THE PUTNAM COUNTY LEGISLATURE
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Toni E. Addonizio *Chairwoman*
Neal L. Sullivan *Deputy Chair*
Diane Schonfeld *Clerk*
Robert Firriolo *Counsel*

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|---|---|
| Nancy Montgomery | Dist. 1 |
| William Gouldman | Dist. 2 |
| Toni E. Addonizio | Dist. 3 |
| Ginny Nacerino | Dist. 4 |
| Carl L. Albano | Dist. 5 |
| Paul E. Jonke | Dist. 6 |
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| Amy E. Sayegh | Dist. 8 |
| Neal L. Sullivan | Dist. 9 |

# AGENDA
# SPECIAL MEETING
# OF THE
# BUDGET & FINANCE COMMITTEE
# OF THE
# PUTNAM COUNTY LEGISLATURE
# HELD VIA AUDIO WEBINAR PURSUANT TO TEMPORARY EMERGENCY ORDERS

**Tuesday June 2, 2020**
**(Immediately Following the Regular Meeting)**

1. **Pledge of Allegiance**
2. **Legislative Prayer**
3. **Roll Call**
4. **Consideration and/or Adoption of the 2021 Decentralized Budget Review Process**
5. **COVID-19 Anticipated Revenue Shortfall/ Commissioner Carlin**
6. **Adjournment**

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DECENTRALIZED BUDGET REVIEW PROCESS/2021

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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 2021 Fiscal Year Budget to the Clerk of the Legislature by 5:00 P.M. Recommended date – October 1, 2020 (THURSDAY).**

ii. **Tentative Budget posted on the County Internet Website by 5:00 P.M. Recommended date – October 2, 2020 (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, 2020 (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, 2020 (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, 2020. The Full Budget and Finance Committee will meet on October 20, 2020 (TUESDAY) to review the Tentative 2021 budget.**

vi. **COMMITTEE ACTION: section 7.04 B(3) – On or before October 24, 2020 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, 2020.**

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, 2020 (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 27, 2020 (TUESDAY) to October 31, 2020 (SATURDAY).**

ix. **BUDGET ADOPTION: Section 7.04 B(6) – If a Budget has not been adopted on or before November 1, 2020, the Tentative Budget as submitted by the County Executive shall be the Budget for the ensuing fiscal year. Recommended date: October 29, 2020 (THURSDAY).**

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 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 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, 2020.
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, 2020 as follows:
   Legislators meet with the County Executive at 7:00 p.m.
   Public Hearing will be held on October 5, 2020 at 8:00 p.m.
5. Between October 7, 2020 and until October 16, 2020, 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, 2020 (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, 2020 (FRIDAY).

7. Legislature shall hold its Public Hearing on October 26, 2020 (MONDAY) at 7:00 P.M.
8. The County Legislature shall meet during a period beginning on October 27, 2020 and if necessary, through October 31, 2020 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, 2020.
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, 2020 (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, 2020 (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. 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 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.

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.

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 2019 and 2020 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 statue, 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 2020 shall be provided along with an organizational chart for 2021 highlighting all proposed changes.

15. If the County Executive plans on out-sourcing or privatizing any department, or part thereof in the total departmental budget, in the 2021 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, 2020.

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 2021 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 not-for-profits seeking funding from the County must submit to the Administration along with their request for funding the following documentation, which documents shall be forwarded to the Legislature along with the Tentative Budget:

    - Any distributed summary or report of the strategic plan and the accomplishments of the Non-For-Profit (NFP);

    - A list of the NFP's current serving directors, including contact information for each, the date and length of their respective terms and their conflict disclosures;

    - A complete list of the NFP's employees;

    - Complete copies of the NFP's current by-laws and the minutes for any board and committee meetings conducted in the last two (2) years;

    - Copies of each independent audit and/or auditor compilation of the NFP's financial reports for the last three (3) years;

    - Copies of the NFP's current Code of Conduct and any Administrative Policies, including but not limited to policies that

address check signing authority, opening of bank accounts, or use of credit cards;

- Copies of the NFP's Conflict of Interest and Related Party policies, if any;

- Records relating to review and approval by the NFP of the engagement and salary for any compensated positions; and

- Copies of the NFP's IRS 990 or IRS 990EZ filed for the last three (3) years and the records relating to review and approval by the NFP's board for said filings.

21. The Tentative Budget shall breakout the "Contracts" line as shown in previous budgets of the Golf Facility and Tilly Foster Farm, and shall delineate any Capital improvements to each facility or its grounds.

22. The budget will break out in each department the cell phone expense from the total telephone expense and provide a separate account number for this cell phone item.

23. 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 2020 of the adoption of the 2021 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/2021 to be complied with by the County Executive.

filed copy: Finance
COVID

cc: all

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WILLIAM J. CARLIN, Jr. CPA, CPFO
*Commissioner Of Finance*

ANITA Z. GILBERT
*Chief Deputy Commissioner Of Finance*

SHEILA BARRETT
*Deputy Commissioner Of Finance*

DEPARTMENT OF FINANCE

# MEMORANDUM

2020 MAY 20 AM 10: 47
LEGISLATURE
PUTNAM COUNTY
CARMEL, NY

To: Toni Addonizio, Chairwoman – Putnam County Legislature

From: William J. Carlin, Jr., Commissioner of Finance WJC

RE: COVID -19 Anticipated Revenue Shortfall

Date: May 18,2020

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Please accept this memorandum as my first written report regarding projected revenue shortfalls pursuant to your memorandum dated May 4, 2020 (copy attached).

**SALES TAX REVENUE – 39% of 2020 County Budget**

In May 2020, the County has received $ 3,569,665.94, a decrease of $ 1,105,003.69 (24%) from May 2019. As a result, the 2020 sales tax revenue budget surplus has fallen from $ 1,512,348.18 to $ 544,500.13. We anticipate that this surplus will turn to a deficit in coming months as substantial parts of the county economy remain closed or limited by the pandemic. While our conservative budgeting practices (we budgeted less in 2020 sales tax revenue ($ 64,408,000) than we ended up receiving in 2019 ($ 66,354,863.42)), we will nonetheless experience a shortfall due to the devastating economic effects of COVID-19. The latest New York Association of Counties (NYSAC), has estimated a sales tax revenue loss ranging from $ 5.4 million to $ 13.1 million, depending on the economic scenario that becomes reality. The longer the economy stays closed/limited, the higher the ultimate sales tax revenue shortfall will be realized by the County.

**PROPERTY TAX REVENUE – 27% of 2020 County Budget**

Fortunately, the 2020 property tax collection was substantially completed when the Executive orders to close/limit the economy began in Mid- March. Therefore, we expect that we will remain neutral in terms of 2020 real property tax collections.

**STATE & FEDERAL AID – 18% of 2020 County Budget**

Unfortunately, this category remains one of the biggest unknowns to the County. The 2020/21 NYS Budget

enabled the Governor to reduce reimbursement/aid to Counties throughout the State Fiscal Year. NYSAC has projected the potential State Aid loss for Putnam County to be from $ 4.4 million to $ 11.1 million. Much will depend upon the Federal Government passing a stimulus act that provides aid to State and Local Governments. The HEROES ACT passed by the House of Representatives provides such funding, but the passage of this Legislation in its current form will not happen, and it is uncertain what, if any, legislation will ultimately be passed.

**DEPARTMENTAL REVENUES – 14% OF 2020 County Budget**

We are in the process of determining the potential impacts, but they will vary based on what services we are able to provide, and when and to what extent we are able to provide them.

**SUMMARY**

It is evident that we are in a highly uncertain, rapidly changing economic environment that will have a large negative effect on our current and future budgets. The ultimate actions that the County takes regarding appropriations (spending) will obviously depend on the severity of revenue losses. Currently, you are aware that the County Executive implemented austerity measures limiting spending to essential items/services in order to hopefully minimize the need for more drastic actions later. We will continue to update the Budget and Finance Committee as information becomes available.

CC: MaryEllen Odell, County Executive

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MEMORANDUM

TO: MaryEllen Odell
County Executive

FROM: Toni Addonizio
Chairwoman

Toni Addonizio

DATE: May 4, 2020

RE: Estimated Shortfall Due to COVID-19

Due to the ongoing COVID-19 pandemic, and the anticipated revenue shortfalls as a result of this, the County will be faced with many fiscal challenges. As we navigate through these unprecedented times, I believe it is extremely important that the Putnam County Budget & Finance Committee be kept apprised of any anticipated shortfall in the revenues available to meet the appropriations in the 2020 Budget, projected supplemental appropriations, and the potential impact on future budgets moving forward.

I respectfully request that Commissioner of Finance Carlin provide a written report to the Budget & Finance Committee on the County's estimated shortfalls and the projected impact to the County as soon as that information becomes available.

If you have any questions, please feel free to contact me.

cc: William Carlin, Commissioner of Finance