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 November 12, 2013.

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

Also In Attendance:
George Nolan - Counsel to the Legislature
Michael Pitcher - Aide to Presiding Officer Horsley
Paul Perillie - Aide to Legislator Gregory
Christina DeLisi - Aide to Legislator Schneiderman
Kevin LaValle - Aide to Legislator Muratore
Greg Moran - Aide to Legislator Nowick
Ali Nazir - Aide to Legislator Kennedy
Tom Vaughn - County Executive's Office
Robert Lipp - Director, Budget Review Office
Laura Halloran - Budget Review Office
Rick Brand - Newsday
All Other Interested Parties

Minutes Taken and Transcribed By:
Gabrielle Severs - Court Stenographer

(*The meeting was called to order at 11:14 a.m.*)

CHAIRMAN GREGORY:
Good morning, folks. Thank you for coming to today's Budget and Finance Committee. Please rise for the Pledge of Allegiance led by
Legislator Krupski.

(*Salutation*)

Okay. Glad to see everyone made it safely through the weather. Legislator Muratore has an excused absence today. Madam Clerk, do we have any cards?

MS. ORTIZ:
No, sir.

CHAIRMAN GREGORY:
No cards. Is there anyone in the audience that would like to speak? Please come forward. Okay. Anyone -- I see Ms. Corso and some of the Exec. people.

MS. CORSO:
Only if you need me.

MR. VAUGHN:
We're good. It's snowing and Tuesday. Where else would we be, Legislator?

CHAIRMAN GREGORY:
Okay. All right. So we'll get right to the agenda. We have ***tabled resolutions.***

IR 1564, Amending the 2013 Operating Budget and appropriating funds in connection with bonding for a Consent Judgment in partial 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.

Oh, I'm sorry. Resolutions 1312 and 1364 have been stricken.

All right. So I make a motion to table 1564. Second by Legislator Schneiderman. All in favor? Opposed? Abstentions? **Tabled (VOTE: 4-0-0-1, Not Present: Muratore)**

IR 1570, Adopting Local Law No. -2013, A Charter Law to improve the County's Budget approval and amendment process to increase transparency and accountability ("Taxpayer Awareness Act") (Cilmi). I'll make a motion to table. Second by Legislator Horsley. All in favor? Opposed? Abstentions? **Tabled (VOTE: 4-0-0-1, Not Present: Muratore)**

IR 1591, Adopting Local Law No. -2013, A Charter Law to institute a Departmental Omnibus Budget Amendment Process (Cilmi). This has to be tabled for a public hearing. I'll make that motion. Second by Legislator Krupski. All in favor? Opposed? Abstentions? **Tabled/Public Hearing (VOTE: 4-0-0-1, Not Present: Muratore)**

IR 1597, Creating a commission to identify real cost saving measures in Suffolk County Government and affirming the current structure of the Suffolk County Charter as it relates to the Departments of Audit and Control and Finance and Taxation (Kennedy). I'll make the motion to table.

LEG. SCHNEIDERMAN:
Second.

CHAIRMAN GREGORY:
Second by Legislator Schneiderman. All in favor? Opposed? Abstentions? **Tabled (VOTE: 4-0-0-1, Not Present: Muratore)**

IR 1605, Adopting Local Law No. -2013, A Charter Law to establish a two-year Budget Planning Process (Cilmi). I'll make a motion to table. Second by Legislator Schneiderman. All in favor? Opposed? Abstentions? **Tabled (VOTE: 4-0-0-1, Not Present: Muratore)**

IR 1678, Adopting Local Law No. -2013, A Local Law to provide assessment and tax relief to property owners impacted by Superstorm Sandy (Browning). This is a public hearing, has to be tabled for a public hearing.

LEG. SCHNEIDERMAN:
Motion to table.

CHAIRMAN GREGORY:
Motion to table by Legislator Schneiderman. Second by Legislator Horsley. All in favor? Opposed? Abstentions? **Tabled/Public Hearing (VOTE: 4-0-0-1, Not Present: Muratore)**

IR 1716, Adopting Local Law No. -2013, A Charter Law to improve the accuracy of Fiscal Impact Statements (Cilmi). Make a motion to -- I'm sorry.

LEG. KRUPSKI:
I'll second that. Is there anyone here to define?

MR. LIPP:
Define what? I'm not sure what your question is.

LEG. KRUPSKI:
What the resolution seeks to advance.

MR. LIPP:
Okay. So as I understand it, the sponsor wants a dollar value put on anything that is stated as an opportunity cost. So, for instance, if it requires --

P.O. HORSLEY:
How do you do that?

MR. LIPP:
Well, it would be up to us to try to figure out a way. So, for instance, let's say a department has to do something that's new. The opportunity cost would be their time, that kind of stuff, and then we would, in theory, be able to calculate the value of their time.
I guess that's the best I could do.

LEG. KRUPSKI:
Would it also include if you're doing one thing that means you're not doing another thing, so would that analysis include that? Because you can't do two things at one time. You know what I'm saying. You would not be doing something else that you would normally be doing.

MR. LIPP:
Right. So in the example of what we're doing, it would be like the value of your time in doing the piece of legislation that's before you as opposed to other things that they weren't doing, and you can't really, then, put an additional plus or minus dollar value, I do not think, on the relative values of those two actions.

LEG. SCHNEIDERMAN:
So, for example, like the tick control plan, which is being done inhouse, so the financial impact statement was zero because there was no cost associated with developing a plan. But if you had to figure out the staff hours, then that would have been assembled as a fiscal impact of the bill, right?

MR. LIPP:
Correct. In other words, it would be a loss of, really what you're saying, a loss of service provision as opposed to a fiscal impact directly. We think it would be a little bit difficult in most cases to come up with a number that would make a lot of sense.

LEG. KRUPSKI:
That was my question. Is it possible to really quantify it, or is it something more that when something is proposed, like the tick measure, that the department head should weigh in and say, *I'm already doing this today, so I can't possibly have my staff do that today.* Wouldn't that come more from them than the dollar amount at Budget Review?

MR. LIPP:
It would be up to the department head, in this example, to juggle things.

CHAIRMAN GREGORY:
Legislator Horsley.

P.O. HORSLEY:
Yeah. I think the next obvious question, then, is do you have to compute the -- I don't want to get too far into this. Do we have to compute the relative benefits to society in which the tick program would have for people? Is that -- would that be part of your budget model, your negotiation model?

MR. LIPP:
No. That would be virtually impossible to do. There are -- there is literature on estimating just about anything, but it goes so far afield that you're talking highly theoretical. It would be very entertaining, though, if you just made it for county executive fiscal impact statements.

MR. VAUGHN:
Just when I was about to agree with everything you had said.

P.O. HORSLEY:
The question had almost, like, an entertainment value.

LEG. KRUPSKI:
Then it has value.

P.O. HORSLEY:
That's right. Well put.

CHAIRMAN GREGORY:
Yes, Mr. Vaughn.

MR. VAUGHN:
Thank you very much, Mr. Chairman. We agree with most of what BRO just had to say just with the one caveat is that, you know, as all of you have had our department heads stand up here before and ask them exactly what the impact is, this is something that you're already doing right now, and I think something that already weighs into your decision-making process -- thank you, Legislator -- and I don't think it's something we need to codify in a document at this point in time. This gets weighed as virtually every decision that gets made before this body.

LEG. SCHNEIDERMAN:
Okay. All right. We have a motion, a second. Legislator Krupski --

LEG. SCHNEIDERMAN:
On that, I mean, what effectively the bill would do is, you know, because a lot of legislation is introduced that never actually gets past, it would force BRO to take up an awful lot of time on every single bill developing the staff costs, and so the actual opportunity costs of this particular bill might be very expensive.

MR. VAUGHN:
We agree with that as well.

CHAIRMAN GREGORY:
Okay. You got the second, Madam Clerk?

MS. ORTIZ:
Yes.

CHAIRMAN GREGORY:
Okay. All in favor? Opposed? Abstentions? Motion is tabled. Resolution is tabled, rather. Excuse me.

IR 1792, Adopting Local Law No. -2013, A Charter Law amending Article II of the Suffolk County Charter to clarify the requirements of a revenue impact statement (County Executive). Motion to approve. Do I have a second?

LEG. SCHNEIDERMAN:
Second.

CHAIRMAN GREGORY:
Second by Legislator Schneiderman. On the resolution, on the question, Robert, Dr. Lipp.

MR. LIPP:
This is a county executive resolution. I have some issues with it, but I'd prefer to hear from them first since it's their resolution.

CHAIRMAN GREGORY:
Mr. Vaughn or --

MR. LIPP:
We find personally that there aren't too many resolutions that have revenue impact statements attached to them, number one; and, in general, we should be including this sort of stuff in the fiscal impact statement, anyhow. So I'm a little bit at a loss as to what value it has. Perhaps they could elaborate.

MS. CORSO:
I think this has to go -- you guys passed something a few years back where if you were going to increase an expenditure, you'd have to find an offsetting expenditure, an offsetting revenue. When a revenue is removed, that same theory does not apply at this moment. So, for instance, when the PSAPS, when we change legislation and we gave them more money, there wasn't an offsetting expenditure decrease or revenue increase to make up that, I think it was like, $300,000 that we lost.

CHAIRMAN GREGORY:
I think the term that has been used in several cases is, well, even though we're reducing revenue, we're providing more opportunity, quote, unquote to people, and that may generate more revenue like the veterans fees, to parks or buses or whatever.

MR. NOLAN:
Can I?

CHAIRMAN GREGORY:
Sure.

MR. NOLAN:
I was just going to say we do have, in our charter, a requirement that if in the middle of a budget year, a revenue is decreased, there is supposed to be an offset, so we do have that already. I think the problem we've run into a couple time is figuring out is there a fact or loss of revenue from a particular action. But we are required to find an offset if it is documented that there is a loss revenue in the middle of a budget year.

MS. CORSO:
But that particular legislation didn't have that. It didn't have an offsetting revenue.

MR. NOLAN:
Might have been for the subsequent fiscal year.

MS. CORSO:
In other words, when I move -- when we move the revenue away, we had to find -- we actually had to increase the Interfund from the General Fund to make that up for the county's expenses.

MR. NOLAN:
But that might have been for the subsequent fiscal year, the change. But right now, if we're in the middle of fiscal year and somebody proposes to reduce it, let's say, eliminate a sales tax, and we lose revenue, there has to be an offset, but that doesn't apply if it's applicable to the following year.

CHAIRMAN GREGORY:
Robert.

MR. LIPP:
So to continue with my point from before using the PSAPS legislation as an example from early in the year, what we had done in our fiscal impact statement is note that there would be a fiscal impact in terms of the General Fund would have to pony up more money. And I think, but I'm not a hundred percent sure, what George is alluding to, and I think this is the case, that the way the legislation was purposefully written was it would start in the next fiscal year so they wouldn't need the offset.

MS. CORSO:
Right, but eventually I had to fund the offset, so that is a little bit disingenuous considering the other bill where if you reduce or you increase an expenditure, you either increase a revenue or decrease an expense. So in this case, you kind of threw the ball across the street and then I had to find -- you know, my office had to find the offsetting either expense decrease or revenue increase to make up that loss. No one is disputing that it's a good cause. I'm just saying you kind of left it out there like, *Well, you find the $300,000*, which we had to, and it came from the General Fund.

LEG. KRUPSKI:
Well, with the PSAP example, that's just a fair distribution of one pot of money, so that's not really taking money away. It's distributing it in an equitable manner.

MS. CORSO:
Right, it distributed it, and it left a hole to cover the county's portion of the expenses. So what ended up happening is we had to move money from the General Fund. It wasn't like that money was sitting in a bank account. It was used for county expenses for the county PSAP. So move distributing that revenue increased the amount that the General Fund had to subsidize that fund.

LEG. KRUPSKI:
I mean, that's just, from my standpoint, it's only a fair distribution of the sales tax. That's not --

MS. CORSO:
Right. It's a fair distribution, but I have to make up for that in the General Fund somehow. That left a hole. So money that was used to fund programs in the General Fund had to move over to fund the PSAPS. I'm not disputing that, you know, that it's a good cause; I'm just saying that it's different from the other legislation that you have that when you increase an expense, you find an offset to pay for that. This particular case was a workaround and didn't do that, left us preparing the budget looking at that as a whole.

CHAIRMAN GREGORY:
Robert, you have...

MR. LIPP:
Okay. So, really, we're not talking about whether it's equitable or not. We're talking about the financial issue here, and then it would be up to you to decide the part of the equity based upon the financial. Clearly, in our fiscal impact statement, we noted that it would be a cost, and if that bothered you, you would do something about it. What we're talking about here still, unless I'm missing something, is what George was saying in terms of if it doesn't apply to the current year's budget, then you don't need an offset, and I'm not getting how adding this stuff to the revenue impact statement would alter that.

LEG. SCHNEIDERMAN:
I'm not sure I'm ready on this bill yet.

CHAIRMAN GREGORY:
Legislator Horsley.

P.O. HORSLEY:
I must say it, Connie, that I think you did a great job in finding that money and you did the right thing for the County of Suffolk, and we applaud you at your efforts of adjusting and turning around on a dime's notice over several years of an issue. We thank you for your efforts.

MS. CORSO:
Well, I'm flattered. Thank you very much.

CHAIRMAN GREGORY:
Okay. So if I understand, this bill would only apply to bills that have any issue with revenue.

MR. VAUGHN:
Yes, sir. It would be legislation that would decrease a revenue, and I think that the part that we're seeking to really get to is the separate detailed and itemized written statement. So asking that that revenue impact statement contains some type of a plan that goes beyond, we'll figure it out the next year.

LEG. SCHNEIDERMAN:
It'd be both county executive and legislator's bills?

MR. VAUGHN:
Yes, sir.

LEG. SCHNEIDERMAN:
And they'd be only midyear bills, not budget bills.

MR. VAUGHN:
Correct.

P.O. HORSLEY:
They are nimble.

LEG. KRUPSKI:
How does this affect --

LEG. SCHNEIDERMAN:
I'm just trying to think of a situation where -- Robert, help me out. There was a time when I proposed a bill to lower the fares on the buses for veterans, and you actually did -- it turned out that was positive, that we can actually make money on it, though we could get into an argument if somebody just said, Well, it's not going to spur activity, you could lose money, and then I would have to go out and find an offset on something like that. So in all cases, if we were proposing to lower revenue, lower, I guess, a fee for a park or something, like my Discover Suffolk County Parks, we would potentially have to have an offset for that?

MR. LIPP:
In a perfect world, you should. There have been resolutions from time to time that sort of overlook, for lack of a better term, the need for an offset.

LEG. SCHNEIDERMAN:
Now, with that particular bill, the Discover Suffolk County Parks, I did have an offset, remember? We did create an offset for that. An empty staff position was used. So why did I have to find -- why do we need this bill if I already had to do that in the financial impact statement, have an offset for reducing revenue? Is this bill necessary?

MR. LIPP:
I'm not quite getting it that it is necessary.

LEG. SCHNEIDERMAN:
Doesn't sound like there's actually a hole there. If our financial impact statements already require us to do --

MR. LIPP:
As long as the financial impact statement is accurate and says that there's a loss of revenue or an increase in expenditures that would need an offset, then it's -- that's on the radar screen, and, in theory, at least, the legislators would say, Well, I can't vote for this because there's no offset.

LEG. SCHNEIDERMAN:
I'm going to withdraw my motion to approve, and I'll make a motion to table.

CHAIRMAN GREGORY:
Legislative Counsel wants to add something before –

LEG. KRUPSKI:
I do have one more question also, I guess for Tom Vaughn. Would this affect the redistribution of the police moneys for the east end? I wonder if that would have any impact on that?

MR. LIPP:
I believe this is in fund 102. You're talking about the PSAPS stuff, right?

LEG. SCHNEIDERMAN:
Sales tax. Public safety (indiscernible), he's talking about.

MR. LIPP:
Let's say you have a bill early in the year to increase in 2014 the dollar amount going for revenue share into the town and village police department. Well, you would need an offset either way whether this passed or not because what you would be doing there is for every dollar you increase that revenue sharing, you're creating a deficit in the police district.

CHAIRMAN GREGORY:
Hasn't argument been made in the past that, Well, we'll just take -- give more of a distribution to those towns and villages because we expect an increase in sales tax. So it's not really a loss according to Budget; it's just an increase that's being distributed.

MR. LIPP:
You would have to have an increase in sales tax as an offset in the resolution.

CHAIRMAN GREGORY:
Right. All right, George.

LEG. SCHNEIDERMAN:
That debate came up in our budget. I was arguing that there's going to be several million dollars more this year than we anticipated even in, you know, our budget, and that was going to be used for fixing the inequity.

P.O. HORSLEY:
What did you need there?

LEG. SCHNEIDERMAN:
Three.

CHAIRMAN GREGORY:
George wants to weigh in.

MR. NOLAN:
I just want to point out that right now under the charter, we are required to have a revenue impact statement anytime a local law resolution proposes to reduce or eliminate a county-generated revenue. This law kind of just -- it's more nuance. It would extend the revenue impact statement requirement to actions that have the effect of reducing or eliminating a county-generated revenue. It's just adding some additional language.
And also we're already required -- the statement is supposed to talk how the lost revenue is going to be accommodated the next three years. This law just adds language saying that that would be a separate detailed and itemized plan. I guess what I'm saying is there already is a requirement for a revenue impact statement, and this bill just adds some language. You know, it's pretty nuanced, and, you know, I'm not certain exactly why they want that additional language.

CHAIRMAN GREGORY:
Any comments, Mr. Vaughn?

MR. VAUGHN:
Well, I think that we want the language so that when we get a revenue impact statement, it doesn't say that we're going to solve it the next year, so this would ask us precisely what is the plan to solve it in the following year, and I think that that's what we're aiming for here.

MR. NOLAN:
But the law already states that the revenue impact statement will say how the loss of revenue is going to be accommodated for the following three years. So I think the requirement is there; I don't know if it's being followed, as Robert Lipp said, but it is in the charter.

MR. VAUGHN:
I think it's just a matter of detail, Legislator, that we're looking for a little bit finer detail over the three-year plan, how this is going to impact us.

LEG. KRUPSKI:
I still don't understand the (inaudible).

CHAIRMAN GREGORY:
Okay. We have a motion to table. We have a motion to approve without a second. We have a motion to table without a second.

MR. NOLAN:
Can we get some seconds?

LEG. SCHNEIDERMAN:
Motion to table.

LEG. KRUPSKI:
I'll second. So tabling motion goes. All in favor? Opposed? Abstentions? Resolution is tabled.
(VOTE: 4-0-0-1, Not Present: Muratore)

IR 1798, Amending the 2013 Operating Budget to provide funding for the Town of Babylon (Horsley). This has to be tabled.

MR. NOLAN:
That needs to be tabled -- should be withdrawn, right?

P.O. HORSLEY:
Oh, right, because we took care of it. I'll make a motion to withdraw.

LEG. KRUPSKI:
Second.

MR. NOLAN:
-- withdrawing the resolution.

P.O. HORSLEY:
It's already taken care of.

CHAIRMAN GREGORY:
Okay. All right. Motion is withdrawn.

All right. ***Introductory Resolutions.***

IR 1823, To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer By: County Legislature (Contro. No. 392) (County Executive). Make a motion to approve and place on consent calendar.

LEG. SCHNEIDERMAN:
Second.

CHAIRMAN GREGORY:
Second by Legislator Schneiderman. All in favor? Opposed? Abstentions? **Approved/Consent Calendar (VOTE: 4-0-0-1, Not Present: Muratore)**

IR 1824, **To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer By: County Legislature (Control No. 390) (County Executive).** Same motion, same second. All in favor? Opposed? Abstentions? **Approved/Consent Calendar (VOTE: 4-0-0-1, Not Present: Muratore)**

IR 1825, To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer By: County Legislature (Control No. 393) (County Executive). Same motion, same second. All in favor? Opposed? Abstentions? **Approved/Consent Calendar (VOTE: 4-0-0-1, Not Present: Muratore)**

IR 1848, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 937) (County Executive). Same motion, same second. All in favor? Opposed? Abstentions? **Approved/Consent Calendar (VOTE: 4-0-0-1, Not Present: Muratore)**

IR 1854, Amending the 2013 Operating Budget and appropriating funds in connection with bonding for a settlement for a liability case against the County (County Executive). Motion to approve. Second by Legislator Krupski. Anybody have any questions? No questions get no answers. All in favor? Opposed? Abstentions? Approved **(VOTE: 4-0-0-1, Not Present: Muratore**)

IR 1858, **To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer By: County Legislature (Control No. 394) (County Executive).** Motion to approve and place on the consent calendar. Second by Legislator Krupski. All in favor? Opposed? Abstentions? **Approved/Consent Calendar (VOTE: 4-0-0-1, Not Present: Muratore).**

IR 1883, Tax Anticipation Note Resolution No. -2013, Resolution delegating to the County Comptroller the powers to authorize the issuance of not to exceed $410,000,000 Tax Anticipation Notes of the County of Suffolk, New York, in anticipation of the collection of taxes levied or to be levied for the Fiscal Year commencing January 1, 2014, and to prescribe the terms, form and contents, and provide for the sale and credit enhancement of such notes (County Executive). Make a motion to approve. Second by Legislator Krupski. Mr. Lipp?

MR. LIPP:
This is on the tax anticipation note that we do at the end of the year or the beginning of the next year every year. It's up -- last year, it was also 410 million, off the top of my head -- I just got this added to our agenda -- and it just signifies that we have a problem with cash flow.

CHAIRMAN GREGORY:
We do this every year.

MR. LIPP:
It's pro forma. The only concern is the size of it.

CHAIRMAN GREGORY:
Right. It's --

LEG. SCHNEIDERMAN:
What was size of the last one?

MR. LIPP:
The same, I do believe. I could look it up just to confirm.

CHAIRMAN GREGORY:
I have my notes. It was 410,000 for 2012.

MR. LIPP:
Yeah. We should be so lucky.

LEG. SCHNEIDERMAN:
Yeah. It was 410 in '12. Thanks. This is the first year in a while where it hasn't gone up. Looks like since 2006, it's increased every year.

MR. LIPP:
Yeah because we're in fairly rarified airs. That's why it hasn't come up. Our cash flow isn't quite as drastic as it was, but it's not in a position that we should be happy at all?

CHAIRMAN GREGORY:
Anybody else? All in favor? Opposed? Abstentions? Motion carries. **Approved (VOTE: 4-0-0-1, Not Present: Muratore)**

LEG. SCHNEIDERMAN:
On a related issue, Robert, are we -- I guess we are. We're anticipating a RAN for next year.

MR. LIPP:
Correct.

LEG. SCHNEIDERMAN:
Of roughly the same amount of money. We're pretty much close to the max.

MR. LIPP:
I believe so. As we get closer, we have to monitor cash flow and make a determination.

CHAIRMAN GREGORY:
IR 1908, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 938-2013)(County Executive). I make a motion to approve, place on the consent calendar. Second by Legislator Krupski. All in favor? Opposed? Abstentions? **Approved/Consent Calendar (VOTE: 4-0-0-1, Not Present: Muratore)**

IR 1938, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 927-2013) (County Executive). Same motion, same second. All in favor? Opposed? Abstentions? **Approved/Consent Calendar (VOTE: 4-0-0-1, Not Present: Muratore)**

IR 1949, Adopting Local Law No. -2013, A Charter Law to increase Budget Transparency (Calarco). This has to be tabled for public hearing. Second by Legislator Schneiderman. All in favor? Opposed? Abstentions? **Tabled/Public Hearing (VOTE: 4-0-0-1, Not Present: Muratore)**

IR 1960, Amending the 2013 Operating Budget and appropriating funds in connection with bonding for a settlement for a medical malpractice case against the County (County Executive). Motion to approve. Second by Legislator Schneiderman. Any questions? This was approved out of Way and Means. It was approved. All in favor? Opposed? Abstentions? **Approved (VOTE: 4-0-0-1, Not Present: Muratore)**

IR 1976, Requesting review by the Financial Restructuring Board for Local Governments (Cilmi). I'm going to make a motion to table subject to call, just for discussion purposes.

LEG. KRUPSKI:
Second for discussion purposes.

CHAIRMAN GREGORY:
Legislator Krupski.

LEG. KRUPSKI:
I would like to get some explanation.

CHAIRMAN GREGORY:
So are we inviting a control board with this legislation? Is that --

MR. VAUGHN:
That would certainly be one of my concerns. In considering the amount of work that everyone here in this room and outside of this room has put into avoiding a financial control board, I don't

understand why we would go forward with this at this time. You know, I was speaking with our budget director, Connie Corso, prior to coming to the meeting, and one of the problems with asking a financial restructuring board questions is that when they give you answers, there are things that need to be followed, and I don't think that any of us would like the following: "Well, why don't you lay off another thousand workers?" Any of us want to do that? I mean, we've worked really hard to avoid those types of things. We've worked hard to limit the amount of layoffs. We've worked hard through contracts to establish that we're not going to do additional layoffs. We've worked hard to get this budget going in a direction that we can all be proud of. I don't think that this is a piece of legislation that we need to adopt or a message that we need to send at this point in time.

CHAIRMAN GREGORY:
I have a question for Ms. Corso. Hi Connie. Now this is a new mechanism. I know they -- as far as my understanding, this is a fairly new mechanism from the Comptroller's office, or is this something that they had established already?

MS. CORSO:
Yeah. This is new, and, as you know, they did do the report and there was not a recommendation for a restructuring board to come in.

CHAIRMAN GREGORY:
Right. My understanding, I guess I read on their website or some press release, where they're offering their services, recommendations, should a municipality come to them seeking advice and guidance.

MS. CORSO:
What happens is once they make a recommendation, you have to commit to implement it so that you're really kind of removing your authority as a policymaking branch of inviting another branch of government in and making policy for you.

CHAIRMAN GREGORY:
This is above and beyond their normal course of duty when they come in and they do their audits where they make recommendations to do, you know, maybe there's some policies that need to be, you know, fixed or changed in some manner.

MS. CORSO:
Yes, and I think we have a good collaboration now where, executive and legislature, we do come up with ideas. I mean, it took them two years to come in and say we had a fiscal problem when we knew that, and the administration, you know, recognized that early and we acted on that early. So for them to come in, they were restating what you already know and what you've already been working so hard to accomplish. I mean, we all know we have structural imbalance, and every year we've been chipping away at that.

CHAIRMAN GREGORY:
I mean, I guess to be fair, we're not mandated to follow their advice, but it would be kind of -- you know, to ask them to come in and give us advice and not follow it, it's a little bit of a waste of time, I would think.

MS. CORSO:
I would think so.

CHAIRMAN GREGORY:
But there aren't any, unlike a control board where -- I mean, my only knowledge or instance of it has been in Nassau. There might have been other jurisdictions that have had it. There was a

financial incentive with that.

MS. CORSO:
Right. They could not give us the authority to open up our union agreements, so that, you know, obviously, you know that payroll and benefits are the lion share of the cost in this county, so they can't -- they don't have that authority to come in and rework your agreements.

CHAIRMAN GREGORY:
Yeah. And my opinion, you know, we are very intelligent people on both sides, and an administration and the legislature that looked at all the issues. I don't see a magic bullet out there that says there's something that we're missing. I think what we're more in need of is financial assistance or mandate relief, not suggestions on how to do some of the things that we know we think we can do that may need state approval, which is no guarantee, or other items, but we've kind of went through this.

MS. CORSO:
Right, and there are -- I mean, if you look at Suffolk, we're unique in a lot of the things that we do, and a lot of the things that they may recommend, there may be other counties in the state that don't do things the way that we do. And, believe me, this is in no way a recommendation to the County's Exec's Office, but most counties in New York State do not have a police department. Are you going to eliminate your police department? No. Most counties use the sheriff. Are you going to privatize other functions? Are you going to privatize the way we run the jail? Are you -- you know, so there are things that you may not want the recommendation to come down and then not take the advice. I mean, there are things that come in that maybe go against policies of this county.

CHAIRMAN GREGORY:
And I certainly believe that local control in this area is very important.

MS. CORSO:
Right. And I, you know, Robert and I discuss ideas constantly. My office is always open to ideas, if you need something, you have an idea and you want to vet it out. I mean, they may make consolidation recommendations that go against your policies that you've set, so I think it would put you in a very awkward position.

CHAIRMAN GREGORY:
Yes, to say the least. Legislator Horsley has a question.

P.O. HORSLEY:
Yeah, I just wanted to -- I don't know if it's much as a question as a statement. So basically what this resolution is requesting is that the Suffolk County Legislature abrogates its responsibilities for oversight of the budget. Boy, I got to tell you, I'm a little surprised that this was sponsored through the legislature. It is something that I think would be abhorrent, and it is not a good idea. So with that, I think we do work well together. We have done wondrous things over the last couple years in bringing down the deficit from this massive recession that we've been working our way through, and to me, I support the resolution, Legislator Gregory.

CHAIRMAN GREGORY:
Legislator Krupski.

LEG. KRUPSKI:
So I heard two things: one, that we would have to follow the recommendations, which brought to my mind, which you said afterwards, that we wouldn't have to follow the recommendations.

MS. CORSO:
No, I didn't say you wouldn't have to. I think you would be hard-pressed not to follow recommendations given down by the governor's task force for restructuring.

LEG. KRUPSKI:
No, no. Let me clarify, because you said, what you were talking about we would have to follow recommendations. My thought right away went to the labor contract. You said we wouldn't want to let another thousand workers go.

MS. CORSO:
I'm sorry. You may have misunderstood me. So what would happen was the union agreements, you know, where would you be? If they said you wanted -- Tom said layoffs -- but if you wanted to do layoffs, if that's what was their recommendation, what would you do?

LEG. KRUPSKI:
Well, that was my questions. Let me rephrase it. Maybe I didn't ask it right. So the financial restructuring board would make a recommendation of layoffs. There's a -- assuming there's a current labor contract that says no layoffs, then how could we possibly break that contract?

MS. CORSO:
I have no idea. How would you answer the restructuring board if that's what they told you? I don't know. I mean, your --

LEG. KRUPSKI:
Well, assuming that we have a current contract that says no layoffs, wouldn't that be an answer?

MS. CORSO:
And they would say, Why did you call us in if you weren't going to follow recommendations?

LEG. KRUPSKI:
Oh. Because something else that came up was mandate relief. Now, mandate relief, obviously, would have to come from New York State. The only value I can see in any of this is if a financial restructuring board said, you need mandate relief from this New York State mandate and that New York State mandate and that New York State were to in turn put pressure on New York State to provide the necessary mandate relief, which we're not getting right now from the county.

MR. VAUGHN:
Legislator, I think that that's a fine question, but I think that that's a heck of a risk to take to go start asking questions to a body and you run the risk of possibly, you know, abdicating our own responsibilities. Look, when the County -- one of the first things the County Executive did when he came in here was bring together a gold ribbon panel to address and define exactly what the size of the budget hole was; it was one of the first things that he did, but he didn't go out and say, Hey, somebody else solve this problem. He didn't look to the outside and say, Hey, we can't figure it out, you figure it out; because the bottom line is we have figured it out and we've worked hard to try and figure it out, and we've worked with all of you to try and figure it out. We just really oppose this resolution.

P.O. HORSLEY:
Here, here.

CHAIRMAN GREGORY:
Couldn't tell.

MS. CORSO:
Can I just make a suggestion, though, in how we do collaborate? I know that the county executive is going to start to do their state agenda for next year. If you, you know, get some ideas together and bring them over, I'm sure we would look at them and see if there's any benefit to that.

LEG. KRUPSKI:
Thank you.

CHAIRMAN GREGORY:
Okay. We have a motion and a second. All in favor? Opposed? Abstentions? Motion carries. **Tabled subject to call. (VOTE: 4-0-0-1, Not Present: Muratore)**

IR 1977, Adopting Local Law No. -2013, A Charter Law to improve budget and fiscal communication in County Government (Cilmi). This is in public hearing, so it has to be tabled. I make that motion. Second by Legislator Schneiderman. All in favor? Opposed? Abstentions? **Tabled/Public Hearing (VOTE: 4-0-0-1, Not Present: Muratore)**

Legislator Schneiderman has a question.

LEG. SCHNEIDERMAN:
Yeah. Ms. Corso, could you just come back for one second? Just on some timing issues. VLTs, which we are counting on for around, what, four million in the adopted budget for '14. Do we know if we have a site? Do we know when they're going to be online?

MS. CORSO:
Because the RFP process is going on currently, I really can't comment, but I'd be happy to give you an update once that's completed.

LEG. SCHNEIDERMAN:
Are we limited to one location, or can we use more than one location?

MS. CORSO:
I can't discuss it. It's in the RFP. I can't discuss anything while the RFP is alive. As soon as the award is made, I'd be happy to give you an update.

LEG. SCHNEIDERMAN:
There's no state limitation as to one location.

MS. CORSO:
I'm not sure.

MR. VAUGHN:
I don't know that.

MS. CORSO:
I'll get back to you, though.

LEG. SCHNEIDERMAN:
The money for the sale and leaseback of Dennison, have we received that yet?

MS. CORSO:
Yes. I believe that's closed or closing.

CHAIRMAN GREGORY:
Closed.

MR. LIPP:
I saw something on that.

MS. CORSO:
It was, like, 63 million.

LEG. SCHNEIDERMAN:
So we have that?

MS. CORSO:
We're good.

LEG. SCHNEIDERMAN:
We're good on that. Okay.

P.O. HORSLEY:
That's not bad.

LEG. SCHNEIDERMAN:
Okay. Just if you could just fill me in on the VLTs.

MS. CORSO:
I'll get you an update as soon as I can.

LEG. SCHNEIDERMAN:
I think a lot of people want to know where they are going to go.

MS. CORSO:
I think once the RFP is awarded, there certainly would be an update.

LEG. SCHNEIDERMAN:
Okay. Thank you.

CHAIRMAN GREGORY:
Thank you, folks. We stand adjourned. Have a good day.

(*Meeting was adjourned at 11:57 a.m.*)