SPECIAL MEETING
OF THE
PUTNAM COUNTY LEGISLATURE
CALLED BY THE CLERK AT THE REQUEST OF THE CHAIRWOMAN
HELD IN ROOM #318 OF THE
PUTNAM COUNTY OFFICE BUILDING
CARMEL, NEW YORK 10512

Monday May 19, 2025 6:00 P.M.

The meeting was called to order at 6:07 P.M. by Chairwoman Sayegh who requested that Legislator Jonke lead in the Pledge of Allegiance and Legislator Russo lead in the Legislative Prayer. Upon roll call, Legislators Montgomery, Gouldman, Addonizio, Russo, Ellner, Jonke, Birmingham, Crowley and Chairwoman Sayegh were present.

Item #4 – Approval - Rule Request - Requesting the New York State Legislature Enact Senate Bill S7540A and Assembly Bill A8080A was next.

Legislator Birmingham stated as a point of order that the law firm, which he is a partner in, represents three (3) of the municipalities in Putnam County which would be affected by this. He stated that as he has done in the past, he would recuse himself from any discussion or voting on this. He stated that he would also step out of the room while this is being discussed. He asked that he be notified when the discussion is finished.

Legislator Montgomery explained that there was a lot of interest from the public and from the towns and villages who voted unanimously asking us to support this. She proceeded to read the statement that she wrote. She stated that this was not her original proposal. She stated that governing is not about holding rigidly to one (1) idea. She stated that it is about adapting, listening, and moving forward in the best interest of the residents.

Legislator Crowley stated that she was thankful that we were giving this another chance. She thanked our State representatives, Town Supervisors, Highway Superintendents and everyone who came together in a bipartisan movement to make this happen.

Legislator Jonke stated that he was opposed to the extension of the full 1%. He did not believe that we needed the full 1% revenue and that we could still share with the towns. He proceeded to read the County Executive's memorandum from January 16, 2025 supporting the 1% extension. Legislator Jonke stated that he disagreed in the County Executive's statement, "If not extended, the revenue loss to Putnam County would also jeopardize the delivery of critical public services and massively interfere with needed capital investments approved." Legislator Jonke stated that money has already been set aside. He stated that we do not need additional sales tax revenue to pay for those projects. He stated that after this memorandum was received from the County Executive, some Legislators proposed reducing the percentage on the sales tax extension. He explained that the reaction from the County Executive was to get the town supervisors and village mayors together with the message of "tax relief that matters"; a property tax reduction. Legislator Jonke stated that Putnam County's #1 largest beneficiary of a property tax reduction would be the City of New York. He stated it would then be utility companies, municipalities and the State of New York. He stated that the benefit to our residents on a $1 million property tax levy reduction, on average, would be approximately $25.00 for the property owner. He believed that we could do both a sales

tax and property tax reduction. He believed that this alternative plan by the County Executive was a reaction to some of the Legislators coming up with a good idea. Legislator Jonke believed that if we worked together, we could cut the sales tax and cut property tax. He stated that it was his idea to cut $500,000 in property tax in the 2024 and 2025 budgets. He stated that none of us saw any real impact with $500,000 being cut in each of the two (2) years. He believed that we could do more. He stated that we have an unassigned fund balance of $90 million with a total fund balance of approximately $140 million. He explained that the difference accounts for the money to pay for those infrastructure projects mentioned in the County Executive's memorandum. He stated that he did not object to giving money to the towns, but the first thing we needed to do was to stop taking the money from the taxpayers. He stated that nobody has been able to explain to him how vetoing a sales tax cut is good for the taxpayers.

Legislator Addonizio stated that the County Executive's recent proposal to share the 1/9 of 1% sales tax extension was never formally presented to the County Legislature for approval as Legislator Montgomery mentioned. She stated that it was discussed privately with the Town Supervisors, Mayors, and Assembly and Senate Representatives. She stated that the proposed bill has been submitted to Albany. She explained that under Home Rule approval by the County Legislature is needed. She recently proposed allocating $5 million per year for two (2) years, for a total of $10 million, from the County's $90 million fund balance to the nine (9) municipalities using the same population-based formula. She stated that this proposal would have more than doubled the financial benefit to our communities, but it would have been vetoed by our County Executive. She believed that we could absolutely afford to share the 1% sales tax revenue and also return $5 million to the taxpayers in a meaningful way. She believed this should be a priority moving forward.

Legislator Ellner stated that he did not like the way we got to this point. He believed that these were two (2) mutually exclusive issues that do not need to be handled together. He concurred with Legislator Addonizio regarding giving $5 million to the towns for two (2) years. He stated that it seems that the towns do not want that and we have this before us. He also concurred with both Legislators Addonizio and Jonke that we could reduce the sales tax extension and reduce the property tax. He explained that he did not like how this proposal was handled. Instead of this being discussed before the Legislature in public, the County Executive bypassed the Legislature and brought it to Albany. He asked counsel if the question could be separated.

Senior Deputy County Attorney Conrad J. Pasquale said, "no." In this particular case we are stuck in the form that it comes from the State. He stated that if you did not want to approve it this form, you would need to vote on it and if it did not pass you could request your State Representatives that they modify it. He stated that at this late date, it is not guaranteed that they will be able to get to it by the deadline.

Legislator Russo stated that she supports this initiative. She stated that she has been out in the public speaking with people every day. She stated that nobody has ever told her that they did not want to pay sales tax or that rate. She stated that she paid a bill right before she came to this meeting and it was a nominal fee. She expressed that she would rather cut property taxes.

Legislator Gouldman stated that we have a choice to keep the sales tax rate the same and set up a system where the County will share a portion of the sales tax revenue with

the towns and villages moving forward. It will be exclusively used for local infrastructure projects and capital improvements. He stated that this option will provide continual financial stability for the County and the municipalities. He explained that if the 1% was not extended, it would lower the sales tax revenue coming into the County for the next few years. He believed that this would put the County in a downward spiral which could put the County in a negative financial situation in the next few years. He stated that it would cost the County approximately $20 million per year for the next two (2) years. He stated that he would be voting yes to extend the 1% sales tax.

Chairwoman Sayegh stated that we have been discussing the sales tax extension for months and now we are down to the wire. She stated that she supported extending the sales tax but felt that the County could lower the burden to the taxpayers by lowering it by ¼%. She stated that the Legislature approved lowering the sales tax extension by ¼% which would have placed $5 million back into the pockets of those who pay it, however, it was vetoed by the County Executive. She stated that this led to the historic compromise that extends the full 1% and shares 1/9th of 1% with the towns. She stated that she was not invited to a meeting by the County Executive to discuss that proposal with the towns. She explained that the County already provides $35 million in shared services to the towns out of the $80 million sales tax revenue, which includes Board of Election services, Community College, Emergency Services, and making taxes whole for the towns and school districts. She believed that the sales tax extension and sharing with the towns should have been kept separate. She believed that once the amount of the sales tax extension was determined, we then could have discussed the sharing of funding with our towns and villages in a public meeting in Putnam County in this Legislative Conference room, not in Albany. She believed that we were currently pitting the towns against the taxpayers. She believed that we could lower the sales tax extension for the taxpayers, although the County Executive would probably veto that again. She stated that while the towns may receive some form of sharing plan, it is the taxpayer that gets no sales tax relief. She stated that it is the taxpayer that is left out of this historic compromise. She stated that she was elected to serve the taxpayer and believed they deserved a break. She stated that she is not, and never has been, in favor of losing the sales tax extension, but she believed the taxpayers should keep a portion in their pocket. She stated that now we have before us the 1% sales tax extension which includes sales tax sharing with the towns; take it or leave it. She believed it was another unfunded mandate sent down to us from Albany politicians that was negotiated by an Albany politician.

Legislator Montgomery stated that she had hoped to change some of the opinions here. She explained that when she voted against the extension two (2) years ago, this Legislative body including Legislators Jonke, Sayegh, Addonizio and Ellner, voted to extend the 1% sales tax. She stated that it was emphasized how critical it was that the request went through, or it would have an astronomical impact on seniors. She stated that the 2022 budget brought in $82 million in sales tax revenue; $16.9 million more than what was budgeted. She stated that the 2024 budget brought in a surplus of approximately $7 million in sales tax revenue. She stated that it is less than half of the surplus we brought in two (2) years ago. She stated that as of the April 2025 Audit Sales Tax Report, we are on a downward trend, bringing in less than our projected sales tax revenue. She stated that the fund balance is only $12 million more than what it was two (2) years ago when these Legislators insisted that we needed to vote for the extension. She did not understand what changed for these Legislators. She stated that we have been sitting on a huge fund balance for as long as all of us have been on this Legislature.

She believed what has changed was the significant infrastructure service needs of our towns and villages who struggle much harder year after year to stay under that 2% tax cap and who have to work harder to get FEMA funding. She stated that they do not have the manpower or equipment to do these infrastructure projects, or to recover from the more frequent catastrophic storms. She continued to list items that towns and villages need to fund. She stated that we need to remember to govern responsibly and protect the taxpayers. She believed that we needed to get over the fact that we do not like the way this happened. She stated that we have been united on this issue before and she hoped that we could do what was right in supporting this 1% sales tax extension and sharing to protect our residents.

Legislator Jonke stated that he appreciated everything Legislator Montgomery said. He stated that Legislator Gouldman stated that if we did not adopt the 1% it would cost the taxpayers $22 million. Legislator Jonke clarified that it is not costing the taxpayers $22 million, we are receiving $22 million less revenue. He stated that we have the funds to cover the cost. He proceeded to explain what has changed in the last few years. He stated that when he first became a Legislator eight (8) years ago the County's unassigned fund balance was just shy of $16 million. He stated that it is now $90 million; more than five (5) times where it was at. He explained that in 2023 we had a $78 million fund balance after coming out of COVID-19 when people were home doing more on-line shopping, and it was just after the Wayfair Lawsuit which was settled in 2018 which we started feeling the effects of starting in 2020 as COVID-19 hit. He explained that he voted for the extension in 2023 because we were unsure if the revenue stream would be sustained. He stated that not only has it been sustained, but it has also increased, which he never thought would happen. He explained that in 2022, the Legislature supported the share the growth initiative where ARPA funding and Fund Balance was shared with the towns. He stated that he supported it then and continues to support it today. He stated that Legislator Russo mentioned that a reduction in the sales tax extension would be a nominal amount for residents. He questioned if we reduced the property tax levy by $1 million, did she know how that would impact her property taxes.

Legislator Russo stated that her point was the sales tax is shared by everybody, not just residents.

Legislator Jonke stated that he reached out to his senior citizens constituents. He stated that they want a reduction in sales tax and property tax. He stated that a $1 million reduction on the property tax levy would amount to a $12.00 reduction in property tax for Legislator Russo.

Legislator Russo stated that if we reduced the sales tax extension it would potentially be a $25.00 savings.

Legislator Jonke stated that the amount would depend on what was purchased. If you purchased a car, it could be a $200.00 savings. He explained that a slight savings would be seen day after day when something was purchased or you filled your car with gasoline. He stated that none of this is an earth-shattering change. He stated that for Legislator Russo a $1 million property tax reduction would equate to a property tax savings of $12.00. He stated that the biggest property taxpayer in Putnam County is New York City. He stated they would save $35,000. He stated that utility companies would save in the tens of thousands while homeowners would save on average $25.00. He stated that he wanted to put everything into perspective.

Legislator Crowley stated that when Legislator Jonke was Chairman of the Legislature, she and him went back and forth on the $500,000 savings which she believed was nothing at a savings of only approximately $12.00 per household. Legislator Crowley stated that everyone here was elected to serve their constituents, the people that live here in Putnam County, not the people that come here to shop. She stated that, yes, there were other ways where we could do better, and we should do better, but right now this is a start. She explained that everyone has come together and stated that this is what we want. She stated that Legislator Addonizio brought up the proposal of sharing $5 million with the towns over the next two (2) years for a total of $10 million. She explained that there was no mechanism in place of how that would be distributed to the towns and villages quarterly like the proposal in front of us. She believed that was why they came together and there was a compromise. She believed it was a good start.

Legislator Addonizio believed that her proposal would have been vetoed by the County Executive and there was no mechanism because one would not be allowed. She believed that we needed to do better and the $5 million needed to be shared in another way. She believed this needed to be discussed at a different time.

Legislator Ellner stated that in 2023 when he voted for the extension, he stated that he was reluctant to do so because he believed that we needed to start weaning ourselves off the 1% extension. He stated that this is what we have now and what is wanted. He believed that it would pass tonight.

Legislator Gouldman believed that the public should be given the opportunity to speak.

Chairwoman Sayegh stated that we have heard from the public and she believed this would pass tonight. She stated that there are two (2) more meetings this evening, therefore she called for a roll call vote on the resolution and asked if there was a motion to move the resolution.

Legislator Montgomery made a motion to approve the following resolution; seconded by Legislator Ellner.

RESOLUTION #135

HOME RULE REQUEST - REQUESTING THE NEW YORK STATE LEGISLATURE ENACT SENATE BILL S7540A AND ASSEMBLY BILL A8080A

WHEREAS, Putnam County has historically relied on an additional one percent (1%) county sales tax to fund essential public services and infrastructure projects; and

WHEREAS, this additional sales tax is currently set to expire on November 30, 2025; and

WHEREAS, Senate Bill S7540A and Assembly Bill A8080A have been introduced in the New York State Legislature to extend this additional one percent (1%) county sales tax for an additional two years, through November 30, 2027; and

WHEREAS, these bills also mandate that one-ninth of the revenue generated from the additional one percent (1%) sales tax be allocated to the towns and villages within Putnam County, distributed based on population, with each municipality guaranteed a minimum annual allocation of $50,000, to be used exclusively for local infrastructure projects and capital improvements; and

WHEREAS, this revenue-sharing provision represents a historic compromise between the County Executive, Town Supervisors, and Village Mayors, ensuring that all municipalities benefit directly from the sales tax revenue; and

WHEREAS, the extension and equitable distribution of the additional sales tax revenue will provide continued financial stability for the county and its municipalities, enabling the funding of critical infrastructure projects without increasing property taxes; now therefore be it

RESOLVED, that the Putnam County Legislature hereby expresses its strong support for Senate Bill S7540A and Assembly Bill A8080A and respectfully urges the New York State Legislature to enact these bills into law; and be it further

RESOLVED, that the Clerk of the Putnam County Legislature is hereby directed to forward copies of this resolution to the Governor of the State of New York, the Temporary President of the New York State Senate, the Speaker of the New York State Assembly, Senator Peter Harckham, Assemblymember Matthew Slater, Assemblymember Dana Levenberg, and all others deemed necessary and proper.

BY ROLL CALL VOTE: SEVEN AYES. ONE NAY – LEGISLATOR JONKE. ONE ABSTENTION – LEGISLATOR BIRMINGHAM. MOTION CARRIES.

There being no further business, at 6:45 P.M., Chairwoman Sayegh made a motion to adjourn; seconded by Legislator Crowley. All in favor.

Respectfully submitted by Diane Schonfeld, Clerk.