

**SPECIAL MEETING
OF THE
BUDGET & FINANCE COMMITTEE
OF THE
PUTNAM COUNTY LEGISLATURE
CALLED BY THE CLERK AT THE REQUEST OF THE CHAIRMAN
TO BE HELD IN THE
HISTORIC COURTHOUSE
CARMEL, NEW YORK 10512**

**Tuesday June 2, 2015
(Immediately Following the Regular Meeting)**

The meeting was called to order at 8:09 P.M. by Chairman Albano who requested Legislator Addonizio lead in the Pledge of Allegiance. Upon roll call, Legislators Scuccimarra, Gouldman, Addonizio, Nacerino, Gross, Castellano, LoBue, Wright and Chairman Albano were present. Also present was Legislative Counsel Van Ross.

- Item #3 – Consideration and/or Adoption of the 2016 Decentralized Budget Process
- a) Proposed 2016 Decentralized Budget Review Process
 - b) Correspondence/Legislator Wright/Proposed Guideline Revisions

Chairman Albano stated that he agreed with Legislator Wright's comments in his correspondence that there needed to be more meetings of the Budget & Finance Committee to review and/or make changes to the Decentralized Budget Review Process before it is adopted.

Legislator Wright asked for the Legislature's support in the following highlighted proposed changes he made to Section E. Guidelines to the County Executive Adopted by the Legislature for Determining Expenditures, Limits and Priorities section which was attached to his correspondence.

E. GUIDELINES TO THE COUNTY EXECUTIVE ADOPTED BY THE LEGISLATURE FOR DETERMINING EXPENDITURES, LIMITS AND PRIORITIES:

1. In the Tentative Budget submission, the term "Capital Project" as used in Section 7.05 (a) of the Putnam County Charter shall not include the routine repairing and re-surfacing of highways and routine repair of guardrails (guiderails) nor shall said routine repairs be subject to long term bonding and that such routine repairs shall be included in the Operating Budget. The Capital Projects Committee shall determine which requested projects meet the criteria to be defined as a Capital Project as set forth above, and their recommendations will be included in the applicable operating and capital budget procedures contained within the Putnam County Charter.
2. In the Tentative Budget submission, the term "Capital Projects" so used in Section 7.05 (a) of the Putnam County Charter shall not include replacement of existing equipment and machinery, and that such replacement shall not be included in the Operating Budget. The Capital Projects Committee shall determine which requested projects meet the criteria to be defined as a Capital

Project as set forth above, and their recommendations will be included in the applicable operating and capital budget procedures contained within the Putnam County Charter. (A detailed narrative identifying the preceding five (5) year's Capital Projects Budgets and any additions or changes to same including the dates on which the additions or changes to same took place)

- 3. The County Executive will submit a detailed narrative explaining, upon request, any differences between the Department's request and the County Executive's recommendation and the reason for not granting the request. (or increasing any such request)**
- 4. Any subsequent information that the County Executive is aware of that the Department Head did not submit relating to the request and recommendation must also be included in the narrative. (does this apply only to the preceding item #3 or to the entire Departmental request)**
- 5. The revenues are to be reported and itemized in each individual department's budget for the fiscal year and not in the budget of the Commissioner of Finance, or any other department, where applicable.**
- 6. Each revenue account shall indicate in the Tentative Budget the amount of revenue requested and the amount of revenue projected and actually received to date from the prior fiscal year.**
- 7. All proposed changes in grades, promotions or reclassifications in position in management or non-management be collated and presented as a separate part of the Tentative Budget. (Including a detailed narrative for each – will Personnel Dept/Committee review these in advance?)**
- 8. a) The names of all employees engaged in employment for the County of Putnam in more than one department be separately listed and disclosed apart from the budget document with the name of the position for the current fiscal year and the next fiscal year separately.
b) The names of all employees engaged in employment for the County of Putnam who have had overtime be listed with the amount of dollars for overtime for 2014 and 2015 year-to-date separately.**
- 9. All current and expected personnel vacancies be identified by line item in the budget or in supporting documents throughout the entire budget process.**
- 10. a) Each department head shall identify those personnel positions within his/her department that were entitled to either New York State or Federal Government reimbursement, either by statute, grant or otherwise, including the rate of reimbursement, amount of reimbursement actually received and amount of reimbursement expected to be received until the end of the fiscal year.
b) Also to be included is a separate list of personnel positions funded fully or partially by grant funds expected to expire and include the expected grant expiration date.**

11. Each department head shall identify all line items in their department that are entitled to either New York State or Federal Government reimbursement and maximum allowable reimbursement, if applicable.
12. The Commissioner of Finance shall supply this information with the Tentative Budget. (which information is this referring to?.....why is the Commissioner of Finance singled out – whatever information is sought ought just be a mandatory part responsibility for submitting the information)
13. Each department head shall complete a Motor Vehicle Inventory Control Form for any and all vehicles being used by said department.
14. An organizational chart by department for 2015 shall be provided along with an organizational chart for 2016 highlighting all proposed changes.
15. If the County Executive plans on out-sourcing or privatizing any department (or thereof in excess of 2% of the total departmental budget) in the 2016 budget, the County Executive must provide a detailed statement of the rationale and his/her proposed recommendations to the Legislature no later than August 1, 2015.
16. Certain budget lines are considered approved with specific limitations or conditions on how the funds shall be applied and this limitation shall not be disregarded without the formal approval of the Legislature. Any violation of these limitations may result in withdrawal of funding for these or other budget lines within the department.
17. The County Executive will present an inventory of all County vehicles including a report on the condition, mileage and maintenance of each vehicle. The report will be supplied with the Tentative Budget.
18. Any personnel positions which are vacant at the time of the submission of the Tentative Budget to the County Legislature shall state the calendar date at which time the position first became vacant.
19. Any and all revenue projections for the 2016 budget shall only include revenue that falls within the jurisdiction and approval of the Putnam County Legislature and requires no other jurisdiction's approval (federal, state or other). Any revenue projections that require approval from an outside jurisdiction (federal, state or other) shall not be budgeted unless the revenue has been approved by that outside jurisdiction prior to the submission of the budget to the Legislature.
20. Any additional new items, if desired.
21. Detailed chargebacks on a line item basis for prior year expenditures, 2014 and estimated chargebacks for current year 2015.
22. A statement of the absolute dollar and the % reduction required to be applied to expenditure reductions (proposed spending) needed to achieve a ¼% permanent reduction in the temporary sales tax of the County.

23. I would like to discuss the use of a spreadsheet compatible (excel) budget to the Legislature. I received such a copy emailed to me last year by the Commissioner of Finance, which I understood was no inconvenience, and in my view would allow for a more detailed Legislative analysis and understanding (of proposed changes that the Legislature makes) – i.e. essentially a “live” running total of what the various committee proposed changes have resulted in.
24. I am sure other Legislators, especially the Committee Chairs, have suggestions for improvement and streamlining of our “most” important function- and convening the Budget Committee for discussion purposes will assist.

Legislator Wright explained that in Section E(2) he believed the Legislature would benefit from receiving a detailed narrative of the preceding five (5) years of Capital Projects budgets with a simple explanatory log of how they were changed over the years; listing the projects, dollar amount and if project or amount changed, an explanation as to why. He believed that having this written documentation available would be beneficial to the public and the Legislature.

Legislator Wright believed that in Section E(3) “upon request” should be removed. He stated that during the Legislature’s review of the budget, he did not believe the Legislature should have to stop and ask the County Executive for the detailed narrative which was the procedure in the past. He believed that if there are any differences between the Department’s request and the County Executive’s recommendation, a detailed narrative should be provided to the Legislature in writing and the reason for not granting such request.

Legislator LoBue believed that this was the same issue with respect to the number of new cars requested by the Putnam County Sheriff and the number of cars granted by the County Executive. She concurred with Legislator Wright’s recommendation and that this was important information that should be provided to the Legislature during the budget process.

Chairman Albano concurred.

Legislator Nacerino concurred and believed that putting forth the rationale of why something is being done is always good practice. She stated that seeing this rationale helps the Legislature make an informed decision. She believed that any tool or practice the Legislature can utilize to aid in the decision making process of the budget would be to our advantage.

Legislator Wright stated that if the language “upon request” is left in, it does not mean that the Legislature cannot get the information, however, it would delay the process.

Legislator LoBue stated that the information would be provided to the Legislature without a request.

Legislator Nacerino stated that she would like to applaud Legislator Wright for bringing this forward. She stated that it is great to see more effective and efficient ways to do business.

Legislator Wright stated that the easier we make our job to review the budget, leaves more mental time for taking care of the bottom line; how to save monies where we can or spend more where it is needed. He believed that every year this document should be reviewed and amended based on issues raised from the prior year's budget process.

Legislator Wright believed that in Section E(4) the language was unclear. He believed that by removing "upon request" in the previous section, it would clarify the language in Section E(4).

Legislator Wright stated that Section E(7) requires that all personnel changes in grades, promotions or reclassifications in positions in management or non-management be presented as a separate part of the Tentative Budget. Legislator Wright believed that the Legislature should also receive a detailed narrative for each and questioned if the Personnel Department and Personnel Committee would review these in advance.

Legislator Wright stated that this document is the policy guidelines that the Legislature gives to the Executive Branch which they must satisfy. Legislator Wright believed that the detailed narrative would address some Legislative concerns prior to the budget Committee meetings.

Legislator Nacerino addressed some of the issues which arose during last year's budget process pertaining to Personnel changes; upgrades, promotions or reclassifications. She stated that the Legislature was unaware of many changes and believed proposed changes should be vetted through the Personnel Committee prior to the budget process. She hoped that this year Director Eldridge would come before the Personnel Committee in August to give an overview of what changes are being considered. She believed that would allow the Legislature to ask the appropriate questions and not feel so pressured during the budget process when making decisions with very little information.

Chairman Albano believed that it was a good idea to make some changes to this document, however, there is a lot of information here which needs to be reviewed. He believed that we needed to have another meeting to fine tune this document.

Legislator Wright stated that, as he mentioned at the end of his correspondence (Section E(24)), other Legislators might also want to suggest changes that will streamline their Committees. He stated that this is our document and need to make it better each year.

Legislator Wright continued and stated that Section E(12) gives direction to the Commissioner of Finance to supply this information with the Tentative Budget. He stated that, from a drafting point of view, he was not sure that we should be directing individual department heads to supply information. He stated that this is a document that goes to the County Executive. He also questioned what information this was referring to.

Legislator Wright continued with the following new items he added to the document.

Legislator Wright stated that he added Section E(21) which would require detailed line item chargebacks for prior year expenditures, going back one (1) year and estimated chargebacks for current year 2015.

Legislator Wright stated that he added Section E(22) which states: “A statement of the absolute dollar and the % reduction required to be applied to expenditure reductions (proposed spending) needed to achieve a ¼% permanent reduction in the temporary sales tax of the County.” He stated that he would like to see the number stated in absolute dollars in the budget document and as a percentage of all discretionary departments. He stated that he understands that with mandated expenditures we can’t apply across the board monetary cuts. He stated that another way to look at this is that Putnam County government exists, in all its grandeur, to have an effect on 25% of the budget which is discretionary. He stated that if we look at the budget in this way then maybe we don’t need that much in Putnam County government.

Legislator Wright stated that his added Section E(23) discusses the use of receiving a spreadsheet compatible excel budget. He stated that last year he received from Commissioner Carlin a spreadsheet compatible form of the entire budget. He stated that he found it useful to be able to add a “cell” or a “comment” while reviewing the budget.

Legislator Wright stated that his document was sent to all the Legislators in word format if they wanted to add any suggested changes.

Legislative Counsel Van Ross stated that during last year’s budget process \$269,000 was put in the 2015 budget as revenue to receive, however the Legislature did not authorize the grant until this evening at the Full Meeting. He suggested to somehow have these proposed grants broken down in the tentative budget to show that we are going to receive these grants and that the Legislature is approving them with the budget.

Legislative Counsel Van Ross also stated that with respect to the item on this evening’s Full Meeting pertaining to the Southeast Fireworks, he suggested that when the County Executive prepares the tentative budget that these types of requests be included in the Economic Development Budget.

The following was the Decentralized Budget Review Process for 2016 which did not include Legislator Wright’s changes.

DECENTRALIZED BUDGET REVIEW PROCESS/2016

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- D. RECOMMENDED ACTIONS**
- E. GUIDELINES FOR COUNTY EXECUTIVE**
- F. CONCLUSION**
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A. PROPOSAL SUMMARY:

The review and adoption of the annual budget is among the most important functions of the Putnam County Legislature. The various Committees of the Legislature have increasingly important roles in this approach. The respective Committee Chairs and all members of the Legislature also are called upon to contribute their expertise in several capacities.

The Budget Adoption Process for an ensuing fiscal year effectively began on March 12th of this year when the County Executive filed her Annual Report on the State of the County. In addition, the various Department Heads at this time submitted a written report detailing the activities of their unit of government. By July 15th, the County Legislature must determine policy guidelines for expenditures, limits and priorities so that they can be distributed to the Head of each Administrative Unit. The materials submitted in March and the policy guidelines approved by July 15th form an important background foundation for the entire process.

B. COMMITTEE RESPONSIBILITIES

Each committee shall meet in a timely fashion and consider the various departmental budget requests under its overview.

It shall schedule and obtain necessary information from the Executive Branch at its Committee deliberations and produce a brief and concise written report on its recommendations.

Care should be taken by the Chair to be certain that the Committee records a reason or rationale behind each recommendation. Failure to disclose a reason or rationale behind a recommendation to amend the tentative budget usually results in unnecessary delay and discussion. Observance of these responsibilities will benefit the Full Legislature in its deliberations on the suggestions of each Committee.

C. RELEVANT BUDGET DEADLINES PURSUANT TO THE PUTNAM COUNTY CHARTER

- i. **BUDGET DUE: Section 7.04 A(5b) – By the 1st day of October the County Executive shall submit the Tentative 2016 Fiscal Year Budget to the Clerk of the Legislature by 5:00 P.M. Recommended date – October 1, 2015. (THURSDAY)**
- ii. **Tentative Budget posted on the County Internet Website by 5:00 P.M. Recommended date – October 2, 2015 (FRIDAY)**
- iii. **BUDGET AND FINANCE COMMITTEE MEETS WITH THE COUNTY EXECUTIVE: Section 7.04 B(2) – Within five (5) days after the transmittal of the Tentative Budget of the County Executive and the Commissioner of Finance shall meet with the Budget and Finance Committee to review the Tentative Budget. Recommended date – October 5, 2015 (MONDAY) – at 7:00 P.M.**

- iv. **BUDGET AND FINANCE HEARING: Section 7.04 B(3) – The Budget and Finance Committee shall conduct a Public Hearing on the Tentative Budget with the County Executive and Commissioner of Finance present to answer questions. Recommended date - October 5, 2015 (MONDAY) – at 8:00 P.M.**
- v. **COMMITTEE REVIEW: Section 7.04 B(3) – After the Public Hearing, the Budget and Finance Committee shall review the Tentative Budget as submitted by the County Executive. Recommended dates for Sub-committees are October 7th through October 16, 2015. The Full Budget and Finance Committee will meet on October 20, 2015 (TUESDAY) to review the Tentative 2016 budget.**
- vi. **COMMITTEE ACTION: section 7.04 B(3) – On or before October 23, 2015 the Budget and Finance Committee shall file with the Clerk of the Legislature its report on the Tentative Budget and shall include any recommendations made by the Committee. Recommended date for this action is October 23, 2015.**
- vii. **LEGISLATIVE HEARING: Section 7.04 B(4) – On or before the 26th day of October, the County Legislature shall conduct a Public Hearing on the Tentative Budget and the Report of the Budget and Finance Committee. Recommended date: October 26, 2015 (MONDAY) at 7:00 P.M.**
- viii. **LEGISLATIVE CONSIDERATION: Section 7.04B(5) – Prior to the thirty-first (31st) day of October, the Legislature shall commence consideration of the annual budget. Recommended dates: October 28, 2015 (WEDNESDAY) to October 30, 2015 (FRIDAY).**
- ix. **BUDGET ADOPTION: Section 7.04 B(6) – If a Budget has not been adopted on or before November 1, 2015, the Tentative Budget as submitted by the County Executive shall be the Budget for the ensuing fiscal year. Recommended date: October 31, 2015 (SATURDAY).**
- x. **DELIVERY TO COUNTY EXECUTIVE: Section 7.04B(7) - Within three (3) business days following the adoption of the annual budget, the Clerk of the Legislature shall forward to the County Executive the changes made to the tentative budget.**
- xi. **EXECUTIVE VETO: Section 7.04 B(7) – The County Executive shall approve or veto any or all changes by line item and return the same to the Clerk of the Legislature by the 9th day of November as the 8th day of November is a Sunday.**
- xii. **LEGISLATIVE CONSIDERATION: Section 7.04 B(8) – The Legislature shall convene on or before November 16th for the purpose of reconsidering each vetoed item as the 15th day of November is a Sunday.**

TO BE ADOPTED FOR ACTION:

D. RECOMMENDED ACTIONS:

The Clerk of the Putnam County Legislature shall advertise in a timely fashion during the month of September for the public hearing to be held according to Action IV and during the month of October for the public hearing to be held according to Action VII below:

1. The County Executive will be submitting the tentative budget to the Clerk of the Legislature on or before October 1, 2015.
2. All Legislators should be present to discuss the budget with the County Executive at the meeting held with the County Executive and the Commissioner of Finance.
3. All Legislators should be present to observe and participate at the public hearing on the County Executive's Budget. The County Executive and the Commissioner of Finance shall be present to answer questions about the budget.
4. It is recommended that the above two separate actions be conducted on October 5, 2015 as follows:
Legislators meet with the County Executive at 7:00 p.m.
Public Hearing will be held on October 5, 2015 at 8:00 p.m.
5. Between October 7, 2015 and until October 16, 2015, each Committee, including:
 - a. Economic Development
 - b. Health
 - c. Personnel
 - d. Physical
 - e. Protective
 - f. Rules
 - g. Audit

shall meet and consider the budgets as defined under that particular Committee's responsibilities and submit a concise, written report of changes, exceptions, additions and comments to the Clerk, including the reasoning behind each recommendation.

6. The Budget and Finance Committee will meet on October 20, 2015 (TUESDAY) to consider and adopt the various Committee Reports. The Budget Committee shall file a report with the Clerk of the Legislature by October 23, 2015 (FRIDAY).
7. Legislature shall hold its Public Hearing on October 26, 2015 (MONDAY) at 7:00 P.M.
8. The County Legislature shall meet during a period beginning on October 28, 2015 and if necessary, through October 31, 2015 at the call of the Chair of the Legislature, to consider all recommended actions and to adopt the budget. In all cases, it shall be the responsibility of the various committee Chairs to see that all majority recommendations of the Committee are considered by the Full Legislature.
9. In any case, the budget must be adopted by November 1, 2015.
10. Within three (3) business days of budget adoption, the Clerk will deliver the budget and changes to the County Executive for approval or veto.
11. The last day for the County Executive to veto the budget resolutions is November 9, 2015 (MONDAY) as the 8th of November is a Sunday.
12. Upon receipt of a veto message by the County Executive, the County Legislature shall convene on or before November 16, 2015 (MONDAY) to

consider each specific veto and shall vote to sustain or override each separate question, as the 15th of November is a Sunday.

E. GUIDELINES TO THE COUNTY EXECUTIVE ADOPTED BY THE LEGISLATURE FOR DETERMINING EXPENDITURES, LIMITS AND PRIORITIES:

1. In the Tentative Budget submission, the term “Capital Project” as used in Section 7.05 (a) of the Putnam County Charter shall not include the routine repairing and re-surfacing of highways and routine repair of guardrails (guiderails) nor shall said routine repairs be subject to long term bonding and that such routine repairs shall be included in the Operating Budget. The Capital Projects Committee shall determine which requested projects meet the criteria to be defined as a Capital Project as set forth above, and their recommendations will be included in the applicable operating and capital budget procedures contained within the Putnam County Charter.
2. In the Tentative Budget submission, the term “Capital Projects” so used in Section 7.05 (a) of the Putnam County Charter shall not include replacement of existing equipment and machinery, and that such replacement shall not be included in the Operating Budget. The Capital Projects Committee shall determine which requested projects meet the criteria to be defined as a Capital Project as set forth above, and their recommendations will be included in the applicable operating and capital budget procedures contained within the Putnam County Charter.
3. The County Executive will submit a detailed narrative explaining, upon request, any differences between the Department’s request and the County Executive’s recommendation and the reason for not granting the request.
4. Any subsequent information that the County Executive is aware of that the Department Head did not submit relating to the request and recommendation must also be included in the narrative.
5. The revenues are to be reported and itemized in each individual department’s budget for the fiscal year and not in the budget of the Commissioner of Finance, or any other department, where applicable.
6. Each revenue account shall indicate in the Tentative Budget the amount of revenue requested and the amount of revenue projected and actually received to date from the prior fiscal year.
7. All proposed changes in grades, promotions or reclassifications in position in management or non-management be collated and presented as a separate part of the Tentative Budget.
8. a) The names of all employees engaged in employment for the County of Putnam in more than one department be separately listed and disclosed apart from the budget document with the name of the position for the current fiscal year and the next fiscal year separately.

- b) The names of all employees engaged in employment for the County of Putnam who have had overtime be listed with the amount of dollars for overtime for 2014 and 2015 year-to-date separately.
9. All current and expected personnel vacancies be identified by line item in the budget or in supporting documents throughout the entire budget process.
 10. a) Each department head shall identify those personnel positions within his/her department that were entitled to either New York State or Federal Government reimbursement, either by statute, grant or otherwise, including the rate of reimbursement, amount of reimbursement actually received and amount of reimbursement expected to be received until the end of the fiscal year.
b) Also to be included is a separate list of personnel positions funded fully or partially by grant funds expected to expire and include the expected grant expiration date.
 11. Each department head shall identify all line items in their department that are entitled to either New York State or Federal Government reimbursement and maximum allowable reimbursement, if applicable.
 12. The Commissioner of Finance shall supply this information with the Tentative Budget.
 13. Each department head shall complete a Motor Vehicle Inventory Control Form for any and all vehicles being used by said department.
 14. An organizational chart by department for 2015 shall be provided along with an organizational chart for 2016 highlighting all proposed changes.
 15. If the County Executive plans on out-sourcing or privatizing any department in the 2016 budget, the County Executive must provide a detailed statement of the rationale and his/her proposed recommendations to the Legislature no later than August 1, 2015.
 16. Certain budget lines are considered approved with specific limitations or conditions on how the funds shall be applied and this limitation shall not be disregarded without the formal approval of the Legislature. Any violation of these limitations may result in withdrawal of funding for these or other budget lines within the department.
 17. The County Executive will present an inventory of all County vehicles including a report on the condition, mileage and maintenance of each vehicle. The report will be supplied with the Tentative Budget.
 18. Any personnel positions which are vacant at the time of the submission of the Tentative Budget to the County Legislature shall state the calendar date at which time the position first became vacant.

19. Any and all revenue projections for the 2016 budget shall only include revenue that falls within the jurisdiction and approval of the Putnam County Legislature and requires no other jurisdiction's approval (federal, state or other). Any revenue projections that require approval from an outside jurisdiction (federal, state or other) shall not be budgeted unless the revenue has been approved by that outside jurisdiction prior to the submission of the budget to the Legislature.
20. Any additional new items, if desired.

F. CONCLUSION:

Implementation of this Legislative Budget Review System will bring the expertise of the various Legislative Committees and their Chairs to bear on one of the most important functions of the Legislature.

It is expected that proposal acceptance will result in increased budget efficiency and greatly reduced cost to the County.

G. PROPOSED RESOLUTION:

WHEREAS, the Budget and Finance Committee has reviewed and recommended the adoption of the attached Decentralized Budget Review Process for implementation in 2015 of the adoption of the 2016 budget; now therefore be it

RESOLVED, that the Putnam County Legislature hereby adopts the attached budget review process; and be it further

RESOLVED, that pursuant to Putnam County Charter Section 7.04 the Putnam County Legislature hereby adopts and notifies the County Executive of the policy and practice guidelines contained in Section E of this Decentralized Budget Review Process/2016 to be complied with by the County Executive.

There being no further business, at 8:45 P.M., Chairman Albano made a motion to adjourn; seconded by Legislator Nacerino. All in favor.

Respectfully submitted by Diane Schonfeld, Clerk.