BUDGET AND FINANCE COMMITTEE

OF THE

SUFFOLK COUNTY LEGISLATURE

MINUTES

A meeting of the Budget and Finance Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York, on July 23, 2013.

Members Present:
Legislator DuWayne Gregory - Chairman
Legislator Jay Schneiderman - Vice-Chair
Legislator Wayne Horsley
Legislator Al Krupski

Not Present:
Legislator Muratore (Excused Absence)

Also In Attendance:
George Nolan - Counsel to the Legislature
Sarah Simpson- Assistant Counsel to the Legislature
Renee Ortiz - Chief Deputy Clerk of the Legislature
Michael Pitcher - Aide to Presiding Officer Lindsay
Paul Perillie - Aide to Legislator Gregory
Christina DeLisi - Aide to Legislator Schneiderman
Kevin LaValle - Aide to Legislator Muratore
Tom Vaughn - County Executive's Office
Robert Lipp - Director, Budget Review Office
Sharen Wagner - Budget Review Office
Gail Lolis - Deputy County Attorney
Rick Brand - Newsday
All Other Interested Parties

Minutes Taken and Transcribed By:
Gabrielle Severs - Court Stenographer

(*The meeting was called to order at 9:58 a.m.*)

CHAIRMAN GREGORY:
Okay. Let's all rise for the Pledge of Allegiance led by Legislator Krupski.

(*Salutation*)

I want it to be on the record that Legislator Muratore has an excused absence today. Do we have any cards, Madam Clerk?

MS. ORTIZ:
No cards.

CHAIRMAN GREGORY:
Is there anyone in the audience that would like to speak? Please come forward. Okay. Seeing none, we'll get to the agenda.

Tabled Resolutions

IR 1032, Adopting Local Law No. -2013, A Charter Law to adopt tax policy prior to Election Day ("Taxpayer Awareness Act Part 1") (Cilmi).
Make a motion to table, table for a public hearing. Make a motion to table because of the public hearing.

D.P.O. HORSLEY:
Second.

CHAIRMAN GREGORY:
Second by Legislator Horsley. All in favor? Opposed? Abstentions? **Tabled / Public hearing (Vote: 4-0-0-1, Not Present: Leg. Muratore)**.

IR 1033, Adopting Local Law No. -2013, A Charter Law to require open deliberations in budget amendment process ("Taxpayer Awareness Act Part 2") (Cilmi). Same motion, same second. All in favor? Opposed? Abstentions? **Tabled / Public hearing (Vote: 4-0-0-1, Not Present: Leg. Muratore)**.

IR 1034, Adopting Local Law No. -2013, A Charter Law to improve transparency and participation in setting spending priorities ("Taxpayer Awareness Act Part 3") (Cilmi). Same motion, same second. All in favor? Opposed? Abstentions? **Tabled / Public hearing (Vote: 4-0-0-1, Not Present: Leg. Muratore)**.

IR 1312, Amending the 2013 Operating Budget to assure adequate personnel for Wastewater Management (Schneiderman). I'm going to make a motion to table.

D.P.O. HORSLEY:
Second.

CHAIRMAN GREGORY:
Second by Legislator Horsley.

LEG. KRUPSKI:
On the motion.

CHAIRMAN GREGORY:
On the motion, Legislator Krupski.

LEG. KRUPSKI:
I just, Jay, I still have reservations about taking any kind of 477 money for this. There's a lot of water quality projects out there that need to be completed, and I just have reservations about taking any of this money for salary where either the State should be doing this -- if they're the ones that we're testing for, the State should be doing the testing, or it should come out of the sewer district if it's their responsibility.

LEG. SCHNEIDERMAN:
We've looked at both of those approaches. The State isn't providing the money. There is some reimbursement money involved for these positions, so, you know, to me it makes sense to fund them with Water Quality money, so, you know, I continue to support this. I wish we had more 477 funds so we can do both the brick-and-mortar and have these important personnel. But this is kind of different than just using 477 funds to pay salaries that we're already paying. These are people who aren't on the payroll. This would be adding positions by using 477 funds and monitoring -- makes sure we have compliance with the SPDES permit. I think it's a necessary part in growing sewer systems in certain areas. If we end up with a spill that goes undetected and groundwater contamination and -- you know, good luck adding more sewer systems anywhere. So I think it's the right thing to do. I'm going to continue to support it. I just wish we had more 477 funds because there's other positions I'd like to add too that deal with water quality.

LEG. KRUPSKI:
Well, I don't say you shouldn't add the positions, but it should come out of the appropriate budget area, and if you're doing -- if people are benefitting from the sewer, then they should pay all the associated costs with that.

D.P.O. HORSLEY:
I agree with you, and maybe this is a topic that Legislator Schneiderman can bring up during budget cycle, which is coming up so shortly. So, you know, we've actually gone the whole year without it, so maybe this is when we should discuss the issue.

LEG. SCHNEIDERMAN:
The reason I haven't pushed it as hard as perhaps I could have is because there was -- I've been thinking of amending the bill to switch some to other positions that may be even more critical right now in the private well testing because of the presence of the plume. In Speonk, we found some more expanded plume in that area, and I know the Health Department could use some extra people. But again, the State is assisting, but the State isn't doing enough, and it would help if they had some additional people to help go door-to-door, find those people who might be on private wells and provide testing of their well water to make sure there's no contamination.

So I'm going to support this. If it's tabled, I understand, but I'd like to move it forward, so I'll oppose tabling.
CHAIRMAN GREGORY:
We have a motion to second. All in favor? Opposed? Abstentions? Okay. 1312 is **tabled (Vote: 3-1-0-1, Opposed: Leg. Schneiderman, Not Present: Leg. Muratore)**.

1362, Authorizing additional spending reductions to avoid budget deficit (Kennedy). I'm going to make a motion to table. Do I have a second?

LEG. SCHNEIDERMAN:
Second.

CHAIRMAN GREGORY:
Second by Legislator Schneiderman.

LEG. SCHNEIDERMAN:
Can I just say the title is misleading because it's not actually authorizing additional spending reductions. It authorized the county executive to go beyond the 10 percent of encumbering to, I think, 15 percent, and right now we're at about half of one percent, so it doesn't actually do anything. All right.

CHAIRMAN GREGORY:
All in favor? Opposed? Abstentions? Motion is tabled. Resolution is **tabled. (Vote: 4-0-0-1, Not Present: Leg. Muratore)**.

Introductory Resolutions

1525, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 929-2013) (County Executive). Make a motion to approve, place on the consent calendar. Second by Legislator Schneiderman. All in favor? Opposed? Abstentions? **Approved/Consent Calendar (Vote: 4-0-0-1, Not Present: Leg. Muratore)**.

IR 1564, Amending the 2013 Operating Budget and appropriating funds in connection with bonding for an order on consent settlement with the United States Environmental Protection Agency concerning county underground storage tanks and universal waste (County Executive). I'm going to make a motion to table at the request of the administration. Do I have a second?

D.P.O. HORSLEY:
Second.

CHAIRMAN GREGORY:
Second by Legislator Horsley. I'm sorry. I didn't see you. I was looking down.

LEG. KRUPSKI:
Do you have any information for us at all?

CHAIRMAN GREGORY:
Yeah, could you explain a little bit what this entails or involves?

LEG. SCHNEIDERMAN:
This might be executive session. Is this executive session in terms of...

MS. LOLIS:
The intention was to fully brief the committee in executive session once we have an agreement. Right now, we don't have an agreement. We had laid it on the table with the understanding that the Department of Justice would have gotten us an agreement earlier. We got it after we laid it on the table, and we're still negotiating it because there was more in there than we had anticipated, so that's why it's difficult to discuss it now because I don't have the actual final agreement in front of us.

LEG. SCHNEIDERMAN:
What is universal waste?

MS. LOLIS:
Universal waste is just the fluorescent light bulbs, thermostats, things like that.

D.P.O. HORSLEY:
Computers. So it's like e-waste.

MS. LOLIS:
I believe that would cover e-waste too.

LEG. SCHNEIDERMAN:
Does this in any way relate to a SPDES compliance?

MS. LOLIS:
I'm not sure if it's actual SPDES compliance, but the main -- I could speak generally about it.

LEG. SCHNEIDERMAN:
But it's not wastewater plants.

MS. LOLIS:
No. It has to do with the underground storage, fuel storage facilities, reporting requirements, inspection requirements, things like that. Certain things that are regulated that we're required to do, the EPA has been, over the course of, perhaps, the last four years, working with the County, they have been doing inspections; they have been requesting information, asking for information in terms of certain monitoring obligations that we have, and they found -- they claim there are deficiencies, and that's what leads to this. But it primarily has to do with -- their claims primarily have to do with what they call "leak detections systems" for the various tanks and the frequency of inspections.

LEG. SCHNEIDERMAN:
What is the number attached to this particular bill, the monetary amount?

MS. LOLIS:
Right now, and again, that's still something that may not be --

LEG. SCHNEIDERMAN:
I understand that, but obviously there's a bill filed and it's got to be --

MS. LOLIS:
Sure. Right now, it's 2.55 million, and a major portion of that would go into what you call a "supplemental environmental project," which is the money actually goes to benefit the County versus a monetary fund that just gets paid over to the United States, and it primarily has to do with -- the major environmental project would be land acquisition. They would have to approve the acquisitions. We can't use moneys that would come from one of the dedicated sources. We would have to use money that is not from a dedicated source in order to buy these additional environmental lands.

LEG. SCHNEIDERMAN:
Have we fixed the noncompliance issues now?

MS. LOLIS:
I believe we have, and to the extent that they are not completely in compliance -- and I'll have somebody from DPW here when we do brief you in executive session. To the extent -- I believe they are in compliance, but to the extent that they may not be, we'll have a ramp-up period, you

have 60 days, whatever. That's something that still has to be discussed.

LEG. SCHNEIDERMAN:
And the nature of those issues, and when do they go back to?

MS. LOLIS:
They are going back years.

LEG. SCHNEIDERMAN:
Like how many years?

MS. LOLIS:
They started the -- I guess the EPA started requesting information back to 2008. They're going back years before that in terms of they want the documentation showing the frequency of inspections and things like that, and there are claimed deficiencies in the documentation that we have in order to prove what inspections were conducted and when and where and those are all issues. It has nothing to do with actual leaks or anything like that. It's more monitoring and compliance regulations.

LEG. SCHNEIDERMAN:
Right. And it goes back to the prior administration, you're saying?

MS. LOLIS:
Yeah, it goes back.

LEG. SCHNEIDERMAN:
Okay. Thank you.

LEG. KRUPSKI:
Is it appropriate -- I think it'd be better if we went into executive session now and talked about it, because all too often we get these settlements that come in, and we do have a committee that's set up to deal with these sort of things, and it would be better if we could maybe get the information now, possibly provide some helpful input in the course of the whole settlement process.

MS. LOLIS:
There's another resolution that's before the EPA committee that was on yesterday.

LEG. KRUPSKI:
That was tabled.

MS. LOLIS:
That's actually the resolution that will authorize the settlements. This resolution is to fund the settlement, so EPA will ultimately hear the settlement and approve the settlement first.

LEG. KRUPSKI:
It would just seem more appropriate for one of the committees to have input into the settlement before it's just presented for approval because it's not like -- I don't think when we get the settlement, when you present it to us, we're going to say no. I think, you know, it'd be more productive to have more input into it.

CHAIRMAN GREGORY:
I guess what you're saying is you feel that may be more appropriate in EPA and not here.

MS. LOLIS:
Well, actually, no. We're prepared to -- we intend to present to both committees and then to the full legislature if they are approved out of the committees. It's just difficult to do it now and to brief you fully now without an agreement that the parties agreed to, and we want you to see the agreement before we even discuss it with you so you have the opportunity to review it. Right now we're kind of discussing it in a vacuum because you don't actually see the consent agreement. You won't have it before you right now. We're just saying it's premature. We fully intend to vet it through the EPA committee fully, this committee fully, and then the full legislature if it gets to that point. Whatever the committee wants.

CHAIRMAN GREGORY:
All right. So we do have a motion and a second for tabling. All in favor? Opposed? Abstentions? Motion is **tabled**. **(Vote: 4-0-0-1, Not Present: Leg. Muratore)**.

Just quickly before we adjourn, Doctor Lipp, do you have anything to report good, bad, or indifferent? I know we had a good sales tax check last week, week before last, 28 percent increase year to date, I think.

MR. LIPP:
The 28 percent was just one check. What really counts is the quarter, and the reason why the check was so large is because it's the -- only the last check of the month, what's referred to by the State, is the reconciling check. What they do is they give each municipality one nth of the take each check; and then the last check, they reconcile and say, Oh, Suffolk winds up getting more, other municipalities less, to make a long story short.

I'm going to call up the file. Bear with me. So what we have is for the quarter it was 7.1 percent growth, which is very good, and the first quarter was 5.7 percent, so overall we're six-and-a-half percent growth midyear. So we're ahead of the game, which doesn't mean we'll do well on the second half or not, but, you know, we probably will if for no other reason we had a poor fourth quarter last year because of Hurricane -- Superstorm Sandy, so we should be able to exceed what's in the budget. By how much remains to be seen; perhaps 10 million, but that remains to be seen. We haven't done a projection yet.

CHAIRMAN GREGORY:
I know we've spoken privately, and some of the increase you believe is due to the recovery efforts.

MR. LIPP:
Yes.

CHAIRMAN GREGORY:
Now are other --

MR. LIPP:
The other factors, for instance, are the labor markets picking up some, so that helps that people have jobs, not that the labor markets are going great guns, but people have jobs more so; then they could spend more money.

CHAIRMAN GREGORY:
Have you looked at other municipalities that have been similarly affected by the storm? Are they seeing similar results?

MR. LIPP:
Nassau's up even more. They were hit harder, so the -- basically, very simply, economic studies in

general show that when you have some sort of natural disaster like that, you get injections into the local economy from, in this case here, FEMA, government in general, also private insurance companies. So you're getting some money in, injected into the local economy with a multiplier effect, so you're doing pretty good there. That being said, of course, there are several horrific things happening to people because of the storm, but just looking at the big picture, it affects economic activity. There is a pop for this year, maybe a little bit longer.

CHAIRMAN GREGORY:
That leads me to my next question. How long can we expect this kind of residual economic effect from the storm?

MR. LIPP:
A year, 18 months.

CHAIRMAN GREGORY:
From now?

MR. LIPP:
No, no, I mean in total. So what was that, in October? So you're talking, you know, through the end of this year, maybe first quarter of the year after.

CHAIRMAN GREGORY:
Okay. Okay. Legislator Horsley.

D.P.O. HORSLEY:
When do I get to collect my bet?

MR. LIPP:
I'm not sure. I believe that would be at the end of the year. What you're saying is given what I'm saying now we're doing better.

D.P.O. HORSLEY:
Right.

MR. LIPP:
And understand that part of the better -- and I'm not making excuses, you know.

D.P.O. HORSLEY:
I know. You're the economist. I'm just a humble historian.

MR. LIPP:
Right. Part of the better is the information about the storm when we did our projections did not exist so that we're doing better because of the local injections associated with the storm, so I make no excuses. I can explain everything, though.

D.P.O. HORSLEY:
I'm teasing with you, Robert.

CHAIRMAN GREGORY:
We don't want you to make excuses. We just want you to have the money.

MR. LIPP:
For the record, I'm a perfect person.

CHAIRMAN GREGORY:
Okay. If that's all, we stand adjourned. Thank you, everyone.

(*The meeting was adjourned at 10:17 a.m.*)