

RULES, ENACTMENTS & INTERGOVERNMENTAL RELATIONS COMMITTEE
Held via Audio Webinar Pursuant to Temporary Emergency Orders

Members: Chairman Sullivan and Legislators Albano & Castellano

Thursday

6:00pm

September 10, 2020

The meeting was called to order via audio webinar at 6:02pm by Chairman Sullivan who requested that Legislator Albano lead in the Pledge of Allegiance. Upon roll call Committee Members Albano, Castellano, & Chairman Sullivan were present.

Item #3 - Approval of Minutes – August 20, 2020

The minutes were approved as submitted.

Item #4 - Discussion/ County Executive Odell Request/ Requiring Gas Stations to have a Generator

Chairman Sullivan stated before continuing the discussion regarding a requirement for gas stations to have a generator, he would like to continue working with the Law Department to collect more information on this matter.

Chairman Sullivan made a motion to table Discussion/ County Executive Odell Request/ Requiring Gas Stations to have a Generator; Seconded by Legislator Albano. All in favor.

Item #5 - Discussion/ County Executive Odell Request/ Skimming Devices Found at Gasoline Stations

Chairman Sullivan requested that Director of Consumer Affairs Michael Budzinski provide an overview of this topic.

Director of Consumer Affairs Michael Budzinski stated during a routine inspection of a gas station in Brewster, a skimming device was found. He stated upon finding the device, the Sheriff's Department was called and an investigation began. He stated the device was taken to the FBI (Federal Bureau of Investigation) office in Albany for their analysis and investigation. He stated the Sheriff's Department reported that the skimming device had 86 credit card numbers on it. He stated a letter was sent to all gas stations in Putnam County making them aware of this situation and recommending that they consider putting padlocks on the gas pumps and making sure any existing cameras are pointed at the pumps or adding more cameras. He stated the credit card companies have announced to retailers that as of April 2021 they will no longer accept liability for credit card theft on machines without a chip reader.

Legislator Albano questioned if skimming devices have been found at any other nearby gas stations.

John Lee, Inspector of Weights & Measures stated this was the only skimmer found at a gas station in Putnam County in the past five (5) years since they began doing routine checks. He stated these devices have been found in other areas.

Legislator Castellano questioned if the owners of the 86 credit cards found on the device were notified. He questioned what to look out for when using a credit card at a gas station.

Mr. Lee stated there a few things a customer can do before putting their credit card in; jiggle the credit card slot to see if it is loose or comes off and check for missing or ripped security tape over the lock. He stated unfortunately, in this instance the device was on the inside of the gas pump so the consumer would not know it was in there.

Legislator Castellano questioned how the device could be installed on the inside of the gas pump.

Director Budzinski stated to install a skimming device, people will pull a box truck up close to the building, which blocks the attendant's sight of the pumps. He stated they often have a key to access the inside of the pump to install the device. He stated unless there are cameras pointed directly at the pumps, the attendant would not know someone was installing a skimming device.

Legislator Castellano stated customers should check the placement of security cameras at gas stations as well.

Director Budzinski stated that is correct, however the best thing to do is use cash.

Chairman Sullivan questioned if any responses were received after sending the letter to gas stations making them aware of the situation.

Mr. Lee stated they have not received any responses from the gas stations so far.

Legislator Gouldman questioned if a response was requested.

Director Budzinski stated a response was not requested, the letter was sent as a notification of the finding and suggestions of how to stay protected.

Chairman Sullivan questioned if the credit card readers with chip reading capability are unable to have a skimmer installed on them.

Mr. Lee stated as far as they are aware, the encryption on chip credit cards has not been able to be hacked.

Legislator Addonizio questioned if gas stations with older gas pumps would need to replace their pumps in order to install the chip readers.

Mr. Lee stated that would be up to the gas stations. He stated many of them are buying new pumps that can handle the new card readers, while others have been able to retrofit the card readers they have now. He stated it depends on how old the pumps are and how much money the gas station is willing to spend.

Legislator Nacerino stated the gas station will be forced to spend the money if the chip reader cannot be installed on the pump.

Mr. Lee stated after April 2021 the credit card companies will not accept liability for fraudulent charges as a result of using a card reader without chip reading capability, but there is no Federal or State law requiring that the retailers switch to the new chip readers.

Legislator Nacerino questioned since the credit card companies will no longer be accepting the liability, if the liability will be transferred to the consumer or the gas station.

Mr. Lee stated the consumer would have to go after the gas station rather than the credit card company in that instance.

Legislator Nacerino stated she is glad there has only been one (1) case in Putnam County. She stated she is optimistic that by April 2021 many gas stations will upgrade their card readers which will benefit the consumer. She stated people are using cash less and less, especially now with concerns stemming from the COVID-19 pandemic.

Legislator Castellano requested a list of gas stations that are already utilizing a credit card reader with the chip reading capability. He questioned why these readers are safer.

Mr. Lee stated the new credit card readers have a higher level of encryption.

Director Budzinski stated he would provide a list of gas stations currently utilizing the chip credit card readers.

Legislator Gouldman stated credit card skimmers are not only placed at gas stations; they have been found on ATMs as well. He stated people are using cash less at all retail establishments. He stated he does not believe gas stations should be singled out.

Legislator Nacerino clarified that after April 2021, the credit card companies will not be accepting liability for fraudulent charges from credit card readers without chip reading capability in all retail establishments, not just gas stations. She questioned if this was correct.

Legislative Counsel Robert Firriolo stated this is actually unique to gas stations. He stated the credit card companies forced most business to convert to chip readers quite

some time ago; they call it a liability shift. He stated at a certain point in time, credit card companies will stop indemnifying credit card merchants who have fraudulent transactions. He stated the credit card companies have been extending that liability shift, specifically for gas stations, for several years. He stated the last extension was actually supposed to expire next month, in October but it was extended another six (6) months because of COVID-19. He stated in a way, it is unique to gas stations because they are one of the only business left that the credit card companies have not required the liability shift.

Chairman Sullivan questioned if the requirement comes from the credit card companies or if a law was passed that required the switch.

Legislative Counsel Firriolo stated his understanding is that this is all through agreements with the credit card companies to their merchants; it is not a legal requirement.

Legislator Gouldman questioned if the industries that have already switched to the chip reader have had less instances of fraudulent charges.

Legislative Counsel Firriolo stated he has not researched that specific question, however he did look into the whole issue and the data has identified the problem areas to be gas stations and ATMs.

Legislator Nacerino questioned if it is the responsibility of the credit card companies to issue upgraded cards.

Legislative Counsel Firriolo stated yes, the credit card companies have issued credit cards with the chips, but they still also have the magnetic strip. He stated there are several ways credit card transactions can be processed. He stated using the chip is the most secure way to use a credit card, the magnetic strip is less secure, and reading the numbers off the card is the least secure. He stated the magnetic strip is what is vulnerable to the skimming devices.

Chairman Sullivan stated the credit card companies have identified this to be a problem and have taken steps to make sure they are protected. He stated it makes sense that the gas stations would upgrade their readers to protect themselves as well. He thanked Director Budzinski and Mr. Lee.

Item #6 - Discussion/ Charter Review Commission

Chairman Sullivan stated Section 15.06 of the Putnam County Charter requires the appointment of a Charter Revision Commission every 10 years. He stated it leaves a lot of interpretation open to the Legislature. He read section 15.06 into the record: "The County Legislature shall appoint a Charter Revision Commission to review the Putnam County Charter and make recommendations for revisions thereof at intervals of not less than ten years, starting in the year 2000; however, nothing contained herein shall

prevent the amendment of the Charter at any time.” He stated reviews of the Charter have been done in 2000-2001 and again in 2010-2011. He stated the purpose of the Charter Review Commission is to make recommendations for any revisions of the Charter to the Legislature, which would then be considered at a Full Legislative Meeting. He stated the Charter Review Commission is considered a Legislative entity as it uses Legislative resources and it is required to be formed in 2020, however there is no time limit as to when the review shall be complete and there is no specific form or structure to the review. He stated the formation, organization, and appointments of the Charter Review Commission in 2000 and 2010 have been under the purview of the Rules Committee. He stated the Chair of the Rules Committee has been a key member of the Commission in the past and other prior members of the Commission have included the County Attorney, Legislative Counsel, and citizens familiar with the Charter and operations of County government. He stated the Rules Committee will review resumes and conduct interviews of any perspective members of the public and all appointments are considered by the Rules Committee and sent to the Full Legislature to consider and vote on. He stated other members have also been added as necessary and appropriate after the formation of the Commission. He stated in the past, the Commission generally met at least twice a month during regular business hours. He stated he believes conducting a line-by-line review of the Charter would be better than jumping around. He stated input from County agencies and local Elected Officials will be considered. He stated the process will go much smoother if recommendations are submitted to the Rules Committee after the review of each section, rather than waiting until the full review is complete to address the recommendations. He stated the past Commissions have also followed the “Trombetta Rule” which was named after previous commission member, Louis Trombetta. He stated this rule states that the purpose of the Charter is for guidelines of Putnam County Government and the balance between its branches. He stated revisions to the Charter should not effectuate changes to specifics of the government’s operations, which are properly dealt with in the Putnam County Code or the Legislative Manual. He stated any proposed revision must be enacted by a local law passed by 2/3 vote of the County Legislature.

Legislator Castellano requested that the process be outlined. He questioned if there is a specific number of appointees to this Commission. He questioned how someone would get appointed.

Chairman Sullivan stated in the past, the Charter Review Commission has not been structured consistently. He stated at times members have included Legislators or the County Executive and residents from individual towns. He stated there is no set requirement how to structure the Commission. He stated rather than have a large Commission with town representatives as members, he believes it would be better to send out a letter to each town and village requesting that they submit their revision requests or recommendations to the Commission in writing. He stated this way, each town can submit input from anyone in their town including the Town Board, as opposed to having one (1) representative on the Commission. He stated he believes a smaller working group will result in a faster process. He stated the meetings will be open to the public as well. He stated his thought at this point is that the Commission be made up of

the Chair of the Rules Committee, Chair of the Legislature, Legislative Counsel, and County Attorney.

Legislator Sayegh questioned if past Legislators would be included on the Commission.

Chairman Sullivan stated he would like to keep the Commission smaller, however anybody is able to submit suggestions in writing for the Commission to consider while reviewing the Charter line-by-line. He stated he does not believe there will be any significant changes to the Charter as it has been reviewed multiple times before. He stated this is more of a housekeeping review.

Legislator Sayegh questioned if Legislators not on the Rules Committee will be able to make suggestions or provide input.

Chairman Sullivan stated all recommendations will be addressed in the Rules Committee to be discussed by all Legislators and any changes will be passed to be voted upon by the Full Legislature.

Legislator Nacerino agreed with Chairman Sullivan's proposal. She stated she believes it is the best of both worlds to include all while streamlining the process.

Item #7 - Other Business – None

Item #8 - Adjournment

There being no further business at 6:54pm, Chairman Sullivan made a motion to adjourn; Seconded by Legislator Albano. All in favor.

Respectfully submitted by Administrative Assistant, Beth Green.