

**Economic Development Budget Meeting
Held In Room #318
Putnam County Office Building
Members: Chairman Birmingham & Legislators DiCarlo & Tamagna**

Monday

October 15, 2012

The meeting was called to order at 6:30 p.m. by Chairman Birmingham who requested Legislator Tamagna lead in the Pledge of Allegiance. Upon roll call Legislators Tamagna, DiCarlo and Chairman Birmingham were present.

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Chairman Birmingham stated the budget is in the same amount that it was last year, \$13,000. He questioned what this was used for.

County Auditor Michele Sharkey stated it is used for the New York State Association of Counties (NYSAC) conferences.

Tourism Promotion Agency – Page 197

Legislator Tamagna stated he would like to recognize Tourism in light of a recent cycling event, in which 188 cyclists rode through some towns in the County. He stated the feedback from the participants was great and they look forward to coming back.

Chairman Birmingham stated the budget was the same as the year before and the Director of Tourism, Libby Pataki was comfortable with the number.

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Chairman Birmingham stated he would like to hold this item until the Putnam County Economic Development Corporation (EDC) Board Chairman, Tom LaPerch is able to address it.

Legislator Oliverio stated he was unaware of what the Board Chairman would address as there was no funding put in the budget.

Putnam County Economic Development Corporation Board Chairman Tom LaPerch arrived at 6:34 P.M.

Chairman Birmingham informed Board Chairman LaPerch of the discussion that ensued regarding the public private partnership with the EDC. He questioned the Shop Putnam line in the EDC budget.

Commissioner of Finance Bill Carlin stated that Shop Putnam is not in the line.

Chairman Birmingham questioned why it was not included since it is essentially free advertising for some of the largest sales tax generators.

Deputy County Executive Bruce Walker stated this was because they took a step back to find a way to better reflect all venues.

Chairman Birmingham questioned if there was anything in contingency designated toward this.

Deputy County Executive Walker stated they will evaluate and reconvene afterward.

Legislator Oliverio questioned where the money is exactly for EDC and if it was in the sub-contingency line.

Commissioner Carlin stated yes, it is.

Legislator Oliverio questioned if that can be designated to the EDC, rather than just sub-contingency.

Deputy County Executive Walker stated the money is designated for that use.

Commissioner Carlin stated a name will be put on the line.

Legislator Tamagna stated it would be wise to take another look at things such as Shop Putnam as there is a lot that can be done. He also stated more could be done with the Bike Classic he mentioned earlier.

Legislator LoBue questioned why this is being moved to sub-contingency.

Deputy County Executive Walker stated it was moved to contingency because the president of the EDC, Kevin Bailey was retiring from his position. He stated because of this, they took a step back and thought about how it was going to affect the County. He stated the success of the EDC was the most important thing, as it will enable the County to create jobs for the unemployed and to secure the 1.6% increase in the proposed budget. He stated the two biggest revenue lines in the budget are sales tax and property tax, and focusing on the EDC will make it possible to add additional revenue to the lines.

Chairman Birmingham stated he is excited that this is being improved as it shouldn't be static and things change. He also stated he doesn't understand how putting the money into contingency is going to accomplish the goal. He stated a block grant is given to the EDC and putting it into sub-contingency requires the Legislature to meet and approve the use of the money and it could take a long time, forcing the EDC to make quick decisions or, the money won't be available at the beginning of the year. He stated all the goals may be accomplished in an easier fashion if the money is in the line.

Legislator Tamagna stated when the IDA and the EDC were created it was not looked at as something that was going to be funded forever. He stated the money given in the beginning was seed money and the corporations were to establish their own financial support. He stated he supports taking the first quarter out of contingency and keeping the other three quarters in contingency.

Legislator Oliverio questioned if they do away with Shop Putnam and looking at a reconfiguration of the EDC, why another \$10,000 is needed.

Deputy County Executive Walker stated the money was placed there because as it stands, the County gets paid half of the dues from the Hudson Valley EDC (HVEDC). He stated the plan is to engage them more than in the past once a full time person is placed.

Chairman Birmingham stated the Hudson Valley EDC is only charging half of what they used to, but in 2012 the full amount was budgeted for.

President of the EDC Kevin Bailey stated the full amount was budgeted for in the EDC budget.

Chairman Birmingham stated the money was given to the EDC with the understanding the County would have to pay back the full amount to the Hudson Valley EDC, however the amount to pay back was halved.

Legislator Oliverio stated although it was budgeted and the HVEDC forgave half the amount, he still does not understand the extra \$10,000. He asked if the amount can be forgiven again this year.

Deputy County Executive Walker stated they could, but the County is engaging more than they have in the past.

Legislator Oliverio stated the amount of money going toward the EDC is higher than it was last year.

Chairman Birmingham stated it is important to keep in mind the Legislature is not the governing board for EDC.

Legislator Oliverio stated in his opinion the increase does not make sense and he would like to stay consistent.

Deputy County Executive Walker stated the likeliness of this going to a full time position is high.

Legislator Oliverio questioned if the excess is going to make up the difference in the salary.

EDC Board Chairman LaPerch stated things such as the website need to be updated and that is not cheap.

Chairman Birmingham questioned if there are any board resolutions that can be shared.

Legislator LoBue stated she would not like it put in contingency.

Legislator DiCarlo stated it is difficult to set money aside. He stated he thinks the Legislature should agree on a number to put into the line, or place the money in sub-contingency. He stated attracting business to the County is a game, and one of the ways to get businesses in is to offer tax incentives. He questioned if the projects that were talked about last time President Bailey came to a meeting were near completion.

President Bailey stated five of the eight projects were induced to move forward and two or three of those will close within six months. He stated there is no question that the EDC needs this money to go forward. He stated a full time position is needed. He stated the return on the money is huge.

Commissioner Carlin stated the numbers were tight and the extra \$10,000 was added to make sure enough money was in the line to pay dues.

Chairman Birmingham questioned if Commissioner Carlin would put the money in contingency.

Commissioner Carlin stated the money is there for whatever plan the Administration comes up with.

Legislator Albano stated he agrees with Legislator Tamagna's suggestion. He stated either way, the money is there. Taking a quarter out at a time allows them to see what the money is going to.

Legislator Oliverio stated President Bailey made an excellent case for keeping the money in the line. He stated this is a public private partnership, and they should not need the permission of the government to withdraw money for projects. He stated in future budgets, anything that is going to be radically different should be brought to the Legislature ahead of budget time. He stated the 10 to 15 days they have to deliberate is not enough. He stated his agreement with Legislator LoBue in that he is uncomfortable putting the money into contingency, meaning the government has control rather than the private sector.

Deputy County Executive Walker stated the County is not looking to defund the EDC. He stated he is concerned with the issue of control.

Legislator Gross stated the money always went into the EDC line, and now it is not. He stated since the funding is there for them, they should get it.

Chairman Birmingham questioned how money is received by outside agencies.

Commissioner Carlin stated the money goes out monthly.

Chairman Birmingham stated he would like to put everything back into the budget line. He stated they still have the ability to restructure and come to the County and ask for more funding. He suggested taking the \$138,845 out of contingency, putting \$128,845 into the EDC budget line and the other \$10,000 into the Shop Putnam program.

Chairman Birmingham made a motion to take \$138,845 out of sub-contingency, put \$128,845 into the County Contribution line 4950, and put \$10,000 into Shop Putnam; Seconded by Legislator DiCarlo. All in favor.

Item # 4 - Other Business - None

Item # 5 - Adjournment

There being no further business at 7:11 P.M. Chairman Birmingham made a motion to adjourn; Seconded by Legislator DiCarlo. All in favor.

Respectfully submitted by Administrative Assistant, Beth Green.