

Commissioner Carlin stated there was not talk of that and he believes it would not be beneficial because PARC has been around for a long time and they know why this is happening.

County Executive MaryEllen Odell stated that this was a stopgap measure to allow PARC to continue to lobby Albany for funding. She further stated that this is not the first year that this has happened. She stated that PARC has been dealing with cutting back for years. She stated that PARC has been able to stay open over the years because the Executive Director was able to move monies around to cover costs. She stated that last year the Executive Director was unable to do that and therefore had to make the decision to close the preschool. She stated that the agreement between PARC and the County was that the Executive Director said if they could save any money in transportation costs then they would remit that savings back to the County. She stated that unfortunately there is not full enrollment this semester but the Executive Director is hoping to have full enrollment for the next semester. She stated that the Executive Director understands that this is not a continuing funding agreement.

Chairman Castellano asked Commissioner Carlin about the State Retirement.

Commissioner Carlin stated that the State Retirement was set back five years when the recession hit. He stated that he is hoping to see relief coming. He stated rates should decrease a little in 2015 but we are still catching up under the amortization plan.

Legislator Albano asked about the Finance Department Overtime and Temporary lines because it does not look proportionate with what we have for this year.

Commissioner Carlin stated that it is proportionate because they will spend it all this year due to the year-end closing.

Chairman Castellano asked for elaboration on the Use of Fund Balance.

Commissioner Carlin stated that we are on our continuing program to reduce that. He stated it shows a favorable trend to reduce our reliance on fund balance.

Chairman Castellano asked about the OTB Line.

Commissioner Carlin stated that the OTB line is reduced every year. He stated that on the bright side we have made a substantial amount of money since it started. He stated that we knew from the beginning that this line would be impossible to predict.

Legislator Albano asked how the current Fund Balance looks.

Commissioner Carlin stated based on the numbers for this year that it is pretty steady and doing well.

Tax Advertising & Expenses – Account 1362

Legislator LoBue asked for information on the two tax-acquired properties that we have sold recently on the MLS service.

Commissioner Carlin stated that he would get that for her.

County Attorney Jennifer Bumgarner stated that her office prepares closing statements.

Legislator Scuccimarra stated that the Legislative Office received those closing statements.

Expense on Property Acquired for Tax – Account 1364

Commissioner Carlin stated that this is the tax we pay on properties we have acquired but that it is only school tax, not town tax as we are not required to pay town tax on those properties.

County Attorney Bumgarner stated that we guarantee the towns' tax levies.

Commissioner Carlin stated we guarantee their town tax levy's which places a tremendous burden on the County. He stated that we will be borrowing approximately \$17 million in the next month because we owe the schools on December 1st. He stated that that money will come back in around March but not all of it. He stated that he understands that towns want us to share the sales tax but as long as we are guaranteeing their town levies we do not have the cash to share.

Legislator DiCarlo stated that in serving on the Town Board for so many years you hear about sharing tax dollars from the Town side but that is the communication piece that we have to make sure that we have because there is sometimes a back and forth of why the County cannot share the sales tax dollars with the towns.

Legislator Albano asked how long the process was from the time we acquire a property to the time we sell it.

Commissioner Carlin stated that it is approximately five years.

Legislator LoBue asked Commissioner Carlin to explain the tax foreclosure process for new Legislators.

Commissioner Carlin stated that we try to help people as much as possible. He stated it is two years and we try to visit each homeowner personally to let them know what is happening. He stated that the last thing we want to do is take the property but we do have a fiduciary duty to all of the taxpayers who are paying their taxes.

Information Technology – Account 1680

Chairman Castellano asked about the spike in the Personnel line in this department.

Commissioner Carlin stated that personnel were split and are now working in their respective departments so you will see the decrease in the other department.

Insurance Expense – Account 1915

Legislator DiCarlo asked if there will be an expense to the County with regards to the New York State Obamacare/Healthcare Insurance Exchange.

Commissioner Carlin stated not that he knows of because everything gets handled through the Empire Plan which we are a part of. He stated that the Empire Plan is dealing with it on that level and it will translate into our premiums. He stated that with that said we are not sure what the total effect of Obamacare will be.

Taxes/County Property – Account 1950

Commissioner Carlin stated that the main costs are Sewer 2.

Legislator DiCarlo asked when the MOA with NYC is up for discussion because it should be soon.

County Attorney Bumgarner stated that it has already started. She stated that the EOH Corporation was formed to increase our bargaining power with the NYC DEP. She stated that as of right now after initial conversations with Deputy County Executive Bruce Walker, that the new Deputy County Attorney she just hired has environmental experience and she thinks she will send him to have a seat at the table for Putnam as well as the EOH Corporation.

Deputy County Executive Walker stated that he is the Chair of the Committee putting together the strategy at the EOH Corporation. He stated it will be a long process.

Tax Anticipation Notes – Account 9760

Commissioner Carlin stated that he does not think the rates will be as low as they were in the past. He stated that he will not have definite numbers until November after the budget is passed.

OTB – Account 427201

County Executive Odell stated that she sent information to the Legislative Office today regarding her conversations with Aimee Vargas about the exemption of Putnam from County Contributions.

Use of Reserve/Fund Balance – Account 427161

Legislator LoBue asked what the Fund Balance is currently.

Commissioner Carlin stated that currently it is approximately \$18.6 million. Then take out the 2014 budget use of fund balance of \$3.5 million making the fund balance \$15.1 million plus whatever we add back at the end of this year. He stated we may add approximately \$2 million back to the fund balance. He stated that we need to remember that fund balance is not cash. He stated if we had \$18 million in cash we would not be borrowing to pay the schools. He stated we submit so much of our revenue to other

municipalities by guaranteeing taxes that is a substantial hit to the County and its cash flow.

Legislator LoBue asked how many other counties need to guarantee their towns taxes.

Commissioner Carlin stated everyone but Westchester; which dates back to the 1920s.

Sales Tax Update

Chairman Castellano asked for a current sales tax update.

Commissioner Carlin stated that we are doing well; we are approximately 5% over-budget. He stated he has been here in times we were over and under-budget in sales tax. He stated that over-budgeting is better than under-budgeting sales tax. He stated that what we would like to do with the anticipated sales tax revenue from this year is pay for the equipment at the Golf Course. He recommended not increasing the sales tax estimate.

Legislator Nacerino agreed with Commissioner Carlin.

Commissioner Carlin explained how he arrives at the sales tax estimate each year.

Legislator Othmer stated that after meeting with Legislator Oliverio about the budget that they believe the sales tax estimate could be increased \$250,000 to keep us under the tax cap with the changes that are made and they believed that would be in keeping with this year's data.

Commissioner Carlin stated he does not agree.

Legislator Oliverio stated that we have gone above the sales tax estimate almost 80% of the time. He stated we need to be realistic with this budget and this increase would be based on fact.

Legislator LoBue stated that she is in favor of saving as much money as we can and replenishing the fund balance. She stated with that said the forecasts for the sale of cars and gas we need to be cautious. She stated that she is happy that we have found another way to pay for the golf course equipment and do not have to bond for it.

Commissioner Carlin stated that that had always been the plan but we needed to have a bond in place before we could even purchase the equipment in case we could not find the money elsewhere.

County Executive Odell stated that we all need to be mindful of what is happening on a national level, the debt ceiling, sequestration, Obamacare, and the state of the economy. She further stated that every day we get shifted down from the federal to the state level then on down. She stated we may be stronger here but we need to be aware of what is going on around us nationally. She stated she does not believe we need to be speculating at all.

Legislator Oliverio stated that we are not speculating. He stated that we are generating figures based on past evidence.

Legislator Gross stated that the Federal Reserve is getting a new Chair who is more concerned about increasing jobs than worrying about interest rates. He stated based on that that interest rates will likely increase next year.

Legislator DiCarlo stated that the State of New York looked into each school districts fund balances and said that the schools have the money and need to spend the money. He stated for the last five years districts have been spending out of fund balance to put it towards defraying costs and now they have no money and must bond for large projects. He stated that if you want something new you need to give up something in your budget to cover that cost.

Legislator Nacerino stated that there needs to be a balance and she supports Commissioner Carlin's recommendations. She stated that the fund balance is a rainy day fund and we are still on hard times and need to be cautious.

Chairman Castellano made a motion to move the Cornell Cooperative Extension discussion to the Budget and Finance Committee Meeting, seconded by Legislator Nacerino. All in favor.

Chairman Castellano made a motion to move the Deputy Commissioner of Planning position to the Budget and Finance Committee Meeting, seconded by Legislator Albano. All in favor.

At 6:56 PM Chairman Castellano made a motion to move into Executive Session to discuss personnel and contractual issues, seconded by Legislator Nacerino. All in favor.

At 8:00 PM Legislator Nacerino made a motion to come out of Executive Session, seconded by Chairman Castellano. All in favor.

Legislator Nacerino made a motion to increase the salary of the Deputy Commissioner of Highways & Facilities by \$5,000 to \$90,000, seconded by Chairman Castellano. All in favor.

There being no further business, at 8:01 P.M., Chairman Castellano made a motion to adjourn, seconded by Legislator Nacerino. All in favor.

Respectfully submitted by Krista M. Butler, Administrative Assistant.