

**BUDGET & FINANCE COMMITTEE MEETING  
OF THE  
PUTNAM COUNTY LEGISLATURE  
HELD AT  
PUTNAM GOLF, INC.  
187 HILL STREET  
MAHOPAC, NEW YORK 10541**

Thursday

October 6, 2016

7:00 P.M.

The meeting was called to order at 7:09 P.M. by Chairwoman Nacerino. The Sheriff's Color Guard presented the flag. Chairwoman Nacerino recognized First Sergeant Paul Boscia and requested that he lead in the Pledge of Allegiance. Chairwoman Nacerino led in the Legislative Prayer. Upon roll call, Legislators Scuccimarra, Gouldman, Addonizio, Albano, Gross, LoBue, Castellano, Wright and Chairwoman Nacerino were present. Also present was Legislative Counsel Van Ross.

**Item #3 – Committee to Meet with the County Executive and the Commissioner of Finance to Discuss the Proposed 2017 Budget.**

Chairwoman Nacerino introduced Deputy County Executive, Bruce Walker.

Deputy County Executive Walker introduced the elected officials and representatives in attendance, individuals running for office, Putnam County Justices, party chairs and Election Commissioners. Deputy County Executive Walker then introduced County Executive MaryEllen Odell for her Report of the 2017 Executive Budget.

County Executive Odell stated that it was important to set the record straight and correct the misinformation regarding County Fiscal Policies. She stated that misleading opinion #1 was that County bonding was out of control. She explained that fact was that the total Putnam County long term outstanding debt has decreased 15% from \$88.3 million in 2007 to \$76.5 million in 2016. During this Administration alone we saw a decrease of 13%. She stated that Moody's Investors Service Inc., an independent bond rating agency, cited Putnam County's "low debt burden" as credit strength. She explained that our outside auditors, O'Connor and Davies, stated that our County bonding was responsible. She explained that, for the 5<sup>th</sup> year in a row, the County has maintained a superior bond rating of Aa2; which enables us to borrow money at a lower rate. She stated that misleading opinion #2 was that County government spending was out of control. She explained that, based on data found on the NYS Comptroller's website, Putnam ranked second lowest in expenditures per capita of all 57 counties outside New York City for the year ended December 31, 2014. She explained that the proposed 2017 budget expends \$153.1 million which is an increase of \$3 million from the 2014 budget expenditures of \$150.1 million; a 2% increase over three (3) years. She explained that Putnam County's portion of a homeowner's tax bill is only 9.1% which remains the lowest County portion of any tax bill in NYS which averages 21.52%. She stated that misleading opinion #3 is the "alleged" Tilly Foster Debacle. She explained the history of the property when it was purchased in 2002 for \$3.9 million and she also explained: the safety concerns, lack of accessibility for persons with disabilities, failing septic and lack of adequate water supply. She explained that, from 2002 and up until 2014, the County spent over \$1 million putting Band-Aids on property repairs. She explained that \$2.4 million was allocated to revitalize this property. A portion of this investment, \$600,000 was utilized to address code compliance items; \$200,000 fire protection system, \$100,000 DEP requirements, \$100,000 Health Sanitary Code, \$100,000 NYS Energy Code and

**\$100,000 ADA Federal Standards. Another \$780,000 addressed: \$475,000 Septic System, \$60,000 Power Supply, \$80,000 Water Supply and \$165,000 for Site Work. She explained the new partnership initiative and programs with Putnam Westchester BOCES and the commitment to ensure that Tilly Foster remains accessible to the people of Putnam County for educational and recreational opportunities. She stated that misleading opinion #4 was Butterfield was a backroom deal. She detailed and explained the following items related to Butterfield: the percentage of property tax on the Lahey Pavillion, prevailing wages, paying half of what fair market value is and the engineering services. She detailed the need for the senior center and listed the programs that would be provided.**

**County Executive Odell continued with the Putnam County Golf Course explaining some of the renovations that have been done. She also explained that in 2017 \$100,000 of improvements will be paid for by revenue generated from the operation of the Golf Course. She listed the repairs that needed to be performed.**

**County Executive Odell continued and presented her 2017 Budget Message which explained her vision and budget focus (copy attached).**

**Highlights of the County Executive's Presentation included an explanation of the tax cap for 2017 which is at 1% and she explained that this was the 5<sup>th</sup> year in a row that the budget has stayed with the tax cap. She included a summary of the Proposed 2017 Budget of \$153.1 million, which is an increase of 1.1% or \$1.7 million over the 2016 adopted budget. It included a \$1.2 million increase in employee and retiree health insurance costs, \$1 million increase due to step and longevity increases and pending contract negotiations and a \$730,000 decrease in NYS Pension expense due to amortization pay down. She provided a breakdown of the Use of the General Fund Surplus as follows: \$12.4 million balance for year ending 2015, \$3.6 million will be utilized for 2017 Operating Expenses, \$2.6 in anticipated Sales Tax Surplus, \$2.4 million in anticipated Expense savings and \$2.4 million will be utilized for Pension Debt Pay off, leaving an estimated balance of \$11.4 million for year ending 2016. She explained the Pension Amortization History and stated that in 2017 \$2.9 million would be utilized to pay off the Pension Debt.**

**County Executive Odell continued with a breakdown of the 2017 Budget of \$153.1 million. She stated that \$106.6 million was for State and Federal Mandated Programs which consume 70% of the total budget and 100% of the tax levy. She highlighted the single largest line item in the Putnam County budget; Medicaid. She explained that Putnam Medicaid recipients have almost doubled from 6,000 to 11,000 due primarily to the "Affordable Health Care Act." \$9.5 million was for the local share. She stated that when you factor in NYS and Federal funding, the total cost for Putnam County Medicaid Recipients is \$118.8 million. She also explained the rising costs of Health Insurance premiums. She stated that the projected increase in premiums for 2017 for active employees and retirees is \$1.2 million. She stated that the Personnel Director continues to search for equitable alternatives. An optional, voluntary plan is being developed for Medicare eligible retirees. She stated that the Personnel Department will continue to develop this plan and will be sharing its key elements through multiple communications with our retirees over the next 6-8 weeks.**

**County Executive Odell continued with the Quality of Life Services, which equates to 30% or \$46.5 million of the \$153.1 million budget. Some examples of Quality of Life Services are as follows: Sheriff Patrols - \$7.3 million, Office for Senior Resources - \$6.2**

million, Emergency Services - \$4.5 million, Parks and Recreation - \$3.7 million and Outside Agencies - \$1.5 million. She stated 70% of the Budget is mandated programs.

County Executive Odell explained that Sales Tax represents 37% or \$57.4 million of the overall projected County revenue for 2017 which is critical to the financial stability of the County. She explained that the 1% sales tax extension expires November 30, 2017 and the County will be working to maintain the extension which was granted on September 1, 2007. She also provided a breakdown of how tourism generates revenue for the County. She also explained the tax lien foreclosure process and how the County guarantees and pays the schools, towns and villages 100% of the property owner's portion of the missed taxes. She stated that it costs the County approximately \$24 million annually to make the schools, towns and villages whole. She explained how the Administration has worked hard to get these properties back on the tax rolls while helping to restore property values in neighborhoods with zombie houses. Through the Chapter 31 process the Administration has partnered with local Real Estate Brokers to sell these properties at fair market value. To date \$2.7 million has been returned to the County Tax Rolls due to this program.

County Executive Odell continued and explained how grants allow the County to expand, enhance or create new programs with minimal impact to the budget. She provided a breakdown of some 2017 grant opportunities that have been applied for and/or awarded totaling \$55 million. She also explained additional revenue initiatives such as: Jail Extradition Board-Ins (to date in 2016 - \$351,350) and Drug Treatment Court. She also explained the costs associated with providing E911.

County Executive Odell explained the fiscal impact of the 2017 budget to the taxpayers. She stated that the average homeowner assessed at \$261,352 will pay an increase of \$10 or an average of \$1,018 in County property tax in 2017.

County Executive Odell continued and explained the Sheriff's Enhanced Policing and Homeland Security Initiatives such as: Enhanced Narcotics Enforcement in partnership with the DEA, Federal & State Agencies. She explained the Enhanced Support of Local Police Departments such as: patrolling a sector in the Town of Carmel, Marine Patrols for Lake Mahopac, working closely with NYS Police to provide enhanced trooper presence, partnership with Western Connecticut Law Enforcement in communication and sharing information on the War on Drugs and Homeland Security issues, participation in Operation Safeguard to fight the War on Terror, participation in the Joint Terrorism Task Force (JTTF), Bike Patrols on County's Bike path, K-9 support to local police agencies, increased commercial vehicle enforcement and increased emphasis on Crisis Intervention Training (CIT).

County Executive Odell ended her presentation by stating that the Administration believes the 2017 Budget is a fair balance between our fiscal and social responsibilities and she looks forward to working with the Legislature in their budget deliberation process to stay at the tax cap.

There being no further business, at 7:50 P.M., Chairwoman Nacerino made a motion to adjourn; seconded by Legislator Addonizio. All in favor.

Respectfully submitted by Diane Schonfeld, Clerk.