

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

Members: Chairman Castellano and Legislators Ellner & Gouldman

Thursday **6:30pm** **October 26, 2023**

The meeting was called to order at 6:31pm by Chairman Castellano who requested Legislator Gouldman lead in the Pledge of Allegiance. Upon roll call Legislators Ellner and Gouldman and Chairman Castellano were present.

Item #3 – Acceptance of Minutes – September 21, 2023

The minutes were accepted as submitted.

Item #4 – Correspondence/County Auditor

a. Sales Tax Report

Legislator Montgomery requested the amount be read into the record.

Chairman Castellano stated in the month of September the County collected \$9,682,066 in sales tax.

Legislator Montgomery questioned if this amount is \$1,222,597 more than what was projected.

Chairman Castellano stated it is \$1,222,597 higher than what was collected in September 2022.

Legislator Montgomery clarified that the sales tax is projected annually, not monthly.

Chairman Castellano stated that is correct.

b. OTB Report – Duly Noted

c. Board In Revenue Report

Legislator Gouldman stated this month shows about \$38,000 less than was brought in at this time last year.

Chairman Castellano stated this revenue is collected when non-Putnam residents are housed in our correctional facility. He stated the number of those inmates has decreased recently, which has been addressed in the 2024 budget with lower projections for that revenue.

Legislator Ellner questioned if the County will meet the projected revenue amount for 2023.

Commissioner of Finance Michael Lewis stated there is still another quarter to account for.

Undersheriff Thomas Lindert stated Federal board ins are down, although the Sheriff's Department is in contact with them to let them know space is available. He stated the other jails have become competitive and will lower their daily rate to bring the inmates in.

Legislator Nacerino questioned if bail reform has affected the number of board ins.

Undersheriff Lindert stated mostly the board in inmates are Federal prisoners. He stated Orange County is a big competitor as they are able to lower their price given their size.

Legislator Addonizio questioned if it would be beneficial for Putnam County to lower the price of a daily board in.

Undersheriff Lindert stated he does not believe it would be beneficial to do so because they are mandated to transport inmates to and from court, which could be in Manhattan, Brooklyn, or White Plains. He stated in some cases it could be as far as Albany. He stated they try to board in inmates who would need to be transported more locally, such as White Plains.

d. 2023 Contingency Report – Duly Noted

e. Transfer/Revenue Report – Duly Noted

Item #5 – Correspondence/ Commissioner of Finance

a. Overtime/Temporary Report – Duly Noted

b. Approval/ Budgetary Amendment 23A060/ Emergency Services/ FY 2023 State Homeland Security Program (SHSP) Grant Award (No matching funds)

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

Commissioner Lewis stated this is grant is applied for annually and the award is split between the Sheriff's Department and the Bureau of Emergency Services. He stated this year, the Sheriff's Department is receiving 35% and the Bureau of Emergency Services will receive 65%.

Legislator Montgomery thanked Commissioner Lewis for the details included in this Budgetary Amendment.

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

c. Approval/ Budgetary Amendment 23A063/ Finance/ Cover Shortfall/ Additional Parcels Acquired that were not included in 2023 Budget

Commissioner Lewis stated these are properties in the foreclosure process and the County is responsible for paying the taxes. He stated surplus from Interest and Earnings is being utilized to offset this cost.

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

d. Approval/ Budgetary Amendment 23A064/ Health Dept./ Cover Unforeseen Cost Associated with Preschool Program

Commissioner Lewis stated this cost is being offset by State funding at 57.5%.

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

e. Approval/ Budgetary Amendment 23A065/ Finance/ Finance Cost of Purchasing Equipment/ Axon Body Cameras

Commissioner Lewis stated in the 2022 fiscal audit, the auditors considered the purchase of these cameras an installment purchase debt, or a loan. He stated they moved it all to the debt service fund, and this Budgetary Amendment is correcting the 2023 books. He stated this has also been addressed in the 2024 budget. He stated the amortization schedule attached to the budgetary amendment shows the principal and interest for the next few years.

Legislator Montgomery clarified that the body cameras were already purchased and being utilized. She stated she does not believe the policy for the use of these cameras is on the website yet. She stated a Police Policy Review plan was adopted and sent to the State, part of which was to build public trust through transparency.

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

Item #6 – Approval/ Fund Transfer 23T312/ DPW/ Properly Allocate to Cover Vacancy

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

Item #7 – Approval/ Fund Transfer 23T328/ Purchasing/ Cover Cost of Leased Vehicle due to Miscellaneous Charges

Director of Purchasing John Tully stated this fund transfer properly accounts for the lease expenses that were estimated earlier in the year.

Chairman Castellano made a motion to approve Fund Transfer 23T328; Seconded by Legislator Gouldman. All in favor.

Item #8 – Approval/ Fund Transfer 23T341/ Purchasing/ Utilize Surplus Vehicle Leasing Funds for Furniture & Furnishings

Director Tully stated there were departments that submitted 2024 budget requests for furniture and furnishings that were not granted. He stated in addition to that there have been requests made since the budget submissions. He stated he worked with County Executive Byrne to figure out how to help departments in need of new furniture. He stated the excess funds from vehicle leasing were moved into the Purchasing Department and would essentially go unused between now and the end of the year. He stated they believed it would be prudent to transfer a portion of that funding into a furniture and furnishings line to help departments, such as the Probation Department, purchase needed furniture this year.

Chairman Castellano stated a net surplus of \$100,000 will be applied toward furniture purchases for departments.

Commissioner Lewis stated it may be more prudent to put this funding into a Capital Project rather than an operating transfer.

Director Tully stated at the time this was presented, they met with the State contractor who has the award for furniture and furnishings who pointed out that timing might be a concern because purchases and deliveries would be made late in the year and can be impacted by the holidays or by supply chain issues that would push purchase and delivery into next year. He stated County Auditor Michele Sharkey and Commissioner Lewis suggested putting this funding into a Capital Project line and the funding would be available in 2024.

Legislator Nacerino stated her support for putting this money into a Capital Project to avoid potential issues as we near the end of the year.

Commissioner Lewis stated it also avoids issues with the auditors, who will question purchase orders without valid commitments.

Legislator Nacerino stated when the Probation Department spoke to their need for furniture she was concerned that their original request in the 2024 budget was reduced. She stated every employee should have a good working environment. She stated she is happy to see this being done now and doing it as a Capital Project is appropriate.

Director Tully stated it also allows them to get a jump start on it, aggregate the purchases, and get a volume discount.

Legislator Crowley questioned if any of the surplus funds were from the County's inability to lease vehicles due to unavailability.

Director Tully stated no, 100% of the surplus was as a result of leasing vehicles rather than purchasing them.

Legislator Addonizio stated she was also concerned about the Probation Department, and she is happy to see that they will be getting the furniture they need.

Legislator Sayegh requested clarification on this funding and how it relates to the 2024 budget requests made by departments.

Director Tully stated the funding being used is what the County saved by leasing vehicles rather than purchasing them. She stated when departments submitted requests for furniture in their 2024 budget to the County Executive, many of those requests were reduced with the intent to find funding to take care of their immediate needs. He stated funds will be utilized from the 2023 budget as well as the 2024 budget.

Legislator Sayegh clarified that of the \$100,000 being discussed this evening, about \$40,000 will be going to the Probation Department.

Director Tully stated approximately yes, they are still waiting on the estimates from the State contractor. He stated there could be another \$30,000 identified this year as well. He stated while the expert was here, they walked through various departments to identify furniture needs. He stated for example, the chairs in the Legislative Meeting room are not the proper chairs; they could be replaced and repurposed to another department. He stated the 911 Dispatch Center is also in need of new chairs, which are used 24/7.

County Auditor Michele Sharkey stated if the Committee agrees to put this funding into a Capital Project this fund transfer will need to be revised.

Legislative Clerk Diane Schonfeld stated a separate resolution for the Capital Project will be required as well.

Chairman Castellano made a motion to approve in concept the resolution establishing the capital project; Seconded by Legislator Ellner. All in favor.

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

Item #9 – Approval/ Fund Transfer 23T343/ Health Dept./ Cover Unforeseen Costs Associated with Preschool Program

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

Item #10 – Approval/ Proposed Resolution/ Providing an Exemption from Sales Tax for Certain Clothing and Footwear

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

Commissioner Lewis stated this initiative was brought forward by County Executive Byrne in his 2024 Budget presentation. He stated this is an amendment to the resolution that will provide an exemption from sales tax for certain clothing and footwear purchases under \$110. He stated the amendment was the addition of a sunset clause stating this will run March 1, 2024-March 1, 2025. He stated this is more of a pilot program. He stated based on the data received from the NYS Department of Taxation and Finance, this could result in about a \$3 million loss of revenue for the County.

Chairman Castellano stated the savings to the taxpayer would be the 4% sales tax that would otherwise go to the County. He stated the addition of the sunset clause is a great idea as it will be revisited and considered each year.

Legislator Ellner stated this will need to be reviewed in September of each year to allow for the 90 day time frame before the beginning of the year. He stated therefore, this will again be in front of the Legislature this September, although there may not be enough data since it will not go into effect until March 1st. He suggested extending the sunset to March 1, 2026 to allow for a full year of data before reconsidering this, especially to include the holiday season and back to school shopping.

Legislative Gouldman supported amending the sunset to March 1, 2026, allowing more time for sales tax data to be recognized.

Legislator Crowley stated her support of extending the sunset.

Chairman Castellano requested clarification on if the Committee is able to amend the sunset clause to a two (2) year period.

Deputy County Executive James Burpoe stated it can be set at two (2) years as long as it runs from March to March.

Chairman Castellano made a motion to amend the resolution to expire March 1, 2026; Seconded by Legislator Ellner. All in favor.

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

Item #11 – Approval/ Appointment/ Commissioner of Planning/ Barosa

County Executive Kevin Byrne thanked Chairman Castellano for including this on the agenda this evening as an appointment would usually go to the Personnel Committee Meeting. He stated the Commissioner of Planning position has been vacant for quite a long time. He stated Barbra Barosa has been working in the Planning Department for 10 years and has an extensive background in planning. He stated there were qualified candidates, and Barbara rose to the top of the list.

Interim Commissioner of Planning Barbara Barosa stated she is honored to have been selected to fill the Commissioner of Planning position.

Legislator Montgomery stated she is thrilled to have a Certified Planner in this position. She thanked Interim Commissioner Barosa for her work with the towns and villages.

Director Tully thanked the Legislature in advance for their support of Barbara Barosa's appointment to Commissioner. He stated a lot of the work done by Barbara over the past 10 years has come before the Legislature, although her name may not have been on it. He stated Barbara has been diligent in many of the grant applications and other vital correspondence that has come out of the Planning Department. He stated with the impeccable work being done by Barbara in the Planning Department, his job has been made easier.

Legislator Nacerino stated she is very pleased with this appointment and she is happy to have Barbara Barosa filling this position. She recognized how hard Barbara has worked on all the vital projects over the years.

Legislator Sayegh stated her support for this appointment. She stated as a member of the Soil & Water Conservation Board she has spent some time over in the Planning Department and believes Barbara Barosa is more than competent to fill this position.

Legislator Addonizio echoed the sentiments of her colleagues and congratulated Interim Commissioner Barosa.

Legislator Crowley stated unfortunately she will not be at the November 8, 2023 Full Legislative Meeting to vote on this, but wanted to state her support. She stated the calmness and strength Interim Commissioner Barosa brings to a meeting is a unique characteristic.

Chairman Castellano stated Interim Commissioner Barosa's resume is outstanding and he thanked her for all the work she has done and will do for Putnam County.

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

Item #12 – Approval/ Semi-Annual Mortgage Tax Payments/ April 1, 2023-September 30, 2023

Chairman Castellano stated the County Clerk’s Office receives the mortgage tax on any mortgage filed in Putnam County and it is then distributed to the local municipalities. He stated the numbers are much lower than they have been in recent years. He read the amount each town and village will be receiving:

- Town of Carmel - \$375,095.30
- Town of Kent - \$191,155.25
- Town of Patterson - \$151,591.54
- Town of Philipstown - \$49,445.94
- Village of Cold Spring - \$12,439.39
- Village of Nelsonville - \$3,510.63
- Town of Putnam Valley - \$148,974.20
- Town of Southeast - \$226,353.74
- Village of Brewster - \$7,001.09

He stated the total amount is \$1,265,567.08. He stated this is done every six (6) months.

Legislator Sayegh stated she recently spoke to a Town Councilmember and they were not aware that the County does not take a portion of this mortgage tax. She clarified that all of the mortgage tax the County processes goes directly back to the local municipalities.

Chairman Castellano stated this is a shared service, County employees are doing the work to collect the money and then sending it right to the towns and villages. He states looking back at the same time period last year, the County distributed \$1 million more than this year.

Commissioner Lewis stated the high interest rates are deterring people from refinancing or taking out a mortgage.

Legislator Addonizio stated the inventory is also low right now.

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

Item #13 – FYI/ County’s Deposit & Investment Policies for the 3rd Quarter Ending September 30, 2023

Commissioner Lewis stated with high interest rates come high interest earnings, which the County has been able to take advantage of. He provided an overview of the County’s investments. He stated the financial consultant the County works with recommended

revising the County's investment policy to provide more flexibility to invest more. He stated he will come back before the committee with recommended amendments to that policy.

Legislator Ellner questioned the wide range of interest rates.

Commissioner Lewis stated any surplus monies the County gets goes right into an investment pool, all of which are supported by NYSAC (New York State Association of Counties).

Legislator Gouldman stated the public should be very happy with how our Finance Department handles their money. He provided the example of last year when there was a banking crisis; the County Finance Department moved very quickly to ensure the taxpayer's money was protected.

Item #14 – Other Business

a. Approval/ Fund Transfer 23T349/ Sheriff/ Purchase Air Ventilation System

Chairman Castellano made a motion to waive the rules and accept the other business; Seconded by Legislator Gouldman. All in favor.

Chairman Castellano stated a letter of necessity was sent requesting this be considered so the air ventilation system could be purchased at the best possible price.

Undersheriff Thomas Lindert stated the air ventilation system is for the evidence lab. He stated this is part of a grant and was priced out when the grant was written. He stated the grant came through and the money is available, however the price has increased. He stated this money is being transferred within the grant to cover the increased cost.

Legislator Montgomery stated she is glad to see these improvements being made to County facilities, especially coming out of the COVID pandemic.

Chairman Castellano made a motion to approve Fund Transfer 23T349; Seconded by Legislator Ellner. All in favor.

Item #15 – Adjournment

There being no further business at 7:21pm, Chairman Castellano made a motion to adjourn; Seconded by Legislator Gouldman. All in favor.

Respectfully submitted by Administrative Assistant Beth Robinson.