

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

**Members: Chairman Castellano, Legislators Albano & Nacerino**

**Thursday** **5:00 PM** **May 23, 2013**

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The meeting was called to order at 5:00 P.M. by Chairman Castellano who asked Legislator Nacerino to lead in the Pledge of Allegiance. Upon roll call, Legislator Nacerino and Chairman Castellano were present. Legislator Albano arrived at 5:01 P.M.

**Item #3) Approval of Minutes – March 26, 2013  
April 23, 2013**

The minutes were approved as submitted.

**Item #4a) Sales Tax Report**

Legislator Oliverio stated that we are already up from what we budgeted.

Legislator Castellano agreed.

**Item #4b) Board In Revenue Report** was duly noted.

**Item #4c) Transfer/Revenue Report** was duly noted.

**Item #4d) Contingency/Sub-Contingency Report** was duly noted.

**Item #4e) OTB Report**

Legislator Castellano stated that Putnam County Representative to the OTB Vincent Tamagna could not attend today's meeting but we will ask him to be here next month.

Legislator Nacerino asked what possible resources or options do we have.

Commissioner of Finance Bill Carlin stated that there is no way to project the revenues.

Legislator Nacerino asked if a location was closed if that would help.

Commissioner Carlin stated that he believed it was not the locations that were hurting the numbers, possibly competition was hurting the numbers.

Legislative Counsel Van Ross stated that the State Legislature has diverted a lot of the money that used to go to counties to a lot of other functions.

Legislator Nacerino asked if we still needed to maintain it.

Commissioner Carlin stated that we do not pay any costs.

**Item #10) Discussion/County Procurement Policy**

Director of Purchasing Alex Mazzotta stated that all purchases made on behalf of the County are governed by statute, any purchases of commodities, equipment, materials, in excess of \$20,000. The County tries to anticipate each year what purchases will exceed the \$20,000 threshold and then you know that you need to purchase those items from competitive contracts. The County can use the New York State contracts because it is bid out. It can also use other counties' contracts because they are also considered competitive. He further stated that the Public Works has a different threshold. The Public Works is basically jobs involving labor, construction, painting, etc. and that threshold is \$35,000. Any Public Works job that will cost more than \$35,000, must be bid out. When you exceed the thresholds you must bid out for competitive contracts and that is awarded to the lowest responsible bidder, which means you choose on price and then look into the bidder credentials. The law does not allow you to choose based on location. It also does not allow location to be a category in decision making. When the County is below the thresholds the County has a lot more discretion. He stated that for any commodity between \$3,000 and \$20,000 the County requires three written quotes. For any commodity below \$3,000 the County only needs one quote. When making a determination under these two thresholds typically within that you can take locality into consideration. He stated that if the local vendor is twice as much as a non-local vendor than making the argument to use the local vendor is a stretch. When dealing with Public Works the threshold \$10,000 to \$35,000 the County requires three written quotes. When the amount is less than \$10,000 the County needs one quote. When anything is below the threshold there is no advertisement required.

Legislator Albano asked if we need to buy equipment but it is over \$10,000 do people break it up so it's smaller. He asked how the County determines this.

Director Mazzotta stated that we have to try to anticipate at the beginning of the year how much you are going to expend in a commodity category. He stated that an example would be every year he knows we order over \$20,000 worth of office supplies so he knows right then that every purchase of office supplies needs to be made on a competitive contract. It is an annual figure. The law specifically states that you cannot break down your purchases to have them fall below a specific threshold.

Legislator Albano asked if we were ordering a Public Works project for an amount we anticipate to be over \$35,000 and a local vendor came in a \$28,000 who is not on the approved bid list, using that local vendor is not an option.

Director Mazzotta stated that if the lower bid comes in below \$35,000 a day late we cannot use it.

Legislator Albano asked if anyone can bid or if there is just an approved bidders list.

Director Mazzotta stated anyone can bid but if we bid out a construction project and a musician bids the lowest on it but has no equipment, they do not meet the criteria. He stated that a competitive contract is created from a bid. Once a contract is awarded then it is considered a competitive contract.

Commissioner Carlin stated that the Department of Transportation has an approved list but that is the only one he is aware of.

Director Mazzotta stated that is correct.

Ray Buzzetto, President of the Carmel Winwater Company, stated that his company is on the State bid list. He stated that all his company is asking is that the County use them instead of someone that lives a distance away who is on the list. He stated his company can save the County money. He further stated that the Town of Carmel just put out a bid and put in a clause that added cost if a bid was tied to each mile from the Town of Carmel. Therefore, the Town of Carmel could award a company closer to home if multiple bids came in that were the same price.

Legislator Albano asked if bids come in at the same price a lot.

Mr. Buzzetto stated yes.

Director Mazzotta stated that if Carmel Winwater has a New York State contract award and they are an approved vendor then Putnam County has the absolute discretion and ability to purchase directly from Carmel Winwater under that contract.

Legislator Nacerino asked Mr. Buzzetto if he is on the NYS Bid List then why does he indicate that there is a lack of County Projects with his company.

Legislator Oliverio stated that just because they are on the bid list doesn't mean we need to buy from them.

Mr. Buzzetto stated the County buys from him on occasion but not in large bulk orders. He stated that he is giving the County the same price as the other company 200 miles away.

Legislator Castellano asked if we have two bids that are exactly the same what determines us to buy from a non-local vendor.

Director Mazzotta stated that he could not speak to why the Highway Department chooses one over the other. He would need to research that.

Mr. Buzzetto suggested that the County bids include the 25 cents a mile like the Town of Carmel's just did.

Legislator Othmer asked if there was some way we could go above and beyond and seek out our local business people. He asked if we could send the Highway Department a letter.

Director Mazzotta stated that sending a letter to Highway would help to understand why they choose other companies.

Legislator Albano stated that Ace Endico could supply the senior centers, etc. why are we not using them.

Director Mazzotta stated that they would need to get on a State contract. He stated that right now we do not bid out our food purchases, we use the State contract. It is such an enormous list of items that we could never replicate what the State does because they order on such a large scale. That is the reason why it is easier to purchase from this gentleman because he is in the process.

Legislator Nacerino stated that she encourages Department Heads to go with a local vendor if it is an apples to apples comparison. She stated that she is still not clear why that cannot be done. She stated that if everything is the same, she encourages our Department Heads to use local vendors. She stated that we are not sure that this is the case tonight as we are discussing it. We cannot go above the law.

Mr. Buzzetto stated he understands that and is not asking the County to go above the law by any means.

Legislator Othmer suggested that we reach out to local vendors to ensure they understand open bids and the bidding process. He suggested working with the Economic Development and Energy Committee to conduct public outreach.

Director Mazzotta stated that public outreach is always a good idea.

Legislator Oliverio stated that in his opinion you need to be vested in the County you serve and know the County you serve and know the businesses here. He stated that we have Department Heads that do not live in Putnam County and have never dealt with Putnam people or businesses.

Legislator Albano stated we have a whole new group of people and this is something to bring to our attention and keep in mind our local people first.

Legislator Nacerino asked if this was a new issue.

Director Mazzotta stated that it is not Department Head specific. He stated that in this particular instance, when he researches this, either they were unaware that Mr. Buzzetto was on the State contract, which we should educate them on so it will not happen again or there may have been extenuating circumstances as to why they were not chosen.

Mr. Buzzetto stated that he charges the same price that is on the State contract, he should be chosen.

Legislator Albano stated we will find that out.

Legislator Nacerino stated that it is unfair to make assumptions of why the history is why it is and she supports the Chairman sending a memorandum to all Department Heads encouraging them to use local vendors within the law. The bidding process is a fair and equitable process. She stated that there are reasons one company is chosen over another.

Chairman Castellano stated he will send a memorandum.

Mr. Buzzetto thanked the Committee for this discussion.

**Item #5a) Overtime/Temporary Report**

Legislator LoBue asked why Highways & Facilities Department Overtime is so high.

Commissioner Carlin stated that the Facilities Overtime is high because of the Alternatives to Incarceration (ATI) program and there will be a transfer for that.

**Item #5b) Approval/Budgetary Amendment (13A018)/Highways/FEMA-Snake Hill Road (also Reviewed by Physical Services Committee)**

Legislator LoBue asked if there was a match to this grant.

Commissioner Carlin stated that no, there is no match.

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

**Item #5c) Approval/Budgetary Amendment (13A022)/Vacancy Control Report March & April 2013**

Chairman Castellano made a motion to pre-file the necessary resolution, seconded by Legislator Albano. All in favor.

**Item #5d) Approval/Budgetary Transfer (13T080)/Highway/Overtime-ATI Supervision (also Reviewed by Physical Services Committee)**

Chairman Castellano asked if it was project specific.

Commissioner Carlin stated that they have done a lot of work at the Putnam County Golf Course but this is to cover everything through the year end at all of the facilities. They will be working at all the facilities, not just the Golf Course. It is for the supervision of the program workers.

Legislator LoBue asked if we could get a list of specific projects before the Full.

Chairman Castellano stated we will ask for an estimated projection of projects for the program.

Commissioner Carlin stated that they do the work on the weekends instead of being incarcerated. We have moved it out of the Highway Budget and isolating it just in the ATI budget.

Legislator Albano stated that in the future we should be using this option a lot more.

Legislator Oliverio asked if we could get a Deputy to supervise the program work.

Commissioner Carlin stated that it does not need to be a Deputy, it is typically the head of construction. Law Enforcement handles the incarcerated not the Alternatives to Incarceration program.

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

**Item #6) Approval/Fund Transfer (13T071)/Probation/Senior Probation Intake Worker (also Reviewed by Personnel Committee)**

Chairman Castellano stated that this individual is doing work outside of her title and she has already passed the exam.

Legislator Oliverio stated he agrees with the position but believes it should go through the budget process.

Legislator Nacerino stated we discussed this at Personnel and Legislator Oliverio stated his same opinion and she agrees but that we should make an exception in this case. She will support this transfer this evening.

Chairman Castellano says he has seen this in his own office. He believes it is a good thing and something we should support. He believes we will save money in the long run because if she refused to do the work we would need to hire temporary help.

Chairman Castellano made a motion to pre-file the necessary resolution, seconded by Legislator Albano. All in favor.

**Item #7) Approval/Fund Transfer (13T086)/Probation/AutoMon-Caseload Explorer Case Management System (also Reviewed by Protective Services Committee)**

Commissioner Carlin stated it is mandated.

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

**Item #8) Approval/Fund Transfer (13T089)/PILOT Program Additional Funding (also Reviewed by Personnel Committee)**

Legislator Oliverio stated this is a great program and we should consider raising this to \$25,000 total because the cover letter states they are not sure \$15,000 will cover the program.

Legislator Nacerino stated that this is a wonderful program but she is concerned about the increase because the Personnel Director did not request any more than \$15,000.

Legislator Oliverio asked if Chairman Castellano could ask Personnel Director Eldridge if there is any consideration for an increase to be discussed during Budget.

Chairman Castellano stated that he thinks Director Eldridge will be coming to Personnel and we can discuss this with him in August.

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

**Item #9) Approval/Semi-Annual Mortgage Tax Report/October 1, 2012 through March 31, 2013**

Legislator LoBue asked if we could compare to the previous year and keep a running list.

The Committee agreed.

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

**Item #11) County Deposit & Investment Report First Quarter Ended March 31, 2013/FYI** was duly noted.

**Item #12) Schedule of Revenues/Fines Levied by Boards/FYI** was duly noted.

**Item #13) Year End Report for 2013 Trades Licensing & Registration/FYI** was duly noted.

**Item #14) Other Business**

**Item #14a) Approval/Fund Transfer (13T090)/Planning Department/Furniture & Office Supplies**

Chairman Castellano made a motion to pre-file the necessary resolution, seconded by Legislator Albano. All in favor.

There being no further business, at 6:00 P.M., Chairman Castellano made a motion to adjourn, seconded by Legislator Albano. All in favor.

Respectfully submitted by Krista M. Butler, Administrative Assistant.