

**SPECIAL MEETING
OF THE
BUDGET & FINANCE COMMITTEE
OF THE
PUTNAM COUNTY LEGISLATURE
HELD VIA AUDIO WEBINAR PURSUANT TOTEMPORARY EMERGENCY ORDERS**

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

The meeting was called to order at 8:43 P.M. by Chairwoman Addonizio who led in the Pledge of Allegiance and Legislative Prayer. Upon roll call, Legislators Montgomery, Gouldman, Nacerino, Albano, Jonke, Castellano, Sayegh, Sullivan and Chairwoman Addonizio were present. Also present was Legislative Counsel Firriolo.

Item #3 – Consideration and/or Adoption of the 2021 Decentralized Budget Process.

Chairwoman Addonizio stated that we approve the Decentralized Budget Process each year. She stated that the review and adoption of the annual budget is one of the most important functions of the Putnam County Legislature. She stated that the dates have been revised to reflect the October and November calendar.

Legislator Albano made a motion to approve the following Decentralized Budget Review Process/2021; seconded by Legislator Nacerino. By Roll Call: All Ayes. Carried Unanimously.

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 (guiderrails) 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 statute, grant or otherwise, including the rate of reimbursement, amount of reimbursement actually received and amount of reimbursement expected to be received until the end of the fiscal year.
b) Also to be included is a separate list of personnel positions funded fully or partially by grant funds expected to expire and include the expected grant expiration date.
11. Each department head shall identify all line items in their department that are entitled to either New York State or Federal Government reimbursement and maximum allowable reimbursement, if applicable.
12. The Commissioner of Finance shall supply this information with the Tentative Budget.
13. Each department head shall complete a Motor Vehicle Inventory Control Form for any and all vehicles being used by said department.
14. An organizational chart by department for 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.

Item #5 – COVID-19 Anticipated Revenue Shortfall/ Commissioner Carlin was next.

Chairwoman Addonizio stated that last month she requested Commissioner of Finance Carlin to apprise the Legislature of the County's fiscal challenges and anticipated shortfalls that we will face due to the COVID-19 pandemic.

Commissioner of Finance Carlin provided a summary of the memorandum dated, May 18, 2020, which he sent to the Legislature. He explained that we were up \$1.5 million in sales tax revenue at the end of the first quarter and were down \$1.1 million (24%) in May. He stated that we currently have a surplus of \$544,000. He stated that June will be tough. He stated that we normally receive 3 sales tax revenue payments, but we do not know how much we will be down. He explained that on the positive side, due to conservative budgeting practices, we budgeted \$64.4 million for 2020 which is actually less than we received in 2019. However, he believed there would still be a bad economic effect and the longer the economy stays closed and limited, the higher the sales tax revenue shortfall will be for the County. He stated that in terms of property tax revenue, the pandemic hit after the 2020 property tax collection cycle was substantially completed. He believed that we will remain neutral in terms of property tax collections. He stated that the big questions we have now are with State & Federal Aid. The Governor is prepared to cut anywhere from 20% to 50%. He stated that the State is waiting on the Federal government to see if there will be another stimulus package. He stated that the Heroes Act will not pass in its current form and the best anecdotal information we have received so far is that there might be a stimulus package by July when the unemployment expires. He stated that there is no guarantee that it will happen. He stated that if it does happen, there is still no guarantee that there will be any aid to State or local governments.

Chairwoman Addonizio requested that Commissioner Carlin keep the Legislature apprised on a monthly basis at the Audit & Administration Committee meetings.

Commissioner Carlin agreed.

There being no further business, at 8:50 P.M., Legislator Nacerino made a motion to adjourn; seconded by Legislator Jonke. All in favor.

Respectfully submitted by Diane Schonfeld, Clerk.