

**BUDGET & FINANCE COMMITTEE
OF THE
SUFFOLK COUNTY LEGISLATURE**

MINUTES

A meeting of the Budget & Finance 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, Smithtown, New York, on Tuesday, November 14, 2008.

Members Present:

Legislator DuWayne Gregory - Chairman
Legislator Thomas Barraga
Legislator Edward Romaine
Legislator John Kennedy
Legislator Brian Beedenbender
Legislator Kate Browning

MEMBER NOT PRESENT:

Legislator Lou D'Amaro - Vice-Chairman

Also In Attendance:

George Nolan - Counsel to the Legislature
Maxvel Rose - Aide to Chairman Gregory
Barbara LoMoriello - Deputy Clerk of the Legislature
Gail Vizzini - Director/Budget Review Office
Linda Bay - Aide to Minority Caucus
Paul Perillie - Aide to Majority Caucus
Ben Zwirn - Deputy County Executive
Allen Kovesdy - Deputy Director/County Executive's Budget Office
Lynne Bizzarro - County Attorney's Office
Robert Lipp - Budget Review Office
Debra Alloncius - AME
Vito Dangelo - President, SCCOA
Gary Osarczuk - 2nd VP SCCOA
Matt Bogert - 1st VP SCCOA
Kurt Caminske - 3rd VP SCCOA
All Other Interested Parties

Minutes Taken By:

Donna Catalano - Court Stenographer

Minutes Transcribed By:

Kim Castiglione - Legislative Secretary

(THE MEETING WAS CALLED TO ORDER AT 11:13 A.M.)

CHAIRMAN GREGORY:

We're going to get started. We're going to start off with the Pledge of Allegiance led by Legislator Barraga.

SALUTATION

CHAIRMAN GREGORY:

Good morning. We have a short agenda today. We don't have any cards. Is there anyone in the audience that would like to come before us and speak? I take that as a no. Okay. We will go to the agenda.

Tabled Resolutions

Tabled Resolution **IR 1603, Repealing home energy nuisance taxes on Suffolk County residents. (Alden)**

Is there a motion?

LEG. BEEDENBENDER:

Motion to table.

CHAIRMAN GREGORY:

Motion to table by Legislator Beedenbender. Seconded by myself. All in favor? Opposed? Abstentions? Motion is tabled. **(Vote: 5-0-0-2 Not Present: Legislators D'Amaro and Romaine).**

IR 1604, Establishing a program to reduce unfair home energy nuisance taxes on Suffolk County residents. (Alden)

LEG. BEEDENBENDER:

Motion to table.

CHAIRMAN GREGORY:

Motion to table by Legislator Beedenbender. Seconded by myself. All in favor? Opposed? Abstentions? Motion is tabled. **(Vote: 5-0-0-2 Not Present: Legislators D'Amaro and Romaine).**

IR 1749, Adopting Local Law No. 2008, A Charter Law to cap County fee increases. (Schneiderman)

I make a motion to table. It needs a public hearing.

LEG. BEEDENBENDER:

Second.

CHAIRMAN GREGORY:

Second by Legislator Beedenbender. All in favor? Opposed? Abstentions? **(Vote: 5-0-0-2 Not Present: Legislators D'Amaro and Romaine).**

IR 1808, Amending the 2008 Operating Budget and the 2008 Capital Budget and Program and appropriating funds for the installation of public bike racks associated with energy conservation at various County facilities (CP 1664). (Romaine)

LEG. BEEDENBENDER:

Motion to table.

CHAIRMAN GREGORY:

Motion to table by Legislator Beedenbender. Seconded by Legislator Browning. All in favor?

Opposed? Abstentions? **(Vote: 5-0-0-2 Not Present: Legislators D'Amato and Romaine).**

This resolution is reconsidered which results in a different vote during the meeting.

Introductory Resolutions

IR 1896, Readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 793-2008). (Co. Exec.)

I make a motion to approve.

LEG. BROWNING:

Second.

CHAIRMAN GREGORY:

Second by Legislator Browning and put on the Consent Calendar. Do you have a question? No. All in favor? Opposed? Abstentions? **(Vote: 6-0-0-1 Not Present: Legislator D'Amaro)**

LEG. KENNEDY:

Mr. Chair?

CHAIRMAN GREGORY:

Yes.

LEG. KENNEDY:

Do we have any opportunity to possibly have just some, even though we voted on it, some dialogue on the bike racks in consideration for our colleague here who got delayed on travel?

CHAIRMAN GREGORY:

Sure. Would you like to make a motion to reconsider?

LEG. KENNEDY:

Yeah, I'll make the motion to go ahead and reconsider for the purposes of at least discussion.

CHAIRMAN GREGORY:

Okay. I'll second that.

LEG. BARRAGA:

What number is that?

CHAIRMAN GREGORY:

That's IR 1808.

LEG. KENNEDY:

Thank you.

CHAIRMAN GREGORY:

All in favor? Opposed? Abstentions? Okay.

LEG. ROMAINE:

Thank you for the opportunity, Mr. Chairman, members of the committee. This is a resolution that would provide \$25,000 for bike racks at various County facilities. The reason for this is we have installed bike paths on just about every major highway in Suffolk County or are working towards doing that, and yet if people go to use their bikes there is no place to store them. There's no place to lock them. There's absolutely nothing. I thought that this would be a good opportunity at various County facilities, Health Centers, for example. There's a lot of people I know in the Riverhead community that actually don't own a car, that own bikes that have to leave these bikes outside the health centers and they have no place to store them, they have no place to secure them.

The only thought here was this would give people -- this is not only a green opportunity, but this is an opportunity to give those who don't own cars, lower income, an opportunity to at least have some place. I mean, when we build a County building there is no question that we maintain parking lots. This would be an opportunity, a very small opportunity, to install bike racks at key County facilities. That's all. I realize it was tabled so I won't ask for any other consideration, except to just an explanation. Thank you.

CHAIRMAN GREGORY:

Thank you. Anybody else? Legislator Kennedy.

LEG. KENNEDY:

Mr. Chair, I'd just like to ask from BRO, the offset, I mean, is that a legitimate offset? Robert, is that something that we have funding in at this point that we could work with?

MR. LIPP:

Yeah, there's money there. Well, the use of -- those funds do exist so it is something that is legitimate. It's money that we wouldn't be spending otherwise.

CHAIRMAN GREGORY:

Legislator Beedenbender.

LEG. BEEDENBENDER:

But, Bob, did we in the budget that the Legislature voted on last week, did we include that in turnover savings on account that we folded over into something else? Do you understand what I'm saying?

MR. LIPP:

Yes.

LEG. BEEDENBENDER:

Okay.

MR. LIPP:

I'll get back to you in one second. Let me just look over this.

LEG. BEEDENBENDER:

Thank you.

LEG. KENNEDY:

Mr. Chair, on the motion also. I would just -- I would be in favor in support of this because we are attempting to go ahead and promote alternative modes of transportation. I know with Route 347 with the redevelopment project, State DOT has, as a matter of fact, asked for a reconsideration to look at both cycle and pedestrian friendly alternatives to vehicular transportation.

The other thing is it's not uncommon for somebody to invest three, four hundred dollars in a bicycle if they are looking at something that's a high end multispeed vehicle. I don't think it's unreasonable to provide them with someplace that's a safe, you know, alternative to secure the bicycle. You know, in these days when we look at all the other things that we have to contend with, unfortunately bicycle theft is something that is a common, prevalent matter. So if we are encouraging individuals to go ahead and engage in alternatives to get them out of their cars and we are encouraging them to get on their, you know, bikes, \$25,000 is not an unreasonable amount of money to go ahead and to put out to give people the opportunity to lock them up and have them secure.

CHAIRMAN GREGORY:

Now, is that the cost, is it 25,000? I thought it was more than that.

LEG. ROMAINE:

Twenty-five thousand.

CHAIRMAN GREGORY:

And that is to install bike racks at what locations?

LEG. ROMAINE:

At various unspecified locations. So, for example, the Martin Luther King Health Center could have a bike rack there. I don't know if you have people that use bikes. The Shirley Health Center could have -- do you see people that use bikes in your community?

LEG. BROWNING:

Nope.

LEG. ROMAINE:

No?

LEG. BROWNING:

Well, I see them in the community, but not at the health center.

LEG. ROMAINE:

Well, obviously, because there are no bike racks there. It's just -- it's a very low expenditure. I'm not trying to shake up the world, but I do know that when we build buildings that have public usage we provide parking lots for cars at a huge expense. Asphalt is expensive, land is expensive. Bike racks are a lot cheaper alternative.

All I'd like to do is maybe begin a program where we promote bikes as opposed to cars and this would be a very small expenditure in that effort. Hopefully, depending on the fiscal state of our government, this is something that might be -- we might have a plan where we, over many years, encourage bike transportation. Thank you.

CHAIRMAN GREGORY:

Okay. Rob?

MR. LIPP:

Okay, back to the question. Basically what's happening is we're reducing the line in the budget that we're not going to do the spending in and instead we would spend it in this manner. It's pay-as-you-go and this is an appropriate use of pay-as-you-go. It is true that any dollars that we don't spend, and if we don't appropriate it for something that we would spend, clearly then we wouldn't get the fund balance. That's true of anything. But at the end of the day, yes, it would reduce the fund balance, but if you're spending the money this is an appropriate way to spend it with pay-as-you-go.

LEG. BEEDENBENDER:

Right, with anything you would reduce the fund balance. I guess a more specific question -- did we take this pot of money and roll it into something else to reduce the sales -- I mean, this would just be \$25,000 either way on the fund balance that we didn't anticipate. Then that's different then if we use this pot of money and folded it into something.

MR. LIPP:

Well, other things -- no, it's -- we didn't do anything in the budget that would have done that, but clearly other things being equal, as it stands if we don't buy the bike racks we're not likely to -- we wouldn't be spending that money that we're taking it from. So in that sense you'd be right, that we would be reducing the fund balance surplus, but we have the money in the budget if we chose to appropriate it for this purpose.

CHAIRMAN GREGORY:

Okay. Do I have a motion?

LEG. KENNEDY:

Yeah. I'll make a motion to approve.

CHAIRMAN GREGORY:

Second? Okay. Do I have a motion to table?

LEG. BEEDENBENDER:

Motion to table.

CHAIRMAN GREGORY:

Do I have a second? I'll second. Okay. Motion to table is on the floor. Those in favor? Opposed?

LEG. KENNEDY:

Opposed.

LEG. ROMAINE:

Opposed.

CHAIRMAN GREGORY:

Abstentions? We have two oppositions. Motion carries. **(Vote: 4-2-0-1 Opposed: Legislators Romaine and Kennedy; Not Present: Legislator D'Amaro)**

IR 1901, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 794-2008). (Co. Exec.)

I make a motion to approve.

LEG. BEEDENBENDER:

Second.

CHAIRMAN GREGORY:

Second by Legislator Beedenbender, to be put on the Consent Calendar. All in favor? Opposed? Abstentions? **(Vote: 6-0-0-1 Not Present: Legislator D'Amaro)**

IR 1931, To enhance consumer responsibility and ensure depositories informed transactions (credit) in Suffolk County. (Horsley)

I make a motion to approve.

LEG. BEEDENBENDER:

Second.

CHAIRMAN GREGORY:

Second by Legislator Beedenbender. Just a quick explanation by Counsel.

MR. NOLAN:

This law would impose a responsibility on the depositories that are designated by the County at the beginning of the year. They'd have to submit a letter to the County Treasurer certifying that they provide credit counseling services to their account holders or that the depository provides its customers with contact information for the United States Department of Justice Approved Credit Counseling Agencies in the State of New York.

CHAIRMAN GREGORY:

Okay. So there is no fiscal impact to the County, just to provide information. Legislator Romaine.

LEG. ROMAINE:

Well, I beg to differ. I believe there is a fiscal impact. First of all, I want to compliment Legislator Horsley for drafting this. But I spoke to the Treasurer about this and she is opposed to this because, as Counsel will tell you, and she has appeared in front of this body several times to tell you. When

she goes out to look for depositories she wants to get the depository that gives the highest yield to the taxpayers, that gives us the most money. By putting all other conditions on that, that prevents her from doing that and that limits depositories where we can get the highest yield of our interest. If we talk about potentially hundreds of thousands of dollars that would be lost, this resolution will accomplish that.

I understand the purpose of the resolution and as I said, I compliment Legislator Horsley's concern for consumer responsibility, but tying that to depositories -- I know when I was County Clerk we would at least every six months go and recanvas all the banks in Suffolk County to get the largest rates, and we moved money all the time so that we would get the highest yield for the taxpayer. This bill will prevent that. The Treasurer, and I did have a conversation with her -- I'm surprised she doesn't have a representative here today. She told me because I asked her, "Angie, how do you feel about it?" She said this would be bad. I'm not in favor of doing anything with depositories except allowing a wider selection and to chose the ones that will produce the highest interest.

So, while I think it's -- Legislator Horsley has a good idea, tying it to our depositories and restricting the Treasurer to which depositories she can deposit the County's money to make the most possible money on interest is something that I can't support at this time.

CHAIRMAN GREGORY:

I'm not sure I understand where you are coming from. I'm not sure -- on the same lining of reasoning. I think that the way I read the bill is they don't have to require the counseling, but at a minimum they would provide a listing of certified counselors that would be able to provide the counseling. I don't see how that could be much of a burden.

LEG. ROMAINE:

If I could, Mr. Chairman.

CHAIRMAN GREGORY:

Sure.

LEG. ROMAINE:

The answer to that is depositories are usually considered by those offices of the County, the Comptroller, the Clerk, the Treasurer, the Sheriff, that maintain accounts. The one overriding factor is what is the highest rate of interest that we can get for our money and by taking a social program, as noble as it is and as good as it is, and tying it to that issue prevents, may prevent, I'm not saying it will, but it may prevent us from getting the highest amount of interest and return for the taxpayers.

CHAIRMAN GREGORY:

I understand that, and I think we are all concerned with that. I think if we are going to do business with -- because they get something out of it just as well as the consumers would, they have the potential of hundreds of millions of dollars being deposited in their banks, and to provide a list that they are not even responsible for or even providing the counseling for, just a list you are saying is an added burden to them. I'm not sure I agree with that. I don't agree with that.

LEG. ROMAINE:

I understand.

CHAIRMAN GREGORY:

Yes?

LEG. BROWNING:

I'd like to make a recommendation at least that we would discharge without recommendation because I don't want to see us tying our Treasurer's hands from being able to do what she needs to do and what's best for the County. Not too long ago we had a bill banning I believe it was Bank of

America and she didn't, you know, she didn't approve of that. Again, that would have been tying her hands preventing us, you know, preventing use of Bank of America. So I think it would be -- I would recommend -- I would like to make a motion to discharge without recommendation.

CHAIRMAN GREGORY:

Okay. Do we have a second?

LEG. KENNEDY:

Yeah, I'll second that, Mr. Chair, as a matter of fact. And on that motion I recall that just recently we amended our depository inventory to add a newly formed bank, I believe it was Empire Bank, which has actually only one branch, or maybe two branches, that exist here in the County of Suffolk. We had an extensive amount of discussion about whether in fact this was actually a traditional fixed base type of a lending institution or was more along the lines of an internet institution. I'm quite curious how somebody that transacts business primarily over the internet would fulfill these requirements.

I'll make the contacts myself between now and Tuesday to find out what those principles in the banking industry, you know, would purport to do to comply with this. But, you know, for the purposes of discharge without recommendation, I'll be happy to support that.

CHAIRMAN GREGORY:

Okay. Yes.

LEG. ROMAINE:

One last point. I also will support a discharge without recommendation on the condition that one of your staff members reach out to the Treasurer and make her aware that we've reported this and if she has an interest in this. And, by the way, depositories are not only the Treasurer, it's the Clerk, the Sheriff, the Comptroller and other agencies of County government who have -- make deposits. But based on that if you just make the Treasurer aware so if she has an issue she can address it at our meeting of the 18th, and if she doesn't, this will probably pass.

CHAIRMAN GREGORY:

Okay. Yes, Legislator Barraga.

LEG. BARRAGA:

Thank you. I just wanted to make one comment. As Mr. Kennedy pointed out, I remember the in-depth discussion we had with reference to Empire and how that bank became a depository, and we knew next to nothing about that particular bank. Very little. I mean, it was in existence maybe six or nine months, it had one or two branches, nobody could really give us any valid questions, including the Treasurer and some of the people up here at the horseshoe, and yet it became a depository.

All this bill says is that if you want to become a depositor for the County, you provide a letter indicating that these services were made known to I guess their depositors, that they are available. It's not a big deal. I don't understand where all of a sudden this would jeopardize the amount of interest we're going to get from a given bank because they have to provide a letter to the County.

I'm really not in favor of committees meeting, with all due respect, this is my own opinion, where, you know, you are taking bills and you're recommending them -- you're discharging without recommendation. You know, we're supposed to be making decisions here, either we're for it or against it. But certainly I don't think this is a heavy lift. I don't think it impedes the County at all from getting the highest interest rate, not if we are going to turn around and go with banks as depositors when we really don't know a damn thing about these banks and they are going to get hundreds of millions of dollars, or potentially hundreds of millions of dollars, from the County.

CHAIRMAN GREGORY:

Point well taken. We have a motion and we have a second. All in favor? Opposed? Abstention?

LEG. BARRAGA:

I'm opposed to recommending this without discharge.

CHAIRMAN GREGORY:

We have one opposition. Okay. **(Vote: 5-1-0-1 Opposed: Legislator Barraga; Not Present: Legislator D'Amaro).**

I'll make a motion to adjourn. Second by Legislator Beedenbender. All in favor? Opposed? We stand adjourned. Thank you.

(THE MEETING WAS ADJOURNED AT 11:33 P.M.)