

Commissioner Carlin stated the taxes are not checked generally when a bank is not involved with the selling of a property. He stated this issue has decreased because there are more properties that are bank financed and most banks require escrow. He stated referring back to the process; approximately 1,250 names were published for the delinquent taxes list in October and approximately 1,166 liens were taken out. He stated after two (2) years the County will take action to foreclose on the property. He stated before the County forecloses, another notice called an Advance Petition of Foreclosing Notice, which is not mandated, it is sent and states the property will be lost if a delinquent tax plan is not set up or taxes are not paid for. He stated some people complain about the Advance Petition of Foreclosing Notice because they feel that it is threatening, but the wording "failure to pay your taxes will result in the loss of your property" must be in this notice by State Law. He stated if there is no response after sending an Advance Petition of Foreclosing Notice, the County creates a list of properties to be searched for the foreclosure process. He stated the legal part of the foreclosure process is conducted in the Law Department. He stated a title search will be conducted by a title search firm that was hired by the County through an RFP. After the title search is completed, a petition of foreclosure is prepared. He stated with the cooperation of the Sheriff, a Deputy Sheriff will go with the Director of Real Property Taxes and the Tax Collection Supervisor will visit the delinquent tax payers.

Chairman Gouldman questioned what occurs with undeveloped land that is delinquent.

Commissioner Carlin stated if in the foreclosure process and the mail comes back, on vacant and occupied land, there will be a posting of the foreclosure notice on a tree. He stated it is required by law if the mail is returned to post the notice on the property.

Chairman Gouldman questioned if the notice is posted anywhere in particular on the property.

Commissioner Carlin stated there are no regulations that dictate how to post. He stated once posted and the County is in the process of foreclosure, there is a 90 day redemption period. He stated after the 90 days and the taxes are not paid or there is no plan installed then the Law Department will go to the Supreme Court for a Summary Judgment. Once a Summary Judgment is received then a deed is filed and the County owns the property.

Legislator Castellano questioned if the property goes to auction.

Commissioner Carlin stated the County needs to legally own the property before bringing it to auction. He stated it is important to note that at any point a property owner files for bankruptcy, the tax foreclosure process stops and the County has to wait for the court process of bankruptcy.

Legislator Gross questioned if the town's municipality has to send certified letters to homeowners.

Commissioner Carlin stated no, the County would send a certified letter to the homeowners.

Chairman Gouldman questioned if Commissioner Carlin believes this process needs to be improved upon.

Commissioner Carlin stated not on a County level. He stated the challenge is the law provides the County does not need to send a tax bill. As a property owner you are responsible for knowing the status

of the taxes on your property. He stated the case in the news is unique in how the property borders state lines.

Chairman Gouldman questioned how many properties are in the County that border Dutchess County, Westchester County or Connecticut.

Commissioner Carlin stated he is unaware of the total amount. He stated the State line is generally the property line. He stated he is unsure how many properties can “straddle” two (2) borders.

Legislator LoBue stated in part it is self-responsibility; especially to check the escrow.

Legislator Addonizzio stated these instances generally occur because the property owners are having financial problems.

Legislator Castellano questioned when auctioning a property, if it is sold for the amount in back-taxes.

Commissioner Carlin stated the County will get a comparative market analysis and sell for the highest price. He stated the County keeps the money that is made from selling the property. He stated the money made usually offsets the “problem properties”.

Legislator Scuccimarra stated there are some properties in Garrison that are too small or a septic cannot be placed on the properties; therefore it would be optimal to sell to the adjacent land owner.

Commissioner Carlin stated the County has eliminated a lot of properties through the land adjacent sale.

Legislator Addonizzio questioned if there were 477 in 2014 foreclosure actions in the County.

Commissioner Carlin stated those are mortgage foreclosures.

Item # 4 – Discussion/Procedures & Fees Associated with Establishing a New Business in Putnam County/County Clerk Michael Bartolotti

County Clerk Michael Bartolotti stated he brought sample forms for the Committee.

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

County Clerk Bartolotti stated the easiest way to start a business is to file for a business certificate. He stated this would be conducted in where the businesses are located. He stated the filing is governed under Section 130 of the New York State General Business Law. He stated filing does not offer any protection for the name of the business like a corporation or an LLC would. He stated it is inexpensive to file for a business, in the County it costs \$25 to file. He stated the forms are available in the County Clerk’s Office and on the internet. He stated this filing does not expire. He stated the County charges \$4 per each certified copy. He stated he recommends for the individual opening up a business to request for at least two (2) certified copies of the business certificate. He stated under the General Admissible Law the business certificate must be displayed and another is needed to open up a bank account. He

stated at the County Clerk's Office there is an old booklet if there is a need to get further information such as further permits. He stated the County Clerk's Office informs the new business owners of the EDC and the IDA if they need assistance in growing their business. He stated forming a corporation or an LLC is more involved and costly. He stated many times he would recommend getting an attorney if wanting to create a corporation or LLC.

Chairman Gouldman questioned on a County level, if there are specific fees for each type of business in the difference sectors; such a food service business would have fees from the Health Department.

County Clerk Bartolotti stated there are, but he is not aware of them. He stated for home improvement or similar business a license in the Department of Consumer Affairs must be completed. He stated it is costly especially with New York State Requirement of Workman's Compensation Premiums.

Legislator Albano stated he has heard contractors who are "semi-retired" have trouble with the licensing fees. He stated with the trades some of the licensing is done differently in Connecticut. He stated some Towns require their own license. He stated there are so many duplications.

Chairman Gouldman questioned the approximate total of revenue the County receives from the fees. He questioned if it would be beneficial to increase the fees.

County Clerk Bartolotti stated he cannot speak to that matter Director of Consumer Affairs Jean Noel would have an answer for those questions. He stated he has heard from individuals that state the most challenging fee is the Workman's Compensation Premiums. He stated he believes it would be beneficial to reduce the fees for the small businesses.

Legislator Nacerino stated Director Noel has done a great job with her Department in making sure the fees are fair and equitable. She stated she is aware that a hardship is when an individual posts a bond.

Legislator Albano stated the matter of the bonds is questionable. He stated the bond costs approximately \$175 and is a \$25,000 bond which covers the trade workers for about two (2) years. He stated Westchester County does not require such bond.

Legislator Nacerino stated she believes it is challenging for the small business owner to do the right thing by getting all license requirements completed versus a business that works without accountability.

Legislator Albano stated a complaint that he has heard is some businesses "slide under the radar" and do not receive fines while others do.

Legislator Nacerino stated a revenue report was viewed at the last Audit and Administration Committee meeting.

Item # 5 – Foreclosure Report- FYI

a. Discussion/Process of Mortgage Foreclosure/County Clerk Michael Bartolotti

County Clerk Bartolotti stated he generally sends the Legislative Office the Foreclosure Report. He stated initiated action is when the action is started. He stated an index number is assigned for the file in the County Clerk's Office and is usually accompanied with the summons complaint which states the

cause of action. He stated after this is conducted either there is an answer to the complaint or a negotiation is reached between the two (2) parties. He stated the banks usually want a negotiation because they do not want the property, they want their money. He stated sometimes the case will be dismissed for some error or defense motion. He stated the last scenario is through the pleading process or default a judgment of foreclosure or sale will be entered on the property. He stated the numbers he provides to the Legislative Office does not reflect the length the actions take. He stated the foreclosures stay relatively low when the employment and economy is doing well. He stated around 2006 the market dropped and people could not pay their bills and the adjustable rates started to reset. He stated after an inflated market, the mortgage payment doubled. He stated in 2008, 52% of the actions initiated had gone to judgment. He stated in 2009 and 2010, the percentage dropped to 27%. He stated the crisis has started to decrease and banks have gotten better to modify the mortgage or a foreclosure plan with the borrowers or, help in concede to a short-sale. He stated in 2011 there was legislation that had the homeowner in mind by increasing the filing fees, instituted a mandatory settlement conference, mandatory attorney affirmations. He stated the legislation prolonged the inevitable of foreclosing on a property, which is supported in the figures listed in the foreclosure report because in 2011 there were only 5% actions going to judgment. He stated when looking ahead he stated in 2012 and 2013 there were 14% of the actions going to judgment. He stated in 2014 there were 32% of the actions going to judgment. He stated the numbers are not decreasing from the passed legislation. He stated the economy is increasing and more businesses are developing but the decrease in the foreclosure judgments is going to take time.

Legislator LoBue stated in 2013 there were 81 docketed foreclosures and in 2014 there were 155 docketed foreclosures. She stated she finds it troubling that when the foreclosed properties they bring down the selling price for the surrounding properties. She stated she has constituents inform her that the unemployment rate is a false-positive because those that have lost jobs have found a job with a big cut in their salary. She stated it is challenging for the County in terms of the real-estate because Putnam County is small. She stated the trades and construction are contingent on the real-estate market.

County Clerk Bartolotti stated in terms of the real-estate there has been a “loosening up” and there have been transactions occurring in the County. He stated he is hopeful; however our County’s geographical location is a “dead area” for real-estate and it is slow to get started in terms of the real-estate process. He stated it is challenging for people to sell their house and get a fair market offer when there are houses in the area that are also trying to be sold.

Legislator Nacerino stated she believes the taxes contribute to the real-estate market because young families are looking beyond the borders of our County.

Legislator LoBue stated people once wanted to move to our County because it was considered affordable and it is approximately an hour away from New York City. She stated when she was running to be re-elected she noticed that houses on the streets looked dilapidated which can ruin a whole neighborhood. She stated on the opposite end of the spectrum, in Lake Mahopac there are million dollar properties that are selling very well. She stated those in the middle class are the ones who are suffering the most.

Legislator Nacerino stated it is the high end houses and the starter houses that sell quickly.

County Clerk Bartolotti stated Legislator Nacerino is correct. He stated the largest inventory is the middle end houses and these are the houses that have a challenge selling.

Legislator Castellano questioned if the County sells the notice dependency lists.

County Clerk Bartolotti stated the County does sell the notice dependency lists. He stated the County does not receive many requests for that list. He stated the notice dependency list can be printed for the individual and it will cost \$1.00 per page or the County can send the list by e-mail with no cost.

IDA Chairman Richard Ruchala stated that the cost for train tickets has increased as well. He stated that the County should consider the concept of a “Sister County” or a “Sister City”.

Chairman Gouldman stated he is aware of a similar instance in Co-Op City where many apartments were bought by Russians.

Item # 6 – Industrial Development Agency (“IDA”)/IDA Chairman Richard Ruchala

- a. Discussion/Proposed NYSAC Resolution/Recognizing the Vital Role that the IDA Play in New York State and Applauding the Important Work that IDAs Do to Create Jobs and Encourage Economic Growth**
- b. Discussion/ Proposed Resolution/Opposing Part W of Governor’s Proposed 2015 Budget**

Chairman Gouldman stated there was a request from NYSAC to support their proposed resolution that recognizes the vital role the IDA plays and how they assist economic growth in New York. He stated Governor Cuomo introduced a proposal that would undermine the IDAs and authorize more audits. He stated the County has been asked to oppose the Governor’s Part W of his Proposed 2015 Budget.

IDA Chairman Ruchala stated he thanks the Committee for asking for his insight on this matter. He stated IDAs were made to ensure that local municipalities had power over their communities based on “homerule”. He stated Part W of the Governor’s Proposed 2015 Budget states after the IDA approves of a contract, then the Economic Development Council (“EDC”) will approve it and then the Empire State Development will approve the contract. He stated after the contract is approved by the Empire State Development it will be reviewed by the State Department of Taxation & Finance. He stated this prolonged process affects the business timetable, which costs money. He stated the proposition creates power for the Governor or the County Executives to control how the IDAs run business. He stated currently the County has authority over the IDA but, homerule establishes the outcome.

Legislator Scuccimarra questioned the rationale behind the Governor’s proposed 2015 Budget. IDA Chairman Ruchala stated it is power. He stated currently, the IDAs do not have a lot to bargain with. He stated the IDA will be sending a letter opposing Part W of the Governor’s Proposed 2015 Budget.

Legislator LoBue stated she supports the opposition of the Governor’s Proposal. She stated it is best to keep business matters local.

Chairman made a motion to approve the Memorialization Opposing Part W of Governor Cuomo’s Proposed 2015 Budget; Seconded by Legislator Scuccimarra. All in favor.

IDA Chairman Ruchala stated he would like to discuss the matter of funding for the IDA. He stated this matter was discussed at the last Committee meeting (*February 12, 2015*). He stated the IDA is low on funding. He stated the IDA receives leads from the EDC. He stated the IDA would be grateful for a CEO and some marketing money.

Legislator Albano stated the IDA should send their request in writing with the proposed business plan in how the money would be used.

Legislator LoBue stated developmentally the County is lacking in “class A” office space. She stated approximately 70% of Putnam County’s residents leave the County for work. She stated the IDA receives a percentage when they have a contract, which is the revenue that they used to fund their Agency.

Legislator Scuccimarra stated this is the first time the IDA is requesting funds.

IDA Chairman Ruchala stated when the economy was doing well so was the IDA. He stated in the past the IDA and the EDC were a “group”. He stated in Westchester County the IDA pays the EDC. He stated in Dutchess County there are 13 EDCs and the County Executive is proposing to have just one (1) EDC.

Legislator LoBue stated the EDC in the County has been funded in the past. She stated during the 2014 Budget Process the EDC was granted an extra \$35,000. She stated she would like to see the \$35,000 given to the IDA to assist them in paying for things they need such as accountants, lawyers, and insurance. She stated the EDC has not been successful. She stated the EDC is the agency that is supposed to provide leads for the IDA. She stated the EDC and the IDA used to work together. She stated the \$35,000 is already appropriated.

Legislator Scuccimarra questioned about the status of the potential loan agreement. She stated the loan would provide the IDA with \$75,000.

IDA Chairman Ruchala stated he wanted to be independent from the County Government.

Legislator Scuccimarra stated if the County provided the IDA with a loan, oversight would be appropriate.

IDA Chairman Ruchala stated he always provides verbal updates to the Legislature. He stated the County has authority over the IDA; however he wanted the IDA to remain autonomous and not become involved in political issues. He stated the loan contract that was drafted came across as overbearing; for instance the loan contract stated the County would have “unlimited access”.

Legislator Nacerino stated for clarification, the IDA did not accept the \$75,000 loan proposed by the Administration because the conditions appeared too stringent.

IDA Chairman Ruchala stated correct, he sent the proposed loan contract to the IDA Board and the IDA Board rejected it unanimously.

Legislator Nacerino stated now the IDA is requesting for \$75,000 through funding rather than a loan.

IDA Chairman Ruchala stated that is correct. He stated the EDC and Cornell Cooperative Extension receive funding with no severe strings attached. He believes the IDA should be reimbursed with funding because the IDA receives power from the County.

Legislator Nacerino questioned if IDA Chairman Ruchala met with the County Executive regarding this matter.

IDA Chairman Ruchala stated he met with Deputy County Executive Bruce Walker when the original discussion about the loan contract began.

Legislator Gross stated he is concerned and believes the EDC and the IDA should be independent agencies.

Legislator Scuccimarra stated she believes if the County provides funding to the IDA the County should be able to have control. She stated historically, the IDA never needed to have funding to support their Agency.

IDA Chairman Ruchala stated the IDA has never asked for money. He stated in 2006 there was the creation of the unfunded mandates. He stated the IDA was given approximately \$1,800 a year. He stated the IDA financially supported the EDC when they were in need and vice versa. He stated the IDA is no longer allowed to lend money or give money to outside organizations. He stated the IDA did need funding and at one point block grants in the Village of Brewster. He stated the mandates have increased and bonding has not occurred in the County.

Legislator Nacerino questioned if the request for funding is a one (1) time request.

IDA Chairman Ruchala stated he is not sure.

Legislator Albano stated the economy has changed over the years. He stated perhaps a combination of a loan and some upfront money can be given to the IDA. He stated perhaps the loan agreement can be amended. He stated a business plan from the IDA needs to be put together.

Legislator LoBue requested for clarification on the mandates that are placed upon the IDA.

IDA Chairman Ruchala stated the IDA has a \$4,200 net omissions liability policy.

Legislator LoBue stated the EDC has been overfunded by \$35,000 that has already been appropriated. She stated she is not comfortable with giving the IDA \$75,000. She stated the IDA can receive that \$35,000 and see if that assists them. She stated the County would not have any economic development without tax abatements and incentives from the IDA.

Chairman Gouldman stated he agreed with Legislator LoBue. He stated the IDA should send a proposal to the Legislature.

Legislator Nacerino stated the EDC is in limbo without a director at this time.

Legislator Scuccimarra stated there is still an EDC Board. She would not want to take the funding away from the EDC.

IDA Chairman Ruchala stated he would like a similar contract to what the EDC has. He stated the IDA is a hard working volunteer board.

Item # 7 – Approval/Appointment/Fiscal Vision & Accountability Commission Member/Patricia Ploeger

Legislator LoBue questioned if there is a representative from the Town of Carmel on the Fiscal Vision & Accountability Commission. She stated it appears there are a lot of Commission Members from the west side of the County.

Legislator Scuccimarra stated yes, Michael Johnson who is a retired chief of police is from the Town of Carmel.

Legislator Nacerino stated Patricia Ploeger is from the Town of Patterson.

Chairman Gouldman made a motion to approve the appointment of Patricia Ploeger to the Fiscal Vision & Accountability Commission; Seconded by Legislator Scuccimarra. All in favor.

Item # 8 – Unemployment Report- FYI- Duly Noted

Item # 9 – Other Business

a. Verbal Update/Putnam County Chambers of Commerce/Bill Nulk

Bill Nulk stated he wanted to remind the Legislature that this Sunday, March 15th there will be the 5th Elected Officials Forum at Cornerstone Park. He stated this provides elected officials the opportunity to speak about issues occurring in the County. He stated it is open to the public to observe.

Item # 10 –Adjournment

There being no further business at 8:03 P.M. Legislator Scuccimarra made a motion to adjourn; Seconded by Legislator Addonizio. All in favor.

Respectfully submitted by Administrative Assistant, Lisa Sommers.