

Budget & Finance 2-25-14

**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 February 25, 2014 at 12:30 p.m.

**MEMBERS IN ATTENDANCE:**

Legislator Lou D'Amaro - Chairman  
Legislator Sarah Anker - Vice-Chairwoman  
Legislator John Kennedy  
Legislator Monica Martinez  
Legislator Steve Stern  
Legislator Robert Trotta

**ALSO IN ATTENDANCE:**

Presiding Officer DuWayne Gregory - District No. 15  
Legislator Robert Calarco - District No. 7  
George Nolan - Counsel to the Suffolk County Legislature  
Sarah Simpson - Assistant Counsel to the Suffolk County Legislature  
Renee Ortiz - Chief Deputy Clerk, Suffolk County Legislature  
Robert Lipp - Director, Budget Review Office  
Roz Gazes - Budget Review Office  
Greg Moran - Aide to Legislator Trotta  
Eva Greguski - Aide to Legislator Calarco  
Justin Littell - Aide to Legislator D'Amaro  
Debbie Harris - Aide to Legislator Stern  
Ali Nazir - Aide to Legislator Kennedy  
Joseph Sawicki - Suffolk County Comptroller  
Joseph Pecorella - Suffolk County Comptroller's Office  
Dennis Brown - Suffolk County Attorney  
Lynne Bizzarro - Chief Deputy County Attorney  
Tom Vaughn - County Executive's Office  
Jose Nunez, Deputy Sheriff  
Amanda Murgitroyde - St. Anne's Parish Outreach  
Margarita Espada - Teatro Experimental Yerbabruja  
Steve Bard - Teatro Experimental Yerbabruja  
Kristine Lehn - Long Island Cares  
Margaret Ragonese - Loaves and Fishes of UMCLR  
Allen Kovesday - Resident  
Marcos Maldonado - Resident  
Deborah Kirnon - Resident  
Samuel Gonzalez - Resident  
All Other Interested Parties

**MINUTES TAKEN BY:**

Lucia Braaten, Court Stenographer

**MINUTES TRANSCRIBED BY:**

Kim Castiglione, Legislative Secretary

*(The meeting was called to order at 12:49 p.m.)*

**CHAIRMAN D'AMARO:**

Good afternoon, Ladies and Gentlemen. Welcome to the Budget and Finance Committee of the Suffolk County Legislature. Please rise and join the committee in the Pledge of Allegiance led by Legislator Sarah Anker.

***Salutation***

**CHAIRMAN D'AMARO:**

For the record, looking at our agenda this morning -- this afternoon, rather, and again, welcome to everyone in the audience. The committee has not received any correspondence. We will move to section three of the agenda, which are public comments. If you wanted to address the committee this morning we're asking that you fill out one of these yellow cards. Please see the Clerk up front if you haven't done so already. When you come to the podium, you'll be given three minutes to address the committee this morning -- this afternoon, rather. So I'll call the first. The first speaker is Allen Kovesdy.

**MR. KOVESDY:**

Thank you very much, Mr. Chairman. I'm a resident of the Town of Huntington, New York. I'm here today because a bank, HSBC, arbitrarily and capriciously closed all accounts of small businesses in Nassau and Suffolk County. My wife's business had an account with them for over ten years. When I went to speak to them they said they did a computer program of businesses and they found out that our business didn't have foreign -- didn't do business out of the United States, didn't generate enough business, and they gave us 60 days to close the account. I then asked them very simply will they reimburse the 500 checks that I have in the checkbook and all the other things, and they said, "Well, we already sent it to you".

So I said, you know, the Suffolk County Legislature has a long and distinguished history of supporting the little people, and I felt -- and I called the Treasurer's Office before I did this, that Suffolk County should take HSBC off the list of banks they do business with. If they're arbitrarily cancelling accounts for small businesses, which is the backbone of Suffolk County, I don't think the County should have the decency and the ability to do business with them.

I had asked Mr. Kennedy, because two of my students from Stony Brook are interning with him, if he would sponsor the resolution. I wrote the resolution for him. I gave him a copy of the letter that HSBC sent to me. And on top of it all, talking about gall, yesterday in the news HSBC reported that they're giving four billion dollars worth of bonuses to their employees. So they're giving four billion dollars worth of bonuses to their employees but they're cancelling, or they have canceled as of last year, all small businesses in Suffolk County that aren't international and in trade.

So what I'm asking through Mr. Kennedy, through the Legislature, is that you pass a bill authorizing the Treasurer to take HSBC off the list of banks that does business with Suffolk County. So I would appreciate when that resolution comes in we could get your support. It's on a bipartisan basis. It's something that sends a vital message to big businesses they shouldn't mess with the people who pay taxes and work hard in Suffolk County. So that's really all I have to say and, Lou, thank you for taking me quick.

**CHAIRMAN D'AMARO:**

Allen, thank you, nice to see you and we appreciate your testimony today. Thank you.

**MR. KOVESDY:**

You're welcome.

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### **CHAIRMAN D'AMARO:**

And the next speaker this afternoon is Margarita Espada. Ms. Espada, welcome to the Budget and Finance Committee. Please go ahead.

### **MS. ESPADA:**

Thank you very much. My name is Margarita Espada. I'm the Director of Teatro Yerbabuja related to the Puerto Rican Hispanic Parade. I'm here representing my community and to make public that last week we received a phone call from our Legislator Martinez assistant, Lisa, telling us that they were planning to take our funding because we don't qualify. At that moment I request a meeting with Legislator Martinez or a conversation, and that was denied to us as an organization. I say why because there was no need. Actually, they say that there was a courtesy call, that they don't need to call us to give us this information, and she had all the power and discrepancy to take the funding of our organization with the proper budget allocation. One more time we sent different e-mails, faxed the office taking care of other aspect of this issue, and one more time there was not any effort from our Legislator Monica Martinez to meet us, to talk to us.

So here I am, Legislator Monica Martinez, to let you know that we are open to talk about this issue. The Puerto Rican Hispanic Parade is one of the older and bigger parade in Long Island. Bring economic revenue to the community and also celebrate and encourage the unification. It's very upsetting and it's very disrespectful for you not to open the door for us. You are our official elected. It's your job to work for us. This is why you are in that position representing us. So this is the first time in ten years working in this community, not only as the Director working with issues of immigration, hate crime, education, domestic violence, the first time that the door are not open to us as a community with a Legislator.

So I encourage you to change the position, learn your job and talk to us. And remember, this is all community event, embrace everybody together. And we're here to stay. We have been working almost as a volunteer base with no funding almost. It's a lot of volunteer effort. Our administration is also limited to the basic one. So I want to do this tremendous event public and I hope that you open the conversation with us as a community and work together to keep the tradition alive. Forty-eight years of this parade, and for the past three years we save the parade and Legislator Ricardo Montano allocate funding from tourism and economic development and specific for that parade.

So I hope that you really continue supporting this parade, that you change your mind and sit at the table and look for really, really good solution, because your job as a Legislator is to really be sure that we stay in place. The community more than ever need us and you and the whole community united, and this is why you are here. Thank you very much.

### **CHAIRMAN D'AMARO:**

Okay, Ms. Espada. Thank you. Next speaker is Steve Bard. Mr. Bard, welcome to the committee.

### **MR. BARD:**

Thanks very much. My name is Steve Bard, I'm the Board President of Teatro Yerbabuja. Following up on Margarita's comments, I really couldn't understand why we were not given an opportunity to sit down with the Legislator to discuss this unilateral decision to take away funding from this important event in the Brentwood area. When I spoke to Ms. Martinez's staffer the following day, a week ago tomorrow, I again asked for a meeting and was told it was not necessary. I explained why the 20% rule, which I think everybody here is familiar with, administrative expenses don't exceeded 20% of program expenses, why we were included on a list of 36 noncompliant organizations, because we didn't know about the rule when we filed several months earlier and weren't careful enough about distinguishing between administrative program expenses and that we would get together with the Comptroller and fix it and we'd be well within the 20% rule. Which we did, by the way, by weeks end, although this morning the Comptroller's Office asked for additional information, which we will be glad to provide them.

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So here we are, not -- I don't understand how a Legislator doesn't sit down and talk about this in advance, and I was hoping that -- and we're doing this publicly, we're airing this publicly because of the fact that there was this lack of communication. I was a lawyer for 40 years, I did a lot of government work. I never saw something like this before. And -- well, I'd hoped that as a result of this mess that we could sit down and straighten things out. And I hear that this morning her office issued a press release accusing us of misuse of funds like the national committee that runs the parade in Manhattan, which is ludicrous and terribly, terribly irresponsible and possibly an illegal thing. I'm really sorry to hear that that was the tact that was taken instead of trying to sit down and calm things down. Thank you very much.

**CHAIRMAN D'AMARO:**

Okay. Thank you, Mr. Bard. Next is Marcos Maldonado.

**MR. MALDONADO:**

Good afternoon. Is this on?

**CHAIRMAN D'AMARO:**

Yes, sir. I'm sorry. Mr. Maldonado, welcome and please go ahead.

**MR. MALDONADO:**

Okay. Marcos Maldonado, 156 Suffolk Avenue in Brentwood, New York, 11717. I would just like to preface this with, you know, it's obvious that I'm affiliated with many different organizations. I just want to say that my comments reflect my own opinions and do not reflect the opinions of any of the organizations, businesses or people that, you know, I represent. So these are my own comments. And one of the things that I want to say is that we as a County have to kind of look at responsibly at influxes to the bottom lines of our small businesses. The small businesses are the lifeblood of our communities and economic engines to ensure that our communities have vitality, then we have to look at a decision to remove \$30,000 from the largest parade in Suffolk County as a direct attack on small business, small business because the entire corridor of 5th Avenue is lined with well over 150 storefronts. Storefronts ranging anywhere from mom and mop restaurants to clothing stores to stores that sell little nicknacks. All of these stores receive a tremendous economic boost when the parade comes down 5th Avenue. As a matter of fact, it's a parade that is looked forward to every single year.

What I'm going to -- what I would like to also say is this: If we are going to be -- if we are going to be a County that takes a look at parades as adversarial to how we want to support organizations here in our respective districts, then every Legislator has to understand that your parades, too, could come under attack by -- for whatever reason. And every community organization should be put on notice that at any given time, for any given reason, your funding will be cut, no matter -- no matter the stellar track record that might have been put forth beforehand. It's not the right message to send to our community organizations, it's not the right message to be sending to our small businesses. It's just not the right message to send to a County of 1.5 million people, which over the last 50 years has made this parade the largest parade in all of Suffolk County, the most well attended and one of the most revered.

I'm personally asking my Legislator, Legislator Monica Martinez, to reconsider this funding. It is vitally important to me as a community member. I'm asking the Budget Committee to take a look at this decision and understand that the ramifications are not just in the 9th LD, but Countywide. Thank you.

**CHAIRMAN D'AMARO:**

Mr. Maldonado, thank you for your comments this morning.

**MR. MALDONADO:**

Thank you.

**CHAIRMAN D'AMARO:**

This afternoon, rather. I apologize. Okay. The next speaker for the committee is Deborah Kirnon. Ms. Kirnon, welcome.

**MS. KIRNON:**

Good morning.

**CHAIRMAN D'AMARO:**

Good afternoon. Please go ahead.

**MS. KIRNON:**

Good afternoon. My name is Deborah Kirnon. I'm only here representing myself as a resident and other residents from my community. Three years ago we banded together with Legislator Montano and also Phil Ramos, Assemblyman, and we came forward and we fought to save something that was so vital and so important to our community. In today's world traditions seem to be dwindling out. We ask the kids to start to listen to us as community leaders, to try to come forward and respect their heritage. That's what this parade means. This parade is a time when everybody can come together of all different cultures and have fun and enjoy and embrace each other's cultures. We worked hard on it three years ago and it's not right that we have to be here again today. Because of the segregation and the separation within our community now, it's not right. It's ugly and it's not right. Community leaders are separated right now. And it's not fair for our youth and the forefunders of this parade. They worked hard. They deserve the respect and we deserve the respect also. Don't cut us out because there's personal issues that we might all have. It's not fair and it's not right. Thank you.

**CHAIRMAN D'AMARO:**

Okay. Thank you. Samuel Gonzalez.

**MR. GONZALEZ:**

Good afternoon.

**CHAIRMAN D'AMARO:**

Sir, welcome.

**MR. GONZALEZ:**

My colleagues, my brothers and sisters have pretty much stole all my thunder and everything that I believe in and I support. I think they spoke very eloquently in what I had in my heart and in my mind. What I do want to say is that I think due diligence should have been done on this particular topic and maybe we wouldn't be here today speaking our mind in our community. But if Ms. Martinez wanted to make an impression, she sure has done it to the tens of thousands of people that partake in this parade, in the opposite direction.

**CHAIRMAN D'AMARO:**

Sir, I'm going to interrupt you for a moment and ask you and anyone else who's going to address this committee that you speak to a particular issue, okay, and not air your grievances with a particular Legislator. I don't think this is the appropriate forum to do that.

**MR. GONZALEZ:**

I think at this time there is so many people that have already touched that subject that one more is not going make a difference here.

**CHAIRMAN D'AMARO:**

Well, to me it does make a difference and I'm going to ask you not to do it.

**MR. GONZALEZ:**

Well, again, this is an open forum; correct?

**CHAIRMAN D'AMARO:**

It's an open forum to discuss the issues pending before the committee. I'm not going to tolerate personal attacks on a sitting Legislator.

**MR. GONZALEZ:**

I don't think I'm making any personal attacks that hasn't been done by the Legislator already.

**CHAIRMAN D'AMARO:**

Okay. Sir, I'm going to ask you to refrain from personal attacks.

**MR. GONZALEZ:**

I'll refrain myself at this time.

**CHAIRMAN D'AMARO:**

Thank you.

**MR. GONZALEZ:**

Okay. But as a resident and as an activist in this community of Brentwood, I've enjoyed this parade for many, many years. My children have enjoyed this parade and now my grandkids are in jeopardy of not enjoying the same parade that myself and my children have enjoyed for many, many years. So as to not continue any personal attacks, I ask that the legislation and the Legislator think very, very deeply. Do their due diligence and provide the funds necessary so that we can continue the 49th and 50th and future parades in Brentwood. Thank you.

**CHAIRMAN D'AMARO:**

Okay. Thank you, Mr. Gonzalez. Kristine Lehn. I apologize if I'm mispronouncing your name. Welcome.

**MS. LEHN:**

Thank you. Good afternoon. My name is Kristine Lehn and I'm the Director of Agency Relations at Long Island Cares. I'm here today to support the amendment of the Introductory Resolution 1054 to allow the permitting of funding to be transferred from Thee Gather Inn in Lake Ronkonkoma to the United Methodist Church of Lake Ronkonkoma. This program is a soup kitchen. It operates two nights out of the week, and the resolution is to support \$5,000 of transfer of funds from the one program. Thee Gather Inn has closed its doors in December of 2013 and the United Method Church, who has recognized the needs of the community, because this soup kitchen is serving approximately 60 to 75 people each night that it's opened, has decided to take that burden on themselves.

Long Island Cares is the regional food bank in Nassau and Suffolk County and we have the ability to support the program, but we don't have the ability to meet all of the needs for all of the food that is required. So on behalf of the soup kitchen, which is now operating as the United Method Church of Lake Ronkonkoma, Loaves and Fishes, we ask that the Legislator -- the legislative committee please continue to support the church and the program and the individuals that it serves. Thank you.

**CHAIRMAN D'AMARO:**

Okay. Thank you for your comments. Next and final card that I have this afternoon is Margaret Ragonese. Margaret?

**MS. RAGONESE:**

Good afternoon. Thank you for having me.

**CHAIRMAN D'AMARO:**

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Ma'am, if you could just hold the button and speak into the microphone so we can all hear you I'd appreciate that.

**MS. RAGONESE:**

Good afternoon.

**CHAIRMAN D'AMARO:**

Good afternoon.

**MS. RAGONESE:**

My name is Margaret Ragonese with Loaves and Fishes of the United Methodist Church in Lake Ronkonkoma. I've been a volunteer for over 18 years, a President for many years under the name of Thee Gather Inn, which is now no longer. We are now Loaves and Fishes of UMCLR. We are a critical resource in our community serving many seniors, homeless and people in need, people off the street. We give them a great meal, a warm place to stay for as long as they need it, and then they go to their cars or the street or a place that they have to live. Please, we are in dire need of this funding. We are so grateful for you to consider us and it would be so nice to have the Loaves and Fishes of UMCLR and your support. And of course we always have the support of Long Island Cares, which as you know, is an amazing, amazing, amazing food bank. Thank you.

**CHAIRMAN D'AMARO:**

All right. Thank you very much. Okay. Is there any -- is there anyone else present who would like to address the committee this afternoon? For the record, there is no response.

Turning to the next section of our agenda, our presentations. We are joined this afternoon by our Comptroller, Mr. Joseph Sawicki. Mr. Sawicki, if you would please come forward and have a seat at the table. Good afternoon.

**MR. SAWICKI:**

Good afternoon, Mr. Chairman. How are you?

**CHAIRMAN D'AMARO:**

Thank you kindly. I had requested that you come down today to discuss one of the bills that is pending before the committee, and it goes to this issue, I believe, which several of the speakers have addressed during the Public Portion as well. The particular bill I was seeking to address today is going to be tabled because the sponsor, Legislator Schneiderman, had made a change to the bill and it wasn't done in time where we could vote on it this cycle. So I figured it would be better if you could just come down and speak to the bill when we have an opportunity to actually consider it and perhaps vote on it. But that does raise the issue with respect to funding of agencies that we have approved funding for in our budget. But nonetheless, there's been a determination made, I believe, by your office under the County Law that the administrative expenses of an agency exceed the overall budget by 20%, I think is the threshold amount. And I think some committee members, including Legislator Martinez, may have some questions with respect to that as well. I was going to save this for next time, but if you want to just give us a quick overview of how that law works and what the requirements are I think it would be helpful to all of us.

**MR. SAWICKI:**

Sure, Chairman D'Amaro, it would be my pleasure. And the -- as this Legislature adopted back in, I believe in 2007; correct, Joe? First of all, excuse me. Let me introduce to you Mr. Joe Pecorella, Investigative Auditor from my office who every year compiles that annual contract agency report for the Legislature, almost 500 contracts he has to go through. He goes through their financial data that they submit to us, again, in conformance with your law, analyzes as he best he can their certified statements, their PNL's, their 990's, which are sent, obviously, to the Federal Government, and tries to ascertain if the numbers entered on their forms or actually on our forms, meet the criteria established by you -- by you, this Legislature. And that criteria basically is that funding will

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be withheld if the administrative expenses exceed 20% of the program expenses. And every year we always supply you with a listing of all those agencies across the County who exceed the 20% and it's basically a lot of work by poor Mr. Pecorella. It probably consumes a good two months of his work time, August and September?

**MR. PECORELLA:**

Yes.

**MR. SAWICKI:**

And October? Part of October?

**MR. PECORELLA:**

July, August.

**MR. SAWICKI:**

So that's the report we give to you. So basically what this 20% administrative fee that we're talking about is a codified percentage in County law from seven years ago.

**CHAIRMAN D'AMARO:**

And that 20% relates to I said overall expense, but it's program expenses.

**MR. SAWICKI:**

Yeah, correct.

**CHAIRMAN D'AMARO:**

Your administrative cost you put a number on that and then you put the cost on program expenses and then the administrative costs cannot be more than 20% of what your program expenses are.

**MR. SAWICKI:**

Correct.

**CHAIRMAN D'AMARO:**

The theory being, and I do remember when we put this in place, is that we want the funding to reach the ultimate recipients and not be eaten up along the way by administrative expenses. And I believe the law sets that threshold but also allows a mechanism whereby we can, we the Legislature, can override the 20% threshold on a case by case basis if an agency comes in and explains a rationale for us overriding that 20%.

**MR. SAWICKI:**

Correct, or they can work with Joe Pecorella to -- or they work with Joe to try to change the numbers, not change the numbers, that's the wrong terminology, but to properly reflect the numbers.

**CHAIRMAN D'AMARO:**

I knew what you meant.

*(\*Laughter\*)*

**MR. SAWICKI:**

Accounts can get to the bottom line, George, you know, there's always a way to get to the bottom line. But sometimes the numbers are misunderstood on the various confusing forms, because these are not easy forms to fill out by any stretch of the imagination. There's a lot of gray area and they're often misinterpreted.

**CHAIRMAN D'AMARO:**

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And your office, of course, stands ready to work with any contract agency that maybe falls on this list to try and work with that agency to see whether or not the disclosure was proper, if the calculations were proper, if everything was done properly to determine if they should be on the list.

### **MR. SAWICKI:**

Absolutely. Not only is our door open to them, but the telephones are open and I know that Joe fields many calls not only from the agencies, but from concerned Legislators as well, who some, you know, those agencies that are in their districts need further clarification.

### **CHAIRMAN D'AMARO:**

I know that we do have a bill pending before this committee right now asking this committee, and then the full Legislature if it gets out of the committee, to override the 20% threshold with respect to several agencies. And I had been in touch with your office yesterday as well and said that when this bill does come up for consideration, I think we need to hear from your office as to just very briefly the basis for making the conclusion that the administrative costs are exceeding 20% of program costs, and I would also invite any agency that's on that list to come down to the committee meeting and explain to the Legislators that need to vote on this bill the justification for the excess, or to take issue with the calculations themselves, either way. It's an open forum and I would encourage any agency to come down and do that.

But I do want to make it clear that the policy underlying the 20% threshold, I recall how that went into effect here was under our late Legislator Lindsay. Our Presiding Officer was very concerned about funding from this County reaching the recipients, and I sat with him along with several other Legislators on a special committee that examined many, many contract agencies throughout the County to determine what should be that threshold where we were comfortable in ensuring that funding was reaching recipients, the intended recipients as opposed to paying administrative costs, and that's the genesis of the 20% rule and we subsequently enacted that through the Legislature and the County Executive signed that into law. So the law has a legitimate purpose. We want to make sure that recipients are receiving their funding and after all, you know, we're the guardian of the taxpayer funds and it's our job to make sure that if an agency has an excessive administrative cost attached to running it, that we want to make sure that there's a legitimate justification for that. So that's what I know as far as the background of that law. Legislator Stern, did you have a comment?

### **LEG. STERN:**

Yes. Thank you, Mr. Chairman. And welcome, Mr. Comptroller and Mr. Pecorella, it is good to see you as well. My question is to process and timing. So the determination is made by the department that the 20% threshold has been exceeded based on your investigation, you're going through all the information, all the documentation. As a part of our annual budget process we receive the list from your office and so as we're going through our deliberations, we are advised by you as to what agencies now fall on this list.

My question is at the time that the agencies have made this list, have they had the opportunity to have that conversation with you to discuss how you arrived at that determination? Have all the questions been answered at that point? Are we then, when we're making our determinations, have those conversations already been had and all the questions asked and answered so that we make our decisions, which at that point is an informed decision, rather than just a list and then these agencies are going to give you a call and come in and have these conversations afterwards.

### **MR. PECORELLA:**

Good afternoon. Basically all the information is reported by the agencies. We use the IRS form 990's, financial statements, or profit and loss statements. If we have a question as to the information, we will call the agency if something appears incorrect. For the most part, there's like 35 or 36 agencies we said on the list. They're all pretty clear as to how the expenses were calculated and we have documentation supporting all the expenses. If something is incorrect I will

call the agency myself and ask for additional information.

**MR. SAWICKI:**

When does the agency find out that they exceed 20%?

**MR. PECORELLA:**

We don't notify the agencies ourselves if they're over the 20%. I think basically the Legislature is notifying their own agencies. We don't send letters out to them at all. If they're in noncompliance with the contract agency disclosure form data, then we notify them.

**LEG. STERN:**

I'm sorry. Can you say the last part again?

**MR. PECORELLA:**

The contract agency disclosure forms that go out every year, if they don't submit the form to us, then we notify the agency.

**LEG. STERN:**

So you you've made your determination, the determination based on your analysis, then each -- you're saying that each individual Legislator is notified based on where that agency might be located. But if the agency doesn't hear from a specific Legislator that they've made this list, then an agency may not know because you're not reaching out to them prior to placing them on this list.

**MR. PECORELLA:**

That's correct. The whole thing is kind of time sensitive with the budget. We try to have the report done by the end of September before the budget process. There's not enough time for one person to really call everybody and try to get additional information in the last week of September before the report goes out. It's just not practical.

If they're on the list, though, they can revise -- if the information is incorrect, they made an obvious mistake, we can revise the information down the road. I've dealt with a couple of agencies already who have corrected their 990's and resubmitted them to the IRS and we've taken them off the list.

**LEG. STERN:**

Legislator D'Amaro had mentioned that there is going to be legislation put forth for our consideration for certain agencies that have exceeded the 20% to determine whether or not we are going to exercise our prerogative to go in a different direction. So my question to you is have any of those agencies that are going to be part of that bill that are coming before us, have any of them reached out to you? Have you had any conversations with any of them on this issue and how they made this list and be able to clear up any concerns? Have any of those conversations taken place or have all of those conversations taken place prior to us having to consider that bill.

**MR. PECORELLA:**

We're talking about the ones on Intro Resolution 1050?

**MR. SAWICKI:**

No, in general.

**MR. PECORELLA:**

In general.

**MR. SAWICKI:**

Yeah.

**MR. PECORELLA:**

I thought you're talking about the resolution particularly or the whole 36 group; which one?

**LEG. STERN:**

The specific agencies that are part of the bill.

**MR. PECORELLA:**

Right. Nobody's reached out to me directly. The Bay Street Theatre and the East End Arts Council have been removed from the list. Those are okay now. Their expenses are below 20%. I notified I think the Budget Office back in November with those two because they didn't report their expenses properly. The other ones all appear to be the same, they are all still above 20%.

**MR. SAWICKI:**

Are you talking about the -- Legislator Schneiderman's bill which was tabled or are you talking about in general, Steve?

**LEG. STERN:**

Yes, on 1050. On 1050, which is going to be -- so that's legislation that's going to be amended because of a timing issue. But, still, that will come before us, right, that 1050 has been tabled or will need to be tabled because of amendments and time and all of that.

**MR. SAWICKI:**

Right.

**LEG. STERN:**

But the issue will remain the same for the next cycle. These are going to be organizations that will be asked to vote on whether to provide the funding. So the question then is have those conversations been had and questions asked and answered so that we can make an informed decision on these groups.

**MR. PECORELLA:**

With the remaining five agencies we're talking about.

**CHAIRMAN D'AMARO:**

Can you identify which were taken off?

**MR. PECORELLA:**

Yes, the Bay Street Theatre and the East End Arts Council.

**CHAIRMAN D'AMARO:**

Thank you.

**MR. PECORELLA:**

Do you want to know why they were taken off or does it matter to you? East End Arts Council, they have two contracts, same agency.

**MR. SAWICKI:**

Legislator Stern?

**LEG. STERN:**

Yeah.

**MR. SAWICKI:**

When -- I believe the process -- I think you're asking more a question about the process. When you receive -- when the Legislature receives the contract agency report, that identifies the agencies that are in there that exceed the 20%. Then it's our understanding that each of the agencies in each

district, respective districts, are notified by the -- by your office, I believe.

**LEG. STERN:**

Okay. Thank you for that. And so I think, Mr. Chairman, I'll of course defer to you, but I think the conversation about each of these specific agencies that are a part of 1050, since this bill is being amended and tabled, is probably best taking place at our next cycle. So my question then is with the remaining agencies that are a part of 1050, have you or anybody in your office had that conversation, have these agencies been notified they're part of this, and are they making any effort at all to have a conversation with you better explaining their administrative costs?

**MR. PECORELLA:**

None of those five have contacted me, no. Two of the five, their numbers come off the financial statement so their numbers aren't going to change. Two of the five are based on profit loss numbers, which are possible to be incorrectly reported numbers on their profit loss statement. And one had no financial statements. They sent the 2011 financial statements, which also exceeded 20%.

**MR. SAWICKI:**

I had a recent conversation with Legislator Schneiderman about some of these, and I know that I just -- I believe he's been in contact with those agencies, but I don't know for sure.

**LEG. STERN:**

Okay. So if any conversation has been had, it's been between Legislator Schneiderman and the agencies, but none with your office.

**MR. SAWICKI:**

Correct, that's what I understand from talking to Legislator Schneiderman.

**LEG. STERN:**

Okay. Thank you.

**CHAIRMAN D'AMARO:**

Thank you, Legislator Stern. Legislator Kennedy.

**LEG. KENNEDY:**

Thank you, Mr. Chair. And Mr. Comptroller, thank you for being here. Mr. Pecorella, thank you very much for the work that you're doing. I absolutely subscribe to the philosophy that we put into place about the 20% cap on the admin. But I just want to talk a little bit about the work that you did specifically for contract agencies that had originally appeared on that list. And I know you worked with members of my office and those operators and they successfully moved, I believe, from a list of I don't want to call it offenders, but agencies that were in excess, to now compliant. I believe there were four agencies in particular. We had the Smithtown Historical Society, we had the Smithtown Center For Performing Arts, we had the -- there was a youth agency from Ronkonkoma and we had one other agency that we successfully -- what I think happens sometimes is, you know, we fund many, many agencies with a vast range of administrative capabilities and knowledge, if you will, of what expenses fit properly in a particular category. So I believe the work that you did with each one of those agencies, they furnished additional information. They were better able to understand what, in fact, may be a bona fide operating expense and what's an admin expense. Is that pretty much what happened?

**MR. PECORELLA:**

Correct. I think in your cases, they all revised their form 990's and resubmitted them to the IRS below 20% with the revised data. That's my recollection that's what happened with your agencies.

**LEG. KENNEDY:**

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Okay. So then let's talk a little bit more then about how they moved from a column of ineligible for funding to now actually in each one of those categories they are -- the prohibition is no longer in place. Your office now determined they're no longer appropriate on that list, and so we then notified the departments that they're no longer on there? I guess I'm going back in history now. Your list came out back in October of '13.

**MR. PECORELLA:**

The first week in October I think it was.

**LEG. KENNEDY:**

Okay, first week in October of '13. But what was a list then of 35, 36 agencies, today has actually -- it's dropped.

**MR. PECORELLA:**

It's dropped, not by that much.

**LEG. KENNEDY:**

We got four out of the 12th and 13th LD, we have a few from a few other LD's, I guess.

**MR. PECORELLA:**

I think it's still in the high twenties. I don't have an exact number for you.

**LEG. KENNEDY:**

Which is fine. Again, along the lines that Legislator Stern was talking about, I just want to make very sure that from a process perspective, having done this work to now get down to accurate categorization of expense, departments now know that, in fact, they should be generating the contracts for these agencies. I guess I'm using a lot of words to say what do I say to a department that says they're okay with you now. I tell them to call you or?

**MR. PECORELLA:**

The departments will have the list of who's non-compliant still. Anybody that came off the list they were notified.

**LEG. KENNEDY:**

They were.

**MR. PECORELLA:**

Absolutely. I e-mailed Mr. Lipp and the department. Told them what happened and now they've been taken off the list.

**LEG. KENNEDY:**

So Parks, Economic Development any of the departments where these contracts are, you know, serviced or originate, they're now aware that these agencies are green-lighted and good to go.

**MR. PECORELLA:**

Yes. Anybody that came off the list, they're aware of it right now.

**LEG. KENNEDY:**

Okay. All right. I appreciate that. Thank you and I guess the only thing that I'd say is, is some agencies apparently have knowledgeable, you know, fiscal financial staff, accounting staff, and in some cases maybe folks that need a little bit more education. So thank you.

**MR. SAWICKI:**

Legislator Kennedy if I may, the forms themselves really aren't that easy --

**LEG. KENNEDY:**

Okay.

**MR. SAWICKI:**

-- to understand them, and I think there's room for improvement in this whole process, I really do, and perhaps we can talk about this down the road if you want to open up this --

**LEG. KENNEDY:**

Well, I would, I would like to because I think, you know, the philosophy and the policy was important when it was first brought forward by Presiding Officer Lindsay and today is even more important as funding that we commit to agencies we absolutely want to see go to whatever the particular mission is. But if agencies are experiencing difficulty in navigating the paperwork or how to properly characterize, we should probably look at that with you and maybe we even need to have an agency 101 or something.

**MR. SAWICKI:**

I don't know if it's an agency 101 -- well, we can debate that another time. Joe gets a lot of forms filled out in from these almost 500 agencies --

**LEG. KENNEDY:**

Yes, okay.

**MR. SAWICKI:**

And he makes his own changes to many of them because he understands that they didn't put -- he can see where they didn't put certain categorical expenses in the right place.

**LEG. KENNEDY:**

Okay.

**MR. SAWICKI:**

Sometimes it benefits the agency in terms of that 20% rule, sometimes it works against them.

**LEG. KENNEDY:**

Sure.

**MR. SAWICKI:**

So you're absolutely right, maybe an agency 101 course or a simplified form or a simplified law will be something that we should entertain down the road.

**LEG. KENNEDY:**

That and an ability to do an online filing, Joe. You know, more than anything, listen, you know, we talk about, you know, applying technology all over the place. Here where it's basic, consistent, you know, statistical information and repetitive types of stuff, that would have to make it easier for Joe to be able to go through this instead of shuffling through papers.

**MR. PECORELLA:**

There's currently 25 agencies on the list. I just counted them.

**LEG. KENNEDY:**

So we've come down from 36 last October to 25 now?

**MR. PECORELLA:**

And for the most part, the ones that are on the schedule aren't going to change unless they have their financial statements revised or the form 990 revised. Most of the errors came from profit loss statements, which are internally generated, like QuickBooks or something, and they don't classify their expenses properly so that could affect them. But for the most part the 25 that are remaining,

it's all based on the form 990 sent to the IRS or an audited financial statement. So without the accountant revising those statements, the percentage isn't going to change.

**LEG. KENNEDY:**

Look, I appreciate you going through the processes and confirming for me. I mean, the one gentleman that I'm thinking of in particular puts on wonderful shows, but I sure wouldn't want him doing my income tax returns. So I do think there's a measure of, you know, being able to at least simplify it or help them so that they have, you know, the ability to understand what it's going to take in order to get the funding so they can keep delivering the services in a particular range.

**MR. PECORELLA:**

If you want to go back to the disclosure form real quick, I mean, the last page of the form, the numbers come off of the financial statements, so if the agency hasn't filled it out properly, I correct it for them based on their financial statement submitted to me.

**LEG. KENNEDY:**

There's no doubt in my mind that you're probably truing up a lot of things that were --

**MR. PECORELLA:**

They're pretty accurate.

**LEG. KENNEDY:**

-- you know, mischaracterized in the first instance. But it's an important function and I appreciate it. Thank you.

**MR. PECORELLA:**

You're welcome.

**CHAIRMAN D'AMARO:**

All right. Thank you, Legislator Kennedy. Legislator Martinez.

**LEG. MARTINEZ:**

Thank you. Mr. Lipp, if I can ask you a question, please. Would you be able to let us know for the record where Teatro Yerbabruja stands on their funding?

**MR. LIPP:**

Yes. So the adopted budget has \$30,840 in it. There has been no change to my knowledge in that number, number one. Number two, it's my understanding that you have withdrawn the resolution, so there's nothing pending to change that. My understanding was you were informed by my office that -- and you requested what the list was of out of compliant agencies that were vetted out by Audit and Control. We included those agencies in the budget amendment, and the way the budget amendment reads is there's a resolved clause in it that says that even though the money's there, the agencies are not allowed to receive them unless they are -- they can vet it out with Audit and Control that they're no longer out of compliance. So apparently you acted on that by creating the resolution under the assumption that they wouldn't be able to receive the money. Since then, apparently, you found that they were vetting that out with Audit and Control and you decided at this point that you would withdraw that resolution. And I believe since you were not here during the process in terms of creating this legislation, this was all new to you and you acted as quickly as the information was provided to you.

**LEG. MARTINEZ:**

Thank you. Mr. Pecorella, if you don't mind, I'd like to ask you a question as well. Would you be able to let us know the status of Teatro Yerbabruja as it stands right now in your office?

**MR. PECORELLA:**

As of right now they're still above the 20%.

**LEG. MARTINEZ:**

And before they had come to the mike saying that they had amended their 990's.

**MR. PECORELLA:**

I just received that from Steve this morning and I e-mailed them this morning. It's still not acceptable in the current state. He's going to work on it he said.

**LEG. MARTINEZ:**

And what can we do in terms of my office to help them out and making sure that they are in compliance.

**MR. PECORELLA:**

I already e-mailed Steve what I'm looking for. If he wants to send me a copy of the general ledger I'll accept that, I'll go through it and try to analyze the expenses. I need a break down of the employees' salary, how much is administrative, how much is program. Until I have that I really can't come up with a number for you as to where their expenses lie.

**LEG. MARTINEZ:**

Okay. Thank you.

**MR. PECORELLA:**

You're welcome.

**CHAIRMAN D'AMARO:**

Legislator Calarco.

**LEG. CALARCO:**

Sarah first.

**CHAIRMAN D'AMARO:**

Okay. Legislator Anker.

**LEG. ANKER:**

I'm just curious. How much are they out of compliance?

**MR. PECORELLA:**

They were at 59%. But it doesn't mean it's going to stay like that.

**LEG. ANKER:**

Is that because their administration cost is --

**MR. PECORELLA:**

It's because of the way they prepared their form 990.

**LEG. ANKER:**

Okay. Thank you.

**CHAIRMAN D'AMARO:**

Thank you, Legislator Anker. Legislator Calarco, welcome.

**LEG. CALARCO:**

Thank you, Mr. Chairman, and I appreciate you giving me the opportunity to speak. I'm not on this committee, but I do have some questions about the process of how we come about this. In fact, I

remember, if I'm not mistaken, maybe a year or two ago we passed a resolution that required some additional paperwork to be filed by these agencies with the Comptroller's Office.

**MR. PECORELLA:**

Last year.

**LEG. CALARCO:**

Last year. And I think I remember saying that it was going to create some difficulties for some of the agencies and it seems that it has.

**MR. PECORELLA:**

Honestly, it really hasn't changed over the years, although it just kind of put everything on paper as to what was going on for the last 10 or 12 years. It's been the same procedure, though.

**LEG. CALARCO:**

Can you just explain to me what is an administrative cost versus the program added cost.

**MR. PECORELLA:**

Do you want the definition?

**LEG. CALARCO:**

Yeah, please. Well, the definition based on what you look at and how you determine what is appropriate or not appropriate in each category. Clearly the agencies, probably some of them need better clarification on that.

**MR. PECORELLA:**

Well, for the most part, like a form 990 has a statement of functional expenses.

**LEG. CALARCO:**

I have no idea what a 990 is, so please fill me in.

**MR. PECORELLA:**

You have never seen a form 990 for a not-for-profit?

**LEG. CALARCO:**

Nope.

**MR. PECORELLA:**

Okay. Do you want me to show you one? I have it here. It might be easier.

**LEG. CALARCO:**

Just give me kind of a brief rundown.

**MR. PECORELLA:**

Basically it's program expenses, there's administrative expenses and there's fundraising expenses. It's filed with the IRS, they want an audited financial statement. An executive director for an agency is normally part administrative and part program, depending on what they do, how involved they are with the actual programs of the agency. Insurance is an administrative expense, professional fees are administrative, like legal fees, accounting fees, depreciation, there's a whole list.

**LEG. CALARCO:**

But not necessarily all employee salaries.

**MR. PECORELLA:**

Definitely not all employee salaries.

**LEG. CALARCO:**

And have you with some of these agencies come across the issue where it seems that the agencies have included all their employee salaries as administrative, even though they -- those employees are providing the programs and so they shouldn't have been in that category?

**MR. PECORELLA:**

That's not normally the case with these agencies, no.

**LEG. CALARCO:**

No, you haven't come across that at all?

**MR. PECORELLA:**

No. For the most part, they're reporting their salaries and all program salaries, most agencies.

**LEG. CALARCO:**

Okay. So that was actually what was told to me by the sponsor of 1050, was that some of those agencies, especially some of the theaters, were putting all of their employees into that category and they didn't belong in there.

**MR. PECORELLA:**

We have no way of knowing how an agency prepares their form 990. That's up to the management of the agency, what's administrative and what's program. If you have \$400,000 of salaries, I couldn't tell you 300,000 is program and 100,000 is administrative. It's impossible. The agency has to report that on a form 990 and send it to the IRS. Then we review that and that's what we're making the determination on.

**LEG. CALARCO:**

So that's why some of these agencies had to go back and re-file their 990's and get corrected versions in, because they weren't properly filling out their forms in the first place, not realizing the consequences it would have on them to be able to obtain County grants.

**MR. SAWICKI:**

That's what, Legislator Calarco, that's what we started out the meeting earlier with, which prompted a little laugh from our Counsel over there. Numbers are tried to make to work, and just kind of -- they were almost like reclassified or recategorized, but all we can rely on are the agency's forms. If they're filing official forms with the IRS or especially if they have audited financial statements certified by a CPA firm, that's all we can really rely on, unless we went out and did actual audit of 496 contracts.

**LEG. CALARCO:**

Sure, I understand. Certainly the larger entities, who are getting larger contracts with the County probably have a better financial management system in place than some of these smaller guys do.

**MR. SAWICKI:**

Exactly.

**LEG. CALARCO:**

When you take a look at the financial statements, what year do you do them for?

**MR. PECORELLA:**

These are for 2012.

**LEG. CALARCO:**

2012.

**MR. PECORELLA:**

Yeah, those are actually -- they were completed by the budget time last year.

**LEG. CALARCO:**

So is it possible that at times you have entities that are on the list that you're looking at budget years where they don't even receive County funding? Like I know you put one of my agencies on the list and for 2012 they didn't get County money.

**MR. PECORELLA:**

Well, it was based -- they were in the budget for '13 I think.

**LEG. CALARCO:**

Sure, but the 12 -- the year you look at is '12, which is the year prior to; correct?

**MR. PECORELLA:**

We have to go by the most complete year. That would be in the summer of '13. We can't do it for '13.

**LEG. CALARCO:**

No, I understand that, but when you're looking at whether they're within that 20% framework, if you're looking in a year that they're not even receiving a County funding for, are we not giving them the opportunity to at least show that they're moving in the right direction or that they're going to be compliant when they get the County funding? Can we dictate to them what kind of program they operate or how their budget financing is in a year that we're not even looking to finance any of their kind of programs through them? Is that a fair --

**MR. PECORELLA:**

I think you're kind of mixing it up.

**LEG. CALARCO:**

Is it more fair? I heard the statement's more fair, but I'll give you the example. And, again, I'm looking at some of the smaller entities. You get an entity that maybe isn't running any kind of real programs, a civic, a chamber, they don't really do anything particular in one time, even this entity Teatro. And perhaps, you know, the County funding in and of itself is the only money they're getting to run real programs. So when you are counting a year where they're only -- the only money they're spending is just to keep themselves alive, is that a fair representation to look at whether or not they are a group that is worthy of providing a program and they are going to be able to do it with -- and ensure that the County funding is going to the program that's being meant to be run as opposed to padding salaries, especially when they don't have any employees?

**MR. SAWICKI:**

That point that you raise, Legislator Calarco, is an excellent one, and our only way around it is to conform with your law. Again, we're only enforcing your law.

**LEG. CALARCO:**

Sure. I'm just trying to get your opinion. I appreciate that.

**MR. SAWICKI:**

So that's probably why the loophole is in the law that allows for standalone resolutions to come before you and say, "Mr. And Mrs. Legislature, we can't report to you what we did in 2012 because we didn't have a County grant" and that's the perfect example I would think.

**CHAIRMAN D'AMARO:**

Right. And, Mr. Comptroller, and to my colleague, I don't know if you were here at the beginning,

but I did mention that when we do consider the bill to override the 20% threshold, I would invite the agencies affected to come down and, you know, one of the cases that could be made is the year you're looking at was a year that we had financial difficulty, we didn't run any programs that year, so of course our administrative expenses were high or even 100%. But looking forward into the year that you're funding, this is the truer picture and therefore grant us an exemption for this year. So I think the Comptroller hit it right on the head, that's why there is that escape clause or relief given in the legislation, in the bill itself, that permits on a case by case basis for a contract agency to come in and make that case.

**LEG. CALARCO:**

Sure. We are basically looking at a situation where anybody who's not in compliance, we can give them the monies anyways, but the reality is this body can do that at any time. We make the laws, we can change the laws and change how we apply the law, so --

**CHAIRMAN D'AMARO:**

Well, you are also accountable for your decision.

**LEG. CALARCO:**

We most certainly are, absolutely. All right. I appreciate it. Thank you very much.

**CHAIRMAN D'AMARO:**

All right. Thank you, Legislator Calarco. Are there any other questions or comments from any of the -- oh, yes I'm sorry. Legislator Martinez.

**LEG. MARTINEZ:**

Just one quick one, I'm not sure. Just for the record, I think you said earlier how much Teatro Yerbabruja is out of compliance. Do you have that number?

**MR. PECORELLA:**

I believe it was about 59%, I think, based on last -- the original form 990 that they submitted.

**LEG. MARTINEZ:**

Fifty-nine percent. So what does that indicate?

**MR. SAWICKI:**

That would basically indicate, Legislator Martinez, that they are exceeding the 20% by a lot, more than double. We've been working as hard as we can with their President, with the agency, to show them what the -- how the 20% is interpreted and arrived at as a figure. And we will continue to work with your office, with them to, you know, the best we can to help them come up with the 20%. If they can't, then I would -- then it would be a decision by the Legislature and yourself how to go forward from that point on.

**LEG. MARTINEZ:**

Okay. Thank you.

**CHAIRMAN D'AMARO:**

All right. Thank you. I want to thank the Comptroller and Mr. Pecorella. Thank you very much for coming today. Mr. Sawicki, I guess we covered everything we needed to cover anyway. I believe the legislation, the particular legislation we're talking about is going to be tabled today at the request of the sponsor. It will come up in the next cycle and I don't really see a need for you to come back. I would encourage, though, in your discussions with any contract agency on the list that your office is dealing with, of course, remind them to come to this committee as well and let us -- give us an update as to their discussions with your office as well as, you know, if an exemption is required, you know, to justify that exemption. That would be helpful.

**MR. SAWICKI:**

We try to encourage them as much as possible to stay close with their Legislator through the process.

**CHAIRMAN D'AMARO:**

All right. Again, thank you. Appreciate your time today.

**MR. SAWICKI:**

Thank you.

**CHAIRMAN D'AMARO:**

Okay. Section five of the agenda, Tabled Resolutions. There are none. Section six are Introductory Resolutions and I'll call the first.

### **Introductory Resolutions**

Resolution **1045 - 2014 -Adopting Local Law No. -2014, A Charter Law to provide for fair and equitable distribution of public safety sales and compensating use tax revenues (Schneiderman)**. Requires a Public Hearing. I'll offer a motion to table.

**LEG. ANKER:**

Second.

**CHAIRMAN D'AMARO:**

Second by Legislator Anker. All in favor? Opposed? Abstentions? Motion carries. **(Vote: 5-0-0-1 Not Present: Legislator Kennedy)**

Next is resolution **1050-2014 - Approving County funding for certain contract agencies (Schneiderman)**. At the request of the sponsor I will offer a motion to table, second by our Vice Chair, Legislator Anker. All in favor? Opposed? Abstentions? Motion carries. **(Vote: 5-0-0-1 Not Present: Legislator Kennedy)**

Resolution **1052-2014 - Amending the 2014 Operating Budget to restore Vocational Education and Extension Board (VEEB) funding to continue current operations and staffing at the Suffolk County Fire Academy for a full twelve months in 2014 (Kennedy)**. Legislator Kennedy.

**MR. NAZIR:**

Two seconds.

**CHAIRMAN D'AMARO:**

Okay. One, two.

**LEG. KENNEDY:**

Sorry about that.

**CHAIRMAN D'AMARO:**

That's quite all right.

**LEG. KENNEDY:**

All right. On the motions, we are on --

**CHAIRMAN D'AMARO:**

There are no motions pending, Legislator. We're on Resolution 1052 of 2014 with respect to the VEEB.

**LEG. KENNEDY:**

Certainly. If I can, Mr. Chair, thank you. And I apologize to the committee. This resolution is brought forward for a very simple reason. We will all recall the discussions we had last fall. Actually they go back to last summer, when there were significant issues raised about the Suffolk County Fire Academy and the apparent inability to go ahead and fulfill training requests from the various departments. Our 110 volunteer fire departments and 20 plus volunteer ambulance corps all rely on the Fire Academy to provide both field training and in class academic training.

During the budget process, there was -- or actually the County Executive submitted his recommended budget which elected to fund the Academy operations for a six month time period and then in essence, took the second six month funding and reserved it. Now the logic that was proffered was that the Academy is a hold over in contract status through June 30th. We were advised by the County Executive's Office that a new contract was being generated and that it was -- everybody's best wishes I guess and hopes that there would be a contract executed.

I will tell this committee that it took some four months for the County Attorney's Office to produce a contract. It was delivered to the Academy in the last week in January. I do know that there has been an informal meeting with the Executive Director and FRES Commissioner, Joe Williams. There are a number of items that are in this new contract offer that seem to be somewhat problematic. But, again, I do not want to pretend to be in the midst of the negotiating process. It is my sense that the Academy ultimately meets the mission. They have fulfilled all field training requirements for all 110 departments. They're being restored to a six or seven scheduled field training cycle for all 110 departments and they are continuing to move forward with our direction to put basic Firefighter I and Firefighter II training online.

Further, they've given a commitment to go ahead and to convene a Curriculum Committee and to solicit input from the various departments to revise the curriculum towards the needs of the departments. My sense is that the Academy may have had some issues. Ship seems to be righting. However, as of today there is no contract formally executed yet.

**CHAIRMAN D'AMARO:**

Okay. Yes. Thank you, Legislator Kennedy. My recollection is exactly what you recall, that we made a decision in our budget when we enacted our budget to fund this particular agency for half a year. I understand that the County is in negotiations as you pointed out, and Mr. Vaughn, did you want to address the committee on this issue?

**MR. VAUGHN:**

No, sir. Just that it is, I believe, February 25th today. We are in negotiations. We -- the VEEB is funded through June is my recollection just as Legislator Kennedy pointed out, and we would just like the negotiations to be allowed to continue.

**CHAIRMAN D'AMARO:**

Would it be helpful to you in those negotiations if we went ahead and passed this bill?

**MR. VAUGHN:**

No, sir, I do not believe that that would be helpful at all, and I believe that it would be actually advantageous if the bill was tabled at this point in time to allow the negotiations to continue in good faith.

**CHAIRMAN D'AMARO:**

Okay. And those negotiations are ongoing and there's been a response back and forth?

**MR. VAUGHN:**

Yes, sir. Those negotiations are ongoing. VEEB did take due diligence, took up four weeks, I believe, to review the contract that we submitted to them, came up with a number of items that

they would like us to take a look at. It's a negotiation, it goes back and forth, and that's where we're at with it. Both parties are still at the table, still willing to negotiate. I think that we're in a good place with this and we just would like the process to be allowed to play out.

**CHAIRMAN D'AMARO:**

Are there any other questions from the committee?

**LEG. KENNEDY:**

Mr. Chair, if I can add just one other point to this, and I appreciate Mr. Vaughn relating that, in fact, there has been earnest dialogue. The one thing that I'm going to ask the committee to consider here -- well, first procedurally let me ask Counsel. I would like the committee to pass this bill today, but if it's the committee's desire to go ahead and table then that's what the committee's will will be. However, I do sometimes get a little confused when we talk about budget amendments. What is the effect of tabling a budget amendment today, George?

**MR. NOLAN:**

I'm sorry, John. Could you repeat that?

**LEG. KENNEDY:**

If we table today, does the resolution remain live?

**MR. NOLAN:**

Of course, yes.

**LEG. KENNEDY:**

Okay. So we could revisit in two weeks from now or even four weeks from now if need be, and we could move forward and we still have a viable mechanism to amend the budget at that point to reflect our wishes.

**MR. NOLAN:**

Correct.

**LEG. KENNEDY:**

Okay. Then the only other thing, Mr. Chair, I just ask Mr. Vaughn to acknowledge, when we talk about negotiation, this agency for all intent and purposes is different from almost any other agency that we deal with in that there are fixed expenses that in essence are non-negotiable. The pension bill that comes from the Comptroller is non-negotiable, only as to I guess the number of employees. That's the driver. The insurance, the health insurance covering these employees, which is NYSHIP, covers the ten active employees and 15 or 16 retirees. That is non-negotiable. That is a bill that is sent to the Academy that must be fulfilled in order to keep the health insurance component in place.

So as to some of the other parameters in there, certainly there's opportunities to go ahead and have dialogue, discussion, range of trainings and curriculum and things like that. But some of these expenses that the Academy incurs, for all intent and purposes, they're a third party. They do not have the ability to go ahead and come back with a reduced amount other than lesser staff. Would you agree, Mr. Vaughn?

**MR. VAUGHN:**

Legislator Kennedy, I think that the key term that you used in that statement was non-negotiable, and I don't think that at this point in time we are going to negotiate this in public. I understand your concerns. I understand the items that you brought up and where -- how you feel about those items. I think that you did point out that there may be some solutions to those items, but we are not going to negotiate this in public, so that's the final kind of statement that I have on that.

**LEG. KENNEDY:**

Well, I -- you know, if that's the final statement, Tom, I guess that's the final statement. But, Tom DeNapoli has never really been known to negotiate pension contribution, otherwise we'd all be in a different place I guess. All right, Mr. Chair. I'd make a motion to go ahead and approve the resolution, but as I said, it will be the committee's will.

**CHAIRMAN D'AMARO:**

All right. There is a motion to approve from Legislator Kennedy, second is received from Legislator Trotta. I'll offer a motion to table.

**LEG. STERN:**

Second.

**CHAIRMAN D'AMARO:**

Second by Legislator Stern. The motion to table takes precedence. I'll call the vote on the motion to table. All in favor? Any opposed?

**LEG. KENNEDY:**

I'm opposed.

**LEG. TROTТА:**

Opposed.

**CHAIRMAN D'AMARO:**

Two in opposition. The motion carries. The resolution is tabled. **(Vote: 4-2-0-0 Opposed: Legislators Kennedy and Trotta)**

Next is Resolution **1054-2014 - Amending the 2014 Operating Budget to provide funding for Loaves and Fishes of the United Methodist Church of Lake Ronkonkoma (Kennedy).**

Legislator Kennedy?

**LEG. KENNEDY:**

Yes, I'll make a motion to approve, Mr. Chair.

**CHAIRMAN D'AMARO:**

I'll second. All in favor? Opposed? Abstentions? Motion carries. **(Vote: 6-0-0-0)**

Resolution **1056-2014 - Amending the 2014 Operating Budget and appropriating funds in connection with bonding for a settlement for medical malpractice case against the County (Co. Exec.).** This settlement has been previously approved by Ways and Means. It is for an amount, settlement amount, of \$125,000. I'll offer a motion to approve.

**LEG. ANKER:**

Second.

**CHAIRMAN D'AMARO:**

Second by our Vice Chair, Legislator Anker. All in favor? Opposed? Abstentions? Motion carries. **(Vote: 6-0-0-0)**

Resolution **1057-2014 - To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 941-2014)(Co. Exec.).** I'll offer a motion to approve and place on the Consent Calendar.

**LEG. KENNEDY:**

Second.

**CHAIRMAN D'AMARO:**

Second by Legislator Anker. All in favor? Opposed? Abstentions? Motion carries. *(Vote: 6-0-0-0)*

***Resolution 1058-2014 - To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature No. 398 (Co. Exec.).*** Same motion, same second. And without objection, same vote. *(Vote: 6-0-0-0)*

***Resolution 1059-2014 - To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature No. 397 (Co. Exec.).*** Same motion, same second, same vote. *(Vote: 6-0-0-0)*

***Resolution 1060-2014 - To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 942-2014)(Co. Exec.).*** Same motion, same second, same vote. *(Vote: 6-0-0-0)*

***Resolution 1063-2014 - To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 943-2014)(Co. Exec.).*** Same motion, same second, same vote. *(Vote: 6-0-0-0)*

***Resolution 1071-2014 - Amending the 2014 Operating Budget and appropriating funds in connection with bonding for a settlement for a liability case against the County(Co. Exec.).*** Once again, this settlement has been approved by the Ways and Means Committee. It is a settlement in the amount of \$300,000. I'll offer a motion to approve. Second by Legislator Anker. All in favor? Opposed? Abstentions? Motion carries. *(Vote: 6-0-0-0)*

***Resolution 1072-2014 - To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 944-2013)(Co. Exec.).*** I'll offer a motion to approve and place on the Consent Calendar.

**LEG. ANKER:**

Second.

**CHAIRMAN D'AMARO:**

Second by Legislator Anker. All in favor? Opposed? Abstentions? Motion carries. *(Vote: 6-0-0-0)*

***Resolution 1073-2014 - To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 945-2013)(Co. Exec.).*** Same motion, same second. Without objection, same vote. *(Vote: 6-0-0-0)*

***Resolution 1076-2014 - To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature No. 399 (Co. Exec.).*** Same motion, same second, same vote. *(Vote: 6-0-0-0)*

***Resolution 1097-2014 - To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer By: County Legislature No. 400(Co. Exec.).*** Same motion, same second, same vote. *(Vote: 6-0-0-0)*

***Resolution 1103-2014 - To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 946-2014)(Co. Exec.).*** Same motion, same second, same vote. *(Vote: 6-0-0-0)*

***Resolution 1106-2014 - To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 947-2014)(Co. Exec.).*** Same motion, same second, same vote. *(Vote: 6-0-0-0)*

Resolution Number **1112-2014 - To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer By: County Legislature No. 401 (Co. Exec.)**. Same motion, same second, same vote. **(Vote: 6-0-0-0)**

And Resolution **1116-2014 - To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 948-2014)(Co. Exec.)**. Same motion, same second, same vote. **(Vote: 6-0-0-0)**

Resolution **1128-2014 - Amending the 2014 Operating Budget to provide additional resources for the Human Rights Commission (Kennedy)**. Legislator Kennedy?

**LEG. KENNEDY:**

Yes, Mr. Chair. This is another budget amendment that I've elected to put forward that would redirect funding from the County Attorney's Office to the Human Rights Commission. The Human Rights Commission unfortunately at this point has continued for oh, it has to be more than a year ago when I was first contacted by Rabbi Moss and by Dr. Mantia indicating that at that time the Human Rights Division was down to I believe one Investigator. Surprisingly, when I saw a newspaper article on this, I believe last year the Human Rights Division received in excess of 2300 or 2400 contacts for assistance, and they opened 162 cases, and I think successfully completed 137 investigations.

Quite frankly, that's an extremely poor number, if you will, for a body that's been in place for, oh, ever since I've been in County government back in '87. It is charged with investigation for a wide range of claims of abuse, age discrimination, handicapped discrimination, the whole range and gamut and serves as an important agency here at a local level. And the County Attorney and I have had conversation about this before, but, unfortunately, no additional resources have been brought forward for the Human Rights Bureau. So this is a simple way to go ahead and try to address or at least free up the funds that would in essence put our money where our mouth is. The alternative is to disband the agency. So again, I make a motion to approve.

**CHAIRMAN D'AMARO:**

All right. There's a motion to approve. Is there a second?

**LEG. TROTTA:**

I second that.

**CHAIRMAN D'AMARO:**

Second by Legislator Trotta. Just on the motion. Legislator Kennedy, you know, we can talk about a need for the Human Rights Commission, but what I do take issue with is your funding source to fill those positions. And maybe you could explain to me how you arrived at that funding source to eliminate the, what is it, six positions, Assistant County Attorney positions, five of which are not funded.

**LEG. KENNEDY:**

Yes.

**LEG. D'AMARO:**

Right.

**LEG. KENNEDY:**

There is only position that's funded there and that was a decision again for priorities. This individual came into the County Attorney's Office in the early part of January and, quite frankly, it's the County Attorney's prerogative to operate the office as he sees fit or chooses, but I would offer to you that from a policy perspective the Human Rights Bureau and Division, which is a branch now of the County Attorney's Office policy wise, I guess I would say I disagreed with our County Attorney and

felt that the funding and commitment would be better spent at the Human Rights Bureau than with bringing on an additional attorney.

**CHAIRMAN D'AMARO:**

Well, I see that we're joined by our County Attorney. Mr. Brown, did you want to address this issue?

**MR. BROWN:**

Only with respect to the elimination of the positions in the County Attorney's Office. The County Attorney's Office, like the Human Rights Commission and like all of the departments in the County, there have been reductions in staff size because of budgetary reasons. We're operating at a staff size that's historically lower than it has been in the past years. All of the attorneys have stepped up and acted professionally and delivered 110 percent, 110 percent of the time with respect to performance of all the work in the departments, whether it be Family Court, Municipal or any of the other bureaus. And so we really, you know, don't want to and can't weather these -- the loss of another person.

With respect to Human Rights Commission, we all agree that the Human Rights Commission is an old agency in the County. It certainly does laudable work, it's part of the Law Department. I've discussed this, yes, with Legislator Kennedy and others in the past, the funding for the department -- the funding for the agency. I've also discussed it with, in the beginning of this year, I've also discussed it with the current Director and with the County Executive's Office and, in fact, prior to the introduction of this resolution, we've been working with our administrator in the department, as well as Budget to try and come up with additional funding for at least some type of additional investigative assistance for the Human Rights Commission.

**CHAIRMAN D'AMARO:**

Okay. So the position that this is seeking to or the six positions, five of the positions are not filled; is that correct?

**MR. BROWN:**

I have five positions, not six. I don't know if my count is correct or not.

**CHAIRMAN D'AMARO:**

You could be right. Yeah, I'm not sure either.

**MR. BROWN:**

But I have -- there are two vacant in Family Court, one vacant in the General Litigation Bureau, and two positions in Torts. One is filled and one is vacant.

**CHAIRMAN D'AMARO:**

Right, but the vacant positions, are they funded positions?

**MR. BROWN:**

They're funded to the extent that, you know, we have a budget line for salaries and benefits. But, you know, nobody is being paid in those positions, obviously.

**CHAIRMAN D'AMARO:**

So Dr. Lipp, maybe you could explain to me. Is there a dollar amount put on this legislation?

**MR. LIPP:**

Yes.

**CHAIRMAN D'AMARO:**

What's the amount?

**MR. LIPP:**

Okay. Transfers eighty-one thousand, four-hundred and twenty-nine thousand to the Human Rights Commission.

**CHAIRMAN D'AMARO:**

And that's from five positions?

**MR. LIPP:**

Well, there's only one that's filled, so the savings would come from basically abolishing that one position that's filled for part of the year.

**CHAIRMAN D'AMARO:**

I see. Okay.

**LEG. STERN:**

Fill or funded?

**CHAIRMAN D'AMARO:**

That's what I'm trying to understand. So there are five positions, four of them are vacant.

**MR. LIPP:**

Correct.

**CHAIRMAN D'AMARO:**

One is filled.

**MR. LIPP:**

Right. So the idea is you can't lay somebody off if there are vacant positions. In other words, you can't lay off a person, you can only abolish a title.

**CHAIRMAN D'AMARO:**

Right. First you need to abolish the vacant positions before you can get a filled position abolished. Is that correct?

**MR. LIPP:**

Yes. So in other words, if there was only one position eliminated, it would be by definition a vacant position. No one would walk out the door.

**CHAIRMAN D'AMARO:**

Right. Well, with respect to this particular piece of legislation, I mean, we addressed all of these budgetary needs in our budget last November and enacted a budget and this seems like an unwarranted adjustment based on the County Attorney's Office's needs. I'm not quite sure this would be the appropriate time to make this kind of adjustment to the County Attorney's budget. I mean, we can work along with -- amongst ourselves and try to find some funding. If there's a need in the Human Rights Commission I'd like to hear more about that, but this particular bill is solving one problem while creating another while cutting your staff even more.

**MR. BROWN:**

Mr. Chair, I'm in 100% agreement with you and with all due respect to Legislator Kennedy, and he knows this, I'm in disagreement with him. And prior to this bill ever being laid on the table, we worked internally on trying to come up with more money. And me in particular and Jennifer is more than happy to work with the Executive's Office and the Legislature in trying to come up with additional funding for the Human Rights Commission and any investigative assets that they need, but without cutting the staff of the attorneys as well.

**CHAIRMAN D'AMARO:**

Okay. Any other questions? There was a motion pending to approve?

**LEG. KENNEDY:**

Yes.

**CHAIRMAN D'AMARO:**

It has received a second. Okay. I'll call the vote if there's no other motions. All in favor? Any opposed? Motion fails. **(Vote: 2-4-0-0 Opposed: Legislators D'Amaro, Anker, Martinez and Stern)**

Okay. The next resolution, 1142-2014, has been withdrawn.

Resolution **1143-2014 - Amending the 2014 Operating Budget and appropriating funds in connection with bonding for an award of attorneys' fee in a Federal lawsuit against the County (Co. Exec.)**. This is for attorney's fees and a settlement appropriating \$199,309. I'll offer a motion to approve. Is there a second? Second by Legislator Anker. All in favor? Opposed? Abstentions? Motion carries. **(Vote: 6-0-0-0)**

Resolution **1145-2014 - Amending the 2014 Operating Budget to assure adequate personnel for Wastewater Management (Kennedy)**. Legislator Kennedy?

**LEG. KENNEDY:**

Yes, thank you, Mr. Chair. And this is the final of my three budget amendments that I had put in. This -- each one of the members of the committee has a copy of a letter that I just sent to Dr. Tomarken today and very surprisingly as we were sitting here in committee, lo and behold I received a schematic of the statistical information that I had requested back on February 19th. This is a very simple, pragmatic and straightforward issue associated with the critical function that our County government is engaged in day in and day out, and it is the review and approval of on-site wastewater disposal systems. The work that is done in this office is absolutely critical and, quite frankly, must be done. It's a condition precedent to a building permit anyplace in the County of Suffolk.

And while I scan the schematic of information, which I've sent to each one of the members, actually I sent it to the whole Legislature, and I see that there is what's characterized by the department as a four week delay in beginning the review process, anecdotally there are stories that go from four to six months delay in going through septic construction and modification plans. Now granted, you know, you can have a simple residence that has a single box in a ring to a 100,000 square foot property or a 20 home subdivision that has very complex wastewater applications associated with it.

The two positions -- the two positions that are in this reso had been filled and were working Plans Examiners up until July of 2012. In July of 2012, as everybody on this committee knows, or most everybody here knows, we had a fairly significant layoff of County personnel, and unfortunately, the two trainee wastewater Plans Examiners were let go. Here we are in almost March of 2014, you know, almost two years later and the Performance Management Team is evaluating the operations of that unit.

I would say to you that this is a doable addition. BRO has assured me that the offset is a viable, bona fide legitimate offset and I would strongly encourage the committee to consider approval of these two positions. We constantly talk about attempting to work with the business community, work with developers, work with our builders across the board and we have been told of the importance of proper wastewater management. And so I can't stress enough to the committee how important I believe this one is and so I'll make the motion to approve.

**CHAIRMAN D'AMARO:**

Okay. Thank you, Legislator Kennedy. Is there a second on the motion?

**LEG. TROTTA:**

I'll second.

**CHAIRMAN D'AMARO:**

Thank you. Second by Legislator Trotta. Once again, so this is seeking to create two positions, I believe.

**LEG. KENNEDY:**

Two positions for the half year. They would be, through BRO, effective July 1st of this year?

**MR. LIPP:**

Correct.

**LEG. KENNEDY:**

Okay.

**CHAIRMAN D'AMARO:**

Right. And Dr. Lipp, what's the cost of that for the half year funding and what's the source of funding?

**MR. LIPP:**

So the cost is 56,298. The source is the contract agency line in their appropriation for like, for instance, for lab tests, stuff like that, which is -- it's a significant line. Could they use the money? Yes. Do they have sufficient money? They could, you know, manage to work with their budget around it. It's the best we could offer. So basically what we're saying is we really because of the finances that the County's in, we're really not offering up offsets. I want to make that very clear. That being said, this is a plausible line item within the Health Department budget if, you know, you see fit in terms of priorities.

**CHAIRMAN D'AMARO:**

Okay. So it's a staffing issue. Is -- Legislator Kennedy, is there anyone here from the department itself to talk about the need?

**LEG. KENNEDY:**

No. As a matter of fact, there isn't, Mr. Chair.

**CHAIRMAN D'AMARO:**

But you did send some information to the committee.

**LEG. KENNEDY:**

I did. As a matter of fact, I apologize that I have provided all of that to you only at the beginning of this committee. But, as I will ask each one of you to do, is to take a look at the response that I received late yesterday afternoon in my office from the Division Director, Mr. Hilbert. And in essence, I was told at that time that Performance Management is evaluating this function and therefore the department was declining my request for statistical information.

Now, as I had discussed with you, Mr. Chair, there is a section in the Administrative Code, 199, that directs that departments must provide us with basic routine statistical information associated with the functions of departments. So until I'd say probably around 45 minutes ago, I didn't have anything from a query from February 19th. You know, I would say to you, Mr. Chair, that look, we can all disagree philosophically, but the numbers are the numbers. And the information that goes to what a particular department does function wise, like how many applications are received, in what

category? What's the trend been over the last three years? What's the turnaround time? That's no corporate secret. And it is essential to the job that each and every one of us do that departments respond in a responsible manner. As I said, I shared the letter with Dr. Tomarken and each of you have copies. Lo and behold -- and I had a conversation with Dr. Tomarken this morning, too, to tell him that the letter from Mr. Hilbert was not a response that was an acceptable response and did not comply with the code.

**CHAIRMAN D'AMARO:**

All right. And the information that you did send to us, though, seems to -- first of all, it's good news. It looks like applications are up, which is a good thing.

**LEG. KENNEDY:**

Absolutely.

**CHAIRMAN D'AMARO:**

For 2013 as compared to '12 and 2011.

**LEG. KENNEDY:**

Absolutely.

**CHAIRMAN D'AMARO:**

Residential from last year or from 2012 to -- 2012 residential applications was 1609. In 2013 they were 2003, so that's a substantial increase. Subdivision applications are up. Commercial applications are also up for this department. And as compared to the highest application year, I guess going back several years, which was 2004, with respect to residential of course we're not even close, but we are moving in the right direction. It also says that the average time it takes to generate the first comments are four weeks and the average backlog is also roughly four weeks. The unit is currently staffed with 27 people. So I guess, Mr. Vaughn, do you have any information with respect to this department and the need for the two additional personnel?

**MR. VAUGHN:**

Yes, sir. Thank you very much. I would just add that while it is true that Performance Management is in the process of doing an evaluation, we actually believe that the result of that evaluation will be available and presented to the Health Committee at the April 24th Health Committee during the next -- during the following cycle, the one that -- not the next one, but the following one after that.

In terms of the staffing levels we would ask that the committee consider tabling this resolution until after Performance Management and the Health Department have finished doing those evaluations. We do understand this has been an ongoing issue, but we are hoping that with the pledge of having an end date in sight that it will lend credence to the committee considering a tabling motion at this time.

**CHAIRMAN D'AMARO:**

So right now we don't really know or you don't really know what the need is beyond the information that was just sent by the department. I guess, John, the Health Department; correct?

**LEG. KENNEDY:**

Yes.

**CHAIRMAN D'AMARO:**

Yeah, from the Health Department that we already have a four week backlog.

**MR. VAUGHN:**

Correct, and I would just say that one of the things that Performance Management is looking at, along with the Health Department, is to whether or not an addition of staffing levels is what is the

proper solution to this. Like all of the challenges that we face, we have to make sure that we use the proper tool to solve those challenges, and we're not 100% positive at this point in time that staffing is the solution to this at this moment. We think that there may be other resources that could be brought to bear.

So, for example, as spoken about in here, is it a -- an issue of, pardon me, is there streamlining of the permitting process that would make that backlog go away. Is that necessarily a staffing issue or is that an internal way or is that an internal paperwork issue? This is one of the issues that Mr. Hilbert brought up in the third -- I'm sorry, yes, third paragraph of April 24th. So we are not in a position yet to say whether or not staffing would or would not be --

**CHAIRMAN D'AMARO:**

But wait a minute, though. Mr. Hilbert has been there for how many years? How do we not know the answer to that question already?

**MR. VAUGHN:**

Whether or not the staffing is --

**CHAIRMAN D'AMARO:**

Well, we have a County department, you know, we talk about economic development and how important it is to the County. I think everyone would agree on that. And we know we have a four week backlog, and now you're telling me we have to wait until mid-April to find out what the problem is.

**MR. VAUGHN:**

I'm saying that there is an ongoing study right now, intensive study, looking at the entire process as a whole that may or may not show that additional staffing is needed, and that we don't have that answer as to whether or not --

**CHAIRMAN D'AMARO:**

All right. So I understand you, you feel that if we put the two further additional personnel from this particular bill on, it may or may not relieve the backlog or do you think it will have some impact, will it be a positive impact. Right now it looks like we're reviewing two to three new commercial applications per week and we're reviewing six to eight new residential applications per week, per reviewer. So it seems to me if you put on two more individuals, and I think that would be their primary function, Legislator Kennedy, if I'm not mistaken; is that correct?

**LEG. KENNEDY:**

Yes.

**CHAIRMAN D'AMARO:**

Yeah. Then it would seem to me that would at least be a stopgap way of bringing that backlog down. I understand that, what do we call it, the Performance Management Team is taking a look at this department and is expected to come up with some findings, I guess, and conclusions in April, but how is that helping the developer that has an application pending right now? And we have a department, according to our Budget Office, we have an offset that's viable, it's real funding. I'm just curious as to why you'd be opposed to trying to bring down that backlog and not wait for the Performance Management Team to make a recommendation.

**MR. VAUGHN:**

Mr. Chairman, what I would say is I would offer a couple of things. One is that the Budget Office did -- BRO did say that there was a viable offset here. But I would remind -- I would offer that viable offsets are few and far between. And if we think that we may be able to provide solutions that don't involve adding additional personnel --

**CHAIRMAN D'AMARO:**

But wait a minute, Tom. You know, we also look at statistics and make our own independent evaluations as well.

**MR. VAUGHN:**

Absolutely.

**CHAIRMAN D'AMARO:**

Okay. So, you know, if we as a Legislature or a particular Legislator sees a need, why wait around for a Space Management Committee? I mean, you know, you're really discounting the fact that your own department is telling us there's a four week backlog here. Okay.

**MR. VAUGHN:**

I'm sorry --

**CHAIRMAN D'AMARO:**

You don't need to respond to that. That's okay. Legislator Calarco.

**LEG. CALARCO:**

Thank you, Mr. Chairman. And again, I appreciate your giving me the opportunity to speak. I'm not on this committee, but I do have a couple of questions to Mr. Vaughn through the Chair, if it's okay. This issue is not exactly new to us here is it, Mr. Vaughn? Did the County Executive bring something over last year to try to help address issues in the wastewater review process over at the Health Department? If I'm not mistaken, an I.R. 1915 was a resolution to provide some GIS information. Because if you could, maybe Mr. Hilbert would help enlighten us, I see nobody from the Health Department's here. But what's the process right now for those wastewater permits when they're being reviewed and as we're doing that process. We're still kind of using paper maps over there, right?

**MR. VAUGHN:**

That is my understanding, that it is a very paper heavy --

**LEG. CALARCO:**

If I remember correctly, you actually came and showed us a big, giant book that reflected the maps that they are currently utilizing; correct?

**MR. VAUGHN:**

Yes, sir, that is correct. And as a matter of fact, I like to consider that my workout for the year.

**LEG. CALARCO:**

You looked like Vanna White up there.

**MR. VAUGHN:**

I looked good.

**LEG. CALARCO:**

Yeah, very good. But the resolution ended up not going forward, right?

**MR. VAUGHN:**

It did not at that point in time.

**LEG. CALARCO:**

Yeah, we didn't provide the funding for it; correct?

**MR. VAUGHN:**

It was not funded, but I think that it was also a -- I believe there were also some very relevant and pertinent questions that were asked that the department was unable to deliver some answers on. That may or may not have been some of the reasonings for that bill not going forward that night. But that being said, that that would be further reasoning for going forward and doing --

**LEG. CALARCO:**

But perhaps had the department been able to start making -- taking advantage of the 21st century and using some technology and GIS information services and other programs, perhaps they would be able to eliminate this backlog that we have there without having to necessarily have the additional staff just by giving them the technology that exists today to be doing this as opposed to having to go back to those paper maps every time they have to review a permit.

**MR. VAUGHN:**

I don't necessarily disagree with that, Legislator. And the thing that I would say as I go back to the idea of using the right tool for the right situation, and I think that that's why it's necessary to have Performance Management taking a look at what is going on over there, to see what is the correct tool for doing this. There are -- the budgets are tight, we know this. We've dealt with this for years and I think that there are a limited number of offsets and the question we're asking is would the Legislature please entertain the idea of tabling this, give us a date certain time, which would be April 24th and --

**LEG. CALARCO:**

So it might be wise to take a chance to wait a little bit longer to find out if there's technology we can procure that will allow us to do this in a much more cost effective manner going forward than to hire two new employees. As much as I would love to help reduce the unemployment rate, two new employees at the County is definitely not going to want to stomach having to lay off in the future at any point.

**MR. VAUGHN:**

Well, I would also offer that layoffs are a much more difficult thing now given the current contract.

**LEG. CALARCO:**

That's true as well. All right. Thank you very much.

**LEG. KENNEDY:**

Mr. Chair, if I could just add one other point. As I've had an opportunity to review some of these statistics, and again, I apologize. I try to come to the committee, you know, well prepared. But it is difficult when departments elect to go through, you know, gyrations and don't comply and then elect to comply. But one of the items that's in there that I think is somewhat, I don't want to say it's deceiving, but not all 27 people in that department are Plans Examiners. Plans Examiners are some much smaller subset of that. I would hazard a guess there's probably no more than about a half dozen of them. And by the calculations we had from last year, in total it's about 2500 applications.

Now, you know, we get estimates and of course we can only work with estimates, septic plans are complex, you know, and I know any time we're involved with land records. And I don't disagree that this department is crying out for technological improvements, but it has been 21 months since these two Plans Examiners were let go, and we're hearing from the Administration today about Performance Management may have some solutions, you know, at the latter part of April. I would suggest to you my resolution today is barely putting, you know, the finger in the dike. There's probably substantial work that needs to be done there, but it is no offer to any developer who has had to go to a bank and is bearing a construction loan and paying interest by month that maybe we'll have an answer for him in a couple of months from now, because the bank doesn't let him go another couple of months from now without having to pay the interest. This is one area where time is money, and so I think that this is a modest expenditure for people who will invariably move plans

and get them out the door so ground can get broken. That's what I would offer to the committee.

**CHAIRMAN D'AMARO:**

Yes, Mr. Vaughn. Go ahead.

**MR. VAUGHN:**

I would just ask, I thought that Mr. Kennedy said that the two people weren't being hired until July. So I'm wondering how that -- I thought that I heard that somewhere earlier in the debate, that the two people were coming on in July, so I'm not understanding exactly how the delay or how this bill would immediately impact. If I misunderstood that, sir, I apologize.

**LEG. KENNEDY:**

No, no, no, you read it correctly, Tom. But as you know and I know, there would have to be a call to Civil Service for the list, there would have to be a canvassing of those that are interested, there would have to be an interview process that goes on, and let's just say it's the will of the committee to pass this bill and it's the will of the Legislature to pass it, and we even get the County Executive to sign it, we'll already be well into mid to late March. We'll start activating Civil Service to go through the call process. We'll be damn lucky if we have two folks we could possibly make an offer to in the beginning of July.

**MR. VAUGHN:**

So then my only statement, sir, then is I really fail to see how a tabling motion at this point in time interferes with that. You're not bringing two people on until possibly, possibly July, and I don't understand how under your scenario with the person going to the bank, how this helps them at this moment in time.

**LEG. KENNEDY:**

Because what it does is it gives us some measure of certainty to remedy. If we table, we'll add another month of carrying expense to every developer who's got a plan sitting in there, who's attempting to get it out, to go to a town or village building department to get a permit to put a shovel in the ground. It's that simple.

**CHAIRMAN D'AMARO:**

Okay?

**LEG. KENNEDY:**

Yes.

**CHAIRMAN D'AMARO:**

And also, the -- you know, we have a bill in front of us now that is attempting to solve a backlog problem. You're telling me Space Management will have a report to me by mid-April, but what if they're delayed? We can speculate as to all of the what if's going forward, but the fact is Legislator Kennedy has identified a need. I think this plays right into the hands of economic development and how important it is, especially that we're so dependent on our sales tax and we want to keep Suffolk County economy moving and growing, and I don't really, frankly, understand the opposition to this, especially since there's adequate funding in the budget.

I understand that you want to do an evaluation of the department. I do not see how passing this bill would prevent or hinder that evaluation or even prevent us from later on if it turns out that this wasn't the answer or not part of the answer that we couldn't undo this, which we could. It's just the function of trying to do something now in the face of the Health Department telling us that there's a substantial backlog in reviewing applications. So with that said, is there anyone else who would like to be heard?

**P.O. GREGORY:**

Yes.

**CHAIRMAN D'AMARO:**

Mr. Presiding Officer.

**P.O. GREGORY:**

Thank you, Mr. Chair. I apologize, I was in the other room for most of the conversation. My view is that, you know, having gone through the layoffs a few years ago and, you know, many departments claiming that they need, you know, to restore positions, you know, before we -- we shouldn't do it in a piecemeal approach. We should possibly put a group together or, you know, to analyze what priorities we should address first, because I'm sure each department or many departments will say there are personnel shortages that they have and not all are of equal value. But to do it in a piecemeal approach may mean that we're utilizing resources for -- that won't be available for a greater need later on. So we need to come forward with a more comprehensive approach and a plan to address that. That's the concern that I have with doing it in this fashion.

So I would -- I would ask that you table it, give the Administration or put a group together to analyze the needs in the various departments. I'm not saying that there isn't a need in this particular area, because I've heard it myself. But to see what other needs there are, see if we have the resources to address it, and so that we're not shortchanging something that may be of a greater need later on in the process. Thank you, Mr. Chair.

**CHAIRMAN D'AMARO:**

Thank you, Mr. Presiding Officer. All right. Any other comments on this? To the Clerk, is there a motion pending? I'm sorry. Legislator Stern, did you have a comment?

**LEG. STERN:**

Thank you, Mr. Chairman. Tom, the -- did I hear you correctly, did you give a date?

**MR. VAUGHN:**

Pardon me. We'd be ready to do a presentation before the Health Committee on April 24th and we'd be happy to share the results of that, the results of those findings as soon as they're available.

**LEG. STERN:**

The meetings will be done, the conversations will be had, the analyses will be completed and you'll be ready to make a presentation.

**MR. VAUGHN:**

Yes, sir.

**LEG. STERN:**

I could not agree more with my colleague, Legislator Kennedy. It's a critical issue. I do believe this is a top priority and something that needs to be addressed much sooner rather than later. I'm willing to give the Administration the time that they're looking for. It doesn't seem to be an unreasonable amount of time from this point going forward. I might agree with the Chairman that this might be years in the making and why do we not have the answers at this point. But it sounds from the Administration that there is a plan in place. There are meetings, there is analysis that's going to be done, there is a presentation that's going to be made on a date certain, so I'm willing to give them the short period of time that they're asking for so that we can then make a more informed decision. But I agree with Legislator Kennedy's initiative here and look forward to that presentation.

**CHAIRMAN D'AMARO:**

Okay. Thank you, Legislator Stern. Again, to the Clerk, is there a motion pending?

**MS. ORTIZ:**

There's a motion and a second.

**CHAIRMAN D'AMARO:**

There's a motion and a second to approve?

**MS. ORTIZ:**

Yes.

**CHAIRMAN D'AMARO:**

Okay. I'll call the vote. All in favor? Opposed? Okay. The motion fails. It's a tie.

**LEG. STERN:**

I can make a --

**LEG. KENNEDY:**

How do we have a tie, Mr. Chair?

**CHAIRMAN D'AMARO:**

Well, I believe the Presiding Officer is voting.

**LEG. KENNEDY:**

The Presiding Officer is electing to vote on this?

**CHAIRMAN D'AMARO:**

Correct. So we had three against the motion to approve and three for the motion to approve.

**LEG. STERN:**

Prior to calling the vote, though, can I offer another motion?

**CHAIRMAN D'AMARO:**

Yes, Legislator Stern.

**LEG. STERN:**

So I'll make a motion to table so that it stays before us and it's something that we can revisit going forward.

**LEG. KENNEDY:**

Well, I appreciate the comments of Legislator Stern, and I think like most members on this committee, as a matter of fact, he's focused on the fact that this has continued to be. Even going back to July of 2012 where we had two additional folks, and it was quite unfortunate as all our layoffs were. These were two young people who had been in for six months, had been trained up and were moving along in the right direction.

To the Administration, look, I am always happy to enter a broader conversation about priorities, and I'll share that with the Presiding Officer as well. But I, you know, I don't want to beat a dead horse but every one of us, every one of us has had calls in our office from people who are attempting to build 100,000 square foot projects to a guy who simply wants to put a dormer on his house and can't get a simple septic expansion done and does not have another month, two, three, ten or whatever to pay that bank because that bank is -- they'll give us money forever as long as we pay. But the guy still doesn't have his extra bedroom for his kids or we still don't have the new hospital like Sloan that's expanding or some of the other things that we need done. This is absolutely some area and it's no reflection on the individuals, they are skilled, knowledgeable, competent individuals, but they are overwhelmed, absolutely overwhelmed, and it is as if we are Nero fiddling while Rome burns.

I'll second the table. Thank you, Legislator Stern, but we need to come back to this and not in their time frame.

**CHAIRMAN D'AMARO:**

Legislator Trotta.

**LEG. TROTTA:**

I think the Chairman hit the nail on the head, there's no reason we shouldn't pass now. If it changes, something changes down the road, I'd rather be ready for something than put it off another month. So if we were to approve this now, if something changes down the road, then we could change it. I mean, the Chairman hit the nail on the head. It couldn't be more simple. Let's start the ball rolling now.

**LEG. KENNEDY:**

Mr. Chair, I have one other issue that I would go ahead and I would ask the committee to consider. How about a discharge without recommendation and an opportunity to go ahead and bring back to the committee or bring back to the body what the latest is regarding Performance Management. I will call Mr. Melito as soon as we leave here and ask him to give me the specifics. At the very least we're demonstrating a willingness on the part of the committee and Mr. Presiding Officer, I'd ask you to join us. And I shared with you that letter that originally stymied any statistical information from the department up until about 12:30 today. We ought to at least be able to go ahead and get the facts and make the case, and if there's something compelling that's coming forth from the Administration, I'll share it with all 18. How about a motion to discharge without recommendation?

**CHAIRMAN D'AMARO:**

Legislator Kennedy, is that a motion to discharge without recommendation?

**LEG. KENNEDY:**

Yes, I'll make a motion to discharge without recommendation.

**CHAIRMAN D'AMARO:**

If your motion receives a second I'd be happy to call the vote on that.

**LEG. TROTTA:**

Second.

**LEG. KENNEDY:**

There you go.

**CHAIRMAN D'AMARO:**

All right. The motion has received a second. I'll call the vote on the motion to discharge without recommendation. All in favor? Opposed? And that motion fails. ***(Vote: 3-3-0-1 Opposed: Legislators Gregory, Martinez, Stern; Not Present: Legislator Anker. Presiding Officer Gregory is included in the vote)***

**LEG. KENNEDY:**

So what if we bring back the motion to table?

***(\*Laughter\*)***

**CHAIRMAN D'AMARO:**

Okay. Well, that was exciting. Next on the agenda.

**LEG. STERN:**

Before we continue, Mr. Chairman.

**CHAIRMAN D'AMARO:**

Yes.

**LEG. STERN:**

Just very quickly, and I know that we have more to get through, I know we have other people waiting to be heard. I just want to be clear, does it -- the resolution remains tabled and it was just a failed motion on top of that?

**MR. NOLAN:**

No, it failed. The motion failed.

**CHAIRMAN D'AMARO:**

The resolution fails.

**MR. NOLAN:**

You know, like any legislation, it could be revived later if the committee wants to do so, but for our purposes it won't appear on agendas going forward.

**LEG. KENNEDY:**

But we could also reconsider to go ahead and have a motion to table, couldn't we, Counsel?

**MR. NOLAN:**

Not after it's failed.

**LEG. KENNEDY:**

So I'll -- well, no, I can't reintroduce, can I, because we're in the cycle.

**CHAIRMAN D'AMARO:**

The ruling of the Counsel is no.

**LEG. KENNEDY:**

Okay.

**CHAIRMAN D'AMARO:**

Cannot do that. Once the motion to discharge failed the resolution failed, and it is not subject to a motion to reconsider.

**LEG. KENNEDY:**

Okay.

**MR. NOLAN:**

You can't make a tabling motion. You can make a motion to reconsider the motion that just failed.

**LEG. KENNEDY:**

Yes, that's what I was just going to say, I understand that, but I would ask the committee to then to go ahead and reconsider the motion to table?

**CHAIRMAN D'AMARO:**

Well, yes. But first, Legislator Kennedy, I believe is offering a motion to reconsider the vote.

**P.O. GREGORY:**

He can't.

**LEG. KENNEDY:**

Yes. No, I can't because I'm on the --

**P.O. GREGORY:**

You're not on the prevailing side.

**LEG. KENNEDY:**

I'm not on the prevailing side. All right.

**CHAIRMAN D'AMARO:**

Okay. So there are no other motions on this particular legislation. So we'll move on.

**LEG. KENNEDY:**

Okie doke.

**CHAIRMAN D'AMARO:**

Okay. Thank you. All right. Next resolution is **1146-2014 - Amending The 2014 Operating Budget to provide additional funding for the Citizens Advisory Board for the Arts (Schneiderman).**

Oh, I know what this is. This resolution is seeking to fund using, I think, a surplus, a small surplus that was in the hotel/motel funding line. Dr. Lipp, could you explain that?

**MR. LIPP:**

Correct. So the books haven't actually been closed on 2013 yet, so we have -- as of now we have numbers, but they're totally unofficial. So in the cultural affairs component there's a surplus of over 40 -- over 40 -- 52,000 I think in that particular category.

**CHAIRMAN D'AMARO:**

Right. I'm sorry, 52,000 balance in that category from 2013 -- 2012?

**MR. LIPP:**

Correct, 2013, but that's a tentative fund balance. It's not -- hasn't -- we've spoken to Audit and Control. They have not closed the books yet. They're not sure, but what we see so far is there's over 52,000 surplus in that particular category. That being said, it's -- first of all, it's not from revenue, it's combined unspent expenditures and actually a small shortfall in revenue, so the net is a surplus tentative of 52,000. Legislator Schneiderman is proposing to spend 30,000 of that which would break from past precedent, not that there is any reason why it couldn't, but the past precedent has been wait to see what the actual fund balance is and let that carry over and appropriate that in the 2015 budget when that comes out.

**CHAIRMAN D'AMARO:**

So this -- right, this appropriation is based on 2013.

**MR. LIPP:**

Correct.

**CHAIRMAN D'AMARO:**

And the number is not yet finalized?

**MR. LIPP:**

Correct.

**CHAIRMAN D'AMARO:**

Okay. And in the past what we've done is if there is a surplus, and this surplus is created by not spending all the funds that were made available --

**MR. LIPP:**

That's correct.

**CHAIRMAN D'AMARO:**

-- as opposed to more revenue coming in, but that's a side issue. This surplus, normally what we've done in the past is carry it over to the following year --

**MR. LIPP:**

Correct.

**CHAIRMAN D'AMARO:**

In this case, 2015, instead this resolution is taking a portion of that surplus and allocating it to different organizations.

**MR. LIPP:**

Correct.

**CHAIRMAN D'AMARO:**

Okay. And so it's really a continuation of expenditure similar to what we do during the budget process.

**MR. LIPP:**

Or not, if you were to pass this.

**CHAIRMAN D'AMARO:**

Yeah. I think it's more prudent to hold off on spending funds, especially that we don't have the fixed amount. We don't know what that amount is ultimately going to be, first of all. And second of all, normally this would be rolled over into 2015, and when we sit down this year to do the 2014 budget that will become part of the consideration, and I think that's where you have the proper process to disburse this type of funding, through the budget process, through a working group if that's the way we're going, through the Budget Committee and also then before the full Legislature. So I'm not going to support this bill. I'll offer a motion to table.

**LEG. TROTТА:**

Second.

**CHAIRMAN D'AMARO:**

Second by Legislator Trotta. On the motion, anybody else? Okay. I'll call the vote. All in favor? Yes, Legislator Stern, the motion is to table. I'll call the vote. All in favor? Any opposed? Abstentions? Okay. The motion carries. The resolution is tabled. **(Vote: 6-0-0-1 Not Present: Legislator Anker. Presiding Officer Gregory is included in the vote)**

And the last resolution on the agenda is **1159-2014 - Adopting Local Law No. -2014, A Charter Law to implement one-year rolling debt policy under 5-25-5 Law to mitigate budgetary shortfall (County Exec.)**. Dr. Lipp, a brief explanation, if you will.

**MR. LIPP:**

Right. So we have a law on the books that basically says recurring costs should be paid out of operating funds, but we've been for most years, for quite a while now, since the early two thousands, we've been not doing that by passing a resolution saying that we're going to suspend it for a year or two, and this would continue to do the same thing. The pluses and minuses are we -- our budget is fractured so we have trouble raising the current Operating Budget costs to pay for these types of projects. The benefit is the short-term savings, the cost is in the long-term we wind up paying more, because we're borrowing it out over multiple years. On average we borrow over a 28 year -- I'm sorry, over an 18 year period so it gets part of 18 years worth of budgets.

**CHAIRMAN D'AMARO:**

Right. Our preference is, of course, to try and pay and not borrow for certain items, but I think for the last several years we've waived that rule if I'm not mistaken.

**MR. LIPP:**

I believe since 2002 there's been one year where we've actually spent some money on --

**CHAIRMAN D'AMARO:**

And it doesn't prevent us from paying cash, if you will, if we do have it, but this would at least waive the policy if there's a need and we don't have the cash to spend.

**MR. LIPP:**

Correct. And in addition, at some point if we're going to be serious either way about this particular policy, we should make a decision either to rescind the law if that's where we want to go or to revise it because the way it's currently written it's confusing at best and it doesn't really speak to what's recurring.

**CHAIRMAN D'AMARO:**

Okay. Thank you. I'll offer a motion to -- oh, I'm sorry. Does this need to be tabled --

**MR. NOLAN:**

Yeah.

**CHAIRMAN D'AMARO:**

-- for Public Hearing. Okay. I'll offer a motion to table for purposes of Public Hearing. Second by Legislator Martinez. All in favor? Opposed? Abstentions? Motion carries. **(Vote: 6-0-0-1 Not Present: Legislator Anker. Presiding Officer Gregory is included in the vote)**

Ladies and Gentlemen, thank you for your patience in the audience. There's no further business before the committee. We are adjourned. Thank you.

***(The meeting was adjourned at 2:49 p.m.)***