

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

Members: Chairman Castellano and Legislators Albano & Gouldman

Monday

6:30pm

April 25, 2022

The meeting was called to order at 6:31pm by Chairman Castellano who requested Legislator Gouldman lead in the Pledge of Allegiance. Upon roll call Legislator Gouldman and Chairman Castellano were present. Legislator Albano was absent.

Item #3 – Approval of Minutes – March 28, 2022

The minutes were approved as submitted.

Item #4 – Correspondence/County Auditor

a. Sales Tax Report

Legislator Gouldman stated the report shows that more sales tax has been collected at this point in the year than in the previous two (2) years.

b. Board In Revenue Report – Duly Noted

c. OTB Report

Chairman Castellano stated he would like to have a representative from the OTB come before the Committee to provide an update.

Legislator Gouldman stated last year a payment was made to the County in May. He questioned if this is expected again this year.

Commissioner Carlin stated he would doubt it but does not know for sure.

d. Transfer/Revenue Report – Duly Noted

e. 2022 Contingency/Sub-Contingency Report – Duly Noted

Item #5 – Correspondence/ Commissioner of Finance

a. Overtime/Temporary Report – Duly Noted

b. Approval/ Budgetary Amendment 22A019/ Historian/ Reimburse Printing Costs for Publication (Also reviewed in Health)

Chairman Castellano questioned if the books have been sold yet or if this is anticipated revenue.

Legislator Sayegh stated the books have been sold and the proceeds from the sales are being used to offset the printing costs.

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

c. Approval/ Budgetary Amendment 22A023/ Health Dept./ Modify Budgetary Amendment 22A001/ Hire 2 Public Health Graduate Fellows in lieu of 2 Public Health Fellows (Also reviewed in Personnel)

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

d. Approval/ Budgetary Amendment 22A024/ Sheriff's Dept./ Reimbursement Received from Insurance/ Cost of Repairing Sheriff's Vehicle Involved in Accident (Also reviewed in Protective)

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

e. Approval/ Budgetary Amendment 22A025/ Health Dept./ Office Supplies and Equipment for 4 New Fellowship Positions (Also reviewed in Health)

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

f. Approval/ Budgetary Amendment 22A026/ Sheriff's Dept./ Correctional Facility/ Federal SCAAP (State Criminal Alien Assistance Program) Funds to Replace 2 Vehicles (Also reviewed in Protective)

Legislator Gouldman questioned why the vehicles were being purchased from a dealer in Morristown, New Jersey.

Commissioner Carlin stated when vehicles are being purchased, the County has to go out to bid and can sometimes piggyback on the State bid. He stated right now, vehicles are difficult to get and it is best to purchase from wherever we can.

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

g. Approval/ Budgetary Amendment 22A027/ Sheriff's Dept./ Utilize Donation for K-9 Unit Equipment (Also reviewed in Protective)

Chairman Castellano thanked Mr. Joseph Stilwell for his generous donation.

Legislator Nacerino thanked Mr. Joseph Stilwell, who is a resident of Patterson, for his ongoing contributions to the K-9 Unit.

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

Item #6 – Approval/ Fund Transfer 22T043/ Sheriff's Dept./ Unpredicted Compensation Time Payout (Also reviewed in Personnel)

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

Item #7 – Approval/ Fund Transfer 22T060/ Sheriff's Dept./ Cover Salary due to Position Move (Also reviewed in Personnel)

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

Item #8 – Approval/ Fund Transfer 22T061/ Sheriff's Dept./ Cover Salary due to Position Move (Also reviewed in Personnel)

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

Item #9 – Approval/ Fund Transfer 22T063/ District Attorney/ Funding for Re-Trial Costs relating to People v. Andrew Krivak (Also reviewed in Protective)

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

Item #10 – Approval/ Fund Transfer 22T064/ Sheriff's Dept./ BCI/ Utilize Funds from Sub-Contingency for Vehicle (Also reviewed in Protective)

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

Item #11 – Approval/ Fund Transfer 22T065/ Sheriff's Dept./ Civil Division/ Utilize Funds from Sub-Contingency for Vehicle (Also reviewed in Protective)

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

Item #12 – Approval/ Fund Transfer 22T070/ Sheriff’s Dept./ Civil Division/ Purchase of Vehicle/ Cover Shortfall of Purchase Price (Also reviewed in Protective)

Legislator Nacerino stated this vehicle will be a marked car and this extra funding will cover the cost of the necessary markings as well.

Legislator Gouldman stated this vehicle is also being purchased from a dealer in New Jersey. He stated he would like to see these purchases being made more locally, even if it were from within the State of New York.

Chairman Castellano stated following the bid process, the County received the best price from this dealer in New Jersey. He stated hopefully in the future purchases can be made more locally.

Commissioner Carlin stated Director of Purchasing Alessandro Mazzotta could be invited in to speak to the bid process. He stated years ago the County tried to keep purchases within Putnam County, but it was found to be against State laws. He stated looking into it again now, he would anticipate the same result.

Legislator Gouldman stated he would like to hear more information.

Chairman Castellano stated he would invite Director Mazzotta to the May Audit & Administration Committee meeting.

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

Item #13 – Approval/ Fund Transfer 22T074/ Highway/ Elevator Repairs at Historic Courthouse

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

Chairman Castellano questioned if the elevator is now working in the Historic Courthouse.

Commissioner Carlin stated he is unsure if the elevator has been repaired, but the quote to fix it was received.

Chairman Castellano made a motion to approve Fund Transfer 22T074; Seconded by Legislator Gouldman. All in favor.

Item #14 – Approval/ Motor Fuel Sales Tax Adjustment (To go to 4/25/22 Special Full)

Chairman Castellano stated New York State has temporarily removed the tax on motor fuel and Dutchess County, as well as other surrounding counties, has implemented a motor fuel sales tax cap. He stated with this resolution Putnam County is looking to cap the sales tax at \$2.00, meaning the County would collect 4% tax on motor fuel sales up to \$2.00 per gallon. He stated the intention behind this is to hopefully pass along the savings to the consumer.

Legislator Gouldman stated his support for this resolution. He stated in 2021, Putnam County brought in \$18 million in revenue above what was budgeted for sales tax. He stated he believes this will help residents save money.

Legislator Addonizio stated this was discussed at the Rules, Enactments, & Intergovernmental Relations Committee Meeting this month. She agreed that this is an important measure to help customers in Putnam County and she hopes this results in a savings as the gas pump.

Legislator Jonke stated he is supportive of this temporary sales tax cap, however he does not believe this is an effective way of assisting constituents. He stated if the Legislature wants to seriously consider helping the residents of Putnam County, it should be done through property taxes rather than consumers who may or may not be Putnam County residents. He stated this is a small token to provide temporary assistance and he will support it at this time. He stated during review of the budget, he hopes to look into relief on the property tax levy.

Legislator Sayegh questioned what the possible savings would be from this temporary tax cap.

Commissioner Carlin stated NYSAC (New York State Association of Counties) estimated a loss of \$1 million-\$1.5 million on the \$2.00 cap.

Legislator Sayegh stated inflation effects everyone, including government. She stated as we saw tonight under agenda item #12, the County has to pay about \$10,000 more for a vehicle. She stated expenditures like this will tighten our budget even more.

Commissioner Carlin stated increased costs will be seen throughout the budget. He stated budget increases will be requested mid-year on just about everything due to inflation. He stated this specific resolution sunsets on December 1, 2022 and should not affect the 2023 budget.

Legislator Sullivan stated the County had a significant surplus in sales tax in 2021. He stated this tax cap is not a tremendous amount of money, but it is a way to help consumers within Putnam County. He stated neighboring counties have also approved similar measures. He stated hopefully gas prices begin to come back down, and in the

meantime, this is a great way to help our constituents save money. He stated this will also help small businesses with vehicle fleets.

Legislator Nacerino agreed with the comments made this evening. She stated this is a small overture to try to help our constituents. She stated this certainly will not make a huge dent, like lowering the property tax levy would, which would be a comprehensive and aggressive decision that would have to be discussed in great detail. She stated the loss Putnam County will experience because of this tax cap is a loss of anticipated money and will not affect the general fund. She stated helping our residents is the right thing to do.

Chairman Castellano stated he does not disagree with the statements made this evening, but he does have concerns. He stated the longer gas prices remain high, the worse off everyone will be; hopefully they begin to decrease. He stated he drives about 500 miles per week and this will save him about \$5 or \$6 per month. He stated hopefully the gas stations lower their price of fuel by the anticipated amount. He requested clarification about whether ending the temporary tax cap would need to be voted on.

Commissioner Carlin stated the resolution includes a sunset clause of December 1, 2022.

Chairman Castellano stated he has been told the sunset clause is not correct.

Senior Deputy County Attorney Conrad Pasquale stated guidance was received directly from the State, including on an inquiry directly related to the sunset provision. He stated the sunset provision is perfectly acceptable to be put into the resolution. He stated alternatively, if the Legislature wanted to completely overhaul and amend how the motor fuel sales tax is implemented, that could be done as a long-term measure. He stated this resolution is a short-term measure to address an immediate crisis.

Chairman Castellano stated the resolution before the Committee would implement this motor fuel sales tax cap between June 1, 2022-December 1, 2022. He stated he is supportive of this at this time. He stated his concern is that if the price of gasoline continues to rise, the County could be facing an issue.

Legislator Sayegh questioned when the impact of this sales tax cap will be known.

Commissioner Carlin stated we will not know until after it is done because consumption will not be known until that point.

Legislator Montgomery questioned if the County can handle the loss that will result from this based on the sales tax surplus, even factoring in Chairman Castellano's concern about the price of gas continuing to rise and the increased costs to the County across the board.

Commissioner Carlin stated if the price of gas continues to rise, the County would need to reassess how things are budgeted.

Senior Deputy County Attorney Pasquale stated with this version of the resolution, it addresses about \$0.04 per dollar, and the County sets the specific dollar amount where the collection of the \$0.04 is capped. He stated the State gave the option for counties to cap their collection at \$2.00, \$3.00, or \$4.00. He stated if gas rises above this amount, this option does not even contemplate that and a separate discussion would have to be had at that point regardless.

Legislator Sullivan stated to follow up on Legislator Montgomery's question, the County has already surpassed its sales tax budget for this point in the year. He stated he believes some of that extra sales tax being collected is a result of the increasing price of gasoline. He stated he does not believe this tax cap will have as big of an impact because the increased cost of gas was not contemplated when the budget was being formed. He believes the County will be able to handle the temporary six (6) month reduction.

Chairman Castellano questioned how much sales tax was budgeted for in terms of gasoline.

Commissioner Carlin stated the sales tax is budgeted holistically. He stated if more money is being spent on gas there is less money being spent elsewhere. He stated it is true that the County is above their budgeted sales tax for this year and should be able to handle the six (6) month reduction. He stated what cannot be guaranteed is if the savings will be passed along to the consumer.

Legislator Gouldman stated Putnam County is unique in that there are not as many places to shop as other surrounding counties, however the County generates sales tax based on online sales. He stated even if the price of gas resulted in less people going out to physically shop, the County can still rely on sales tax from online sales. He stated he believes 2022 will be another good year for sales tax.

Chairman Castellano stated he is concerned with the rising price of gas and hopes it will begin to come down soon. He stated he will support this temporary tax cap. He stated it is important to also anticipate the additional costs the County will be paying because of inflation.

Legislator Montgomery stated she is also concerned with the price of gas. She stated she hopes this inflation leads to the County optimizing services such as remote working or holding hybrid meetings to allow for remote public participation.

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

Chairman Castellano read comments submitted by Legislator Albano supporting this agenda item that he requested be read into the record.

Item #15 – Approval/ Local Law to Amend Chapter 41 of the Code of Putnam County Entitled “Deposit & Investment Policy”

- a. Letter from Finance Dept./ Explanation of Amendments to Section 41-8**
- b. Letter from Finance Dept./ Explanation of Amendments to Section 41-10**

Chief Deputy Commissioner of Finance Michael Lewis stated this section of the Putnam County Code is being updated to allow the County to have more flexibility based on the general municipal law that was amended in July 2021. He stated it will allow the County to invest in other obligations within the State.

Commissioner Carlin stated most counties have updated their investment policies to include this collateral.

Legislator Montgomery questioned the amendment to Section (A)(2)(c) to add J.P. Morgan Securities LLC.

Chief Deputy Commissioner Lewis stated under the advisement of the County’s cash management consultant, the County is taking the opportunity of J.P. Morgan Securities LLC allowing the County to invest in those types of securities.

Legislator Montgomery questioned how the cash management consultant is chosen. She questioned if it is done each year.

Chief Deputy Commissioner Lewis stated a market analysis is done on a monthly basis.

Commissioner Carlin stated the consultant is hired annually and they report to the County quarterly.

Legislator Sayegh questioned if opening up to a wider range of investments increases risk.

Commissioner Carlin stated risk will not increase as these are backed and vetted by the general municipal law.

Legislator Montgomery questioned when investment of tax dollars began.

Commissioner Carlin stated it began in the 1980’s.

Chief Deputy Commissioner Lewis stated Sections 1A (5) and (6) speak to the level of security of the investments; they will go before the State Comptroller for approval.

Legislative Counsel Robert Firriolo stated there are a few punctuation typos to be corrected in Section 1A. He stated paragraph seven (7) should end with a semicolon rather than a

period, the “or” at the end of paragraph eight (8) should be at the end of paragraph nine (9), which should also end with a semicolon rather than a period.

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

Legislator Montgomery requested a redlined copy of amendments moving forward.

Commissioner Carlin stated that can be done in the future.

Legislative Counsel Firriolo stated in this case, this was such a significant change that it completely replaced what was there before, therefore a redlined copy would not be helpful.

Item #16 – Other Business – None

Item #17 – Adjournment

There being no further business, at 7:19p.m. Chairman Castellano made a motion to adjourn; Seconded by Legislator Gouldman. All in favor.

Respectfully submitted by Administrative Assistant, Beth Robinson.