

AUDIT & ADMINISTRATION COMMITTEE MEETING
Held In Room 318
PUTNAM COUNTY OFFICE BUILDING
CARMEL, NEW YORK 10512

Members: Chairman Castellano, Legislators Nacerino & Tartaro

Monday May 19, 2014
(Immediately following Personnel Mtg. starting @ 6:30 P.M.)

The meeting was called to order at 6:54 P.M. by Chairman Castellano who requested Legislator Tartaro lead in the Pledge of Allegiance. Upon roll call, Legislators Nacerino, Tartaro, and Chairman Castellano were present.

Item #3 - Approval of Minutes – April 28, 2014

The minutes were approved as submitted.

Item #4 - Property Tax Card Program – Fincredit, Inc., Inc./ DeFalco/ Discussion

David Rubin, a small business owner in Putnam County and a member of the Putnam County Chambers of Commerce stated the Property Tax Card is a good proposal to solve the property tax issue while providing incentives to shop locally.

Carmine DeFalco, President and CEO of Fincredit, Inc., stated the Property Tax card program was started two (2) years ago in Marlboro, NJ. He stated they are now in seven (7) Townships and they are working with State Legislation. He stated should Putnam County adopt this program, the County would be responsible for distributing the cards to interested homeowners. He stated when the homeowners shop locally at participating locations, a percentage of the amount spent will be credited toward their property tax bill. He stated the percentage credited is decided by the merchant. He provided an example of a restaurant with a 10% credit rate. He stated if the bill came to \$100, there would be a \$10 tax rebate. He stated the fee charged by Fincredit, Inc. is 25% of the rebate. In his example, Fincredit, Inc. would receive \$2.50, while the homeowner would receive \$7.50 toward their property tax. He stated the more the card holder shops locally, the more property tax credits they accumulate. He stated merchants like this program because they are getting free marketing, as the marketing would be done by the County. He stated the merchant also receives the email addresses of those who shop at their business, and are in the program, which they can then use for email blasts. He stated at the end of each week, everything is added and the funds are sent electronically to the County, which will then be uploaded and the individual's information can be viewed. He stated Marlboro, NJ has had this program in place for one (1) year and the community has achieved \$70,000 in tax credits. He stated Marlboro has 15,000 households, 3,500 of which are registered in the program. He stated the other Towns are showing returns along the same lines as Marlboro. He stated the only cost to the County would be the marketing. He stated the marketing is done by the County, because they are more aware

of their businesses and the needs of their residents. He stated the cards are \$1.00 each, however in most cases the cards are sponsored by a local bank or business. He stated the cards do not expire, and therefore having a sponsored card promotes the sponsor for the life of the card.

Greg Lane, a representative from Fincredit, Inc., stated another important component to the card is having more local shopping, especially in the small business, independent stores. He stated when money is spent locally more money is being kept in the community. He also stated this is a universal card that the homeowner will acquire points on at various locations.

Legislator Nacerino questioned if this program was at the discretion of the Legislature and if this would be implemented by Town or throughout the County. She stated the program appears to be a win-win, however she would be concerned if the program was confined to each Town as some Towns in Putnam County are quite small.

Mr. DeFalco stated it is up to the County where the program would be implemented, and it can be throughout the entire County.

Legislator Nacerino stated she is pleased to have the entire County as an option.

Mr. DeFalco stated renters in the County are also able to participate and would receive a rebate check at the end of the year.

Chairman Castellano questioned if the company had any participants from New York.

Mr. DeFalco said Fincredit, Inc. has not yet confirmed any Towns or Counties in New York.

Mr. Lane stated as of now, they are only in New Jersey; however they are in contact with New York, Connecticut, and Massachusetts.

Chairman Castellano questioned what large retailers were associated with Fincredit, Inc.

Mr. DeFalco stated large retailers are difficult to obtain due to the fact that they are usually corporate and they cannot offer such a program in a confined area. He stated the first large retailer they are in contact with is Whole Foods. He stated they also hope to have "destination facilities." He stated for instance, they have Shop Vernon, which is home to the ski resort Mountain Creek. He stated if a resident from Marlboro, NJ was to go to Vernon to visit the ski resort they could accumulate points while at the "destination facility." He stated they are also in contact with some Universities to give incentive for families to send their children to those universities that will offer a tax credit.

Legislator Nacerino stated this program has a lot of potential.

Legislator Oliverio questioned if there was a limit on the amount of credits one can accrue.

Mr. DeFalco stated there is no limit on the credits as it is unlikely one will surpass the amount of taxes they are required to pay. He stated in the event one does earn more credits, some will apply to the following year.

Legislator Tartaro questioned if the participating merchants are earning 10% less for their goods or services.

Mr. DeFalco stated at the point of sale, the merchant will collect the full amount. He stated the discount is given later.

Legislator Tartaro questioned where the money comes from.

Mr. Lane stated the merchants set their own discount rate.

Mr. DeFalco stated there are some merchants who give 2% or 3% and others who give up to 20%.

Chairman Castellano questioned what their fee was.

Mr. DeFalco stated their fee is 25% of the reward.

Chairman Castellano stated the program promotes shopping locally and it is worth looking into; however it seems quite involved to get the program running.

Legislator Oliverio stated a legal opinion should be obtained on this program and the decision must be made whether to implement this into Towns or the entire County. He questioned if it was applicable to school districts.

Mr. DeFalco stated each person has one tax bill and the card does not discriminate and the credits can apply to anything.

Chairman Castellano questioned what the beginning cost would be and if a sponsor would be found by Fincredit, Inc.

Mr. DeFalco stated the County would be responsible for finding the sponsor.

Chairman Castellano questioned if Fincredit, Inc. would be responsible for the mailings.

Mr. DeFalco stated the County would be responsible for the cost of marketing and mailings.

Chairman Castellano questioned if there were volunteers for the program.

Mr. Rubin stated if the program was approved by the Legislature, he would then compose a committee of six (6) members, one from each town.

Mr. Lane stated before anything was paid, a key group of businesses to participate would be known and a sponsor would be in place. He stated everything would be in place prior to any payment.

Chairman Castellano questioned if this was done online at all.

Mr. DeFalco stated they do have an online component, as well as customer service to help those who are not computer savvy.

Chairman Castellano questioned if any gas stations participate in the program.

Mr. DeFalco stated there is one in Voorhees, NJ that offers a 0.5% credit.

Legislator Tartaro questioned if some items can be excluded from receiving the credit.

Mr. DeFalco stated it is the merchant's decision to include or exclude any item they wish.

Chairman Castellano stated he would like to obtain a legal opinion on the program.

Mr. Rubin said he would like to follow up once that opinion is gained.

Legislator Nacerino stated she would like to also get feedback from the local Chambers of Commerce. She stated there is opportunity to save money, however the logistics may be difficult.

Legislator Tartaro stated if the County is the primary municipality, the rebate would be on the County tax bill.

Mr. Rubin stated the logistics are in fact tough to sort through, and the fee charged by Fincredit, Inc. is certainly earned.

Item #5 - Correspondence/County Auditor

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

Item #6 - Correspondence/Commissioner of Finance

- a. **Overtime/Temporary Report**

Chairman Castellano questioned why the overtime for the Philipstown Court Security was maxed out.

Undersheriff Convery stated the Court has gotten very busy; however they cover the cost.

b. Approval/ Budgetary Amendment (14A034)/ Finance/ East of Hudson Coalition/ Legal Services (also reviewed by Physical Services Committee)

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

c. Approval/Budgetary Amendment (14A037)/Finance/Reorganization of Health Department (also reviewed by Health and Personnel Committees)

Legislator Nacerino made a motion to pre-file the necessary resolution; Seconded by Legislator Tartaro. All in favor.

d. Approval/Bond Resolution/Improvements to Various County-Owned Buildings at Tilly Foster Farm (also reviewed by Physical Committee)

Legislator Oliverio stated he is concerned about the bonding. He stated he would be more comfortable paying the \$300,000 straight out with the available surplus.

Legislator Tartaro questioned if Commissioner of Finance Bill Carlin was aware of the undesignated fund balance amount.

Commissioner Carlin stated at the end of the year, there will be slightly over \$18 million. He stated the concern is not always undesignated fund balance, but cash flow. He stated the schools are guaranteed money.

Legislator Tartaro questioned the amount of money guaranteed to the schools.

Commissioner Carlin stated the amount is \$16 million.

Legislator Tartaro questioned if that money comes back to the County.

Commissioner Carlin stated the money comes back if and when the taxpayer pays in the second installment in March. He stated in some instances, the money is not received back until later when the County must foreclose. He stated if a bond resolution is passed, the available cash can be used. However, if the bond resolution is not passed, there is no going back. He stated they are trying to pay down the amortization, which gives the County an advantage over borrowing funds at a lower interest rate. He stated he shares Legislator Oliverio's concern regarding bonding, however the County has a great standing on Moody's credit ranking.

Legislator Tartaro stated so many counties are having financial difficulties and questioned what those counties do when they do not have a surplus.

Commissioner Carlin stated they issue deficit bonds. He stated Putnam County has been able to avoid that due to the management by the Executive Branch and the sound fiscal policies from the Legislative Branch. He stated debt is a long term decision. He stated it is important to not put more on the books than comes off. He stated this year, \$2.8 million comes off in principle with the same amount of interest. He stated he had asked Highways and Facilities to use unspent money from finished projects toward other projects. He stated a sharp eye is being kept on borrowing.

Legislator Nacerino stated the County is certainly in good financial standing and it is not by accident. She stated she is in support of the bond as the improvements are paramount and necessary. She stated the bond is a ten (10) year bond and is not an excessive amount of money.

Legislator Albano stated the auditing numbers look good and with the bond rates the way they are, it is safe to have the bond in place.

Commissioner Carlin stated there are factors outside of what is controllable.

Legislative Counsel Van Ross stated the Legislature is still waiting for the SEQRA information from the Planning Department and it will be received by the Full Legislative Meeting.

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

e. Approval/Budgetary Amendment (14A039)/Finance/Tilly Foster Farm Renovations (also reviewed by Physical Committee)

Chairman Castellano made a motion to accept the additional; Seconded by Legislator Nacerino. All in favor.

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

f. Approval/ Budgetary Amendment (14A041)/ Health/ Purchase Twenty Composters

Chairman Castellano stated the composters are being purchased to then be sold.

Commissioner Carlin stated composting is being promoted in the County.

Chairman Castellano stated the sale had begun the weekend before and he questioned how the sale went.

Commissioner Beals stated the sale went well. He stated the goal is to convert solid waste into more usable products. He stated they will be promoting the composters at the Birds of Prey event as well as the 4-H fair. He stated the composters will easily be sold.

Legislator Tartaro questioned if there was a composter set up anywhere.

Commissioner Beals stated there is a sample that is not in operation in the Health Department.

Legislator Tartaro questioned if it is a drum composter.

Commissioner Beals stated there are no moving parts. He stated the waste goes into the composter and in six (6) months the reusable material is produced.

Legislator Nacerino stated this is a great initiative and it will raise awareness of the environment.

Chairman Castellano made a motion to approve Budgetary Amendment (14A041); Seconded by Legislator Nacerino. All in favor.

g. Approval/Budgetary Amendment (14A042)/Finance/Commissioner of Health Salary (also reviewed by Personnel Committee)

Chairman Castellano made a motion to accept the additional; Seconded by Legislator Nacerino. All in favor.

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

i. Approval/ Local Law Establishing the Revised 2014 Salary of a Certain Appointed Officer Serving for a Fixed Term: Commissioner of Health

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

h. Approval/ Budgetary Amendment (14A043)/ Health/ Drinking Water Protection Program

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

Item #7 - Approval/Fund Transfer (14T071)/OFA/Temporary (also reviewed by Personnel Committee)

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

Item #8 - Approval/Fund Transfer (14T072)/Planning/Transportation/Vehicle Leasing

Chairman Castellano made a motion to approve Fund Transfer (14T072); Seconded by Legislator Tartaro. All in favor.

Item #9 - Approval/ Grant Application/ EMS/ 2014 – Emergency Management Performance Grant (EMPG)

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

Item #10 - Deposit & Investment Policies/Quarter Ending March 31, 2014/FYI – Duly Noted

Item #11 - Other Business

a. Approval/ Fund Transfer (14T077)/ Sheriff's Department/ Purchase Equipment for All Marine Units

Chairman Castellano questioned if this was for use on the Hudson River.

Undersheriff Peter Convery stated yes, beginning this weekend.

Legislator Tartaro made a motion to approve the Fund Transfer; Seconded by Legislator Nacerino. All in favor.

b. Approval/ Budgetary Transfer (14T081)/ Finance/ Deputy Sheriff Overtime/ 4th of July Fireworks/ Town of Southeast

Chairman Castellano stated last year, the Town of Southeast had their annual 4th of July fireworks display and it was a big success. He stated last year, they were unaware how many people were going to come and there were quite a lot of people. He stated it is important to have the Sheriff's Department fully aware of the event and the large amount of people who may attend. He stated this event is a great thing for Putnam County as it brings people into the community and having it located at the shopping center on Independence Way brought in sales tax as well. He stated some people who attended were unaware that the shopping center existed. The event provided exposure for the shopping center.

Legislator Nacerino stated with this successful event and the proposed fair at Tilly Foster Farm, she is concerned with traffic and safety. She stated this must be a coordinated effort.

Chairman Castellano questioned if there is in fact going to be a fair at Tilly Foster Farm.

Deputy County Executive Walker stated as long as the logistics are squared away, the fair will take place. He stated it will be open for four days, overlapping with the 4th of July fireworks show on Independence Way. He stated most parking for the fair will be at the farm, which should alleviate some traffic on Independence Way.

Legislator Oliverio questioned how much the firework event is going to cost the County.

Chairman Castellano stated overtime on the Fourth of July is double time due to the fact that it is a holiday. He stated \$17,500 would be taken from contingency to cover the cost. He questioned if enough deputies would be available that day.

Undersheriff Convery stated it could be as much at \$20,000.

Legislator Oliverio stated the sales tax generated at that facility has got to be hundreds of thousands of dollars. He stated he is in favor of such an event being held there. He stated it is a give-back to the Town of Southeast.

Chairman Castellano stated having the experience running the event from last year it will help them better prepare for this year's event.

Legislator Nacerino stated it is great to have a focal point in Putnam County for families to go on July 4th weekend. She stated it is important to raise awareness of the event as Route 312 will be congested with attendees. She stated as Chairman Castellano stated, those who weren't aware of the shopping center may go back to shop, which has a positive residual effect.

Chairman Castellano questioned if anyone had reached out to Transportation Manager Tamagna regarding the trolley to bring people to and from their cars and to the event from the Southeast train station.

Deputy County Executive Walker stated he was in contact with Transportation Manager Tamagna about the carnival and rather than the trolley, they were able to secure the Office for Senior Resources Bus System to be used that day.

Chairman Castellano questioned if this would be free of cost.

Deputy County Executive Walker stated the bus service would be provided at no cost.

Chairman Castellano questioned if there would be enough manpower from the Sheriff's Department for the event.

Undersheriff Convery stated with funding they would provide enough deputies.

Commissioner Beals stated with a mass gathering such as the fireworks show, there are guidelines from the New York State Sanitary Code that must be followed. He stated for example, there must be one (1) porta-potty per 100 anticipated guests as well as hand washing stations. He stated there must also be an adequate amount of garbage cans available.

Chairman Castellano stated one (1) porta-potty per 100 people seems to be a lot. He stated the stores that were open the previous year were accommodating to the guests to let them come in and use their restrooms. He stated it is another way to get people in the stores. He stated there were porta-pottys available last year and the County was able to get them at a discounted rate. He stated if this year more are needed, that is fine.

Commissioner of Emergency Services Adam Stiebelling stated there must also be an Emergency Services component in a mass gathering. He stated based on the number of people, triage stations must be present.

Town of Southeast Councilwoman Elizabeth Hudak questioned if Commissioner Beals had a copy of the regulations he referenced so she could take them back to the committee. She stated last year, there were three (3) porta-pottys and there weren't too many lines. She stated this is due to the fact that there were many places to go in and use the restroom in addition to the three (3) porta-pottys.

Commissioner Beals stated the regulations do not apply in this situation as they are written for an event lasting over 24 hours.

Councilwoman Hudak questioned what was being approved. She questioned if it was the additional funds for the Sheriff's Department.

Chairman Castellano stated yes, the approval would be for the overtime.

Councilwoman Hudak questioned if such an event is budgeted for.

Chairman Castellano stated it is not budgeted for.

Councilwoman Hudak questioned if for other events where police presence is required, such as the Putnam Cycling Classic, the Legislature must transfer funds for the Sheriff's Department.

Undersheriff Convery stated the issue with this event is that it is a holiday, therefore it is double overtime. He stated there are 29 officers to cover the firework show.

Chairman Castellano stated events such as the Bike Race were planned far in advance. He stated last year there were about 5,000 people in attendance and he is expecting more for this year.

Councilwoman Hudak stated this event, although it is held in Southeast, is County-wide. She questioned what the rain date for the event is.

Town of Southeast Councilman Edwin Alvarez stated the rain date is scheduled for Sunday, July 6th.

Councilwoman Hudak questioned if there will be additional overtime on July 6th.

Undersheriff Convery stated no, there would not be.

Chairman Castellano stated in the future, perhaps the fireworks should be scheduled for a day near the 4th rather than on the 4th to avoid the double overtime.

Councilman Alvarez stated the number of people is going to be large and they have calculated parking spots. He stated there are about 1,500-1,600 spaces. He stated Mount Kisco Medical Group has another 200-250 spaces. He stated focusing on Independence Way, it must be considered that some parking spaces will be blocked off for things to be set up as well as plaza employees' cars. He stated this leaves about 1,400 spaces. He stated assuming there are multiple people in each car, there will be around 4,800 individuals there. He stated the event is about two (2) hours at maximum. He stated the show is about half an hour, however people will come early. He stated a shuttle van was also considered from the parking lot of the Southeast train station.

Town of Southeast Councilman Bob Cullen stated there was some confusion regarding the fair at Tilly Foster Farm, however it would make sense to work together so people can go to the fair and see the fireworks.

Councilman Alvarez stated the fireworks can be seen at Tilly Foster Farm as well.

Councilman Cullen stated there will be radio coverage of the events and if there is a need, they will be able to break into the broadcast to make an announcement.

Legislator Tartaro stated when cell towers are put up, a balloon is flown. He stated it may be a good idea to have a balloon in the area where the fireworks are going off to see how visible they are.

Councilman Alvarez stated they visited the site where the fireworks will be shot off and Tilly Foster Farm can clearly be seen.

Councilman Cullen stated they are being shot off from the area past Applebee's where the elevation increases.

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

**c. Approval/ Budgetary Transfer (14A082)/ Planning/ Transportation/
Summer Intern PILOT Program**

Commissioner Carlin stated every three (3) years the County does a sampling program of the bus systems. He stated last time this was done it cost about \$100,000. He stated he thought the fund transfer would be included on the agenda; however he will provide the transfer to the Legislature prior to the June Full Legislative Meeting. He stated Transportation Manager Tamagna had the idea to hire five (5) interns from the PILOT program to assist with the sampling program which will save money.

Deputy County Executive Bruce Walker stated there is money in the line and the fund transfer does not need to go now.

Commissioner Carlin stated the interns will ride the buses and document everything according to the FTA speculations. He stated this is a win-win for both the interns and the County.

Chairman Castellano made a motion to approve that Commissioner Carlin submit the Fund Transfer for approval at the Full Meeting in June; Seconded by Legislator Tartaro. All in favor.

Item #12 - Adjournment

There being no further business, at 8:02 P.M., Chairman Castellano made a motion to adjourn, seconded by Legislator Tartaro. All in favor.

Respectfully submitted by Administrative Assistant, Beth Green.