

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

Members: Chairman Gouldman, Legislators Castellano & Sayegh

Wednesday **5:30pm** **July 24, 2019**

The meeting was called to order at 5:32 p.m. by Chairman Gouldman who led in the Pledge of Allegiance. Upon roll call Legislator Sayegh, Legislator Castellano and Chairman Gouldman were present.

Item #3 - Approval of Minutes – June 24, 2019

The minutes were approved as submitted.

Item #4 - 2018 Audit Report/ PKF O'Connor Davies, LLP

a. Correspondence/ Commissioner of Finance/ Audit Responses

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

Nicholas DeSantis, Partner at PKF O'Connor Davies, LLP referenced page xv in the Comprehensive Annual Financial Report (CAFR) which is a Certificate of Achievement for Excellence in Financial Reporting. He stated this certificate has been granted to the County of Putnam for participation in the National Organization of Finance Officers. He stated in the State of New York, excluding New York City, there are 57 counties and only nine (9) receive this award. He stated this certificate speaks to the financial health of Putnam County, especially the Finance Department and the work they put into assembling the financial information. He stated rating agencies look favorably upon a municipality that can compile and present this information in this manner. He stated the CAFR also includes the Independent Auditors' Report which explains the auditing process. He stated the opinion of O'Connor Davies was that the financial statements have been presented fairly; this is an unmodified opinion in accordance with accounting standards. He stated in layman's terms it is a clean opinion. He stated page 31 of the CAFR explains what financial statements are included. He stated the third paragraph details that the Putnam Tobacco Asset Securitization Corporation is part of these statements. He stated page 33 of the CAFR shows that the financial statements are comprised of government wide financial statements as well as fund financial statements. He stated the fund financial statements are the focus when the budget is being voted on. He drew the Committee's attention to pages 46 & 47 in the CAFR which outlines the outstanding debt the County has. He stated it is important to note the County does not have any short term liabilities. He stated this is a function of how well the County is managed. He stated the middle of page 47 shows the amount of bonds the County has outstanding which is \$57,936,475. He stated the bottom of the same

page shows a schedule of how much principal and interest that needs to be budgeted each year. He stated in 2020, the budgeted amount will need to be \$5,288,125 in principal and \$1,773,711 in interest, for a total of \$7,061,836. He stated pages 62 & 63 of the CAFR refer to litigation the County is involved in.

Alan Kassay, Partner at PKF O'Connor Davies, LLP reviewed the information on the attached PowerPoint presentation, which is a synopsis of the information included in the CAFR. He stated slide 3 includes the opinion issued by O'Connor Davies, which Mr. DeSantis reviewed. He stated an unmodified opinion is the best opinion the County could receive. He reviewed the information on slide 4 which shows the General Fund over the past four (4) years and the categories that make it up; Non-Spendable, Restricted, Assigned, and Unassigned. He stated there has been almost a \$10 million increase over the past four (4) years, which is another indication that the County is doing very well.

Mr. DeSantis stated it is important to remember that we had the recession in 2008 and it took municipal governments a while to start restoring their fund balance.

Mr. Kassay reviewed the information on slide 5 which shows the original budget, final budget, actual budget, and variance of each category.

Mr. DeSantis stated slide 6 shows revenues and when the "Actual" column is compared to the "Final" column the single most variance is on the Real Property Tax line of (\$2,133,650), which is based on the recalculation.

Mr. Kassay stated also on slide 6 the recalculation is of the County's allowance and uncollected taxes at the end of the year. He stated in addition, the property acquired for taxes increased about \$3 million at the end of 2018 as compared to the prior year which factors in to the calculation. He stated it is basically a timing issue. He stated the Other Tax Items consist of the interest and penalties on real property taxes, which was comparable to the prior year. He stated the Non-Property Tax items include sales tax, which was up about \$4.5 million, or 7.6% compared to the prior year. He stated Licenses and Permits increased about 15% from the prior year. He stated a lot of the revenue in the State Aid and Federal Aid is based on reimbursements of various grants and programs the County has within the expenditure budget, which is shown on slide 7. He stated the money is spent and then the County is reimbursed, although not usually 100%. He stated many grants are shown in the Economic Opportunity and Development line on slide 7. He stated some of the other larger variances were in General Government Support, which had almost a \$4 million variance. He stated this was spread among various functions, which are detailed in the CAFR. He stated Public Safety had a positive variance of \$2,291,819 which was mostly in the Sheriff's Department in the Jail. He stated the Transfers Out line shows an increase from the original budget of \$110,000 to the actual budget of \$2,828,102. He stated this was done to put money toward the capital project fund rather than going to bond, which saved interest and issuance costs. He stated slide 8 is a summary of other governmental funds. He stated all funds had positive fund balances at the end of the

year, which shows that the County is doing very well. He stated slide 9 is a summary of the report. He stated the County has a Moody's rating of Aa2.

Legislator Sullivan requested that the management of the County be reviewed again.

Mr. Kassay stated the Finance Department is being managed very well. He stated the audit ran very smoothly; they were here for two (2) weeks with a crew of about five (5) people. He stated First Deputy Commissioner of Finance Anita Gilbert and Commissioner of Finance Bill Carlin prepare all the items requested by the auditors.

Mr. DeSantis stated the County has built up its fund balance to a level that allows it to avoid short term borrowing, which results in a savings of the interest. He stated the financial management of the County's resources has been handled very well, as is shown by the numbers.

Legislator Jonke stated on slide 5 of the PowerPoint presentation, he believes the negative variance of (\$2,962,522) shown in the Total Revenues line is due to the County making the towns and schools whole.

Mr. Kassay stated that is incorrect; any taxes that are not the County's are not factored into the calculation.

Mr. DeSantis stated on page 44 of the CAFR there is a footnote description on the amount of receivable on property taxes.

Mr. Kassay stated the Property Acquired for Taxes is \$6.6 million at the end of 2018; whereas at the end of 2017 it was \$3.6 million. He stated this factors in to the calculation because these are County taxes on County properties.

Legislator Jonke questioned is the variance is in line with other municipalities in terms of percentages.

Mr. DeSantis stated that was an anomaly this year because of the amount of property the County had to acquire. He stated eventually, most of the taxes will be collected. He stated this was an adjustment as a result of the number doubling from 2017 to 2018.

Mr. Kassay stated page 134 of the CAFR has a listing of the County Taxes levy from the past 10 years and shows the percentage of the levy collected in the current year. He stated there is also a column showing subsequent years.

Chairman Gouldman questioned if the fund balance is in line with other counties.

Mr. Kassay stated he believes Putnam County's fund balance is stronger than some other counties. He stated the State Comptroller looks for a range between 10%-20% and Putnam County's fund balance is at 16%, which is healthy. He stated the County

funded \$2 million in capital projects in 2018 and was still able to maintain the 16%. He stated this reiterates the good financial management.

Mr. DeSantis stated Putnam does some things differently than other municipalities. For instance, Putnam is not participating in the retirement stabilization program and therefore is not incurring any interest costs. He stated as Mr. Kassay indicated, current resources were used toward capital projects. He stated Putnam is in a very strong financial position and is wisely using its funds. He stated Commissioner Carlin and his team are looking into the future to guide the County in their decision making.

Legislator Sullivan stated as a Certified Public Accountant and fellow auditor, he would consider this a glowing financial report. He credited both the Finance Department and the Administration. He stated the County is on a trajectory to build upon the past several years of reducing debt while increasing the fund balance. He thanked Mr. Kassay and Mr. DeSantis for presenting this information.

Mr. DeSantis stated Commissioner Carlin and the Finance Department are deserving of the compliment; the last third of the CAFR includes 10 years of information, which is why the County has continuously receives the Certificate of Achievement for Excellence in Financial Reporting award.

Chairman Goldman thanked Commissioner Carlin for the great job he has done to keep the County in a healthy financial state.

Commissioner Carlin credited the strong fiscal employees throughout the County such as County Auditor Michele Sharkey and the fiscal managers within each department. He stated the auditors with O'Connor Davies are also very strong.

Item #5 - Correspondence/County Auditor

a. Sales Tax Report

Legislator Castellano stated we are half way through the year and the County is in good shape.

b. Board In Revenue Report

Legislator Castellano stated we are half way through the year and this report shows that the County is on target for the year.

Commissioner Carlin recognized the Sheriff's Department for their work to maintain the revenue collected from Board Ins, ultimately saving taxpayer dollars.

c. OTB Report

Commissioner Carlin stated right now no revenue will be budgeted in 2020 for OTB unless he hears differently from Don Groth, President & CEO of the Catskill Regional

OTB Corporation or Vinny Tamagna, Putnam County Representative of the Catskill Regional Off-Track Betting (OTB) Corporation Board. He stated the County has not received revenue from OTB since May 2018.

- 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 19A037/ Sheriff's Dept./ Fund New SRO (School Resource Officer) to be Stationed at CV Starr Elementary School in Brewster School District (Also reviewed in Protective)**

Legislator Castellano complimented the Sheriff's Department. He stated this is a great program. He stated the Brewster School District is covering the cost associated with having the SRO at CV Starr Elementary School.

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

- c. **Approval/ Budgetary Amendment 19T039/ Sheriff's Dept./ Correctional Facility/ Utilize Federal SCAAP (State Criminal Alien Assistance Program) Funds to Purchase New Van, Update Computers, and Purchase New Weapons and Uniforms (Also reviewed in Protective)**

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

- d. **Approval/ Budgetary Amendment 19A041/ Board of Elections/ Purchase EPOLBOOK System to Comply with Early Voting Requirements/ Largely Utilizing NYS Grant Funds (Also reviewed in Rules)**

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

- e. **Approval/ Budgetary Amendment 19A042/ Health Dept./ Defund WIC (Women, Infants, and Children) Program as of October 1, 2019 (Also reviewed in Personnel)**

Legislator Montgomery requested clarification that this approval would move this item out of Committee and to the Special Full Legislative Meeting immediately following this meeting.

Chairman Gouldman stated that is correct.

Chairman Gouldman made a motion to pre-file the necessary resolution to go to the July 24, 2019 Special Full Meeting; Seconded by Legislator Sayegh. All in favor.

**f. Approval/ Budgetary Amendment 19A043/ Highways & Facilities/
Allocate Severe Winter Index Funds from Contract between NYSDOT
& Highway Dept. (Also reviewed in Physical)**

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

**g. Approval/ Budgetary Amendment 19A046/ Highways & Facilities/
Amend 2019 CHIPS County Capital Project to Equal Adopted NYS
Budget Allocation of Extreme Winter Recovery Program Funds (Also
reviewed in Physical)**

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

**h. Approval/ Budgetary Amendment 19A047/ Finance/ Account for
NYSDEC Grant Award to Fund Costs Related to Southeast-Danbury
Sewer Project (Also reviewed in Physical)**

Legislator Castellano stated this is a great project and he is looking forward to seeing what comes of this. He stated he is glad to see the County reach out for some State funding for this project. He stated this is a great project for the Town of Southeast, Putnam County, and the City of Danbury, Connecticut.

Legislator Jonke stated it is great to see this project moving forward and this funding will allow the County to engage with the engineers to get to the next step. He stated this is an important investment for the Route 6 corridor.

Legislator Nacerino stated this is a positive project for the County.

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

i. Approval/ Budgetary Amendment 19A048/ Office for Senior Resources/ Fund the Unmet Needs Program per the Additional Funding Allocated by NYSOFA (New York State Office for Aging) (Also reviewed in Health)

Legislator Sayegh recognized Director of the Office for Senior Resources Mike Cunningham for having the foresight to demonstrate Putnam County's need and obtain this grant. She stated this will be a great benefit to the seniors in Putnam County.

Chairman Gouldman stated Putnam County received the fifth largest allocation in New York State.

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

j. Approval/ Budgetary Amendment 19A050/ County Attorney/ Provide Funding for County Department of Tourism since Putnam County Visitors Bureau Ceased Operations (Also reviewed in Economic Development)

Legislator Castellano requested clarification on the \$35,417 listed on the Budgetary Amendment under Personnel Services – Director of Tourism.

Commissioner Carlin stated it is a prorated amount to begin August 1, 2019.

Legislator Castellano questioned the difference between the increase and decrease of estimated appropriations shown on the Budgetary Amendment.

Commissioner Carlin stated the difference is the I Love New York revenue.

Legislator Montgomery stated she believes the salary for the Director of Tourism was \$70,000. She questioned why the County is advertising the position at \$85,000; \$15,000 higher.

Commissioner Carlin stated the Personnel Department set the salary advertisement from \$75,000 to \$85,000. He stated he budgeted the higher amount of \$85,000 to avoid having to come back for more.

Legislator Montgomery stated that in the past, the County was not responsible for the benefit or retirement costs for the Director of Tourism position.

Commissioner Carlin stated correct, the County also did not set the salary of the Director. He stated the County made a contribution to the Visitor's Bureau.

Legislator Montgomery stated the County would be responsible for such costs once the position is brought in-house.

Commissioner Carlin stated that is correct; those benefits are provided to County employees.

Legislator Jonke stated the County did not hire or pay the Visitor's Bureau Director. He questioned how Legislator Montgomery knew the previous salary because it was not disclosed to the Legislature.

Legislator Montgomery stated the salary is public information; she has seen it in newspaper articles.

Legislator Jonke stated he has not seen the salary and the Visitor's Bureau did not provide any documentation showing the salary.

Legislator Castellano stated the Legislature requested salary information from the Visitor's Bureau and it was not provided.

Legislator Montgomery stated the information she received was from newspaper articles, a former Legislator, and previous members of Town Boards.

Legislator Sayegh stated she believes Legislator Montgomery is referring to an advertisement for the salary rather than the actual salary paid by the Visitor's Bureau.

Legislator Montgomery stated she will confirm, but she believes the former Director of Tourism made a salary of \$70,000. She stated her concern with raising the salary for this position, especially with the added cost of benefits, when the Legislature is voting to defund a department.

Legislator Sullivan stated he is sure the Personnel Department researched similar positions in surrounding areas to set the salary at a competitive rate in order to attract the right person.

Legislator Nacerino stated the salary is not fixed at \$85,000; it was advertised at \$75,000-\$85,000. She stated as Commissioner Carlin indicated, the higher amount was budgeted for so the entire amount was covered no matter what the final salary is.

Commissioner Carlin stated the position can always be filled for less, but without budgeting for the highest amount he would need to return to Committee if the agreed upon salary was more than the lowest amount.

Legislator Castellano stated he is looking forward to having this position be made a County employee, as it will guarantee that the Director of Tourism will report to the Legislature.

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

**k. Approval/ Budgetary Amendment 19A051/ Highways & Facilities/
Sprout Brook Bridge Improvement Project (Also reviewed in
Physical)**

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

**Item #7 - Approval/ Fund Transfer 19T135/ Finance/ Utilize Funds Earmarked in
2019 Contingency Budget to Reimburse Towns for Maintenance of
Cemeteries (Also reviewed in Physical)**

Chairman Gouldman made a motion to waive the rules and accept the additional; Seconded by Legislator Castellano. All in favor.

Legislator Sayegh stated the additional material the Committee voted to accept is a listing of cemetery maintenance payments from 2014-2018.

Legislator Castellano stated the County has been contributing \$18,000 each year to cover these costs over the past few years. He stated there was discussion at the Physical Services Committee Meeting about the amount being lowered. He stated the obligation falls on the Towns to submit their bills and this is a great opportunity for Putnam County to give back to the Towns by covering 50% of the maintenance cost. He stated the Town of Carmel has 13 cemeteries, which is the most in the County. He stated he believes the Town of Putnam Valley only has one (1) cemetery and their costs are about \$200 per year. He stated the breakdown is helpful to see how this funding is being utilized.

Legislator Nacerino stated that is correct; each Town is responsible for submitting their bills to the County to seek reimbursement.

Legislator Montgomery stated she mentioned this at the Physical Services Committee Meeting and she is glad to see the breakdown, although it does not match the Town budget. She stated when she served on the Philipstown Town Board it was her understanding that this funding was cut. She stated she would do more research to collect more information. She stated she was unaware that the Towns were sending their bills to the County for reimbursement.

Legislator Castellano stated it is the responsibility of the Towns to submit their bills to receive the 50% reimbursement from the County. He stated some Towns have more cemeteries than others. He stated funding received by the Towns have fluctuated a little bit over the years, while some have remained the same.

Legislator Montgomery stated there is a Committee in Philipstown that works to restore and preserve the historical aspects of the cemeteries. She stated the information she

received was that there was a cut in funding, which impacted the work done by this Committee.

Legislator Sayegh stated the cemetery maintenance payments go toward maintenance of the grounds rather than historical preservation and restoration.

Legislator Nacerino stated there is a similar group in Patterson that researches and works to preserve the historical aspect of the cemeteries. She stated this funding is for a separate purpose.

Legislator Albano stated some Towns have additional expenses due to storms that have hit our area.

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

Item #8 - Approval/ Fund Transfer 19T139/ Emergency Services/ Utilize 2018 PSAP (Public Safety Answering Point) Grant to Purchase 3 Consoles (Also reviewed in Protective)

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

Item #9 - Approval/ Fund Transfer 19T143/ Emergency Services/ Purchase & Install Radios/ Pyramid Repeater, Accessories, & Installation for Hazmat Truck #1 (Also reviewed in Protective)

Chairman Goldman made a motion to approve Fund Transfer 19T143; Seconded by Legislator Sayegh. All in favor.

Item #10 - Approval/ Fund Transfer 19T156/ Sheriff's Dept./ Security Detail at Southeast Fireworks Event (Also reviewed in Personnel & Protective)

Legislator Castellano thanked the Sheriff's Department for the outstanding job they did at the Fireworks event. He stated having security is important and Sheriff Langley was able to provide proper security at a low cost by collaborating with fellow law enforcement agencies.

Legislator Jonke reiterated Legislator Castellano's comments and stated this was a great event.

Legislator Albano stated these types of events are a great opportunity for the law enforcement and emergency service agencies to work together. He stated there are advantages to this aside from the security provided.

Legislator Castellano stated it is a great training program. He stated the best thing about it is that Police Officers are able to interact with the general public in a non-emergency setting. He stated it is good for both the community and Sheriff's Department.

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

Item #11 - Approval/ Fund Transfer 19T163/ Finance/ Fund Director of Consumer Affairs and Weights & Measures Position/ Temporary

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

Item #12 - Approval/ Urging the Governor & NYS Legislature to Enact Legislation to Enable Catskill Off-Track Betting Corporation to Assume Operations of Monticello Raceway; Redistribute the 1100 Video Lottery Terminals Previously in Service at Monticello Raceway to up to Three Locations within the Catskill OTB Region; and Utilize Capital Acquisition Funds of the Corporation for Corporate Purposes

Legislator Castellano stated he has mixed emotions about this; he does not like the idea of having the Video Lottery Terminals in Putnam County, but they would be going to waste otherwise. He stated he believes supporting this initiative is the right thing to do and hopefully the terminals can be used correctly.

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

Item #13 - Other Business – None

Item #14 - Adjournment

There being no further business, at 6:34 p.m. Chairman Gouldman made a motion to adjourn; Seconded by Legislator Sayegh. All in favor.

Respectfully submitted by Administrative Assistant Beth Green.