

**AUDIT & ADMINISTRATION COMMITTEE  
BUDGET MEETING  
To Be Held via Audio Webinar Pursuant to Temporary Emergency Orders**

**Members: Chairman Castellano, Legislators Gouldman & Sayegh**

**Thursday** **6:00pm** **October 15, 2020**

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The meeting was called to order via audio webinar at 6:02pm by Chairman Castellano who lead in the Pledge of Allegiance. Upon roll call Committee Members Gouldman, Sayegh & Chairman Castellano were present.

**Item #3 - 2021 Budget Review**

Chairman Castellano stated General Manager of Tilly Foster Farm and Putnam County Golf Course Mike McCall was unable to attend the Physical Services Budget Meeting and is present tonight to provide an overview of both budgets.

**Tilly Foster Farm – Account 10084000 (pages 190-191)**

**Putnam Golf Course – Account 10085000 (pages 191-192)**

General Manager McCall stated the Putnam County Golf Course (Golf Course) is doing very well; this year it will surpass the record for the most rounds since 2011, which was 32,900. He stated the 2021 budget was not created based on this year's anomaly, however he hopes the enthusiasm in golf carries over into next year as well. He stated at the end of September in 2019, golf had made \$980,000; this year golf has made just shy of \$1.3 million. He stated the year has been unbelievable, especially with the two (2) week closure in April. He stated the food and beverage portion of the Golf Course has been down due to restrictions on events, but golf has been making up for it. He stated although golf was doing so well this year, when putting together the 2021 budget the revenue was budgeted conservatively. He stated on the food and beverage side, revenue was budgeted low as a result of events still being restricted and looking ahead to what they had booked for the first few months of 2021. He stated the good thing about food and beverage at both facilities is that revenue is somewhat proportionate to expenses. He stated Tilly's Table, the restaurant at the Tilly Foster Farm (the Farm) is beginning to do very well. He stated outdoor dining was heavily promoted, which brought more customers in. He stated the indoor dining is restricted to 50% capacity, but the restaurant just had a phenomenal September, making over \$70,000. He stated of course, large events are not taking place but smaller events of 50 people and less are being held in the Barn. He stated they did not budget revenue for any events in the beginning of 2021. He stated they kept many budget items similar to the 2020 budgets. He stated hopefully the interest in golf continues into next year as it remains a great sport to social distance. He stated all golf courses across the Country experienced the same surge this year. He restated that they did not budget the revenue for 2021 based on this year; the revenue was only increased about 1.6% over 2020. He stated food

and beverage was budgeted \$120,000 less in revenue versus expenses for 2021. He stated he believes this is a solid budget.

Chairman Castellano stated hopefully those who have picked up golf will continue to play next year. He questioned how the Golf Course has changed in dealing with the public. He stated he is aware that at a point there was only one (1) person permitted in a golf cart at once.

General Manager McCall stated single golf carts are always available to individuals if they wish and family members are allowed to ride together in the same cart. He stated originally the tee times were being spaced out and that has gradually gone back closer to normal and they have not had a backlog. He stated players have kept their game moving and have not hung around in any one area. He stated fortunately, the Golf Course had updated their payment system to accept online payment, therefore when COVID first hit, the payment system was seamless as customers booked and paid all online as they were not allowed to go into the pro shop. He stated he is proud of everyone for how they handled the difficult situation this year brought.

Legislator Gouldman stated he is glad to hear golf has brought in so much revenue. He stated during this time of limited access to recreation, it is great to offer residents and visitors the option of golf.

Legislator Albano stated he believes the projections included in the budget for 2021 are responsible. He stated it is fortunate the Golf Course is diversified because as the food and beverage decreased, golf was able to carry the weight. He stated this has been a great benefit to the residents and is a destination, bringing visitors into Putnam. He stated he is glad the Golf Course is in such great shape and is being managed well.

General Manager McCall stated this year the Golf Course hired a new Superintendent and it was a difficult year but they have received great reviews about the condition of the course. He stated after the big storm in the beginning of August, the Golf Course was closed for one (1) day for cleanup and it was opened the following day.

Legislator Jonke questioned in terms of both the Golf Course and the Farm if there will be long term expenses related to necessary accommodations due to COVID.

General Manager McCall stated there are no significant costs at this time. He stated the plexiglass dividers have been installed in both locations. He stated when the payment system was updated at the Golf Course, iPads were purchased which allows customers to check in outdoors without having to enter the pro shop. He stated if restrictions begin to increase again, they will be able to easily accommodate it using this system. He stated placing plexiglass dividers on the tables at Tilly's Table was considered, but determined to be unnecessary at this time. He stated if that becomes a requirement it could easily be done.

Legislator Sayegh questioned if there is a projection of how financials at the Farm will be at the end of the year.

General Manager McCall stated he is unable to speak to that right now. He stated based on the numbers through the end of September, the profit is \$44,000. He stated considering the 2½ month closure, Tilly's Table is doing well. He stated currently, the Farm is about \$26,000 behind the projected budget but is still ahead \$44,000 and it should continue to increase. He stated he does not foresee losing money through the end of the year. He stated his prediction is that at the end of the year they will have a profit of \$66,000.

Legislator Albano stated he recently played a round of golf at the Golf Course and it was beautiful.

Legislator Sayegh stated she is glad to see the Farm doing well and the County is getting a great return on the investment made there.

Legislator Montgomery thanked General Manager McCall for his report. She stated she ate at Tilly's Table recently and the food was great. She stated she would like to have a complete understanding of the expenses and how they compare directly to the budget, for example the bathroom project at the barn on the Farm.

General Manager McCall stated his budget is for operations therefore projects involving construction would fall under a separate budget.

Legislator Montgomery requested a breakdown of all expenses and revenues for the Farm and the Golf Course since they were purchased by the County.

General Manager McCall stated he deals with operations. He stated capital projects very rarely get put through one of the line items in his budget, they usually go through a different funding mechanism in the Highway Department's budget.

Legislator Montgomery stated perhaps the information can be compiled through a combined effort with the Finance Department. She stated she would like to know who is able to provide this information; it is a simple question.

Legislator Sullivan stated that information would come from the Finance Department.

Legislator Montgomery stated she will look for this information before the budget is adopted.

Legislator Albano stated information on the bathroom should be coming soon.

Legislator Sullivan thanked General Manager McCall and the staff at the Golf Course for doing an outstanding job and increasing revenue by almost \$300,000. He stated the use of the Golf Course has really been maximized. He also thanked HomeStyle

Catering for their hard work at Tilly's Table on the Farm during these difficult times. He stated the Farm was purchased in 2002 and is a great investment and a terrific place for people to visit.

Legislator Montgomery questioned if it is possible to obtain financial records dating back to 2002.

Commissioner Carlin stated records are required to be kept for seven (7) years and financial systems were changed in 2011. He stated previously, when this question has been asked, the Administration and Highway Department have provided information about the Golf Course and the Farm. He stated he does not believe they can go all the way back to 2002 again. He suggested checking the Legislature's Book of Proceedings. He stated during this pandemic, the County is faced with unknowns and it is all they can do to keep up with what is going on right now. He stated they cannot commit the resources to go back to 2002.

Legislator Montgomery stated if reports can be generated back to when the financial system was changed in 2011, we can start there. She stated she does not understand why it is difficult to get a record of expenses and revenues for a property.

Legislator Addonizio stated she is glad to see the increase in revenue at the Golf Course, especially given the COVID-19 pandemic. She stated she is proud of the success of the Farm as well. She thanked everyone involved for their efforts.

Chairman Castellano thanked General Manager McCall for his presentation. He stated both the Golf Course and the Farm are jewels of Putnam County. He stated they are both a great way to bring in tourists. He stated he looks forward to hopefully moving toward a more normal year in 2021.

#### **Department of Finance – Account 1310 (pages 14-16)**

Chairman Castellano stated there is a 9% decrease in line 411100, Sales & Use Tax, which is due to the COVID-19 pandemic. He questioned if Commissioner Carlin had any comment on this.

Commissioner Carlin stated he has been corresponding with NYSAC as well as his counterparts throughout the State. He stated many counties are budgeting less for sales tax in 2021. He stated it is unknown where the economy is going to go, therefore budgeting conservatively was the prudent thing to do.

Chairman Castellano questioned the (\$3 million) budgeted in line 427161, Use of Fund Balance.

Commissioner Carlin stated that is the general fund balance. He stated in speaking with the auditors, they concluded that they would budget no more than 10% of the general fund unassigned balance, which is about \$30 million. He stated they set a

ceiling of (\$3 million) to balance this budget. He stated he believes this will help preserve the County's Aa1 bond rating, which is difficult to get.

Chairman Castellano requested more information on line 427705, Vacancy Control Factor.

Commissioner Carlin stated the vacancy control factor takes the funds from unfilled personnel lines to make up the revenue. He stated right now the balance in 2020 is \$0. He stated they have already made up the budgeted amount of (\$300,000). He stated for 2021, the amount was raised to (\$500,000). He stated there are vacancies each year, although it is unknown where they will occur.

Legislator Sayegh requested clarification on line 427163, Use of Retirement Reserve.

Commissioner Carlin stated in 2011 during the last recession the retirement costs went up so steeply and the County was caught off guard and had to enter the pension amortization program. He stated through this program, the County was put on a payment plan to pay off the contributions over a number of years at an interest rate of about 8%. He stated the pension amortization was paid off early, which saved the taxpayers money. He stated also as a result, a reserve was created for retirement for use when the costs increase again to avoid having to enter the pension amortization program again. He stated now as a result of the COVID-19 pandemic, the retirement rates have again increased and (\$875,000) of the reserve will be used.

Legislator Montgomery clarified that the County is tapping into the reserve to pay for retirement and not anything else.

Commissioner Carlin stated it will be used to pay for retirement.

Legislator Montgomery stated she believes line 426901, Tobacco Settlement Monies, is required to be used for smoking cessation programs and public health education related to smoking. She questioned how this is shown in the Health Department's budget.

Commissioner Carlin stated the County made the conscious decision about 20 years ago not to use it for that. He stated this money is paid to the counties to cover the Medicaid costs. He stated there were organizations who believed the money should go to the American Cancer Society, however the counties disagreed because the original expenses did not come from there. He stated therefore, the County securitized the tobacco money and with it built the Emergency Operations Center, paid off debt, and did many things to help the taxpayers of the County. He stated the (\$32,000) in line 426901 represents that the County continues to act as the pass through for the payment of the bond holders through what is known as the Putnam Tobacco Asset Securitization Corporation; every county that securitized these funds has one. He stated through the trust indenture, the County is allowed a certain amount of money for operating funds, which is the (\$32,000) shown in the budget.

Legislator Montgomery questioned line 54646, Contracts, which was budgeted at \$22,000 in 2019 and increased to \$44,000 for both 2020 and 2021.

Commissioner Carlin stated more bonding was done this year to take advantage of the low rates. He stated that line is used to pay bond counsel, fiscal advisors, rating agencies, and all costs associated with the issuance of bonds.

Legislator Sullivan thanked Commissioner Carlin and his staff for their hard work, especially during the COVID-19 pandemic.

### **Purchasing – Account 1345 (pages 19-20)**

Director of Purchasing Alessandro Mazzotta stated there are no notable differences on any of the line items. He stated there is a small adjustment on the Personnel line, 51000, due to a position being changed through the Highway Department.

Legislator Gouldman questioned the \$10,000 increase from the requested amount in line 51094, Temporary.

Director Mazzotta stated he had requested another full-time position that could not be accommodated. He stated additional temporary funds were given in lieu of the position.

### **Real Property Tax Service – Account 1355 (pages 21-22)**

Legislator Gouldman questioned what is going to be purchased through line 52130, Computer Equipment.

Commissioner Carlin stated the Real Property department relies heavily on their computer equipment to process tax bills.

Legislator Montgomery stated she has noticed overall throughout the budget that there is funding for travel included. She stated here, line 54675, Travel has \$100 budgeted. She stated many corporations have halted all travel. She suggested placing the funding for travel from every department into contingency.

Legislator Jonke stated some departments, Real Property included, require continuing education which may result in mileage reimbursement for a short distance.

Commissioner Carlin stated that is correct. He stated another example is his own position; the Charter required that the Commissioner of Finance be a CPA (Certified Public Accountant) and therefore he needs to take continuing education credits.

Legislator Montgomery stated her comment is regarding travel across the whole budget. She stated there are some travel budget lines that are high.

Chairman Castellano stated in terms of the travel line in the Real Property budget, \$0 was spent in 2019 and so far \$0 has been spent in 2020.

Legislator Nacerino stated it is unknown what 2021 will look like right now. She stated keeping the money in the travel line is no harm no foul because if it is not used, it will go back to the general fund.

### **Tax Advertising & Expense – Account 1362 (page 23)**

Commissioner Carlin stated this budget account has the costs required for the tax foreclosure process. He stated they remain stable and he hopes that continues.

### **Information Technology – Account 1680 (pages 41-42)**

Legislator Gouldman questioned what line 54382, Computer, is used for.

Director of IT/GIS Thomas Lannon stated it is used for consultants, who are responsible for applying patches to the County's servers. He stated they have leaned heavily on them throughout the COVID-19 pandemic to get cloud computing up and running to allow employees to work remotely.

Legislator Gouldman questioned the increase in line 54635, Cellphones.

Director Lannon stated as a result of COVID, an extra hotspot device was added so it is ready if and when it is needed. He stated it has already been used several times; the IT Department used it during a power outage which allowed them to continue working on laptops since they do not have a generator. He stated it is also available for other departments to borrow.

### **Insurance Expense – Account 1915 (page 43)**

Commissioner Carlin stated due to COVID the County has been getting information in piecemeal and at a slower pace than usual. He stated we now have the NYMIR (New York Municipal Insurance Reciprocal) increase renewal, which is up about 10%. He stated an amendment has been submitted to put \$5,000 in the health insurance line, and the balance of \$45,000 in the insurance line, 54830, which is titled "Excess Liability" but includes General Liability, Excess Liability, and all policies. He stated insurance rates have increased throughout the State and we are in a heavy litigious environment. He stated the County's premium will go up to about \$820,000 in 2021, roughly a 10% increase. He requested that the budget be modified to accommodate this.

Legislator Gouldman questioned how much the insurance rate increased from 2019 to 2020.

Commissioner Carlin stated it did not increase much; it has been level. He stated NYMIR covers all of the legal costs for the big cases in the County. He stated without

NYMIR, the County Attorney would have to budget around \$1 million for legal costs to be able to defend them. He stated NYMIR has been a great bargain for the County and the increase, while it is 10%, is not totally unreasonable.

Chairman Castellano questioned the Defensive Driving Fees, line 412660.

Commissioner Carlin stated the program was cancelled this year, but it will be held in 2021, even if it is virtual. He stated he believes the fees will be increased next year.

County Attorney Jennifer Bumgarner stated the program was suspended in 2020. She stated increased fees for 2021 were discussed as well as online courses rather than in-person courses, which would be substantially cheaper.

Chairman Castellano thanked County Attorney Bumgarner.

Chairman Castellano made a motion to increase line 54830 by \$45,000 bringing it from \$750,000 to \$795,000; Seconded by Legislator Gouldman. By roll call vote: All ayes.

Chairman Castellano made a motion to increase line 54800 by \$5,000 bringing it from \$20,000 to \$25,000; Seconded by Legislator Sayegh. By roll call vote: All ayes.

#### **MTA Mobility Tax – Account 1980 (page 48)**

Commissioner Carlin stated this tax is connected to payroll.

Legislator Albano stated the cost to the County is outrageous, especially because it is a payroll tax on employees who work in Putnam County, not those who travel outside of the County for work. He stated the County also contributes money to maintain the train stations on top of this tax.

#### **Contingency Fund – Account 1990 (page 50)**

Chairman Castellano questioned line 54986, Sub Contingency Sheriff.

Commissioner Carlin stated there is \$220,200 and \$87,360 is being transferred out to restore the Lieutenant salary since there is not going to be a retirement, which leaves the line at \$132,840. He stated the \$132,840 is for the body cameras. He stated the Administration has decided that they are not saying yes or no to body cameras, but they are letting the Police Policy Review Panel, set up through Governor Cuomo's order, vet the issue. He stated if it turns out the body cameras are deemed necessary the funds can be transferred out of subcontingency to the various lines in the Sheriff's Department.

Legislator Montgomery requested clarification on the funds being transferred for the personnel line.



Chairman Castellano stated \$87,360 was transferred out of this line to cover the personnel line, bringing the new total of line 54986 to \$132,840.

Legislator Montgomery questioned if funding for license plate readers (LPRs) is in contingency. She stated she believes it was released from the asset forfeiture money and placed into contingency for the Sheriff's Department.

Commissioner Carlin stated the funding for LPRs is in the 2020 budget, not 2021.

Legislator Montgomery stated she would have assumed it would be in this line since it has not been spent.

Commissioner Carlin stated he believes the funding is the \$15,000 in the revised 2020 budget in line 54983, Sub Contingency Special Services, that has not yet been spent.

Legislator Montgomery stated the LPRs are needed in Philipstown.

Legislator Gouldman questioned when the funds will be released to Philipstown for LPRs.

Commissioner Carlin stated he is unsure; his focus is on the 2021 budget.

#### **Debt Service – Account 9710 (pages 237-239)**

Legislator Gouldman questioned what "PUB" stands for, which is in the title of many budget lines in this account.

Commissioner Carlin stated "PUB" means Public Improvement Bond.

Legislator Montgomery questioned line 427161, Use of Fund Balance.

Commissioner Carlin stated the Debt Service Fund has a fund balance that can only be used to pay off debt service and \$120,000 is being used of the fund balance that remains there.

Legislator Montgomery stated she will be sending a request for the information supporting the budget lines titled "PUB IMP" and "PUB REF".

Commissioner Carlin stated he can gather that information.

Legislator Gouldman questioned line 56455, Energy Perf Lease Financing.

Commissioner Carlin stated that represents the payments to be made on the Article 9. He stated the County is saving a lot of money on energy and has a tax-exempt least financing.

Legislator Nacerino questioned line 56456, Laptop Lease.

Commissioner Carlin stated GASB 87 (Government Accounting Standards Board) requires that the County has to report these lease payments to the debt service fund because of the way the laptops for the Sheriff's vehicles were financed.

**OTB – Account 427201 (page 14)**

Commissioner Carlin stated the outlook for OTB (Off Track Betting) looks grim. He stated no revenue was budgeted or collected in 2020 or and it was not budgeted for 2021.

**Financing of Capital Projects**

Commissioner Carlin stated the County will delay projects utilizing County funds and borrow for Federally funded projects where County money is being leveraged by other funds.

**Item #4 - Other Business – None**

**Item #5 - Adjournment**

There being no further business at 7:20pm, Chairman Castellano made a motion to adjourn; Seconded by Legislator Sayegh. All in favor.

Respectfully submitted by Administrative Assistant, Beth Robinson.