

**BUDGET COMMITTEE
of the
Suffolk County Legislature**

Minutes

A regular meeting of the Budget Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Hauppauge, New York, on **April 24, 2002**.

Members Present:

Legislator Michael Caracciolo - Chairman
Legislator David Bishop - Vice-Chair
Legislator Andrew Crecca
Legislator Jonathan Cooper

Also in Attendance:

Paul Sabatino - Counsel to the Legislature
Linda Burkhardt - Aide to Presiding Officer Tonna
Linda Bay - Aide to Presiding Officer Tonna
BJ McCartan - Aide to Presiding Officer Tonna
Jim Dobkowski - Press Secretary to Presiding Officer Tonna
Fred Pollert - Director/Budget Review Office
Jim Spero - Deputy Director/Budget Review Office
Bill Faulke - Intergovernmental Relations/County Executive's Office
Cheryl Felice - Executive Vice-President/Assoc of Municipal Employees
Bob Maletta - 1st Vice-President/Association of Municipal Employees
Nancy Manteiga - 2nd Vice-President/Association of Municipal Employees
Brian Watts - 3rd Vice-President/Association of Municipal Employees
Dave Fucci - 4th Vice-President/Association of Municipal Employees
Barbara Rivadeneyra - Suffolk County Probation Officer's Association
Christine Arbacas - Suffolk County Probation Officer's Association
Tom Henry - Suffolk County Probation Officer's Association
Becky Maldonado - Suffolk County Probation Officer's Association
All Other Interested Parties

Minutes Taken By:

Alison Mahoney - Court Stenographer

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(*The meeting was called to order at 2:20 P.M.*)

CHAIRMAN CARACCIOLO:

Everyone please rise for a Pledge of Allegiance.

Salutation

The committee has a short agenda, so I would like to get right to it.
I see we have one speaker, Nancy Manteiga.

MS. MANTEIGA:

Good afternoon, Legislators. Thank you for allowing me the opportunity to speak this afternoon. My name is Nancy Manteiga, 2nd Vice-President --

CHAIRMAN CARACCILOLO:

Just speak a little closer, Nancy.

MS. MANTEIGA:

I'm sorry, Mike. Nancy Manteiga, 2nd Vice-President of the Association of the Municipal Employees. I'm here today on behalf of President Phyllis Garbarino asking for your support for IR No. 1193, amending the Operating Budget to transfer funds for the purchase of vehicles for the Probation Department.

As you all are aware, Probation Officers are members of the Association of Municipal Employees and we fully recognize their need and definitely support the purchase of the vehicles to help them do their job. Thank you. That's it, briefly.

CHAIRMAN CARACCILOLO:

Thank you, Nancy. And as the bill's sponsor had requested at our last committee meeting, this was a resolution that had been tabled subject to call, the committee reconsidered it, it's on today's agenda and it is my hope and desire that the committee will move it.

MS. MANTEIGA:

Thank you very much.

CHAIRMAN CARACCILOLO:

Okay. You have a question, Dave?

LEG. BISHOP:

No, I guess when we get to the resolution. It's really of Budget Review.

CHAIRMAN CARACCILOLO:

Okay. Are there any other speakers who would like to address the committee? I see the bill's sponsor just arrived; Legislator Binder, did you want to address the committee before we go to the agenda?

LEG. BINDER:

Thank you, sure. Could I ask the Chair if there was any information from Budget Review? I haven't seen it, I have been asking for it and the only report I got was from December, 2001, so it was the wrong information.

CHAIRMAN CARACCILOLO:

I have not received any independent information. Has the Budget Review Office prepared any subsequent?

MR. SPERO:

No. The last report we did on the Probation vehicles was that memo you received.

LEG. BISHOP:

We were supposed to have it for this meeting.

LEG. BINDER:

Right. The question wasn't about particularly the Probation vehicles. The question that was asked at the last Budget meeting for this meeting was about what money there is in the pay-as-you-go, what's planned for. The question was the mix because the concern of the committee was were we substituting this for something else that was scheduled. And if we were making a decision in terms of prioritization between one program and another program of expenditure, what was this decision? And I would understand that discomfort of the committee wanting to know what's the trade-off, what do they have to give up to get the cars. And so where we were, that was supposed to be here for today.

And I really would -- I don't want to push these cars off much longer because I would like them to be able to order them and get them under the buy list and get the cars they need. Because as of right now, my understanding is they're ordering more cars with less equipment. I would like to change that so they can lower the number of cars in terms of that first order, increase it by these 15, get the full 25 with the full equipment and this total appropriation should be able -- should have them do that. Because I really think they should get the cars fully outfitted and the number that they need, at least the minimum is 25. I'm hoping that you have some numbers.

MR. SPERO:

The pay-as-you-go account, last time I checked it, no funds were taken out of the account or expended. Now, last week the resolution was passed for the east end helicopter service which was taken out of the pay-as-you-go account. So as far as this resolution is concerned, funds are there to be used for this to buy vehicles, which would be an appropriate use of the pay-as-you-go funding.

LEG. BINDER:

Well, then let me make a comment. Actually, that is important to me. The fact that the Medevac helicopters, we didn't ask for what we're asking for now on these Medevac helicopters. We didn't say what are we trading, we didn't ask for this evaluation when we thought there was the life and health of people on the east end at risk, and I think it was a proper decision, I was part of that.

Here we have the life and health of our County workers that are at risk, their personal liability that's at risk. It would just seem to me it would be the right thing to do at the right time, to pass this, get them the full compliment of cars, let them go get 25 fully

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outfitted rather than trying to shoehorn it by getting more cars with less equipment is what they've done to date.

CHAIRMAN CARACCIOLO:

I can anticipate, Legislator Binder, that there may be a question or two for the Budget Office as well as the Budget Review Office. I would like to invite the Budget Office up and get your input on this issue and specific to Legislator Binder's question.

LEG. BISHOP:

I don't understand.

CHAIRMAN CARACCIOLO:

I will recognize you in a moment, David. Maybe we can just get a quick answer from the Budget Office.

MR. WEISS:

Good afternoon. Specifically to Legislator Binder's question, I believe that the list was asked for the Budget Review Office. However, I did go back to the Budget Director and we had a discussion about the 5-25-5 pay-as-you-go funds. And what he instructed me to do and the Budget Office staff is to go through all our requests that we received from the departments for the use of the funds, which we have been compiling, and see from the County Executive's Budget Office standpoint which ones we want to go forward with.

I do know specifically on this resolution and on some of the others that use pay-as-you-go as an offset, the Budget Director has been writing to the chairman of this committee, as well as I think some members of the Finance Committee as well, about the offsets that are used in these resolutions. This resolution and the others that use pay-as-you-go were not included in his memo because from a straight offset perspective, the Budget Office is okay with that from this point -- this point in time.

CHAIRMAN CARACCIOLO:

Okay. For the benefit of the committee members who may have been temporarily sidetracked, the Budget Office indicates -- Legislator Bishop?

LEG. BISHOP:

Yes, what?

CHAIRMAN CARACCIOLO:

The Budget Office just indicated that they're okay with this budgetary offset in this resolution. So from one perspective we have the go ahead. To get back to the request, Jim, of the committee, do you know why that report or that information is not ready for today?

MR. SPERO:

I'd have to find out. I wasn't at the last committee meeting so I'm not aware of the request. I have to find out what happened.

CHAIRMAN CARACCIOLO:

Okay. But typically when we sit here, it's the Budget Office not the Budget Review Office that takes issue with budgetary offsets. So I'm

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very comfortable, given the Budget Office perspective, and will open it to discussion by the committee. Legislator Bishop.

LEG. BISHOP:

The issue was if it is an appropriate offset, if it is a surplus. Is that what you're saying, Mr. Knapp, that you believe it's a surplus?

MR. WEISS:

The opinion that Mr. Weiss has as the Budget Director as far as the offsets go, let me take both extremes and both examples. We have seen social security or retirement used as an offset. Our best estimates for the 2002 budget year is what we budgeted is going to be spent in those accounts. We do not see any surplus in the 2002 Operating Budget for the use of those monies to be used elsewhere.

Similar to our discussions that we had here with snow removal and those such, as of right now the pay-as-you-go money, there is sufficient funds there that if it's the will of the Legislature to transfer those funds and use as an offset for other, in your view, appropriate items, that's the will of the Legislature.

LEG. BISHOP:

So -- I understand what you're saying. But the point is that when we began this discussion that we have a list of items when we prepare the budget that we anticipate spending or paying for out of that fund. And what the report that I was awaiting, that I assumed would be here for today's meeting, was a list of those items, their costs, and the balance in the account. If we were to approve this resolution now, what you would be doing is adding to the list of items but not adding to the account. Therefore, at some point you'd be squeezing out other items that you originally anticipated spending, paying for out of this account. So I think we need the information, but I appreciate the answer. I know what you're saying, you're saying we wouldn't -- the account itself is about a discretionary call of the Legislature and this would be an appropriate item if we chose to. But I need to know what we would be implicating if we went forward.

CHAIRMAN CARACCIOLO:

In terms of that comment, Fred or Jim, do we have somewhere in this building a list of pay-as-you-go proposals?

MR. SPERO:

There's about -- the pay-as-you-go account should be in the neighborhood of \$15 million. The proposed budget came over with two-and-a-half million; of that two-and-a-half million, 1.2 million or so was put into an account to buy bio-terrorism equipment after the 9/11 incident. So there's about 1.3 million left and there's \$15 million of potential pay-as-you-go items. So the Legislature passed a one year moratorium on pay-as-you-go funding for this year. So how we use that funding is yet to be determined. Which projects will actually get funded have to be determined by specific resolution.

CHAIRMAN CARACCIOLO:

Jim, what you're saying then is that aside from the 2.5, of which 1.2 has already been dedicated for anti-terrorism programs, the balance has yet to be earmarked; is that correct?

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MR. SPERO:

That's correct. It's not earmarked at this particular juncture for any particular item, it's done by resolution on a project by project basis.

CHAIRMAN CARACCIOLO:

Okay. I see Counsel wanted to respond also; Paul, did you want to add anything to that?

MR. SABATINO:

I better not.

MR. SPERO:

Fred said he's getting -- he has a list of what potential items.

CHAIRMAN CARACCIOLO:

Legislator Bishop, does that answer your inquiry in terms of --

LEG. BISHOP:

No, I want what I originally requested and I would renew the request. And I think it would be prudent of us to have the information before we cast a vote on this particular resolution.

MR. SPERO:

Why don't you pass over this, because Fred said he's getting a list, so I guess a list was prepared.

CHAIRMAN CARACCIOLO:

Okay, so a list has been prepared.

MR. SPERO:
Apparently so.

CHAIRMAN CARACCIOLO:
By whom?

MR. SPERO:
Someone in our office. I wasn't aware of the request and I don't know that the list was actually done.

LEG. BINDER:
Mr. Chairman, can I just add something to that? If members don't know where AME, which is the union that represents --

CHAIRMAN CARACCIOLO:
And they were here.

LEG. BINDER:
-- them in negotiations.

CHAIRMAN CARACCIOLO:
They are in full support of this resolution.

LEG. BINDER:
Okay, great. I apologize for missing them. I was on the phone with Phyllis Garbarino today and she's, you know, very strongly in favor.

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CHAIRMAN CARACCIOLO:
Very anxious to see this resolution approved, I understand. Are there any other questions? Okay, we will go to the agenda. That is the first resolution, we will pass over it until Mr. Pollert returns with hopefully sufficient information to satisfy everybody's appetite.

And the next resolution is 1196-02 (P) - Amending the 2002 Adopted Operating Budget and appropriating funds for the Vocational Education and Extension Board (Haley). Do I hear a motion?

LEG. BISHOP:
Motion to table.

LEG. CRECCA:
Second.

CHAIRMAN CARACCIOLO:
Motion to table by Legislator Bishop, second by Legislator Crecca. All in favor? Opposed? I'm opposed. Tabled (Vote: 3-1-0-0 Opposed: Legislator Caracciolo).

Same motion, same second on 1197-02 (P) - Amending the 2002 Adopted Operating Budget and appropriating funds for the Police Athletic League (Haley).

LEG. BISHOP:
Yes.

CHAIRMAN CARACCIOLO:
Same vote. Tabled (Vote: 3-1-0-0 Opposed: Legislator Caracciolo).

On 1198-02 (P) - Amending the 2002 Adopted Operating Budget and appropriating funds for the North Shore Youth Council (Haley).
Same motion, same second, same vote. Tabled (Vote: 3-1-0-0 Opposed: Legislator Caracciolo).

1199-02 (P) - Amending the 2002 Adopted Operating Budget and appropriating funds for The Nature Conservancy (Haley). Same motion, same second, same vote. Tabled (Vote: 3-1-0-0 Opposed: Legislator Caracciolo).

1200-02 (P) - Amending the 2002 Adopted Operating Budget and appropriating funds for Mather Hospital Fortunato Breast Health Center (Haley). Same motion, same second, same vote. Tabled (Vote: 3-1-0-0 Opposed: Legislator Caracciolo).

1201-02 (P) - Amending the 2002 Adopted Operating Budget and appropriating funds for Lifeline Mediation Center (Haley). Same motion, same second, same vote. Tabled (Vote: 3-1-0-0 Opposed: Legislator Caracciolo).

Do you have copies of that, Fred? You have copies of that for everyone?

MR. POLLERT:
Yes, I will make copies right now.

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CHAIRMAN CARACCIOLO:
Okay, because we're just about back to that resolution.

1241-02 (P) - Amending the 2002 Operating Budget and restoring 50% of the funding for Cornell Cooperative Extension's Marine Science Program (Caracciolo). On this resolution, I would like to bring to my colleague's attention, there has been an amendment to the resolution that has reduced the supplement -- not supplemental funding, but the funding, the original request substantially; it's now down to \$75,000 from \$185,000. And the offset is the same and I think it's clear in my mind that given where we are on the calendar, the end of April, that the concern over using the snow removal account for a \$75,000

offset, while that may be well meaning, I think is academic. I think there's more than sufficient fund balances now to see these important programs continue it. So I'm going to make a motion to approve. Is there a second?

LEG. BISHOP:
Second.

CHAIRMAN CARACCIOLO:
Second by Legislator Bishop. On the motion?

LEG. CRECCA:
I thought there was -- on the motion. I thought there was insufficient monies left in the snow account because of the Juvenile Diabetes bill that we passed last time.

MR. WEISS:
Before I speak on that specific item, I have to apologize, I never received a copy of the correction of the resolution from the Clerk's office. But if I readjust my numbers in my head going from I believe the original was 175,000 --

CHAIRMAN CARACCIOLO:
That's correct.

MR. WEISS:
-- down to 75,000. We would have, after the Diabetes Education Bill passed at the last meeting and understand that the County Executive -- it's my assumption that the Budget Director is in favor of that resolution for passage, that there would be about 90,000 left in that snow removal account to get us all through the end of next year, the November and December months. So I just wanted to point that out, that it is -- we do have sufficient funds for that, however we do have concern of bringing the snow removal account that close to zero; but once again, that's the decision of the Legislature if they wish to do that.

CHAIRMAN CARACCIOLO:
And I respect that opinion.

MR. WEISS:
Just one fact that I did get from the Department of Public Works. An average snow storm costs this account -- for example, two-and-a-half inches of snow with a little bit of ice for the removal throughout the

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County will cost about a 150,000 per two-and-a-half inch snow storm. We'll have 90,000 left in this account, so if we have any snow in November or December we will be under the gun to hopefully get a resolution in to transfer money into this account. This isn't part of

the General Fund, so it can't -- other Department of Public Works accounts can't be used as an offset internally, we'll have to go back in front of the Legislature to transfer funds for that. So I just do want -- I do want to point that out to the committee.

CHAIRMAN CARACCIOLO:

Okay. Mr. Pollert, this week, a few days ago, a memorandum was distributed with regard to sales tax collections. I read it, I'm familiar with it. The sum and substance of it is what do you anticipate above and beyond what was projected given the ebb and flow of the economy, a plus or a minus in collections?

MR. POLLERT:

The first quarter was very good, we haven't updated our computer model until the second quarter. If we have a 3% growth for the remaining quarters, we should have a surplus of approximately \$8 million. Of that \$8 million surplus, one half would need to go into the Tax Stabilization Reserve Fund. The other \$4 million could not be expended by the Legislature because of the County Charter which says that all your revenues have to be in before you can expend a revenue surplus.

CHAIRMAN CARACCIOLO:

Ken, what that brings me back to is if we have a snow event of the magnitude that I'm not familiar we've had in my many months now, I mean, we've had a very mild winter, we don't know what the fall or -- we have to get through December, that's why I said I respect, you know, your position. But given the brighter news on the economic front, and that's the first good news we've had in several months, it would seem to me that, as we always do, we could always go back in the later months of the year and make adjustments; is that not correct?

MR. WEISS:

It is true --

CHAIRMAN CARACCIOLO:

I mean, we're talking about \$87,000.

MR. WEISS:

It is true if the available appropriations are free on the expenditure side to transfer in there. We cannot -- for example, if sales tax revenue comes in 10% higher than what we thought, that does not help us out in 2002 with our available appropriations to transfer into account specifically the snow removal account in December.

CHAIRMAN CARACCIOLO:

Right.

MR. WEISS:

We would have to find an offset somewhere on the expenditure side, and

in the size of a budget we have, that is possible, you know.

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CHAIRMAN CARACCIOLO:

Thank you. Okay, we have a motion and a second. All in favor?
Opposed?

LEG. CRECCA:

Opposed.

CHAIRMAN CARACCIOLO:

One opposed. Motion --

LEG. BISHOP:

Wait, approval on what?

CHAIRMAN CARACCIOLO:

This is on --

LEG. CRECCA:

This is on Mike Caracciolo's bill.

CHAIRMAN CARACCIOLO:

Yes, on 1241.

LEG. BISHOP:

Yes, in favor.

CHAIRMAN CARACCIOLO:

Motion, second, the vote was three to one. Approved (Vote: 3-1-0-0
Opposed: Legislator Crecca).

LEG. BISHOP:

I'm in favor.

CHAIRMAN CARACCIOLO:

Thank you. Thank you, Jonathan.

Okay, that brings us back to Mr. Binder's resolution.

LEG. BISHOP:

Right.

CHAIRMAN CARACCIOLO:

And you have the floor, Legislator Bishop.

LEG. BISHOP:

You have before -- let me do this in dialogue with Mr. Pollert. This is a list of items that totals \$15 million for which we anticipated when we created the Operating Budget for this year. And the way we

were anticipating funding these items was how much from Operating and how much from Capital.

MR. POLLERT:

That was supposed to be funded entirely with pay-as-you-go funds, so they should all be included as a General Fund transfer to the Capital Program; that did not take place. It doesn't mean that those projects can't be progressed, it just means that the Legislature has to authorize a resolution to change the source of funding from a General

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Fund transfer to a Serial Bond and that requires a super majority vote of the Legislature.

LEG. BISHOP:

That question -- that answer throws me off because that's not the one I anticipated and I have to try to get it back to where I can understand it.

LEG. BINDER:

We can borrow from it.

LEG. BISHOP:

The items cost \$15 million. In my mind, we anticipated spending \$15 million with a mix of Capital and Operating funds.

MR. POLLERT:

No, that was supposed to be exclusively Operating funds.

LEG. BISHOP:

When? When did --

MR. POLLERT:

When the Capital Program was adopted about this time last year.

LEG. BISHOP:

Right, in the Capital Program, that was in June.

MR. POLLERT:

Right.

LEG. BISHOP:

I'm talking about when we -- now it's moved forward to October and November.

MR. POLLERT:

When the budget was finally adopted there was approximately one point --

MR. SPERO:

There's 1.2 two.

MR. POLLERT:

Right, there was about two-and-a-half million dollars of which a portion of it went to the terrorism funding.

LEG. BISHOP:

Right, leaving about --

MR. POLLERT:

So there is about \$1.3 million.

LEG. BISHOP:

So in my mind there was 1.3, and you can tell me if this is an incorrect analysis, there was 1.3 million in the Operating Budget and 13.7 that we anticipated bonding in order to pay for the items on this list.

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MR. POLLERT:

That's correct.

LEG. BISHOP:

Okay. Now this resolution seeks to add to the list.

MR. POLLERT:

Yes, that is correct.

LEG. BISHOP:

And it seeks to use the 1.3 that was in the operating.

MR. POLLERT:

That's correct.

LEG. BISHOP:

So if you're adding to the list and drawing down from the Operating, then something else on the list gets squeezed out, or we have to increase the amount of borrowing.

MR. POLLERT:

That's correct.

LEG. BISHOP:

Okay, that's the point I wanted to make.

MR. POLLERT:

Okay.

LEG. BISHOP:

So now I what to know from the sponsors or from my colleagues, what do

you want to remove from the list or do you want to borrow in order to pay for this?

LEG. BINDER:
Mr. Chairman?

CHAIRMAN CARACCIOLO:
Legislator Binder.

LEG. BINDER:
Yeah, I can answer that in a number of ways. Number one, I would think if we have to borrow because we find ourselves in the need at the end when we've exhausted all this, then maybe in the end that's what we'd need to do.

Number two, I would say we just did the Medevac helicopters, we didn't ask that question. Because when we see a specific need at a specific time, we address the need and we moved on it quickly. I don't think the need is something that is something we should -- this need is something we should put aside.

Third, I would look down here and see things like resurfacing of County roads for \$4 million. It would seem to me that that is an estimate. There's no way to know that resurfacing of our County roads and how much we're going to need is four million. I would ask Fred,

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isn't that probably a rounded number estimate, the four million, is it possible that we could do three and a half million or 3.75 million? I mean, isn't it possible that we could probably do that, maybe put some resurfacings off until next year? I mean, it's not -- I would -- and I guess the point is here that aren't these numbers somewhat fungible? That you might look at information systems, could it be that we might not need the Environmental Quality Information System because they might not be ready to incorporate it into their systems. There are computers on here, other technological equipment which I know, after being here 12 years, often is put off one, two, three years, even though we expected to do it. Almost invariably a number of things are put off but you hope to have them but they're put off, and now we're almost halfway through the year and we haven't done these things; is that possible also?

MR. POLLERT:
Yes, it is. Clearly the list was done almost a year ago. There have been a quite a few changes that will probably be anticipated. The Legislature has already appropriated all the money on the resurfacing, though, even though there was not a specific list only because it was just a transfer of the funding type to serial bonds.

LEG. BINDER:

So my point is this. You have a long list, a long list of fungible items that might not be at the level they're at, they don't have to be at this level. Often things can be put off if they're forced to. I don't think we should -- if I had a question whether we should force -- if we should put off an information system, a computer system versus our workers having cars for their health and safety, I'm going to pick having the cars, put off the information system for one year and we'll get that up and running in a year. I mean, that's the point that these -- and these are fungible numbers and that's why we probably didn't ask our Medevac because it was important to do it.

So I would hope that we see this as a priority. We can see this list as something as a wish list. And I would guess on their own, there are a number of things on here, we may not know them now, but there are a number of things on here that will not be ready for appropriation, will not be ready to go forward and so we're not going to be doing them anyway in this year. As Fred said, it was a year ago wish list and it might not be current.

CHAIRMAN CARACCILO:
Legislator Bishop?

LEG. BISHOP:

Well, government is all about competing priorities and certainly a priority of mine will be over the next few years to take care of this Probation car situation. I served on the Budget Committee that made the difficult recommendations to the Legislature that were ultimately adopted. And in a very difficult budget year we managed to take care of a third of the problem, I anticipate that when we do the budget again next year we'll take of another third or even two-thirds of the problem. But when you use the word fungible, what you're really saying is that the budget process has no integrity and you can just add items to it and space will be made miraculously. If you want to remove

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something from here, then put in a bill that says, "Yeah, let's fund cars and remove District Court Electronic Filing Interface County Clerk," which may be a very appropriate substitution. But to simply say, "Make room for this out of the same fund," that is not a very wise way to budget.

Now, what I thought we were going to get today was a list of where these accounts were at to see if there was surplus in any of these items and then maybe the problem would be taken care of itself and we would have the type of resources that you're designating for cars in the fund. But we don't know that right now and that's what I thought we were getting for today's meeting.

MR. POLLERT:
The County Executive's Office has not yet determined which projects

they're going to be progressing during the year. They have already submitted a group of resolutions changing the source of funding on a variety of projects, but at this point in time the County Executive's Office was unable to make a commitment through the end of the year which projects they may not be progressing. So I can't put together the list, it's really dependent upon the County Executive's Office working with the departments.

LEG. BINDER:

Mr. Chairman, if I can respond.

CHAIRMAN CARACCIOLO:

I'd like to recognize some of the other members of the committee first. Legislator Crecca, did you have --

LEG. CRECCA:

No.

CHAIRMAN CARACCIOLO:

Oh, I'm sorry. I thought I was -- Okay, I thought I saw someone. Go ahead, Legislator Binder.

LEG. BINDER:

My response to that is I'm not saying that the process doesn't have integrity. What I'm saying is after 12 years of watching the progress, every year it changes. The problem with a budget process, it's not a static thing, it doesn't happen at one moment, a picture and a snapshot.

What you're looking at in this list is a snapshot at the time of a wish list. As times goes on things change, every single year things come off, things come off all the time. Now, I hear the same Legislator who I think in the end voted for Medevac helicopters did not ask these questions. He didn't say, "Well, what am I taking off to put Medevac helicopters on," he just said, "The health and safety of the people out east is important, so I'm going to do that and whatever it takes to find the formula to fill that gap by the end of the year we'll do that." In fact, we didn't even have the list, now we have the list. Now we have the list. And I think you can see on the list that there is the ability by the end of the year to make adjustments.

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And if in the final analysis we need every single thing and every single dollar, then that means we might have to bond a little bit more than we figured, and that's okay, too. If that's what it takes to protect the health, safety and welfare of the people who work for us and that's our charge, one of our fiduciary responsibilities are to protect the health, safety and welfare of the people who work for us, then in the end to get all of this plus these cars we end up having to bond something on this list that we didn't expect, then maybe that's

what we have to do. But I don't know that you have to make a specific choice, take a specific thing out and then replace it.

CHAIRMAN CARACCIOLO:

Well, as always, Legislator Bishop has raised an important and a good question. So I'd like to attempt to maybe clarify how I would approach this.

First, I would consider when I look at the list, I would request that the Budget Office and Budget Review Office write these projects in terms of cost benefit analysis. We talk about priorities and since we're in a tight budgetary situation and we want to address the County's most important needs, then it would seem to me that's where you start.

Next, when I look at some project -- specific projects, rather, one that I would have a question about not in terms of it being meritorious or not but maybe the funding source, and that's the West Hampton Interim Storm Damage Protection, and that's all the title tells me so I don't know anything more than that. Fred, what does that relate to and could we use the new quarter percent water quality protection moneys for a \$1 million project like that?

MR. POLLERT:

The reason it was included in pay-as-you-go was that it is a consultant study. The new quarter cent bill was written very, very tightly by the County with respect to making sure that the funds could never be invaded, they had to be used for a proper purpose. I defer to Legislative Counsel, but ultimately it would be up to Bond Counsel, of which I just learned that we have new Bond Counsel, to make the determination on if it's an appropriate expense.

CHAIRMAN CARACCIOLO:

Counsel, could you respond to the question?

MR. SABATINO:

The funding can potentially be fit within one of the quarter percent programs, but I'd have to really see more detail because there's about -- under the water quality component there's about 16 different criteria. I mean, from memory I couldn't tell you with certainty, although the damage protection sounds like something that might make it within one of those 16 or 17 criteria. The details maybe from Public Works in terms of what the proposal is would help to see if it fit within the statutory criteria.

CHAIRMAN CARACCIOLO:

Well, Fred, could you get --

LEG. BISHOP:

No. No, that's a --

CHAIRMAN CARACCIOLO:

Could you look up for me Capital Project 5374 because that's what this title relates to. And then my next question for the Budget Office, or the bean counters, if you will -- with due respect I say that -- is if we were to bond the 400,000 for the vehicles. Given the lull interest rate environment that we are in, I mean, that's an option, and I'm not closing the door personally on that option given the low cost of financing right now. What would we be looking at in terms of interest costs to bond that to a TAN, or a BAN rather?

MR. POLLERT:

You would probably just issue it as a Bond Anticipation Note and then roll it out either one term or you would pay it off in short order. The interest rates short-term are probably in the neighborhood of roughly two and three quarters.

CHAIRMAN CARACCIOLO:

So if you have your calculator handy, could you tell me if we took out a one year BAN, financed \$400,000, what is the additional cost, if there is an additional cost, to the taxpayers, the average property taxpayer in Suffolk county?

MR. POLLERT:

You would be better off, frankly, doing it through the Operating Budget through pay-as-you-go, and the reason I say that is that you get Probation aide. If you do it through a Bond Anticipation Note, you can't easily bring that cost back to the Probation Department.

CHAIRMAN CARACCIOLO:

All right. If we went with your method, what would the cost be to the average property taxpayer?

MR. SPERO:

It's \$4,000, 2% of 400,000. The interest rates are at 2% or less, so for one year it would cost you about \$4,000 in interest.

CHAIRMAN CARACCIOLO:

Okay. So really, gentlemen, what we're talking about it is 404,000 versus \$400,000, I rest my case. There's a motion on the floor? I'll make a motion. Is there a second?

LEG. BISHOP:

Motion to table.

CHAIRMAN CARACCIOLO:

Motion to table by Legislator Bishop. Is there a second?

LEG. CRECCA:

Legislator Bishop, on the motion to table, can I ask you a question?

LEG. BISHOP:

Before a vote is cast on this, I think it would be prudent if members of the committee had before them information that Legislator Binder

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suggests exists, Budget Review confirms probably does exist, which is to find out where we're at now with this entire list of projects. Are some going to come in at less than what we initially thought or are some going to come in more? That's the right way to do it.

Otherwise, as I said before, this would be a -- you'd go down a very slippery slope of bad budgeting practices to just add items without removing other items or adding a source of funding.

Moreover, I just want to make one other point briefly, because I think it's going to become a reoccurring theme in the years ahead. If anybody here thinks that it's easy to simply say, "5374, that's the West Hampton Interim Storm Damage Project, is an easy source because it can be funded elsewhere," is completely missing the point of the Surface Water Protection Program which was a vote of the public to designate their money to additional environmental spending. Not simply take what was already planned and fund it out of a different source, that would truly be a horrendous practice and -- well, I'll leave it at that.

CHAIRMAN CARACCILO:

Dave, as a cosponsor of that with you, I would, with all due respect, have to disagree. I don't think we made it that clear to the public what they were voting on, but I appreciate your perspective. Legislator Crecca?

LEG. CRECCA:

Yeah. I'm going to say publicly on the record that I'm going to support this bill, but I think Legislator Bishop is correct in the respect that we did ask for certain information. And I appreciate what Budget Review has given us and I'm not necessarily faulting them, but we did not have that information before us today, and maybe there was a little bit of a misunderstanding of what we were looking for. But I will publicly go on the record and say that I intend to support this but I would support a tabling motion for one more cycle which would put us to the May 14th meeting, but I won't really go beyond that on this bill because I don't want to get too late in the year to do the acquisition of the cars. And again, I --

LEG. BISHOP:

Do you understand what we're asking for?

LEG. BINDER:

Can I ask a question?

CHAIRMAN CARACCIOLO:
One minute, because --

LEG. CRECCA:
All right, that's a good question. Is it now understood what we're looking for? That was the question, right, David?

LEG. BISHOP:
Right.

LEG. CRECCA:
But I just want -- you know.

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CHAIRMAN CARACCIOLO:
Before we get to that question, could you respond to my previous question about what 5374 in terms of the Capital Program and Budget relates to?

MR. POLLERT:
Yes, it relates to maintenance dredging. The department had requested \$2 million, it was reduced by the County Executive's Office, it's the normal maintenance type of dredging that goes on.

CHAIRMAN CARACCIOLO:
Okay. Then you know where this title came from in terms of the West Hampton Interim Storm Damage Protection; is that one of the --

MR. SPERO:
This is part of a -- there was a lawsuit, remember, going back several years ago that the people in West Hampton brought against the County, and I guess the Federal Government and the State. So this is for a beach replenishment project over a period of time.

CHAIRMAN CARACCIOLO:
As a result of a lawsuit.

MR. SPERO:
Right, there was a major lawsuit.

CHAIRMAN CARACCIOLO:
Was that a settlement judgment decision, what was it?

MR. POLLERT:
Yes, it was a settlement with Suffolk County and the village I guess. It was authorized by Resolution 314-96.

CHAIRMAN CARACCIOLO:

Very good, okay. Now, Legislator Bishop has raised the question again, what is it that you will provide the committee and when can you have the information for the committee?

MR. POLLERT:

It's really a question to the County Executive's Office. They have to determine, as the Executive Administrative Department, which projects they intend to progress forward. We know the ones they have already changed the source of funding on, but the last time I spoke with the Executive Office they didn't want to give a commitment through the end of the year which projects they did not intend to progress. So we're really dependent upon information from the County Executive's Office.

LEG. BINDER:

Mr. Chairman?

CHAIRMAN CARACCIOLO:

Well, let the County Executive's office respond so we can get some sense of where we're going here.

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MR. WEISS:

As I mentioned when I started speaking earlier at the beginning of the meeting, the Budget Director has started a process, we're talking to the Directors and the Commissioners of the respective departments, that have typically in the past used the pay-as-you-go to fund Capital Projects that haven't been bonded. We are in that process of starting that. I unfortunately, as Fred Pollert said, I cannot give a firm commitment to this body as far as what list, what's going to be included on that list and will that list change throughout this year, I can not commit to that. I will get as much information as I can in -- for this funding or what projects we are anticipating at that point in time that's going forward, but I can't make a commitment at this time in front of you for those projects and which ones will take a priority. But I will go back and I will ask.

CHAIRMAN CARACCIOLO:

Okay. What I'd like to request then is that for our next committee meeting that you provide us with a schedule of what -- which of these projects you are prepared to go forward with and a time table for the remainder so that everyone pretty much knows what's in the hopper and when we can expect to move forward on some of these programs.

MR. WEISS:

I certainly will. I believe that will be --

CHAIRMAN CARACCIOLO:

Now that's clear, we don't have to mention that again two weeks from now or four weeks from now.

MR. WEISS:

No, I understand the request. I think that will be at the May 12th Budget Meeting.

CHAIRMAN CARACCIOLO:

Very good.

MR. WEISS:

The one before the May meeting.

CHAIRMAN CARACCIOLO:

Okay. What I would like to do given, again, the negligible cost of 404,000 versus 400,000 to purchase these vehicles through a BAN, and although the current resolution doesn't specify that, would the sponsor consider going in that direct direction?

LEG. BINDER:

If that were the only way to do it. My concern with the BAN is that we could lose Probation reimbursement. We get specific reimbursements, so it's not just 4,000 I don't know what the reimbursement could be, it could be substantial.

CHAIRMAN CARACCIOLO:

Well, maybe Fred would know.

LEG. BINDER:

Fred, do you know what the reimbursement would be, what we might be

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risking by going to a bond and not pay-as-you-go on the cars?

MR. POLLERT:

The ball park reimbursement rate is about a third for the Probation Department. It's --there's a fixed pot of money at the State level, it's allocated based upon what the total expenses are across the State of New York, but ball park you can assume about a third.

LEG. BINDER:

So that could be over a hundred thousand dollars. That's a difference of 4,000.

CHAIRMAN CARACCIOLO:

It's more than that, it's \$130,000. So that raises the point of should this resolution reflect a \$400,000 expenditure or \$270,000 expenditure?

MR. POLLERT:

No, the expenditure is \$275,000. If we receive State aid, it will probably be beyond the end of this year and fall into next year anyhow. We're now under GASB 33, as Legislator Crecca knows, which

means that we can't even probably recognize the revenue this year. It will flow in next year.

LEG. BINDER:

Actually, it's not 400,000, it's 275, but a third of that is still a significant amount. I would just ask, and I realized this when they first came up to discuss this, that the County Budget Office is probably not going to give us what we want. The reason that we don't have what we want is that they can't -- our Budget Review Office can't give it to us. They can give us this list. Beyond that, they can't give us any other information unless the County Executive sits and goes through the whole list and if they're not prepared to do that at this time and it might take them months to do that, I would think it's a real shame to hold up the vehicles waiting for information that they can't get. It's not accusation from them, it's just part of their process. And if it's not -- we're not on their time schedule, as the Medevac wasn't, then I think you go forward. And as I said, we'll do what we have to do to make sure that the list is complete.

CHAIRMAN CARACCIOLO:

Alan, that's why the Chair requested in three weeks that we have a schedule, at least a preliminary schedule, so that the committee would be in a better position to move in an affirmative direction. There is a motion to table. Is there a second?

LEG. COOPER:

Second the motion.

CHAIRMAN CARACCIOLO:

Motion and a second. All in favor? Opposed? I'm opposed. The motion carries, the resolution is tabled (Vote: 3-1-0-0 Opposed: Legislator Caracciolo).

Okay. Is there any other business before the committee? Hearing none, the committee stands adjourned. Thank you.

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(*The committee was adjourned at 3:02 P.M.*)

Legislator Michael Caracciolo, Chairman
Budget Committee

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