

**PHYSICAL SERVICES COMMITTEE
HELD IN ROOM 318
PUTNAM COUNTY OFFICE BUILDING
CARMEL, NEW YORK 10512
(Chairman Albano, Legislators Castellano & Gouldman)**

Monday

6:00PM

June 13, 2022

The meeting was called to order at 6:00p.m. by Chairman Albano who requested Legislator Sullivan lead in the Pledge of Allegiance. Upon roll call, Legislators Castellano and Gouldman were absent. Chairman Albano was present. Chairman Albano stated that Legislators Sayegh and Sullivan would be sitting in on the committee for this meeting.

Item #3 - Approval/ Fund Transfer 22T109/ MTA Railroad Maintenance Costs- Pursuant to Section 1277 of the Public Authorities Law/Deputy Commissioner Finance Michael Lewis

Chairman Albano stated this is an agreement to pay for maintenance of the railroad facilities in Putnam County.

Legislature Sayegh noted the C.P.I. (Consumer Price Index) factor was increased 6.789% between April 1, 2021 and ending March 31, 2022.

Chairman Albano made a motion to approve Fund Transfer 22T109 – MTA Railroad Maintenance Costs; Seconded by Legislature Sullivan. All in favor.

Item #4 - FYI/ Tilly Foster Building #7 – Utilities Cost Information/ Deputy Commissioner of Highways & Facilities John Tully

Deputy Commissioner of Highways & Facilities John Tully stated he provided a factual breakdown of utility expenses.

Chairman Albano stated electric is kept on because of the equipment that runs from that location on the Farm, regardless if the space is occupied or not. He questioned if there was an alarm system in the building.

Commissioner of Highways & Facilities Fred Pena stated there is a water alarm in the basement.

Deputy Commissioner of Highways & Facilities John Tully stated that is correct, the electric handles the pumps and some parking lot lights and sidewalk lighting as well.

Chairman Albano stated he believes it is good that there is someone at the building to take care of any issues.

Legislature Sullivan stated it is important to note that the water system is kept on to service areas of the farm. for the tenants.

Legislature Montgomery stated the issue is revising the lease. She requested the utility usage for this location. She stated the electric bill seems too low at only \$26 a month.

Chairman Albano stated he did not believe that number was accurate. He agreed with Legislature Montgomery that the bill is probably greater than \$26.

Deputy Commissioner of Highways & Facilities John Tully stated these are estimated numbers from NYSEG. He stated he will update the numbers when the next meter reading is done, which should be an actual reading. He stated prior to any occupancy in Building #7 the County was spending \$70 - \$100.

Legislature Nacerino stated based on the fact that the electric reading history are based on estimates, the actual bill could be much higher.

Deputy Commissioner of Highways & Facilities John Tully stated the kilowatt rate has increased.

Legislature Sullivan stated the bill would still be around \$100 without using the electricity. He stated Jar Worthy only uses a few light bulbs. He stated the low electric bill is not surprising to him.

Legislature Montgomery stated per this discussion the cost of electric used by Jar Worthy is unknown. She stated they are manufacturing candles as the location, therefore there is a use of energy as well. She stated based on her calculations of the oil usage, per the memorandum provided by Deputy Commissioner Tully, she estimates the average cost of oil to be \$662.33 per month. She stated her opinion that based on the cost of the electricity, which is still unknown, and the projected monthly cost of oil, the monthly rental fee of \$800 is low.

Deputy Commissioner Highways & Facilities Tully stated he approached the calculation of the monthly cost differently. He stated one factor that came into is calculation is, currently they are not using oil. He stated the County's Facilities folks, based on the amount of oil in the tank currently, do not believe they will not need to place another oil delivery until October 2022. He stated while the numbers he provided represent the first quarter, it is not fair to extrapolate that for every month. He explained his calculation.

Legislator Montgomery questioned if the price the County pays for oil, is a locked in price from 2021 of \$3.14/per gallon.

Deputy Commissioner Highways & Facilities Tully stated that is correct. He did state the County does not have a locked in price. He stated the County has a price escalation based upon the barrel price of oil that is advertised in the Wall Street Journal.

Legislature Montgomery stated we know that the per gallon rate has about doubled since the \$3.14/per gallon rate. She stated the building is being rented below market value. She stated utility usage is not clear, the County allowed the tenants to occupy the space prior to the lease being signed.

Chairman Albano stated there is a rough estimate of what the utility cost will be. He stated the business is a low energy user. This issue will not make or break Putnam County. He stated now that we have a general idea of the costs of the space the committee will move onto the next agenda item. He stated that is the consideration of the amendment of the proposed lease.

Item #5 - Approval/ Tilly Foster Farm Building #7- Jar Worthy, Inc./ Proposed Amendment to Lease Agreement/ County Attorney Jennifer Bumgarner (This was Tabled at May 19th Phys Mtg.)

Chairman Albano stated Jar Worthy would like the option to renew the lease for an additional two (2) years. He stated he wished this matter would have been brought to the Legislature from the beginning, unfortunately it did not. He stated where we are now some logical decisions need to be made. He stated he sees this is a business that is conducive to the Tilly Foster Farm (Farm). He stated they have been approved by the WAC (Watershed Agricultural Council), which is a requirement for any business at that location.

Legislature Sullivan stated the previous tenant, The Rock & Roll Hall of Fame, paid no rent. He stated what the current tenant is paying is better than previous circumstances. He encouraged everyone to visit Jar Worthy. He stated having Jar Worthy there is a benefit to the Farm. He stated it is not in a commercial area. He stated he is in favor of having them there, as he always has been, and is in favor the proposed lease amendment.

Legislature Sayegh stated Jar Worthy has WAC approval. She stated this proposal was already voted on. She stated auto renewal allows stability to make improvements. She explained if we approve adding the auto renewal in to (2) years there is also a termination clause in the said lease, which states the County or the Renter can terminate this agreement at any time. She does not see a problem with approving this amendment request.

Legislature Nacerino disagreed with the opinion of Legislature Sayegh. She stated the lease was scaled back to 2 years and has not yet been executed. She stated the improvements to the

property were unauthorized. She stated the renovations they did and the choice to locate in the space was the decision of the Renter. She stated her concern with this matter is the processed. She stated her concern about negotiating renewal of a lease in advance of the expiration date. She stated approving this proposal of including a rollover, would be pushing back to how this was originally presented to the Legislature, and that was not agreed to. She stated she realizes the owners of this business are wonderful people and it is a wonderful business, she has nothing disparaging to say about that. She stated that is not the consideration before this committee this evening. She stated she believes this would set a bad precedent for the County. She stated she believes this would tie the hands of the future Administration and future Legislature. She stated she is not in support of approving this amendment. She questioned if the lease has currently been executed.

Chairman Albano stated it has not.

Legislator Nacerino questioned why that is.

Legislature Montgomery stated she listened to the previous meeting when this matter was discussed, and it was clear the decision was not to extend the lease and it was approved without this amendment to the lease. She stated and now here it is again. She stated if all of the negative's for the business that were stated this evening such as there is no visibility from the road maybe this is not the right use for the space. She stated Government should focus more on taking care of Government. She stated in Article V of the lease it states that Jar Worthy in collaboration with the County, would utilize some of the farm product in their candles, and the profits would be shared with the County. She stated the Legislature has not seen any of that information. She stated she does not believe it to be in the best interest of the County to approve this. She recommended tabling this matter until the Legislature can get the actual electric and oil costs and see the profit. She stated the initial proposal said any and all profits recognized from the sale of goods and produce grown at the Farm shall remain property of the lesser and such financial profits shall be turned over to the Commissioner of Finance. She stated as far as she is aware we have not seen any of that. She stated she would also like to note the County winterized the building prior to the tenant moving in. She stated Government should be serving the people instead of focusing on bars, wedding venues, golf courses and restaurants. She stated as government we get to do it, and not following any rules.

Chairman Albano expressed his disagreement with Legislature Montgomery. He stated we are making the County facilities healthy and places where residents can go and enjoy. He stated and it does not cost the County too much, because the facilities generate money. He stated in this case he does not believe the tenant did anything wrong, because they understood this was moving forward. He stated he has questions in terms of how this all happed. He stated with that said the matter is in front of us now. He stated the Tenant is looking for the option to renew the

lease. He stated the lease also does include that within 30 days' notice, either party can be terminated the lease. He continued to speak to his support of approving this amendment. He stated the income from the produce at the farm is not going to be much, in his opinion. He stated it certainly will not make or break his decision. He stated the business works well and the tenants deserve to feel comfortable in the arrangement.

Legislature Nacerino recommended this amendment be tabled. She stated Legislature Castellano requested information and he should be present for this decision. She stated also out of consideration for the committee members who are not present this evening, Legislators Castellano and Gouldman, she believes this matter should be tabled. She stated again her concern with this matter is the process. She stated expressed that she is very concerned that the Tenant has not executed the lease. She stated technically they are six (6) months into a two (2) year lease and have not executed it. She stated she does not support building renewal clauses into the County leases.

Legislature Montgomery stated that if the initial agreements in the lease regarding the use of the products etc. then she believes it should be taken out of the lease. She stated it was part of the proposal and approved in the lease. She stated but as it has been explained by the Chairman of the Committee this evening that it does not matter, then it should be taken out of the lease.

Chairman Albano stated he is saying the profit does not matter but agrees that it should be recorded. He stated he believes the service of the business stands out more than the profit.

Legislature Sayegh stated she recalls initially, when the gardens at the Farm began to produce fruit, it was agreed that the County would not be selling the produce, because the County would not compete with the local County farms. She stated therefore she does not believe selling produce should be a factor because it was not initially discussed. She stated the Tenant's use of the product in their products, candles and soaps that is one thing, but not selling the County's actual produce.

Legislator Montgomery repeated then the wording should be removed from the lease.

Chairman Albano stated that he did speak with Legislator Castellano about this matter and he did not have a problem with this matter. He stated he does not want to hold this off. He stated he will be making a motion to move it to the Full Legislature Meeting in July.

Chairman Albano made a motion to approve Tilly Foster Farm Building #7- Jar Worthy, Inc./ Proposed Amendment to Lease Agreement; Seconded by Legislature Sullivan. All in favor.

Item #6 - Discussion/ Fair Street – Pin #8756.09/ Property Acquisitions/ Administrative Settlement/ Deputy Commissioner of Highways & Facilities John Tully

- a. Maps 15 & 16, SBL 44.14-1-46
- b. Maps 17 & 19, SBL 44.14-1-47
- c. Maps 18 & 19, SBL 44.14-1-47

Commissioner of Highways & Facilities Fred Pena stated the Fair Street project is moving forward and on schedule and they are in the design phase currently. He stated the Right of Way Team, an outside consultant, R.K. Heights recommended a process to purchase a property. He stated it is called Administrative Settlement. He stated spoke to this process. He stated what they are looking for now is the approval to start that process. He stated it is outside of the appraisal process, therefore it would be under the Law Department's purview to make the recommendations.

Chairman Albano stated this discussion would be more appropriate for Rules Committee.

Deputy Commissioner Highways & Facilities John Tully stated they have discussed this with the County Attorney. He stated she stated she would be available to discuss this at the Rules Committee Meeting and bring forward for consideration by the Rules Committee the necessary resolutions.

Legislature Addonizio questioned if there were 3 properties.

Commissioner of Highways & Facilities Fred Pena confirmed currently there are 3 properties being discussed. He stated this is a possible option to Eminent Domain Procedure Law (EDPL). He explained that there are a variety of ways we can negotiate and avoid the EDPL.

Legislature Addonizio questioned if the owners were in favor of selling these properties.

Commissioner of Highways & Facilities Fred Pena stated the owners are not in agreement with the appraisal price but are not opposed to selling the properties. He stated that the Outside Consultant is putting some fact together to support the offer.

Chairman Albano stated this matter will be discussed at the Rules Committee Meeting.

Item #7 - Approval/ Additional Construction and Construction Inspection Funding for Pin #8762.13 - Sprout Brook Bridge Over Canopus Hollow Creek (BIN 3345690)/ Deputy Commissioner of Highways & Facilities John Tully

Deputy Commissioner of Highways & Facilities John Tully stated additional funding is needed to meet the Engineer's estimate of \$520,000.

Commissioner Bill Carlin stated that he will have a resolution and ARPA Funds if there is agreement to do the project. He stated with bonds increasing, it is difficult to secure funding.

Chairman Albano made a motion to approve Additional Construction and Construction Inspection Funding for Pin #8762.13 - Sprout Brook Bridge Over Canopus Hollow Creek (BIN 3345690); Seconded by Legislature Sullivan. All in favor.

Item #8 - Approval/ Implementation and Funding in the First Instance 100% of the Federal-Aid and State “Marchiselli” Program-Aid Eligible Costs, of a Transportation Federal-Aid Project, and Appropriating Funds Therefore (Drewville Road Bridge PIN 8757.65)/ Deputy Commissioner of Highways & Facilities John Tully

Deputy Commissioner of Highways & Facilities John Tully stated the Highway Department discussed funding with the Transportation Council to maintain 80% federal match. He stated cost has gone up, but this project has been a priority. He stated there is also a large construction project at the intersection of the end of Drewville Road that is projected to start in 2023. He stated they would like this project on Drewville Road completed before that one starts. He stated they would like to avoid having two (2) construction projects going on at the same time on the same corridor.

Legislature Sullivan questioned when this project will be started.

Deputy Commissioner of Highways & Facilities John Tully stated this project will begin this construction season.

Chairman Albano made a motion to approve Implementation and Funding in the First Instance 100% of the Federal-Aid and State “Marchiselli” Program-Aid Eligible Costs, of a Transportation Federal-Aid Project, and Appropriating Funds Therefore (Drewville Road Bridge PIN 8757.65); Seconded by Legislature Sullivan. All in favor.

Item #9 - Approval/ Budgetary Amendment (22A045)/ Sprout Brook Road- PIN 8762.13 & Drewville Road Bridge- PIN 8757.65/ Adjust the Capital Budget- per Agenda Items #7 & #8/ Deputy Commissioner of Highways & Facilities John Tully

Deputy Commissioner Highways and Facilities Tully stated this is the budgetary amendment that Commissioner of Finance Carlin spoke to earlier this evening.

Chairman Albano made a motion to approve Budgetary Amendment (22A045)/ Sprout Brook Road- PIN 8762.13 & Drewville Road Bridge- PIN 8757.65/ Adjust the Capital Budget- per Agenda Items #7 & #8; Seconded by Legislature Sullivan. All in favor.

Item #10 - Approval/ Putnam County Public Transportation Agency Safety Plan (ASP)/ Interim Planning Commissioner John Tully

Interim Planning Commissioner John Tully stated this is a safety plan that is required to be in compliance with the FTA.

Chairman Albano made a motion to approve Putnam County Public Transportation Agency Safety Plan (ASP); Seconded by Legislature Sullivan. All in favor.

Item #11 - Approval/ 2022 Consolidated Funding Applications (CFA)/ Interim Planning Commissioner John Tully

Interim Planning Commissioner John Tully stated the CFA Grant application is due July 15. He requested authorization to apply for the 3 items outlined in the Resolution: Salt Storage Facility, Historic Courthouse Column Restoration, and Energy Efficiency Electric Charging Stations. He stated there are other categories in the CFA application for roadway projects. He stated they are pressed for time to get the Resolution to the board to apply for grants.

Chairman Albano made a motion to approve 2022 Consolidated Funding Applications; Seconded by Legislature Sayegh. All in favor.

Item #12 - Other Business – None

Item #13 - Adjournment

There being no further business at 6:42 PM Chairman Albano made a motion to adjourn; Seconded by Legislator Sullivan. All in favor.

Respectfully submitted by PILOT Summer Intern Eden Barone.