

**JOINT CAPITAL BUDGET MEETING**  
**of the**  
**WAYS AND MEANS, BUDGET AND FINANCE**  
**and EDUCATION AND HUMAN SERVICES COMMITTEES**

The joint Ways and Means, Budget and Finance, and Education and Human Services Capital Budget Meeting was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Smithtown, New York, on Wednesday, May 18, 2016 at 9:30 a.m.

**MEMBERS PRESENT:**

Legislator Bridget Fleming - Chairwoman/Ways & Means Committee  
Legislator Lou D'Amaro - Chairman/Budget & Finance Committee  
Legislator William Spencer - Chairman Health Committee  
Legislator Rob Calarco  
Legislator Tom Barraga  
Legislator Kate Browning  
Legislator Leslie Kennedy  
Legislator Tom Cilmi  
Legislator Robert Trotta

**ALSO IN ATTENDANCE:**

Benny Pernice - Budget Review Office  
Justin Littell - Aide to Legislator D'Amaro  
Ali Nazir - Aide to Legislator Kennedy  
John Kennedy - Suffolk County Comptroller  
Michael Pitcher - Communications/Presiding Officer's Office  
Katie Horst - County Executive's Office  
Other Interested Parties

**MINUTES TAKEN BY:**

Gabrielle Severs, Court Stenographer

**MINUTES TRANSCRIBED BY:**

Denise Weaver, Legislative Aide

*(\*The meeting was called to order at 9:37 a.m. \*)*

**CHAIRPERSON FLEMING:**

Good morning everyone and I apologize for being late. Welcome to a meeting on the Ways and Means, Budget and Finance, Education and Human Services Capital Budget Committee. I apologize for being late. Let's stand for the Pledge of Allegiance led by Legislator D'Amaro.

***Salutation***

**CHAIRPERSON FLEMING:**

Okay. Thank you. I have one yellow card. I don't even know if you even need to fill out a yellow card. This is the comptroller, John Kennedy.

**COMPTROLLER KENNEDY:**

Good morning, Madam Chairwoman. Thank you for the opportunity to be before you. For those of the committee who heard my presentations during the last cycle, I do not want to be redundant, but, nevertheless, I wanted to make sure that I was here for those members who had not heard my prior presentation. As you know, our office is requesting two point -- two and-a-half million in authorization for 2017 in the Capital Budget under capital project 1782 for the financial software upgrade. The county executive's office has given us full support in that and we are grateful. I would ask that the Legislature contemplate advancing to 2018 the additional 500,000 that has been put into SY and let me explain. The 2.5 mil will actually allow us to bring our financial software current. As I had indicated previously, we are now five versions out, we are no longer supported with our main financial software, it sits on an outdated version of Microsoft, Microsoft 2003 and that is hosted on servers that are approaching end of life. It is the perfect recipe for disaster, if you will, and quite candidly there's third world nations that probably have better financial reporting than we have right now.

So I just would strongly, again, ask that the Legislature support the two and-a-half million for 2017 and give strong consideration to bringing the 500,000. That will allow us to begin to add additional modules. One of the modules that will become necessary for us as we go forward after we successfully upgrade is to tackle our payroll system and likewise to also begin to work on our delinquent tax reporting. Candidly, all three areas are woefully out of date, noncompliant, not user friendly and difficult to undertake our day-to-day operations with so for all those reasons I ask that you consider that advancement and that you support the authorization for 1782 and I'll be happy to answer any questions.

**CHAIRPERSON FLEMING:**

Thank you, John, and just so that the public knows you did come before us on our regular Ways and Means Committee back on May the 5th --

**COMPTROLLER KENNEDY:**

Yes.

**CHAIRPERSON FLEMING:**

-- and made a very thorough presentation so those minutes would be available online if anybody -- or you can certainly contact me directly if anyone would like to see more of the reasoning. I think you did talk, John, on the fifth about problems with regard to electronic processing of payroll, having to reboot the system 60 times over the past year, a number of other really sort of archaic problems that maybe at this time in our history we shouldn't have to be dealing

with.

**COMPTROLLER KENNEDY:**

No, it is -- not only is it difficult to meet our obligations on a day-to-day basis, but you'll recall I had my director of accounting services, who actually gave a very poignant and contemporaneous example of the difficulties we encounter in that the system was down for a 72-hour time period just as we have our brand new auditors, Deloitte & Touche, the first time that we are having a new set of outside auditors in in 14 years and they had a list of requests; reports and information and we were not able to access the system. It is beyond difficult or frustrating, it is inter-counterproductive, we are at risk and, as a matter of fact, I had a conversation offline with several of you about compliance issues.

**CHAIRPERSON FLEMING:**

And have you done any sort of analysis with regard to hard numbers on operational savings, staff savings?

**COMPTROLLER KENNEDY:**

Yes, as a matter of fact, and I -- I should have brought that material with me, if you recall when we did our PowerPoint during the regular committee cycle, I believe we demonstrated that we would have savings that would achieve 700 or 800,000 on an annual basis, essentially making this project something that would pay for itself within about two and-a-half years and it is not just soft savings as far as employee efficiencies. In my past career I was always highly suspect of soft savings, but the hard savings in a cost avoidance associated with check generation, I'll bring to your attention, again, that on average we do approximately 180,000 hard-cut checks each year. A recent industry analysis indicated that an average hard-cut check has about a three dollar cost component associated with it. The electronic transfer funds transfer equivalent goes at 29 cents. So I offer it to you that's some pretty simple back of the napkin mathematics that we can come up with pretty quickly about the savings we realize on EFT.

In addition to that, I can tell you that I can tell you that I have personnel that put in substantial amounts of time in addressing lost checks, uncashed checks, stale dated checks and it is just -- it is -- no business operates this way. Absolutely none out there. As a matter of fact, no business operates this way and remains viable and stays in business because if they choose to embrace this process, candidly, they're out of business.

**CHAIRPERSON FLEMING:**

I think you answered the question. Thank you and I think Legislator D'Amato has a question or two.

**LEG. D'AMARO:**

Good morning.

**COMPTROLLER KENNEDY:**

Good morning. How are you, Legislator?

**LEG. D'AMARO:**

I just want to go back to your request to move up the subsequent year funding.

**COMPTROLLER KENNEDY:**

Yes.

**LEG. D'AMARO:**

You want it moved up to 2017.

**COMPTROLLER KENNEDY:**

No, I'm sorry, perhaps I misspeak. I thought that the 500,000 was put out in SY.

**LEG. D'AMARO:**

Right, it is.

**COMPTROLLER KENNEDY:**

Okay, so my request would be that the 500,000 be advanced to '18. Our anticipation is that we'll commence in earnest with CGI, as a matter of fact, we have some already appropriated funding about 300,000. We had a two-hour conference call to actually begin to go through the whole specific request associated with accounts payable, accounts receivable, budgeting. We have another two-hour conference scheduled, the latter part of this week to round out the actual specific software steps needed to upgrade and to begin to employ the newer version. Having accomplished that that will then allow us to begin to get into vendor self-service and possibly contemplate the payroll module. The vendor self-service piece is about a 400 to \$500,000 expenditure. That will take us not only to EFT, but actually begin to have vendors that we were actually doing business with begin to actually populate and compile all of those vouchers, 225,000 of them that are now maintained manually and begin to do so online, status their purchase order requests, effectuate the transfer and confirm online.

**LEG. D'AMARO:**

The subsequent year funding as it's presented it's stated in our review that it's included for additional software modules to add functionality to the system once the County is on the latest version of the -- IFMIS, I guess we call it IFMIS.

**COMPTROLLER KENNEDY:**

Yes, yes.

**LEG. D'AMARO:**

So if you want it moved up 2018 you're anticipating that the County will be on the latest version --

**COMPTROLLER KENNEDY:**

Yes.

**LEG. D'AMARO:**

-- at the end of '17.

**COMPTROLLER KENNEDY:**

Yes, as a matter of fact, as we speak now we're developing the implementation schedule, as I indicated to you, it's our goal to go ahead and commence the upgrade process prior to January of next year utilizing about, again, what is it 320, 340,000 that we presently have appropriated. We're going to commence the process --

**MR. LIPP:**

Three-eighty.

**COMPTROLLER KENNEDY:**

-- we'll straddle the -- 380, okay, we'll straddle '16 into '17 --

**LEG. D'AMARO:**

Right.

**COMPTROLLER KENNEDY:**

-- from a contract process and I expect that we'll have, yes, as a matter of fact, we should certainly be up to 3.11 by the end of '17.

**LEG. D'AMARO:**

All right, good. Because the -- the other question I had was is that sufficient amount of funding to add this functionality once we're on the latest version because the original estimate for the system was 1.5 and now after conversations with the vendor, it's gone up to -- now we're up to 2.5.

**COMPTROLLER KENNEDY:**

Yes.

**LEG. D'AMARO:**

So that was a substantial -- obviously a substantial increase or a substantial underestimate of what the system was going to cost.

**COMPTROLLER KENNEDY:**

Yes.

**LEG. D'AMARO:**

And I just wanted to ask you, if you know, who did these estimates and why were we so off, we're off by a million dollars in estimating last year.

**COMPTROLLER KENNEDY:**

The estimates came about as a collaboration with our office, my executive staff and CGI. We are before you now having started this dialogue probably in February of '15, we had CGI come and do an onsite analysis, it's called a gap analysis actually, in which they actually assess the level of the software that we have now and what in fact they're actually supporting and are out there. I will tell you that candidly they had not been on site in probably about seven or eight years. I can't answer why that didn't occur that was before my time.

**LEG. D'AMARO:**

So the initial estimate was before C -- what is it, CGI --

**COMPTROLLER KENNEDY:**

Yes.

**LEG. D'AMARO:**

-- had an opportunity to really come in and make an evaluation and get down to -- and drill down into a real cost.

**COMPTROLLER KENNEDY:**

Absolutely. As a matter of fact, we were overlapping with the initial request, if you will, in the spring of '15 at the same time that we had CGI in. Even after their first presentation, we elected to convene a number of folks that are stakeholders here in the County to explore the option of going out to RFP and soliciting a new software provider. That process basically came back to us that we could not engage a separate software provider for anywhere understood ten to fifteen million. As I had mentioned in committee, my understanding is that Nassau has selected PeopleSoft, they are \$30 million expended and are still not fully operational.

So based on the awareness of where we are at right now economically and what we had as far as an outdated but at least somewhat operational product, we then came back, bought CGI in again to go ahead and do a more detailed and deep dive and we arrived at the 2.5 mil.

**LEG. D'AMARO:**

Are you comfortable that the, and I'll ask Dr. Lipp also, are we comfortable that the 2.5 will be sufficient funding to get the system to where it needs to be?

**MR. LIPP:**

The only thing we have to go by is the conversations that CGI --

**LEG. D'AMARO:**

Right, well have they presented all of this in writing? Is it something that -- that's been evaluated where if we give the go ahead and you're ready to go into contract and that, you know, it's not going to be a bait and switch and then it goes up to 3.5 million. I mean, do we have something -- I'm not something binding, but at least a significant offer to perform the services and do this upgrade from the company that -- that they can't really vary from?

**COMPTROLLER KENNEDY:**

I feel confident that, yes, we frame the external parameters and let me just make sure that I explain; the 2.5 is a composite, if you will, Legislator, in that it includes \$150,000 hardware and software request from IT. Commissioner Mezzanotte, as a matter of fact, joined us when we did the presentation in front of Ways and Means and he indicated as I had stated initially not only are we dealing with an outdated financial software program but it is residing on outdated host software, Microsoft 2003, which is no longer supported, vulnerable to attack and that all sits on outdated servers.

**LEG. D'AMARO:**

Right, so we need additional upgrades --

**COMPTROLLER KENNEDY:**

Absolutely, yes.

**LEG. D'AMARO:**

-- down the line.

My concern is that the -- according to the information I'm reading from the 2.5 includes costs for software, training, consulting and implementation. So, you know, training and consulting, you know, those are --

**COMPTROLLER KENNEDY:**

Consulting --

**LEG. D'AMARO:**

-- those are open-ended obligations.

**COMPTROLLER KENNEDY:**

Yes, they are.

**LEG. D'AMARO:**

So when we sign a commitment with this company to provide training, for example, do we know how much is allocated and is there a sufficient amount of funding to train the people who need to be trained? My concern, John, as you know, is that I just don't want to commit to the 2.5 and then that doubles or it goes up by a half a million --

**COMPTROLLER KENNEDY:**

And it's wise to go ahead and express those concerns and candidly we have had those same concerns. Part of what the -- we have gotten from CGI is that we are acquiring the 3.11 version of the software essentially at no cost to us for the actual software itself. The expenditure is primarily in, I don't want to say customizing, but there's an element of programming that has to be done so that it will support what our functions are and in addition we have 549 authorized users on this system and they range from something as simple as query to those that are what we call super-users.

**LEG. D'AMARO:**

Right. Is this number, just my last question, is --

**COMPTROLLER KENNEDY:**

Sure.

**LEG. D'AMARO:**

-- is it based on a written proposal from CGI?

**COMPTROLLER KENNEDY:**

It is written up to the point that they have given us a generalized expression of what it will take to get us through representing this. It is done with, yes, as a matter of fact, in the gap analysis, yes.

**LEG. D'AMARO:**

All right, thank you.

**COMPTROLLER KENNEDY:**

You're welcome.

**CHAIRPERSON FLEMING:**

Thank you. I do have a question before we move onto to the other Legislators who have questions for Dr. Lipp. Am I misreading this or why is there no -- why are there zeros in the requested budget from the department?

**MR. LIPP:**

They didn't submit a request. That's what we go by to be able to put it in the budget so there was no requested amount that came in, I guess, presumably after the requests were handed in.

**CHAIRPERSON FLEMING:**

Okay. I'm just confused because as you know we're trying hard to keep a lid on borrowing especially in a three-year program so the half-a-million has an impact so just wondering why that didn't appear prior to your presentation at Ways and Means.

**COMPTROLLER KENNEDY:**

Again, if I will, part of what I'm expressing to you is a process that's actually going on simultaneously with the engagement of CGI. As far as the actual submission, we worked with the Executive's Office, we came to and have a firm assessment of what the upgrade from the present 3.5 version to 3.11, which is current and supported by CGI. The add-on piece associated with the vendor self-service and/or the payroll piece was something that we were able to extract from CGI probably, I guess, beyond the submission deadline. I believe that's why we had it run through the process that it's gone.

**CHAIRPERSON FLEMING:**

Okay, that's helpful. Thanks. Legislator Spencer.

**LEG. SPENCER:**

John, this may seem a little aside, there was something that just caught my attention and you had indicated that with paper checks there are uncashed checks.

**COMPTROLLER KENNEDY:**

Yes.

**LEG. SPENCER:**

And if a check is uncashed, doesn't that help us? In a sense that how big a problem is that? I just thought I'd ask and is it unclaimed funds? Do we have an unclaimed funds?

**COMPTROLLER KENNEDY:**

There are unclaimed funds, Doctor, yes, as a matter of fact, but recall that we operate with that similar to what we -- the money escheats after a particular time but if a vendor furnishes us with microphones, if you will, and we send them a check and for whatever reason they misplaced the check or the check goes through the washing machine or whatever that does not then eliminate the obligation to go ahead and to remit to them, in fact, it still a bona fide valid liability on our part and we then have to undertake the whole confirmation process again that they, in fact, furnish the microphones, it was a valid charge, it's a charge that came off of whether it's a State contract list or however it was done, we have to identify that the initial check is now destroyed, voided or what have you, cancel that expenditure, rack up the new expenditure, draw the new negotiable instrument, send the new negotiable instrument and hope that they convert.

**LEG. SPENCER:**

We expend administrative --

**COMPTROLLER KENNEDY:**

Absolutely.

**LEG. SPENCER:**

-- time, which costs us money.

**COMPTROLLER KENNEDY:**

Absolutely.

**LEG. SPENCER:**

And just to -- I heard some ridiculous sort of statistic, for instance, with people that received rebates --

**COMPTROLLER KENNEDY:**

Yes.

**LEG. SPENCER:**

-- or checks or whatever that there's some very high number that's never cashed. And I don't know what those numbers are, but from our standpoint with paper checks and in no way, and I apologize for this diversion cause in no way do I not support it, but I'd be curious just to know if there is a sense, could I would imagine that would happen that if there are, for instance, several million dollars that go unclaimed, do we make interest on that money? And cause they're not entitled to interest really if we -- or are they entitled to interest if we cut the check, they lose it, they're not getting interest, do we get interest on whatever percentage of money? I'd be curious to know, maybe you don't have that information, but is there an estimate of how much paper that's issued that's never cashed and then that money sits there and doesn't it churn, doesn't it earn interest?

**COMPTROLLER KENNEDY:**

So let's talk first about the numbers, and as a matter of fact, I apologize, that's why I'm looking at my cell, I did have one of my accounts payable staff rack this up earlier in the month. She reports on May 2nd that check cancellations are as follows: for 2013, we had 1,753 checks cancelled; in 2014, we had 1,342; and in 2015, 1,964, for 5,059 over a 36 month period. Checks reissued from balance sheet liability accounts, in '13, 151; in '14, 130; and in '15, 172 for a total of 453.

As to the issue associated with interest, typically unless a statute states otherwise, interest follows principle, and I'll defer to the chairs who know, you know, firsthand, you would think that the obligation is upon the vendor to go ahead and to deposit and to deposit timely otherwise they would forfeit that opportunity. But it's really no different than what we do -- I'd spoke to you about 180,000 checks under our general payroll accounts payable if will, Commissioner O'Neal is here and in addition there are another 87,000 paper checks that are generated through the BIC system for social service either recipients, vendors, or what have you. It is a -- a phenomena that defies logic with us and it goes back to the software's incapability to handle the remittance messages associated with electronic funds transfer.

**LEG. SPENCER:**

If I heard you correctly when you indicated the number of cancelled checks versus the number of reissued it seemed like it was a very small percentage, almost one-tenth. Maybe I heard --

**COMPTROLLER KENNEDY:**

No, you're right but that's based on the fact that they come off of the different accounts. Ultimately, in some cases vendors just never claim but if they don't claim or come back to us what happens is that is a valid expenditure and it would have to escheat. In other words, we can't say at the end of a year, well, Acme never claimed for their furnishing of the microphones because we received value. We got a product.

**LEG. SPENCER:**

Oh, I totally get that. Two quick followups, out of those 5000 checks when you -- any chance you have the amount when you look at the total monies that were for each of those checks what that grand total would be and even though we can't write it off of our books if you got a million dollars sitting in a bank account, whether or not it goes in or out, the rules of that financial institution is that money is making interest. Isn't it?

**COMPTROLLER KENNEDY:**

Oh, yes, yes. There is some place at some point that interest is being generated. But I do not have the gross amounts associated with it, but what I will do is I will work on it today and I'll rack it up and I'll push it out to you.

**LEG. SPENCER:**

And I fully support what you're doing, Mr. Comptroller --

**COMPTROLLER KENNEDY:**

Thank you.

**LEG. SPENCER:**

-- and, you know, I -- whatever we could do and I apologize for the diversion --

**COMPTROLLER KENNEDY:**

Not at all.

**LEG. SPENCER:**

-- and I just wanted to make sure when I hear 5000 checks if those checks are for --

**COMPTROLLER KENNEDY:**

Sure.

**LEG. SPENCER:**

-- for whatever amount when we do our calculation as to the benefits, I just want to make sure that we take into account that potential -- so we say, oh, we're going to realize this gain, but we actually it's kind of -- we lose maybe the interest in unclaimed funds if it's -- I don't know how much money it is but 5000 checks coming from the County sounds like it could be hundreds of thousands or millions of --

**COMPTROLLER KENNEDY:**

It could be \$10 it could be 10,000, but I will quantify it and I will get the information out to you.

**MR. SPENCER:**

Thank you, Mr. Comptroller.

**COMPTROLLER KENNEDY:**

You're welcome.

**CHAIRPERSON FLEMING:**

Mr. Barraga.

**LEG. BARRAGA:**

Good morning, John.

**COMPTROLLER KENNEDY:**

Good morning.

**LEG. BARRAGA:**

I know as a -- a Legislator and certainly as Comptroller of Suffolk County you -- you're always very sensitive to many of the major issues that affect the County as the County goes forward.

**COMPTROLLER KENNEDY:**

Absolutely.

**LEG. BARRAGA:**

One topic I want to discuss just to raise the awareness level a little bit because I do have some concerns about is the construction of the outfall pipe --

**COMPTROLLER KENNEDY:**

Yes.

**LEG. BARRAGA:**

-- at the Southwest Sewer District. That particular project as it stipulated in the Capital Budget in the end will cost -- at least the estimated cost is \$247 million and originally we expected something like \$207 million in grants and loans, which aside from maybe 50 million from storm mitigation the -- a loan program, most of it has not come in, in fact, the 157 million from the Environmental Facilities Corporation, I guess, preliminarily was -- was rejected. As a result, the Legislature appropriated 207 million of serial bonds for the outfall improvements, which was approved in May of 2015, regardless of the determination for the funding source allocation. So the money has been appropriated in terms of serial bond issuance from this Legislature.

My concern is that I've lived through the Southwest Sewer District, I've lived through the Shoreham; 247 million, I don't want to see a situation developing where cost overruns begin to take hold instead of a project for 247 million, it's now 300, it's 400, it's 500 and I want you to be very sensitive to that, but as we move forward, and, you know, I understand bids on this particular project, they're going out sometime in the fall and publicly I would hope that if we -- if we put RFP's out there somewhere in there that there is an acknowledgement on the part of the contractor that if you go over the 247 million, that fiscal responsibility falls on the contractor, not the taxpayer or at least a large percentage of the overrun would be picked up by the contractor, not the taxpayer.

And the other option, which some states do and I think maybe we should be doing this and maybe we are, that if it's \$247 million and the contractor finishes under budget, comes in, say at 225, that roughly \$25 million he gets as bonus, a percentage of what's left. So, for example, if he comes in under 25 million and he gets a 10% bonus he picks up another \$2.5 million. I'd like to see those elements included in RFP especially with reference to cost overruns because this thing I could imagine is getting way out of hand, I mean, I tell you -- could get out of hand. I take a look at the -- the project itself; it's massive, I mean, you're going down 80 feet, you're going to run 14,000 feet, that's just in the bay portion and that's being done for environmental reasons.

**COMPTROLLER KENNEDY:**

Of course.

**LEG. BARRAGA:**

I mean, I have -- I never even questioned what it would be to just replace the existing pipe where it's located right now. I have a feeling it would be tens if not -- tens of millions of dollars less --

**COMPTROLLER KENNEDY:**

Absolutely.

**LEG. BARRAGA:**

-- but I could understand it from an environmental perspective.

**COMPTROLLER KENNEDY:**

Sure.

**CHAIRPERSON FLEMING:**

Mr. Barraga, I'm sorry, so we can follow along, are you speaking about capital project 8108 at this point?

**LEG. BARRAGA:**

Yes, 8108.

**CHAIRPERSON FLEMING:**

Okay, thank you so much.

**COMPTROLLER KENNEDY:**

If I can, Legislator, let me talk just a little bit about what our office has done and where we're at at this point. We have an a number of Environmental Facility Corporation borrowings that we've undertaken so far and, interestingly, I am the only County principal that actually signs those project finance agreements. Typically EFC makes the funding either an outright grant or it's in a category of loans, either no-interest loans or low interest loans.

The project finance agreement speak very specifically to the metrics, the measurables and what, in

fact, both the County as the recipient and ultimately, the contractor must do. I'll give you an example, CDM, Camp, Dresser and McKee is actually the engineering firm on upgrade work that's being done right now at Southwest in Bergen Point. And they were not submitting vouchers that were in a fashion that were detailed enough for our accounts payable people to audit with specificity. As a result of that, we requested from DPW and CDM that they come to our office, we reviewed the process, they, as a matter of fact, indicated that they were familiar with the degree of specificity required under EFC funding and were doing so for other projects so they changed the methodology and now are doing that with us.

To your point, it's our job to make sure every penny they request we can identify in detail and demonstrate that it's in conformance with the contract. Furthermore, as far as cost overrun goes, candidly, I don't see where they get the cost overrun because we have an authorization at this point that details what, in fact, the expenditure's going to be for the improvements sought. We are going through it with a fine tooth comb and will continue to do so.

**LEG. BARRAGA:**

My concern is like supplemental amendments to the original agreement --

**COMPTROLLER KENNEDY:**

Yes, yes.

**LEG. BARRAGA:**

-- it would allow them to do extra work and then we have to pick up the tab.

**COMPTROLLER KENNEDY:**

Yes.

**LEG. BARRAGA:**

I remember sitting in a room and I was told that the Shoreham Nuclear Power Plant was going to be \$150 million.

**COMPTROLLER KENNEDY:**

Yeah.

**LEG. BARRAGA:**

About five billion less afterwards, it was just a -- a catastrophe.

**COMPTROLLER KENNEDY:**

Yes.

**LEG. BARRAGA:**

The same holds true with the Southwest Sewer District.

**COMPTROLLER KENNEDY:**

Yes.

**LEG. BARRAGA:**

You know, that was going to be like a 100 million, it turned out to be over one billion dollars by the time it was finished. I just want assurances because it's such a major project --

**COMPTROLLER KENNEDY:**

I agree with you. It is one of the largest undertakings that we have certainly in our time and I guarantee you that we will go through every voucher. And as a matter of fact, we are actually

contemplating doing some onsite observation. DPW is the primary overseer, if you will, for the actually set of work that's being done, but it's critical that my staff have a degree of familiarity with what, in fact, the various projects are and there are series of them, there's an upgrade on the pump, the FEPS pump. There's the actual outfall pipe that's being done and there's also additional capacity that's being crafted as well in anticipation of some of these South Shore sewer projects so we are vigilant with it.

**LEG. BARRAGA:**

Just that the last thing I want to do in a couple years from now is read about another scandal associated with this.

**COMPTROLLER KENNEDY:**

No, I can assure that we will be vigilant with it and candidly I have independent duty and obligation to come to you if it appears to me and I see that there are unwarranted or unauthorized contract overruns that are going on and you know I'm not bashful or shy, I will come back to you.

**LEG. BARRAGA:**

Thank you.

**COMPTROLLER KENNEDY:**

You're welcome.

**CHAIRPERSON FLEMING:**

Thank you. Legislator Kennedy.

**LEG. KENNEDY:**

Good morning.

**COMPTROLLER KENNEDY:**

Good morning.

**LEG. KENNEDY:**

I just want to clarify what is your request for 2017 amount-wise?

**COMPTROLLER KENNEDY:**

2017 I'm here to go ahead and support and speak in favor of the 2.5 million that is currently included in the County Executive's recommended budget. My request, if you will, is to advance from subsequent years to 2018 the additional 500,000.

**LEG. KENNEDY:**

I just wanted to clarify where you were getting the 500,000. Okay, thank you.

**COMPTROLLER KENNEDY:**

Thank you. Looks like we're all good, Madam Chair?

**CHAIRPERSON FLEMING:**

I think that's true and thank you so much for coming in, John.

**COMPTROLLER KENNEDY:**

Thank you very much, I appreciate it. Have a good day.

**CHAIRPERSON FLEMING:**

I don't have any other yellow cards, is there anyone else in the audience who would like to be

heard? Anyone is free to come forward, three minutes at the podium. Seeing none, we have no further business, the committee's adjourned. Thank you so much.

***THE MEETING CONCLUDED AT 10:14 AM***

***{ } DENOTES SPELLED PHONETICALLY***