

**JOINT WAYS AND MEANS COMMITTEE,
BUDGET AND FINANCE COMMITTEE,
and EDUCATION AND INFORMATION TECHNOLOGY COMMITTEE**

of the

SUFFOLK COUNTY LEGISLATURE

Operating Budget Minutes

A special joint meeting of the Ways and Means Committee, Budget and Finance Committee, and the Education and Information Technology Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on October 22, 2013 to discuss the operating budget.

MEMBERS PRESENT:

Legislator Lou D'Amaro – Chairman, Ways and Means
Legislator Steve Stern - Vice-Chairman, Ways and Means
Legislator Robert Calarco – Member, Ways and Means
Legislator John Kennedy – Member, Ways and Means/Education and Information Technology
Legislator Lynne Nowick – Member, Ways and Means

ALSO IN ATTENDANCE:

George Nolan - Counsel to the Legislature
Renee Ortiz - Chief Deputy Clerk of the Legislature
Justin Litell - Aide to Legislator D'Amaro
Paul Perillie - Aide to Legislator Gregory
Debbie Harris - Aide to Legislator Stern
Greg Moran - Aide to Legislator Nowick
Robert Lipp - Director, Budget Review Office
Sharen Wagner - Budget Review Office
Tom Vaughn - County Executive's Office
Sarah Lansdale - Suffolk County Director of Planning
Wayne Thompson - Department of Environment and Energy
Vito Minei - Cornell Cooperative Extension
Angie Carpenter - Suffolk County Treasurer
Kathleen Valerio - Health Educator
Andrew DesGaines - Stony Brook University
Laurette Mulry - Legal Aid Society of Suffolk County
Erin Leary - Legal Aid Society of Suffolk County
Rick Brand - Newsday
All other interested parties

MINUTES TAKEN BY:

Gabrielle Severs - Court Stenographer

*(*Meeting was called to order at 9:47 a.m. *)*

CHAIRMAN D'AMARO:

Good morning, everyone. Thank you for coming this morning. Welcome to the joint committee meeting of the Ways and Means Committee, the Budget and Finance Committee, and the Education and Information Technology Committee. Everyone please rise and join the committees in the Pledge of Allegiance led by Legislator Rob Calarco.

*(*Salutation*)*

Okay. Thank you. Please be seated. The purpose of today's joint meeting is to take your comments and suggestions with respect to the recommended budget. I want to welcome everyone, once again, for coming today. Thank you for participating. It's important that we take your testimony and hear your point of view. We have several cards for those who would like to address the joint committee this morning. I'll start with the first, is Kathleen Valerio. Kathleen, good morning. Each person will have approximately three minutes to address the committee, so welcome, and please go ahead.

MS. VALERIO:

Thank you very much for your very warm welcome. My name is Kathleen Valerio. I am a health educator and a program coordinator with Stony Brook University. I'm here today to ensure that you're aware of the exemplar service the university, the students receive from an organization known as LIAAC, the Long Island Association for AIDS Care. I am aware that budget cuts have been proposed that damage the services that we currently receive. You may not be aware but LIAAC does offer all residents of Suffolk County free confidential HIV testing along with HIV counseling and support, and they also provide STI/STD/Hepatitis C testing on our campus on a daily basis. The personnel from LIAAC attend conferences and support testing events where students in the past 12 months -- in the past 24 months, over 1,000 students at Stony Brook University alone have received testing. And if you account for the expense of that one person, that one individual in this region, and we have the highest rate of HIV in any suburban region in the United States of America of HIV, but if you have one individual who is unaware of their status as an HIV carrier and they are practicing unsafe sex, the risk to our residents increases and there is an issue, then, of concern among those in the college-age population who are victims of a sexual assault.

Statistically speaking, one in every six females during the course of a lifetime and one in every eight males during the course of your lifetime will be a victim of a sexual assault. We don't wish to compound the issue of the sexual assault, of being a victim by having the stigma that is also affiliated with the silence that is necessary for some victims and the testing we provide on campus at no cost and confidential through LIAAC allows those victims to confidentially and privately seek support and answers to their questions about the infections that may have been transmitted during the assault that occurred.

I also want to raise an issue with regard to response of Suffolk County, although I do have one of our students here to speak on their behalf. Response of Suffolk County has also been proposed to receive a cut, and I would strongly urge your reconsideration in addition to the exemplar support services they provide to our students. We have advanced opportunities for education and information, which will be shared by Andrew. I believe he's number two.

And last but not least, there is concerns about the cuts to the counseling for those who are struggling in a home where addiction is an issue. So I would ask and urge you to reconsider the proposed \$48,000 cut to the counseling. Thank you.

CHAIRMAN D'AMARO:

All right. Thank you. We're joined this morning by our treasurer, Angie Carpenter, who's here. Angie, did you want to come up and please address the committee this morning?

Good morning.

MS. CARPENTER:

Good morning. Some of you have heard this already because I went to the budget working group, but some of you were not there, so I just want to, I guess, formally put on the record that we are expecting that the funding for the five positions in the Department of the Treasurer's Office will be restored. And I just would -- it was interesting. I appreciated the charts that the Budget Review Office did for each of the departments because it clearly shows you at a glance the number of positions, the total amount of cost of the particular department, and the revenue that comes through that department. And, interestingly enough, if you look at some of them, you've got departments that have a budget of \$5 million that bring in 3 million. You have a department that has a budget of \$5 million that brings in 2,000. You have our department with a budget of \$3.7 million that brings in nearly \$2 billion; 1.9 billion goes through the Treasurer's Office.

The other issue that I wanted to highlight is the request that we had put in the budget for a clerical position, a clerk typist to put in the cancellation unit where we process all the small claims, tax grievances, et cetera. In their analysis, the Budget Review Office concurred with the \$500,000 that would be offset by putting this position in place; although, of course, there's a cost for that position. One of the legislators at the working group said, Well, if you're going to save a half million, maybe you should have two clerk typists and save a million, because the interest that went out was a million two in 2012. I just wanted to be clear that that is not a line item in our budget, in the county's budget. It's interest that we pay on the refunds that are not processed in less than 90, days but it affects our cash flow. We've got to upfront that money, and we do not get it back for 12 to 18 months, but it does impede our cash flow.

So again, it's an investment. They did not make the recommendation to fill the position, and I leave it up to you. You know, if you think it's worthy, I know you've got a lot of challenges ahead of you trying to plug some of the holes that are there in the budget without adding, you know, another 28 or 30,000 for a new position, but in the long run I think it would be very, very cost effective in a department that nearly \$2 billion worth of revenue goes through, and that's basically all I have to say. If there are any questions.

CHAIRMAN D'AMARO:

Yeah. I just wanted to clarify, the position that you're requesting is a clerk typist position.

MS. CARPENTER:

Correct.

CHAIRMAN D'AMARO:

And that would help you to process the tax refunds that are due quicker?

MS. CARPENTER:

Exactly.

CHAIRMAN D'AMARO:

And currently we do have a backlog; is that correct?

MS. CARPENTER:

We do. We do have a backlog. In fact, we had done an analysis, and clearly when we're able to use interns during the summer, because we've got interns that are in the record room collecting the delinquent taxes that come in when the taxpayers are lined up down the hall, but when there is a lull, I send them right down there to small claims so that we can keep that moving as much as we possibly can.

CHAIRMAN D'AMARO:

And the sooner you get those payments out, the less interest that's incurred.

MS. CARPENTER:

Right, and an example that I used: In 2009, we paid out \$156,000 in interest on 3,000 claims. In 2012, we paid out \$1.2 million on 18,000 claims. And so with taxes going up and, certainly not county taxes, but, you know, with the cost of the property tax bills going up, people are going and challenging their taxes more and more.

CHAIRMAN D'AMARO:

Legislator Kennedy, did you have a question?

LEG. KENNEDY:

I did, Mr. Chairman, and thank you very much. Good morning.

MS. CARPENTER:

Good morning, John.

LEG. KENNEDY:

Two things that I wanted to try to make sure that I understood, Angie. Let's go specifically to this piece about the interest with the SCARs.

So the administrative law judge makes a decision; it gets transmitted out to you; the individual homeowner is successful. Their assessment has been reduced. There's monetary amount that they're due back, and then the interest from there runs; and ultimately when you process, that homeowner gets paid back I guess whatever the flat tax is that's reduced plus the interest.

MS. CARPENTER:

Right. Exactly.

LEG. KENNEDY:

Okay. So you upfront that interest piece and then subsequently --

MS. CARPENTER:

It goes on the warrant.

LEG. KENNEDY:

For the following calendar year?

MS. CARPENTER:

Uh-huh.

LEG. KENNEDY:

But nevertheless, so we would still have about two- to two-and-a-half-year time period in which we put up the principal in the first instance before we're made whole by whatever the town or the village is.

MS. CARPENTER:

Right. I don't know if it's two and a half years. It's probably more like a year and a half. But in any event -- and understand, there are times, it's been a little less of a problem this year, I guess, because we, you know, upped the RAN borrowing. But when we are short on cash, when we're waiting for a sales tax payment to come in, there have been times that the deputy on an hourly basis was running down to the cashier's unit to see how much money came in because we had a payroll to meet or we had operating checks to fund. It is that tight. So if you've got a million less that you've got to front out for interest, it helps in the daily operations. It's a million less that we might have to borrow from one of the funds and then pay it back to ourselves with interest, which, you know, that interest that we pay back to the fund is money that's restricted from the General Fund.

LEG. KENNEDY:

No doubt about it, and, as a matter of fact, if there's a way that we can, you know, help reduce that with adding somebody who is proficient in processing it, it would probably make a lot of sense.

There's one other item you spoke to us about at the working group, which was a pilot or an experimental type of thing when it came to payments. I was just curious as to whether that's something that's going to unfold the transfer.

MS. CARPENTER:

You're talking about the --

LEG. KENNEDY:

Electronic transfer.

MS. CARPENTER:

Yeah. No, we are in the testing phase right now, and it's going very well, so hopefully, you know, within a month or so, we should be able to do that.

LEG. KENNEDY:

And that will result in --

MS. CARPENTER:

That should translate by next year into about \$100,000 worth of savings in labor cost, postage cost, and the cost of the check stock, which is very expensive, which was why everyone will notice in their envelopes when they get their statements, now they're no longer printed on check stock as they had been in the past, but they're just on the cheapest 20-pound bond we can get.

LEG. KENNEDY:

Okay. All right. Well, thank you. I appreciate it, and it's good to see you as always. Thank you, Mr. Chair.

CHAIRMAN D'AMARO:

Thank you, Legislator Kennedy. Legislator Cilmi.

LEG. CILMI:

Thanks, Mr. Chairman. How are you, Angie?

MS. CARPENTER:

Great.

LEG. CILMI:

If my memory serves me correctly, one of the ways that the county executive suggested that we might save some money in the consolidation of the treasurer's office and the comptroller's office was through bringing some data warehousing back in house, some of the real property records, if I recall correctly. It was a couple hundred thousand dollars that he thought we might save by -- he suggested that you were spending money on this outside contract to pay for --

MS. CARPENTER:

I can explain that. Actually, the performance management team that made that recommendation probably wouldn't have made the recommendation had they been to see us and has asked the question or had, you know, told us they were thinking along those lines. The support for the muni-system -- and the muni-system is system that maintains the integrity of the nearly 585,000 taxable parcels that there are in the county -- is very specialized, and we've been using that. It preceded my tenure there, certainly. It's been there for many years, and it was being supported by our IT department in Hauppauge. There was only one woman who was very well-versed in it, but when she was away for weeks at a time on vacation, there was no one to back it up, and we had numerous meetings with Technology Steering Committee. Allen Fung was very much involved in that; at the time, the commissioner, Gary Quinn, who was very reticent at first, but we reviewed the whole process. And there was a dollar amount in IT's budget of \$250,000, which was the number that they magically were going to save that got transferred to the treasurer's budget for the support of this because they agreed that it would be better served to have this supported offsite. The disaster recovery that we did not have in place would be in place, and it would free up some personnel in IT that they had cut and needed more staffing, so he agreed. He worked very closely with the vendor in revising the contract -- the existing contract that we have and really struck a very hard bargain, and we got some real value for our dollar, and that's it. I mean, there is no magical savings to be had by transferring that function to IT and giving up disaster recovery.

LEG. CILMI:

So I'd be curious to know, and I know this is all very new and fresh, and I know the county executive, or at least I believe the county executive has the intention of continuing to pursue this merger idea next year, but in the interim, it might be a good idea for our IT commissioner to get in touch with you and for our performance management team to get in touch with you to see if there are any savings to be had in the IT infrastructure within your department or in the management of our department in any way. I mean, the fact remains at this point that for at least the next year, your office will remain independent; and, therefore, it behooves us as a county to provide whatever resources are necessary from an IT point of view and from a performance management point of view to ensure that your office is operating at peak efficiency. So I presume that would be something that you would welcome, and I know Commissioner Rodgers is in the audience, and I don't want to put him on the spot now to ask him whether or not he understands what you just described. It makes sense to me, but I hope that's something that he can sort of, maybe, look into after the fact and get back to us.

MS. CARPENTER:

Well, I tell you, I would absolutely welcome -- and I have gone on record stating that -- if it is the intent of the county executive to revisit this issue and go forward with it, that it be done in a very objective professional -- if the goal truly is to save dollars, which certainly is my goal. Every day that we're out there in Riverhead, we try to find ways to minimize expenses for the county, but it's got to be done right, and yes, the performance management team should be there and bring whatever expertise they might have, and certainly the commissioner of IT. And along those lines too, I would like to see more of a communication on the financial front because in times past, it seems the only time there's any kind of formal meeting -- I mean, we've got an audit committee that is comprised of the legislature, the county executive, the comptroller, and the treasurer, and

that sort of meets at the pleasure of or the call of the chairman, and it's a rotating chairman every year; in fact, I will be the chairman next year. But this year, we haven't even met, and here we are in October, but it's an opportunity to bring the finance people together on a formal basis and I almost think that they should be meeting quarterly.

I know that when I was on the legislature and at one point chaired the finance committee, we had a very difficult relationship at the time -- it was prior to Plan C -- with the college, with the finance person from the college and the finance person from the county executive, and it was myself who convened a meeting and brought the parties together. And I said, *Well, you know, now you guys talk to one another, not that you're coming together just at budget time.* You know, we have issues all year round. Let's try to address those together and find solutions if a deficit is looming, as it has and probably will be for quite some time; you know, let's put heads together and come up with solutions because I think we can.

LEG. CILMI:

So if I introduced a resolution that would require a quarterly meeting of all the financial managers in the county, that would be something that you would support?

MS. CARPENTER:

I would support that, and I really think that it is something that the rating agencies would look at very favorably because when you sit there, and I am part of that financial team that sits there with the rating agencies every year, when you sit there and put on your happy face about how, you know, terrific we're doing and what cost-saving measures we've put in place, and we laid off these people and all of these things that you try to say to show that you've got something constructive that's bringing everyone together and that...because let me tell you, the last rating agency meeting that we had, one of the analysts opened up her portfolio and she's got every clipping from Newsday, and any negative thing that's happening, she had it right there.

LEG. CILMI:

Well, I think anything that we can do to show that we're planning for the future and talking about our current challenges, I think is positive, not only from the standpoint of our rating agencies but from the standpoint of our taxpayers as well. So do you think it would be too much of a burden to ask that group by way of this resolution to report on -- and, you know, I wouldn't expect a huge binder of information, but, you know, a brief summary of the meeting and the conditions of the county and whatnot at that time?

MS. CARPENTER:

I don't see that being a burden, but you're going to have your representative there in the fact that the Budget Review Office will be a part of that, so they in turn will come to you and issue that report. But, you know, and you're getting the -- they're getting the cash -- the cash on-hand daily from our office to the comptroller's office, the budget offices and so forth, the chair of the committee, so that information is available and flowing. But, yeah, whatever we can do to talk to one another and work together is really in the interest of the taxpayer, and that's basically what we're looking for.

LEG. CILMI:

All right. If our counsel is listening, I'll ask him today to draft that sort of resolution, and if we can't get it done by the end of this year, we'll just re-file it next year, and since you'll be the chairperson in the audit committee at that point, we'll work together on it.

MS. CARPENTER:

Super.

LEG. CILMI:

Thanks very much, Angie.

CHAIRMAN D'AMARO:

Thank you, Legislator Cilmi. Legislator Gregory.

LEG. GREGORY:

Thank you. I apologize for my tardiness. There's some construction on the Southern State. So I'm not sure if this question was asked but I wanted to just kind of get a feel from you. Every year during the year, your office is responsible for various borrowings, various refunds for cash-flow purposes, correct?

MS. CARPENTER:

Correct.

LEG. GREGORY:

Which funds are those, if you can just put them on the record?

MS. CARPENTER:

The funds that we take from are generally the Water Quality Fund, Tax Stabilization Fund, but I will get a list to you and make sure that I'm --

LEG. GREGORY:

The various reserve funds and things of that nature?

MS. CARPENTER:

Right. But, again, there are some that you can take from and some that you can't, and we notify everyone prior to, and we notify everyone as soon as the moneys are paid back with interest to that particular fund.

LEG. GREGORY:

By charter law, by law, we have to pay that back by the end of the year.

MS. CARPENTER:

Right.

LEG. GREGORY:

Right.

MS. CARPENTER:

And as we go along too, we're watching it very carefully with things like the borrowings. When you've got to pay, not just those that we borrow from ourselves by the end of the year, but the DTAN, the TAN, the RAN now; and what we've been trying to do, and this year, we had a little bit more success with it in restricting some of those funds. As soon as we see that maybe we can take and put five million aside for that repayment, we try to do that. You know, the minute you have money in your pocket, you tend to spend it, so we try to restrict it so that when it does take time to make that payment back, we have the money and we're not borrowing more to pay back what we borrowed.

LEG. GREGORY:

And like the tax stabilization specifically, by example, has been reduced. It was at 120 million at

one point. Now, I think it's, I think, 49, 50 million, so that has reduced your ability to use as collateral to borrow, I would imagine. And has that been difficult? Does that make your job more difficult to have less funds than reserves?

MS. CARPENTER:

Oh, certainly. When you're the treasurer, you want to have lots of money. Being the treasurer with no money isn't a lot of fun. It's a lot of challenges, that's for sure. But it's what we're all grappling with. Being a legislator right now isn't -- it's a lot more challenging than it was when the county was flush with money, you know, when we had people sitting around being able to fund, you know, agency after agency in a district because there was, you know, plenty of money to go around. That isn't the case anymore. It's very, very difficult, and people come to expect it, and, you know, their very survival sometimes depends on that revenue. It's very challenging for sure.

LEG. GREGORY:

Thank you.

CHAIRMAN D'AMARO:

All right. Thank you. Just to ask you, to pick up on what Legislator Gregory was saying, so there are various funds that the county maintains for different purposes, but for cash flow purposes, you're allowed to tap into those funds?

MS. CARPENTER:

Some of them.

CHAIRMAN D'AMARO:

Some of them --

MS. CARPENTER:

Right.

CHAIRMAN D'AMARO:

-- periodically, but it must be paid back by the end of the year. You mentioned --

MS. CARPENTER:

Again, everyone is notified when the borrowing is taking place and when it's been repaid.

CHAIRMAN D'AMARO:

Yeah, it's cash-management, cash-flow purposes.

MS. CARPENTER:

Right.

CHAIRMAN D'AMARO:

Does that include any of the sewer funds as well?

MS. CARPENTER:

Yes.

CHAIRMAN D'AMARO:

The reserve funds for the sewers, assessment reserve funds, all of that.

MS. CARPENTER:

Yes.

CHAIRMAN D'AMARO:

So each of those funds are available, but some you cannot tap into, and you'll put together a list for us. I would like to see that myself.

MS. CARPENTER:

Right. Yeah. And I had just had a note that kind of got shuffled in my papers. You had asked for what the average payment was on those refunds, and I just found the note, so hopefully I won't misplace this one.

CHAIRMAN D'AMARO:

Okay. Thank you. Are there any other questions of the treasurer this morning? Legislator Stern.

LEG. STERN:

Thanks, Mr. Chairman. I just wanted to follow up on that last question. As to the ability to borrow against the sewer funds, is that an ability without limitation?

MS. CARPENTER:

The limitation is how much money you have in there.

LEG. STERN:

That's it. There's no bright-line dollar?

MS. CARPENTER:

But you have to be judicious too. You're not going to zero it out because it's there for maintenance and whatever issues you had, and when they go to use that money for the purposes they need, God forbid there was an emergency, and then, you know, you've got money in that particular fund, that would not be something you'd want.

CHAIRMAN D'AMARO:

Can you include, when you send us that information, just for this year, the amount of borrowing out of each of the funds that you are able to borrow from.

MS. CARPENTER:

Okay. So you want a listing of the funds, which ones are restricted, and what has been borrowed this year from them.

CHAIRMAN D'AMARO:

Yeah, that's exactly right. Legislator Kennedy, do you have a question?

LEG. KENNEDY:

Can I just add to that, and in particular the Sewer Stabilization Fund, and, Robert, I'll ask you to confirm this: The general one is 404 that we spoke about? But then there is a separate stabilization fund unique to Bergen Point or SD3 405.

MR. LIPP:

Yes, 404 is for the General Sewer Fund and then Southwest has its own 405.

LEG. KENNEDY:

But none of the other 21 or 22 county sewer districts are similarly situated. It's just those two funds associated with sewer stabilization and construction.

MR. LIPP:

Yes, but 404 is the reserve fund for all the sewers.

LEG. KENNEDY:

I see. But because of the size, SD3 has its own fund. So I am curious as to whether or not both are accessible for borrowing purposes. Thank you.

CHAIRMAN D'AMARO:

Okay. If not, Madame Treasurer, thank you very much.

MS. CARPENTER:

Thank you very much.

CHAIRMAN D'AMARO:

See you next time.

Next individual is Andrew DesGaines.

MR. DESGAINES:

Good morning, everyone. My name is Andrew DesGaines, and I'm here to represent Response Hotline of Suffolk County. County Executive Steve Bellone has recently come to my school at Stony Brook University to inform us of the budget cuts, and this did, in fact, hit home for me because I'm a counselor at Response Hotline, and they informed us to speak out as we would believe to be appropriate.

My experience at Response has proven to be invaluable to not only the callers on the other line but also to me and the people I've trained with. In no way do I mean to undermine my undergraduate education at Stony Brook, but it is incomparable, even just the few weeks of training that I have received at Response Hotline. This is training that will follow me not only through my college career or my time at Response Hotline but for the rest of my life.

I just want to share with you some staggering statistics as relevant to me as a college student 'cause we do have college students who call the hotline. One in five college students have seriously considered suicide at some point in their lifetime; nearly one in 10 have seriously considered suicide in the past year. The vast majority of young adults aged 18 and older who are diagnosed with depression do not receive appropriate or even any treatment whatsoever, so Response Hotline, is most certainly relevant and in no means deserves a budget cut. Thank you.

CHAIRMAN D'AMARO:

Thank you, sir. Next up, Vito Minei. Vito? Okay. We'll pass over that for now. Next, Don Dailey. Good morning.

MR. DAILEY:

Good morning. My name is Don Dailey. I'm the fourth vice president of the Suffolk County Association of Municipal Employees. I'd like to thank you for the opportunity to speak today regarding the 2014 Suffolk County budget. As the bargaining unit for the county's largest work force, AME looks forward to working with the administration to address the county's budgetary concerns as well as to protect the livelihood of our membership. AME has and continues to strive to provide Suffolk County's population with essential services, and our membership is proud of the great work they do for the betterment of this county. In the spirit of this cooperation, the county and AME have come to a tentative collective bargaining agreement, which was ratified by the membership last week. We would appreciate the legislature's support of that agreement.

This year, as in years past, AME has employed the services of Ed Vogel to perform an independent review of the county budget. The purpose of this independent analysis is not to dispute the figures contained in the document but to look at it from a different perspective and to provide input that might achieve the desired goals of the county are protecting the working conditions of our members. I have a copy of the analysis for everyone. President Farrell has instructed me to let the legislative body know that he'll be happy to speak to any legislator that may have questions about the AME review of the county budget and that he stands committed to helping the county executive in navigating these troubled waters and getting the county back on the track to financial stability. Thank you.

CHAIRMAN D'AMARO:

Thank you. Vito, you're back. Come on up. Vito Minei, good morning.

MR. MINEI:

Good morning. Thank you. I'm sorry. I had to run out for a second. I'm Vito Minei, executive director of Cornell Cooperative Extension of Suffolk County, and hopefully before you, you have a package of material in a red folder. I'm here this morning to discuss a portion of the BRO report that pertains to Cooperative Extension. Specifically, I'm going to focus on our request to transfer one of our core programs, Family Health and Wellness from the Health Department to join our other core programs in the Economic Development and Planning Department, and thankfully, the County Executive and his budget staff agreed with our request and, thus, put it in the recommended.

The BRO material, and I've included it in the packages, on page 13 and I believe 157 and 158 raise a couple of points. Number one, the BRO staff makes a point of saying that they believe that the family health and wellness programs are better aligned with the departmental mission of the health department. While we understand this reasoning, I have to tell you truthfully, we don't deal with program staff at the Health Department with these programs. We deal exclusively with administrative staff and the finance unit on budgets, budget mods, contracts, and also invoicing.

Another issue raised in the BRO report is that there was concern with possible New York State Public Health Law Article IV funding that might be relinquished if they move the department. I put in there the two pages out of our budget for Family Health and Wellness. It shows all the staff, and I just want to bring to your attention the funding that they talk about, in looking through the material in Article IV, and that's included. The only issue that's relevant to the programs of FHW, Family Health and Wellness, deal with nutrition and obesity prevention. And in our budget, I highlight two staff individuals whose partial salaries are included. So while I presume BRO thought all the \$173,000 request we have for Family Health and Wellness would qualify for reimbursement, in reality only those partial salaries that total about 55,000 would be available for reimbursement. So instead of the \$62,000 of reimbursement, the entire allocation, you're only looking at 19,800.

And, again, I fully understand this is not trivial when we're looking for every dollar in the county budget, but the BRO report also identifies a readily available remedy, and that's simply a memorandum of understanding between the two departments, EDP and also Health. They are done routinely, certainly, with all the positions and budgets for 477; that's done routinely.

My last point on this issue is that the nutrition and obesity prevention education that we do through Family Health and Wellness comes from federal and state funding related to the foodstamp program. That is a social services program. That is not a health program. And we get something on the order of \$250,000 from both the feds and the state to underwrite the cost of about eight of our staff that go out and give this vital nutrition education relative to foodstamps. So my point is I fully understand where the BRO are coming from, but I have to say that, while I appreciate the forthright presentation -- I'm going to thank them for that -- but I also want to thank the county exec and his

support and recommendation for the transfer. I think you can't underestimate the administrative benefits of consolidating program under one department. We're working to align all of our programs with Economic Development and Planning. And also I want to thank the federal and state claims staff. They gave me quite an education in the past couple of weeks. I didn't realize how much I didn't know after 38 years. But I want to thank you too for your consideration, and I hope you agree with the transfer of that program. Thanks.

CHAIRMAN D'AMARO:

Very good. Thank you. Are there any questions? Okay. Mr. Minei. Thank you very much for your time.

Next is Laurette Mulry and Erin Leary (ph) representing the Legal Aid Society this morning.

MS. MULRY:

Honorable Members of the Budget and Finance Committee, Ways and Means, and Education and Information Technology Committees, good morning. My name is Laurette Mulry. This is Erin Leary. We're here today on behalf of the venerable Legal Aid Society of Suffolk County. I know many of you have heard from me both individually and in the general session just a couple weeks ago. I thank you for your patience and for your continued attention to our budgetary issues. I did think it was important today to come, to acknowledge, to respond to, and to show our support for the legislative Budget Review Office's report on the 2014 recommended operating budget. We're very happy about the assessment that they gave in their report, their recognition of the work that Legal Aid does above and beyond even their base operations, and we hope that you will take careful consideration of that assessment and of the proposals that they've made therein.

Just as a brief synopsis, as I think many of you know, we had made three specific requests in our budgetary submission earlier this year: one, an increase in positions; two, cost of living increase; and third, an increase for our medical plan to incorporate an increase of projected premiums for next year; also, hopefully, an allowance to enable us to reduce employee contributions from the existing 20 percent contribution to 10 or 15 percent based on date of hire, much like county employees have. The county executive -- of those three budget requests, the county executive did, in fact, include in the recommended budget an allowance for increased positions, specifically, as we had asked for, two attorney positions and one clerical support staff position, and we are very thankful for that allowance and for the fact that the county executive recognizes the need for that based on our increasing workload. Since 2008, we show an increase in case assignments by about 14 percent, so the workload is ever expanding, the type of work that we're doing is also expanding, and we hope to be able to use those positions also to continue to take on those case assignments by reduce 18B's budget as much as possible or keep it in check. In Budget Review Office's report, they did review, though, the fact that the County Executive did not include anything for cost-of-living increases for our employees, nor did they include any increase whatsoever for our medical plan.

And we would like for you to take into consideration that the Budget Review Office has suggested adding, first of all, an increase to at least allow for us to be able to handle or cover our net projected premium increase with NYSHIP for next year. Also, they did suggest and say that what we had requested for our salaries was not unreasonable, but maybe proposal to make that increase in July 1 of next year rather than January 1 so as to be inline with county AME and exempt employees, and we are very appreciative to BRO for recognizing the work that we do and also recognizing the need for pay and benefit parody.

I would also like to point out some of the other work that we do -- it isn't in BRO's write-up -- and that has to do with some of the grant funding. It used to be that New York State would give ILSF monies, Indigent Legal Service Funds, to the county based on a formula. It was automatic given to

the county, but as of 2010, that kind of changed. In 2010, the governor's office created the office of indigent legal services, and that office now oversees those monies, and now they are given out based on programmatic grants, based on demonstration grants. So now, the counties must demonstrate how they're going to use those monies to improve the quality of indigent defense, and I must applaud both the county attorney who is here, Dennis Brown, and Deputy County Executive Dennis Cohen for working in concert with Legal Aid and with the Assigned Counsel Plan to be able to put together these grant submissions to be able to maximize the amount of money that the county can receive from the state for these programs, and we're very happy to be a part of that equation.

Also, as I said before, Legal Aid, the work that we do is expanding. We are very involved in the treatment courts. Right now, there is a drug treatment court, mental health court, as well as a veterans court. Yesterday, there was a meeting with Judge Hinrichs regarding the creation of a new veterans court out in the east end, and, again, we're very happy to staff that part and to be a part of that. There's also, a week from today, there is going to be a new part, the human trafficking court in district court; and also there's a youth diversion part that is in progress now. So these treatment courts need a lot of time and effort on the part of our attorneys. They have weekly appearances. They also participate in treatment team meetings, so it is important for us to be there in those parts but it is also very time and resource-intensive to be able to staff those parts. So the addition of those positions will be helpful towards us, but we also again would like to ask you to take heed of what Budget Review Office is recommending and at least allow us to have some pay and benefit parity. So, again, we would like to ask you to take consideration of Budget Review Office's report and to include us in the omnibus. Thank you very much.

CHAIRMAN D'AMARO:

Thank you. Any questions? Legislator Kennedy.

LEG. KENNEDY:

Thank you, Mr. Chair. Laurette, thank you for being here, and I just want to make sure -- the health insurance piece, I want to stay on the health insurance piece for a second. Through the work that we all did, I guess, two years ago, you are now all members of NYSHIP?

MS. MULRY:

That's correct.

LEG. KENNEDY:

Okay. And the employee premium was something that was established -- was it by the state, or was that something that was collaborative with Legal Aid? How did we arrive at the fact that there would be 20 percent employee contribution?

MS. MULRY:

We had instituted the 20 percent in order to try to be fiscally responsible to bring down these premiums. That was even prior to going into NYSHIP. In NYSHIP, I mean that was a great cost-savings to the county by getting -- becoming eligible --

LEG. KENNEDY:

No doubt about it.

MS. MULRY:

-- to be in NYSHIP as a participating agency, so that was a cost-savings for the county. But, of course, as with other health insurance plans, we are anticipating a premium increase for next year, so part of our request for our medical was to at least allow us to be able to cover that premium increase so we don't have to -- hopefully we won't have to increase the contribution on the part of

our employees, which would be effectively a reduction in pay.

LEG. KENNEDY:

No doubt. So but, then, not being familiar with that directly, when will you know what the 2014 contribution rate is going to be? December? When does the state notify you?

MS. MULRY:

That usually -- it's usually December.

LEG. KENNEDY:

It's in December. So the best we can do at this point is try to speculate that there's going to be an increase. Health insurance doesn't go down. It always goes up.

MS. MULRY:

Exactly.

MR. LIPP:

We have our projections listed up on the screen, if you'd like.

LEG. KENNEDY:

So what are you -- what is BRO estimating, Robert? What is it going to go up, 2.3 percent; is that it?

MR. LIPP:

These are all the projected increases. A 2.3 percent increase for medical insurance premiums would be the 164,000 that Laurette was talking about before. And if you were interested in the other items that they were requesting, they were interested in trying to reduce their coinsurance premium for the employees.

LEG. KENNEDY:

What is new -- hold on a second, Laurette. Robert, stay with me for a second. So what did we wind up working out for newly-hired county employees? What will be the contribution rate for, let's say, if Mr. Spota hires an ADA?

MR. LIPP:

Fifteen percent.

LEG. KENNEDY:

New hires are at 15? Did we do that flat across the board, or did we get into that gradation for higher contribution for higher salaries?

MR. LIPP:

No, flat.

LEG. KENNEDY:

Fifteen across the board. Okay.

MR. LIPP:

These are requested items by Legal Aid, and the first column of numbers and the second column of numbers is what's in the recommended budget.

LEG. KENNEDY:

Laurette, tell me a little bit about -- so the two new attorneys that you're requesting, you would just put them into general coverage?

MS. MULRY:

Yes.

LEG. KENNEDY:

As it is, the caseload for your staff attorneys, as you've indicated, or as BRO is indicating, continues to go up?

MS. MULRY:

Yes. As I've said before, we've seen our caseloads increase very steadily in the last couple years, especially, really, since 2008, and 2008, obviously, that's when there was fiscal crisis, and whenever there's fiscal crisis, of course, crime goes up, and it's usually in the misdemeanor area, and that's where we see the most number of cases. It's in our district court division. So probably with the addition of those two attorney positions, it'd probably go towards district court, but also remember that's where those treatment courts are as well, so there is a great need there, especially with the addition of the human trafficking court starting next week, a week from today, as well as the youthful offender court, which is another diversionary program.

LEG. KENNEDY:

Just out of curiosity, what does a new attorney start with with your organization?

MS. MULRY:

Starting salary is 55,000.

LEG. KENNEDY:

Entry -- starting salary is 55.

MS. MULRY:

Yes.

LEG. KENNEDY:

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

CHAIRMAN D'AMARO:

Thank you, Legislator Kennedy. How many employees do you have?

MS. MULRY:

140.

CHAIRMAN D'AMARO:

And are they all full time?

MS. MULRY:

Yes, they are.

CHAIRMAN D'AMARO:

How many attorneys do you have, roughly?

MS. MULRY:

98 or 100.

CHAIRMAN D'AMARO:

About 100. What is the percent cost-of-living adjustment that you're requesting?

MS. MULRY:

Three percent across the board.

CHAIRMAN D'AMARO:

Three percent. Did you receive a cost of living adjustment in last year's budget?

MS. MULRY:

No, we did not. I did want to point out, though -- you bring up a good point -- the grants that we have received from ILSF from the state, they're three-year grants, actually, and there have been two distributions, and then right now we're in the midst of receiving a competitive grant. But they have all built in three percent cost-of-living increase each year, so the employees that will be assigned in those grants in or are assigned in those grants currently are meant to get a three percent increase.

CHAIRMAN D'AMARO:

What is the dollar amount of the increase that you're seeking from the county on the health insurance?

MS. MULRY:

For the premiums -- to cover the net-projected premium increase, it's \$164,294 and if -- for an allowance to be able to reduce the contribution from 20 percent to 10 or 15 percent, that would be \$109,258.

CHAIRMAN D'AMARO:

So it's the 164 plus the 109, so 173, 174. Now that's just to defer -- that would decrease the employee contribution to what percentage?

MS. MULRY:

It would be for individuals who were hired to January 1 to 10 percent and those hired after January 1 to 15 percent, again, trying to be inline with what county employees have.

CHAIRMAN D'AMARO:

How did you arrive at the 10 percent number?

MS. MULRY:

Well, obviously, we really would love to go down to zero percent, but, you know, we were trying to be a little reasonable with that, so we just were cutting it in half.

CHAIRMAN D'AMARO:

What's your total medical plan bill for the year?

MS. MULRY:

I'm sorry.

CHAIRMAN D'AMARO:

What's the total medical plan bill for the year that you incur?

MS. MULRY:

An estimate, approximately 1.4 million.

CHAIRMAN D'AMARO:

So it costs the Legal Aid Society 1.4 million to cover the 140 employees; is that correct?

MS. LEARY:

Yeah, rough.

CHAIRMAN D'AMARO:

Does that include the 20 percent contribution?

MS. MULRY:

Yes, it does.

CHAIRMAN D'AMARO:

It does. So 20 percent of that is picked up by the employees?

MS. MULRY:

By the employees, exactly.

CHAIRMAN D'AMARO:

Have you examined whether or not the Affordable Care Act effects your delivery of health insurance to your employees in any way?

MS. MULRY:

We have looked into that, and no, it does not.

CHAIRMAN D'AMARO:

I'm trying to understand. You looked at whether or not insurance would be available to your employees through some other means; did you look at that?

MS. MULRY:

Yes, and proper notices were sent out, as we were obligated to do.

CHAIRMAN D'AMARO:

Yeah, I'm not talking about the notice. I'm just talking as if there's this new law on the books that works that involves health insurance and you're a company that has approximately 140 employees -- now, I understand there's a mandate for you to deliver health insurance, but there's also built-in penalties if you don't deliver health insurance. Have you examined that from a cost analysis?

MS. MULRY:

We have auditors right now looking at that, yes.

CHAIRMAN D'AMARO:

So when do you expect the results from your findings? Because I would be interested to just -- I'm not saying you're going to make a change, but I'd be interested to know how the new law impacts an organization with roughly 140, 150 employees.

MS. MULRY:

Absolutely. I'd be happy to respond back to you with that information.

CHAIRMAN D'AMARO:

Is that any time soon do you expect that?

MS. MULRY:

In the next month or so.

CHAIRMAN D'AMARO:

What's your total budget, roughly? And what percentage of your total budget is from the county?

MS. LEARY:

The county budget's about 12 million.

CHAIRMAN D'AMARO:

The county contribution to your budget is 12. What's your total budget?

MS. LEARY:

Probably about 16.

CHAIRMAN D'AMARO:

All right. I just -- again, as we're -- it's not just singling you out. As we're facing the rising cost of healthcare and there's this very complex new law that's now in effect as of, I think, October 1, it's something that we all should be examining and see if that has a negative or a positive impact or if there are any options under that law, especially, you know, if you're a company that has one or two employees, it's different than a company with 140. 140 employees, you may have some options that you may want to look at that would benefit your budget at least in the short term, so it's something to think about.

Legislator Stern, did you have a question?

LEG. STERN:

Very quickly. Thank you, Mr. Chairman. The dollar amount that was allocated for this purpose, at least as far as the increase, last year was, if I'm looking at it correctly, 220,000 to offset the growth in premiums. This year, the request is for that 164,291 for that same purpose. What is the reason for the difference in the number? The number is a reduced number this year as opposed to last year. What's the reason behind it?

MS. MULRY:

So you're talking about the net-projected premium increase. So what happens is NYSHIP sends out quarterly experience reports where they estimate what that increase will be for next year, so we're basing this on information that's given to us by the state. So last year -- at the same time last year, it was a much higher number, so that's why we were asking for more last year as compared to now.

LEG. STERN:

The reasoning, the underlying reason behind the decrease in the number from this year?

MS. MULRY:

That comes from the state. You know, it has to do with the number of people in the plan, it has to do with the --

LEG. STERN:

It's nice to have a lower number rather than a higher number. I'm wondering as to what the reasoning behind it is.

MS. MULRY:

Again, we just base it on the projections that are given to us by the state.

LEG. STERN:

Thank you.

CHAIRMAN D'AMARO:

Okay. Any other questions? Okay. If not, thank you very much for answering our questions as well. We appreciate it.

MS. MULRY:

Thank you.

CHAIRMAN D'AMARO:

We appreciate it. I don't have any other cards this morning. Is there anyone here who would like to address this joint committee this morning? Okay. If not --

LEG. CILMI:

Mr. Chairman.

CHAIRMAN D'AMARO:

Legislator Cilmi.

LEG. CILMI:

I would just like to hear from Commissioner Rodgers on the IT portion of the budget and the BRO's report.

CHAIRMAN D'AMARO:

Okay. Commissioner Rodgers, it's been requested that you come on up, and welcome.

COMMISSIONER RODGERS:

Good morning.

CHAIRMAN D'AMARO:

Good morning. Legislator Cilmi, did you have a question in particular?

LEG. CILMI:

Just if you could summarize, Commissioner, you know, your feelings towards the budget proposal as well as the Budget Review Office's analysis thereof.

COMMISSIONER RODGERS:

The budget proposal that we put in is effectively a cost to continue budget. The significant, or I would think the significant, component that you see differently is in the funding for the 2020 equipment where the discussion is that we will capitalize from one year to go out and actually purchase and renew aging equipment for the desktop, primarily the desktop environment but also within the server and storage areas.

All right. Now this is -- I think this is an area that we desperately need to address. The county has extended its policy of replacing equipment from initially a three-year to a five-year, and then pretty much when it rolls over and dies, policy for equipment. And at some point, even if you kick it, it's not going to work, so we really do need to take a look at that area. Beyond that, as I said, we all understand that these are tight fiscal times. This is cost to continue budget for us. We expect to manage within our environment.

LEG. CILMI:

Are there any services that we're contracting out for that add up to any significant amount of money?

COMMISSIONER RODGERS:

We have a number of contracted services.

LEG. CILMI:

Such as? Give me the top three or four.

COMMISSIONER RODGERS:

Well, we contract with Presidio to provide support to the network infrastructure. They provide 24-hour, 7-day support for us, so during off hours, we have support from them, and that is --

LEG. CILMI:

Any idea, roughly, how much that contract is?

COMMISSIONER RODGERS:

I don't have it off the top of my head. I can get it for you, if you like. Our agreement with Presidio is about \$385,000 a year.

LEG. CILMI:

And as far as the contracts that you're in that exceed \$100,000, let's say, a year, what do you think is the total of those contracts?

COMMISSIONER RODGERS:

We don't have a lot of outstanding existing contracts.

LEG. CILMI:

Okay. So that one, the Presidio one is --

COMMISSIONER RODGERS:

That's the biggest one. I mean, we just let three RFPs for -- basically, to provide services back to us as we need to get them, so we let RFPs for application development, networking support, and GIS support, and the purpose in us doing that is that we recognize that as projects become prevalent to us, there may be a need for us to actually acquire skillsets that we currently don't have on board.

Now, that being said, we are obviously looking to make significant changes within the IT environment in terms of where we operate. I've previously spoken to this body and indicated that we're moving away from an Oracle platform overall, not entirely but overall, to a Microsoft server environment. We are looking at certain software tools that Microsoft provides. Some of those would represent rapid development tools that we want to get in place so that we can provide applications at the desktop to the user community and in a timely fashion and be able to upgrade the skillsets of our staff and as well as our users.

LEG. CILMI:

Aside from, you know, Word and Excel and those sorts of commonly-used applications, do you feel that the county is pervasively taking full advantage of the IT infrastructure that we currently have in terms of managing their workflow? And I guess part of that question is have you been able to do an assessment of each of our departments' IT utilization in terms of making their jobs more efficient?

COMMISSIONER RODGERS:

As I have previously indicated, one of the major directions that we've taken is the implementation of the overall federated model within the county, and the reason we took that direction was for the exact statement you've just made: that there was a significant degree of decentralization within the county where departments acted largely independently in terms of making decisions as to their direction for the use of technology. I feel we've made significant progress with the federated model that we put into place in January. We are looking to expand upon that. One of the tools that we are looking to bring in is software that will allow us to do business analysis, business analytics to better understand how the use of data is done in the county because we have a very diverse footprint with regard to that, and we don't have the integration of data that we need to have, and that is a major direction that we will be taking within the next year.

LEG. CILMI:

Aside, though, from the integration -- the departmental integration of data and shared resources -- take Department of Social Services as an example. Have you gone through and sort of analyzed the use of IT just within the Department of Social Services -- again, just as an example -- to determine whether or not they are taking full advantage of the IT infrastructure that we currently have available to avoid, you know, paperwork, to avoid --

COMMISSIONER RODGERS:

We have.

LEG. CILMI:

You have.

COMMISSIONER RODGERS:

We have with a number of departments.

LEG. CILMI:

Okay.

COMMISSIONER RODGERS:

I guess you want me to tell you what the results of that are.

LEG. CILMI:

Well, at least what departments you've had an opportunity to go in and look at.

COMMISSIONER RODGERS:

We've taken a look at a number of departments, and again going back to my earlier statement, the results are largely what you might expect. We have a terrific infrastructure in the county. It's been put into place. We have a disaster-recovery environment that is really second to none. It got us through Sandy. Fortunately, we didn't have to rely on it to the extent we might have, but it proved its worth.

What we see, though, is we need every department to make greater utilization of that environment. In addition, because of the decentralization, we do not see the departments necessarily maximizing not just the infrastructure but the technology itself the way that we feel it should be utilized. And we've worked with some of the departments to virtualize their servers which results in us not having to pay for new servers for them, giving them the safe service, and providing a more secure environment. We've worked with others to move them away from a technology that they may have in place that's aging. We can move them on to a newer platform without additional costs.

So, I mean, off the top of my head, we can look at Health, we can look at Parks, we can look at Social Services, we've worked closely with PD, we're working with FRES closely, so we have interacted more heavily with some than others. We have interacted with any as the need arises.

LEG. CILMI:

All right. Thank you. I don't want to belabor the point. I just want to make sure as we go through the budget this year that you have adequate resources, and I understand that we're all struggling with -- you know, we all could use more resources, but that you have adequate resources in order to ensure that each of our departments is making the most of what we have. Doing more with less is constantly the mantra, and in many ways, information technology allows us to do that. But all too often from what I see, we ignore that opportunity, and I think we do so because, you know, you have a bureaucracy in place that's accustomed to doing things a certain way, you know, for decades, so it's hard to change, and sometimes you need hand-holding to do that, and I want to make sure that we have the resources available because I think there's tremendous opportunity for savings and for efficiency through the use of IT. But if we're not devoting the resources to spotlighting those opportunities, then the doors will go unanswered. The door knocks will go unanswered. So, you know, if we could talk a little bit more about that offline, I would appreciate it.

COMMISSIONER RODGERS:

I'm happy to do that.

LEG. CILMI:

You agree with what I'm suggesting?

COMMISSIONER RODGERS:

Oh, absolutely. I strongly support the ideas and concepts of what technology can and should be doing for this county and the implementation for a standardized environment for us to work on so that we can interact with data and really take a look at how we're doing and when we're doing is paramount in our efforts.

LEG. CILMI:

Thanks, Commissioner.

CHAIRMAN D'AMARO:

Any other questions of the commissioner at this time? Is there anyone else here that would like to address this joint committee this morning? Okay. Then on behalf of myself and Legislator Gregory and Legislator Anker, the chair of the respective committees, I thank everyone, and we are adjourned. Thank you.

*(*The meeting was adjourned at 10:57 a.m. *)*