

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

Members: Chairman Castellano and Legislators Ellner & Gouldman

**Monday January 29, 2024
(Immediately following Personnel Mtg. beginning at 6:30pm)**

The meeting was called to order at 7:00pm by Chairman Castellano who requested Legislator Gouldman lead in the Pledge of Allegiance. Upon roll call Legislators Ellner and Gouldman and Chairman Castellano were present.

Item #3 – Acceptance of Minutes – December 19, 2023

The minutes were accepted as submitted.

Item #4 – Correspondence/County Auditor

a. Sales Tax Report

Commissioner of Finance Michael Lewis stated these are record high sales tax numbers. He stated the County's anticipated surplus is \$13.7 million. He stated once the audit concludes he will be making recommendations to put some of the surplus into certain reserves for future purposes.

Legislator Montgomery questioned what those reserves are.

Commissioner Lewis stated there are several reserves the County has including capital reserves and post-employment benefit reserves.

Legislator Montgomery questioned how much the total reserve fund is.

Commissioner Lewis stated he does not have that information in front of him but would provide that amount.

b. Board In Revenue Report

Legislator Ellner stated it is his understanding the numbers in Putnam County have decreased because surrounding counties have larger correctional facilities and are able to provide the Board In service as a lesser rate. He questioned if it would be advantageous for the County to lower their rate to try to bring in more Federal Board Ins.

Undersheriff Thomas Lindert stated it can be looked into.

Legislator Montgomery questioned if the Putnam County Jail is staffed to handle more prisoners should they be brought in.

Undersheriff Lindert stated yes, the Jail is fully staffed.

Legislator Crowley stated she recalls discussions being had to shutdown parts of the Jail to cut down on expenses and questioned if this was ever done.

Undersheriff Lindert stated one section is currently closed.

Legislator Gouldman questioned if there are less individuals in the prison system than there were two (2) years ago.

Undersheriff Lindert stated yes, significantly less.

- c. **OTB Report** – Duly Noted
- d. **Transfer/Revenue Report** – Duly Noted
- e. **2023 Contingency/Sub-Contingency Report** – Duly Noted
- f. **2024 Contingency/Sub-Contingency Report** – Duly Noted

Chairman Castellano made a motion to waive the rules and accept the additional revised 2024 Contingency/Sub-Contingency Report; Seconded by Legislator Gouldman. All in favor.

Item #5 – Correspondence/ Commissioner of Finance

- a. **Approval/ Budgetary Amendment 23A091/ Year End Journal Entry #2**

Commissioner Lewis stated this closes out 2023, focusing mainly on the capital fund.

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

- b. **Approval/ Budgetary Amendment 24A002/ Tourism/ Temporary (Also reviewed in Personnel)**

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

c. Approval/ Budgetary Amendment 24A003/ Youth Bureau/ Increase in State Funding Received

Commissioner Lewis stated an additional \$20,000 was awarded to the County but there is also a local share cost associated with it.

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

d. Approval/ Budgetary Amendment 24A004/ Youth Bureau/ County's Allocation from NYS Office of Children & Family Services

Commissioner Lewis stated this is for the Safe Harbor Program in 2024.

Legislator Addonizio stated she is glad to see this funding moving forward.

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

e. Approval/ Budgetary Amendment 24A005/ Sheriff's Dept./ Accurately Reflect Personnel Expenses Associated with SCAAP Grant (Also reviewed in Personnel)

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

f. Approval/ Budgetary Amendment 24A006/ Planning/ County's Final Allocation of Section 5307/5339 Danbury CT-NY Small Urbanized Area (SUZA) Funds for the Federal Fiscal Year 2023

Commissioner Lewis stated this is adjusting the original placeholder for these funds. He stated details about how the funds will be spent will be forthcoming. He stated there is an 80% Federal, 10% local, and 10% State cost sharing.

Legislator Montgomery questioned what exactly this is for. She questioned if this pertains to the Danbury-Southeast rail. She also questioned what the County portion paid to date is.

Commissioner Lewis stated he would defer that question to Commissioner of Planning, Development, & Public Transportation Barbara Barosa. He stated he could get the information on the County portion paid to date.

Legislator Ellner questioned if the County is paying out or receiving these funds.

Commissioner Lewis stated it is a reimbursement.

Chairman Castellano stated \$32,631 is being taken out of contingency.

Legislator Ellner questioned what the funds will be used for.

Chairman Castellano stated the Planning Department will provide that information.

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

**g. Approval/ Budgetary Amendment 24A007/ Dept. of Social Services/
State Aid through NYS Office of Mental Health & Office of Addiction
Services & Supports**

Commissioner Lewis stated this is additional grant funding coming to the County.

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

**h. Approval/ Budgetary Amendment 24A008/ Dept. of Social Services/
Increase Funding Level of Putnam County's Day Care Registration &
Inspection Allocation in Accordance with Program Approved by NYS
Office of Children & Family Services**

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

**i. Approval/ Budgetary Amendment 24A009/ Probation/ Funding from NY
Division of Criminal Justice Services to Offset Costs Associated with
Provision of Certified Pretrial Services**

Commissioner Lewis stated the Director of Probation will be coming before the Committee with a more specific plan once it is approved by the State.

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

**j. Approval/ Budgetary Amendment 24A011/ DPW/ Insurance
Reimbursement for Damages to Guide Rail**

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

Item #6 – Approval/ Fund Transfer 23T478/ Sheriff’s Dept./ Current & Projected Overage in Temporary Line

Undersheriff Lindert stated they were down a few Special Patrol Officers (SPO), they added one (1) and the training has been increased.

Chairman Castellano questioned if these SPOs are in the schools are other locations such as the County Office Building.

Undersheriff Lindert stated both, they added one (1) position in Putnam Valley Middle School.

Legislator Crowley questioned if the SPOs go through the same training as the SROs (School Resource Officers).

Undersheriff Lindert stated no, their training is done in-house.

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

Item #7 – Approval/ Fund Transfer 23T497/ Dept. of Social Services/ Mental Health/ Adjust Account per Amended Agreement

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

Item #8 – Approval/ Fund Transfer 23T507/ Health Dept./ Gasoline Chargeback – Preschool

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

Item #9 – Approval/ Fund Transfer 23T508/ Health Dept./ Early Intervention-Itinerant Services

Legislator Ellner stated the number of children in the program has doubled.

Commissioner Lewis stated that is correct and the rates have increased as well.

Legislator Crowley stated an issue with this is that there are not many providers for early intervention, leading to the County contracting out for these services. She stated the contracts with programs in Westchester or the Bronx are more expensive and Putnam County is paying for that.

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

Item #10 – Approval/ Fund Transfer 23T509/ Health Dept./ Preschool Evaluations

Commissioner Lewis stated more children are attending center-based programs and less children are in home services.

Legislator Crowley stated in her own experience, there were not available services in Putnam County so her children were sent to Westchester County, which leads to the increased expense.

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

Item #11 – Approval/ Fund Transfer 23T510/ County Attorney/ Judgements & Claims/ Rivera v. County of Putnam Settlement

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

Item #12 – Approval/ Fund Transfer 23T512/ Health Dept./ Non-Employee Preschool Travel

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

Item #13 – Approval/ Fund Transfer 24T011/ Finance/ Funding for 2024 Salary & Benefit Costs Pursuant to Ratified Contract Settlement with PUMA (Also reviewed in Personnel)

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

Item #14 – Approval/ Authorization for Legislators to Attend February NYSAC Conference

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

Item #15 – FYI/ County’s Deposits & Investments/ 4th Quarter 2023

Commissioner Lewis stated the County did well for the second consecutive year taking advantage of the Federal reserve rates. He stated this is a result of the County’s cash management consultant that assists the County. He stated there are forecasts that show the County may have hit its peak and there may be some decreases through 2026.

Item #16 – FYI/ 2023 & 2024 Guardrail & Property Damage Tables – Duly Noted

Item #17 – Other Business

a. Approval/ Budgetary Transfer 23T516/ Legal Services for 2023

Chairman Castellano made a motion to waive the rules and accept the other business; Seconded by Legislator Ellner. All in favor.

Commissioner Lewis stated this is an estimate of the cost of legal services through the remainder of the year. He stated there are budgetary savings in the other lines, therefore there is no fiscal impact.

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

b. Approval/ Fund Transfer 24T012/ DPW/ Tilly’s Table/ Cover Insurance Bill

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

Commissioner Lewis stated the price of insurance has increased for 2024.

Legislator Ellner questioned if this insurance is for the building of Tilly’s Table or for the operation of the restaurant.

Commissioner Lewis stated he will check the bill and provide that information.

Legislator Ellner questioned if the tenant has their own insurance as well.

County Auditor Michele Sharkey stated yes, the tenant has insurance.

Legislator Montgomery requested clarification on what this insurance covers compared to what the insurance held by the tenant covers. She questioned how these increases were being worked out with the tenant.

Commissioner Lewis deferred the insurance questions to Risk Manager Mat Bruno.

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

c. Approval/ Revised PILOT Agreement/ Brewster Industrial Owners

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

Putnam County Industrial Development Agency (IDA) Chairman Bill Nulk stated approval is being requested for the revised PILOT (Payment in Lieu of Taxes) agreement, the revision being from 12 years with a two (2) year buffer to a standard 10 year progression PILOT for the two (2) buildings involved in this project.

Chairman Castellano stated the original PILOT was approved by the County, but not the Town of Southeast.

Chairman Nulk stated that is correct; the Town of Southeast has already approved this revised PILOT agreement. He stated the project is over 80% completed.

Legislator Gouldman requested clarification on the removal of year 11 and 12.

Chairman Nulk stated years one (1) and two (2) are being removed. He stated previously, those first two (2) years acted as a buffer but the PILOT agreement has been revised to a standard 10 year progression.

Legislator Jonke stated this is a big project in his district and he is glad to be moving forward with this PILOT. He stated it is his understanding the school district is waiting on the County's approval before they move forward with their approval. He stated this schedule follows the 485-b New York State Real Property Tax Law exemption.

Chairman Nulk stated this is just one (1) component of the overall project.

Chairman Castellano questioned if it is known who the potential tenants will be.

Daniel Tartaglia, Counsel for Brewster Industrial Owners, LLC stated there have been a number of conversations with potential tenants. He stated a major stumbling block in negotiations have been the unknown taxes. He stated this revised schedule should clarify those concerns moving forward.

Legislator Ellner stated he is not pleased with the duration of time it is taking Brewster Industrial Owners, LLC to respond to the request made by the IDA. He stated requests were made pertaining to the local labor policy, specifically that a file of drivers licenses of all workers was to be maintained on the job site. He stated this question has yet to be responded to. He stated another issue that he has is that the building has destroyed the vista on Fair Street. He stated he has a lot of constituents asking when large evergreens will be planted. He questioned how these two (2) issues will be addressed.

Mr. Tartaglia stated in regard to the response time from Brewster Industrial Owners, LLC to the IDA, because of the way the project evolved the contractor, ARCO, hired by the project sponsor, did a design build job and early on there was no contemplation of application to the IDA. He stated in fact, the project closed and there was a significant mortgage taken out without any mortgage tax benefits at all. He stated at the time contracts were signed with ARCO, because there was no contemplation of seeking IDA benefits, the necessary reporting requirements could not have been built into their

contracts. He stated when it came time to satisfy some of the requests made by the IDA, ARCO became a stumbling block. He stated he is not intending to shift the blame as it remains with the project sponsor, but it became very difficult to get information from ARCO. He stated in terms of the visual aspect of the project and the complaints received about the vista, there is currently a process in place including an application before the Town of Southeast Town Board to amend the site plan and ensure that any lighting to be placed on the building be redirected. He stated 140 notices were sent out to neighboring properties so they have the opportunity to weigh in on this issue.

Chairman Nulk stated the IDA is in the process of refining their requirements. He stated this is the first time they have implemented a project with these requirements, and they are still navigating the practical aspects of them. He stated he has been researching how other counties handle these requirements. He stated their overall goal is to have employees be a fair representation of the residents of this area.

Mr. Tartaglia stated this is only the beginning of the reporting requirement, it will apply throughout the 10 year PILOT period. He stated the reporting requirements will be included in the leases so any tenants that come in understand right from the beginning.

Legislator Crowley stated she received a couple phone calls regarding this specific project. He stated it is important for the IDA Board to have the resources to be able to foster more of a relationship and be able to inspect or gain proper access. She stated it is her understanding they were previously denied access to the worksite due to lack of paperwork.

Chairman Nulk stated the IDA was not turned away from the jobsite; the information was not provided when requested. He stated he is looking into the possibility of utilizing an inspector from the County's Consumer Affairs Department as they have more experience in this area.

Chairman Castellano stated using the County's Consumer Affairs inspector makes sense and is a great idea.

Chairman Nulk stated he met with the Administration last week about how to get the IDA more institutionalized. He stated the IDA does not currently have a staff. He stated it was just this past year that the IDA was able to get the funding to get some basic consulting and auditing done.

Legislator Addonizio stated the Legislature received emails from members of the IDA Board who are not in favor of this project because of the lack of compliance with the labor policy. She stated the buildings are 80% completed and she questioned where they stand as far as the labor policy.

Chairman Nulk stated they are in the process of refining the labor policy and getting it into a workable form.

Mr. Tartaglia stated the project sponsor did finally get information from ARCO. He stated while the responsibility ultimately lies with the project sponsor, ARCO has been problematic with this issue. He stated they were finally able to provide a significant amount of information to the IDA. He stated while the project is 80% completed, this PILOT is going to be in place for 10 years. He stated there will be many more full-time employees during that 10 year period and the reporting requirements will be built into the leases. He stated the IDA Board members who voiced their opposition to the project voted “no” on it from the beginning.

Chairman Nulk admitted that the IDA stumbled through getting this project started as it was a first for them however the project is beneficial to Putnam County. He stated moving forward the IDA plans to learn from this experience and he believes they are better prepared for future projects.

Legislator Ellner stated it is his understanding that the resolution before the Committee this evening will accelerate the cash flow for taxpayers. He stated basically, two (2) years of tax exclusion is being removed and he is in favor of this change. He stated moving forward he would not like to see IDA approval for projects where construction has begun. He reiterated the concerns of his constituents regarding the visibility of the building while driving on Fair Street in Carmel.

Legislator Jonke stated he would like to remind everyone that Chairman Nulk is a volunteer along with all the members of the IDA. He stated their time and work is greatly respected and appreciated. He stated it is unfair to make demands and requirements without giving the IDA the support they need. He stated providing resources can be discussed moving forward.

Chairman Nulk stated the IDA had a good discussion with the Administration last week about moving forward in an organized fashion.

Legislator Addonizio agreed with Legislator Jonke.

Legislator Montgomery stated she is hopeful that moving forward the IDA will have the support they need from the County.

Legislator Ellner questioned if this resolution would automatically invalidate the previous PILOT agreement.

Legislative Counsel Robert Firriolo stated he is glad Legislator Ellner raised this question. He stated because the Committee does not currently have a resolution in front of them, they can make a motion to adopt a resolution of the same form as #169 of 2023 that deletes years 1 and 2 and renumbers years 3-12 as 1-10 and references that the new resolution will replace resolution #169 of 2023.

Mr. Tartaglia stated in working with the assessor in the Town of Southeast, one of the things they have done is create different tax lots so the PILOT agreement will have a

separate schedule for each of the buildings. He stated they will be the same schedule, going into effect at the same time, with the same taxable status date, but it will be two (2) different schedules.

Legislative Counsel Firriolo clarified that the percentage is the same each year. He stated those schedules can be attached to the resolution as well.

Legislator Ellner questioned if it is preferable to have two (2) schedules in the case where the client wants to sell one (1) lot.

Mr. Tartaglia stated that is correct. He stated he would provide Legislator Ellner with the information on when the Town of Southeast Planning Board Meeting is being held this month to be passed along to his constituents who may want to attend and express their opinion on the visibility of the building.

Chairman Castellano made a motion to pre-file the necessary resolution with the changes recommended by Legislative Counsel Firriolo; Seconded by Legislator Gouldman. All in favor.

Item #18 – Adjournment

There being no further business at 8:00pm, Chairman Castellano made a motion to adjourn; Seconded by Legislator Gouldman. All in favor.

Respectfully submitted by Administrative Assistant Beth Robinson.