

**JOINT BUDGET & FINANCE COMMITTEE AND WAYS & MEANS COMMITTEE**  
**OF THE**  
**SUFFOLK COUNTY LEGISLATURE**

*Operating Budget Minutes*

A special joint meeting of Budget & Finance Committee and the Ways & Means Committee of the Suffolk County Legislature Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on October 17, 2011 to discuss the matter of the Operating Budget.

**MEMBERS PRESENT:**

*Legislator DuWayne Gregory, Chairman, Budget & Finance*  
*Legislator Jay Schneiderman, Vice-Chair, Budget & Finance*  
*Legislator Lou D'Amaro, Member, Budget & Finance*  
*Legislator Thomas Muratore, Member, Budget & Finance*  
*Legislator Ed Romaine, Member, Budget & Finance*  
*Legislator Ricardo Montano, Chairman, Ways & Means*  
*Legislator Steve Stern, Vice-Chair, Ways & Means*  
*Legislator Sarah Anker, Member, Ways & Means*  
*Legislator Lynne Nowick, Member, Ways & Means*  
*Legislator John Kennedy, Member, Ways & Means*

**ALSO IN ATTENDANCE:**

Presiding Officer Bill Lindsay, Legislative District No. 8  
Gail Vizzini, Director, Budget Review Office  
Robert Lipp, Deputy Director, Budget Review Office  
Eric Kopp, Suffolk County Executive's Office  
Ed Hennessy, Suffolk County Executive's Office  
Tom Vaughn, Suffolk County Executive's Office  
Terry Pearsall, Chief of Staff, Presiding Officer's Office  
Marge Acevedo, Aide to Presiding Officer Lindsay  
Bill Shilling, Aide to Presiding Officer Lindsay  
Bob Martinez, Aide to Legislator Montano  
Greg Moran, Aide to Legislator Nowick  
Thomas Spota, Suffolk County District Attorney  
Ed Heilig, Bureau Chief, Suffolk County District Attorney's Office  
Craig D. Pavlik, Suffolk County District Attorney's Office  
Angie Carpenter, Suffolk County Treasurer  
Christine Malafi, County Attorney, Department of Law  
Bill Ellis, Deputy Commissioner, Board of Elections  
Penny Wells LaValle, Real Property Tax Service Agency  
Vito Minei, Executive Director, Cornell Cooperative Extension  
Robert C. Mitchell, Legal Aid Society  
Louis Mazzola, Legal Aid Society  
John Keary, Suffolk County Detective Investigators PBA  
Terrence Smith, Dolan Family Health Center  
Doug Miller, IT  
Skip Heaney, SC Commissioner, Economic Development & Workforce Housing  
Richard Meyer, Suffolk County AME  
Debbie Rimler, Tri Community and Youth Agency

Ruth DeCol, Federation of organization - Director of Development  
Mary J. Finnin, Nursing  
Edward J. Boyd, Suffolk REMSCO  
Jay L. Gardiner, Suffolk REMSCO  
Dr. Jeff Steigman, CEO, Pederson-Krag Center  
Anita Fleishman, LCSW, SOP, PSCH - Pederson-Krag  
Danielle Asher, Huntington Resident  
Philip Ingerman, Town of Huntington  
Susan Berland, Councilwoman, Town of Huntington  
Dr. Jeffery Reynolds, LI Council on Alcoholism & Drug Dependence  
Janet Walterstein, Child Care Council of Suffolk/HHS  
Ben Zwirn  
Rick Brand, Newsday  
Paul LaRocco, Newsday  
All Other Interested Parties

**MINUTES TAKEN BY:**

Alison Mahoney, Court Stenographer

**MINUTES TRANSCRIBED BY:**

Kim Castiglione, Legislative Secretary

*(The meeting was called to order at 9:36 A.M.)*

**CHAIRMAN GREGORY:**

Good morning, everyone. Welcome to today's combined Budget & Finance/Ways & Means Public Hearing. Please stand and we'll do the Pledge of Allegiance.

*Salutation*

Okay. We're going to have Gail Vizzini and BRO start off with their Budget Review presentation. All right, change of plans. As we learned in the military we're going to change the course of action. We're going to go to the Public Portion. We're going to hear from our first speaker, Deputy Commissioner from the Board of Elections, Mr. Ellis.

*(Legislators Muratore & Nowick entered the meeting at 9:38 A.M.)*

**DEPUTY COMMISSIONER ELLIS:**

Good morning to all. And I'm here this evening -- or I should say this morning. Legislator Muratore, you just snuck in on me over here. I'm here -- I'm Bill Ellis, Deputy Commissioner of the Suffolk County Board of Elections, representing Commissioner Rogers. And what we wanted to do, Ladies and Gentlemen of the Legislature, is to go over the proposed 2012 Board of Elections budget that has been slashed considerably, and we are looking to have these funds put back in.

The number one -- the number one issue is the elimination of ten positions at the Board of Elections. Now, under better times we would have come to you to ask you for eight additional positions to function, but we know that this is not the time to do that. But with the current amount of employees that we have we are barely keeping up with what has to be done. So I would recommend that there is absolutely no way that we can slash one person at the Board of Elections, no less ten.

The second item is the overtime budget. Now, in 2012 we will be doing three Countywide elections because we have the Presidential primary scheduled for April. Every four years the particular overtime budget increases accordingly because we have to prepare for each and every election. And it's not like when we had the lever machines, that is very simple. We printed the ballot strips, we put the ballot strips in, we tested each of the 1300-odd machines seven times to make sure that everything was recorded properly and we were ready to go.

Now with the new electronic machines we have to prepare all of the information cards that go into the machines. We have to run a minimum of 12 ballots through each and every machine to make sure that they are being recorded and lastly, we're at the mercy of the court system. Example, Friday afternoon at 4:20 the Appellate Division rendered a decision on the last remaining court case, which was in one of the Brookhaven Town districts. But because of that case and because of the new electronic ballots and the fact that they are all security coded, we were not able to do anything until that court decision came in.

*(Presiding Officer Lindsay entered the meeting at 9:41 A.M.)*

Hence, we had everybody on overtime for Saturday, and between now and the next two weeks we will be working Saturdays and Sundays to prepare not only the 1350 tabulating machines that go out, but the 380 BMD's, which are used in every polling place for handicapped voters, and there's no way that we can get around that. So our overtime budget that was recommended by the Budget Office was \$1.4 million. In 2008, which is a good guideline, it was \$2.7 million. It costs us approximately one million dollars per election and we are faced with three next year, three that we know of.

We have another budget item of straight overtime, and the difference between the straight overtime and the regular overtime, new employees that have been hired after October of 2006 are on a 40 hour work week versus the 35 hour work week of prior employees. Those on the 35 hour work week, overtime kicks in on the first hour after 35, whereas with the newer employees overtime starts after they have 40 hours, so they have five hours at straight time and then the overtime comes in for that. And the Budget Office has as for 80,000 on that, and I will tell you that we would need between 150,000 to 200,000 on the straight overtime item.

The printing item that the Budget Office has reduced to 1.2 million is impossible for us to do. It costs us on the printing line about \$500,000 per election to print up the actual ballots. Now, with the Presidential election of 2012 coming up, we are required by the State to print 110% of the eligible voters, 110%. Now, oftentimes we use our judgment and let's say for a primary we may print 50%, but we are mandated for 110% for the Presidential election in November of 2012.

The other item, which is somewhat minor, was the cartage. That means delivering the machines and picking them up. But, again, we have three elections that we're facing. The Budget Office has only allocated 350,000 and we feel that we need at least \$400,000 to deliver and pick up the machines. And that's not counting, Ladies and Gentlemen, any potential special elections, because we don't know where that is. And, for example, if Mr. Bellone or Ms. Carpenter decide to offer a position in their administrations to a Legislator, we have -- we will be facing a special election for that district. So we have to always have that potential contingency.

Now, this past year, this past year what we did is that -- we salvaged all of the old lever machines for scrap and we were able to turnover to the County approximately \$130,000 that went into the general revenue fund. Mr. Gregory, do you have a question?

**CHAIRMAN GREGORY:**

Yes. Mr. Ellis, I just want to inform you that your time is up, but we do have some questions for you and we hope that you will be able to get out the rest of the information that you have that you want to present to us. Legislator Montano has a question for you.

**CHAIRMAN MONTANO:**

Good morning, Bill -- Mr. Ellis. Quick question. The ten positions, are they all filled or are they vacant? Do you have any vacancies in them?

**DEPUTY COMMISSIONER ELLIS:**

Nine of the ten are filled.

**CHAIRMAN MONTANO:**

Okay, so there's one vacancy. Are they equal in terms of five Democrats, five Republicans?

**DEPUTY COMMISSIONER ELLIS:**

Yes, they have to pursuant to State law.

**CHAIRMAN MONTANO:**

Right. And then the elections that you mentioned for 2012, you are talking about the Presidential and the primary and the general election. Are those the three elections that you are facing next year without including any specials?

**DEPUTY COMMISSIONER ELLIS:**

Yes.

**CHAIRMAN MONTANO:**

Okay, thank you.

**CHAIRMAN GREGORY:**

That was -- now, I have, Mr. Ellis, you said the recommended overtime budget was 1.4 million, but in 2008 it was 2.7 million?

**DEPUTY COMMISSIONER ELLIS:**

That's correct.

**CHAIRMAN GREGORY:**

I don't have the numbers in front of me, but is that your -- what you have recommended for this year or your request rather, excuse me.

**DEPUTY COMMISSIONER ELLIS:**

No, we're recommending -- well, we had put in 1.6 million to try to be somewhat cautious.

**CHAIRMAN GREGORY:**

Okay.

**DEPUTY COMMISSIONER ELLIS:**

But I think that that is even going to be a low number, and I'm going to tell you that will probably be 2.2 to \$2.5 million.

**CHAIRMAN GREGORY:**

Okay.

**DEPUTY COMMISSIONER ELLIS:**

Again, a lot of the overtime we are at the mercy of the court system. We're going to have -- this year we've been able to try to husband the overtime somewhat, but because of the court case that just was decided on Friday, we're going to be on eight to eights every day, and then we have the two weekends coming up, so that's going to drive up this particular segment of the overtime.

**P.O. LINDSAY:**

I have a question.

**CHAIRMAN GREGORY:**

Presiding Officer Lindsay has a question.

**P.O. LINDSAY:**

Bill, what's the highest turnout we've ever had in an election in Suffolk County, do you know?

**DEPUTY COMMISSIONER ELLIS:**

Yes, I do. The highest turnout we have ever had has been in a Presidential year and we've had 88%.

**P.O. LINDSAY:**

Why would we need 110% of all the registered voters in a district?

**DEPUTY COMMISSIONER ELLIS:**

That is a very good question, but we are handicapped by the State mandate on that.

**P.O. LINDSAY:**

Well, just like you're handicapped, we're handicapped. If the State hands down any more mandates to us this County is going to be bankrupt.

**DEPUTY COMMISSIONER ELLIS:**

I do not disagree with you.

**P.O. LINDSAY:**

And I'll say that honestly. In terms of your budget, we'll do the best we can. I mean, we don't really have a choice. You guys are either State mandated or mandated by the courts to do what you have to do. We don't have any money. I'm going to make the same speech to everybody that comes to the mike; this budget is a doomsday budget, it really, really is. You know, the Budget Review Office just issued their report on Friday and I spent the weekend reviewing it. It's like swiss cheese. Almost every department is short of funding, including yours. Well, all I can say to you is we'll do the best we can with what we have. Thank you, though, for coming down and stating your position.

**DEPUTY COMMISSIONER ELLIS:**

Our fate is in your hands, as you know.

**P.O. LINDSAY:**

A lot of people's fates are in our hands; it's a big responsibility.

**DEPUTY COMMISSIONER ELLIS:**

Thank goodness that the august body of the Legislature is running this year, because we have enough money to do that election.

*(Laughter)*

**P.O. LINDSAY:**

I'm not even going to comment on that. I'll just get in trouble.

*(Laughter)*

**CHAIRMAN GREGORY:**

Okay. Thank you, Mr. Ellis.

**DEPUTY COMMISSIONER ELLIS:**

Thank you very much for hearing us.

**P.O. LINDSAY:**

It starts with the adjective of august.

**CHAIRMAN GREGORY:**

Gail, you are ready now?

**MS. VIZZINI:**

Thank you, Mr. Chairman. We were working over the weekend and we had prepared remarks, it was just a question of finding them. As the Presiding Officer indicated, the Budget Review Office has released its report. It is on the Legislature's website for anyone who wishes to view it and we do have some hard copies, but there is a distribution list. All the Legislators have gotten their copies, and that's why you probably look so happy.

*(Laughter)*

The 2012 recommended Operating Budget presents many challenges for the Legislature. Seven-hundred and ten filled positions and 548 vacancies are abolished across most departments and bargaining units. The stated reason is the County Executive is looking to encourage the union concessions in the form of employee contributions to the health insurance premiums. Because the

layoffs are considered by the Executive to be a collective bargaining incentive, revenues typically associated with the positions have not been reduced commensurate with the reductions, and therefore -- with the exception of certain Federally-aided programs, and therefore, in our opinion, many revenue lines are overstated.

Positions in key areas, as you will hear for the rest of the week during the other committees, in public safety, in health, the Medical Examiner, in Social Services, in Public Works and all other vital County operations have sustained draconian cuts, which will have dramatic impact on service delivery unless positions are restored or County government is completely reinvented. The nursing home will close no later than December 31st in '11. Layoff notices have already been sent out to affected employees. Once again, \$12.7 million from the proceeds of the asset are used to balance the General Fund.

Our bill for the County's employer contribution to the retirement system increased \$45 million in 2012 over 2011. This is almost as big as the \$49 million General Fund Property Tax Levy. We're going to amortize it as proposed in the recommended budget unless there is a change to that. The amortization will take place over ten years with interest as determined by New York State.

The 2012 recommended budget also proposes several major policy changes. Although the County will continue to pay the bill, out-of-County tuition costs have increased to \$14 million in 2012. To offset these costs, the budget proposes to charge back to the towns \$10.25 million, and that is shown as revenue and is permissible under New York State law.

Another policy change is that we will no longer be doing 72-h proceedings, which give properties away sometimes to towns for affordable housing purposes. Instead, there is revenue included in anticipation of your concurrence with that policy.

One of our assets, the Farmingville Mental Health Center, is to be sold, as are several parcels of land in Selden and Yaphank.

The recommended budget taps the Tax Stabilization Reserve Fund not in 2012 where we would have been required to do a General Fund property tax increase, but rather in 2011 commensurate with our associated expenses with Tropical Storm Irene. The budget does anticipate that we will claim these expenses to FEMA and FEMA will reimburse us the typical 75% or nine million dollars, but that will not be until 2012. There is a resolution before you, IR 1828, which would -- that does require your approval and that is being deliberated by you.

The operating costs in the Police District have increased due to many factors. A recent salary arbitration award, increases in health insurance and, of course, the increase in the retirement bill. The recommended budget provides no increase in the property tax for the Police District, but rather the increase -- the sales tax subsidy to the Police District transfer is now 93.5 million, which is an increase of 9.2 million. That's only 9.1 million less than the maximum three-eighths allowable for the transfer to public safety purposes.

The budget proposes a police recruit class of 60 to begin December 26th of 2011, which would be the 2011 recruit class. However, based on the Budget Review Office's calculations, there appears to be a shortfall in the Police District in salaries of about \$4.9 million. The recommended budget also provides for a class of 50 Correction Officers to start November, 2011, and a second-class of 50 in 2012. The jail is anticipated to open in April of 2012, provided that certain conditions are met and we get the approval of the Commission on Corrections.

Other transfers from the Sewer Reserve, the Assessment Stabilization Reserve, are made pursuant to Resolution 625 of 2011, which broaden the use of that Sewer Reserve Fund. These will serve to subsidize the General Fund. These transfers are made through the debt service and the retirement

lines.

The New York State budget has also had a dramatic impact on County operations, in particular health service delivery. The State has taken a pretty hard line on our claims for reimbursement in health services, as you well know, vis-a-vis the Article Six settlement agreement where although the State has reimbursed us in the manner in which we provide our services for the past 40 years, they, too, are having significant revenue problems and cash flow problems and they are no longer going to reimburse the County at the same rate, and in some cases they are not going to reimburse us at all.

***(Legislator Kennedy entered the meeting at 9:55 A.M.)***

This has dramatic impact on the Medical Examiner Crime Lab operations, which will no longer be reimbursable, and Emergency Medical Services. In this case, the County Executive has funded these operations, although both have been impacted by draconian layoffs, but we have substituted local funds for the reductions in aid for these operations and as such, a separate resolution will be required for you to affirm with 14 votes that the funding is okay.

The County clinics are also recommended for significant reductions commensurate with the layoffs, and in some cases some State aid reimbursement, or at least a reduction of services, such as we're not going to serve patients over 21 unless they are paying patients. They have been reduced. The Coram Center is reduced by 50% and there are ongoing negotiations that this particular site may transition into an FQHC.

In the opinion of the Budget Review Office, the recommended budget before you overstates revenue and understates expenditures in several significant lines, coming to an immediate shortfall of \$135 million. Although appropriations and cash are not the same thing, the County's cash flow is razor thin and we are approaching our borrowing capacity for cash flow purposes. As you are aware, in the event that the State continues to shortchange us or delay the hundred and -- well, combined Federal and State aid what they owe us is 166 million. If they continue to delay that, there is an authorization for a revenue anticipation note in the packet that was laid on the table Tuesday. So this will be something that will be going through the committee process. The intent here is belt and suspenders. In the event that we get the cash from the State, the need for the RAN is -- will not -- the RAN will not be exercised, but since the State has not been timely in the distribution of the State aid, it's prudent that we be ready in case we need the cash.

The recommended budget includes sales tax growth of 3.27% for '11 and 3.95 for '12. In comparison, the Budget Review Office has done its normal due diligence in its forecast. We believe that in the 2011 year the growth is only going to be 1.75%, which will result in a \$17.9 million shortfall in 2011 and similarly in 2012. Although we don't have a major problem with the growth rate per se for 2012, the dollars will be less than are presented, because the 2011 base will go down, so 3.95% of a lower number is going to be a lower number.

One of the major concerns in this budget is the continued structural imbalance. For too long the County has relied on sales tax, then fund balance, when neither one of those revenue sources are there anymore or coming in at the moment that it was. We've also relied on tapping our reserves. Thirty million dollars was transferred in 2009 due to the unanticipated shortfall in sales tax resulting from the recession, but there -- property taxes were not raised commensurate with any monies to build the reserves back up. All of you remember we thought we used to have an excess fund balance problem. In 2007, the fund balance was 154 million in the General Fund, now it's two point -- it's in the -- I think it's \$8.2 million, but it's not going to materialize. There are holes in 2011 that you will be addressing in your housekeeping resolution, and by April of 2012 we'll know whether we have that fund balance or not. My guess is we're not.

We relied on other one-shot revenue, the 2008 Tobacco Securitization, sale of the Suffolk Health Plan, transfers from the reserves. The budget continues the policy direction that we will be divesting the nursing home, we'll continue to do the one shots related to land sales, the sales of buildings, the tapping of reserves, as I said, for Tropical Storm Irene, and of course, the -- the sewer reserves are going to give us \$5.4 million in '11 and \$15.6 million in '12 to balance the General Fund.

Suffolk County is not alone. Governments at all levels, Federal, State and local are experiencing the dramatic effects of the poor economy, declines in sales tax. Although there are property tax collections they're not necessarily commensurate with the dollar amount that we budget. Consumer confidence varies. It's certainly not at an all time high; it's medium to low. There's still a relatively high rate of unemployment and there is a lack of political will to authorize the necessary recurring revenue in the form of a tax increase, or an increase in the rate of sales tax, or to make the difficult decisions, which is where we're at if this budget is adopted as recommended.

There will be -- there are services we will no longer be able to provide and departments that probably will -- should no longer continue to operate in their current organizational structure. The County will have to downsize to its core missions, and if nothing else, this budget guarantees that.

**CHAIRMAN GREGORY:**

All right, thank you. The out-of-County costs, the out-of-County tuition costs, \$10.2 million, that's not the total cost.

**MS. VIZZINI:**

No, the cost is 14 million.

**CHAIRMAN GREGORY:**

Right.

**MS. VIZZINI:**

The budget proposes that -- you know, a lot of that is FIT and Nassau are -- they have unique programs and under the law students can come to Suffolk County and advise us that they are attending those other institutions and we end up paying under the State law the sponsor's share, rather than build a building to provide those unique courses, or whatever the case may be. That was the thinking then. So the total is 14 million. We are billing the towns for the 10.25, although we retain in the budget enough that -- for the FIT students, which by law we still need to pay for their third and fourth years, which has always been an area of contention.

**CHAIRMAN GREGORY:**

Now, you had mentioned that State law allows this, but has this ever been the practice to pass on this cost to the towns?

**MS. VIZZINI:**

Yeah, in 1994 -- you know, the early 90's the County was in not quite as dire, but very similar dire straits and we did some things like that. We did pass along the costs to the town, but then I believe it was maybe a year or so later we rescinded that.

**CHAIRMAN GREGORY:**

Did the towns -- so I assume the towns paid if we passed it on to them.

**MR. LIPP:**

We don't have a complete record, but it would appear that bills were sent out a year or two before and something happened with that, so there was a resolution passed that some retro amount was added to the tax warrant. So to make a long story short, it appeared on the -- in 1994, one year only, on the town portion of the tax warrant, so we would have to determine whether or not we

wanted to do that as part of the budget process. But the towns, yes, did pay on the tax warrant, actually. They had no choice.

**CHAIRMAN GREGORY:**

Okay. You also mentioned the budget recommends no more 72-h's, so we'll be auctioning off those properties and the recommended budget realizes those revenues in the budget I presume?

**MS. VIZZINI:**

Yeah, there is some enhanced revenue related to that. However, there is a section in our report in regards to the disposal of auction properties, which addresses the difficulties that we have been having vis-a-vis our, you know, our prior thinking, which was the people who buy it have to live there for ten years. That appears to be some sort of an obstruction for people to buy homes, along with the natural climate where it is -- even though -- because of unemployment and the stringent requirements to buy homes we're not doing so well at auctions.

**CHAIRMAN GREGORY:**

And you mentioned the Tax Stabilization Reserve Fund, the 12 million from -- that we'll get, I guess, reimbursed from FEMA for costs expended.

**MS. VIZZINI:**

Correct.

**CHAIRMAN GREGORY:**

We still haven't received, I know I haven't received anything, but has your office received any detail on that, on the expenditures?

**MS. VIZZINI:**

No, it's my understanding that they -- are they compiling the numbers?

**MR. KOPP:**

Yes.

**MS. VIZZINI:**

It's my understanding that the Budget Office has reached out to various departments asking them for a number in terms of the overtime, expenses, supplies, materials, whatever, associated with the hurricane. I would defer to Mr. Kopp in terms of where they're at with that.

**CHAIRMAN GREGORY:**

But my concern about that is you had mentioned \$166 million in State and Federal aid that we're anticipating that's been held up. This bill just adds 12 million to that. There's no guarantee -- well, I guess there's some assurance that we'll get it, but there's no guarantee when we'll get it. So it could even cause more of, you know, an issue.

**MS. VIZZINI:**

Well, the budget shows that with the nine million coming in in 2012 we would have a balance in Tax Stabilization Reserve of 58 million at the end of 2012.

**CHAIRMAN GREGORY:**

Right and that's the reimbursement of nine million.

**MS. VIZZINI:**

Correct. So it would be forty -- yeah, 48 beginning balance. There's probably some interest that accrues there, too, so.

**CHAIRMAN GREGORY:**

Okay. Now, you said the recruit class of 60 is not fully funded?

**MS. VIZZINI:**

Well, there's money in -- money in 2011, because they're only going to be working a couple of days in 2011 and there are issues. The list is due to expire. They've already incurred the expense of vetting these candidates so, you know, I believe that in our review we recommend that, yeah, use the list but, you know, but maybe have them start a later date in January or a later date commensurate with the appropriations unless additional revenue is provided. But in our opinion, the Police Department is short on salary appropriations and this is not new. County-wide, even if the layoffs go through, for those of us who remain behind, the salary appropriations are \$10 million short in the aggregate, so there's heavy dependence on not filling the vacancies and cost containment throughout 2012. The only thing that's going to be worse than 2012 is 2011 -- I mean, 2013. Sorry.

**CHAIRMAN GREGORY:**

That was my next question. All the scenarios laid out in this recommended budget, the 700 and some odd layoffs, the vacancies, the, you know, passing on costs to the towns, no more 72-h auctioning off properties, reduction in health centers. It's my understanding that we still may not -- there's a likelihood, a strong likelihood, that we won't meet payroll in April. So how can you --

**MS. VIZZINI:**

You are probably going from my comments at the last Budget & Finance Committee meeting. The Treasurer's Office, Audit & Control and the Budget Office do their own independent and then collaborate on cash flow, so a lot of the expenses in the General Fund Budget Review does not do an independent cash flow analysis, but we do benefit from the spirit of cooperation and communication with some of those offices. So -- and we try to promote, you know, all those minds coming together to determine whether there's going to be enough cash to make -- to make the payroll.

April is going to be a very tight squeeze, especially now that there's less money in -- less cash in Tax Stabilization Reserve and less cash in the sewers, because those monies are going to bailout the General Fund. So those are areas where the Treasurer borrows frequently and to the max and then pays back when we get the proceeds from our short-term borrowings commensurate with the law.

**CHAIRMAN GREGORY:**

Right. I understand that. My frustration, and I think the frustration of some of my colleagues, is that the rhetoric that we hear coming from the Administration is our bond ratings are as high as they have ever been, we are great, fantastic and handling the budget, the taxpayers of Suffolk County should be very proud, pat, pat, pat myself on the back. But we're depleting reserves. We can't -- we're struggling to make payroll, we're passing on costs to other municipalities, we're reducing our services. So as a taxpayer, I would say I'm paying more -- or I'm paying the same for less. I'm not happy with that. You know, if I go to the health center I can't get the same service that I got last year, but I'm paying the same amount in taxes. If I apply for a permit or go to a department, you know, it takes me weeks, you know, longer than it should to get my paperwork processed. So how is this benefitting me as a taxpayer? I mean, it may benefit the politicians if they can say that the budget is quasi-balanced, but is the government functioning? I find a real query with that when you hear complaints that people are saying that, you know, people are calling 911 and they're being put on hold. I mean, that's a real issue. But to balance this budget and we have an A bond rating.

**MS. VIZZINI:**

The rating agencies, they have many criteria by which they rate the municipalities. Service delivery is not one of them. They're mutually exclusive. Rating agencies, if you go to their websites and you read their whole discussion of the basis for their ratings, they're aware and they're critical of our

accessing our reserves and our one shots and the lack of recurring revenue. The things that rating agencies love is recurring revenue. They would love to see property tax increases. They love expenditures cuts and they love lots of money in reserves, which is different than other, you know -- most elected officials have concerns about that, but they also have concerns about adequate service levels and not necessarily raising taxes just to replenish reserves, but rather to deliver services. So you can get really high -- it's amazing to me that we've managed to continue to maintain our ratings with the exception of the little dribble down -- was it last year?

**MR. LIPP:**

Yes.

**MS. VIZZINI:**

But they have very different criteria, much like arbitrators when they -- you know, when the County fails to negotiate for our public safety -- with our public safety unions because we're concerned about costs, there is -- legally there's a process that most of the public safety unions can go into arbitration. The arbitrator does not have to take into consideration property taxes, service deliveries, they're very narrow criteria. The Budget Review Office has been involved in the past where they probably have been chastised for it, making presentations to these arbitrations to get them to understand the budget and the property taxes and stuff like that and it's been summarily dismissed.

**CHAIRMAN GREGORY:**

Okay, I will stop my questions. Legislator Montano has some questions.

**CHAIRMAN MONTANO:**

Good morning, Gail. You obviously paint a gloomy picture there.

Now, I just want to put this in perspective. If the -- if the Legislature is unable to sort of restructure the budget or achieve the necessary votes to make the amendments that would be required to deal with this gap of -- 135 million shortage?

**MS. VIZZINI:**

At least. And that --

**CHAIRMAN MONTANO:**

At least.

**MS. VIZZINI:**

That does not include the cost to put anybody back. That's another 32 million.

**CHAIRMAN MONTANO:**

Well, that to me, as an entity, Suffolk County being an entity, would be in my opinion either insolvent or basically thereafter if we were in the private it would be bankrupt; am I correct in that?

**MS. VIZZINI:**

Those are strong words and I wouldn't use them here. If we fail to change the budget, if we do not have a consensus on, you know, generating recurring revenue or adding appropriations to the budget and this budget is adopted, all the departments -- and it's my understanding from talking to the Budget Office, that all the departments are currently in the process of trying to figure out what services they're no longer going to provide if the budget as recommended goes through.

**CHAIRMAN MONTANO:**

So then there would be a restructuring of the government.

**MS. VIZZINI:**

There would have to be.

**CHAIRMAN MONTANO:**

Okay. Because if there wasn't then you would -- those strong words would apply, would they not?

**MS. VIZZINI:**

We're still a County, we still have appropriations. We just don't have enough staff in the Medical Examiner to, you know, to do things on a timely basis. We still don't have Sanitarians to inspect, you know, the restaurants that we eat in and the camps that we send our kids to. Things that we typically do we won't have enough money to pay people.

**CHAIRMAN MONTANO:**

So how does this -- aside from that, maybe very quickly, how does this manifest itself in terms of this shortage? What is the scenario that you paint if, in fact, this budget goes through as proposed? Why are you smiling? You shouldn't be smiling.

*(Laughter)*

**MS. VIZZINI:**

You know, sometimes laughter seems inappropriate, but in this case it's a coping mechanism.

**CHAIRMAN MONTANO:**

I understand.

**MS. VIZZINI:**

And you all know my sense of humor, sadly. But anyway I'm not laughing at our circumstances.

**CHAIRMAN MONTANO:**

No, I understood that and I knew why you were laughing.

**MS. VIZZINI:**

I'm laughing at what's going to come out of my mouth.

**LEG. NOWICK:**

And you never know, by the way.

**MS. VIZZINI:**

Thank you, Legislator Nowick. What I'm thinking and what I'm actually going to say is that I feel sorry for the next County Executive who is inheriting a budget, if it is not amended by this body, that has such dramatic cuts in it without that person having any input into that. And a budget where the hard decisions are still left to make in terms of how many fewer departments are we going to have, how many fewer services are we going to have and how many, you know, contract agencies should we completely defund in order to shore up those who are more in line with the County's core missions.

**CHAIRMAN MONTANO:**

The last question. Do you have any idea how quick or how long it would take for a new incoming County Executive to make those kind of structural cuts to solve this projected budget deficit? I mean, what's the realistic --

**MS. VIZZINI:**

You know, if the Legislature can step in and facilitate some of this with certain amendments and restructuring but, again, we're only days away from a new County Executive, so that's up to you as

a body in terms of how much major changes you are able or willing to make here. I think you started with, you know, if we don't get 12 votes, how bad off are we.

**CHAIRMAN MONTANO:**

Exactly.

**MS. VIZZINI:**

I wouldn't even venture a guess. But what I have said publicly and privately is I hope that the next County Executive surrounds themselves with competent, capable people who can help them navigate what are their priorities, vis-a-vis what has been left for them in terms of a budget and operation.

**CHAIRMAN MONTANO:**

Thank you, Gail.

**CHAIRMAN GREGORY:**

Yes, Legislator D'Amaro and then Legislator Anker.

*(Legislator Stern entered the meeting at 10:19 A.M.)*

**LEG. D'AMARO:**

Thank you and good morning. Gail, I wanted to go back to one of the points you made in your presentation, and it's also noted in the book that you provided, the review of the Operating Budget, the proposed Operating Budget. You talk about sales tax and the shortfall in sales tax based on projections, and you're making the point that for 2011 of the entire 2011-2012 sales tax shortfall is projected by your office to be about 35 million, and a large part of that is based on what's happening in 2011. The County Executive is projecting 3.27% and your office is projecting 1.75. Can you explain to me why this late in the year we still have such a disparity in a projection when we're three-quarters of the way through the year on sales tax?

**MR. LIPP:**

We can't speak for the County Executive's projections, we can only speak for ours. The third quarter just ended, and year-to-date growth is 2.1%. And part of the reason why the third quarter wasn't good is because of -- this is the first quarter that the cap on the motor fuels, three dollar cap on the motor fuels, came into play, so that's reducing our take. That will continue to be the case in the fourth quarter. There are also some adjustments to the data in the fourth quarter that were very positive last year to vendor sales and so we got more than expected.

**LEG. D'AMARO:**

Did your projection have the benefit of further data; is that part of the reason why there's the disparity here?

**MR. LIPP:**

We had one month more, but it really didn't affect the projection that we had because we ran a projection before we got the final number. So, in other words, the projection started -- ended rather, with data going through the second quarter of this year. It just confirmed when we got that extra number.

**LEG. D'AMARO:**

Let me just ask another way. Do you know if your projection for 2011 and the recommended projection are based on the same time period?

**MR. LIPP:**

I have no idea how the County Executive staff did their projection.

**LEG. D'AMARO:**

Maybe that's a reason or part of the reason why there's a difference.

**MS. VIZZINI:**

Well, usually the County Executive's, you know, when they did the 2012 budget they had to do a 2011 estimate for where we are. Their growth shows that whatever they recommended being adopted in the '11 budget, that's what the sales tax is going to be in 2011.

**LEG. D'AMARO:**

I'm sorry, that was the number they used in the adopted budget for 2011?

**MR. LIPP:**

The estimated for 2011 is the same as what was adopted for 2011 I think is what we're saying.

**LEG. D'AMARO:**

Oh, okay.

**MS. VIZZINI:**

Right.

**MR. LIPP:**

Just to drive home the point, though, for this year.

**LEG. D'AMARO:**

Let me just make sure I understand that. The estimated in the proposed budget for 2011 is the same as what was adopted for 2011?

**MS. VIZZINI:**

Correct.

**LEG. D'AMARO:**

Okay. So in effect that -- the 3.27% is what we're talking about. At the time of the adoption of the 2011 budget we all -- that's the number we came up with, but when the proposed budget was submitted there was no revision of that figure down or up.

**MS. VIZZINI:**

Yes.

**LEG. D'AMARO:**

Okay, all right. I just wanted to understand that. Do you agree with the projection for 2012?

**MR. LIPP:**

Like we said in the review, it's at the review upper end of our forecast range, so it's plausible. But the problem is, no, we don't agree because that would -- based upon our 2011 number, that would require 5 1/2% growth for 2012, so in that sense, no way.

**LEG. D'AMARO:**

Well, yeah, putting that aside, because you have a lower base to start with, the recommended budget states a projection of 3.95%. Your report states that's at the higher end of the projections that you would come up with. But the 35 million shortfall for 2011-2012, is that based on using the 3.95%.

**MR. LIPP:**

Correct.

**LEG. D'AMARO:**

So to the extent that sales tax turns out to be even lower than the 3.95%, that deficit with grow.

**MR. LIPP:**

Correct.

**LEG. D'AMARO:**

Okay. I just want to understand that. Next question just very quickly, the recommended budget anticipates closing the nursing home by the end of the year and selling the assets. The sale of asset -- the income from that would be used for the 2012 budget. So if we make a policy decision to keep the nursing home open, we would have to replace that income in 2012, and in addition, we'd have to put additional funding in to keep the nursing home operating. And what I just wanted you to clarify for me, what were those two figures. What is the amount that's anticipated for the sale of the assets which we would have to come up with, and then what is the amount we need to come up with to continue operations.

**MR. LIPP:**

The sale of the assets between 2011 and 12, that's the building, the equipment, the bed license, it comes up to I believe it's like \$31 million. In order to put the nursing home back in its entirety, as was in the requested column, it would be \$22.8 million. Perhaps we could shave a little off of that, but that's what would be required.

**LEG. D'AMARO:**

So if we make a policy decision or a policy change from the proposed budget and decide to fund the nursing home and keep that facility operating, we're starting off with having to come up with an additional, if my math is right, about 50, 54 million; is that right?

**MS. VIZZINI:**

No, no.

**LEG. D'AMARO:**

Okay.

**MS. VIZZINI:**

The nursing home in 2012 transfers \$12.7 million to the General Fund, so there's your --

**LEG. D'AMARO:**

That's from the asset sale? That's from the sale of assets?

**MS. VIZZINI:**

Presumably, yes.

**LEG. D'AMARO:**

Okay. Right. How much was that?

**MS. VIZZINI:**

Twelve point seven.

**LEG. D'AMARO:**

Twelve point seven, okay. I thought, Robert, I thought you'd said something like 31, 31 million.

**MS. VIZZINI:**

Robert -- you asked -- Robert answered you in terms of what the total value of the sale of the assets

is. Since you continued to have a question, I thought I would try to compartmentalize it for you. The part of that that's going to subsidize the General Fund is 12.7 million. So if you don't want there to be a shortfall in the General Fund --

**LEG. D'AMARO:**

Uh-huh.

**MS. VIZZINI:**

-- you have to plug that --

**LEG. D'AMARO:**

What does the balance subsidize? I understand. If 12.7 million is going to subsidize the General Fund, the balance of the proceeds, the anticipated proceeds, where is that being put?

**MS. VIZZINI:**

Well, if you sell it, you have to escrow the debt service.

**LEG. D'AMARO:**

Okay.

**MS. VIZZINI:**

So it's like a whole different thing. Remember, the 2012 budget does not operate the nursing home.

**LEG. D'AMARO:**

Right.

**MS. VIZZINI:**

It liquidates it, subsidizes the General Fund, takes care of the escrow to pay off the mortgage eventually, and what else does it do with the money, but, you know, that's like the 31 million number that Robert addressed.

**LEG. D'AMARO:**

Right. So there would be an escrow fund created from the sale of the assets to pay down the debt over time.

**MS. VIZZINI:**

Correct.

**LEG. D'AMARO:**

What's the interest component of that debt annually? In other words, what does it cost us to carry that debt, because that's an added cost to keeping the nursing home open as well.

**MS. VIZZINI:**

I think the debt services are in the two million -- 2.4 million annually. But as you know from our previous deliberations here, the nursing home debt was incurred in the mid-90's. The bonds are not callable, we can't pay off the 16 million tomorrow.

**LEG. D'AMARO:**

Uh-huh.

**MS. VIZZINI:**

We must escrow.

**LEG. D'AMARO:**

Right.

**MS. VIZZINI:**

And we must, you know, continue to pay it until they terminate. Also, if we sell it to an entity, you know, it was built with public dollars and public funds, so if a private entity is going to take it off our hands, that's why it's such a high amount that we have to escrow.

**LEG. D'AMARO:**

Right.

**MS. VIZZINI:**

The two RFP's are out there, one for sale and one for private/public partnership. So depending on what the policy decisions are, whether there is no operation of a nursing home, an operation of the nursing home at its current bed capacity, a downsized nursing home or some sort of hybrid of leasing out floors or a smaller nursing home, those are also a lot of policy decisions.

**LEG. D'AMARO:**

Okay.

**MS. VIZZINI:**

All of those decisions you don't have to make before you do the budget, but you need to lock in a certain amount of money.

**LEG. D'AMARO:**

Right, I understand that. So that's the sale of assets, a total of 31 million, but that would be broken down, as you explained; 12.7 million to go to subsidize the General Fund and then much of that balance going to debt service. So getting past the sale of assets, we would need to make up the 12.7 million going into next year if we keep the nursing home open, but then there's another figure out there to keep the ongoing operations, and that was the 22.8. What does that represent? Is that salaries, benefits, all of that?

**MR. LIPP:**

The 22.8 represents, number one, the fact that we wouldn't be transferring the full \$12.7 million, we would be transferring only about two and a half million to pay for DPW maintenance and stuff like that. And number two, the requested budget, which includes, you know, full operation for the year, there is a deficit of over \$10 million there. So you've got the 12 million and the 10 million basically, which totals it. And implicit in that is all of the dollars putting back the salaries and getting the revenue.

**LEG. D'AMARO:**

Right.

**MR. LIPP:**

A lot of line items and issues. It is 22.8 for the full thing, but it could be a public/private partnership at a little less.

**LEG. D'AMARO:**

And that 22.8 is in addition to the 12.7.

**MR. LIPP:**

The 22.8 is a total number. It would wipe out the loss of the money going into the General Fund, it would require the General Fund doing a transfer. It would be a total of 22.8.

**LEG. D'AMARO:**

Okay. So that's including, then, the lost revenue if we don't sell the asset.

**MR. LIPP:**

Correct.

**LEG. D'AMARO:**

Okay. All right. Thank you. Okay, thank you, Mr. Chair.

**CHAIRMAN GREGORY:**

Legislator Anker.

**LEG. ANKER:**

There's a lot going on with this budget. And again, it's pretty consuming, so I'm not going to ask real detailed questions, but I'll ask general questions. When you reviewed what we have and what we don't have, basically bottom line, I'm assuming you looked at the revenue generating services and how that will -- and keeping those types of services within those departments as a priority when you decided to trim the budget?

**MS. VIZZINI:**

You know, this is the County Executive's recommended budget. So that type of question would be more appropriately asked of them, although I can tell you -- I mean, our review is based -- our review tells the Legislature what happened in the budget. I can tell you that when they cut revenue generating positions, they didn't bother to reduce the revenue, which creates a problem in and of itself.

**LEG. ANKER:**

Do you agree with the services that were cut as far as the higher generating revenue services being cut? Do you see that it was not a good decision versus other services?

**MS. VIZZINI:**

In many cases, we don't agree with where the reductions were made and in each of the departments we have our recommendations in that department's write-up in our report. For example, the Health Department. We have a chart that says, you know, if you're going to prioritize putting things back it's, you know, Medical Examiner, so we offer that to you in terms of, you know, your decision making, in terms of what, if anything, is going to go back.

**LEG. ANKER:**

Another question, I guess I'm probably allowed to ask this one since I'm the junior Legislator, but has there ever been -- has the State ever changed an unfunded mandate and what was the process?

**MS. VIZZINI:**

No.

**LEG. ANKER:**

Are you sure?

**MS. VIZZINI:**

No.

**CHAIRMAN MONTANO:**

You're not sure.

**LEG. ANKER:**

What is the process --

**MS. VIZZINI:**

Well, something that comes to mind is Medicaid. You know, over the past ten years -- ten or 15 years Medicaid was going up, up, up, up, up. It's a reflection of the demographics, the cost of things, the lack of staff to, you know, check on the fraud and this and that. So there was a tremendous advocacy effort on the part of the municipalities and entities and the State did cap Medicaid for the municipalities, so that you knew that you had, you know, \$275 million was our local share for Medicaid at one time. That number was going to increase by 3%, you know, they gave us the cap. That helps us budget because instead of not knowing -- similar to the retirement. Instead of not knowing whether it's going to go up 30, 45, whatever, you knew. So in that regard the State has worked from those efforts to cap things. Often the State requires and the State laws require us to do things in a certain manner, and there's costs associated with that.

**LEG. ANKER:**

Okay. It sounds like a pretty intense issue to tackle to change an unfunded State mandate or a Federal mandate, but it has been done, and that's through the collaboration of municipalities and addressing it through -- to both the Governor and also to the State representatives.

**MS. VIZZINI:**

Yes, and it's my understanding that there are ongoing negotiations in regards to the State taking over Medicaid in its entirety, but very often the budget people say, you know, the State, they give you with one hand but they take with another. So if they do that they will have to balance it in some way, something else will go on. What that is I don't know.

**LEG. ANKER:**

All right. State and Federal funding, you said we're waiting for \$166 million. What's the timeframe for that? Is there a timeframe or do they just say we're going to pay you when we're going to pay you.

**MS. VIZZINI:**

That's what we have claimed and those claims are being paid to us on a less and less timely basis, and the State's audit teams are, you know, have gone over stuff with a fine-toothed comb. It's my understanding from the Budget Office that these are -- a good portion of this is for claims that they have agreed, yes, we'll pay you for this. It's just a question of when.

**LEG. ANKER:**

So we lose money, though. We put the money -- the County has put the money out for these services that were -- some of them were State mandated and we're paying interest on that money or how does that? In other words, are we losing money while we're waiting to be paid by the State and Federal government?

**MS. VIZZINI:**

Yeah, I know what you're asking. Well, the County has its own money that it has to spend to deliver services, then we claim those expenses to the State, who in turn may reimburse us a percentage or a piece, you know, some piece of the action, but they have been taking a long time to pay us back. That's the appropriations in the budget side, which leads directly to the cash side. If we're not getting paid back for what we've laid out, we don't have the cash to make our other expenses, and that's why we're so razor thin in terms of our cash available.

**LEG. ANKER:**

Is there any way we can change that here in the County? What is the process to address that or do we just accept it?

**MS. VIZZINI:**

We are addressing it. As I indicated, all -- you know, three of the four financial offices maintain cash flow. We borrow from ourselves before we borrow from the outside. When we need it, we borrow from the outside to replenish our cash needs, and in this case where if the State -- and I don't know, I didn't get a chance to ask whether we got the promised State aid distribution in October, but we are preparing the belt and suspenders approach, which is to do a revenue anticipation note to borrow again against the receipt of the State aid. So we are being as proactive as we possibly can. I hope that answers your questions.

**LEG. ANKER:**

Yeah, I know it's very involved and I appreciate your answering. Thank you.

**CHAIRMAN GREGORY:**

Okay, thank you. We have two County-wide elected officials and we're going to try to expedite this process a little bit so they can get back to the duties that the good voters of Suffolk County elected them to do. We're going to call up our Treasurer, Angie Carpenter, first and then DA Tom Spota, to give some remarks.

**TREASURER CARPENTER:**

Hi. Good morning. I'm here really just to speak for the department. I've met with the Working Group and really nothing has changed since then, but I just wanted to put it on the record. We have nine vacant positions in the department and the County Executive's proposed budget looks to eliminate four additional positions with live bodies in them. And we went through and gave you a description of those duties; cash management, accounting, all revenue generating to the point that they're there collecting the revenue. So I would just ask if there's any way to make sure those positions are not eliminated.

And also, the other issue was the funding for the MUNIS project. That, too, is something that we need to do to protect the integrity of the system and the 585,000 parcels that we have to maintain that integrity for. We're moving the recovery of it from Hauppauge to an off-site location out of state. And that, quite frankly, is all I need to report.

**CHAIRMAN GREGORY:**

All right, thank you.

**TREASURER CARPENTER:**

Thank you.

**CHAIRMAN GREGORY:**

Any questions? Okay. Thank you. District Attorney Tom Spota.

**DISTRICT ATTORNEY SPOTA:**

Thank you very much for taking me out of order. I appreciate it.

**CHAIRMAN GREGORY:**

You can come any time you want, as long as you leave the handcuffs at your office.

*(Laughter)*

**DISTRICT ATTORNEY SPOTA:**

First of all, let me just state the obvious. I very much understand the fiscal constraints that the County is undergoing. We are well, well aware of it and we understand the financial times all over. I can assure you, though, that we in the DA's Office are doing our very, very best to hold the line on expenses. I particularly want to thank the Legislature's Budget Review Office for their finding that

the amount included in the County Executive's recommended budget for permanent salaries in 2012 is insufficient to fund filled positions. And I certainly support the BRO's recommendation to increase our permanent salary by one and a half million dollars.

We are prepared to meet the BRO's recommendations on cutting our budget for equipment, cars and all other non-personnel budget items. But, and this is the big but, we cannot live with the recommendations to abolish all personnel positions, or even some of them, quite frankly. To do so, in my opinion, would negatively impact on public safety and my ability to investigate and prosecute crimes in Suffolk County.

I understand that we all have an obligation to do our part to help out in these difficult times. We've worked hard this past year to produce turnover savings in our personnel budget and, quite frankly, we have been very successful in that regard. We've tripled the amount from last year. Two-thousand and ten our turnover savings were 443,000, and 2011 our turnover savings will be approximately \$1.26 million. And since 2002, our turnover savings have been just slightly less than \$5 million. We're prepared to do it again in 2012.

How are we going to do this? We're going to keep positions vacant. We're not going to immediately hire, as we have done in the past, ADA's until our August class, so that is to say if somebody leaves in January, February, March, whatever the case may be, those positions will remain vacant until the class is hired, which normally is mid --

**MR. HEILIG:**

Mid-August.

**DISTRICT ATTORNEY SPOTA:**

Mid-August, in that area. We intend to earmark higher paying budgeted positions to lower paid positions, and in non-personnel area we, of course, will limit our supply and equipment purchases from budgeted funds. I feel very, very confident that we will have a significant turnover savings, notwithstanding the limited budget that we all have to undergo.

My office shouldn't be penalized by having critical positions abolished when we work so very hard to produce savings. Like every other elected County official, I have shown the taxpayers of this County that I can manage my budget effectively and still produce savings, but I can't deliver justice to the citizens of Suffolk County when one arm is tied behind my back, and that is exactly what eliminating various positions and reducing our support and investigative staff is certainly going to do.

The Executive's budget recommends abolishing 27 positions, 15 of which have been identified as being filled. The BRO recommends restoring seven of those filled positions. This, however, leaves eight hardworking people subject to being laid off, and I'm here today to urge you to restore all of the filled positions as well as the vacant positions sought to be abolished. I guarantee -- again, and it deserves emphasis and reemphasis -- I guarantee that the turnover savings will be delivered next year and we will seek, as we have done in the past, additional grant funding and other ways to reduce spending in our office.

The support staff is the backbone of our office, especially when we take in, that is to say we prosecute between 50 and 55,000 new cases every single year. That's in addition to the cases that are left over from the year before. This year we're probably going to be in the area of a little less than 50,000 cases as best as I can see right now, but the proposed layoff of the clerk -- of additional clerk typists -- crime victims advocates, Grand Jury stenographers, paralegals, guards, account clerks and research technicians would have a serious debilitating effect on my ability to provide the citizens of this County with a safe environment within which to live.

The proposed cuts to personnel will affect our ability to respond to areas of concern identified by both the State and Federal authorities. For example, Mr. Levy's budget recommends abolishing two of our six crime victim advocates, that's one-third of the crime victim advocate's staff. Mr. Levy recommends abolishing a 100% grant funded position of a Spanish speaking victim advocate, despite the Federal criticism of this County's handling of Spanish speaking crime victims. And I appreciate the BRO's recommendation to restore the two victim advocates into the budget, and of course I concur in that recommendation. Rather than to go into how important all of the other support staff are to our office, I'm told that we're going to submit to you in writing something that -- so that we just don't -- I just don't sit up here. We'll submit something to you in writing advocating why they are so important to our office.

It seems that every time I try and hold down costs to the taxpayers we're answered with a rebuke by the County Executive. We earmarked higher paying senior or principal clerk typists to lower paid clerk typists in order to save money, and what did we get? A recommendation to layoff and abolish clerk typists. We earmarked higher paying Detective Investigators to lower paying DA Investigators to save money, and what did we get? A recommendation to abolish the investigative positions. We created paralegal positions to avoid hiring prosecutors at a much higher salary, and what did we get? We got a recommendation to layoff and abolish paralegals.

The most important thing, and I don't want to -- I certainly am not minimizing the importance of the clerk typists and the stenographers or guards and our research technicians, but I want to talk to you about the abolishing of the Detective Investigator positions, many of which are now vacant. Although the six Detective Investigator positions sought to be abolished are all vacant positions, we absolutely cannot afford to lose these DI positions. I can earmark some of them to the lower paid DAI spots, but the bottom line is I need more, not less, Investigators.

***(Legislator Romaine entered the meeting at 10:49 A.M.)***

We lost six Suffolk County Police Detectives. As you know, my office is staffed not only by Detective Investigators, but Detectives from the Suffolk County Police Department. We have lost six of them over the past year, year and a half; they have never been replaced. And I know for sure two more have told me that they will be retiring come January. Those are the officers who are working so hard on the problems that we're having with gangs and with guns and, of course, with organized crime. The increase in economic crimes will go unchecked as we are now left no choice but to turn away complaints from people who are being defrauded.

We have an Economic Crimes Bureau that is absolutely overwhelmed, and that's obviously because of the economic times. Overwhelmed. We now are in a position where we have to actually tell people that although the case probably is criminal in nature, the best we can do for you is to go civilly, because we just cannot handle all those cases.

We have Detective Investigators who investigate government officials and law enforcement officers who are involved in police misconduct. We do that without asking our police personnel; when I say police, I mean Suffolk County Police personnel to do it for obvious reasons. I assign Detective Investigators for the most part who do our government corruption, not all, but for the most part, and all of them do nothing -- do only Police misconduct cases. The Detective Investigators spearhead and supervise multi-agency task forces that we are using to tackle the local community crime issues. For instance, our East End Drug Task Force, our Heroin Task Force, our prescription pill epidemic, are all being handled for the most part by Detective Investigators. Our Tax Crimes Unit. We have a very separate unit that does nothing but investigate tax crimes. And that unit, by the way, returns -- how much?

**MR. HEILIG:**

It will be over one million dollars this year.

**DISTRICT ATTORNEY SPOTA:**

Over one million dollars to the County. For every amount of money that we seek and gain from defendants as a result of convictions, a percentage of that is returned to the County. We actually, other than the Manhattan DA's Office, our office is number two in the State in investigating these crimes. That is done almost exclusively by Detective Investigators.

Our tech staff, which is critical to all of our investigations involving wiretaps, GPS surveillance, covert video, undercover wires and things such as that, they are, I think, all staffed by Detective Investigators. Am I correct?

**MR. HEILIG:**

Correct.

**DISTRICT ATTORNEY SPOTA:**

They're all staffed by Detective Investigators. Our DI Violent Felony Squad, that's a unit that is in Riverhead, they enhance all of our investigations. As you know -- post arrest and post indictment, I mean. We get a case from the Police Department involving a DWI fatality or it could be a robbery, it could be anything but homicides, that Violent Felony Squad will go out at the request of all of our prosecutors who are handling these violent felonies, and they will actually go out and enhance the prosecution. In many cases, we actually reinvestigate a case. We're actually -- at this point I could tell you we're reinvestigating a very, very serious matter where I believe the wrong person was arrested and we're probably going to -- it's taken us a significant period of time, but we probably will be arresting the true perpetrator of the crime. These are just some of the things that -- and some of the reasons why I strongly urge you not -- to fill all of our Detective Investigator positions.

As I stated, and I'll end it very shortly. As I stated, I will always be looking for ways to create savings where feasible. My Chief Trial Prosecutor is running for a Supreme Court position. He makes in the area of about \$150,000 a year. He's one of the highest paid people in our office. I will not fill that position next year. That will give us an extra \$150,000 in turnover savings. Eventually I'd like to fill it, but I will not do it next year. We have a Chief Investigator position; I will not fill that next year. I appointed somebody from the Police Department to fill that position. I can leave these higher paying positions vacant in 2012 to provide the funding for the Legislature to restore the lower paid positions that I'm seeking.

In conclusion, there are many ways and many things that can be done short of abolishing positions and having people lose their jobs. My hardworking staff is barely getting by under our current staffing levels, and I urge all of you to do whatever is necessary to restore as many of the 27 positions in my office that are sought to be abolished by the County Executive's recommended 2012 budget. I'd like to thank you very much for allowing me the opportunity to appear before you.

**CHAIRMAN GREGORY:**

Okay. Thank you. We always know you are very judicious with your budget, as you stated, with your turnover savings and your vacancies, so -- and I'm sure I can speak for my colleagues. You know, there's no money, but we're going to do the best that we can to ensure that the monies are appropriated where they should be appropriated. Certainly public safety is a priority for us.

**DISTRICT ATTORNEY SPOTA:**

Thank you very much.

**LEG. KENNEDY:**

Mr. Chair, I came in late and I apologize, and I know the District Attorney is going to submit something to us in writing, but when we have him here it's always important. And I have a very brief question, not directed to your office, but I believe it's something that's critical to your operations. Can I?

**CHAIRMAN GREGORY:**

Yes.

**LEG. KENNEDY:**

Okay. There are two chemist positions in the Medical Examiner's Office that the County Executive elected to eliminate. And when we got the opportunity to tour the ME's office two weeks ago, they described to us the actual function that they have with narcotics weight and purity and there are attestations that are performed by them that help support your prosecution work?

**DISTRICT ATTORNEY SPOTA:**

That's correct, yeah.

**LEG. KENNEDY:**

Okay. So is it safe to say that if those positions remain as the County Executive has elected, it would compromise your officers' ability to prosecute drug dealers?

**DISTRICT ATTORNEY SPOTA:**

They also do blood --

**MR. HEILIG:**

All.

**DISTRICT ATTORNEY SPOTA:**

Oh, yeah, that's a terrific question and I'm glad you asked that. I've spoken to Dr. Milewski on a number of occasions, and she is more than concerned. We all know what happened in Nassau County and what I expect that we'll be seeing the results fairly soon. The positions that are sought to be abolished, in addition to which they also want to, as I understand it from Dr. Milewski, I may be wrong, but they're also seeking to abolish some of the physicians who do the autopsies.

**LEG. KENNEDY:**

Yes.

**DISTRICT ATTORNEY SPOTA:**

Now, we have issues. When we hold a person in custody we only have a very limited period of time within which to present a case to the Grand Jury. So if I have, let's say, a drug dealer in custody and that -- well, I'll give you a perfect example. We just arrested somebody in Mexico; when I say we, the U.S. Marshal's Service supported us in that venture. That person was flown to Los Angeles and is now being held in custody. I only have a certain period of time within which to put a case into the Grand Jury. If we didn't have those chemists and they eliminate it, and I don't have the opportunity to present that case to the Grand Jury in that limited period of time, that person is released. And I can assure you -- he fled to Mexico. It took us months to find him. He's not going back to Mexico again, he's going to go somewhere else obviously, and we may never find him. And this is a major, major drug trafficker.

It will -- it affects all -- and you're right, it does affect all of our prosecutions. I need -- if I don't have or if they're hurried to the extent where they make mistakes as -- and I'll say may have occurred in Nassau County, we don't want to see the same problems that Nassau's having. And I think that the Medical Examiner's -- cuts to the Medical Examiner's budget are wrong. We need those people. We need the people to do the autopsies.

**LEG. KENNEDY:**

There's one other item in there that I think is kind of critical to your office's operations as well, and it is the -- it had to do with the DWI's.

**DISTRICT ATTORNEY SPOTA:**

Yeah.

**LEG. KENNEDY:**

The PA's, I believe, who do the draws?

**DISTRICT ATTORNEY SPOTA:**

Yeah. I'm sorry, I meant to mention that as well. When we have the -- a person who's arrested and consents to the taking of their blood for analysis, many of these -- and we all know that the DWI's are increasing and increasing and increasing, notwithstanding what anybody else may say, and a lot of them are leading to fatalities. The most important thing that we can do, especially if it's a fatality because the charges are certainly going to increase, more than likely it'll be a manslaughter charge or a vehicular homicide charge or something like that. Many of those cases go to trial.

Right now we have, again, time constraints, not only in the law, but as a person -- as time passes, their blood alcohol level at the time of the operation of the motor vehicle which caused the accident is decreasing. She just doesn't have -- the Medical Examiner doesn't have enough people right now and they're seeking to decrease it even more. And this is all -- it may happen on the east end. We may have somebody who's called out that has to go out to Amagansett or Southold or wherever it may be, and they have -- and we get calls by the police, we're waiting, we're waiting, we're waiting. And in the meantime our time period has passed or they get there at a point where the blood analysis, it may have been a .15 at the time of the operation of the motor vehicle, now it's showing a .10.

**LEG. KENNEDY:**

Okay. All right. Thank you, Mr. Chair. And I appreciate it and I know that your two offices work very tightly in correlation, and so obviously we want your ADA's to have all the tools necessary to bring solid convictions, so I appreciate that. Thank you.

**DISTRICT ATTORNEY SPOTA:**

Thank you.

**CHAIRMAN GREGORY:**

Legislator Romaine, you had a question? Oh, I'm sorry, I thought you did.

**LEG. ROMAINE:**

No, except to say, and I think that all of us understand that the first obligation of government, before we do anything else, is public safety. And if we don't support our District Attorney and the enforcement of our laws, we're on a very slippery slope that is not going to land us in a good place. We have seen other counties do this and the District Attorney made reference to Nassau County. It's as clear as a bell what can happen. We don't have to even guess. So we're going to have to put our collective hats on and look for revenue and do what we have to do and make whole a budget that was given to us with gaping holes. Thank you.

**DISTRICT ATTORNEY SPOTA:**

Thank you.

**CHAIRMAN GREGORY:**

Legislator D'Amaro.

**LEG. D'AMARO:**

District Attorney Spota, thank you so much for coming in. It's always nice to see you. I just wanted to go back to a comment, part of your comments, very disheartening and discouraging to hear that the proposed cuts in the proposed budget will have an impact on gang investigations and fighting

gangs in Suffolk County, and I know that's an issue I deal with in my district as well. I was wondering if you can just please tell me how these cuts are going to affect your office's ability to deal with that issue. It's a very important issue and it affects a lot of people.

**DISTRICT ATTORNEY SPOTA:**

Yeah, sure. We have a team of Detectives and Investigators that do nothing but guns, investigate and try and apprehend people who are carrying guns, selling guns and we have done very successful operations in the County. I'm not talking about those other counties may do gun buy-backs and all that other stuff, I'm not a big fan of that. I want to get the people who are on the streets and have the guns in their possession or they're using them.

The very same thing we have a unit in the DA's Office, it's part of our Special Investigations Bureau, that deals with nothing but gangs. They work closely with the Suffolk County Police Department, the FBI, other agencies. Right now my biggest problem is two-fold; I've got the vacancies in the DI's and I also have -- I'm losing Suffolk County Detectives. We lost -- how many?

**MR. HEILIG:**

Six.

**DISTRICT ATTORNEY SPOTA:**

We've lost six Detectives fairly recently as a result of retirements. And I know for sure, because they have told me, we will lose two more in January. They are not being replaced and I understand why. The Detective Division in the Suffolk County Police Department has been decimated. They're down to the lowest levels, and I was Counsel to the Detective's Association, so I remember when their TO was 429. I bet they're probably around 375 and maybe even lower. So I'm not getting those Detectives replacements. And to lose the DI's affects it just even more so. I can't move people into those positions because I just don't have them.

**LEG. D'AMARO:**

And, you know, we always look at the core functions. You know, in difficult times we have to go back to those core functions and make sure that they're funded appropriately. And as I said, it's just very disheartening to hear that it seems like this recommended budget, at least with respect to your office, is going exactly in the wrong direction. We have all of these efforts and initiatives going on right now with gangs and fighting gangs and trying to quell some violence, and yet here we are submitting a budget on very core function like that and it's further impeding your ability to do that. You know, to the extent I have say in that, I'm not going to let that happen either.

I appreciate the way you manage your budget. I just want to mention that, you know, the turnover savings and managing your budget throughout the year, it must be very difficult because you need that staff to be effective, but nonetheless you are doing a great service to the taxpayers, I appreciate that. When it comes to the gang units and fighting gangs, in particular, you know, I would hope that that's an area where the positions will be filled immediately and you will continue those great efforts. I appreciate that.

**DISTRICT ATTORNEY SPOTA:**

Thank you very much. And not to -- I mentioned before, it's our Economic Crime Unit. The increase in the number of cases that are coming into that unit is just overwhelming because everybody is trying to defraud everybody else.

**MR. HEILIG:**

Mortgage fraud.

**DISTRICT ATTORNEY SPOTA:**

Yeah, mortgage fraud, and I expect that we'll be announcing soon another successful conclusion of a

very large case regarding mortgage fraud. All of the other people, the elder abuse that's going on, it's unbelievable. And we're trying our very best. Now, those cases are almost exclusively investigated by our Detective Investigators because when I hire some of those people, I'm looking for people who have an accounting background or a financial background in addition to their law enforcement background, because they're the specialists in that particular area and that's -- and it's very unfortunate. We hate to do it, but I cannot possibly handle all the cases.

**LEG. D'AMARO:**

And that's a crime in itself, because if we don't send the message out loud and clear that, you know, that conduct will be -- you'll be penalized and you'll be caught and you'll be convicted, it only encourages people to continue doing that and that we just cannot have. So again, law enforcement, neighborhood safety, economic crime, whatever it may be, I think I can speak for most of us here if not all of us here, that these are very high priorities for the County and they should be, and we're going to do the best that we can to continue funding it.

**DISTRICT ATTORNEY SPOTA:**

Thank you very much

**CHAIRMAN GREGORY:**

Legislator Anker, then Presiding Officer.

**LEG. ANKER:**

Hi, Mr. Spota. Thank you so much for coming here and giving us your review on your budget. Quick question. I'm a huge proponent of prevention, and whatever we can do to make sure the crimes don't happen or that people are not taken advantage of. Do you have something on your website or is there a way we can inform our constituents of a place to go to make them aware of fraud, of these scams? You know, I'm talking to different people and unfortunately, you know, they have been taken advantage of. You know, what can we do as Legislators so this doesn't happen and hopefully you don't have as many cases.

**DISTRICT ATTORNEY SPOTA:**

Okay. We -- I myself probably speak at least twice a week on this very issue, Chambers of Commerce or whatever groups might want to hear us, senior citizens complexes, because we're pretty aware of all of the scams that are going on. Some of them we can't possibly handle. For instance when we get all these letters from Nigeria. I'm sure everybody here has either gotten one or knows of it. That's something that can only be done on the Federal level, and quite frankly, they are so overwhelming I don't know what they do. And you would think, by the way, that most people when they receive these letters would just say, "I can't believe this, who would fall for something like this?" Well, if they send out a thousand of them and they only get three or four responses, they have made a fortune, and that's what's happening.

There are people -- we had one person who actually was the victim of such a scheme and we told them we couldn't -- we're not going to Nigeria, or whatever it is, we can't do that, it's way outside of our jurisdiction. But we told that person and we showed them how could you fall for this? We don't want to say that in those terms, obviously. Well, guess what? Guess who was back about a year and a half later?

**LEG. NOWICK:**

Oh, no.

**DISTRICT ATTORNEY SPOTA:**

The same person. The same person fell for almost the same thing.

**LEG. ANKER:**

Is there -- again, you know, doing the PR campaign part of it, is there a public service announcement that you run continuously or maybe work with the local papers, or Newsday, News 12, just something to get that -- especially when there's a current scam happening. Just to get into people's minds so when they're talking at a PTA meeting or at a ball game it becomes news and they're aware of it.

**DISTRICT ATTORNEY SPOTA:**

I can't say that I put something on our website, I'll have to check to be honest with you. I do know that we get requests all the time and I have either myself or our prosecutors, especially those who are in our Economic Crime Unit, will go out and speak to whatever organizations want to hear us. If you have -- or any of the Legislators have groups that you think would be interested in hearing what we have to say, especially in a preventive fashion, I would be very happy to do it myself or send people out. I enjoy doing that because people are amazed at the number of schemes, and when they hear how easy it is to be defrauded it really is very helpful. It's a very attentive audience. Sometimes I go out and speak to groups and, quite frankly, I could be talking to that wall, but when you come to something like that that affects everybody, they listen.

**LEG. ANKER:**

Our school district has an instant alert and they send out a robo call on particular issues, you know, and of course this issue that you're dealing with is very important, but maybe, you know, consider a web page for scams. This way if someone hears something they can copy the link and they can forward that e-mail, and you know how quickly e-mail spreads; so just an idea. Thank you.

**CHAIRMAN GREGORY:**

I think I'm estimating at maybe a hundred million, I'm going to wait to a billion of all unclaimed funds from Nigeria that's owed me.

*(Laughter)*

Presiding Officer Lindsay, you had a question?

**P.O. LINDSAY:**

Yeah, just real brief, and just to kind of give some reassurance to the District Attorney. I gave my standard speech this morning; we don't have any money. I mean, we are absolutely in the worst fiscal shape this County has ever been in. But one of the things that the Working Group did immediately in our first session was to prioritize what's important to the citizens of this County and public safety is the number one thing that we prioritized. And we understand the relationship between your department, Police, the Medical Examiner, Probation, Corrections; I mean, if any part of that coalition of law enforcement agencies falls short, the whole thing cracks and we understand that and we'll do our very best. No promises, but we'll try our very best to keep it together.

**DISTRICT ATTORNEY SPOTA:**

Thank you.

**CHAIRMAN GREGORY:**

Okay. Thank you.

**DISTRICT ATTORNEY SPOTA:**

Thank you very much.

**CHAIRMAN GREGORY:**

I guess we're going to call the County Attorney and then we're going to get back to our public portion.

**MS. MALAFI:**

Good morning. I know that money is tight, but the budget of the County Attorney's Office, if positions are not filled, actually costs the County more money. I'll give you an example.

There are two filled Assistant County Attorney positions that have been abolished in the recommended budget and are not recommended to be filled by the BRO recommendations. Both of those attorneys are in my Family Court Bureau. Even though the budget -- I don't know how it happened, but one of them looks like she's a Real Estate attorney; she's not, she's in Family Court. If you take two attorneys out of Family Court, that means that I have two less attorneys to make sure children don't get hurt. That's what they do every day. We work with Social Services, we work with the court system to make sure that children are safe, that's every day.

I hate to point to our neighboring County, but in Nassau County a couple of years ago with budget shortages you saw what happened there, about five children who lost their lives. It's very important. We work very carefully with Social Services to make sure that children are taken out of dangerous situations. If you abolish those positions, I have two less attorneys to keep them safe. That would be a crime in and of itself.

My department also works with every department to do contracts. This body passed a prompt contracting law that provides for penalties if contracts aren't done by a certain time. If you abolish secretaries or other attorneys in my office, we're not going to be able to get contracts out on time. That's going to cost the County money.

My office also helps the CSEB, child support collections. If my office cannot go to court to force parents who are not paying child support to pay, that costs the County because then the parent with custody winds up on welfare because they can't pay the bills, or winds up homeless and then we have to provide families with shelter. That costs the County money.

My office goes to bankruptcy court weekly to try to collect monies owed to the County by persons who filed for bankruptcy. We will lose money if my office cannot do that. My office brings affirmative litigation on behalf of the County to collect monies owed, so if someone has accepted Social Services benefits and they own a house, my office needs to go in and enforce mortgages that are filed against the property when the house -- when the property is sold. There are so many countless things that we do that you can put an actual dollar amount on.

Additionally, my office tries cases. When cases are filed against the County, either for breach of contract or for alleged negligence of the County, the Police force, the Corrections Officers, anyone in the County, we defend those lawsuits. We do not try meritless cases -- I'm sorry. We do not settle meritless cases in order to save us from having to try them. We're approaching 150 defense verdicts for the County in both State and Federal Court during the past eight years. I can't do that without attorneys and secretaries.

My -- the number of positions in my office has not changed in the past eight years, despite the fact that we've been bringing more affirmative litigations, defending more cases. The cases in Family Court have increased dramatically. I haven't asked to put in any more positions, but I cannot do without the positions that are in my office. I have done what I could over the past year to lower costs by ridding the office of some attorneys that maybe weren't doing the work that they need to be doing in order to produce savings. We have done everything in my office. We have stopped ordering books, we have gone to computer. We have even come so far as to look at the calendar orders in my office to cut down the number of calendars that were being ordered in the office. We have done everything we can and it will cost the County money if I lower my staff.

I -- in addition to the two attorneys positions that are filled that have been cut from the recommended budget, I also have five clerical positions that were cut in the litigation area and in the

contracts area, which is my entire office. I have no control over the amount of paperwork that is requested and demanded by the Court and adversaries to the County. The paperwork has to get done. If I cannot respond to discovery requests timely -- sometimes the amount of paper that is required on a single case can require tens of hours of work by not one secretary, two or three secretaries and four or five attorneys to go through boxes of documents to determine which documents as requested are responsive to demands. We can be sanctioned by the court if things aren't timely. That costs money.

In addition, we -- my office does the red light camera prosecutions. That generates revenue to the County. And also, the statistics show, and it was just reported today in the newspaper, that you actually decrease the number of accidents at intersections with red light cameras. That prevents lawsuits against the County, because a lot of times when people -- when there's a question of lights at an intersection and there's an accident, the County gets sued because they said that we should have done something different to prevent somebody from going through a red light. So there's many, for safety, for -- to decrease litigation and to bring in the revenue from the Red Light Camera Program, I need positions. I know that there are two cut from -- two vacant positions cut from the red light camera clerical positions. At this point I can do without those, you know, and we can revisit that next year if somehow they need to be filled in order to review the tickets.

My office also seizes DWI cars by -- who are being driven by drivers who have two or more DWI's. Those cars we have to bring in litigation, we have to get title to those cars, we have to do prompt post seizure hearings, and we have to -- and then those cars are auctioned off by the County generating revenue.

So it's important to keep the Department of Law, which services every single department and agency of the County, filled as best possible so that money is not -- that extra money is not -- have to be spent by the County due to the lack of attorneys.

The last thing I would just like to talk about is the 18-B line in my budget. And I understand that that has been upped a little bit by -- or recommended to have money added by BRO, which I agree with. I just have to go into the Legal Aid Society budget for a minute because that impacts my 18-B budget. The Legal Aid Society needs to be able to take every case in which there is not a conflict between itself and an indigent defendant who needs a lawyer. If they can't do that, that means more indigent defendants must go to 18-B, an 18-B lawyer. 18-B lawyers are much more, much more, expensive than the Legal Aid Society.

The recommended budget for the Legal Aid Society cuts a number of positions, and I'm just going to use -- I'm sure they'll talk about it, but I just want to use as an example, they have two lawyers that were placed into special parts in Family Court. Those two lawyers are cut in the recommended budget. If those two lawyers are not in place in the Family Court, there will be a approximately, according to the Administrative Judge at the Family Court, 500 cases that will have to go to 18-B lawyers; that's a lot of money. Five hundred cases at roughly twenty-five hundred or more dollars per case, that's a lot of money. It is vastly more economic to fund the Legal Aid Society to handle these cases rather than to push it off to 18-B lawyers to handle.

**CHAIRMAN GREGORY:**

Okay.

**MS. MALAFI:**

I'd appreciate -- like I said, every position that's filled I need in my office. I would like to have the vacant positions stay as well because when -- the tide ebb and flows. What do we need lawyers for, what do we not need lawyers for. What do we need clerical for, what do we not need clerical for. When a clerical position becomes vacant that you don't need to fill, you leave it open and have savings. That's what we do. I understand we're in a very tight budget, but I just would like

everyone to understand that not funding the Department of Law costs the County money, it doesn't save any money.

**CHAIRMAN GREGORY:**

Okay, thank you. Okay. We have quite a few speakers, so we're going to ask everyone if they could just please maintain their comments to five minutes so we can get through everyone. We have Vito Minei next.

**MR. MINEI:**

Thank you, Mr. Chairman, Mr. Presiding Officer, and members of the joint committee. I am Vito Minei, Executive Director of Cornell Cooperative Extension. I'm here this morning to discuss the 2012 Operating Budget as it pertains to Cornell Cooperative Extension. I distributed, once again, a one-page summary of the budget situation that Cooperative Extension is facing. Because I went through this in detail last week and I've sent you electronic versions, I'd like to really just focus on the bottom of this page and the request.

On pages 156 through 162, the BRO Office in their report has evaluated the Cooperative Extension request for 2012, and we're encouraged and gratified that BRO has concurred with our request to reinstate the totally defunded two programs, 4H and Family Health & Wellness, and also to recommend to you a 5% cut. In essence, they're recommending what's presented on the one page or under Roman Numeral II, A, our core programs, that \$133,000 cut. And we understand that the current situation and the forecast for a very dreadful economy moving on into the next several years.

The one glaring concern for us pertains to the Diabetes Prevention Program. In their recommendations BRO has now recommended that a \$92,000 cut be incurred to that program, and we ask you to reconsider that reduction. Please recall the deliberations in the spring of this year, I believe it was IR 1035 that, when passed, was Resolution 70 of 2011, where you restored the cut to diabetes because it was recognized that millions of dollars of Federal Ryan White HIV funding would be jeopardized, if not a fully funded Diabetes Prevention Program.

But putting aside that revenue for a second and just looking at the value of the program itself, we have 12 educators that go throughout the entire County throughout the year, on weekends and holidays as well, registered nurses and dieticians, that conduct over 5,000 individual consultations at the eight clinics, but over 75 group programs. We have two bilingual translators because a considerable amount of diabetes is in our poor sections of the County, in our lesser employed sections of the County.

In your two districts, Legislator Gregory and Montano, there is growing diabetes. And what's really very alarming is the amount of increase in childhood obesity and adult onset diabetes. I just had the opportunity to sit in on a session in our offices on Columbus Day, and there were over 24 elderly, and I was rather dismayed at the fundamental lack of information about how their bodies function, about diet, about testing themselves and about self-medicating. So the need for these programs is increasing. The amount of diabetes is epidemic in Suffolk County.

So in conclusion, I would ask you to consider, again, the loss of Federal funding, the cost effectiveness of the programs that we at Cooperative Extension provide to all 18 of your districts. Keep in mind that Cornell provides our State fringe benefits, so on a \$400,000 program it's probably in excess of \$100,000 of fringe benefits we've provided. Most of our educators we have on a part-time basis to recognize the need to cut costs. There aren't much in the way of administrative cost to this program, but again, I'd ask you to reconsider the over \$90,000 cut. I'm hoping there is some compromise that can be had between -- even the five percent cut will reduce our programs, but somewhere between the 24% cut that's recommended and the 5% reduction that seems to be the norm for contract agencies. We'd ask your consideration in terms of this very dreadful economy.

Thank you.

**CHAIRMAN GREGORY:**

Thank you, Vito. No questions. Terence Smith.

**MR. SMITH:**

Good morning, Legislator Gregory and Legislator Montano and members of the joint committee. No one doubts the severity of the decisions that are before you, nor the situation that we're in as a County. However, I return here because I do feel a commitment to over 9,000 individuals who are Suffolk County residents living in northwest Suffolk County. You heard from Ms. Vizzini a few minutes ago about the cuts to the health centers funded by the County. What she didn't detail was the elimination of the funding for the Dolan Family Health Center in the County Executive's budget.

I know you will be deliberating on how best to fund our health centers, but I wanted to point out that in the County Executive's budget there is reference to an endowment fund. I wanted to be here to give you the opportunity to ask any questions you might have about that fund that was started for the Dolan Family Health Center.

The Board of Directors of Huntington Hospital decided in the year 2000, after seeing some very rapid growth from 1995 to the year 2000, in demand for health center services. Actually, in the first ten years of the Dolan Center being open we went from 14,000 visits our first year to 28,000 in our tenth year. So seeing that and witnessing the annual fight we had each year where the County Executive routinely lopped off 25 to 30% of whatever the Dolan Family Health Center was funded the previous year and recommended that for the second year, for the next year, the Board decided that it needed some kind of buffer, some kind of way to stabilize the health center and to minimize the burden that the hospital would have if there were million dollar losses or 900,000 losses every year at the Dolan Family Health Center.

What we did is we launched a campaign called Challenge 2000. Our goal was pretty lofty. We had hoped to raise four million from the community and the hospital was going to find a way to match that from operating revenues over the next six to eight years. We actually raised two-and-a-half million dollars in donations from companies and corporations and individual community members, and the hospital did match that up to two-and-a-half million. So as of right now there is approximately \$5 million in Huntington Hospital's endowment fund for the Dolan Family Health Center.

The Board in establishing the endowment fund had several caveats. One was that the first 3% of any interest that was generated in any year would not be distributed, and only interest above 3% would be distributed each year. The second caveat was that we could never spend the corpus, the \$5 million of the endowment fund. That may be modified somewhat because I'm told that currently New York State Law for charitable organizations does allow distribution of up to 7% of the corpus of an endowment fund for support of the mission that the fund was raised for. Since we have opened the Dolan Family Health Center in 1995, Huntington Hospital at the end of this year will put in over eight and a half million dollars of its own money to support the Dolan Family Health Center. And since we've had an endowment fund, approximately \$2 million has been distributed after the second year that we opened the endowment fund, to support the unfounded deficit at the Dolan Family Health Center that's not picked up by the County. So I wanted you to know that.

Going forward, if it were legal, as the County Executive suggests, for the Dolan Center to be able to raid the endowment fund to makeup for two-and-a-half million dollars each year that has been our County funding, we would only have two years to go before that fund would be completely depleted. And sooner or later that would lead to the end of the Dolan Family Health Center's mission.

I wanted to just close my remarks by one thing, one little story. In 1969 I was discharged from the US Navy. I was a medical corpsman stationed with the Marine Corps in Okinawa. I went back to undergraduate school at Temple University and I got a job evenings working in the ER of Philadelphia General Hospital, which has long since been torn down. But one day I was in the ER, I noticed that when I left one shift there was a gentleman who everybody was talking about, who had been brought in by the police. He was found on the street. He couldn't get to his health center for his diabetes and his hypertension, but he was brought in the ER, and in a busy ER in between stabbings, a motor vehicle accident and the delivery of two babies that day, we actually went to the cafeteria and got that gentlemen three meals. I hope that whatever we do with our health centers this year doesn't force us into that kind of a situation.

I do believe that we are out of money as Mr. Lindsay says, but I do believe that you will do the best you can. And the fact that I'm here for 16 years asking for funding for a very worthwhile health center suggests that you do do the right thing every year. Thank you.

**CHAIRMAN GREGORY:**

Thank you for your comments and of course your service to our country. I believe Legislator D'Amaro has a question.

**LEG. D'AMARO:**

Hi, Terry. Thanks for coming down today. I just want to clarify something you said, that the endowment -- well, first of all, Huntington Hospital has also been contributing towards the operations of the Dolan Family Health Center; is that correct?

**MR. SMITH:**

That's correct.

**LEG. D'AMARO:**

It's done that since it first opened.

**MR. SMITH:**

Since 1995.

**LEG. D'AMARO:**

Right, and over those years obviously there's been a demand in the or an increase in the demand for health services at the center.

**MR. SMITH:**

That's correct.

**LEG. D'AMARO:**

Right. And in addition to that, there is this endowment that was created by the Board of the hospital, but you're saying that there are limitations on how that endowment may be used. Is that the point you're making?

**MR. SMITH:**

Well, certainly it can only be used to support the remaining deficit at the Dolan Family Health Center after revenue, patient fees and County funding is applied.

**LEG. D'AMARO:**

All right, but you stated that there's a limitation on -- you cannot invade the corpus of the endowment itself.

**MR. SMITH:**

That's correct. The stipulation by the Board was that the corpus would not be used, that it would be preserved for future years when we needed to generate interest. And as I mentioned, New York State Law does allow only 7% per year of a corpus of a not-for-profits endowment fund to be distributed.

**LEG. D'AMARO:**

Right, so -- but does the document governing the endowment itself overrule that in effect? I mean, are you permitted to invade that corpus to that 7%? Do you feel that you are or does the document creating the endowment itself prohibit you from doing that?

**MR. SMITH:**

We have not tried to override the Board's prohibition against raiding the endowment fund.

**LEG. D'AMARO:**

So the contribution coming from the endowment over the years has been income in excess of 3%, because I believe you said the first 3% was excluded from use, so that the corpus would not only remain, but grow over time?

**MR. SMITH:**

That's correct. There were years, like in 2008 when everybody suffered losses in investment, the endowment fund value went from \$5 million down to 46% of its value. So there is some risk in depending upon an endowment fund to makeup for funding shortfalls.

**LEG. D'AMARO:**

Right, I understand, but even putting that aside, it seems to me that there are limitations on how that fund can be used and, in fact, given those limitations there's not sufficient funding to makeup being zeroed out in the 2012 budget; is that correct?

**MR. SMITH:**

That's correct.

**LEG. D'AMARO:**

Okay. All right. I just wanted to clarify that. And again, I appreciate your time. Thank you.

**MR. SMITH:**

Thank you.

**CHAIRMAN GREGORY:**

Presiding Officer Lindsay.

**P.O. LINDSAY:**

I'm going to ask a question that I already have the idea, but I would like it on the record. What's the total budget for Dolan?

**MR. SMITH:**

It's a little over -- just a shade over seven million dollars.

**P.O. LINDSAY:**

Of which the County contributes about two and a half --

**MR. SMITH:**

Yeah. This year the County's contribution is about 36 1/2%.

**P.O. LINDSAY:**

Okay. That's what I wanted on the record.

**MR. SMITH:**

If I may go on, revenue and pushing revenue has grown to makeup 50% of the cost of running the Dolan Family Health Center, and I'm quite proud that we've taken that stance to funding our health center.

**CHAIRMAN GREGORY:**

Thank you. Penny Wells LaValle? I think she went in the hallway. Okay. Bob Mitchell.

**MR. MITCHELL:**

Good morning, Mr. Chairman, members of the panel. First I'd like -- I'm Bob Mitchell, Suffolk County Legal Aid. First, I'd like to thank Mr. Kennedy and Mr. Montano for helping us get into the State medical system, which saved the County well over \$300,000, if not better, 350. Mr. Lindsay was prodding me for years and I was finally able to get it through and these two gentlemen helped us tremendously.

This is a dog and pony show, so I've spoken to every one of you individually in regards to our budget, so I won't detain you any longer outside of saying that we are not in the exempt category like the DA and the County Attorney. So when you cut our budget -- is cut, you include our medical and our pension. We froze our pension, but you include that. So whatever that discount is, 5%, you take our benefits away in addition to whatever other money. And that's basically all I have to say. Now, Lou, you want to say something?

**MR. MAZZOLA:**

Yes, I just want to address some of the issues that the County Attorney brought up with respect to the way we operate. Of course the most important thing is this interplay between our organization, the Legal Aid Society, which operates with a contract, which we are not permitted to exceed, no matter how many cases we take. So even though our caseload has increased over the last ten years, and our staff has not also increased during that time, we have not turned away any cases. The only time that we are not available to take cases is such -- are in places like the Family Court. And Miss Malafi referenced that and what happened this past year is that we had some vacancies in the District Court so we were able to transfer some attorneys over to the Family Court because, and I know this Legislature has dealt with the shortfall in the 18-B budget for 2011, we were trying to alleviate some of those costs that the County was experiencing in the Family Court. Now, we anticipate that come January the judgeships in the District Court will be filled and we won't be available to be in both places at the same time, so we are going to have to make some decisions about where to deploy our resources.

Now, I guess the main thing here is that, you know, the County Executive is cut our budget by some \$630,000 for over what it is this year. So next year we are expected to operate with \$630,000 less than this year. Part of that we can makeup out of the savings that we have achieved in the medical expenses. But the rest of it, at least half of it, we are going to need in order to continue our operations in Family Court. And, again, you know, the only reason why we are not assigned in Family Court is that we simply don't have attorneys there to be assigned. So the courts would just assume take one of the attorneys who are in the part and assign them to the case as an 18-B attorney. So even though we are asking for you to restore some of our money over what the County Executive has taken out, we believe that you are going to get more production for less dollars than you actually spent in 2011.

So that's basically my pitch. As Mr. Mitchell said, we've already done a lot of things to achieve cost savings in our budget and we'll continue to do that of course. We want to be able to deliver the services that you're paying for and more. So if you have any questions about any of that, I know

some of you -- some of you are attorneys and you already understand how the State can be in Legal Aid interplays, but those of who are not or even if you are, if you have questions I'll be happy to answer them.

**CHAIRMAN MONTANO:**

I have question, but Legislator Nowick, you wanted to go.

**LEG. NOWICK:**

Just quickly. You said that out of the savings that you have in your budget that you could possibly makeup half of it, of the cut. Is that what you said?

**MR. MAZZOLA:**

We can probably make up some of it out of the saving that we have achieved thanks to Mr. Montano and Mr. Kennedy in our medical expenses.

**LEG. NOWICK:**

What would you estimate that in dollars?

**MR. MAZZOLA**

About \$300,000.

**MR. MITCHELL:**

Around 350.

**MR. MAZZOLA:**

The savings.

**MR. MITCHELL:**

Oh, the savings.

**MR. MAZZOLA:**

You're talking about the savings.

**LEG. NOWICK:**

From the savings. Yeah, that's from the medical.

**MR. MAZZOLA:**

I mean, it's a budget number, it's our guess, you know. It's our best guess as to what we can save next year in our medical.

**LEG. NOWICK:**

I know we've been talking about medical for years and it finally came to fruition. Good. Congratulations. Thank you, Rick.

**CHAIRMAN MONTANO:**

I had more a comment than a question. And, you know, obviously you made reference to the fact that we had to restore the 18-B shortfall this year, which the Legislature passed at its last meeting. We're hoping that the County Executive doesn't veto that. But we're going run into the same problem next year.

However, at the direction of Legislator Lindsay a committee was formed of myself, Legislator Kennedy and Legislator Stern to meet with the various Administrative Law Judges to discuss the 18-B program and how we can work together to cut costs. And you mentioned your inability to be in a courtroom could enhance our having to fund 18-B lawyers because you're not around to have the

court appoint a Legal Aid attorney. Is that not what you alluded to?

**MR. MAZZOLA:**

That's correct. As matter of fact, we have eight attorneys right now assigned to Family Court and there are --

**CHAIRMAN MONTANO:**

How many do you need there?

**MR. MAZZOLA:**

Well, there are 24 parts so we try to deploy them as best we can, but between here and Riverhead there are potentially 24 courts that those attorneys need to appear in. So if --

**CHAIRMAN MONTANO:**

But if you're not in one particular court, and there's a situation where the judge needs an attorney, aren't you available on call to be appointed in lieu of an 18-B attorney?

**MR. MAZZOLA**

We are if the judge wants to wait for us.

**CHAIRMAN MONTANO:**

You're laughing. Everyone's laughing today. I don't get this.

**MR. MAZZOLA:**

I'm sorry. We are if the court wants to wait for us.

**CHAIRMAN MONTANO:**

Well, that's the thing.

**MR. MAZZOLA:**

You know, a lot of times they don't want to wait for us and our attorneys are otherwise engaged in the other parts.

**CHAIRMAN MONTANO:**

Right, and that's where I was going. And what I was going to ask you is that we are in the process of setting up a meeting with both Judge Hendricks and Freundlich and we want to discuss this. If you could -- you could help us by recommending; you know more about this process than we do. We are lawyers, but are not really doing 18-B. We're not in the court everyday. If you could come forward with some recommendations on how we can work and suggest to the Administrative Law Judges ways of saving County money on outside counsel. And I'm not saying that we are going to eliminate 18-B; 18-B is a necessary part of the legal process, it's mandated by case law, but there are ways to trim it. If you can, you know, show us the way on that, I think we could use those as our talking points when we meet with the judges, and since you have more familiarity with that I would like to request that you submit something to us with some recommendations. We'll keep them in, you know, we are not saying "Oh, by the way, Legal Aid said this and Legal Aid said that". These are just things that we want to know so when we go in there to negotiate how we can run this program more effectively we've got some ammunition. Is that okay?

**MR. MAZZOLA**

We'd be happy to do that.

**MR. MITCHELL:**

We can give you something in writing. But as Lou said, if we had more attorneys that were floating back and forth, they'd pick up a number of cases on any given day as you have an 18-B attorney or

attorneys assigned for that day or private attorneys running around. If we had our people running around they may give us, give a day to Legal Aid.

**CHAIRMAN MONTANO:**

Right. My understanding was that, you know, an 18-B should be appointed when Legal Aid is unavailable, and that doesn't mean that you're not, you know, unavailability being in the courtroom, meaning that you're not able to take the case. 18-B is to supplement you and not necessarily to say, "Well, the Legal Aid attorney went to the men's room, therefore I am going to appoint 18-B and pass that cost on to the taxpayer". I don't mean to be flippant with that, but that was my understanding initially of 18-B, for conflicts, for cases that required outside counsel and for cases that 18-B could not handle.

**MR. MITCHELL:**

That's true, and we have a copy of the Bar Association's, what is it, resolution that was signed back in 1965, which says that all the cases should be come through Legal Aid, as you said --

**CHAIRMAN MONTANO:**

First.

**MR. MITCHELL:**

As first and then go to the -- if there's a conflict then it goes out. I have one of the contracts here. I'll --

**CHAIRMAN MONTANO:**

Send that over, yeah.

**MR. MITCHELL:**

I'll get it over to you.

**CHAIRMAN MONTANO:**

The small committee that was formed would like to look at that. Thanks.

**CHAIRMAN GREGORY:**

Okay. Thank you, gentlemen. Good to see you.

**MR. MITCHELL:**

Thank you very much.

**CHAIRMAN GREGORY:**

John Keary.

**MR. KEARY:**

Good morning, everyone. My name is John Keary. I'm a Detective Investigator and also the President of the Suffolk County Detective Investigators PBA. I'd like to thank the members of the committee for taking the time out to allow me to speak this morning about the County Exec's budget and the Budget Review Office's response.

The County Exec's budget calls for the elimination of six Detective Investigator positions. The Legislature's Budget Review Office does not recommend putting those positions back in the budget. Like most other places in the County, we are already shorthanded. The elimination of those six positions amounts to a 19% cut in DI manpower. These cuts will have a negative impact on public safety.

Detective Investigators are highly experienced detectives who come from various major law environment agencies. They average 30 years of police experience and about nine years of police supervisory experience apiece. We have the most highly trained and experienced group of detectives that I know. Detective Investigators are tasked with the primary investigation of economic crimes, crimes involving elder abuse, CODIS hits, those are cases where DNA has been analyzed anywhere in the nation and has been found to be related to cases in Suffolk County, insurance and mortgage fraud, welfare fraud, government corruption, labor laws, all criminal appeals cases, the implementation of wiretaps, pen registers and other surreptitious surveillance methods used by law enforcement throughout the County. No other County or State investigative agency is responsible in those particular areas.

Currently, Detective Investigators are assigned as significant components of the East End Drug Task Force, Heroin Task Force, DEA Task Force and the Revenue Crimes Task Force. I know you can all understand that these units are responsible for the seizure and conversion of significant amounts of cash and assets, which are applied to the County priorities.

One of the primary activities of the DA's Office is the prosecution of defendants charged with all crimes in Suffolk County, from basic violations of theft, assault or DWI, to the most complex serial rapists, patterned armed robberies, gang activities and child sexual predators. A quick study of news stories in Suffolk would illustrate the importance of the office's successful prosecution in every one of these cases. The failure in just one of these prosecutions to convict the guilty defendant would have a profound effect on the citizenship of the County. Detective Investigators are an irreplaceable part of the prosecutorial team. DI's are tasked with locating additional physical evidence and witnesses, ensuring that evidence already collected has been properly and entirely analyzed, and locating and ensuring the appearance of witnesses, both willing and hostile. The failure of the office to perform quickly and efficiently in these areas results in the defendant's release or acquittal and the waste of police and prosecutorial resources of the County. In all probability, these subjects will continue to victimize the public, eventually presenting themselves again for the system at additional cost.

The Detective Investigators will continue to conduct investigations to the best of their abilities, regardless of how many are employed in the office. Just keep in mind that for each eliminated DI position there will be one less highly seasoned Detective Investigator around to do casework. That means the workload gets spread out. The math is simple. Less people doing the work means it takes longer to get things done, if at all. We know the big cases will always get done. However, there will be cases that will get less polish. There will be cases which take much longer to complete. Some cases will fall through the cracks in that they might not get done at all.

I would like you to take into consideration all that I've said when you are going through this process. Elimination of Detective Investigator positions is not an answer to resolving these budget issues. Thank you for your time.

**CHAIRMAN GREGORY:**

Thank you. Legislator Montano has a question for you.

**CHAIRMAN MONTANO:**

Good afternoon. Well, still good morning, five minutes. Were you here when DA Spota made his presentation?

**MR. KEARY:**

Yes.

**CHAIRMAN MONTANO:**

All right. So you heard all the comments.

**MR. KEARY:**

Yeah, this is my short version.

**CHAIRMAN MONTANO:**

Got you. Thank you.

**CHAIRMAN GREGORY:**

Thank you again, John.

**MR. KEARY:**

Thank you.

**CHAIRMAN GREGORY:**

Penny Wells LaValle.

**MS. WELLS LaVALLE:**

Thank you. I am Penny Wells LaValle and I am privileged to be the Director of the Real Property Tax Service Agency. You're all familiar faces to me, you've have seen me here before, most of you. Legislator Anchor. And we prepare the tax maps for Suffolk County and maintain those tax maps; that's a mandate from the State. I know you don't like that word, but we do a good job at it and by producing those tax maps we are also very innovative and we produce revenues for the County.

During my tenure, we have consistently produced a return of the County's investment in our agency, sometime seven times our expenses, our salary expenses, and we've held our salary expenses under two million. In the good old days it was around 1.8, 1.9 million. I have circulated this to the working committee. That's why I like to stand, because I'm up and down all the time.

**CHAIRMAN GREGORY:**

Stay there. We'll have someone come to you.

**MS. WELLS LaVALLE:**

Good man. Over the years our salary has diminished. The beginning of this year I was -- when I started we had 48 individuals working in Real Property. Of course that was the heyday of real estate or the waning part of the heyday of real estate. We are now -- beginning of the year we are faced with nine vacant positions, and in the current budget we are looking at an additional five layoffs. That brings my entire, including myself, agency down to 21 individuals.

We are -- every individual in our agency produces revenue, whether you are making a tax map, whether you're verifying information that goes down to the County Clerk's Office as a recorded -- for a recorded document. We bring in millions of dollars every year. The chart that I gave you -- I love maps, I love charts, I love pictures -- shows a consistency over the last four years of keeping our salary to our revenue expense -- our expense to revenue ratio at a very similar fine line amount, between 31 and 29%. The County Executive had recommended this year a 29.9% expense to revenue ratio.

Bad news is I'm down staff, good news is I'm proposing to you a venue, a way to help me manage my office for the future of this County. I consistently look at my office as a business since we produce revenue. We have various pieces of legislation that I hope will appear on your desk to -- for more revenues for the County, and I have made some recommendations, that is on the second page, to maintain the staff members that were being laid off, but I am offering an alternative proposal where they will only -- in place of five, and one of those five is retiring so that really doesn't count, but, I mean, it does drastically, but recommending two other positions. And if you do the math, and the County Executive recommended salary account of 1.464 million next year, and my ultimate figure, including the hiring next year, and I understand that would be the County

Executive's prerogative, the hiring of GIS professionals in our office. We are changing technology. We have been talking about technological changes for years. So, my proposal is in your hands. We actually reduced the salary amount by 16,000. It's hard to read, it's small. I tried to fit everything on one page for you. Actually it's \$16,000 less than the County Executive's proposal.

So I appreciate your time. We are an office that appreciates the support of the County Clerk, the Treasurer. We all work together, we collaborate. The County Attorney's Office is very important in those contracts where we bring in the revenue, so we all work together. And I'm hoping that this is a little bit of good news where, you know, we're talking about a different plan, a business proposal, for you to entertain. Questions?

**CHAIRMAN GREGORY:**

We have a few people that have questions for you. Presiding Officer Lindsay.

**P.O. LINDSAY:**

Penny, thank you very much for your thoughtfulness with this. I just want to make sure I understand it. So you're proposing that we hire these two technical positions to upgrade your computers, but yet spend \$16,000 less because someone's retiring and you don't want to fill that position? Is how the --

**MS. WELLS LaVALLE:**

Well, that's just how the numbers work.

**P.O. LINDSAY:**

Okay, but that's where we're getting the money to hire these two people, you're kind of trading off that retiree for the two techs?

**MS. WELLS LaVALLE:**

If that's how you would like to look at. It just boils down to the dollar amount at the end.

**P.O. LINDSAY:**

Okay. But that's really it in a nutshell. Thank you.

**MS. WELLS LaVALLE:**

Yeah, that sounds good to me if you like that. Thank you.

**CHAIRMAN MONTANO:**

Good afternoon, Penny. First of all, I want to apologize for cancelling the meeting with you. You know we had a family situation.

**MS. WELLS LaVALLE:**

I understand that. Sorry to hear that.

**CHAIRMAN MONTANO:**

Thanks for your indulgence. I really can't read this because the print is small and my eyes are -- until I get my new glasses. But the bottom line is what is the relevant part here. I see something highlighted in yellow and then next to it is in blue. From your answer to Legislator Lindsay's question, basically you're saying that you have come forward with a counterproposal that will save us some money and that you can live with?

**MS. WELLS LaVALLE:**

Yes.

**CHAIRMAN MONTANO:**

Okay. And has that gone over to BRO yet?

**MS. WELLS LaVALLE:**

Yes.

**CHAIRMAN MONTANO:**

Okay. That's all I need to know.

**CHAIRMAN GREGORY:**

Legislator Romaine had a question for you.

**LEG. ROMAINE:**

Essentially Real Property has two major functions. One is to maintain the tax map so any subdivisions, any changes to that map is something that your office is involved in. It's my understanding, which I think most of these -- most of my colleagues know because we all have tax map books in our office, but you sell those books. You also sell the discs and things of that nature and bring in revenue that way. That's correct?

**MS. WELLS LaVALLE:**

That's correct.

**LEG. ROMAINE:**

And how much revenue do you bring in from the tax maps?

**MS. WELLS LaVALLE:**

Between three and \$500,000 a year.

**LEG. ROMAINE:**

Right. Now, your major source of revenue is the second thing that you do. Unlike most counties in New York State, we happen to verify. Most counties in the State do not verify documents. That's simply to say that when a deed comes in or a mortgage comes in or something of that nature, your department verifies the property description on that document.

**MS. WELLS LaVALLE:**

That's correct.

**LEG. ROMAINE:**

And that brings in about three million dollars right now.

**MS. WELLS LaVALLE:**

More than that. We are looking at \$4.8 million this year --

**LEG. ROMAINE:**

Four point eight. That's because originally when we did -- we started verification in the late 70's, we charged \$3. Now we charge \$30 to verify.

**MS. WELLS LaVALLE:**

That's correct.

**LEG. ROMAINE:**

And that requires an examination of each of these documents to ensure that the property description is correct.

**MS. WELLS LaVALLE:**

That's correct.

**LEG. ROMAINE:**

Most counties, however, put that burden on the recorder and they don't take that because there's a liability if you take that on, but we do that.

**MS. WELLS LaVALLE:**

Uh-huh.

**LEG. ROMAINE:**

And the amount of documents being recorded over the last couple of years have gone down. Is that correct?

**MS. WELLS LaVALLE:**

That's correct.

**LEG. ROMAINE:**

But if they go up, obviously our revenues go up.

**MS. WELLS LaVALLE:**

(Shaking head yes)

**LEG. ROMAINE:**

And some people have looked, because I know when I was County Clerk the verification fee, and no document can be recorded in this County since we do verification, until your department handles it first, and then it goes to the County Clerk for recording.

**MS. WELLS LaVALLE:**

(Shaking head yes)

**LEG. ROMAINE:**

It used to be \$15; now it's \$30.

**MS. WELLS LaVALLE:**

(Shaking head yes)

**LEG. ROMAINE:**

And that's something, a fee that the County can set without State legislation or State enabling?

**MS. WELLS LaVALLE:**

It requires State -- requires enabling legislation.

**LEG. ROMAINE:**

Excuse me?

**MS. WELLS LaVALLE:**

It requires enabling legislation.

**LEG. ROMAINE:**

To set that --

**MS. WELLS LaVALLE:**

Your verification fee, yes.

**LEG. ROMAINE:**

So when it went from \$15 to \$30 the County had to get enabling legislation for that?

**MS. WELLS LaVALLE:**

(Shaking head yes)

**LEG. ROMAINE:**

They did. What are the other counties -- I think there's a handful, very few, that verify. What are other counties charging?

**MS. WELLS LaVALLE:**

They really don't. I've had many County's look at our system because they would like to encumber those revenues. They don't have as good, and I think they're upfront about it, relationship with the County Clerk that Suffolk County does and has historically had. We all work together, we're all in the same building, and when a document goes to recording, and even Nassau has been over to look at it. They were looking to revise their system. The County Clerk will record the document and they have various parameters, as you know, that they have to look at in terms of the signature, but they don't necessarily look at the tax map description. So then it goes over to the County Directory -- over to the Real Property Office and Upstate. And they say whoa, this is the wrong tax map number or the wrong description, it doesn't meet that. So then they have an expense of that document going to a County Attorney's Office, they have to go through a process of notifying the new owner, so it becomes very cumbersome. They've looked at it but you need people to cooperate. We have been very collaborative with everyone so we have that benefit here. They need to change their laws.

**LEG. ROMAINE:**

Just one last quick question. Real property recorders, you have sufficient enough to keep up with the filing, there isn't a gap between verification and recording?

**MS. WELLS LaVALLE:**

Well, as of today we have approximately 4700 documents behind. Two of the layoffs --

**LEG. ROMAINE:**

Forty-seven hundred documents behind. So, for example, if I file a document, I go to file with the County Clerk, the first thing the County Clerk does is sends it -- because they're on the first floor, you are on the second, sends it upstairs to you to verify. If we had, I think this is a point that should be made, if we had more real property recorders, there wouldn't be a gap between verification and recording, and we would collect our money sooner.

**MS. WELLS LaVALLE:**

Right. You have over \$100,000 just waiting to be collected today.

**LEG. ROMAINE:**

Right, that's from the 4700 documents, minimum \$100,000 is just sitting there because you don't have enough people to process the paper.

**MS. WELLS LaVALLE:**

Correct. And two of the layoffs are recorders.

**LEG. ROMAINE:**

That's, you know, that's 100,000 today that's sitting there.

**MS. WELLS LaVALLE:**

It pays for those individual's jobs, but yeah.

**LEG. ROMAINE:**

In one day.

**MS. WELLS LaVALLE:**

One day.

**LEG. ROMAINE:**

I just want to point that out because I don't think people understand the interplay between verification and recording between the Real Property Tax Service Agency and the County Clerk's Office. When you don't have enough real property recorders you don't get verification done, you don't -- you are not allowed to record it until verification is done. You have a backlog. The bigger that backlog the more the cash is sitting there. The check's attached to the documents. Now, the auditors came in and they had said, "Well, just cash the checks". Yeah, well, once third of the documents the County Clerk finally gets is rejected for one thing or another. So you really can't cash the checks until you examine the documents.

**MS. WELLS LaVALLE:**

(Shaking head yes)

**LEG. ROMAINE:**

If you had one more recorder could you clear up that backlog? That's \$100,000 a day.

**MS. WELLS LaVALLE:**

Yes.

**LEG. ROMAINE:**

Thank you.

**CHAIRMAN MONTANO:**

Thank you. Thank you very much, Penny. We appreciate you coming.

**MS. WELLS LaVALLE:**

Thank you. Appreciate your time.

**CHAIRMAN MONTANO:**

Thank you. And we have one more card and that's from Richard Meyer from Suffolk County AME. Richard, how are you? Richard, we are on a tight clock so we are going to keep you to the five minutes.

**MR. MEYER:**

Well, I have then very good news. I'm simply making a statement for the record that President Cheryl Felice asked me to make and it will be very brief.

**CHAIRMAN MONTANO:**

Go ahead.

**MR. MEYER:**

She has already distributed a letter to the Legislature that presented at your hearing here actually last Tuesday, and she simply wanted to enter for the record that AME will be making its full budget presentation this coming Wednesday afternoon at the Labor Committee meeting, as it has done in the past since 2003. Thank you very much. Everyone enjoy lunch.

**CHAIRMAN MONTANO:**

Tell her we'll see her there and we look forward to it. Thank you very much. I don't think there are any further cards, and I hope there's no one else that wants to address the Legislature. Hearing none, Legislator Gregory, I guess this joint committee meeting is adjourned, right?

**CHAIRMAN GREGORY:**

Yes.

*(The meeting was adjourned at 12:13 P.M.)*