vehicles are housed. She stated there are 12 buses there and a number of cars. She stated the pump would be operated by CDL (Commercial Drivers License) licensed drivers. She stated the air compressor could be secured so no one else would have access to it. She stated there is potential that other departments would have access to it, however the Office for Senior Resources would ensure those who would be using it were trained.

Legislator Nacerino questioned who would be authorized to operate the machine.

Director Sheehy stated the CDL Drivers or the Head Driver would be authorized to operate the compressor. She stated volunteer drivers would not be permitted to utilize the compressor.

Legislator Nacerino questioned, from a liability standpoint, if there is any sort of check list for the vehicles.

Director Sheehy stated the Office for Senior Resources has a regular check list that the drivers use to inspect the vehicles.

Legislator Nacerino questioned if this was part of their daily function.

Director Sheehy stated it is. She stated the drivers must stick to their schedule, and if the tires need air, they must go to the Highway Department or to a nearby gas station to fill them.

Legislator Gross stated having the compressor is a great idea, especially in the cold weather. He questioned if the air compressor is portable.

Director Sheehy stated it is not, it will be set on a pedestal.

Chairman Castellano made a motion to approve Fund Transfer 14T357; Seconded by Legislator Gross. All in favor.

Item #7 - Approval/ Fund Transfer (14T375)/ Sheriff's Dept./ Reallocation as per Finance (Also Reviewed in Protective Services)

Chairman Castellano stated this is the movement of funds from the natural gas line to the electric line. He questioned why this was being done.

Commissioner of Finance William Carlin stated the commodities used to be in one (1) account; however it is more efficient to have them in separate cost allocations.

Chairman Castellano made a motion to approve Fund Transfer 14T375; Seconded by Legislator Nacerino. All in favor.

Item #8 - Approval/ Fund Transfer (15T004)/ Sheriff's Dept./ Reallocation as per Finance (Also Reviewed in Protective Services)

Chairman Castellano stated this is the same situation as the prior agenda item.

Legislator Gross questioned if Commissioner Carlin is seeing a change in the budget with the reduction in gasoline prices.

Commissioner Carlin stated yes, he has seen a change. He stated the last gasoline delivery was \$1.59, which is a drastic cut. He stated as per prior discussion had at the Audit Committee Meetings, Department Heads have been notified that they will no longer be able to transfer money from their gasoline line. He stated transferring to another commodity will be acceptable.

Legislator Albano stated it will be interesting to see how the prices affect the sales tax.

Chairman Castellano made a motion to approve Fund Transfer 15T004; Seconded by Legislator Gross. All in favor.

Item #9 - Approval/ Fund Transfer (15T005)/ District Attorney/ Two Part-Time Victim Witness Assistants (Also Reviewed in Protective Services)

Legislator Nacerino made a motion to pre-file the necessary resolution; Seconded by Legislator Gross. All in favor.

Item #10 - Approval/ Fund Transfer (15T008)/ Emergency Services/ Purchase Generator for Sheriff's Office Sub Station (Also Reviewed in Protective Services)

Legislator Gross made a motion to approve Fund Transfer 15T008; Seconded by Legislator Nacerino. All in favor.

Item #11 - Approval/ Settlement on Worker's Compensation Claim

Commissioner Carlin stated when Worker's Compensation Claims are considered, the County sits down with Pomco, who are experts in this field. He stated the County relies on their opinion case by case.

First Deputy County Attorney Andrew Negro stated the claim has been reviewed by Pomco and the County Attorney.

Legislator Nacerino made a motion to pre-file the necessary resolution; Seconded by Legislator Gross. All in favor.

Item #12 - Approval/ Transportation Manager/ Operating Assistance Resolution/ Section 5311/ Consolidated Grant Application for 2015 & 2016

Chairman Castellano stated he would like an amendment to be made to the second to last paragraph to include the "Commissioner of Planning or Transportation Manager..."

Legislator Nacerino questioned if it is the Commissioners of Planning "and/or" the Transportation Manager.

Commissioner Carlin stated the word "or" is used to be clear that both signatures are not needed.

Legislator Gross made a motion to pre-file the necessary resolution; Seconded by Legislator Nacerino. All in favor.

Item #13 - Approval/ Routing & Approval List/ Application for Correction of Assessment Rolls and Tax Rolls

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

Legislator Gross made a motion to waive the rules and accept the additional; seconded by Chairman Castellano. All in favor.

Item #14 - Discussion/ Potential Bond Refunding

Commissioner Carlin stated due to the strong financial position of the County and our strong bond rating, the County will have the opportunity to refund bonds issued in 2007 at an interest rate of 4.25%. He stated this will save interest costs of an estimated \$1.4 million. He stated bond refinancing was done in 2012 and 2013 which resulted in about a \$2 million savings. He stated hopefully the refunding sale will take place in March. He stated this must be approved by the State Comptroller's Office, who requires a minimum savings of 2%. He stated this refunding will save about 9.7%.

Legislator Gross stated this should help recoup costs from a costly litigation.

Commissioner Carlin stated the main two (2) issues that are being refunded are the Courthouse and the purchase of the McGregor property.

Legislator LoBue questioned what the time frame would be.

Commissioner Carlin stated once the bond resolution is adopted, there is a 20 day estoppel period for the bond, there is an official statement and it has to run through the bond market and will settle around mid-March.

Legislator LoBue clarified that the County is currently at a AA bond rating.

Commissioner Carlin states the County is at AA2.

Legislator LoBue stated the County had to pay \$4 million for the Deskovic litigation. She stated this could not be bonded for without jeopardizing the bond rating. She questioned what amount could be bonded without jeopardizing the rating.

Commissioner Carlin stated the \$4 million for the litigation could have been bonded for, however the County decided against it. He stated the County would rather borrow for things such as infrastructure that would benefit future generations.

Legislator LoBue questioned how much money is left from the excess sales tax.

Commissioner Carlin stated the excess sales tax was used in the \$4 million Deskovic judgment.

Legislator LoBue stated she would like a cost comparison between the old contract through Transportation for the bus system and the current contract.

Commissioner Carlin stated the first few months will not show a clear consensus due to the fact that payments were still being made on the old contract. He stated in April, when the new contract has been in place for a year, he will be able to provide a more clear comparison.

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

Item #15 - FYI/ Consumer Affairs/ Electrical Revenue-Fines Report – Duly Noted

Item #16 - Other Business

a. Approval/ Putnam County's Request to Extend the 1% Increased County Sales Tax for an Additional Two Years

Chairman Castellano stated this was done in 2013 and 2011.

Legislator Albano stated he is in support of the sales tax extension rather than increasing property taxes.

Commissioner Carlin stated he recommends reading the 2007 State of the County Address. He stated it includes when the 4% was initially asked for and why. He stated it

was never asked to be temporary and the reason for that is because the costs to the County that drove it were not temporary. He stated in 2006, the State Commissioner of Corrections mandated hiring eight (8) new officers. He stated it was mandated that Counties take over the election bills which increased the Board of Elections Budget from \$1.5 million to \$3 million. He stated due to the mandated costs, it was clear that the increase would not be temporary. He stated the reason it became temporary was because the State Assembly decided to use Counties and their sales tax rate as bargaining chips. He stated every two (2) years, the request must be made.

Chairman Castellano questioned if the State agrees and the County goes to 4%, how it would affect neighboring Counties.

Commissioner Carlin stated most Counties are at 4%.

Chairman Castellano questioned how much the 1% generated last year.

Commissioner Carlin stated it generated \$14 million. He stated the most prudent thing to do is to pay the pension debt down to keep the bond rating strong. He stated in 2006 the County was downgraded from AA2 to AA3. He stated that is when sales tax was raised to strengthen the County. He stated the County guarantees tax collections to other municipalities.

Legislator Albano questioned how long it will take for the pension to be paid off.

Commissioner Carlin stated it gets amortized and becomes part of the budget over a 10 year period. He stated the first amortization plan year was 2013 and had an interest rate of 3%. He stated the next is 3.67% for the 2014 plan year. He stated money was put into the retirement reserve fund so the County is out of the plan for 2015. He stated hopefully the County can stay out for 2016 as well.

Chairman Castellano stated for clarification, the 1% relates to when something is purchased in Putnam County, whether the buyer lives in Putnam or not. He stated the idea is to not increase property taxes.

Legislative Counsel Clem Van Ross stated the first step is to notify the State Representatives so they are aware the County is asking for the increase.

Legislator Gross made a motion to pre-file the necessary resolution; Seconded by Legislator Nacerino. All in favor.

Item #17 - Adjournment

There being no further business, at 7:15 P.M., Chairman Castellano made a motion to adjourn; Seconded by Legislator Gross. All in favor.

Respectfully submitted by Administrative Assistant Beth Green.