

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

Members: Chairman Castellano, Legislators Albano & Jonke

Thursday **6:30pm** **August 23, 2018**

The meeting was called to order at 6:32pm by Chairman Castellano who requested that Legislator Nacerino lead in the Pledge of Allegiance. Upon roll call Chairman Castellano was present. Legislators Albano and Jonke were absent. Chairman Castellano stated Legislator Scuccimarra and Legislator Nacerino would sit in on the Committee in their absence.

Item #3 - Approval of Minutes – July 30, 2018

The minutes were approved as submitted.

Item #4 - 2017 Audit Report/ PFK O'Connor Davies, LLP

a. Correspondence/ Commissioner of Finance/ Audit Responses

Legislator Nacerino made a motion to waive the rules and accept the additional; Seconded by Legislator Scuccimarra. All in favor.

Nick DeSantis, Partner at PFK O'Connor Davies, LLP stated Putnam County has again been awarded the Excellence in Financial Reporting award by the Government Finance Officers Association in Chicago, which can be found on page xiv of the CAFR (Comprehensive Annual Financial Report). He stated this is a coveted award as not many municipalities in the State of New York receive it. He stated this speaks very well of the Finance Department in regards to the work they do to put together the financial report. He stated the award is for the CAFR which includes an introductory section, financial statements, and a statistical section that provides information over a 10 year period. This information is valuable to bond rating agencies, financial institutions, the State Comptroller, and other oversight agencies. He stated it also serves as a useful tool for the Legislators as it provides history of the County's finances. He described the Independent Auditors' Report, located directly behind the award in the CAFR. He stated this report describes what PFK O'Connor Davies, LLP was brought in to do, the responsibility of the management, and the responsibility and opinions of the auditors'. The stated the firm found that the financial statements fairly present the financial position of Putnam County to the public.

Alan Kassay, Partner at PFK O'Connor Davies, LLP stated he would be referencing a condensed hand out as well as the attached PowerPoint presentation. He reviewed and described slide 4 of the PowerPoint which shows the Fund Balance – General Fund Retrospective. He stated the General Fund is divided into four (4) categories; Non-

spendable, Restricted, Assigned, and Unassigned. He described what goes into each category, as listed on the slide.

Mr. DeSantis stated the fund balance is the difference between assets and liabilities. He stated this is shown on page 69 of the CAFR. He stated the definition of each of the four (4) categories within the fund balance is on page 39 of the CAFR. He stated Non-spendable is equity, Restricted is restricted by third parties, and Assigned includes the encumbrances from the 2017 budget that automatically rolled over and amended the budget for 2018. He reviewed and explained each of the subcategories in the four (4) sections. He stated in looking at the Total Fund Balance on slide 4 of the PowerPoint, you can see that went from about \$34.8 million in 2014 to \$39.7 million in 2017, which is a significant increase that indicates good fiscal budgeting and management. He stated the bond agencies rely more heavily on the economic progress of the County rather than the fund balance itself.

Mr. Kassay stated the increase of the Total Fund Balance from 2014 to 2017 was about 14%. He drew the Committee's attention to slide 5 of the PowerPoint which shows the General Fund – Budget to Actual Summary, which he explained. He stated the year 2017 was ended with a total fund balance of \$39,781,534. He referenced slide 6 of the PowerPoint which provides a more detailed look into the General Fund – Budget to Actual Revenues. He stated this includes revenues from sources such as taxes, departmental income, sale of properties and compensation for loss, and State and Federal aid.

Mr. DeSantis stated the majority of the non-property taxes, near the top of the slide, come from sales tax. He stated this is the largest single source of revenue to the Putnam County budget. He stated once property tax is budgeted, it is out of the County's control and the sales tax is a function of what happens in the economy. He stated because of this, the budget must be managed from the appropriations side to produce a balanced budget, or budget surplus.

Mr. Kassay referenced slide 7 of the PowerPoint and stated the overall revenues increased by \$1.6 million from the prior year, or 1.2%. He stated the positive variance was about \$325,000. He reviewed and explained slides 8 and 9, which detail the General Fund – Budget to Actual Expenditures.

Mr. DeSantis stated on pages 71-81 of the CAFR detail all of the line items in the General Fund.

Mr. Kassay continued to explain the information on slide 9. He stated the overall expenditures increased by \$890,000 from the prior year, less than 1%.

Mr. DeSantis stated pages 39-40 of the CAFR provide a definition of all fund balances; Non-spendable, Restricted, Committed, Assigned, and Unassigned. He stated page 47 of the CAFR lists all bonds, the year they were issued, the amount issued, final maturity, interest rates, and amount outstanding as of December 31, 2017. He stated page 50 of

the CAFR lists the actuarial rates for the pension program outlining the rates based on what tier an employee is in. He stated right now, there is no provision in the State law that says funding must be set aside for post-employment benefits, or retiree health insurance as is done for the pension system. He stated nevertheless, the County does have an obligation to the retirees. He stated page 57 shows a calculation. He stated each year, the County budgets for retiree benefits. He stated there is going to be a change in Government Accounting Standards as to how this will be calculated beginning next year and there will eventually be a trust set up.

Mr. Kassay reviewed slides 10-11 of the PowerPoint which summarized the main points of the audit report. He stated Putnam County maintains a AA2 rating from Moody's which is characterized as "Obligations judged to be of high quality and subject to very low risk." He stated overall, the internal controls of the County are extremely strong. He stated slide 11 references new GASB (Government Accounting Standards Board) pronouncements. He stated these will not affect the County's budget or governmental funds.

Chairman Castellano stated the financial state of the County seems to be well in order and this is great news.

Mr. DeSantis stated the fund balance is in a very strong position and the overall management of appropriations is strong, which is evidenced in the surplus.

Legislator Nacerino thanked Commissioner Carlin and County Auditor Sharkey for their work in managing the day to day aspects of the County's budget.

Chairman Castellano questioned how Putnam County compares to other counties in the area and State.

Mr. DeSantis stated they are involved with a few counties in the lower Hudson Valley and the ratio of Putnam's fund balance to the overall budget is very good. He stated this is evidenced in the bond rating received from Moody's. He stated the amount of debt Putnam County has is reasonable, is managed very well, and is easily integrated into the budget process.

Vincent Tamagna, former Legislator and current Transportation Manager, stated he is proud of the great work being done in Putnam County. He stated former Legislator Birmingham created the tax stabilization fund, which prevents the residents from picking up the extra tax burden that could be created by a year that was not so great. He stated the award, which is difficult to get, that Putnam County receives each year is a credit to how Commissioner Carlin manages the finances of the County.

Item #5 - Correspondence/County Auditor

a. Sales Tax Report – Duly Noted

b. Board In Revenue Report – Duly Noted

c. OTB Report

Chairman Castellano stated a check was received that covers the last three (3) months; April, May, and June.

d. Transfer/Revenue Report – Duly Noted

e. Contingency/Sub-Contingency Report – Duly Noted

Item #6 - Correspondence/Commissioner of Finance

a. Overtime/Temporary Report – Duly Noted

b. Approval/ Budgetary Amendment 18A059/ Sheriff's Dept./ Cover Overtime Reimbursed through Drug Enforcement Administration-Tactical Division Squad Task Force (Also reviewed in Protective)

Chairman Castellano made a motion to approve Budgetary Amendment 18A059; Seconded by Legislator Scuccimarra. All in favor.

c. Approval/ Budgetary Amendment 18A060/ Sheriff's Dept./ Use Federal Seized Asset Funds to Purchase Software/ The Sheriff App (Also reviewed in Protective)

Legislator Sayegh stated perhaps a mobile website would allow faster access to the Sheriff's Department online presence since an app would need to be downloaded onto the phone.

Chairman Castellano stated when the Sheriff attended the Protective Services Meeting last week he reported that their online presence is improving. He stated he mentioned that he would like to have the Sheriff come before a Committee in the future to discuss this, and that may be a good time to bring up this concern.

Legislator Nacerino made a motion to approve Budgetary Amendment 18A060; Seconded by Legislator Scuccimarra. All in favor.

d. Approval/ Budgetary Amendment 18A061/ County Clerk/ Account for Grant Procured

Chairman Castellano stated this is incoming State-aid for a records management grant for a shared service with the Town of Putnam Valley.

Deputy County Clerk Jimmy McConnell stated this grant is applied for each year and this is the third grant the County Clerk's Office have received. He stated this grant will be used to fund the shared service with Putnam Valley to bring their records into the electronic document management system. He stated 50% of the funding was received upfront and this budgetary amendment will put the rest of the money into the line.

Legislator Nacerino questioned if the grant was generated through the Town of Putnam Valley or Putnam County.

Deputy County Clerk McConnell stated the funding from the grants comes from every document recorded in the County Clerk's Office. He stated a portion of the recording fees go towards the record management and cultural education fund on the State level. He stated every year, the State puts out this grant project and allows all municipalities to apply on a competitive basis for the funding. He stated the grants received have been applied for by the County.

Legislator Nacerino questioned who determines where the grant money is awarded.

Deputy County Clerk McConnell stated the County Clerk's office is trying to bring on each town and each year as they go through the grant process, they select a town to share the service with. He stated the first year, the County worked with the Town of Philipstown and the Villages of Cold Spring and Nelsonville because they had reached out to the County. He stated the second year, the County worked with the Town of Carmel. He stated it is the intention of the County Clerk to include each town utilizing this grant funding.

Legislator Scuccimarra stated she believes Philipstown is still working on this project.

Deputy County Clerk McConnell stated it is an ongoing process. He stated all existing files would be put into the system as well as new documents moving forward.

Chairman Castellano stated this allows better access for all files that were once kept in storage.

Legislator Scuccimarra stated it is a great service.

Mr. Tamagna stated the effort put forth to include each town in this project speaks to our County Clerk and the great job that is done through his office.

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

**e. Approval/ Budgetary Amendment 18A062/ Highways & Facilities/
Amend 2018 Tilly's Table Budget to Reflect Results of Operations to
Date & Estimated thru Year End (Also reviewed in Physical)**

Mike McCall, General Manager of Tilly Foster Farm, stated when the budget was set it was hard to predict how the first full year of Tilly's Table would go therefore a preliminary budget was put together. He stated Tilly's Table was budgeted to make about \$7,000 by the end of July however it has made close to \$70,000. He stated Tilly Foster Farm has been producing a lot of fruits and vegetables, which is purchased by Tilly's Table weekly. He stated the Putnam County Golf Course has also purchased some product.

Legislator Scuccimarra stated some of the produce is going to the Office for Senior Resources as well.

Mr. McCall stated that is correct, which is a huge win. He stated they may need to find even more places to distribute the produce.

Legislator Scuccimarra suggested providing local food pantries with the fresh produce.

Mr. McCall stated that is being looked into. He stated taking the lessons learned this year, there will be more coordination in 2019 such as working with the chef at Tilly's Table. He stated Homestyle Catering pays for all the supplies at Tilly's Table and BOCES takes care of the janitorial aspect. He stated they have requested help from the Highways & Facilities Department to clean the kitchen floor and stairwells because a special machine is needed, however it is not worth purchasing it. He stated in going through the budget for next year, they discovered an issue with the rubbish removal. He stated there has always been one (1) dumpster there, even before the restaurant opened and it was just charged to the Farm. He stated the Farm is now broken up into three (3) categories: the animals, the farm, and Tilly's Table. He stated this will need to be reapportioned so the same amount is being paid by each category. He stated a big event featuring a Johnny Cash tribute band is being held at the Farm this Saturday, August 25th that has sold about 340 tickets so far. He stated the events are going well, however they must come to a standing agreement with WAC (Watershed Agricultural Council) because right now they require three (3) months' notice when a request is made to put up tents and to park vehicles on areas that are not MADA (Municipal Acceptable Development Area) and ADA (Acceptable Development Area) areas. He stated he is working on that with the Law Department. He stated he would like to mention that the Putnam County Golf Course is doing okay; the month of April was brutal. He stated the course did not open until April 5th and there were only about 7 days where there were 100 rounds in April. He stated the months of May, June, and July have been good. He stated August has been tough and the course was closed two (2) days because of excess rain; one of those days being a Saturday, which is a loss of about 200 rounds. He stated overall, through July the Golf Course was ahead of budget. He stated he foresees August negatively affecting the overall budget, however there is a large outing today which should help.

Commissioner Carlin stated all golf courses located close by have also been affected by the weather.

Mr. McCall stated the Golf Course revenue is split into two; the golf and the food and beverage. He stated although the golf is down about \$50,000 through July, the food and beverage is up about \$120,000.

Legislator Nacerino stated hopefully golf season will pick up through the remainder of the year.

Chairman Castellano questioned where the Johnny Case tribute band will be playing at Tilly Foster Farm.

Mr. McCall stated it will take place in the horse rink area. He stated WAC frowns upon using the front field for events.

Legislator Nacerino stated the weather is supposed to be very nice.

Mr. McCall stated yes, the last Friday Night Barbeque Event at the Golf Course was rained out. He stated people were able to eat and listen to about an hour of music before the rain washed out the event. He stated everyone who attended that event can attend this Friday's Barbeque, August 24th, for free. He stated the band Whoz Ya Daddy will be playing.

Chairman Castellano clarified that this budgetary amendment would increase the Tilly's Table revenue to \$380,000.

Commissioner Carlin stated it is being increased by \$380,000.

Chairman Castellano stated \$15,500 is going into contingency.

Commissioner Carlin stated that is correct and the contract is being increased by \$364,500.

Chairman Castellano stated this is great news.

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

Item #7 - Approval/ Fund Transfer 18T166/ District Attorney/ Conduct Training for Local Law Enforcement and NYSP/ Conducting Complete Traffic Stops (Tabled from Protective Services Mtg.)

District Attorney Robert Tendy stated the asset forfeiture money has been used for a lot of equipment such as computerized equipment, body armor, and simulator pistols. He stated they have decided to go in a different direction by using this money for training which will be helpful to law enforcement. He stated something that is often times overlooked by the general public, but certainly not by law enforcement is how much information can be collected at a routine traffic stop, if they know what to look for. He stated a trained individual who knows what to pay attention to can gather a lot of information. He stated this is an intensive training course given over two (2) days for seasoned professionals and beginners. He stated the training includes things such as how to approach a vehicle and what to look for on the windows or the exterior. He stated most of what the officer may be looking for is not illegal, however when combined with other certain characteristics, they can formulate an opinion that may heighten their inquiry and take it to the next level. He stated the course also covers officer safety. He stated he

was recently speaking with a State Trooper who approached a vehicle with windows all blocked with black tape. He stated this was a cause for concern for the officer as he had no way of knowing what was inside the car, and as it turned out there were weapons inside. He stated this expenditure will be very useful in educating and reeducating law enforcement. He stated the training course is available to State Troopers and officers from police departments throughout the County as well as the Sheriff's Department. He stated some assistant district attorneys will be attending the course as well because it will provide insight into what officers could experience in this situation.

Legislator Scuccimarra questioned how many participants will take the course.

District Attorney Tandy stated up to 150 can be accepted, although they will try to keep it at 100. He stated if there is not enough response, the course can be cancelled by September 15th without having spent anything. He stated he anticipates this to be a well-attended event.

Legislator Nacerino stated she is supportive of anything that heightens awareness and safety.

Legislator Scuccimarra stated the cost of this training is relatively low.

District Attorney Tandy stated there are other programs that are very similar to this one that cost about three (3) times more. He stated the use of asset forfeiture helps with the cost and the individual running the program offered a great deal.

Legislator Scuccimarra questioned where the training would be held.

District Attorney Tandy stated the training will be held at the Putnam County Bureau of Emergency Services.

Chairman Castellano stated the cost of the training is \$6,500 and 100-150 individuals could be trained, which is fantastic.

District Attorney Tandy stated the two (2) day course will last eight (8) hours each day.

Legislator Scuccimarra thanked District Attorney Tandy for putting the asset forfeiture money to good use.

District Attorney Tandy stated he has some more plans to utilize asset forfeiture money, but by the end of this year there should be about \$130,000 left in the line, which is great. He stated they are looking into opportunities to train anyone involved in law enforcement.

Chairman Castellano questioned when the training would be held.

District Attorney Tandy stated the date of the training is October 1st and October 2nd.

Legislator Sayegh clarified that this training is available to all local police department, Sheriff's Department, and the New York State Police.

District Attorney Tandy stated yes, as well as outside agencies who work within Putnam County such as drug enforcement initiatives or investigators from other agencies. He stated basic local street crime and traffic stops yield a great deal of information.

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

Item #8 - Approval/ Fund Transfer 18T172/ Youth Bureau/ Combine two Part Time Positions (Also reviewed in Personnel)

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

Item #9 - Approval/ Fund Transfer 18T173/ Emergency Services/ Technical Rescue Team/ Purchase Equipment and Uniforms (Also reviewed in Protective)

Legislator Scuccimarra stated she went down to Westchester County with Legislator Gouldman to watch the Technical Rescue Team train. She stated it is amazing all the gear they have to put on. She stated the ropes they used can only be kept for five (5) years.

Chairman Castellano stated once the rope is used, it must be replaced.

Legislator Scuccimarra stated this is a much needed team on the western side of the County.

Legislator Nacerino stated she is supportive of this. She stated hikers and climbers get lost on trails and mountains and this team is necessary to help protect both residents and visitors of Putnam County.

Legislator Scuccimarra stated this team will also take some strain off of some of the volunteer emergency service within the County.

Legislator Nacerino stated the local fire departments may not be able to adequately assist those individuals on trails or on mountains. She stated to have a team specifically trained and properly equipped for this purpose is an advantage.

Legislator Scuccimarra stated the next phase of this will be water rescue, which will expand their reach to all types of emergencies.

Chairman Castellano stated this is a great use of grant funding.

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

Item #10 - Approval/ Fund Transfer 18T176/ Planning/ Cover Gasoline through Year End (Also reviewed in Physical)

Chairman Castellano stated this fund transfer is necessary because the Planning Department is not using diesel fuel in the same manner that they were so they are switching over to gasoline. He stated the fleet is more fuel efficient.

Commissioner Carlin stated this fund transfer will reallocate the funds from one line to another.

Transportation Manager Tamagna stated diesel is a much dirtier way of fueling vehicles therefore they are being more environmentally conscious. He stated last year, eight (8) diesel vehicles were retired and replaced with gasoline vehicles. He stated he investigated electric and propane but because of the terrain in Putnam County they would not be efficient. He stated gasoline is the most efficient way to go. He stated splitting the gasoline budget line to show diesel and gasoline separately was done at the request of the Legislature, and it was a great suggestion because it will outline the shift being made.

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

Item #11 - Discussion/ Proposed Resolution/ Urging the Governor & NYS Legislature to Enact Legislation to Enable Catskill Off-Track Betting Corporation to Strengthen County Participation in OTB Revenues by Authorizing OTB to Expand its Business Model; Reduce Onerous Statutory Expenses; to Access its own Capital Acquisition Fund to Remain Operational Pending Much Needed Legislation and to File for Chapter 9 Federal Protection if Necessary

Vincent Tamagna, Putnam County Representative for the Catskill Regional Off-Track Betting (OTB) Corporation Board stated he will invite President and Chief Executive Officer of the Catskill Regional OTB Corporation Don Groth to attend the September or October meeting to discuss this further. He stated there is an issue between the Governor's Office and OTB. He stated this is the only viable OTB right now in New York State and the Governor is looking to consolidate all gaming into one (1) pot of money so it can then be reallocated. He stated this resolution is requesting that the Governor release the \$10 million that the Catskill OTB has saved over the years so the OTB can continue funding all operations. He stated in Putnam County, the OTB is very viable. He stated the new facility in Brewster has revitalized interest; however this is not the same for all locations. He stated they will be meeting with the Governor's Office to discuss expanding OTBs to allow video gaming terminals, such as a video slot machine. He stated this will be discussed in further detail when Mr. Groth is in attendance, as the information will be more up to date. He stated when OTBs first came to Putnam County, the County was

receiving more money from OTB than the State was. He stated the State then changed the formula, which gave more money to the State and included a provision that payments had to be made to the horse breeders, the tracks, and other aspects of the race itself. He stated with all of these required payments, there is not much money left for the member counties that host the OTB facilities. He stated the County OTBs need the capital money released to them so they can afford to keep the operations.

Legislator Scuccimarra questioned how likely it is that the Governor will comply.

Mr. Tamagna stated as long as he has been on the Catskill Regional OTB Corporation Board they have been trying to get the Governor to pay attention to OTB. He stated this is not a new request. He stated there is a lot of money and competition in gaming. He stated New Jersey has now allowed sports betting, although New York has not yet allowed it. He stated there is a lot to do to stay competitive. He stated the OTB in New York City closed although the facility is still in place. He stated at the time, they wanted to expand, which everyone was in favor of, including then Mayor Bloomberg, because it would create jobs; however the State Legislature would not allow it. He stated OTB is governed by a resolution of the State Legislature therefore in order to expand permission would need to be granted by the State. He stated he believes this resolution will send a strong message. He stated in regards to the check received for the previous three (3) months mentioned in item #5c, the OTB cannot afford to make full payments therefore 70% payments are being made. He stated the County is guaranteed their money because if the OTB ever decided to disband, if it went into arrears, or if they went bankrupt, the \$10 million would go to pay all debts and anything left over would be distributed to the eight (8) member counties. He stated he does not foresee OTB folding; the Catskill OTB is very viable and is doing a great job.

Chairman Castellano questioned if the OTB in New York City closed because the State did not allow it to continue.

Mr. Tamagna stated OTB went bankrupt because of mismanagement in Nassau County, Suffolk County, and New York City. He stated even the capitol region does not make money. He stated the Catskill Regional OTB is the only profitable OTB in all of New York State. He stated the other regional OTBs had to make changes, therefore the Governor allowed Suffolk County to install the video gaming machines. He stated he has also allowed casinos to come into new regions, which helped offset OTBs. He stated the Catskill Regional OTB focuses only on the racing industry and actually pays money to Yonkers Raceway. He stated the Catskill Regional OTB will be facing a serious decision with the next year; whether to grow or not.

Chairman Castellano questioned which racing tracks receive funding from the Catskill Regional OTB.

Mr. Tamagna stated funding is distributed around the Country. He stated NYRA (New York Racing Association) is the organization in New York State. He stated bets can be

placed on races such as the Kentucky Derby at local OTB locations. He stated because of this, payments are dispersed to those breeders and race tracks.

Chairman Castellano questioned if there is anything in Connecticut equivalent to OTB.

Mr. Tamagna stated no, there is not. He stated residents from Connecticut utilize the Putnam County OTB locations. He stated the Mayor of Danbury was looking into opening an OTB facility in Danbury, which would hurt the facility in Brewster. He stated so far, the residents in Danbury are opposing this idea. He stated they are always looking for new locations, specifically one on the Peekskill border since there are no locations around there. He stated a real expansion would be if the New York City location on Canal Street could be reopened.

Chairman Castellano clarified that the Catskill Regional OTB Corporation is interested in expanding into New York City and managing that location.

Mr. Tamagna stated yes, and it has been negotiated. He stated Mr. Groth can speak more to this when he is present.

Chairman Castellano stated he has been to the OTB facility in Brewster and it is beautiful. He stated there is no restaurant or another factor to attract people. He stated the parking lot was filled with vehicles with Connecticut license plates. He stated he is concerned with the amount of casinos popping up. He stated OTB as it is right now needs a change; however he does not know if video gaming machines are the answer.

Mr. Tamagna stated that is a decision that would be made at the State level. He stated a service that was created by the Catskill Regional OTB Corporation is "Interbets" which allows customers to register online and place their bets, which would go through the Catskill Region. He stated currently, there is a big focus on sports betting, which New York State does not yet allow.

Chairman Castellano questioned what states have allowed sports betting.

Mr. Tamagna stated he believes there are six (6) states that have allowed sports betting including Florida and New Jersey.

Legislator Nacerino stated she would not be opposed to the video gaming machines being installed in the OTB facilities. She stated there are many senior citizens who are drawn to the casinos in Connecticut, and if they could spend those dollars locally, it would benefit Putnam County.

Mr. Tamagna stated when OTB first came to Putnam County there was concern about the type of people that may be utilizing the facility; however there is responsible betting taking place. He stated a great amount of money has come into Putnam County over the years through OTB.

Chairman Castellano stated he is impressed with the Brewster facility and they have helped their neighboring businesses. He stated he would like to see a restaurant open there to bring in more customers. He stated last time this was discussed, it was mentioned that there was potential of a restaurant opening.

Mr. Tamagna stated when the new OTB facility was being done issues arose with the Health Department in regards to the bathrooms in the old facility. He stated the facility is in a great location where it is accessible by many people. He stated another idea that may entice more customers is to hold events during big races such as the Kentucky Derby at the OTB location to draw people in. He stated he would like to brainstorm more ideas to promote the local OTBs.

Legislator Sayegh stated she had family members visiting from another state and they wanted to stay at a specific relative's house because it was closer to the OTB. She stated this shows that people will travel to utilize this OTB.

Mr. Tamagna stated he attended a live race in Charleston and they held a hat contest, which drew people in for another purpose in relation to the horse race. He stated this could be easily linked to tourism.

Legislator Nacerino stated seniors especially enjoy gambling, and linking other events to it would create more interest in OTB.

Mr. Tamagna stated there could even be a senior event held at an OTB location.

Chairman Castellano thanked Mr. Tamagna and stated this discussion will be continued when Mr. Groth is able to attend.

Item #12 - FYI/ County's Deposits & Investments/ Second Quarter Ended June 30, 2018 – Duly Noted

Item #13 - Other Business

a. Approval/ Budgetary Amendment 18A063/ Sheriff's Dept./ 9 Additional SPOs for 2018-19 School Year

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

Commissioner Carlin stated more of the elementary schools have requested SPOs (Special Patrol Officers). He stated the school year begins September 4, 2018 therefore this funding is time sensitive.

Legislator Scuccimarra questioned which schools will be receiving an SPO.

Commissioner Carlin stated he would supply the list of schools.

Chairman Castellano stated he believes Mahopac has shown interest.

Legislator Nacerino stated the SPOs are very well trained and to have them in the elementary schools is a great idea. She stated Mahopac has had both SPOs and SROs (School Resource Officers) and she is glad to see the other school districts within the County requesting officers as well.

Chairman Castellano clarified that the SPO program is at the school's expense.

Commissioner Carlin stated that is correct; the school covers 100% of the cost. He stated these officers are usually retired police officers therefore there is no retirement expense or health insurance because they already have those benefits. He stated they are paid \$25 per hour and the schools pay for the training and equipment.

Chairman Castellano stated when he first saw an Officer at the elementary school his daughters attended it made him nervous, however the events that have happened in today's world have made this service necessary. He stated this is a great program provided by the Sheriff's Department.

Legislator Scuccimarra stated the presence of an Officer in the schools also creates an environment and opportunity for the students to become comfortable with law enforcement.

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

b. Approval/ Authorize Legislators to Attend September NYSAC Conference

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

Chairman Castellano stated there are two (2) Legislators that will be representing the Putnam County Legislature at the September NYSAC Conference.

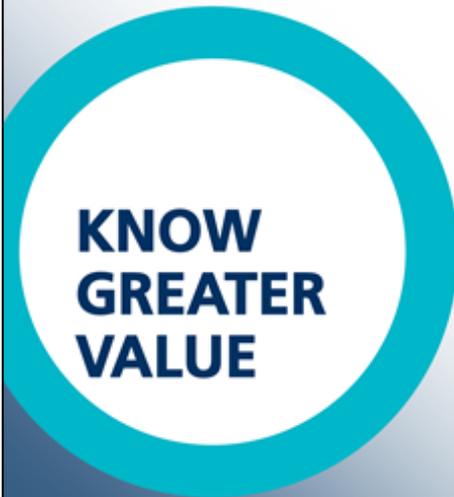
Legislator Nacerino made a motion to pre-file the necessary resolution; Seconded by Legislator Scuccimarra. All in favor.

Item #14 - Adjournment

There being no further business, at 8:09pm Chairman Castellano made a motion to adjourn; Seconded by Legislator Scuccimarra. All in favor.

Respectfully submitted by Administrative Assistant Beth Green.

County of Putnam, New York Report to the County Legislators December 31, 2017



Nick DeSantis, Partner
Alan Kassay, Partner
August 23, 2018



KNOW GREATER VALUE **Agenda**

Audit Results – PKF O'Connor Davies Opinion on Financial Statements

- Fund Balance - General Fund Retrospective
- General Fund - Budget to Actual Summary
- General Fund - Budget to Actual - Revenues
- General Fund - Budget to Actual - Expenditures



Audit Results

We have completed our audit of the 2017 financial statements of the County of Putnam in accordance with auditing standards generally accepted in the United States of America. The objective of our audit was to obtain reasonable assurance about whether these financial statements are free of material misstatement. As part of the scope of our work, we reviewed management's accounting estimates and the accounting treatment afforded to all significant accounting matters.

Audit Scope

Our audit approach was directed at the evaluation of all significant aspects of the County's operations to reduce audit risks to an acceptable level. Our primary focus was not on individual transactions and balances but on the financial statements we are opining on taken as a whole. We are satisfied that the scope of our audit was sufficient to enable us to express our opinion on these financial statements.

We have issued an unmodified (or dean) opinion relating to the County of Putnam as of December 31, 2017 and for the year then ended.

Fund Balance – General Fund Retrospective

	Increase (Decrease) 2017 vs 2016	2017	2018	2016	2014	
Nonspendable:						
Prepaid expenditures	\$ 138,704	\$ 1,986,893	\$ 1,848,189	\$ 2,386,166	\$ 3,733	
Long term receivables	-	2,000,000	2,000,000	2,000,000	2,000,000	
	138,704	3,986,893	3,848,189	4,386,166	2,003,733	
Restricted:						
Law Enforcement	8,372	358,355	349,983	279,859	307,650	
Health	(1,500)	18,808	20,308	20,383	-	
Driving while intoxicated program	5,184	38,770	33,586	47,725	74,369	
Grants and obligations	(35,376)	1,431,236	1,466,612	1,494,287	898,099	
	(23,320)	1,847,169	1,870,489	1,842,254	1,280,018	
Assigned						
Purchases on order	(304,980)	1,027,842	1,332,822	1,097,851	1,078,141	
Subsequent year's expenditures	(1,361,802)	4,677,000	6,038,802	7,760,000	2,807,518	
Retirement	-	3,568,196	3,568,196	3,568,196	3,400,000	
Future Capital projects	(289,592)	1,290,896	1,580,488	687,466	842,122	
Tax stabilization	-	3,537,683	3,537,683	3,537,683	3,537,683	
Insurance	2,000,000	4,000,000	2,000,000	-	-	
	43,626	18,101,617	18,057,991	16,651,196	11,465,464	
Unassigned						
	1,976,452	15,845,655	13,869,403	12,476,739	20,129,757	
Total Fund Balances	6%	\$ 2,135,462	\$ 39,781,534	\$ 37,646,072	\$ 35,356,355	\$ 34,878,972

* Represents 11.50% of the 2018 Appropriations



General Fund – Budget to Actual Summary

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues	\$ 130,550,788	\$ 133,185,871	\$ 133,510,834	\$ 324,783
Total Expenditures	137,842,410	139,987,152	130,341,377	9,645,775
Excess (Deficiency) of Revenues Over Expenditures	(7,291,624)	(8,801,281)	3,169,257	9,970,538
Total Other Financing Sources (Uses)	(80,000)	(1,033,796)	(1,033,795)	1
Net Change in Fund Balance	(7,371,624)	(7,835,077)	2,135,462	9,970,539
Fund Balance - Beginning of Year	7,371,624	7,835,077	37,846,072	29,810,995
Fund Balance - End of Year	\$ -	\$ -	\$ 39,781,534	\$ 39,781,534

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General Fund – Budget to Actual Revenues

REVENUES	Budget		Actual	Variance with Final Budget (Negative)
	Original	Final		
Real Property Taxes	\$ 28,883,619	\$ 28,883,619	\$ 29,041,240	\$ 357,621 1
Other Tax Items	5,052,450	4,510,820	4,692,425	181,605 2
Non-Property Taxes	58,456,282	59,977,699	60,000,569	22,870
Departmental Income	11,322,496	11,027,251	11,076,828	49,577
Use of Money and Property	308,059	552,059	575,709	23,650
Licenses and Permits	732,100	732,100	805,881	73,781
Fines and Forfeitures	170,000	170,000	201,658	31,658
Sale of Property and Compensation for Loss	9,200	26,878	57,812	30,934
State Aid	16,091,894	17,003,349	16,915,084	(88,265)
Federal Aid	8,810,294	9,442,849	8,519,388	(923,461) 3
Miscellaneous	914,392	1,059,247	1,824,040	564,793 4
Transfers In	30,000	337,334	337,334	-
Total Revenues	\$ 130,580,788	\$ 133,523,205	\$ 133,847,968	\$ 324,783

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KNOW GREATER VALUE **General Fund – Budget to Actual Revenues (Continued)**

1 - Real Property Taxes - based on calculation of deferred taxes.

2 - Other Tax Items - Interest and penalties on real property taxes.

3 - Federal Aid - Homeland Security grant, Dept. of Social Services.
Offset by a positive variance in Economic Opportunity and Development
Dept. of Social Services expenditures

4 - Miscellaneous - Refund of prior years, FMAP settlement from State.

Overall Revenues increased by \$1.6 million, 1.2%.

Overall Positive Budgetary Variance of \$325,000.

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KNOW GREATER VALUE **General Fund – Budget to Actual Expenditures**

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
General Government Support	\$ 28,066,294	\$ 26,758,318	\$ 23,754,954	\$ 3,003,364 1
Education	9,955,424	10,538,111	10,423,919	114,192
Public Safety	37,257,984	39,087,491	36,787,396	2,320,095 2
Health	13,508,751	13,681,889	12,933,339	748,550
Transportation	1,335,276	1,346,592	1,346,592	-
Economic Opportunity and Development	35,730,136	36,477,459	33,839,289	2,838,170 3
Culture and Recreation	5,171,561	5,343,966	4,983,259	360,707
Home and Community Services	2,001,580	1,935,922	1,742,315	193,607
Employee Benefits Undistributed	4,817,404	4,817,404	4,750,314	67,090
Transfers Out	110,000	1,371,130	1,371,129	1 4
Total Expenditures	137,952,410	141,368,282	131,712,506	9,645,776
Net Change in Fund Balance	(7,371,624)	(7,835,077)	2,135,462	9,970,539
FUND BALANCE				
Beginning of Year	7,371,624	7,835,077	37,646,072	29,810,995
End of Year	\$ -	\$ -	\$ 39,781,534	\$ 39,781,534

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General Fund – Budget to Actual Expenditures (Continued)

- 1 - General Government Support - spread throughout functions.
Largest variances; Highway facilities - \$745,000, Information Technology - \$360,000, Contingency - \$354,000.
\$1.1 million from vacant positions and associated fringes.
- 2 - Public Safety - mostly in Sheriffs Dept. and Jail, from vacant positions and associated fringes; retirements and hiring at entry level salaries.
- 3 - Economic Opportunity and Development - savings from Dept. of Social Services program grants, offset by negative revenue variance.
- 4 - Transfers Out - transferred to Capital Projects Fund, to reduce the need for additional borrowings, Serial Bonds, saving issuance costs and annual interest payments.

Overall Actual Expenditures increased by \$890,000, Less Than 1%.

Total Positive Budgetary Variance of \$9.6 million.

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Summary – Closing Points

Issued an **UNMODIFIED OPINION (CLEAN)**

Received the **Certificate of Achievement in Financial Reporting**
- 26 of the last 27 years

Maintained **Aa2 Rating from Moody's** -
"Obligations judged to be of high quality and
subject to very low credit risk".

Tax Anticipation Notes

Last issued Tax Anticipation Notes in December 2015,
Reduced need to borrow from \$17 million in 2013, to \$0 in 2015
Saving annual interest expense by as much as \$157,000 per year,
depending on the amount of TAN outstanding.

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Summary – Closing Points (continued)

Retirement Incentives and Other Pension Obligations

Reduced overall Long-term debt, ERS amortization to \$0, in current year by \$2.6 million.

Total amount amortized, \$8 million, eliminated completely, by accelerating payments saving approximately \$750,000.

Issued Report to Those Charged With Governance -

"Management Letter", No Material weaknesses noted.

New GASB Pronouncements:

GASB Statement No. 75 - OPEB Reporting 2018

GASB Statement No. 84 - Fiduciary Activities 2019

GASB Statement No. 87 - Leases 2020

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