

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

Members: Chairwoman Sayegh and Legislators Birmingham & Crowley

Monday 5:30pm June 23, 2025

The meeting was called to order at 5:32pm by Chairwoman Sayegh who requested Legislator Crowley lead in the Pledge of Allegiance. Upon roll call, Legislators Birmingham and Crowley and Chairwoman Sayegh were present.

Item #3 – Acceptance of Minutes – January 27, 2025

The minutes were accepted as submitted.

Item #4 – Correspondence/County Auditor

- a. **Sales Tax Report** – Duly Noted
- b. **OTB Report** – Duly Noted
- c. **Board In Revenue Report** – Duly Noted
- d. **Transfer/Revenue Report** – Duly Noted
- e. **2025 Contingency/Sub-Contingency Report** – Duly Noted

Item #5 – Presentation – Putnam County Golf Course – Commissioner of Finance Michael Lewis & Commissioner of DGS John Tully

Legislator Birmingham stated some of the bonds that will be discussed were approved while the law firm he works for served as bond counsel. He stated he does not necessarily see any conflict and there is no vote this evening, but he wanted to be transparent. He stated the firm is no longer bond counsel.

Commissioner of Finance Michael Lewis stated the County has an opportunity in January 2026 to refinance governmental bonds that were taken out for the Putnam County Golf Course. He stated the land the Golf Course is on was purchased in December 2003 using tax exempt bonds. He stated subsequently, the IRS came out with the Safe Harbor provisions, which put restrictions on the current vendor of the Golf Course. He stated if the County takes the opportunity to fully pay the outstanding bond it will alleviate the liability and remove those restrictions. He stated the County is in a good fiscal position to do this. He stated there is an option to partially repay the bond at \$1,734,000 in principal and the County would save about \$175,000 in interest. He stated if the County pays off the entire \$4,725,000, the County would save about \$477,000 in interest. He stated last year, the County began taking proactive measures by putting aside money for callable bonds; there is currently \$3 million allocated for this purpose. He stated he expects there to be another \$2 million placed in that bucket after the audit is presented in the next few months, which would then cover paying off the bonds. He stated he believes this is a

great opportunity to pay this bond off, which would demonstrate good fiscal health moving forward. He stated at the end of 2024 the County had about \$34 million in outstanding debt. He stated this year, the County paid down another \$5.3 million, bringing the total outstanding debt at the end of 2025 to \$28.6 million. He stated in 2026 there is a scheduled bond principal payment of \$4.4 million, bringing the total outstanding debt to about \$24.5 million. He stated paying off this bond in the amount of \$4.7 million would bring the County's total outstanding debt under \$20 million, which would be fantastic.

Chairwoman Sayegh questioned if that is the only debt the County has.

Commissioner Lewis stated yes it is assuming no further bond issuance. He stated going into the creation of the 2026 budget, he wanted to know the position of the Legislature and which option was preferred. He stated he is required to notify the bond counsel/depository trust company what the County has decided no later than November 15, 2025.

Commissioner of Department of General Services (DGS) John Tully stated in addition to the timing of paying off this debt, the County would also be issuing an RFP (Request for Proposal) consistent with the new terms of the tax-exempt bond being paid off. He stated paying off these bonds opens up more opportunities for the County from a procurement perspective. He stated the current agreement with the operator of the Golf Course has been extended with the caveat that should the County agree to pay off the municipal bonds and forego the Safe Harbor provisions, the County would be issuing a new RFP. He stated the current operator would have an opportunity to present their proposal at that time along with any other submissions. He stated the January 2026 date is good timing, as the golf season will be quiet until the Spring. He stated once a resolution is passed, he would be able to issue an RFP with the new terms, although the new terms would not be in effect until 2026 when the debt is paid off.

Chairwoman Sayegh questioned how the RFP would change under the new guidelines.

Commissioner Tully stated there would be differences in cash handling and review of the inventory. He stated currently, the County owns the pro shop inventory, but under the new agreement it would be the property of the vendor and the transactions and internal control that goes along with it would be the responsibility of the vendor.

Commissioner Lewis stated it would be similar to the operation at Tilly Foster Farm.

Commissioner Tully stated yes, it would be similar but there are a few more cost centers at the Golf Course.

Chairwoman Sayegh stated how things may change as a result. She stated for example, the County currently holds the liquor license and if the vendor would need to apply for their own.

Commissioner Tully stated that would be a consideration. He stated if the County no longer held the liquor license, it would be released of some liability.

Legislator Crowley questioned if the liquor license was transferred to the vendor at Tilly Foster Farm. She stated it would be great if the County did not have to have that liability.

Commissioner Tully stated he will look into that.

Legislator Jonke stated paying off this bond would cost \$4.75 million. He stated earlier this year the Legislature discussed extending the sales tax rate, and it was stated that a quarter of a percent would equal about \$5 million. He stated members of the Legislature argued that it would be irresponsible to cut the revenue from sales tax in case of emergency. He questioned how this would be justified. He questioned if this repayment would come out of the unassigned fund balance.

Commissioner Lewis stated \$3 million is already assigned and the County is in a position to add another \$2 million to that based on the unfinished audit report. He stated this would be a one-time payment and would save the County interest, allow the County to reinvest that money into future capital projects, and could increase our bond rating.

Legislator Jonke stated he supports this repayment. He stated he also supported extending the sales tax rate at a reduced amount. He confirmed the County has \$90 million in its unassigned fund balance. He questioned what a safe amount to have in the unassigned fund balance.

Commissioner Lewis stated the County is in a healthy fiscal position. He stated he believes this is a proper way to utilize some of the fund balance as it is bringing down the overall debt.

Legislator Jonke agreed and stated he would be in agreement to utilize some of the \$90 million fund balance to pay down the remaining \$20 million of debt.

Commissioner Lewis stated this is the only one the County is able to pay off at this time.

Commissioner Tully stated this is a one-time opportunity that is only available on January 15, 2026.

Legislator Addonizio questioned if the current vendor would be given preference in the RFP process.

Commissioner Tully stated an RFP is in everyone's best interest, including the current vendor.

Legislator Addonizio questioned who decides the winner of the bid.

Commissioner Tully stated an evaluation committee will be established and they will report their review results back to him. He stated that committee would not be provided with the financials; DGS would use a standard formula for determining the weight of the cost proposal portion of their bid. He stated a scoring metric would then be completed and the highest score would be the intended recommendation. He stated any lease would come before the Legislature.

Legislator Crowley stated there are 53 vacancies throughout the County which have provided the opportunity to save a substantial amount of funds to be able to pay off this bond. She stated her support for paying the bond off.

Chairwoman Sayegh questioned what the next step is.

Commissioner Tully stated the Legislature will decide how to move forward, which will then direct him how to move forward. He stated there are capital projects slated for that property, which would have to be contemplated.

Chairwoman Sayegh questioned what the difference in the RFP process would be between the various scenarios.

Commissioner Lewis stated making a partial payment on the bond would pay off the Golf Course portion only. He stated paying the bond entirely is the more aggressive option and would get the bond entirely off the books.

Commissioner Tully stated the \$4.7 million payment includes more than one bond issuance. He stated paying off the bond for the Golf Course would lift the Safe Harbor provisions.

Legislator Montgomery questioned if the RFP that goes out would be different once those restrictions are lifted.

Commissioner Tully stated any vendor could submit a proposal. He stated he believes it would be in the County's best interest to award one (1) contractor as there are currently three (3) that are involved in some level of management of the property.

Legislator Montgomery stated she has been very critical of the Golf Course and the expenditures and she hopes that this will be saving the County money.

Commissioner Tully stated there are many indirect costs that are difficult to quantify that will go away without these restrictions because the County would be less involved. He stated there are some aspects the County may want to remain involved in, which would be included in the RFP. He provided an example of ensuring the resident rate remains.

Legislator Montgomery stated she would like to see the exact cost to the County for the acquisition of the Golf Course property, which she believes was about \$5 million and about \$6.5 million was Watershed money.

Commissioner Tully stated the entire purchase as made using Water Quality Improvement Project (WQIP) Funds that was negotiated as part of the watershed agreement with New York City. He stated subsequent to using those funds to acquire the property, the County issued bonds to payback the WQIP fund.

Legislator Montgomery stated she likes the idea of saving money moving forward. She stated she believes for public interest, everything since the inception of the Golf Course should be reviewed including year by year operating subsidies from County budgets and a breakdown of capital improvements, equipment rentals, and construction work. She stated she would like a comprehensive breakdown of anything funded to date. She stated there are many services that are lacking on the western side of the County and funding is continually put toward the Golf Course since it was acquired. She stated it has occasionally turned profitable, however she has never seen all the financials. She stated front line services struggle throughout the County, providing the example of hiring and retaining nursing staff or assistant district attorneys. She stated she wonders if this is the best use of the County's limited resources.

Commissioner Tully stated that historical information Legislator Montgomery requested will be necessary in the upcoming RFP process as well. He stated there is a lot of work to be done to put a very transparent document out so the County can get the best result.

Item #6 – Correspondence – Commissioner of Finance

a. Approval – Budgetary Amendment 25A049 – Sheriff – BCI – Acknowledge Grant Award (Also reviewed in Protective)

Undersheriff Thomas Lindert stated this is a reimbursement from Homeland Security for time an officer spent assisting with an investigation.

Chairwoman Sayegh made a motion to pre-fie the resolution; Seconded by Legislator Crowley. All in favor.

b. Approval – Budgetary Amendment 25A050 – Finance – Receipt of State Aid for Indigent Legal Services

Commissioner Lewis stated this is the 2025 portion of a three (3) year grant that goes through the end of 2026.

Chairwoman Sayegh made a motion to pre-fie the resolution; Seconded by Legislator Birmingham. All in favor.

c. Approval – Budgetary Amendment 25A051 – Finance – Funding for PCSPCA to be Recouped upon Receipt of Grant (Also reviewed in Rules)

Commissioner Lewis stated Chief of the Putnam County Society for Prevention of Cruelty to Animals Ken Ross approached the County to request an advance of grant funds to be reimbursed upon receipt. He stated this was done a few years ago as well.

Chairwoman Sayegh made a motion to pre-file the resolution; Seconded by Legislator Crowley. All in favor.

d. Approval – Budgetary Amendment 25A052 – DPW – Amend Capital Project 52405 – Sheriff Life Safety Systems Modernization (Also reviewed in Physical)

Undersheriff Lindert stated this is the new fire safety system that was newly installed.

Commissioner Lewis stated the project cost \$16,000 more than anticipated.

Chairwoman Sayegh made a motion to pre-file the resolution; Seconded by Legislator Birmingham. All in favor.

e. Approval - Budgetary Amendment 25A054 – Health Dept. – Incoming Funding from Nuvance for Tick Removal Kits (Also reviewed in Health)

Chairwoman Sayegh made a motion to pre-file the resolution; Seconded by Legislator Birmingham. All in favor.

f. Approval - Budgetary Amendment 25A055 – Planning Dept. – Correct State Aid Funding Source – NYSDOT Public Transportation Modernization & Enhancement Program (Also reviewed in Physical)

Chairwoman Sayegh made a motion to pre-file the resolution; Seconded by Legislator Crowley. All in favor.

g. Approval - Budgetary Amendment 25A056 – Sheriff – Insurance Recoveries

Chairwoman Sayegh made a motion to pre-file the resolution; Seconded by Legislator Birmingham. All in favor.

h. Approval – Budgetary Amendment 25A057 – Youth Bureau – Furniture & Fixtures to Outfit New Facility

Youth Bureau Director Janeen Cunningham stated they are very excited to have their own space at Tilly Foster Farm. She stated they had the same furniture since she

began working 23 years ago. She stated they have been working with a company to outfit their new space with furniture that will fit. She stated a lot of their programming will take place downstairs and the room will be furnished in a way that will allow them to move furniture around based on the programming. She stated they are mindful of having children in the space and getting furniture that will accommodate them safely. She stated they have had to do outdoor programs at Camarda Park and it will be great to use the outdoor space at Tilly Foster.

Legislator Sayegh stated this budgetary amendment is to furnish 11 rooms and the outdoor space. She questioned what the square footage is for the spaces. She questioned if any pieces of furniture are being taken from the old office.

Director Cunningham stated furniture is not being moved from the old office because the staircase makes it difficult to bring pieces up to those offices, and therefore that furniture will need to be built right in the space. She stated a lot of the furniture they have is older.

Chairwoman Sayegh stated this is a large expenditure, the County does not often have to furnish an entire building.

Director Cunningham stated it also includes televisions, smartboards, and outdoor furniture. She stated the employees will be bringing their current phones and computers.

Chairwoman Sayegh stated the Early Learning Center that is being opened this school year will also need to purchase furniture. She questioned if there is any way to combine these expenditures.

Commissioner Tully stated the vendor information could be given to the Health Department for the furniture at the Early Learning Center. He stated there would be no additional discount because the prices are set.

Chairwoman Sayegh questioned if this should be split to take out the outdoor furniture since it will not be delivered in time for use. She questioned if it would go into storage for the winter season.

Director Cunningham stated there is a 6-8 week time frame for the outdoor furniture and it would be stored by Department of Public Works.

Legislator Montgomery stated the prices are only going to increase if we wait to purchase the outdoor furniture.

Legislator Birmingham stated his support for this entire expenditure. He stated purchasing these items in piecemeal is not advantageous.

Chairwoman Sayegh made a motion to pre-file the resolution; Seconded by Legislator Crowley. All in favor.

Item #7 – Approval - Fund Transfer 25T091 – Health Dept. – Payout Accruals for Interim Commissioner of Health (Also reviewed in Personnel)

Chairwoman Sayegh made a motion to pre-file the resolution; Seconded by Legislator Birmingham. All in favor.

Item #8 – Approval - Fund Transfer 25T151 – Board of Elections – Clear Ballot BDF Creation (Also reviewed in Rules)

Chairwoman Sayegh made a motion to waive the rules and accept the additional; Seconded by Legislator Crowley. All in favor.

Legislator Birmingham stated Board of Elections Commissioners Croft and Primavera could not be here this evening because early voting is going on so they are working.

Chairwoman Sayegh made a motion to approve Fund Transfer 25T151; Seconded by Legislator Birmingham. All in favor.

Item #9 – Approval - Fund Transfer 25T152 – Senior Resources – Pay Differential for OSR Staff Working Out of Title (Also reviewed in Personnel)

Kevin Monaghan, Deputy Director of the Office for Senior Resources stated they had two (2) retirements and this fund transfer is necessary for the pay differential for the staff covering those positions. He stated one position was just filled and they are working on filling the other.

Chairwoman Sayegh made a motion to approve Fund Transfer 25T152; Seconded by Legislator Birmingham. All in favor.

Item #10 – Approval - Fund Transfer 25T159 – Health Dept. – Temporary – Bring Back Retired Employee for Succession Training (Also reviewed in Personnel)

Chairwoman Sayegh made a motion to pre-file the resolution; Seconded by Legislator Crowley. All in favor.

Item #11 – Approval – Fund Transfer 25T160 – Health Dept. – Temporary – Bring Back Retired Employee (Also reviewed in Personnel)

Legislator Birmingham stated similarly to the previous item, he is happy that retiring employees are willing to stay on to train the incoming employees.

Commissioner Lewis stated the institutional knowledge between both employees is invaluable.

Legislator Montgomery questioned if these positions have been filled yet.

Commissioner Lewis stated he would defer that question to the Health Department.

Chairwoman Sayegh made a motion to pre-file the resolution; Seconded by Legislator Birmingham. All in favor.

Item #12 – Approval – Fund Transfer 25T164 – Health Dept. – Payout Accruals for Retirement (Also reviewed in Personnel)

Legislator Montgomery stated it is unfortunate that these funds are available due to vacancies in public health nurse budget lines.

Chairwoman Sayegh made a motion to pre-file the resolution; Seconded by Legislator Crowley. All in favor.

Item #13 – Approval – Budgetary Transfer 25T165 – Finance – Railroad Station Maintenance Costs (Also reviewed in Physical)

Legislator Birmingham stated he will be abstaining from this vote as his law firm does limited legal work for them.

Commissioner Lewis stated this is an expense that is hard to project and there was an incremental difference that needed to be made up.

Brett Yarris, resident of Carmel questioned clarification on this.

Commissioner Lewis stated the County pays the MTA for railroad maintenance on the stations within the County. He stated there is a calculation done to determine the cost.

Chairwoman Sayegh made a motion to pre-file the necessary resolution; Seconded by Legislator Crowley. Legislator Birmingham abstained. Motion carries.

Item #14 – Approval - Fund Transfer 25T166 – Board of Elections – Tenex License (Also reviewed in Rules)

Chairwoman Sayegh made a motion to approve Fund Transfer 25T166; Seconded by Legislator Birmingham. All in favor.

Item #15 – FYI – Guardrail & Property Damage Table – Duly Noted

Item #16 – Other Business – None

Item #17 – Adjournment

There being no further business at 6:44pm, Chairwoman Sayegh made a motion to adjourn; Seconded by Legislator Birmingham. All in favor.

Respectfully submitted by Administrative Assistant Beth Robinson.