

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

**Members: Chairman Castellano, Legislators Ellner & Gouldman**

**Tuesday October 8, 2024  
(Immediately following Special Rules Mtg. at 6:00pm)**

The meeting was called to order at 7:02pm by Chairman Castellano who requested Legislator Ellner lead in the Pledge of Allegiance. Upon roll call Legislators Ellner and Gouldman and Chairman Castellano were present.

**Item #3 – 2025 Budget Review**

Legislator Gouldman suggested beginning by having Director of IT/GIS Thomas Lannon and Director of Department of General Services (DGS) John Tully address questions that were posed last night pertaining to computers and vehicles.

Chairman Castellano stated all of those questions will be brought up this evening.

**Department of Finance – Account 1310 (pages 15-21)**

Chairman Castellano requested an overview of the tax cap and use of reserve in the budget.

Commissioner of Finance Michael Lewis stated the allowable tax cap set by New York State is 2%. He stated this would equate to over \$2 million more in the tax levy. He stated because the County is in good fiscal health, the County Executive wanted to keep the tax levy the same. He stated the property tax rate is decreasing from 2.85 per thousand to 2.7 per thousand.

Chairman Castellano questioned if the \$79,050,000 in revenue budgeted in line 411100, Sales and Use Tax, is a practical number to be budgeted.

Commissioner Lewis stated it is a conservative number; the last few years have been astronomical.

Chairman Castellano questioned the increase in line 424011, Interest and Earnings. He stated last year \$2,750,000 in revenue was budgeted and was then revised to \$4.3 million.

Commissioner Lewis stated with the help of Chief Deputy Commissioner of Finance Sheila Barret and the financial advisement company three+one, they are taking an

aggressive approach. He stated the County has about \$65 million in long term funding, which is good because we are locked into the fixed rate.

Chairman Castellano questioned line 427161, Use of Fund Balance.

Commissioner Lewis stated \$6.81 million is being used to fund the Capital plan, \$350,000 is being used for insurance reserve, and the County's retirement reserve of \$500,000 is being used toward State mandates.

Legislator Jonke stated line 411100, Sales and Use Tax shows the current revenue collected through sales tax for 2024 is \$56.4 million. He questioned what date that number was recorded.

Commissioner Lewis stated since that was put on the spreadsheet another payment was received, bringing the total revenue to over \$63 million. He stated going into the holiday season it is expected to surpass \$80 million.

Chairman Castellano questioned line 427163, Use of Retirement Reserve, which has a budgeted revenue of \$500,000.

Commissioner Lewis stated the rates are a direct result of the way the market is. He stated this \$500,000 will support the increase in the retirement expense.

Chairman Castellano clarified that in 2024 this line was budgeted at \$1.5 million in revenue which was lowered for 2025 to be conservative.

Commissioner Lewis stated that is correct.

Chairman Castellano questioned line 54646, Contracts.

Commissioner Lewis stated this line covers the County's contract with three+one, possible bond funding, fiscal advisors, and the outside auditors.

Chairman Castellano requested information on line 54649, Savings Incentive Partnership, which was created to fund County Executive Byrne's initiative to reward employees who implement a way to save the County money. He stated to date this has not been brought to fruition. He stated he is happy to keep this in the budget.

Legislator Ellner questioned the decrease in line 58008, Health Plans.

Commissioner Lewis stated there is a new employee who will not be taking the insurance.

Chief Deputy Commissioner of Finance Sheila Barret stated the 2025 rates have not yet been received so the numbers in the budget are their best estimate.

Commissioner Lewis stated they conservatively estimated a 10% increase in the NYSHIP rates.

Legislator Nacerino questioned if the NYSHIP rate has ever increased 10% or more.

Commissioner Lewis stated it has.

Risk Manager Mat Bruno stated the increase in the private sector is 11.2%

**Purchasing – Account 1345 (pages 23-24)**

Chairman Castellano questioned if the actual columns are low because the payments come in toward the end of the year.

Director of the Department of General Services (DGS) John Tully stated that is correct.

Legislator Gouldman questioned the increased allocation in line 54783, Licensing Software. He stated \$5,000 was requested but \$37,000 was allocated.

Director Tully stated the \$5,000 was put in the budget request that was submitted to the County Executive and the other \$32,000 was requested during their budget meeting with the County Executive. He stated the additional funding is for an asset management software system that can be integrated into their existing financial system.

**Real Property Tax Services – Account 1355 (pages 25-26)**

Legislator Gouldman questioned line 54783, Licensing Software, where a request of \$7,200 was made and \$100 was allocated.

Director of Real Property Patricia McLoughlin stated those funds are being shifted to the IT/GIS Department budget.

**Tax Advertising & Expense – Account 1362 (page 27)**

Commissioner Lewis stated these budget lines are for costs associated with auctions, tax liens, foreclosures, title searches, and to offset the revenue. He stated it will be adjusted accordingly based on the volume.

**Expense on Property Acquired for Tax – Account 1364 (page 28)**

Commissioner Lewis stated the goal is to get these properties back on the tax roll.

**Central Services – Account 1610 (pages 46-47)**

Chairman Castellano requested an overview on the leased vehicles.

Director Tully stated the leased vehicle expense was consolidated to DGS. He stated there are over 400 vehicles in the County fleet and the vast majority are owned. He stated with respect to the leased vehicle line, the expense in respective departments' budgets is an actual expense for what that department will cost the County based on the number of vehicles they have in their budget. He stated Enterprise sends an aggregated bill to the County and the expense is allocated back to each department. He stated during the year changes could be made, there is an ordering window in which orders need to be placed. He stated the \$100,000 in the DGS budget will allow vehicles to be replaced. He stated the vehicle leasing lines in each department are what their vehicles will cost the County, rounded to the nearest hundred. He stated the determination whether to lease or not is based on a condition assessment based on the existing owned vehicles. He stated the Department of Public Works evaluates each vehicle and there is currently a list of 17 vehicles slated for replacement next year. He stated the 2025 budget accounts for the replacement of those vehicles. He stated there is about \$996,000 in the budget for leased vehicles.

Chairman Castellano questioned if the \$100,000 budgeted for 2025 is enough.

Director Tully stated yes, it is. He stated there are existing encumbrances. He stated no leasing agreement will be signed without ensuring enough funding is in the budget. He stated at some point next year there will be liquidated encumbrances, which will allow DGS to continue leasing vehicles.

Legislator Ellner requested clarification about the \$996,000 for leasing and the \$100,000 shown in the budget.

Director Tully stated most of the funds for leasing is allocated directly to the departments that will be leasing the vehicles. He stated some departments may have shown nothing in their budget line if the cost center had shifted. He stated he is able to provide where the funding is in every department. He stated this leasing system takes the guessing work out of budgeting.

Chairman Castellano stated this could be confusing when considering what departments requested versus what they received in the budget for leased vehicles.

Director Tully stated the requests are considered on a case-by-case basis. He stated when a new vehicle is requested there are many things to consider such as if there was a change in the department necessitating the additional vehicle, if new services are being provided, if the department is maximizing the use of their current vehicle. He stated the leasing system saves a lot of time; all vehicles are on one invoice.

Legislator Crowley stated she requested an updated spreadsheet of owned and leased vehicles, which department they belong to and if they are covered by a grant.

Director Tully stated he will provide that information to the County Auditor.

Legislator Nacerino stated she believes there is some confusion because it was her understanding that DGS would be the hub where all vehicles were inventoried and purchased. She stated she believed computers were being handled similarly through the IT Department. She stated there are some departments with funding allocated to their leased vehicle budget line while others had no funding. She stated the budget process is the time to sort out these wrinkles.

Director Tully stated he did receive direction from County Executive Byrne that next year he will be requested to attend all budget meetings to assist with the centralized accounts. He stated it would be easier if the \$996,000 was put into the DGS budget, however some departments wanted to maintain the visibility of their vehicle expense. He stated for reimbursement purposes, some departments needed to keep their funding within their budget. He stated all the leasing is being managed through DGS.

Legislator Nacerino recognized that this is a work in progress.

Legislator Ellner presented a hypothetical situation where a department head makes a request for an additional two (2) vehicles. He questioned where that request would be made.

Director Tully stated it would depend on the time of the year and the immediacy of the request. He stated if it were for the following year it would be included in their budget deliberations with the County Executive.

Legislator Ellner stated if the County Executive were to only include one (1) vehicle in the budget, he does not see how that department could come before the Legislature to make their case for the second vehicle since the funds are amalgamated into one (1) line making it impossible to evaluate the departments separately.

Director Tully stated there is some flexibility to make changes mid-year when necessary.

Legislator Sayegh stated at the Health Committee Budget Meeting there was a vehicle for CPS (Child Protective Services) that was related to a grant. She stated it looked like this vehicle was denied through the budget. She stated the Legislators are unable to tell this information by looking at the budget line.

Director Tully stated the departments have visibility of what was approved through the budget process.

Legislator Sayegh questioned if the vehicle was denied or if it is being covered through the grant.

Director Tully stated if a grant covers a car, it does not mean it is the only thing that grant can cover; it could be put toward an expense elsewhere in the department. He stated the case would still need to be made for why the car is needed.

Legislator Montgomery stated this is a new process. She stated the Legislators have a duty to review the budget when it is received.

Director Tully stated they will learn from this and improve this in the future.

Legislator Ellner stated the Department of General Services was created for the purpose of transparency and this is anything but transparent. He stated he is failing to see how the Legislature gives any consideration to the vehicles that are being replaced, added, or taken off the road. He stated there is a lot of unknown information about these vehicles. He stated he would like to move the \$996,000 for the leased vehicles into subcontingency, requiring Legislative approval to move it out.

Director Tully stated there are invoices that will need to be paid on the first of the year. He stated he believes there is more visibility within the budget lines. He stated he is available to talk or attend meetings and provide any needed information for the fleet. He stated because it is centralized and all the data resides with DGS, he has no doubt that he is in the best position to provide any information needed to make the best decision.

Legislator Ellner clarified that Director Tully can specifically provide a spreadsheet of all current leases, a separate spreadsheet for new leases and when they will be added.

Director Tully stated he is prepared to provide that information and he can email it to the office.

Legislator Crowley stated a quarterly report of the vehicles would be helpful.

Director Tully stated he would be happy to do that. He stated he spoke with Deputy County Executive Jim Burpoe today about sharing that information well before the budget process begins.

Chairman Castellano questioned if there were other questions about the DGS budget.

Director Tully stated they are locked into their current utility rates. He stated through their efforts they saved about \$50,000 and they will be going out to bid to secure that moving forward. He stated the budget shows some lines being underspent, however things could change quickly throughout the year.

Legislator Sayegh questioned the decrease in line 412904, Rent Income Cove Care.

Director Tully stated there was an error in the previous years' budget which has been corrected in the 2025 budget.

Legislator Nacerino questioned if the rent for Camp Herrlich is planning to be adjusted to increase it after the investment being made to their infrastructure.

Director Tully stated the lease was established under the prior administration. He stated there is no plan in place to increase the rent.

Legislator Montgomery stated she is happy to see the rent decreasing for Cove Care (line 412904), Mental Health Facility (line 412906), and Camp Herrlich (line 41290B). She stated these organizations provide services to Putnam County residents that the County would otherwise be unable to provide. She stated Cove Care is the only contracted mental health provider. She stated while she does not agree with maintaining rents for programs and organizations that are making a profit, she is happy to see these decreasing rents.

Legislator Ellner questioned how confident Director Tully is that the gasoline prices are going to decrease by 5%.

Director Tully stated the gasoline usage is estimated utilizing a higher rate. He stated there will be months where it is under that estimate and months when it is over but he believes it will balance. He stated they will see warning signs well before the budget is exceeded if it comes to that.

#### **Information Technology – Account 1680 (pages 48-49)**

Chairman Castellano questioned line 52130, Computer Equipment.

Director of IT/GIS Thomas Lannon stated the budgeted amount was based on the requests from the departments. He stated a form was provided for the departments to fill out. The IT Department then reviewed the forms to identify purchases that could be made through a grant.

Legislator Ellner questioned the second Computer Equipment line, 52630.

Director Lannon stated the second line is for purchases over \$5,000. He stated the decrease in that line is due to a lease for a server expiring and the equipment being purchased. He stated the storage price decreased, which resulted in a savings.

Legislator Crowley questioned line 54382, Computer.

Director Lannon stated that budget line is for their contractor, which is down from last year. He stated the vendor raised their hourly rate, but they were able to decrease the amount of hours therefore there was a savings overall.

Legislator Crowley questioned line 54646, Contracts.

Director Lannon stated that line is used for training for their GIS equipment.

Legislator Ellner questioned the large increase in line 54510, Machine Maintenance.

Director Lannon stated the IT Department has assumed the responsibility of the machine maintenance for the Board of Elections. He stated the funds for this were moved from Board of Elections into the IT Department.

Legislator Nacerino requested clarification about the central services process. She stated she was under the impression that all computer purchases would go through the IT Department, however there are some encumbrances for computers within the departments.

Director Lannon stated there are some departments that are reimbursed through New York State or have grant opportunities. He stated for example, the Department of Social Services receives grant funding and the purchase needs to come out of their budget line in order to receive that funding.

Legislator Nacerino stated it is difficult to identify those items just by looking at the budget.

Director Lannon stated the departments provided information to the IT Department about all purchases and they were notified if the purchases would be made through the IT Department or if the funding would remain in their budget to be purchased through their respective department.

Legislator Nacerino questioned if all purchases are being vetted by the IT Department.

Director Lannon stated yes, he is the person approving those purchases across the board through MUNIS.

Legislator Montgomery questioned the \$50 budgeted in line 54675, Travel.

Director Lannon stated that line is specifically for tolls. He stated other travel expenses come out of line 54640, Education & Training.

Legislator Montgomery questioned if there was anything requested that was not received.

Director Lannon stated no.

Legislator Ellner requested a report on all computers in the County.

Director Lannon stated he can provide that report.

### **Insurance Expense – Account 1915 (page 50)**

Risk Manager Mat Bruno stated line 412660, Defensive Driving Fees, pays a proctor to come in and teach Defensive Driving to employees who are unable to take the course



online. He stated line 54833, Safety Material and Supplies goes toward online codes for the defensive driving. He stated the Law Department requested \$1.3 million in line 54830, General and Excess Liability and \$1.6 million was budgeted. He stated this line reflects the County's various insurance policies, which he reviewed. He stated there were some savings for 2025.

Legislator Crowley thanked Risk Manager Bruno for his detailed reporting.

Legislator Ellner questioned how often the coverage for the Putnam County Golf Course and Tilly Foster Farm are reviewed. He questioned if the County could reduce their coverage if the properties are covered on their end.

Risk Manager Bruno stated yes, that could be looked into which may save the County some money.

### **Contingency Fund – Account 1990 (page 58)**

Chairman Castellano stated there seems to be a new procedure here where potential raises have been put into contingency. He stated a 2.75% COLA (cost of living adjustment) increase for management employees was included in the budget this year, however that increase was put into subcontingency for the Sheriff, County Clerk, Coroners, County Executive, and Legislature and staff.

Commissioner Lewis stated he obtained a legal opinion on this and was instructed by the County Executive to put the increases in subcontingency.

Legislator Jonke stated as Chairman of the Legislature he sent a letter to the County Executive along with the Legislature's budget requesting that any COLA increases being given to management employees also be given to the Legislature, Legislative Staff, and Auditing employees. He stated this has been routine since he has been a Legislator and this is the first time that request has not been honored. He stated he hopes the Committee will move this out of subcontingency this evening.

Legislator Nacerino stated this procedure is unprecedented. She stated it seems disingenuous to have done this; it is not good government. She stated the Legislative salaries are not within the County Executive's purview and to cherry pick a few employees and place their increase into subcontingency does not compliment the Administration at all.

Legislator Montgomery stated she asked County Executive Byrne about this and it is her understanding that the Legislative budget is not within the County Executive's purview therefore he could not change it per the Charter. She stated she does not want to see elected officials get raises, however she does believe the staff should receive it. She stated she is unclear if these funds should be moved now or in the new year and the same question applies to the funding for the outside agencies that was put into subcontingency. She stated the County Executive is following County law.

Legislator Sayegh stated in reviewing the Legislature's budget prior to it being sent to the Administration, the request was made in the letter for the management employees to be included in any COLA raises being given.

Legislator Montgomery stated the raises were not included in the budget.

Legislator Sayegh stated the request was made and it was not honored.

Legislator Ellner clarified that these are not raises; they are cost of living adjustments. He stated in the past he has refused his own and he will do so again. He stated he does not believe it is proper to deny anyone a cost of living adjustment and it should be consistent across the board.

Legislator Crowley stated it is her understanding that the format was the problem since the request was in a memorandum and not the budget.

Legislator Jonke stated he does not believe that is the case.

County Auditor Michele Sharkey stated for the past 20+ years, the Legislature's budget has been submitted with "If management receives a raise, please include." on each appropriate budget line.

Legislator Montgomery stated as the Minority Leader, she signs the letter that accompanies the budget submission. She stated in that same letter she requested that Elected Officials do not receive raises, among other things.

Legislator Jonke stated the letter Legislator Montgomery is referring to is a letter is co-signed by himself and Legislator Montgomery to the Clerk of the Legislature directing her to submit the budget to the County Executive. He stated the County Executive was given the letter and a spreadsheet and each line for the Legislators and staff on the spreadsheet included wording as stated by County Auditor Sharkey to add any raises given to management employees.

Legislator Montgomery stated she hopes the next Legislative Chair will include those raises in the budget.

Legislator Nacerino stated the letter and budget were submitted at the end of August and the percentage amount for the COLA increase was yet to be determined which is why a number was not included in the budget. She stated there is no way to anticipate what the percentage might be that early. She stated \$75,000 for outside agencies was also put into subcontingency by the Administration. She stated there are many representatives from those organizations present this evening to discuss what the Administration has included in the 2025 budget for them. She stated now the Legislature has to do the Administration's work by dividing the pot that he put in subcontingency.

Legislator Jonke stated putting these items in subcontingency was vindictive. He stated he met with County Executive Byrne before the budget was presented and inquired about this to which County Executive Byrne replied that he should have put in any number. He stated if he were to do that, an adjustment to decrease would have to be made during the budget process rather than honoring the simple request.

Chairman Castellano stated the word "raise" keeps being used, but what is being discussed are the 2.75% COLA increases that all management employees received.

Legislator Crowley questioned if the amount could have been based on the COLA increases the unions received.

Legislator Ellner clarified that all management employees received the COLA increase and that no one was excluded.

Chairman Castellano stated the employees who were excluded are in subcontingency.

Legislator Nacerino stated again, the employees whose COLA increases were put into subcontingency are the County Clerk, the Coroners, the Sheriff, the Legislators, and the Legislative staff.

Chairman Castellano made a motion to move the COLA increase for the County Clerk out of subcontingency; Seconded by Legislator Ellner. All in favor.

Chairman Castellano made a motion to move the COLA increase for the Sheriff out of subcontingency; Seconded by Legislator Ellner. All in favor.

Chairman Castellano made a motion to move the COLA increases for the County Coroners out of subcontingency; Seconded by Legislator Ellner. All in favor.

Chairman Castellano made a motion to move the COLA increase for the County Executive out of subcontingency; Seconded by Legislator Ellner. By Poll Vote: 2 Ayes 1 No, Legislator Gouldman. Motion carries.

Chairman Castellano made a motion to move the COLA increases for the Legislature out of subcontingency; Seconded by Legislator Ellner. By Poll Vote: 2 Ayes 1 No, Legislator Gouldman. Motion carries.

Legislator Ellner stated he will not be accepting his COLA for 2025.

Legislator Nacerino stated when she was Chair of the Personnel Committee if there was an employee who wished to not accept their increase, they just sent a letter to the Commissioner of Finance. She stated there has been some grandstanding about the increases and then they would be accepted anyway. She stated anyone who makes a statement against it should not accept it.

Legislator Crowley stated she has not accepted her increase either and has submitted a letter.

Legislator Montgomery stated she votes no on the raises each year, she does not believe she grandstands.

Legislator Nacerino stated Legislator Montgomery accepts her raise each year.

Legislator Montgomery stated she votes against the raises each year and instead of giving the increase back to the Legislature she spends her money as she sees fit.

#### **Debt Service – Account 9710 (pages 272–273)**

Commissioner Lewis stated they are slated to pay off \$6.9 million, \$5.2 million of which will go toward principal.

#### **Financing of Capital Projects**

Commissioner Lewis stated \$6 million is being allocated to the Capital fund. He stated if the County were to bond that same amount, it would cost the County approximately \$1.8 million over 15 years. He stated taking into consideration the County's healthy financial standing he would not recommend bonding at this time.

#### **Item #4 – Other Business – None**

#### **Item #5 – Adjournment**

There being no further business at 8:38pm, Chairman Castellano made a motion to adjourn; Seconded by Legislator Gouldman. All in favor.

Respectfully submitted by Administrative Assistant Beth Robinson.