

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

Members: Chairman Castellano and Legislators Ellner & Gouldman

Monday

6:30pm

April 24, 2023

The meeting was called to order at 6:30pm 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 – February 23, 2023 & March 27, 2023

The minutes were accepted as submitted.

Item #4 – Update/ Catskill Regional OTB

Vinny Tamagna, Putnam County Representative to the Catskill Regional Off-Track Betting (OTB) Corporation Board (Catskill OTB Board) introduced the new President & CEO of the Board, Wanda Williams. He stated the State budget has not yet passed and some things discussed this evening may be negotiated further. He stated the Board will hold their first meeting of the year tomorrow where they will discuss strategies for moving forward.

President & CEO Wanda Williams thanked the Committee for including this update on the agenda. She stated she became the President & CEO of Catskill OTB on January 16, 2023. She stated she was previously a lobbyist for New York City OTB in 2010. She provided some personal background information. She stated she has served as the Ulster County representative to the Catskill OTB Board for two (2) years. She stated over the past few years the Catskill OTB Board has become the target of misinformation, specifically it has been stated there has been misappropriation of funds and malfeasance. She stated last year a request by the New York State Gaming Commission was made for Catskill OTB be audited, which cost a significant amount of money. She stated initially, they did not want to spend the money for the audit as they were coming out of the COVID-19 pandemic, but they moved forward with the audit and there were no findings. She stated after the report was submitted the negative narrative continued. She stated as a result of this there was a proposal in the New York State Budget to close Catskill Regional OTB. She stated the rationale was based on the findings of the audit, however there was nothing problematic in the audit. She stated the audit actually stated that historically, the Catskill Regional OTB has been the most profitable, efficient, and best managed OTB in the State. She stated they are trying to get back to that and maintain it.

Mr. Tamagna stated as long as he has been on the Catskill OTB Board the goal has been to grow. He stated the State has allowed other regions that were struggling to utilize

video lottery terminals (VLT), but the Catskill region has not been given that allowance. He stated the Catskill region had not been in trouble until the pandemic hit. He stated the profit from VLTs that would come back to member counties would go a long way in offsetting the budget as it had done in the past. He stated shame on the NYS Governor's Office and the NYS Legislature for not stepping up and doing the right thing for OTB.

President & CEO Williams stated the Catskill OTB would like to be able to use VLTs and to be involved in sports betting. She stated the horse racing industry is dying and the NYS Gaming Commission should be focusing on how to retool and expand their customer base.

Chairman Castellano requested more information on the VLTs that are already in place in other regions.

Don Groth, Former President of the Catskill Regional OTB, stated 1,000 VLTs were provided to Suffolk County a few years ago and another 1,000 was provided to them at the end of 2022. He stated these machines are very profitable. He stated the cost of the audit was really paid from money belonging to the member counties. He stated the Catskill OTB is being disfavored.

Mr. Tamagna stated they are expanding to more locations; they have an OTB terminal in Kent Countryside Inn. He stated it would be great to be able to put terminals in more local businesses or restaurants. He stated there are many people invested in the horse industry in this area who want to support the industry.

Chairman Castellano stated Putnam County received a lot of revenue from OTB around 2006-2007 and then it started to decrease, ultimately going down to \$0 during the pandemic. He stated the County is now receiving small payments and questioned if that money is coming from the few terminals in Putnam County.

Mr. Tamagna stated the revenue collected within the Catskill region goes into a pot and is then split amongst the member counties. He pointed out that the \$100,000 for the audit was paid for from that pot of money. He stated the State is acting miserable toward the Catskill Regional OTB Corporation and he asked for the County's support in their goal to move forward successfully.

Mr. Groth stated the revenue Putnam County receives is based on a formula that was developed a long time ago. He stated the application fee for a casino license is \$500 million. He stated there are casinos upstate that are struggling. He stated now that sports betting is legal in New York, those that were going into New Jersey are now staying in New York and they do not even have to leave their house to bet on sports. He requested a letter be sent by the County to New York State to support the Catskill OTB, the specifics of which would be provided.

Mr. Tamagna stated revenue is also provided to MGM Grand because it is part of the formula, which the NYS Legislature has not been in favor of changing. He stated he

believes the casinos upstate got their licenses because hundreds of thousands of dollars were donated to Governor Cuomo's campaign.

Chairman Castellano requested more information on the OTB properties in Putnam County, such as the vacant location in Brewster.

Mr. Groth stated the Brewster location is ready to go, however the Governor did not authorize them to open.

Chairman Castellano stated the Mahopac location was running at one point but is now no longer an OTB.

Mr. Groth stated OTB could continue operations at the Mahopac location, but employees would need to be hired.

Mr. Tamagna stated VLTs would be a great addition to these locations.

Legislator Ellner requested more information on the sharing formula.

President & CEO Williams stated it is a statutory formula that requires revenues to first be distributed to the racetrack, the breeders, horsemen, New York State, and New York Racing Association, before going back to the OTB corporation. He stated the industry has changed since the formula was put in place and the State is not interested in modernizing the formula.

Mr. Groth stated the accounting system being used is outdated and obsolete. He stated a new system would be an expense, however they are hesitant to purchase a new system because it is unknown if the State is going to disband the Catskill OTB.

Mr. Tamagna stated they currently have a fund of over \$8 million that the State is not allowing them to touch.

Legislator Ellner questioned if the same formula would be used for VLTs or sports betting if Catskill OTB were permitted to move forward with either one.

Mr. Groth stated yes, the same formula would be used.

Chairman Castellano stated at this point we need to see what will happen with the State budget once it is passed.

Mr. Tamagna stated he believes the State will not liquidate Catskill OTB.

President & CEO Williams stated hopefully within the next week they will have a better idea of what the future holds.

Mr. Tamagna stated they would like to come back to encourage the New York State Legislature to take action to change the formula so more money comes back to the counties.

Item #5 – Correspondence/County Auditor

- a. **Sales Tax Report** – Duly Noted
- b. **OTB Report** – Duly Noted
- c. **2023 Contingency/Subcontingency Report** – Duly Noted
- d. **Transfer/Revenue Report** – Duly Noted

Item #6 – Correspondence/ Commissioner of Finance

- a. **Overtime/Temporary Report** – Duly Noted

- b. **Approval/ Budgetary Amendment 22A093/ Finance/ Record ARPA Revenue in General Fund per the Accounting Bulletin by NYS Comptroller’s Office**

Commissioner of Finance William Carlin stated this Budgetary Amendment is in conjunction with the Fund Transfer in item #7. He stated the New York State Comptroller wants all the counties to report ARPA revenue as General Fund revenue. He stated originally, Putnam dedicated the funding to the Capital Fund, so these two (2) items will transfer the funds into the General Fund.

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

- c. **Approval/ Budgetary Amendment 23A014/ Sheriff’s Dept./ Corrections/ Use Federal SCAAP Funds to Upfit 2023 Chevrolet Tahoe (Also reviewed in Protective)**

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

- d. **Approval/ Budgetary Amendment 23A015/ Youth Bureau/ Increased State Funding from Office of Children and Family Services for Sport Funding (Also reviewed in Health)**

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

- e. **Approval/ Budgetary Amendment 23A017/ Sheriff/ Corrections/ Use Inmate Commissary Account Funds to Purchase 7 TVs for Inmate Use (Also reviewed in Protective)**

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

f. Approval/ Budgetary Amendment 23A018/ Sheriff/ Corrections/ Use of Inmate Commissary Account Funds to Purchase 5 Microwaves for Inmate Use (also reviewed in Protective)

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

g. Approval/ Budgetary Amendment 23A019/ Sheriff/ Corrections/ Use of Inmate Commissary Account Funds to Reimburse Jail's Education & Training Line (Also reviewed in Protective)

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

h. Approval/ Budgetary Amendment 23A020/ District Attorney/ Funding from NYS Division of Criminal Justice Services for Discovery and Pretrial Reforms (Also reviewed in Protective)

Chief Deputy Commissioner of Finance Michael Lewis stated the \$41,647 represents the non-County agencies (Town of Kent Police Department - \$22,748 & Town of Carmel Police Department - \$18,899).

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

i. Approval/ Bond Resolution/ Authorizing Acquisition of Various Pre-K/EI Vehicles & Related Equipment/ \$350,000

Commissioner Carlin stated the bond resolution is a tool in the County's toolbox and it does not mean the money has to be borrowed when the time comes. He stated at that time, the Legislature and Administration will look at the County's financial position. He stated to have the choice available, the bond resolution must be passed.

Chairman Castellano stated it is a safety net for the County.

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

j. Approval/ Bond Resolution/ Authorizing Acquisition of Vehicles & Heavy Highway Dept. Equipment/ \$600,000

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

k. Approval/ Budgetary Amendment 23A021/ Bond/ Highway/ Adjust 2023 Capital Budget/ Increased Costs (Also reviewed in Physical)

Commissioner Carlin stated the Capital Budget was adopted over a year ago and the cost of the equipment has since increased. He stated the County purchases one (1) snow truck each year and this Budgetary Amendment will keep the County on their equipment schedule.

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

l. Approval/ Budgetary Amendment 23A022/ Finance/ Account for State Aid from NYS Office of Court Administration/ Courthouse Painting Project

Commissioner Carlin credited Chief Deputy Commissioner of Finance Lewis, Director of Purchasing John Tully, and Acting Highway Commissioner Thomas Feighery with working with the Office of Court Administration to use their funding for this project.

Putnam Valley Supervisor Jacqueline Annabi questioned if the painting project is for the Historic Courthouse.

Chairman Castellano stated it is for the New Courthouse.

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

m. Approval/ Budgetary Amendment 23A023/ Finance/ Account for State Aid from NYS Office of Indigent Legal Services

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

Item #7 – Approval/ Fund Transfer 22T421/ Finance/ Record ARPA Revenue in General Fund per the Accounting Bulletin by NYS Comptroller’s Office

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

Item #8 – Approval/ Fund Transfer 23T079/ Health Dept./ Use Grant Funding to Cover Overtime rather than to Purchase Traffic Board Sign (Also reviewed in Health)

Commissioner Carlin stated the Health Department identified a greater need for clinics than for the traffic board sign.

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

Item # 9 – Approval/ Fund Transfer 23T084/ Health Dept./ Repair Damage to 2021 Jeep Compass (Also reviewed in Health)

Chairman Castellano questioned why this is being repaired before going through insurance.

Commissioner Carlin stated they are repairing the vehicle now to get it done in a timely manner because they are not sure if insurance will cover the repair.

Legislator Ellner questioned if the County is self-insured for vehicles and to what value.

Commissioner Carlin stated leased vehicles are different than owned vehicles.

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

Item #10 – Approval/ Fund Transfer 23T088/ County Attorney/ Abolish Position of Vacant DSS Attorney and Create Additional Deputy County Attorney to be Assigned to DSS (Also reviewed in Personnel)

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

Item #11 – Approval/ Budgetary Transfer 23T089/ Dept. of Social Services/ Mental Health/ Create Position of Office for People with Developmental Disabilities Coordinator (Also reviewed in Personnel)

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

Item #12 – Approval/ Fund Transfer 23T090/ Highway/ Reclassifications (Also reviewed in Personnel)

Legislator Jonke stated this will bring some employees up to the paygrades that they have been working at while recognizing their hard work and continued education.

Commissioner Carlin stated employees are paid these wages under “out of title work” and the County is trying to eliminate “out of title work” because it complicates payroll. He stated it is better to bring the employees up to the appropriate salaries.

Legislator Jonke stated it also helps to keep employees with the County.

Legislator Ellner stated this will also ensure the employee is being correctly compensated for overtime.

Commissioner Carlin stated that is correct and this will be a more efficient process in both the Highway & Facilities Department and the Finance Department.

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

Item #13 – Approval/ Fund Transfer 23T091/ Office for Senior Resources/ Restructure Kitchen Personnel (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/ Fund Transfer 23T101/ Finance/ Reclassifying Purchasing of Rescue Equipment for Individual Items under \$5,000 Using SHSP 2021 Monies

Chairman Castellano made a motion to approve Fund Transfer 23T101; Seconded by Legislator Ellner. All in favor.

Item #15 – Approval/ Semi-Annual Mortgage Tax Payments/ October 1, 2022 – March 31, 2023

Chairman Castellano read the amount for each town and village into the record.

Legislator Gouldman questioned when the payments would be made to the towns.

Commissioner Carlin stated usually within a week after the resolution is signed by the County Executive.

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

Item #16 – Other Business

a. Approval/ 2023 Home Rule Request/ 1% Sales Tax Extension

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

Chairman Castellano stated this 1% on sales tax results in about \$18 million in revenue and is a fair way to collect revenue without putting the burden on property owners.

Commissioner Carlin clarified that this is not an increase to the sales tax, it is an extension of what is already in place. He stated per this year's State budget, this will no longer be considered as a three (3) year extension, and the request will have to be made every two (2) years. He stated for the County to collect \$18 million from property taxes, there would

have to be a 46% increase, which would be untenable. He stated the County budget is over 70% mandated; this revenue source will not be able to be made up by “cutting the fat”.

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

b. Approval/ Amend Bond Resolution Adopted 6/4/2019 – Peekskill Hollow Road & Bridge Rehabilitation & Improvement Project

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

Commissioner Carlin thanked the Legislature for considering this item under other business. He stated the situation has been unsatisfactory; to discuss anything in detail would need to be done in Executive Session. He stated a letter of termination is being prepared for the current contractor. He stated by adopting this bond resolution and budgetary amendment, it will allow the County to re-bid this project in a timely manner.

Legislator Gouldman thanked County Executive Byrne for putting this through quickly after listening to the concerns at the Physical Services Committee Meeting.

Legislator Ellner stated this project began so long ago and he questioned if the funds allocated will still be enough.

Commissioner Carlin stated this is their best estimate at this point, they will not know for sure until the re-bid numbers are in. He stated all options will be pursued, but the County will do what is needed to complete this project.

Legislator Jonke stated he would like to know the comprehensive details of the project including when it was bid, when the project was started, when the first hiccup happened, and how long it has been in its current phase. He stated the County’s original contribution to the project was about \$1.8 million and now we are looking at another \$4 million. He questioned how that could impact the potential grant revenue from the State.

Commissioner Carlin stated the State committed \$11 million and by taking action on this bond resolution this evening, it will help to preserve that money in the State.

Chairman Castellano suggested going into Executive Session to discuss this further.

Legislator Addonizio questioned if it is true that less than 18% of the work had been completed.

Director of Purchasing John Tully stated about 24% of the work has been completed based on dollar value.

Commissioner Carlin stated the Administration is committed to getting the Legislature all the information they need before this is voted on next week.

At 7:41pm Chairman Castellano made a motion to go into Executive Session to discuss a litigation matter; Seconded by Legislator Gouldman. All in favor.

At 8:14pm Chairman Castellano made a motion to come out of Executive Session; Seconded by Legislator Ellner. All in favor.

Chairman Castellano stated no action was taken in Executive Session.

Legislator Montgomery thanked County Executive Byrne, the Law Department, and the Highways & Facilities Department for their hard work on this matter. She stated she and Legislator Gouldman have fielded many comments and concerns from their constituents about this project. She stated the residents have been dealing with this incomplete work with little information. She stated she is happy this is moving forward.

Legislator Gouldman thanked Legislator Montgomery. He stated all Elected Officials in the County and Town heard the same feedback from constituents who were unhappy with the condition of the roadway. He stated he is glad this project is being corrected and moving forward.

Putnam Valley Supervisor Annabi thanked the Legislature, County Executive Byrne, and the Highways & Facilities Department for working as one unit to move this forward. She stated Putnam Valley is the victim in this situation and she recognized the County's work to remedy this issue.

Putnam Valley Town Board Member Lou Luongo thanked the County for their attention to this situation. He questioned if the exact project is being re-bid.

Director Tully stated the completion of the project is being re-bid.

Mr. Luongo stated he believes there are design flaws in the drainage.

County Attorney Spain stated the bridges are the primary focus of the bid.

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

c. Approval/ Budgetary Amendment 23A024 – Highway – Bond – Peekskill Hollow Road Project

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

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

Item #17 – Adjournment

There being no further business at 8:19pm, Chairman Castellano made a motion to adjourn; Seconded by Legislator Ellner. All in favor.

Respectfully submitted by Administrative Assistant Beth Robinson.