

**BUDGET & FINANCE**  
**INFORMATION TECHNOLOGY**  
**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, January 25, 2011.

**Members Present:**

Legislator DuWayne Gregory - Chairman  
Legislator Jay Schneiderman - Vice-Chair  
Legislator Ed Romaine  
Legislator Tom Muratore  
Legislator Lou D'Amaro

**Also In Attendance:**

George Nolan - Counsel to the Legislature  
Barbara LoMoriello - Deputy Clerk of the Legislature  
Gail Vizzini - Director Budget Review Office  
Robert Lipp - Deputy Director - Budget Review Office  
Jason Richberg - Aide to Legislator Gregory  
Bill Faulk - Aide to Legislator Romaine  
Linda Bay - Aide to Minority Caucus  
Paul Perillie - Aide to Majority Caucus  
Ben Zwirn - County Executive's Office  
Kim Brandeau - County Executive's Office  
Tom Vaughn - County Executive's Office  
Dennis Brown - County Attorney's Office  
Lynne Bizzaro - County Executive's Office  
Catherine Stark - Aide to Legislator Schneiderman  
Justin Littell - Aide to Legislator D'Amaro  
Kara Hahn - Presiding Officer's Office  
Dot Kerrigan - AME  
All Other Interested Parties

**Minutes Taken By:**

Donna Catalano - Court Stenographer

**Minutes Transcribed By:**

Denise Weaver - Legislative Aide

***[THE MEETING WAS CALLED TO ORDER AT 10:12 A.M.]***

**CHAIRMAN GREGORY:**

Goods morning, everyone. Welcome to today's Budget and Finance and Information Technology Committee. We're going to do the Pledge of Allegiance led by Legislator Muratore.

***SALUTATION***

**CHAIRMAN GREGORY:**

Okay. I just want to state for the record that I think it's a wonderful idea that the Presiding Officer has decided to combine Information Technology with Budget and Finance. In today's environment, digital environment and importance of technology, I think it's so important that we have an ability to focus on technology and make it a priority in our budgets. So I think it's apropos that these two committees or interests are combined together.

Okay. With that said we'll get to the agenda. Does BRO -- do you have anything?

**MS. VIZZINI:**

Not at this time. Thank you, Mr. Chairman.

**CHAIRMAN GREGORY:**

Okay. Okay, we don't have any cards so we'll get to tabled resolutions. Before I say that, is there anyone in the audience that would like to come before us and make any comments? Okay. Seeing none, we'll get to tabled resolutions.

***TABLED RESOLUTIONS***

**IR 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. IR 2057, second? Another motion?

**LEG. SCHNEIDERMAN:**

Second.

**CHAIRMAN GREGORY:**

Second by Legislator Schneiderman. All in favor? Opposed? Abstentions? Okay. All right.

**LEG. MURATORE:**

Motion to approve.

**LEG. D'AMARO:**

I'll second the motion to approve.

**CHAIRMAN GREGORY:**

Motion to approve by Legislator Muratore, seconded by Legislator D'Amaro. All in favor? Opposed? Abstentions?

**LEG. SCHNEIDERMAN:**

Opposed.

**CHAIRMAN GREGORY:**

Opposed. All right. Motion passes. **APPROVED (VOTE: 3-2-0-0 Opposed: Legislator Gregory and Legislator Schneiderman)**

**IR 2106 - Adopting Local Law No. -2010, A Charter Law to enhance transparency in County Budget process (Cilmi)** I make a motion to table, second by Legislator Schneiderman. All in favor? Opposed? Abstentions? Okay, motion fails.

**LEG. MURATORE:**  
Motion to approve.

**CHAIRMAN GREGORY:**  
Motion to approve by Legislator Muratore.

**LEG. D'AMARO:**  
I'll second.

**CHAIRMAN GREGORY:**  
Second by Legislator D'Amaro. All in favor? Opposed?

**LEG. SCHNEIDERMAN:**  
Opposed.

**CHAIRMAN GREGORY:**  
Opposed. Motion passes. **APPROVED (VOTE: 3-2-0-0 Opposed: Legislator Gregory and Legislator Schneiderman)**

**IR 2107 - Adopting Local Law No. -2010, A Charter Law strengthening the budget adoption process. (Co. Exec.)** Now this has to be tabled for a public hearing, so I make a motion to table. Second?

**LEG. D'AMARO:**  
Second.

**CHAIRMAN GREGORY:**  
All in favor? Opposed? Abstentions? **TABLED (VOTE: 5-0)**

### ***INTRODUCTORY RESOLUTIONS***

We have a new bill, IR 1941, that was under Ways and Means. Now that Information Technology is under our jurisdiction it's before us, so I make a motion to table.

**LEG. ROMAINE:**  
I'm sorry, I don't have it on my agenda. Could Counsel just tell us -- what 1941 -- once you tell me the title, it will come to me.

**MR. NOLAN:**  
Yeah, it's directing the Department of Information Technology to publish the County's total indebtedness online.

**LEG. ROMAINE:**  
Okay.

**MR. NOLAN:**  
It's been in Ways and Means for several months and just got reassigned.

**LEG. D'AMARO:**

Okay.

**LEG. ROMAINE:**

You know, with the Chairman's permission --

**CHAIRMAN GREGORY:**

Yes.

**LEG. ROMAINE:**

I don't see the harm in publishing the County debt online. I mean, if there's a cogent argument why we shouldn't do that, I'd be happy to listen to that.

**CHAIRMAN GREGORY:**

Legislator D'Amaro.

**LEG. D'AMARO:**

Yes, thank you. Yeah, Legislator Romaine, I don't think I'm necessarily opposed to doing that, but what I had been saying all the way through -- this bill was in Ways and Means, I believe, right, it's been reassigned -- was that if you're going to provide information, you want to provide it in context so you're not just throwing out a number. You know, if a resident goes online, sees the County debt number, what does it mean, how do you interpret it, is it going up or down? How does it compare to what it's been in the past? What's underlying that debt, how much debt is being retired as new debt is coming on?

So we had that discussion, I think, through one or two committee cycles when this bill was in Ways and Means. And at that point, Legislator Cilmi had requested to table the bill, and he informed me, I believe, through an e-mail, that he was considering our comments and perhaps going to amend. But I don't have the update right now whether or not that's still his intention or whether or not that's been done.

**LEG. ROMAINE:**

You've made that cogent argument, thank you. Makes perfect sense, that, yeah, obviously in context, if you want to present information, you want to present it at least in some form of a context so that people could understand what it means. A raw number by itself probably isn't a good thing. I would encourage you, since you were Chair of Ways and Means when this was being considered, to contact Legislator Cilmi and have him amend it, because it may be something that may be valuable if more information is provided to the citizens of Suffolk where they can understand the general thrust of what that number means, how it relates to a whole host of other things. Thank you very much.

**LEG. D'AMARO:**

I'll leave to the Chair of this committee where the bill is pending to communicate with Legislator Cilmi. If I'm requested to do so by the Chair, I will be happy to do that.

**CHAIRMAN GREGORY:**

Okay. Gail.

**MS. VIZZINI:**

Just to bring you up to date a little bit. Robert and I have met with the sponsor, and prior to that we met, with Audit and Control to achieve the objectives that we're talking about. We provided the sponsor with a -- several draft documents that gives some perspective in terms of total

indebtedness, what percentage of the Operating Budget the debt service actually is, where the indebtedness is incurred, it's another category as to what we use in the Capital Program. What else -- trends over the years, our ability to pay back our debt.

So he is -- it's our understanding from our meeting with him, which was just last week, he is processing what we gave him and picking and choosing which of those things give the perspective that he had in mind or he's going to let us know if he wants other changes.

The extent to which that has to be specifically identified in the bill, you know, I leave to the sponsor's discretion, but he's getting a better graphic idea of what the page would look like.

**CHAIRMAN GREGORY:**

I offered the motion to table, I didn't get a second.

**LEG. ROMAINE:**

I second.

**CHAIRMAN GREGORY:**

Seconded by Legislator Romaine. All in favor? Opposed? Abstentions? **TABLED (VOTE: 5-0)**

**IR 2251 - Amending the 2011 Operating Budget and appropriating funds in connection with bonding a settlement for attorney fees for an Employee Practices Liability Case. (Co. Exec. Levy)** I make a motion to approve.

**LEG. D'AMARO:**

I'll second.

**CHAIRMAN GREGORY:**

Second by Legislator D'Amaro. Legislator Romaine.

**LEG. ROMAINE:**

Just some questions without getting into the details of the case, I just had some questions for the County Attorney's Office regarding this; if I may.

**MS. BIZZARRO:**

Yes, good morning.

**LEG. ROMAINE:**

We're just paying the attorney's fees for someone that we were involved in a lawsuit with. Is that correct?

**MS. BIZZARRO:**

Yes, we're paying the attorney's fees to the plaintiff's counsel in this case.

**LEG. ROMAINE:**

To the plaintiff's counsel. Was there any settlement that we have to pay to the plaintiff other than the attorney's fees?

**MS. BIZZARRO:**

Yes, there was an amount that we paid the plaintiff as well, correct.

**LEG. ROMAINE:**

How much did we pay the -- I assume that was a source of a previous resolution?

**MS. BIZZARRO:**

Yes, that was approved in Executive Session, and I believe that that was not bonded for.

**LEG. ROMAINE:**

Oh, that wasn't bonded for. We paid for that -- how did we pay for that if it wasn't bonded for?

**MS. BIZZARRO:**

Through some reserves. I guess there was some reserves in the account.

**LEG. ROMAINE:**

There was some money left in the account.

**MS. BIZZARRO:**

Correct.

**LEG. ROMAINE:**

Excuse me for a second while I ask Budget Review. Generally for, I guess that was 2010, for 2011 is there any money in the Operating Budget to pay settlements?

**MS. VIZZINI:**

There is in the various categories. I can get the precise number for you in a second, but we usually budget somewhere around \$2 million.

**LEG. ROMAINE:**

Two million dollars. All right, so here we are January, we're dealing with the first settlements of 2011 and we're bonding this out as opposed to taking it out of that \$2 million in the Operating Budget.

**MS. BIZZARRO:**

Yes, that's what the proposal is. Correct.

**LEG. ROMAINE:**

Okay. I assume there was a reason that we wanted to bond this out so early in the year despite the fact we have money in the account to pay for it with operating funds to do a pay-as-you-go. Is there some explanation that you could give so we could better understand the thinking as to why, because this is only 125,000. We're paying 125,000 to the plaintiff's attorney in a case that we lost, is there some reason that we're paying for this with a bond, going into debt for this, as opposed to paying from the account in which we at the beginning of the year have approximately \$2 million for? See, that's the point I don't get. I could understand later in the year after the two million is gone, all right, we put a little money aside, it wasn't enough, never is, and now we have to bond it out; but why are we bonding so early in the year? I mean, maybe you'd be better answering that, Ben, I don't know.

**MR. ZWIRN:**

If I might, Mr. Chairman.

**CHAIRMAN GREGORY:**

Yes, go ahead.

**MR. ZWIRN:**

One of problems that we're going to face this year and we faced in the past is cash flow. We have borrowed just about to the max just to be able to make payroll and pay our bills because we're not

getting reimbursed by the state, the Federal Government, the money is flowing down very, very slowly because everybody has got a problem.

And one of reasons why where we have an amount like this, even though we have money budgeted in a budget, it doesn't mean that that revenue is going to come in to backfill that spot.

So if we can somehow take, you know, some of the pressure off the cash flow with a settlement like this, which we can bond -- you know, the operating expenses we cannot, but this is something that we can, will help us in the long-term through the year on the cash flow situation that we have. At the end of the year it was very difficult, we really had to go out and borrow more money than we ever had before and had moved money around in all the funds because we're just not getting the money that's owed to us from the State.

**LEG. ROMAINE:**

We have a lot of receivables.

**MR. ZWIRN:**

That's correct.

**LEG. ROMAINE:**

All right. And based on your explanation I'm probably going to vote for this resolution, I just would end it with this comment; I'm amazed that we're having cash flow problems in January.

**MS. BIZZARRO:**

If I may, I just want {inaudible} Budget Office, but, if I may, you know, it's a matter of budgeting, like we paid some of this in cash and we're looking to bond another portion of it. We don't want to get, you know, midyear where we have absolutely nothing, we have small matters that we want to be able to pay out of the reserves. So, you know, it's just a matter of budgeting. You know, sometimes like an individual, we use a credit card versus check, versus cash. You don't always do it all at the same time, all in one block.

So, I think there's an effort here to start the year with a little balancing going forward, a little, you know, paying it all in cash, pay some in bond. I think that's the outlook. Plus, you'll see right behind this there's another resolution for further bonding.

**LEG. ROMAINE:**

With the Chairman's permission, I have some questions for you about that one as well.

**CHAIRMAN GREGORY:**

Do we have any anticipation of how many cases we may settle during this year that, you know, and a dollar amount maybe associated with that?

**MS. BIZZARRO:**

Standing right here I could not say. I would really have to go back and look, and I do periodically and I get a sense on where we're going and, you know, try to, you know, manage it throughout the year. Like this case settled last year, but we're not -- we didn't come before you until this year with it, because as we were getting to end of the year last year, I saw how things were getting tight and, you know, this committee especially was having some issues regarding the bonding. So we are trying to, you know, gage it and stagger this. So right now I can't give you answer on that.

**LEG. ROMAINE:**

We all get the notes when we do a DTAN borrowing, they have all the cases that are pending in that note and you can get a pretty good idea, you know, what our total exposure is.

**MS. VIZZINI:**

Mr. Chairman?

**CHAIRMAN GREGORY:**

Yes.

**MS. VIZZINI:**

I don't want to leave you with the impression that there's \$2 million in the 2011 Adopted Budget. After pulling up the file, although we actually spent over 3 million in 2009, we have about \$500,000 plus budgeted for 2011 in terms of settlements.

**LEG. ROMAINE:**

Five hundred thousand. And generally how much do we payout on an average, ballpark, in a given year for settlements that we make or cases that we lose?

**MS. VIZZINI:**

On a cash basis?

**LEG. ROMAINE:**

Yes, on a cash total, you know, how much would we generally pay, ballpark, rough estimate, you know.

**MS. VIZZINI:**

In 2009 we paid out about \$3 million --

**LEG. ROMAINE:**

Three million dollars.

**MS. VIZZINI:**

-- excluding what we borrowed for.

**LEG. ROMAINE:**

So by probably putting a half a million in for pay-as-you-go, we may be bonding some settlements this year. All right. Thank you very much.

**CHAIRMAN GREGORY:**

Okay. Anyone else? Sure, Presiding Officer.

**P.O. LINDSAY:**

Yeah, this is to Budget Review. The half a million dollars is just for settlements. We have some other pay-as-you-go money in the budget.

**MS. VIZZINI:**

We have a million dollars in pay-as-you-go in the 2011 Adopted Budget. Right now it's intended to be transferred to the Capital Program.

**P.O. LINDSAY:**

I just wanted to clarify million and a half.

**MS. VIZZINI:**

No, the million dollars is in the General Fund. But it would appear that it's sitting there waiting to be transferred to the Capital Program. It's not in the settlement fund.

**P.O. LINDSAY:**

I realize that. But the million dollars that you're talking about transferring is to pay for incidental expenses along a capital nature.

**MS. VIZZINI:**

I think that's the general intent. It could be used for other things.

**P.O. LINDSAY:**

Just that -- I know it was a tough budget year, but we put away in total a million and a half. A half a million for settlements and a million for pay-as-you-go, typical capital, small capital expenses. Okay.

**CHAIRMAN GREGORY:**

Okay. We have a motion and a second. All in favor? Opposed? Abstentions? **APPROVED (VOTE: 5-0)**

**IR 2252 - Amending the 2011 Operating Budget and appropriating funds in connection with bonding a settlement for an auto liability case. (Co. Exec. Levy)** I make a motion to approve.

**LEG. D'AMARO:**

Second.

**CHAIRMAN GREGORY:**

Second by Legislator D'Amaro. Any questions on the matter?

**LEG. ROMAINE:**

I had a quick question for the County Attorney's Office on this one. This was an accident liability where we were found liable for roughly about \$300,000?

**MS. BIZZARRO:**

No, we were not found liable. This was a settlement.

**LEG. ROMAINE:**

Oh, we settled this, okay. This is a settlement.

**MS. BIZZARRO:**

And it was approved by the Ways and Means Committee on December 15th of 2010.

**LEG. ROMAINE:**

Okay. Thank you.

**CHAIRMAN GREGORY:**

All in favor? Opposed? Abstentions? **APPROVED (VOTE: 5-0)** Okay. That is it for agenda. We stand adjourned. Thank you.

***[THE MEETING CONCLUDED AT 10:31 A.M.]***

***{ } DENOTES BEING SPELLED PHONETICALLY***

