

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, December 14, 2010.

Members Present:

Legislator DuWayne Gregory - Chairman
Legislator Lou D'Amaro - Vice-Chair
Legislator Ed Romaine
Legislator Jay Schneiderman
Presiding Officer William Lindsay - Ex Officio Member

Member Not Present:

Legislator Daniel Losquadro

Also In Attendance:

George Nolan - Counsel to the Legislature
Jason Richberg - Aide to Legislator Gregory
Renee Ortiz - Chief Deputy Clerk of the Legislature
Gail Vizzini - Director Budget Review Office
Robert Lipp - Deputy Director - Budget Review Office
Linda Bay - Aide to Minority Caucus
Paul Perillie - Aide to Majority Caucus
Ben Zwirn - County Executive's Office
Eric Naughton - Budget Director - County Exec's Budget Office
Catherine Stark - Aide to Legislator Schneiderman
Bill Hillman - Chief Engineer - DPW
Justin Littell - Aide to Legislator D'Amaro
Dot Kerrigan - AME
All Other Interested Parties

Minutes Taken By:

Donna Catalano - Court Stenographer

(*THE MEETING WAS CALLED TO ORDER AT 10:08 A.M.*)

CHAIRMAN GREGORY:

We are going to get started with the Pledge of Allegiance led by Legislator Schneiderman.

SALUTATION

Okay. We don't have any public cards. Is there anyone in the audience that would like to come up and say something? Okay. No? We will go into the agenda. Is there anything the administration -- no. I see Dan (sic) Hillman is here -- Bill, I'm sorry. All right. So we will go into the agenda. Before I get into the agenda, we did make a request to the administration to have representatives here to speak about the RFP that was just put out regarding for collection services. We got a response back from Ken Cranell and Ed Dumas that asked that they be given some time to compile information so that they can come before us. So it will probably be some time next year, early next year.

LEG. ROMAINE:

End of January.

CHAIRMAN GREGORY:

All right. So we have Tabled Resolutions.

2046, Adopting Local Law No -2010, A Charter Law to discourage speculative revenues and ensure balanced budgets. (Lindsay).

I make a motion to approve.

LEG. ROMAINE:

Second.

CHAIRMAN GREGORY:

Seconded by Legislator Romaine. Legislator D'Amaro.

LEG. D'AMARO:

Can we just -- George, just a brief explanation. Is it as simple as what the title of the bill says?

MR. NOLAN:

What it does, Legislator D'Amaro, is it would prevent-prohibit the County Executive from proposing or the County Legislature from approving in the Operating Budget revenues from the sale of real estate unless the property has already been declared surplus by the County Legislature. That would not -- that prohibition wouldn't apply to properties we've acquired by tax default. Those we could include the revenue in the Operating Budget. But for other real estate, the County Executive cannot include it, the County Legislature cannot include it.

LEG. D'AMARO:

Okay. I 'm not sure of the need for this, because we vote on the budget. So the inclusion of any real estate whether it's declared surplus or not going into the budget, which is a road map, if you will, expenditures and revenues, it's not like it would be a surprise to us that the -- that the land sale is proposed or relied upon in the budget. I think a lot of things that go into our budget are speculative. But I wanted to ask BRO, Ms. Vizzini, just based on your experience here, you know, is that a frequent occurrence that you see occurring in the budget? Do you think this is any more speculative than any other or some of the other items that we rely on for revenue in the budget?

MS. VIZZINI:

Well, in the 2011 Budget, in our report, we referred to it as risky since it did move forward to include revenue from transactions that were not yet approved by the Legislature. Certainly, there are often items in the budget, such as reorganizations or changes in title, things like that that require yet additional action by the Legislature after the budget comes forward. But when you're talking about revenue, in my opinion, we would want to be, you know, as conservative as possible.

LEG. D'AMARO:

But just to go on that point, there were other items we put in the budgets in the past that were, I think, revenue sources that required further votes from the Legislature.

MS. VIZZINI:

Sometimes if there are changes in fee structure or park fees or --

LEG. D'AMARO:

I think that's what it was, it was a fee structure.

MS. VIZZINI:

-- highway fees or something of that nature, but typically those resolutions were forthcoming either in the same fiscal year -- I'd have to check back when we did those things to determine whether the budget anticipated it before those resolutions were approved.

LEG. D'AMARO:

Yeah. I think -- my recollection is that the budget did anticipate it and that there was further votes required. I also just question why we would tie our hands in the budget process, so to speak. If revenue from a particular source is an option, we can consider that in the budget process and even rely on it going in with full knowledge that we're relying on something that might require further approvals. And I think we've done that in the past. So those are some of the issues or questions I have on this bill.

CHAIRMAN GREGORY:

Legislator Romaine.

LEG. ROMAINE:

Thank you. Quite the contrary, we're not tying our hands, we're tying the Executive's hands from presenting to us a budget which may be structurally imbalanced. There was a Legislator in this Legislature many years ago that saw a structural imbalance in a budget that was adopted, and he sued. He was successful. Steve Levy. You're smiling. I would like to prevent court actions from budgets that are unbalanced.

Now obviously, this is going to apply, if we adopt this, to the 2012 Operating Budget. The only way we can remedy the 2011 Budget, in my personal opinion, is to sue, because it's structurally imbalanced and the revenues were speculative at best, in my personal opinion, because we had not declared that land surplus, nor had even an EIS been accomplished. And yet, we were including that revenue. And there's every expectation that even if the Legislature agreed, which in my personal opinion, I'm not sure that it does, but even if it did agree to move forward with that sale, it would take maybe greater than a year, in which case, that revenue would not be realized.

I think Legislator -- Presiding Officer Lindsay in presenting this resolution is ensuring that this Legislature has a budget that has revenues that are based on things that are real, not things that are speculative. This is a good example of what we can do to prevent further litigation. As I said, I believe the budget for 2011, the Operating Budget, can only be cured if people are concerned -- because in my view, it wasn't imbalanced when it was presented to us -- can only be

cured by litigation. I'd like to avoid that in the future.

CHAIRMAN GREGORY:

I appreciate your comments and everyone's comments thus far. I tend to agree with you, Legislator Romaine, in that in looking at, I think it was Moody's rating report, latest rating report, they had specifically mentioned the Yaphank Legacy Village Project as -- they didn't use the words -- I think they used speculative, but something with that meaning and there were -- they obviously were concerned that revenues were in the budget that may not have -- may not be realized. And I think it's one thing when you have full support or a clear majority of the support in the Legislature for an idea, but Legacy Village has had some difficulties in getting approvals in this body. So I think it makes it even more speculative and raises even more eyebrows as to the actual revenues that would be generated from that project.

So I welcome a resolution like this, particularly at this time where it's difficult enough to put a budget together, but to add speculative revenues into the process only complicates it. You know, this bill, as I see it, will give us more clarity and a better picture to work from as we adopt it or amend it or whatever we're going to do with his recommended budget. So I welcome this bill.

And, again, you know, it's up to us to -- to adopt the budget, but, you know, all of us who have -- and I believe all of us have been on the working group -- you know, it's difficult enough. You know, our timeframe is very intense. And, you know, it's going to be incumbent upon us or better for us, I should say, to have a budget that we can work with with real revenues. Legislator Schneiderman.

LEG. SCHNEIDERMAN:

I served on the working group a bunch of times too. And we often are faced with very difficult decisions. This bill only deals with real property. You know, I'm recalling a time when we dealt with Suffolk Health Plan and there was money in the -- you know, they had a special account. By selling it, we could tap into that, plus we were getting money for the HMO. It was a difficult decision. The County Executive gave us budget that includes the sale of that. We did eventually sell it. We did and we got those revenues. You know, had we not, we probably would have had to see a property tax increase of some kind, because it was fairly significant.

You know, we may look at this and say, you know -- you know, we want to tie the County Executive's hands in a way by not proposing selling certain things in his budget, but at the same time, we're tying our own hands, because we have actually thought -- in the budget working group, we have looked at selling things, even beyond land, perhaps beyond the 95 acres. I think we all agree we want to do what we have to to not raise property taxes.

So my question is do we want to take away any of our potential tools. It seems to me if the Legislature adopts a budget, it's really tantamount to saying, "We as a body concur with sale, we are declaring it surplus." We don't have to adopt the budget. We could say no. Of course, where we have to go and figure out where we're going to fill in the gap created by taking that sale out. But I'm not ready yet to say we should do -- if we are going to define this as speculative revenues, maybe we ought to include other types of speculative revenues, including things like the HMO, which isn't land, but it's a program, it's a County asset that can be sold, but it would take an affirmative vote of the body to do so.

So if we're going to move in this direction, we should probably look at other types of purely speculative revenues that require an additional -- additional step in terms in terms of approval by the body and say, "Okay. These types of things can't be included by either body in the budget." But I'm not sure ready to go there yet.

CHAIRMAN GREGORY:

Before I pass on to Legislator D'Amaro and then Ben Zwirn, I think with the surplus land process or even the HMO process, yes, it was speculative and I wasn't in this body at that time, but, you know, I think there were steps that could have been taken by the administration if we're going to look at surplus lands that wasn't taken. And I think by everyone's estimation, it seemed that revenues wouldn't be realized, I think at the earliest, probably the later part next year, if next year at all, if not 2012. And I think that's what really raised a lot of eyebrows, unless there's going to be -- you know, the process is going to be expedited somehow in some way. I don't know. But at least that's what I was hearing that we wouldn't even see those revenues for 2012, and I think that's what really kind of rubbed people the wrong; that we could revenues really that we're going to see in 2012 to 2011 (sic), and we haven't don't anything to expedite the process so that we can see it this year -- next year.

LEG. SCHNEIDERMAN:

If you can't realize the revenues in the year, there still are some options. You know, either you have to obviously figure out another way to cover that expense or possibly a revenue anticipation note of some kind. You know, if you are contract or something on the sale of a property that can't close until the next fiscal year, you may be able to forward that money. It's possible.

CHAIRMAN GREGORY:

All right. Okay. Legislator D'Amaro.

LEG. D'AMARO:

Thank you. Just very quickly. Legislator Schneiderman, I agree with you, and I think I made a similar point that, you know, I see this bill more as an overreaction to maybe something we weren't particularly agreeing to in a present budget. But the longer view is that we are tying our hands. I mean, the sales tax is just as speculative as whether or not you sell real estate. Even if the body declared the real estate surplus and put in budget, do we have a buyer; is it going to close? I mean, we can go on and on as to what's speculative. You know, again, I see this as a reaction to the past budget process. In the short term, I think it's an overreaction. And I think long term, we need to be able, as you have stated, to keep every potential source of revenue open and hash that out through a budget process. And that is precisely my point.

CHAIRMAN GREGORY:

Ben.

MR. ZWIRN:

Thank you, Mr. Chairman. I would concur with Legislator Schneiderman and D'Amaro in their comments, and would further add that when you talk about speculative revenue, there isn't a revenue in the budget today that is not speculative. The most conservative revenues that you have are your real property taxes, and two of the towns on Long Island can't pay their taxes, the residents in those towns. And they happen to be in Legislator Romaine's District. And the County has to go out and bail them out short term until the property is, you know, taken by the County long term, we get our money back. But in the short term, it becomes a cash flow problem.

So there is no revenue in the budget any longer that you can really count on in a solid manner. And as you, with fees -- I mean, you have, you know, raised fees in the budget before you voted on them. So is that a speculative revenue? Yes, bottom line is you have the final word. Yesterday, we had a land acquisition that was pending before the environmental group -- the environmental committee, and it was voted on, which is rarely done, but they said it just didn't make sense. The town involved had increased the zoning, the value on the property in the past couple of years -- and the Legislature said no. They said, "We're not going to spend --

LEG. D'AMARO:

It had a very low rating.

MR. ZWIRN:

It had a low rating. But it went through the process and the Legislature had the final word and said they wouldn't do it. So you still have the final word. I understand Legislator Romaine's and the Presiding Officer's reason to put this in, because it puts the Legislature perhaps on the defensive. But you can't look at it that way.

Your job is to review the County Executive's Budget, and if you feel that those revenues are completely speculative, then you have to adjust them. And you did make adjustments in this year's budget. It's part of the process. But I think to restrict it and tie your hands, as Legislator Schneiderman and Legislator D'Amaro said, I think would just -- it would just be wise, because -- look, politically you can always go out and argue that the County Executive has put in revenues that you don't think are real. You have that ability. You have access to the press, you have access to the public if you think he's being, you know, disingenuous.

But on the other hand, if he is, then it's ultimately, it's a policy decision made by this Legislature, as Legislature Schneiderman said. Either you can reduce the expenses or find other revenues to account for it, but don't tie your hands, especially in these really tough economic times. And as a town supervisor -- former town supervisor, Legislator Schneiderman knows, and I was a former town supervisor, we used to put land sales in our budgets because we knew there were properties that probably could be sold within that year. And that helps cushion property taxes for our residents. So I would just add that to the debate. Thank you.

LEG. SCHNEIDERMAN:

I can see a situation -- this is not what happened, but I can see a situation where the budget is just not working at all and there's going to be a huge property tax increase and some unknown future County Executive says, "Okay. We've got a couple of hundreds acres I think that's \$100 million. We've got to plug it into the budget." Then he drops it on the Legislature and now the Legislature looks terrible, because we're the ones who take it out, and now we are the ones who look like we are increasing taxes. That's not as a good situation either.

There somewhere is a happy medium here. Maybe a certain percentage of the budget can't be composed of speculative types of revenues. I don't know, maybe BRO can develop a formula where we can say, "This is a standard." But to say, "None at all," doesn't make sense here. We dealt with one with -- in this case, \$12 million in speculative revenues. We ended up approving it, so. But I'm not ready to move it forward. So I will make a motion to table.

LEG. D'AMARO:

I'll second the motion to table.

CHAIRMAN GREGORY:

Okay. That's the only motion, right, Renee?

MS. ORTIZ:

There was a motion to approve, seconded by Romaine.

LEG. ROMAINE:

I seconded your motion. Maybe we should make it a motion to discharge without recommendation. I'll make motion to discharge without recommendation.

CHAIRMAN GREGORY:

Okay. I'll second that. All right. I'll withdraw my motion to approve.

LEG. D'AMARO:

All right. Just on the motion.

CHAIRMAN GREGORY:

But the tabling motion goes first. All in favor of tabling?

LEG. D'AMARO:

Before you call the vote, Mr. Chairman, I'm not going to support the discharge without recommendation. I think Legislator Schneiderman is right again. Maybe there is something that can be worked out. There's no need to bring this to the full Legislature given the arguments. It's not that I feel that we need further debate on it. Again, it's a bad bill, it ties our hands. There's a budget process where we can determine whether or not to put items in the budget; whether it's land sales or fair increases or anything, increased sales tax by 1%. I mean, there are all kinds of things that we do that we are pulling out of thin air. So I don't really see the need to discharge this.

CHAIRMAN GREGORY:

We have the sponsor of the bill just walked in. Presiding Officer, would you like to add to the debate, I'm sure?

P.O. LINDSAY:

I mean, we could do whatever we want with it. It's just that before we include revenues in the budget, especially when we're excessing a County asset, I think we should approve it first before we include it as revenue. You know, that could be a real problem this year. And, you know, that's the only things I really have to say about it. Whatever you guys want to do with it, it's fine.

LEG. SCHNEIDERMAN:

If I may. You know, I suggested that there ought to be a cap -- the bill might be amended to say that the budget may not be composed of more than a certain percentage of speculative revenues and have BRO maybe work on what that number is so that's not abused, so that we don't see, you know, tens of millions of dollars thrown into a budget that may not materialize. But there may be times when it make sense to look at, you know, at look at some sales, whether it's real property or other types of County assets that, you know, could help us keep taxes from going up.

P.O. LINDSAY:

If I might, Mr. Chairman. When you do a budget, really all revenue is speculative. We project what sales tax is going to be, and a lot of times, we don't agree on it, sums high, sums low, whatever. But when it comes to surplusing County property, you know, I think the Charter is pretty clear that the Legislature has to approve of that sale or that surplus property, that it can't be done by just one branch of our government. And I would just like that process concluded before we count the revenue. That's all.

CHAIRMAN GREGORY:

Okay. We have a motion to table and a motion to discharge. The motion to table comes first. All in favor? Opposed? Abstentions? Okay.

LEG. SCHNEIDERMAN:

Tabling fails.

LEG. ROMAINE:

Motion to discharge without recommendation.

CHAIRMAN GREGORY:

Okay. All in favor? Opposed? Abstentions?

LEG. D'AMARO:

Opposed.

LEG. SCHNEIDERMAN:

I'll approve to discharge it without recommendation, we'll just debate it on the floor.

DISCHARGED WITHOUT RECOMMENDATION (VOTE: 4-1-0-1; Opposed - Legis. D'Amaro; Not Present - Legis. Losquadro)

CHAIRMAN GREGORY:

Okay. We're off to a good start. **2057, Adopting Local Law No. -2010, A Charter Law to increase transparency and accountability in County budget process. (Cilmi)**

I make a motion to table. Do we have a second?

LEG. SCHNEIDERMAN:

On the motion, Counsel, can I get an explanation?

MR. NOLAN:

It's pretty simple. This would bar the County Legislature from amending the Operating Budget in an omnibus fashion, to use an Omnibus Resolution to amend the budget. It would kind of -- if this passed, we would revert to the way we did it maybe 20 years ago when I was here with Legislator Romaine where basically you can do it on a line-item basis in terms of amending the proposed Operating Budget.

LEG. SCHNEIDERMAN:

Motion to defeat.

LEG. ROMAINE:

Oddly enough, I happen to agree with the administration.

CHAIRMAN GREGORY:

I take that as a second to my motion to table.

LEG. SCHNEIDERMAN:

Motion to approve for the purpose of defeating.

CHAIRMAN GREGORY:

So you are going to second my motion to table? Is that where we were?

LEG. SCHNEIDERMAN:

I'll second the motion to table.

P.O. LINDSAY:

Again, whatever this body really wants to do with this bill. You know, if I'm the Presiding Officer again, I'll certainly adhere to however you want to operate. The problem I see with it -- and I don't know whether that was a problem 20 years ago, maybe Legislator Romaine could add his wisdom to this debate. It's very hard to balance a budget if you don't do it in an all-encompassing fashion. If you approve, you know, distribution of money to a non-for-profit agency and you don't approve the accompanying revenue, you have a structural imbalance in the budget.

That's one of the things that, you know, the Budget Office, the County Executive's Budget Office goes over very meticulously before they send us the budget. And when we do the Omnibus, it's something that we have to deal with all the time. So that's the biggest problem I see.

LEG. ROMAINE:

I would just respond, and perhaps Gail will remember this, first of all, there were two drawbacks. Although I like this idea and support this idea, there were two drawbacks; one, long hours; and two, long hours for all of us when we sat here and went through.

Now, generally speaking, as George may recall, we had about 200 amendments more or less, but we didn't vote on 200 votes, because a lot of amendments cancelled -- if you voted for this amendment, that other stuff was included, so maybe you cast 50 votes. Secondly, the guys that really went crazy were the people sitting at that table, because they had their whole complement of staff, because what they had to do, every budget amendment required a calculation to ensure that we had revenue to balance the expense and to let us know where we were after we cast all of those things.

That did not mean that we couldn't do an Omnibus. It meant that there were some amendments, like Amendment 1, 2 or 3 that were very comprehensive. But what it said is everyone can put in amendments. So in the end, we really cast maybe less than 50 votes on all of this. But it was these guys that had to do all the calculations. And some of the Legislators would get together and do some horse trading to roll it all together, and it wasn't an Omnibus, but it was a budget amendment, if you recall, George.

MR. NOLAN:

The other thing I'll add is it just was, let's say the Legislature goes into the process, they want to hold the line on taxes, it's just harder to know at the end of the process when you do it by line item whether you're going to come out with that result.

LEG. ROMAINE:

It takes about a day or two afterwards to figure out what you actually did in terms of revenues and expenses.

CHAIRMAN GREGORY:

Legislator D'Amaro, cosponsor.

LEG. D'AMARO:

I fully support this IR. I had put in similar legislation when I first started out here in the Legislature. And I think it's interesting that this is sponsored by Legislator Cilmi who is relatively new to this body, because what happens is when you get elected to the County Legislature and you come in and go through your budget process, it kind of shocks you, it doesn't sit right in your gut that there's an Omnibus process where a budget is put together and then you're asked as a Legislator to vote on an all-or-nothing basis whether or not you agree with that budget that you may not have even sat on the working group to even put together. Of course, you're invited to attend.

And, you know, the Presiding Officer has done a wonderful job of allowing everyone in the room and to speak and to voice their opinions if that's what they choose to do. But nonetheless, I think it, in effect, nullifies one of the prime purposes of why you're here, and that is to mind the taxpayers money. And you cannot officially do that if you're asked at the end of the day to take the single most important vote that you're probably elected to take, and that is to enact the County budget, on an all-or-nothing basis and not to express your constituent's point of view, nor your point of view through a line item process. So again, I've supported this type of reform -- I call it reform -- or just change of process, I think, for the better since the day I got here, and I'm going to continue to

support it through this bill.

CHAIRMAN GREGORY:
Legislator Schneiderman.

LEG. SCHNEIDERMAN:

I know Legislator D'Amaro served on that Budget Committee as well and knows the amount of hours that we put in to that process. And we approach the budget holistically; we look at the entire County, we look at all the needs of the County, we look at all the revenue sources, and try to be fair, equitable in our approach. Once you start picking it apart, you're going to have a disaster. You could potentially end up with up or down votes on every line in that budget. We'd have to change the entire process by which we approach looking at the County Executive's budget if we knew we were going to go line by line here. It would, really to me, undermine a system that works very well.

I would strongly advocate against doing this. We always have the opportunity on the floor to not take it as a whole. We have taken it as a whole. But to take away our ability to do it as a whole, to me, undermines the entire budget process and could create gross inequities in regions of the County because of that. And I would advise the against it.

LEG. D'AMARO:

I would like to respond to that. And that's a valid point. But I'm not necessarily convinced that if this bill were enacted that you would eliminate the omnibus -- the working group, rather. To build consensus for the overall picture, the general picture, there still needs to be a process in place to do that. My primary objection to this is, again, you know, being asked to cast one vote when there are big-ticket items in a budget that you may want to support or may not want to support.

And I have full confidence that if we went line by line, that we would all be aware of the fact of the potential for a tax increase or the potential impacts of the votes that we cast. And I have full confidence that we could get through that process. So I'm not necessarily saying that we would have to eliminate a consensus type of group or building consensus around, especially larger policy directions in the budget. But I really have -- it really doesn't sit right in my mind to be asked to take one vote on such -- so many important items that are sitting in that budget. It just doesn't sit right with me.

LEG. SCHNEIDERMAN:

I totally understand your point. I mean, I wrestled with this at the last budget. There was items, you know, one in particular having to do with sales tax; money going into the Police Department, which I felt was not benefitting my area and my hurting my area. You know, but I had to look at the budget overall, and there was more good in it than there was bad and make a decision. I think a lot of decisions we face are imperfect, and they're good bills, but maybe, you know, we worry about unseen consequences. That's what we do.

Now, somebody in the budget process could introduce an amendment that would delete one of those provision -- there is a way to do that -- and they can try to secure enough votes to pass that. So, you know, there have been times even in this last budget in the case of the nursing facility where we divided the budget into two, and we watched the votes change as we did that, because some of the people who had in the first round voted against the budget because it funded the nursing home, switched their vote later when it was peeled out. So there is a process that can achieve that goal.

But to, again -- and we talked in the last debate about whether we wanted to tie our hands or the County Executive's hands. By doing this, we tie our hands. We no longer have the ability to take it as one. We ought to have that ability.

CHAIRMAN GREGORY:

And I ditto to your remarks. I totally agree with you that, you know, if we're going to talk about limiting our power as a body when we just conversely, you know, made an -- some made an argument about eliminating the power of the County Executive, I think we have to, you know, treat ourselves in a fair fashion, that we have the ability now -- the flexibility now to look at as a whole or look at it individually. If we take that ability away from us, we're going to be limiting our powers. Legislator D'Amaro.

LEG. D'AMARO:

Yeah, thanks. Just again, I think this is a good healthy debate about the budget process. I don't think that you eliminate or reduce the Legislature's power by doing this, because if there's consensus on every single item, then it still gets enacted whether it's an omnibus vote or a line-item vote.

Segregating out the nursing home in the last budget process kind of makes my point that, you know, a budget was presented as all or nothing, a majority of the Legislators in this body were not happy with an all-or-nothing vote, and lo and behold, you had a line item taken out, a large policy -- a large line item. That kind of makes my point that how much consensus is really being built in this budget or are people just acquiescing to getting it over with and enacting a budget for the sake of just getting through the process and not really having the proper debate, I believe, on these larger big-ticket items, you know, whether it's increases in revenue, increases in sales tax revenue, whatever it may be in the budget, I think that that debate needs to be here at the horseshoe and not at the working group. So that's my final say on it.

CHAIRMAN GREGORY:

Madam Clerk, what motions do we have?

MS. ORTIZ:

Motion to table.

CHAIRMAN GREGORY:

Motion to table. Did I get a second?

MR. NOLAN:

Jay seconded.

CHAIRMAN GREGORY:

All in favor? Opposed? **TABLED (VOTE: 3-2-0-1; Opposed - Legis. Romaine and D'Amaro; Not Present - Legis. Losquadro).**

2106, Adopting Local Law No. -2010, A Charter Law to enhance transparency in County Budget process. (Cilmi)

I make a motion to table.

LEG. ROMAINE:

Explanation.

P.O. LINDSAY:

I'll second.

CHAIRMAN GREGORY:

Seconded by Presiding Officer Lindsay.

MR. NOLAN:

This is another bill that has to do with our process of amending the Operating Budget. It would make three changes to the Charter; one, it would require that budget amendment resolutions would have to be laid on the table and distributed to Legislators at least five days prior to the scheduled votes on the amendments, currently, budget amendment resolutions have to be distributed two days prior to the vote; secondly, current, the Presiding Officer has the authority to waive that deadline for filing budget amendment resolutions, which is done at the request of the Budget Review Office when they certify they cannot make the deadline, this law would eliminate the Presiding Officer's authority to weigh that deadline; lastly, budget amendment resolutions could only be amended on the floor by a two-thirds vote of the Legislature, presently a simple majority is required to amend budget resolutions on the floor.

CHAIRMAN GREGORY:

I would like to get some feedback from BRO on this. Having worked on the budget working group for the past three years, I see this as really putting a strain on our process pretty much from working it down from a month to three weeks, a process that is -- you know, strenuous as it is, it's going to make it more difficult by eliminating pretty much a week and all the things that BRO has to do in finalizing the budget and getting us the information and analyzing the recommended budget, that takes some time. You know, this bill is really going to inhibit our ability to do what we have to do in analyzing and making amendments or even adopting the budget as proposed. Gail, I'm sure you have some feedback.

MS. VIZZINI:

Yes. Just to echo your comments. As you all know, the process is pretty compressed the way it is. There is a drop-dead date by which the County Executive's recommended budget comes out -- it always comes out the third Friday in September. It takes Budget Review at least two weeks to analyze what's in that document. And concurrently with that analysis, we are briefing the Legislators in working sessions. It takes us about a week to write up our analysis and a week for myself and my editing staff to edit and put the report together and the print shop gets it out lickety-split, we go right into committee meetings.

I think this puts pressure, not only on Budget Review, but on the Legislature. The budget is not only a fiscal document, it's policy document, it's a political document. Forging the consensus whether it be by individual line item straw-vote resolution or whether we continue on our omnibus fashion, takes some time. It takes Budget Review some time to come up with the alternatives for you and for you to come to your consensus. This would be chop off probably a week and gives no flexibility in the event that we were not done for whatever reason. And I assure you the only reason I ask for a waiver is because we are not done. Everything not only has to be completed, but it has to be edited and it has to balance. But again, it's a policy decision on your part.

CHAIRMAN GREGORY:

Legislator D'Amaro.

LEG. D'AMARO:

You know, we all -- we all live our lives with deadlines, and sometimes they're not pleasant, but if you know the deadline and you know the rules of the game going in, you can plan for that deadline. Now, is it possible that an unforeseen circumstance arises where you can't meet a deadline? Yes, it's possible. But we have to look at the flip side of why you would want to expand to five days. Although it may be more difficult to meet the deadline, although, if you plan for it, I don't see how that could be, especially when you're talking about only three days. The flip side is that you're giving the Legislators more time to review, once again, this massive important vote that we're going to take, not to mention the public and the press an opportunity, a little more opportunity to review

and digest and go through what we're talking about here as a final bill.

So I think if you plan for the five days instead of -- what is now, two? Again, I have full confidence that we can meet those deadlines. I mean, there's always a chance of a catastrophic event or an unforeseen circumstance, but I just don't see how adding three days when we know going in we can plan for the extra three days is going to impede the process, but what I do know is if you give five days of review instead of two, I think that's much more healthy for us, for the press and for the public.

CHAIRMAN GREGORY:

Legislator Romaine, did you have a comment?

LEG. ROMAINE:

Just a brief comment. There are things in this bill that I like. I think a waiver -- ability to waive something that requires two days review by Legislators, even if one of those days is an official holiday, Election Day, I'm not in favor of a waiver.

As far as the work on Budget Review, I look at this from a totally different point of view, not as a Legislator, but as a department head. When I was County Clerk, Budget Review Office lived with me. I mean, Kevin Duffy was our analyst, and he'd be out there -- I'd have to present my Operating Budget, my requested budget in June. He knew before June what I would be requesting. He was at that meeting at the County Exec's Office that they have with all the department heads. They knew what I was putting in for.

So they would know by the third week of September and match up with what I had requested and why I requested it and all the explanations behind every line item, and then on the third Friday or shortly thereafter, usually after five o'clock thereabouts, but they'd get -- Budget Review would get the County Executive's recommended budget and they could see the difference and understand what it was. And at that point, they'd be on the phone saying, "Here's the difference, what do you think?"

Now, there were analysts assigned in Budget Review to every department in County Government. These people know that department. I mean my department had "X" number of people, about 120, 25, 130 people, in that range as it varied throughout the years. It brought in a lot of revenue. We were one of the largest revenue generators in the County. And our estimates were known well in advance.

I don't think that this is, oh, a three or four week process; I think this is a six month process. And from my perspective and my experience over those 16 years, Budget Review was involved with me every step of that way. There was no mystery there. There was no mystery. That's why, you know, I'd like -- you know, I'm not a fan of the five day, and I've said that, but two days without waiver, I don't see a problem with that, particularly when they've been dealing with the information for at least five or six months. That's just my experience.

CHAIRMAN GREGORY:

Presiding Officer.

P.O. LINDSAY:

I don't think it's a problem when making the policy decisions, the extra time. The problem is when the policy decisions are made, for Budget Review to put together that final document, to make sure that everything is balanced, because if it isn't balanced, they're going to be criticized. So they have to be very, very careful. I can't support this bill the way it is. I could support it if the deadline pushed the County Executive's deadline back a week, because that would give us the extra time that

we would need. But the way the budget process works now, I mean, the County Executive has a press conference on Wednesday and tells the press and everybody what is in his budget. We don't get the budget until after five o'clock on the deadline. So, you know, if you want to make that change, if you want to move the whole process one week, I might be more amenable to supporting this.

LEG. ROMAINE:

Maybe we should speak to the sponsor. Look, if it was called to a vote, I would support this bill because there is more good in it than bad, but I'm prepared to table it for a session to allow the sponsor -- the Presiding Officer the ability to speak with sponsor about amending his, because then its chances of passages might be greater.

CHAIRMAN GREGORY:

Just for -- with all due respect to the sponsor, I've only seen a call to action on this issue from the County Executive, which I find disingenuous as we're sitting -- you know, as I was sitting in the Budget Working Group and on my BlackBerry, I'm getting press releases about stuff that we're discussing in a confidential, quote, unquote meeting during the budget process. So, you know, he's fully aware of what's going on. To say that he needs more time to analyze something that he's already getting information on, I think is just disingenuous.

And then I totally -- just to piggyback on what the Presiding Officer said, if we're going to compress our timeframe or move it, we should at least, there should be some consideration made to moving back the County Executive's timeframe. Otherwise, you're just putting us at a disadvantage and not really looking out for clarity in the process. Legislator D'Amaro.

LEG. D'AMARO:

To Budget Review, just the procedural aspect of the budget process, when is the County Executive's proposed, I guess, recommended budget due to the Legislature?

MS. VIZZINI:

The third week of September.

LEG. D'AMARO:

Third week of September?

MS. VIZZINI:

The third Friday in September.

LEG. D'AMARO:

Okay. So -- and we vote usually on the budget the first week of November. So third week of September -- so we have a week in September, all of October, all of November -- I'm sorry, all of October and a few days maybe in November. So we have roughly five weeks, five, five and a half weeks to digest the budget, amend the budget, change the budget, Budget Review to do their work on the budget.

If this bill -- if we went to the five day -- to me, it's not about the County Executive, although it seems every argument we have is about the County Executive. To me, it's more about just getting the information out there and to me and to the public and anyone who wants to review it in a more -- in a timely fashion where you can just digest what's in there. If we moved back the date by which the County Executive would submit the recommended budget, would that solve your concerns?

MS. VIZZINI:

To move it forward.

LEG. D'AMARO:

Move forward. I apologize, you're right. Thank you.

MS. VIZZINI:

One way or the other, we can move -- one plausible option would be -- you know, less pressure on the Legislature and the Budget Review Office would be to get the recommended budget earlier. The other alternative, which is actually referenced in the fiscal impact statement would be to vote as late as November 10th, which now we get every -- but again, the Legislature would have to stop deliberating and make its final decisions. And, you know, although we are doing scenarios as we go along, there is a point where I'm always saying to you, you know, we need to prepare amendments, so we need to make decisions.

LEG. D'AMARO:

I am very much interested in not putting more pressure on this body or on your office. I am also interested though in just getting the information out where you have a little more time to review it. So if there's a way to accomplish that, as the Presiding Officer suggests, I would also be willing to table for a cycle so we can talk about that a little bit more.

CHAIRMAN GREGORY:

Yes, Mr. Presiding Officer.

P.O. LINDSAY:

Mr. Chairman, just to clarify the record. We really don't have five weeks. I mean the goal of the working group is to have our work done a week to ten days prior to our meeting. And even at that, Budget Review almost works around the clock. I mean, they work that whole -- those whole two weekends, if I'm not mistaken, to get the documents ready.

MS. VIZZINI:

We work seven days a week as soon as the budget comes out.

P.O. LINDSAY:

Right. So, you know, it's really three and a half to four weeks, all right?

CHAIRMAN GREGORY:

And then I don't need to clarify, but I will state that my comments generate from -- about the County Executive from press releases calling for exactly the same things that are outlines in this bill with the exclusion of, I think, the County Executive asked for public hearings. I'll just leave it at that. Madam Clerk, we have a motion to table.

MS. ORTIZ:

To table.

CHAIRMAN GREGORY:

Okay. All in favor? Opposed? Abstentions? Motion is **TABLED (VOTE: 5-0-0-1; Not Present - Legis. Losquadro)**.

2107, Adopting Local Law No. -2010, A Charter Law strengthening the budget adoption process. (Co. Exec.)

This bill has to be tabled for a public hearing, seconded by Legislator D'Amaro. All in favor? Opposed? Abstentions? **TABLED (VOTE: 5-0-0-1; Not Present - Legis. Losquadro).**

2183, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 840-2010). (Co. Exec.)

I make a motion to approve and place on the Consent Calendar, seconded by Legislator D'Amaro. All in favor? Opposed? Abstentions? **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 5-0-0-1; Not Present - Legis. Losquadro).**

2192, Authorizing the County Comptroller and County Treasurer to close certain capital projects and transfer funds. (Co. Exec.)

I make a motion to approve, seconded by Legislator D'Amaro. And on the record -- he just left. Do you have any questions, Legislator Romaine. I know you usually do.

LEG. ROMAINE:

Yes. Maybe before we end -- when we finish the agenda, one of the things I had been asking about for several months is projected revenues for the red light camera, and I see our Budget Director is here and can answer that, because I raised the question that originally it was six million, then it turned to be three million. And when I said I thought that was a little high, I remember someone in the administration, who will remain unnamed, was highly critical of that in the press and indicated that they would be correct. I hope three million dollars is correct, but I'd like to get an update on that.

CHAIRMAN GREGORY:

Yes, BRO.

MR. LIPP:

Just a point of information about 2192 that does the close-outs of the capital projects. It does comply with the previous legislation that I believe Legislator Romaine enacted. But there's one thing to note about the resolution that isn't perhaps intuitive. The Third Resolved talks about reduction of bond authorizations of over 13 million, which is accurate. But really what is important also is how much revenue is being brought in in terms of the capital close-outs, and that's the cash in a different column in the back-up schedule. And at the end of the day what we're talking here is there's over six million -- over \$6.2 million General Fund portion, which is less than what is in the 2010 estimated budget. They're \$760,000 short of what's in the 2010 estimated budget. You know, there was no way that they did anything inaccurate other than it's hard to estimate when the budget was put together, but there is an implicit shortfall in the General Fund as a result of this resolution.

CHAIRMAN GREGORY:

Legislator Romaine.

LEG. ROMAINE:

Let me talk about these close-outs. We're closing out all of these capital projects that have balances on them. Have we gone -- and we've to bond on these capital projects; is that correct, that we're closing out? We have long-standing bonds on these capital projects.

MS. VIZZINI:

I'm going to defer to Eric since it was a County Executive resolution.

LEG. ROMAINE:

Okay. That's great.

MR. NAUGHTON:

Yes.

LEG. ROMAINE:

Yes. And I assume we are retiring the bonds.

MR. NAUGHTON:

When we close it out, the money becomes revenue in the budget, which helps to pay for the debt, the outstanding debt.

LEG. ROMAINE:

What are we going to do with that revenue? Is all that revenue for retiring the bonds associated with these projects and lessening the debt? Is all the money being used to pay off these bonds and lessen our debt? If not, what other purposes are they being used for, the revenue from this?

MR. NAUGHTON:

It is offsetting revenue to help pay our debt.

LEG. ROMAINE:

All of this?

MR. NAUGHTON:

Yes. We would use all that money for that.

LEG. ROMAINE:

Right. We're not going to use it for any other purpose?

MR. NAUGHTON:

No.

LEG. ROMAINE:

Okay. So we're taking \$13 million left over in various capital projects.

MR. LIPP:

Really, that's the capital close-out of the bonding authorization, but it's really \$6.8 million in terms of actual cash that gets credited. And in the General Fund, for instance, there's a specific revenue code that it goes to, 2954, which is unused capital fund authorization.

LEG. ROMAINE:

And what happens with that revenue?

MR. LIPP:

It goes implicitly to pay off debt service on capital projects.

LEG. ROMAINE:

You say "implicitly."

MR. LIPP:

Yes.

LEG. ROMAINE:

Okay. Could it be used for other purposes?

MR. LIPP:

Not legally, no.

LEG. ROMAINE:

Okay. So legally this money must be used to pay off the debt.

MR. LIPP:

Right.

LEG. ROMAINE:

It cannot be used for any other purposes whatsoever.

MR. LIPP:

Correct.

LEG. ROMAINE:

Okay.

CHAIRMAN GREGORY:

Mr. Naughton, I have a question. I'm looking at the backup document and I'm looking at Project Number 8701.211. I see the explanation, but I'm not understanding it. It's acquisition of farmland. It says, "current budget, \$4.650 million; expended, zero; uncommitted, that same amount of 4.65," and then it says, "cash balance pretty much 4.4 million; unexpended, 100%." And then it says something about New York State grant.

MR. NAUGHTON:

Right. Essentially what happened with that project, we bonded for the project, but we also received grant funds for the project. We spent the grant funds to complete the project, so therefore, the bonded funds are no longer needed.

CHAIRMAN GREGORY:

Okay. And that's the same for the project below that, 8701.214?

MR. NAUGHTON:

Correct.

CHAIRMAN GREGORY:

Even though we received a grant, couldn't we still use that money -- no, because the bond is for a specific property, right. Got you. Okay.

LEG. ROMAINE:

One other technical question. I know that this money that we're -- from these projects that we're closing out, that whatever is left over, we're going to use, whatever revenue we get, we're going to use to retire the debt. You've already said yes to that. Are there other monies set aside to retire the debt that this would add to?

MR. NAUGHTON:

In the budget we use, we have 35 million --

CHAIRMAN GREGORY:

We can't hear you.

LEG. ROMAINE:

Let me go right to the question that's my concern. If there's other monies to retire the debt in the budget and this adds to it, then we don't need all that other monies and they may be used for another purpose; is that the case?

MR. NAUGHTON:

No. Our budget was built including these funds.

LEG. ROMAINE:

So it was including these funds. So there's no other purpose? Because I noticed that the County Executive had a new initiative to help downtown areas that was sent out. Do you know how that's being funded?

MR. NAUGHTON:

We had proposed offsets, but that item died in committee I guess last -- two weeks ago.

LEG. ROMAINE:

Where were those offsets coming from in your proposal?

MR. NAUGHTON:

I'm sorry?

LEG. ROMAINE:

Where were those offsets coming from in your proposal?

MR. NAUGHTON:

I don't have the list in front of me, but it was quite a list of projects.

LEG. ROMAINE:

Were these capital projects?

MR. NAUGHTON:

Yes.

LEG. ROMAINE:

That were closed out?

MR. NAUGHTON:

No, they weren't closed out. We were --

LEG. ROMAINE:

Moving balances?

MR. NAUGHTON:

Correct.

LEG. ROMAINE:

As opposed to closing them out?

MR. NAUGHTON:

Correct.

LEG. ROMAINE:

Well, that's understandable. And let me go back to Budget Review. Did you not say the close-out, on the revenues from close-out that the estimate for 2010 was less than what was anticipated?

MS. VIZZINI:

I just want to clarify for you, the downtown initiative was a traditional capital amending resolution using other projects as offsets. Those projects had not yet been authorized nor had they been bonded. It's different from the list before you, on IR 2192, which is projects that have either been completely expended and we're ready to shut them down because they are done, or we bonded a little bit too much, and there's some cash left for one reason or another, which is specified. And thank you, Eric, for complying finally with providing us justification as to why, otherwise we'd be having more discussion, but anyway.

LEG. ROMAINE:

Thank you. Just call me curious about this. Thank you.

MS. VIZZINI:

Yeah. I just wanted to clarify for you.

CHAIRMAN GREGORY:

Legislator Schneiderman.

LEG. SCHNEIDERMAN:

Just one comment, you know, as I look through it. It is actually very helpful to have this justification column. You know, they did a good job, I think, in noting exactly, you know, either a project was finished for less than budgeted, or, you know, for whatever factors, they didn't need to use all the money. It's proving to be very helpful. So thank you, Legislator Romaine, for pushing for this additional column. And thank you to Eric and your team for providing that information.

CHAIRMAN GREGORY:

We always knew it was in your heart, we just wanted to push you a little further to do it.

Okay. So we do have a motion. Motion to table -- no, approve. I'm sorry. All in favor? Opposed? Abstentions? **APPROVED (VOTE: 5-0-0-1; Not Present - Legis. Losquadro).**

2232, Apportioning Mortgage Tax by: County Treasurer. (Co. Exec.)

I make a motion to approve.

LEG. D'AMARO:

I'll second. Just very quickly.

CHAIRMAN GREGORY:

Seconded by Legislator D'Amaro.

LEG. D'AMARO:

Just to BRO, just a historical perspective, are these increased revenues over the last year, the same, less?

MR. LIPP:

The answer is, unfortunately, no to that question. It's like \$21.4 million is the total, down from

24.1 million in the previous six month period and down from 26.9 million in the previous same period of last year.

LEG. D'AMARO:

And, Rob, what's the basis of the breakdown to the towns and villages? What does the formula rely on; population, or -- how is that done?

MR. LIPP:

It's a legal determination by the State what the breakdown is. As Legislator Romaine could tell us, there is some County Clerk fees that are netted out just for administrative purposes. It's a small amount. After that, the proceeds are emitted -- the County Treasurer pays 47.23% to the MTA, 1.62% to the state -- New York State Mortgage Agency, and the remaining 51.15% to the relevant towns and villages.

LEG. D'AMARO:

All right. And the County is really the conduit here. We don't benefit from the mortgage tax.

MR. LIPP:

Only administrative expense.

LEG. D'AMARO:

Okay. Thank you.

CHAIRMAN GREGORY:

Okay. We have a motion and a second. All in favor? Opposed? Abstentions? **APPROVED (VOTE: 5-0-0-1; Not Present - Legis. Losquadro).**

LEG. ROMAINE:

Red light camera.

CHAIRMAN GREGORY:

Yes.

LEG. ROMAINE:

Just curious. Since I have the Budget Director up there, what do the revenues look like? Now, here we are second week in December, what are the revenues looking like? Are we going to make the \$3 million projection?

MR. NAUGHTON:

Okay. We received a series of the questions from the Budget Review Office at your request. We didn't have a chance to send those answers off to Budget Review, but I'll answer those now.

The first question was how many cameras are currently installed? The answer is there are 54 cameras that are actively recording events; 50 are generating citations and four are recording events, but don't have full communications active yet.

You asked, "When will we receive full installation?" Our contract with our vendor ASC calls for a minimum of 100 cameras to be installed. We figured that that will be by sometime in February.

"Are there any plans for any additional cameras?" The contract does call for a minimum of 100. So we're still in negotiations with them to perhaps add more. As far as the revenue estimate goes, we had put in our recommended budget an estimate of \$3 million net. We are revising that now. We figure it's going to be about \$2 million gross, about 1.2 million net this year.

LEG. ROMAINE:

One point two million.

MR. NAUGHTON:

Yes.

LEG. ROMAINE:

Tell Dan Aug you were wrong and I was right, okay, because that's what he told Newsday, that I was wrong and he would be proven and the Executive would be proven right when in September, I said there was no way that you could make your \$3 million projection based on the information that I had received regarding these red light cameras. So I have to say, you know, at some point the Executive should have set up -- stood up, or at least Dan Aug and said, "You know what? We goofed. You were right, we're not going to make our projections."

MR. NAUGHTON:

Well, I am here today to let you know the revised number. And if you bear with us, we will go through explanations to let you know what some of the delays have been.

LEG. ROMAINE:

Well, quite frankly, I'm not interested in the delays, I was interested in the revenue projections, because that affects us. As far as all the reasons why, everyone has reasons why things don't happen; sometimes they're called excuses, sometimes they're understandable, everyone has reasons why things don't happen. But at the end of the day, the bottom line is this didn't happen.

And you know what? This is an RFP that this Legislature had no input on. This is an RFP that went out, this is an RFP where a vendor was selected -- and there are a number of experienced vendors, one that has done work nationwide -- and I still would love to get the minutes of the committee charged with selecting the vendor, because I have to tell you, that whatever they said in that RFP has not come true. In essence, whatever they committed to this County had not come true. And usually when you deal with contractors that make promises that can't, it deserves the attention of not only the Legislature, but the Executive, because that's a contract I don't want to continue to do business with.

Fool me once, shame on you, but fool me twice, shame on me. And we are getting into the second set of this if by next February, those cameras are not up and the revenue projections are falling behind, as I projected throughout this year, requiring you guys back in April to reduce the \$6 million to three million and then saying in September, there was no way you could make the three million and being interestingly reading Dan Aug's quote of how wrong I was and that the administration would be right. So you are wrong on this.

And I have to say, I would hope if Mr. Lindsay is our Presiding Officer next year, and I assume that to be the case, that he will ask for perhaps a committee of this Legislature to do a thorough review of that RFP, the responses to the RFP, the commitments that the vendor made, because it's very clear whatever commitments the vendor made to us is not being met. And that has implications for our budget among other things. Thank you very much, Eric.

MR. NAUGHTON:

Chairman Gregory, if you permit, I'm here, Bill Hillman is here, and we can answer all of these questions right now if you choose.

CHAIRMAN GREGORY:

Just before I pass it on to Legislator D'Amaro, so you said that our net revenue is going to be 1.2 million, or is 1.2 million off our projected revenue for the year?

MR. NAUGHTON:

For 2010, we're now estimating our net revenue will be 1.2 million.

CHAIRMAN GREGORY:

So that's almost 75% of what we projected loss.

MR. NAUGHTON:

The thing that has to be realized is that obviously in a program like this you have tons of delays. Yes, we are going to be off with our revenue, but once the program is fully implemented for a 12 month period, we will achieve the targets that we are going forward with. And remember, the goal here is to -- is public safety, and we are getting the revenue benefit. And that's the way we need to look at it.

CHAIRMAN GREGORY:

Is there some concerns on the administration's part as far as the RFP; do we have legal ground, were there some nonperformance issues?

MR. NAUGHTON:

No.

CHAIRMAN GREGORY:

No. We don't have any concerns that can allow us to end our contract with this vendor and move to someone else?

MR. NAUGHTON:

As I stated earlier, if you give us a few minutes, we will explain what the issues were.

MR. ZWIRN:

Part of it is because it's a new program, and there were -- we had to set up a lot of different things to get this off the ground. Compared to Nassau County who started a little bit ahead of us, they had a Traffic Violations Bureau in place, we did not. We had to get the District Court online. Department of Motor Vehicles would not agree to handle this program for us, so we had to get the District Court involved. There was a question of whether we were going to use the District Attorney's Office.

I mean, you're talking about the RFP process, this stuff takes -- it took us longer to get it started. But the program, with the cameras that are up, are working exceptionally well. And the projections that we have from that, there's reason to be very optimistic that we're going to come in at least with the revenues projected over a 12 month period.

CHAIRMAN GREGORY:

You might as well have that in Chinese, because I don't think anyone can read it. Just to refresh my memory before I pass it on to Legislator D'Amaro, the Red Light Camera Program, if I recall, we have the ability to change the locations, because I think there were some concerns that revenue may diminish as well as people get familiar with the stops. I know there's one by my parents house on Vets and Suffolk Avenue. I really don't know --

MR. ZWIRN:

If you can read this chart, you can get your license renewed at DMV without having to wait in line.

CHAIRMAN GREGORY:

I guess that would be more appropriate --

MR. NAUGHTON:

The contract allows us to move 10% of the cameras, but that won't happen until they are fully implemented.

CHAIRMAN GREGORY:

Okay. All right. Legislator D'Amaro.

LEG. D'AMARO:

Thank you. Most of my concerns or questions were really answered in the dialog. But there was a projection that was made, it didn't pan out. Gee, what a shock. You know, we've never seen that before. I agree with Legislator Romaine, we need to take a close look and figure out why. I'm less interested in who said what and when and who was right and who was wrong. What I really want to know is if you projected three million at the time, obviously you must have had some basis for making a projection and something -- a series of events must have occurred where it didn't pan out. I would like to know why that is the case. And more importantly, whatever those reasons are, have we corrected the problems and the issues? And then going forward, are we going to meet projections for the coming year?

MR. NAUGHTON:

Okay. When we put together the 2010 estimate of \$3 million net, we had assumed that we would have 80 cameras up by the end of this year. Currently, it looks like at best we're probably going to have probably about 71. And obviously, the fewer cameras you have up, the less revenue you get in. Whether or not we would make our target next year, we're still in the review process. If we have the 100 cameras up in February, then we will make that target. But I'll let Bill sort of explain what some of the delays have been.

CHAIRMAN GREGORY:

Before you get started -- I'm sorry, Mr. Hillman. BRO, just so that everyone understands, the original projection, as I recall, was six million, it was reduced to three. For 2011, the revenue is what, 32 million?

MS. VIZZINI:

Well, on a gross basis, it's \$33 million. On net basis, it's 20.3 because there's a 14 plus million dollar payment to the vendor.

CHAIRMAN GREGORY:

Right. Okay. I'm sorry. Go ahead, Mr. Hillman.

MR. HILLMAN:

I'd like to first just say that the vendor has performed very well. There are numerous reasons why delays have occurred. It's a very, very complicated program and process. We began with this contract -- we had a signed contract in March, so that's when the clock starting ticking for getting the equipment into the ground. So March 2010 is nine months ago. This is a \$20 million -- we need to view this as a \$20 million Capital Program. Designing -- I should say planning, designing, permitting and constructing a \$20 million Capital Program in 12 months is very, very ambitious, and we believe we will accomplish it.

We thought we would have been able to do it a little quicker, but here we are. And we believe we will do it in 12 months. It's still a huge accomplishment. I'll just go through some of the process, which -- one of the major issues was General Municipal Law 103. We believe that to follow that to the letter of the law, we had to publically bid the electrical installation. We couldn't have awarded to the vendor and had him do the installation, because that would have been in violation of Municipal

Law 103. So that took some extra time.

The design specifications were all new, needed to be developed. The permitting was something that needed to start from scratch. We don't own and maintain our traffic signals. Therefore, we would have had to negotiate with ten towns, which we chose not to do. We went to New York State and asked them, "Can we have a simple highway work permit?" And they said, "Yes." That obviously helped tremendously.

Once you get into the design aspect, the consultant that's been doing the design has been progressing very, very quickly. New York State has actually issued the permits on a very timely basis. Moving on to construction, there were some technical glitches with some of the equipment in the supply chain, which were out of the vendor's control that had some slight delays in it. LIPA, we also had to coordinate with LIPA for power, Verizon and Cablevision for communications.

So again, the process is extremely complicated. We have stayed on -- every step of the process, we've stayed on top of it. But invariably when you are building something of this size and magnitude starting from nothing on the planning stages to get to fully implemented, it's part of the process unfortunately. And it took a little longer than we expected. But I can assure you this vendor has done everything he can to provide the services that he has that are outlined in the contract.

One other step that I neglected to mention was the evaluation of the sites. We started with, I think, 130 sites. It was then narrowed down to 70 locations. To understand which -- or to determine which of those locations are best suited for these cameras; there's video surveillance that takes place, and an analysis that takes place. The vendor actually bypassed that process to initiate certain cameras and get the program moving in a quicker fashion via visual but his staff -- by their staff. And now once they had a few of the cameras up and in operation, they're going back and doing the video validation. So again, it's extremely complicated and it's part of the process.

CHAIRMAN GREGORY:

Just before I pass on to Legislator Romaine. So from your comments, I gather that we won't realize full revenue until March, because that will be the 12 month mark.

MR. HILLMAN:

The vendor has stated that he believes they will have all 50 locations and 100 cameras installed by February. I'm not sure when in February. Kim, do you know? The end of February.

CHAIRMAN GREGORY:

Now, is that accounted for in the 2011 projected revenue?

MR. NAUGHTON:

Yes.

CHAIRMAN GREGORY:

Okay. All right. Legislator Romaine.

LEG. ROMAINE:

We're all familiar with Murphy's Law. Okay. There isn't anyone up here that doesn't understand that things can go wrong. I'm sure, knowing you as a diligent public servant, that you informed the Executive Branch every step of the way about this information as deadlines began to slip and other issues arose, which they will with projects. You have done that. You did do that throughout this process; is that correct?

MR. HILLMAN:

Yes.

LEG. ROMAINE:

Yes. Thank you. Here's my problem. And there's no member of the press here, so I'm going to take a little time to maybe help the Executive as they go into 2011. My problem is as I raised objections throughout the year about revenue projections, I was told I was full of you know what. And I have to tell you, if I'm aggravated, it's not at the delays. Delays happen all the time. We have projects that, you know, Murphy's Law takes over, all types of things happen, as you were explaining, all understandable, particularly if they're looked at and an explanation is offered.

Members of this Legislature get upset when you raise these concerns particularly about revenue projections about a project of this magnitude, which I've been raising over a year and a half and you're told, "Na, you don't know what you're talking about. You're out of line. You're wrong. You're projections are wrong. You don't know anything."

I've got to tell you, it got my dander up. And unfortunately, despite all the explanations, all of which probably make some sense, all of which if you looked at, you could understand, and most of us do, because we're reasonable people. But when you do those type of things, you are going to get the backlash. You work with us, we will work with you. We understand things happen all the time. But this type of response from the Executive is absolute nonsense. And if you think this is going to pass unnoticed, it is not. So there's a message there to the Executive, "Work with the Legislature. We're reasonable people. We understand things happen. We will work with you. But when you insult us in the press, be prepared for the backlash, because it's coming full force." And I have let that be known. Treat me with respect, and I will treat you with respect. We're all in the business of making government work. We're not in the business of insulting one another. But if that's the business you want to be in, I'm to open shop. Thank you very much, Mr. Chairman.

CHAIRMAN GREGORY:

Ben Zwirn.

MR. ZWIRN:

The only thing I would add -- and I would never insult Legislator Romaine, except at the General Meeting when there's more people around --

LEG. ROMAINE:

I always appreciate your insults anyway. They're very good.

MR. ZWIRN:

Buried in the backyard with my Jets football. Let me just add that the RFP that you're critical of or asking for scrutiny on that does not represent the Legislature. We don't do it in a vacuum. With respect to the other comments, I'm not familiar with the actual dialog between Mr. Aug and Legislator Romaine.

LEG. ROMAINE:

It's in Newsday.

MR. ZWIRN:

Well be that as it may, the facts are as were laid out here today. And the numbers with respect to the cameras, they are working exceptionally well. The numbers that are coming in are incredibly good. So hopefully, in the high-accident areas that they've been placed, we will see public safety improved. And the revenues for next year based on the 100 cameras, it should be a sure solid hit.

We look at Nassau County which has got them up for a year, our numbers are excellent. And in some areas where we're looking for 27 violations in particular in a camera, in some areas that are going to go up have already been tested, you see hundreds would have been issued if the cameras were writing citations on them. So the numbers -- based on 100 -- if anyone's interested in how they arrived at those numbers, for the 20.3 million in revenue in the budget, that's available. So it wasn't pulled out of the air, it was done very scientifically. But we've got to get those cameras up. There's no question about that.

CHAIRMAN GREGORY:

I don't think this is -- I don't think anyone means -- by my means this is a reflection of the work of DPW. I think everyone appreciates what they do and Mr. Hillman's abilities. I've heard nothing but wonderful thing about him. But we just want to be, you know, kept abreast of the budget process and where we are as far as projections, because this looks like a little less than half of one percent of revenue that we're going to not generate that's going to affect next year's budget as we credit back to 2010. We all try to keep our eyes on that deficit. So it's important that we kind of know what's going on especially as it relates to speculative, quote, unquote revenues. We appreciate you coming in today even though we couldn't read your board, but we heard your words. We don't have any more business so we stand -- I'm sorry.

P.O. LINDSAY:

I just wanted to talk a little bit about red light cameras.

CHAIRMAN GREGORY:

Oh, okay. I'm sorry. It was your baby for years.

P.O. LINDSAY:

It was my baby a long time ago. And at the time it was envisioned, it was all about safety. It wasn't about revenue. And we've hit this horrible bump in the road in this recession that everything is about revenue that we do. You know, I, I know, early on was very critical why Nassau was up and operational so much quicker than us. I mean, they were operational, it seemed like, right after they got the State approval.

And we were on the RFP Committee. I had someone from my staff to sit on the RFP Committee to select a vendor. And the difference with us and Nassau is pretty distinct. The Parking Violations Bureau was already in place in there which was very, very helpful to them. And the other thing is that the County, for the most part, Nassau County owns all the intersections -- the traffic signals, which makes it much easier to accomplish. This is the purpose -- for the purpose of dialog, and I questioned this at the beginning. A decision was made early on for us -- the way you install these systems is two ways; you either own the system yourself and hire vendors to maintain and operate them, all of it or a piece of it.

Years ago, I went in to see the City operation, because they were the only ones in the state that had a red light camera system. And at that time -- I don't know if they're still doing it or not -- they were doing the tickets and everything themselves -- without o a vendor. And I still question in light of the way the whole turned out, because it seemed to me that Public Works wound up doing much of the work that I really thought the vendor would do. And we have a partner that, you know, we have to agree with on the intersections. We don't have total control of the system.

We certainly, you know, cut them in on the profit. And I just question if it would have been -- would have been, could have been being the amount of work we did on the project if we had owned the system ourselves, whether we would have had more control of it, whether we have been, because of the -- not cutting the vendor in for so much money, maybe we could have made a deal

with some of the towns to cut them in on some of the revenue, because the question I have -- and this isn't a secret, I've discussed with Bill, I've discussed it with the people there, we are limited to only putting this system on State roads. And some of the town-County roads, I think are -- just observation, I don't have the statistical analysis, but I think they are as dangerous if not more dangerous than some of the State-County roads. And I just -- maybe you guys want to comment on it.

MR. ZWIRN:

If I might, Mr. Chairman. Presiding Officer is correct. Nassau County got a head start on this, but they did it in a way we wouldn't do business in Suffolk County. They actually went out to bid before they had State approval, a year before. We waited until we had approval. That gave them a head start. Now what happened was they anticipated that this would be up and running in 2008 and put revenue in the 2008 Budget for that, and they got nothing, zero, because they couldn't get started until they got State approval. But they took a big chance, they took a risk to try to get it done. We didn't take that risk.

P.O. LINDSAY:

Just to interrupt you. Even to the point where I think early on, they installed systems on intersections they didn't own.

MR. ZWIRN:

Nassau County's had -- coming from Nassau County, it hasn't gotten much better over the last decade. We are also way ahead of other municipalities who started at the same time we did including Buffalo, Rochester and Syracuse, which all started about the same time. They have not been going yet. So we are ahead of them. We are moving quickly.

The question of whether we should do it ourselves or have the vendor that we selected, the thought was we didn't have any capital outlay. They would have to pay for the equipment and put it up front, otherwise we would have had to put it in our Capital Budget. And we really didn't feel that we had the expertise at this stage to do it ourselves. But we did think about what you had suggested; if we owned it ourselves. Public Works said to go with somebody who has the expertise in this field and feel our way through this process and get it done the right way, it may take a little bit longer, but I think we're learning as we go ahead. And when the contract has to be renewed -- up for renewal, we'll have more options at that time.

P.O. LINDSAY:

And, Ben, I never suggested that we wouldn't do this without the expertise of a vendor in this area. We obviously would have to buy the equipment and the maintenance and the oversight, but I believe when we entered into this there's two options; you can buy the equipment directly from the vendor and use them as a consultant, or you could lease it. And again, it was the flip of a coin -- not the flip of a coin, you know, analysis was done on it.

It just seems to me we wound up doing much more work on it than was originally envisioned by Public Works. I mean, even to the point of, you know, we didn't even envision bidding the electrical work, that was going to be supplied by the vendor initially. So it seemed like we did a lot of the work. And, you know, we would have increased our bonding level, but we would have increased our revenue. So, you know, it's just an observation that would have given us maybe more flexibility, again, to install the system in the most dangerous intersections.

MR. HILLMAN:

I would just say that DPW has put forth a lot of effort. But without the vendor's guidance -- actually I shouldn't even say guidance. They've really been -- we have been providing the oversight. They have been the ones to -- and their consultants have been the ones to design the actually camera

sites, which is very detailed design. Again, we have expertise in traffic signals and things of that nature, but the actual cameras and the technologies that are used, I really think for this first phase, the first five years, this was the right way to go. We're all learning. In DPW, we are learning. Kim Brandeau is the project manager, and she deserves a lot of the credit. I mean, DPW is the getting the equipment out, but the backroom process that we've learned about during this whole program is phenomenal. And she is the one handling that, working with the County Attorney's Office and the court systems. It's just been mind boggling. So she deserves a lot of the credit for the backroom and the over all project management. DPW had the equipment end and the operational end.

So there's really two things here that we've learned tremendously on. And I would venture a guess to say that if we didn't go down this route and have a partner, a true partner in vendor who's going to be -- unfortunately as you said, this should be about safety, but it has -- in the vendor's eyes, they're in this for a profit, obviously. But if we didn't have a true partner in that sense, I don't think we would be nearly as successful. I think it was really the right model and the right method.

P.O. LINDSAY:

All I'm saying is it frustrating.

CHAIRMAN GREGORY:

Okay. All right. Thank you, gentlemen. We stand adjourned.

(THE MEETING WAS ADJOURNED AT 11:42 A.M.)

{ } DENOTES BEING SPELLED PHONETICALLY