

AUDIT & ADMINISTRATION COMMITTEE MEETING
Held In Room 318 of the
PUTNAM COUNTY OFFICE BUILDING
CARMEL, NEW YORK 10512

Members: Chairman Castellano, Legislators Albano & Nacerino

Monday **6:30 PM** **June 24, 2013**

The meeting was called to order at 6:33 P.M. by Chairman Castellano who asked Legislator Albano to lead in the Pledge of Allegiance. Upon roll call, Legislator Albano and Chairman Castellano were present. Legislator Nacerino was absent. Legislator Scuccimarra sat in to replace the absent Legislator Nacerino.

Item #3) Correspondence/County Auditor
Item #3a) Sales Tax Report

Chairman Castellano stated that we have one more payment to be received from the State at the end of June and we are hoping that evens out these numbers we see here.

Item #3b) Board In Revenue Report

Chairman Castellano stated that we are meeting the budget. He stated it is less than last year at this time but the numbers are still on target for this year.

Item #3c) Transfer/Revenue Report was duly noted.

Item #3d) Contingency/Sub-Contingency Report

Chairman Castellano stated that we are well targeted for this year.

Item #3e) OTB Report – Verbal Update – Putnam County OTB Representative Vincent Tamagna

Representative Tamagna introduced Donald Groth, President of Catskill Regional OTB. He stated that President Groth is the most experienced President not only in the country but in North America. He further stated that President Groth has guided us through many years in OTB and we only run in the black because OTB thinks of the counties.

President Groth shared a brief history of OTB in Putnam County and the Catskill Region. He stated that there is a national decline in horse race betting and now 3 of the 4 casinos in Upstate New York are in our region which doubles our competition. He stated that their plan for next year and the foreseeable future is to find new product that the State Legislature will grant us. OTB attempted to re-open NYC betting centers, which passed through the State Legislature but was vetoed by the Governor. Our focus is to re-open these centers which were closed by former Governor Paterson with no explanation. The State Legislature was supposed to vote on the same bill again last

week but they paused on it to try and figure out what kind of bill the Governor would actually sign. Re-opening these centers in NYC would put people back to work and generate more revenue for Putnam and other counties in our Regional OTB.

Chairman Castellano stated that in looking over the reports for the last eight years there has been a considerable decline in the budgeted revenue for OTB. He asked if there was any reason or anything that can be done to fix this issue.

President Groth stated that the State is hurting OTB by their approvals of slot machines or VLTs (Video Lottery Terminals) in non-OTB venues. Putnam County does not only share in the revenues of the OTB activity within Putnam County, it shares in the revenues of the entire Catskill-OTB Regional Corporation. We are trying to encourage the State Legislature to open more facilities in the highly populated areas of our region so more revenue would come in but that has not happened yet but we will continue to work on it.

Representative Tamagna stated that we need to ramp revenue back up. To do so we need to open the NYC centers that were closed. Their re-start would cost very little because they were literally just padlocked as is. We also need to bring in VLTs to our OTB region. He stated that he will come back in January 2014 to encourage the County to get a jump on messaging the State Legislature in support of Catskill OTB actions.

Chairman Castellano asked if Putnam County would share revenue from the re-opening of NYC OTB centers.

Representative Tamagna stated that is correct.

Chairman Castellano thanked both gentlemen for their report.

Item #4) Correspondence/Commissioner of Finance
Item #4a) Overtime/Temporary Report

Chairman Castellano stated he would ask Commissioner of Finance Bill Carlin to look into Highway-Facilities overtime line.

Item #4b) Approval/Budgetary Amendment (13A024)/Sheriff's Department/Purchase Taser Cartridges (Also Reviewed by the Protective Services Committee)

Motion was made to approve said Fund Transfer.

Item #4c) Approval/Budgetary Amendment (13A025)/Sheriff's Department/Purchase Heated Security Food Service Box (Also Reviewed by the Protective Services Committee)

Motion was made to approve said Fund Transfer.

Item #4d) Approval/Budgetary Amendment (13A026)/Sheriff's Department/Purchase Deep Fryer (Also Reviewed by the Protective Services Committee)

Motion was made to approve said Fund Transfer.

Item #4e) Approval/Budgetary Amendment (13A029)/Health Department/EI Fee for Services

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

Item #4f) Approval/Budgetary Amendment (13A030)/Planning/Transportation Consultant (Also Reviewed by the Physical Services Committee)

Chairman Castellano stated that this is a one-time fee for a consultant who would be utilized for the completion of a re-design of the bus routes.

Legislator Albano stated he will vote "yes" because the Transportation Manager in the Planning Department needs help to carry out the findings of their extremely thorough study into the buses.

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

Item #4g) Approval/Budgetary Amendment (13A031)/Emergency Services/Local Enhanced Wireless 911 Program

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

Item #4h) Approval/Bond Resolution/Authorizing the Replacement of Sidewalks at Various County Facilities (Also Reviewed by the Physical Services Committee) (See Item #4i)

Legislator LoBue asked why we are bonding this.

Chairman Castellano stated that this is a considerable amount to be potentially taken out of contingency and therefore we are choosing to bond this amount instead of lowering our contingency fund. He stated it was approved by Bond Counsel and Commissioner of Finance Carlin.

Legislator LoBue stated that she cannot support this bonding.

Legislator Albano stated that he will be supporting this because the sidewalks need to be repaired so that no one is injured. He stated that Legislator LoBue makes a good point with the bonding. He stated that we should look and see where we stand with

bonding because he knows some items have been recently paid off but it would benefit the Legislature to look at a comprehensive bonding report.

Legislator Oliverio stated that he agrees that the sidewalks are a necessity and a health and safety feature but that the bonding of this \$150,000 is what concerns him. He asked County Auditor Michele Alfano-Sharkey for a report for the last two years of bonding. He stated he would prefer to pay this in cash than to bond this.

Chairman Castellano stated that it would be approximately 30% of our contingency fund at this point although we are half way through the year it is still a substantial amount.

Legislator Othmer stated that we balanced the budget on sale of tax acquired properties but we have not sold one property.

Legislator Oliverio stated we need to fix the sidewalks but we should not be bonding to do so.

Legislator Gross stated he favors bonding. He believes that interest rates are going to go up soon and we should bond if we need to right now while they are still at historic lows. He stated fixing the sidewalks is very important to complete. We need to act now.

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

Item #4i) Approval/Budgetary Amendment (13A032)/Highway/Replacement of Sidewalks at Various County Facilities

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

Item #5) Approval/Fund Transfer (13T099)/Emergency Services/Purchase Uniforms (Also Reviewed by the Protective Services Committee)

Motion was made to approve said Fund Transfer.

Item #6) Approval/Fund Transfer (13T105)/Highway/Replenish Temp Line for Trainee Program

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

Item #7) Approval/Fund Transfer (13T115)/Emergency Services/Complete Upgrades to 911 Recorders

Motion was made to approve said Fund Transfer.

Item #8) Approval/Fund Transfer (13T116)/Highway/Water Operator Certifications (Also Reviewed by the Physical Services Committee)

Legislator Albano stated that people are retiring and this is to get new people certified.

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

Item #11) Other Business

Item #11a) Approval/Fund Transfer (13T112)/Sheriff's Department/Replace Motor Vehicle

Chairman Castellano stated that a vehicle is no longer operable and needs to be replaced with a new one.

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

Item #9) Approval/Bikepath Country, Inc. Agreement

Chairman Castellano made a motion to accept the additional information for this item; seconded by Legislator Albano. All in favor.

Mr. Richard O'Keefe brought rough samples of what the signs may look like. He stated that they want to work closely with the Legislature to design the perfect sign. He stated he wanted the Legislature to design the perfect sign. He stated they are not married to this product. It is a green, cardboard product. He stated that if the Legislature wished to use a different type of product then by all means Bikepath Country, Inc. would use that product for the signs. He stated this is a sample sign with sample color, sample material, and sample size.

Chairman Castellano asked for confirmation if this is the sign material that would be sitting out in the rain today.

Mr. O'Keefe stated it could be if this is the product the Legislature chose.

Legislator Othmer stated that he read in The Journal News that the sign was 30% advertising. He asked Mr. O'Keefe to explain that because he was under the impression it was to be only 10% advertising per sign.

Mr. O'Keefe stated that he never said 30% advertising on a sign. He further stated that what he said was 10% or less advertising on a sign. He stated that that percentage is dictated by the Legislature, by the County. He stated that they are there to provide a public-private partnership.

Chairman Castellano stated that he believes the ½ mile marker signs are the most important signs under consideration because it is a health and safety issue. He asked

how their company would deem 10% of this sign being advertising because it does not seem like it is much space.

Mr. O'Keefe stated that the mile markers would have 10% advertising.

Legislator Othmer asked for confirmation that it is 10% of each sign not 10% of the totals signs.

Mr. O'Keefe stated that is correct.

Chairman Castellano stated that having ½ mile marker signs is of utmost importance. He stated that if someone has a health issue or something terrible happens on that bike path we need 9-1-1 to know where the individual is located so we can get emergency responders there as soon as possible. It will be related to people that handle 9-1-1 calls so they will know the best point of entry for something like an ambulance as well. He asked if that is going to be the size of the mile marker how do you envision the advertising. He stated that personally he thinks that is an appropriate size for mile markers.

Mr. O'Keefe stated that that is up to the County. He would recommend a sign of that size for the mile markers. He would consult with the Emergency Services of Putnam County because they are the experts. He stated that the mile markers that are out there right now mean nothing to anyone because they are not cataloged. He stated that Emergency Services does not have any points of reference when someone calls in that they are at a certain mile marker on the bike path. He stated this company would work closely with Emergency Services so that all of these signs are placed properly and cataloged properly according to Emergency Services.

Chairman Castellano asked what benefit it would be for "Joe's Pizza" to have an advertisement that small.

Mr. O'Keefe stated that it is a sponsorship program which is light years away from an advertisement program. He stated it is not return on investment. It is a sense of becoming a steward of the trails, a sense of sponsoring the trails and doing something for the community. These companies that sponsor signs can say that they support healthy lifestyles and 9-1-1 and the trails.

Legislator Oliverio stated that he likes their product. He stated his issue is putting it on a public piece of property that the County supervises, that is where his disagreement comes in. He stated that it has nothing to do with your corporation at all. His belief is that it is a County bikeway and a small portion of the County budget between \$60,000-\$80,000 for the maintenance and installation of these signs. We can do it so many ways through the community, eagle scouts, school and veterans groups, etc. He stated that constituents have called him and asked him why the County cannot just put up the signs and coordinate with emergency services themselves. He stated that he does not understand why there needs to be advertising on the signs at all. He stated that Mr. O'Keefe said himself, it is about sponsorship and he personally cannot think of any

better sponsorship than an Eagle Scout or veterans group or school group completing this project. He pointed out that his memorandum to the Legislature, in which he pointed out his issues with the proposed resolution, is not included in the backup and he believes it should have been.

Chairman Castellano stated that we will include that in the record.

Legislator LoBue stated that she does not know how their company will generate a profit let alone the County benefit from revenue of this project. She stated that she also believes that the process is convoluted. She stated that this company submitted an RFP, Request for Proposal, and just now we are asking what percentage of advertising will be on the signs, what was in the RFP?

Chairman Castellano stated that it is 10% and we just wanted to make sure they were sticking to the 10%, which they have stated that they are.

Legislator LoBue stated that we have been inundated with emails from constituents against this project and she agrees with those constituents. She believes that the bike path is an untouched area and should not be ruined with visual pollution. She pointed out that in the RFP the company stated that they had implemented their revenue generating program with Floridian municipalities. It is her understanding that that is not the case. She stated that this speaks to the bidding process, if information is provided and it is not accurate then the contract would be denied. She stated that there are so many unanswered questions and she cannot vote in favor of this.

Chairman Castellano stated that he understands her question and asked that the Director of Purchasing Alex Mazzotta explain this answer.

Director Mazzotta stated that they received the proposal from this company and just like any other proposal we review it and vet it. We called the references that were submitted as we normally do. One reference in Florida had mentioned they were in negotiations with the company, that reference did not say that an agreement was signed. The reference did send us a draft version of the agreement they had been working on with BikePath Country, Inc. To him that demonstrated that there was a negotiation going on, it did not match up directly with what they said in writing but in the subsequent interview we conducted with BikePath Country, Inc. that came out so at that point we got the right information and it was discussed. When the Evaluation Committee took that in, we made our decision not based upon the written word they put in but on what we had verified. That is what we do with any RFPs, we bring them in and analyze the information, call the references and then bring in the group. He stated that he does not believe that putting that information in their RFP was a fatal flaw because it is our duty as the Evaluation Committee to go in there and then go deeper. Once we found out what the real information was and had that discussion with BikePath Country, Inc., our recommendation was on the discussion not on the information that was in writing. He stated he did not want to put words in people's mouths but we were not duped by BikePath Country in the way by what they wrote. We understood that they

are a startup company and they do not have any programs on the ground right now but despite that we still felt it was the right project at this time.

Legislator Othmer stated that when people run by themselves or bike by themselves they want to feel safe and these signs would achieve that. He stated that the bike path is a mess and we need to maintain this in a 2% tax cap. This is a public-private partnership, in one year we re-evaluate and get rid of it if it's not working out. He stated that his family bought a resting bench in honor of his father and it was graffitied and removed and he cannot figure out who is responsible. He stated that someone has to be the one to give someone their first job and why not the County they live in because they will be held responsible if things go awry.

Legislator Gross stated he received several dozen phone calls, emails, and seeing people on the street who are absolutely opposed to this. He stated mile markers are a completely different issue and it is very important that they are implemented. He referenced the article in The Journal News on June 21, 2013, stating that there are a number of contradictions in that article related to the presentation and reality. He further stated that this proposed project is a contradiction to Putnam County's green ideas. He stated that revenue is important but we have an excellent sign department in the County and it should be utilized. He stated that advertising will be on the buses and some of that advertising revenue should go towards maintaining the bikepath. He also stated that the Alternatives to Incarceration program should be utilized to maintain the bikepath. He stated he cannot support advertising on the bikepath, only mile markers.

Legislator Scuccimarra stated that Commissioner Pena stated that the bikepath maintenance would cost the County approximately \$80,000 per year. She does not think it is fair to have people from the other side of the County nor people who do not use the bikepath paying for the path. She stated she does not care that this company does not have a contract in Florida. She stated that they are local people, safety is an issue, and 10% advertisement does not bother her. The path would be safe and clean and pay for itself.

Legislator Albano stated that he will vote "yes." He stated that there are safety issues and this financial gain is a bonus. These are aesthetically pleasing signs with a little name of sponsorship, he thinks is a great idea. He stated if it doesn't work we can always pull the signs out.

Legislator Oliverio stated that it is not up to the Purchasing Department to determine what projects are viable to the County. The Purchasing Department needs to vet information that is given and then make a decision upon the vetting process. Determining viability is the purview of the County Executive's office and the Legislature. He stated that it makes him very uncomfortable that erroneous statements were made on this RFP but the Purchasing Department decided to go ahead with it anyway because it was a good project for the County. He stated that we balanced the budget on Sales Tax. The "For Sale" signs for the tax-acquired properties just went up recently.

Legislator Othmer stated he does not agree.

Legislator Oliverio stated that he has asked twice for a breakdown of costs for the maintenance of the bikepath and has not received anything in return.

Commissioner of Highways & Facilities Fred Pena stated he had a draft estimate of the cost that was spent in 2012 on the bikepath. He stated he would finalize these numbers and submit the report to the Committee. He stated the following estimates:

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|----------------|----|---------|
| Labor | \$ | 90,000 |
| Equipment | \$ | 44,000 |
| Miscellaneous | \$ | 7,200 |
| Total for 2012 | \$ | 142,000 |

Legislator Oliverio stated that 2012 there was storm damage.

Commissioner Pena stated that anything submitted to FEMA was not included in this estimate. He further stated the amounts they submitted to FEMA and the amounts they are hoping to receive in return.

Legislator Oliverio asked for a maintenance report of a year without fierce storms.

Chairman Castellano asked if bikepath snow and tree/tree limb removal were done by the Highway Department.

Commissioner Pena stated that tree/tree limb removal is but snow removal is not.

Legislator Oliverio stated he brought up four questions to the resolution and they need to be answered by the Full Meeting. He further stated that the opinions of Legislative Counsel Van Ross and County Attorney Bumgarner are conflicting and he is uncomfortable going forward with a resolution with these major flaws. He believes the County cannot legally allow this project.

Chairman Castellano stated we do have a few more questions and we will revisit and clarify before the Full Meeting.

Director Mazzotta stated that to clarify he does not want it to seem that the Purchasing Department has thrust themselves in policy because they have not. He stated that all he did was complete the responsibilities tasked to him. He further explained the process that was taken for the RFP in discussion. He stated that all the Director of Purchasing did was complete the responsibilities tasked to him and delivered to the County Executive the Evaluation Committee's recommendation.

Legislator Albano stated that we need to keep in mind that besides the expenses we have now for the bikepath that we will need to realize depreciation and improvements to it. He believes that having a revenue source would help the County with this moving forward.

Ms. Ann Fanizzi, resident of Putnam County, suggested that the County start a Trail Scouts Program to assist with the patrol of the bikepath. She believes that would be a perfect way for individuals to experience community service. She further stated that the Putnam County Land Trust has multiple trails that are maintained by volunteers. She asked how signs will help with a graffiti problem. She further suggested the Alternatives to Incarceration Program assist with the maintenance of the bikepath. She stated she agrees with having mile markers but does not see a need for additional signs or advertising. She pointed out that the maintenance of the bikepath for the Eastern Side of the County is much like the assistance that the Western Side of the County receives for garbage pickup in Cold Spring. She urged the Committee to table this item.

Commissioner of the Bureau of Emergency Services Adam Stiebeling stated that the bike trail does not have a uniform marking system. Emergency communities have recognized planning issues with access to the bike path for safety and response reasons. He stated that uniform markers are an absolute necessity for emergency responders.

Chairman Castellano asked how fast mile markers could be placed on the trail.

Commissioner Stiebeling stated that it could be finished this summer.

Ms. Lynne Eckhardt, resident of the Town of Southeast, stated that the Town of Southeast just had a long battle to implement new sign laws in their Town. They removed temporary signs and billboards. She believes that the residents of the Town of Southeast would not want to allow, now, for people to pay to put up advertising.

Mr. Bill Nulk, President of the Putnam County Chamber of Commerce, stated that they are in favor of this project. He stated that it is a concept of stewardship, not advertising.

Legislator Oliverio stated that there is no doubt that the mile markers should be placed on the bikepath. He stated that the bikepath was created as a pristine walkway. He stated we do not know what the amount would be that the County would receive from this project. He further stated he does not care how much it is because the people of Putnam County do not want to see these signs on the bikepath. He asked the Committee to table this item so it can be vetted out. He stated time is not of the essence on this project.

Legislator Othmer stated that not everywhere on the bikepath is pristine. He stated that garbage is everywhere and it is a mess. He stated that we do not have the money to maintain the bikepath. He stated that the County should move forward this project for at least one year.

Chairman Castellano stated that it is supposed to be a 50% partnership. He stated that the company has agreed to let our Finance and Audit Departments look at their books. He asked BikePath Country, Inc. to confirm that percentage.

Mr. O'Keefe stated that has to do with a contract and he would be willing to go into an Executive Session to speak to that. He stated that it will be what they stated in the RFP. He further stated that anything BikePath Country, Inc. puts on the trail will be maintained by BikePath Country, Inc.

Chairman Castellano asked what an honest low estimate projection of Putnam County's revenue on this project would be for next year.

Mr. O'Keefe stated minimum \$40,000-50,000.

First Deputy County Attorney Andrew Negro stated that there is no contract. He stated that any decisions or issues with respect to expenses can be worked out in the contract process. He stated that any differing legal opinions he believes has been rendered moot by the County Executive's office submitting this resolution for approval to the Legislature.

Legislator Albano stated he would like to see this move forward. He recommended we remove the first "resolved" clause. He stated he would love to see volunteers help with the maintenance, as Ms. Fanizzi suggested.

Ms. Fanizzi reiterated her feelings and suggestion for trail scouts and community service opportunities. She further stated that by passing this project the County is commercializing the bikepath. She asked how much the company would be asking for a 10% of the sign advertisement.

Mr. O'Keefe stated it is a sliding scale.

Chairman Castellano asked for the smallest sign which is the mile marker sign how much it would be for a 10% advertisement per month.

Mr. O'Keefe stated it is a sliding scale not to exceed \$50.

Chairman Castellano stated that a sliding scale means that if it does not go for \$50 it will be lowered.

Ms. Fanizzi stated the company has promised this County \$40,000-50,000. She asked how much money and how much the County has accounted for at Tilly Foster Farm.

Chairman Castellano stated that we are not speaking about Tilly Foster Farm.

Ms. Fanizzi stated that the County's accountability factor is the same in both situations.

Legislator LoBue stated that we should table this because there are so many unanswered questions and she does not know what the rush is. She asked to see the company's business plan.

Mr. O'Keefe stated that they would provide the County with that but after speaking with their lawyers, because there are trade secrets within that plan, they could not provide the plan.

Legislator LoBue stated you cannot tell us a defined amount or formula and that is a problem from a business perspective. She stated that the numbers and percentages keep changing with each presentation. She stated that there are too many inconsistencies with this project. She stated that she was told the BikePath Country, Inc. did not make money off of the golf course and she read in the Mahopac News newspaper that Mr. O'Keefe was quoted saying they did make money off the golf course. She reiterated that there are too many inconsistencies and the Committee should table this item.

Mr. O'Keefe stated he never said that.

Legislator Oliverio stated removing the first "resolved" clause from the resolution as suggested by Legislator Albano would solve some of the problems but not all. He stated he feels that using County owned property to financially benefit a for-profit group is contrary to many laws on the books and he believes we need to vet this out and investigate this. He stated he spoke to many people involved with oversight up in Albany and they stated that this is risky. He stated that because there is no guaranteed income it could be considered gifting. He asked again that this item be tabled so we can find out these answers.

Deputy County Executive Bruce Walker stated that the concept of gifting has no relevance on whether it is for-profit or not-for-profit. An example of gifting is leasing a building to someone for nothing. He stated that the contract has to be written very specifically to address those potential issues.

Chairman Castellano asked the company to show the police, ambulance, hospital, etc. signs that they have.

Mr. O'Keefe showed the Committee the signs that they would put up to consolidate some current signs at intersections.

Chairman Castellano asked if there would be advertisements on the entrance signs to the bikepath.

Mr. O'Keefe stated that it would be 10% or less sponsorship.

Chairman Castellano stated that in his mind the bikepath is a park that goes right through Putnam County. He believes the path is very important for Putnam County and for County tourism. He stated that we certainly need to find a way to stay under the 2% tax cap and a project like this would help do that. He stated he liked the idea of revisiting this in a year and he stated he does not want any signs bigger than the ones that have been displayed here today but that would be part of the contract process that

the Legislature would like to be a part of it. He stated his experience at a deli near the bikepath. He stated the public would feel safer with the mile markers on the bikepath.

Chairman Castellano made a motion to amend the resolution by removing the first “resolved” clause and including language that states that the Legislature would receive a copy of the agreement because the Legislature would like to be included in this process, seconded by Legislator Albano. All in favor.

Chairman Castellano made a motion to pre-file the necessary resolution as amended, seconded by Legislator Albano. All in favor.

Item #10) Schedule of Revenues/Fines Levied by Boards/FYI was duly noted.

There being no further business, at 8:13 P.M., Chairman Castellano made a motion to adjourn, seconded by Legislator Scuccimarra. All in favor.

Respectfully submitted by Krista M. Butler, Administrative Assistant.