

**ECONOMIC DEVELOPMENT, HIGHER EDUCATION
AND ENERGY COMMITTEES
OF THE
SUFFOLK COUNTY LEGISLATURE**

Operating Budget Minutes

A special meeting of the Economic Development, Higher Education and Energy Committee was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York, on **October 25, 2004**, to discuss the matter of the Operating Budget.

Members Present:

Legislator Lynne C. Nowick • Chairperson/Economic Development, Higher Education & Energy
Legislator Peter O'Leary • member/Economic Development, Higher Education & Energy
Legislator Viloría•Fisher • member/Economic Development, Higher Education & Energy

Members Not Present:

Legislator Jon Cooper • member/Economic Development, Higher Education & Energy
Legislator Brian Foley • member/Economic Development, Higher Education & Energy
Legislator Jay H. Schneiderman • member/Economic Development, Higher Education & Energy\

Also in Attendance:

Legislator Angie Carpenter, Eleventh District
Mea Knapp, Counsel to the Legislature
Alexandra Sullivan, Chief Deputy Clerk/SC Legislature
Jim Spero, Director/Budget Review Office
Joe Muncey, BRO
Joe Schroeder, BRO
Joseph Sanserverino
Moke McGowan
Carolyn Fahey
Jim Morgo, Commissioner of Economic Development
Tony Ceglio, Gabreski Airport
Ben Zwirn, Assistant Deputy County Executive

Ken Knappe, County Executive's Office
Ed Hogan, aide to Leg. Nowick
Fran Siems, aide to Presiding Officer
Doug Sutherland, aide to Leg. Carpenter
Karen Blumer
Paul Matthews
Russell P. Davis.

Minutes Taken By:
Diana Kraus • Court Stenographer

(THE MEETING CONVENED AT 11:56 AM)

CHAIRPERSON NOWICK:

I'd like call this meeting to order. We'll start with the Pledge of Allegiance led by Legislator Losquadro.

(SALUTATION)

CHAIRPERSON NOWICK:

Okay. I guess we can start with Mr. Morgo, if you want to come up. Good morning.

MR. MORGO:

Good morning. How are you?

CHAIRPERSON NOWICK:

I'm just fine. I just want to mention that some of our other Legislators or going into another meeting as we actually are in about 10 or 15 minutes. So, we're looking for the short version.

MR. MORGO:

I'll be very brief. First of all it's my pleasure to be here. I am actually just finishing •• I am just finishing up my 5th week on the job. And what I've noticed so far is something that I think we all knew, that there is in inextricable link between the mission of economic development and

the mission of community development. And that is •• specifically the mission of economic development is to attract new businesses to Suffolk County and to have existing businesses •• give existing businesses the opportunity to expand and especially to retain these businesses. And now the expanded mission of the new department is to find homes, the workers of those new businesses and existing businesses can afford. And only last week, as a matter of fact, we had a meeting with a business that wants to relocate from New Jersey. And one of the first questions was, of course, well, where can our workers live. And they have a good number, almost 100 employees who would be looking to relocate, to live in Suffolk County and to provide Suffolk County with their taxes and their disposable income.

The other thing, and Legislators, I'll be very brief. We've learned that there's nothing •• Legislators O'Leary, so good to see you. It's a pleasure. The other thing that we know very well is that whether we're talking about the Legislature, whether we're talking about our different towns, everything we do at Economic Development Work Force Housing has to be done through collaboration, cooperation and coordination. It's something that I knew the last time I was in government; needs to be done. I was always •• I was frequently disappointed with the lack of coordination and cooperation from different levels of government. And the one thing that we want to do at Economic Development and Work Force Housing is get good things done. We work hard and we also understand that we have to cooperate and collaborate. How's that? Short enough?

CHAIRPERSON NOWICK:

That's a good version.

MR. MORGO:

Well, I should say •• I should introduce everyone that's up here and mention that the folks that you see up with me are the people that •• because I'm relatively new to the job, as I said, I'm just finishing five weeks, I've been depending on and I'm going to continue to collaborate and cooperate and coordinate with them just as Joe Sanserverino, who's the Director of Community Development; Carolyn Fahey, who has just been instrumental in my work, she's the inter •governmental assistant at Economic Development; and Anthony Ceglie, who is the manager at the Gabreski Airport. I also should mention that we've reviewed the Budget Review Office's recommendations. And if you want to ask us any questions about them, if you want our reactions to any of them, we'll be glad to provide them either now or at any other time.

CHAIRPERSON NOWICK:

Well, in short, is there anything that stands out that you have a problem with or basically are you pretty much in agreement with BRO?

MR. MORGO:

We are in agreement with most of their recommendations. If I could just grab them for a second •• they're in here, I think •• I have mine. There are not that many. I could go through them very quickly and •• the first one is that the department should provide the Legislature on a bi•annual basis ••

CHAIRPERSON NOWICK:

What page are you on?

MR. MORGO:

The first recommendation at the end of the section on Economic Development Work Force Housing. The pages are not numbered unfortunately, Legislator.

MR. MUNCEY:

239.

MR. MORGO:

Okay?

CHAIRPERSON NOWICK:

Yes.

MR. MORGO:

The first one involves the department receiving back from the parks the LICDD and we agree with that. First of all philosophically we strongly agree with that. And the recommendation is that on a biannual basis, we provide verifiable statistics that measure the effectiveness in increasing tourism and sales. And we're in agreement with that.

The second one, the assistant airport manager position should be reinstated. We don't think •• we are not in agreement with that. Since we've hired the professional airport manager, who had 16 years experience at Islip MacArthur Airport, and Mr. Ceglio is here, he tells me and I've been out to the airport several times that now that we have him, he can certainly handle all

those duties quite well.

The third one, the business model to produce sufficient revenue to reduce the aviation enterprise funds reliance on general fund transfers, we are in agreement with that •• strongly in agreement with that with the caveat, however, that like so many things, we won't be able to •• we can certainly put together a business model and we can do a business plan. But we're going to need cooperation and coordination particularly with the Town of Southampton. And, in fact, I have a meeting scheduled today with the Southampton Supervisor to talk exactly about how we can get Gabreski moving ahead and how we need the cooperation of the town.

The next one, the Deputy Sheriff Airport Security Unit should be reinstated. This one was a difficult one for us candidly because we are aware in the department and again Mr. Ceglio and Miss Fahey have frequently told me about the need for security, and I don't have to be told when you know our current environment, you know why we need security at an airport. We spoke to the Budget Review Office as a kind of a middle ground. We talked about airport security officers, which is a civil service title that currently is used at Islip Airport. And it's •• it's not the recommendation that was originally in the Executive's budget, but it's a kind of a middle ground. These airport security officers, that's an existing title. And they have quite a bit of power. And the feeling was that that would be a middle ground. The Deputy Sheriffs cost the aviation fund almost a million dollars last year. This would not reduce it by as much as the original proposal, but it would be a reduction and it would be kind of a compromise that would still not in any way sacrifice any safety at the airport.

The next one ••

LEG. O'LEARY:

May I interrupt, Madam Chair?

CHAIRPERSON NOWICK:

Certainly.

LEG. O'LEARY:

With respect to that particular issue, Jim, there's a question of whether or not with federal guidelines and the TSA would allow that particular title without the sufficient authority with respect to arrests with or without warrants; a law enforcement certification, if you will. Is it

your understanding that •• that the security guards that are being proposed to replace the Deputy Sheriffs would have this status and this title?

MR. MORGO:

Well, with the new title, and I've asked Tony to talk about it a little bit, but we are eager to see that TSA report. Apparently it hasn't come out, Peter. It's not in writing yet.

LEG. O'LEARY:

I have a copy if you want one.

MR. MORGO:

Yeah, we'd like to see it.

LEG. O'LEARY:

I'll be happy to supply it to you after the meeting.

MR. MORGO:

Do you want to talk?

MR. CEGLIO:

Sure. Generally to answer your question about the requirements under the TSA for law enforcement support, for a commercial airport, there is a requirement for a law enforcement officer with the powers of arrest. At a general aviation airport, it's not a requirement; however, as Jim mentioned, coordination and cooperation with the Southampton Town police and possibly the Sheriff's Office, we should be able to provide the requirements from the TSA.

LEG. O'LEARY:

So, then, the type of airport is the key there? It's general aviation as opposed to commercial?

MR. CEGLIO:

Correct. We don't have any •• any general passengers or commercial passengers at Gabreski Airport.

LEG. O'LEARY:

There's no commercial flights in and out of Gabreski at all?

MR. CEGLIO:

No, no airline flights at all.

LEG. O'LEARY:

Thank you.

LEG. CARPENTER:

Just to that point, just so that everyone understands, that planes do come in and out of that airport, even though it's not scheduled service. And quite frankly it seems to me that we're at more of a security risk in that kind of a situation than we are with scheduled airline flights. So, the need for really •• real true law enforcement personnel vis a vis our Deputy Sheriffs in this time of heightened public security concerns at a place like Gabreski Airport •• I mean I've been there on a number of occasions. And I remember one time a plane had come in and I was with Legislator Guldi at the time and he said, oh yeah, that's a Russian plane. They come in and out of here all the time. I'm like okay, you know, what are they bringing in and out of here? What's going on here? I mean, to me, it's important that we have law enforcement personnel; not just security guards.

MR. CEGLIO:

I agree with you that it's a good idea that we have law enforcement personnel. But if you talk about the requirements of the TSA, we could meet the requirements with the security personnel with the backup of the Suffolk County Sheriff or the Southampton Town police.

MR. MORGO:

I know Tony's work at MacArthur. He had the Suffolk County police there. But he also worked with the airport security guards, people in that title. From what you told me a little while ago, that you thought that they would be adequate at Gabreski as long as you had that kind of backup that you were talking about.

MR. CEGLIO:

That's correct.

MR. MORGO:

If I could proceed?

CHAIRPERSON NOWICK:

Yes.

MR. MORGO:

As far as the recommended comment, next one, each revenue source should be assigned in identifying revenue code. We agree with that; however, we would like to talk to Budget Review Office because they suggested some lines where there were no revenues and there are no fees. So, there'd be nothing there. So, we agree with that it should be broken out into more lines but we just want to work with Budget Review to talk about which lines should be there.

And the last one "increase landing revenue," we agree with that.

CHAIRPERSON NOWICK:

Good. Is that all on this?

MR. MORGO:

Those are all of them.

CHAIRPERSON NOWICK:

Okay. Thank you very much.

MR. MORGO:

Thank you.

CHAIRPERSON NOWICK:

I just wanted •• go ahead.

LEG. CARPENTER:

Jim, I just want to get your reaction to the •• the non•funding specifically for Chambers of Commerce and things that went through the department before they were not included in the County Executive's recommended budget; Islip Chamber of Commerce, Downtown Revitalization, Kings Park Chamber, you know, the list goes on. Sayville Chamber, Smithtown Chamber. What is your feeling about that? I know how much you have in the past have appreciated the works of the chambers and, you know, what they've done to our downtowns.

MR. MORGO:

You mentioned two specifically, Bay Shore and Sayville. I've worked with both.

LEG. CARPENTER:

Right.

MR. MORGO:

My understanding is that the Legislator proposes those. They're put in by the Legislature. And I would expect and hope that would happen again.

LEG. CARPENTER:

Okay. So, they were removed with the anticipation that the Legislature would reinstate. That's your understanding?

MR. MORGO:

That's my understanding, yeah.

LEG. CARPENTER:

Okay. Thank you.

CHAIRPERSON NOWICK:

Jim, not on the budget but just while I have you sitting here in front of me ••

MR. MORGO:

Okay.

CHAIRPERSON NOWICK:

Maybe at one point you could give me a call at my office because I'm very interested when you talk about the airports. And I think we have kind of a captive audience. As I walk through that MacArthur Airport now, and it's so huge and it's so beautiful, I'd like to spend some time with you and maybe somebody from the airport and possibly LICVB. I'm looking for a presence there.

MR. MORGO:

You mentioned that, Legislator, when Moke McGowan was here the very first time. That happened to be my time before you for confirmation. And I couldn't agree more.

CHAIRPERSON NOWICK:

Could we set up an appointment and maybe all of us meet because I just think that has to be.

MR. MORGO:

Absolutely. Moke's in the audience. And I'll mention that to him as we go.

CHAIRPERSON NOWICK:

That would be wonderful. I know it has nothing to do budget, but you're sitting here and I'm thinking about it. So, give me a buzz and we'll try to do something.

MR. MORGO:

Will do.

CHAIRPERSON NOWICK:

We'll see if we can get everybody involved and a little excited about it.

MR. MORGO:

Terrific.

CHAIRPERSON NOWICK:

Lots of space there.

MR. MORGO:

And it's logical.

CHAIRPERSON NOWICK:

Lots of space.

MR. MORGO:

Especially with his talking about off island; going off island to get folks to visit Long Island now. A different emphasis from his predecessor.

CHAIRPERSON NOWICK:

Right. It's a beautiful airport and maybe the good people of Islip would help us out a little.

MR. MORGO:

I would hope so.

CHAIRPERSON NOWICK:

Okay. Okay, thank you. I'll be talking to you. Okay, now who else is here from departments that would like to address the Committee? Moke, are you okay over there? You have anything to tell us? Or are you just listening in?

MR. McGOWAN:

I was here to assist Jim if any questions about the bureau came up.

CHAIRPERSON NOWICK:

Well, it's nice to have you here. And it's nice to see how interested you are. Anybody else? Okay, we have cards. Karen Blumer. Karen? You can wait if you want. I can take somebody else before you. Okay. Karen, you have three minutes and •• you're all together? Can you give me names?

MR. MATTHEWS:

Paul Matthews.

MR. DAVIS:

Russell Davis.

CHAIRPERSON NOWICK:

And Karen Blumer. Okay.

MS. BLUMER:

Legislator Nowick and members of the Committee.

CHAIRPERSON NOWICK:

Just so you know, that the members of the Committee are at the working budget meeting. They can hear in there. I will be delivering the message so ••

MS. BLUMER:

Well, actually, Peter O'Leary, we presented this last Friday. Peter O'Leary was here. Vivian,

Dan Losquadro. And Jay Schneiderman.

CHAIRPERSON NOWICK:

What Committee was that?

MS. BLUMER:

That was the Environment, Agriculture, Parks Operating Budget.

CHAIRPERSON NOWICK:

Okay. All right. So, you have already done this.

MS. BLUMER:

Yes. So, I will •• I will make this very short because we have miles to go before we sleep. We're probably about a third of the way talking about this project, which is •• has very much to do with the economic development and the importance of the Great South Bay, an area probably as large as Long Island, just the watery side. We are coming before you with a proposal for •• it's called a mobile marine hatchery. That would be a form of agriculture, which is very unique in the sense that it will produce •• it's a proposal to release clam larvae at an earlier stage than is being done. We've already gathered great interest from part of the state. The County, we've talked to Mike Deering. Brian Foley will probably submit this as a resolution when we get that far. And Dr. Robert Nuzzi is interested because he's already been doing decades of some of the sampling.

This •• as you know, the bay is virtually dead in terms of clams. We've submitted a report from the Nature Conservancy. And in the '70's and 80's it's gone from millions of clams to when you look at the chart now it's practically zero especially if you go into the 13,000 acres that the Nature Conservancy has just been gifted. This has great economic reverberations, but also clams and other bivalves filter the water, taking food out, doing a whole recycling job, cleaning up the bays. So, we are in greater •• you know, economic, recreational problems because our bays are being totally polluted with the lack of the bivalves. This proposal, the early stage of the release of the larvae is very different from what's being done, for example, by the Nature Conservancy. They are bringing adult clams from Connecticut a quarter to half a million and planting them. One of problems with •• that they will probably be running into is that there's not a lot of spawn and larvae there to •• to really augment the efforts of their making. So, this is a proposal to augment those efforts.

It's unique in the sense that the massive amounts of larvae have not been produced anywhere

else. They are needed for the bay. This method is •• some of the people that we've talked to, for example, at Sea Branch and Cornell, some of their comments have been, well, we don't know that it will work. But that's not exactly true. We do know that it will work. This has been used for decades, what we are proposing by individual bay men and small companies. It hasn't been used on the •• proportion that we are proposing. And the unique •• one of the unique aspects of this is the vessel itself. It is a small 57-foot retired oil tanker that has been already cleaned up and restored to do the work of spawning for clams and producing the larvae that we need.

Besides the vessel itself, there's a technology that has been developed by Russell Davis, who's with us today, who's here from Virginia. And to enhance the amount of larvae that can be produced, orders of magnitude, to what is being produced now. You know •• do you have a question now or ••

CHAIRPERSON NOWICK:

We were just looking at •• Counsel was just telling me the Great South Bay is so shallow. Would a vessel such as this be able to float in the Great South Bay?

MS. BLUMER:

Yes, there are ••

CHAIRPERSON NOWICK:

That's not a problem.

MS. BLUMER:

There are many channels actually, if you'd like, Russell •• we brought a map of the channels too. There are quite a few deep channels throughout the bay. And although the work •• some of the spawner sanctuaries are very deep; others are more shallow. And the technology, which is part of the uniqueness of this would be •• what's being called a bottom vessel converter.

MR. DAVIS:

Bottom converter.

MS. BLUMER:

A bottom converter vessel, a BC vessel. And it goes out from the boat. So, the boat can stay in deeper waters while a portion of this technology would be floated in towards shore. And again, it's •• we've submitted a picture just to diagram of what that technology would be. Again, this is subject to many more discussions with many more people. But it certainly could

be done from the deeper waters into the shallow water.

The BC vessel, I think of it as a canoe that would zip up. It comes out as a PVC vessel going towards the shore. And then the clams are spawned. All that spawn, which enough would be left for the spawner sanctuary, but it wouldn't be too much to crowd it out. But that larvae would be actually captured and taken to other parts of the bay, which we cannot do now. You know, you just you can't •• you don't have a boat or anything else to do it with. This is a very elegant way of choosing where in the bay, you know, whether it's the Town of Babylon •• we do have interest from the Town of Brookhaven. We already have a commitment for some of their spawner sanctuaries where this would be placed in the bay. But what we are proposing basically would be producing an unheard of amount of larvae and distributing it judiciously to different parts of the bay. And we have had initial discussions with TNC, the Nature Conservancy, the Blue Points Council, the Department of State. They're all very interested. And we discussed this with Brian Foley, who suggested we come today just to get this into the record. I think the November 4th •• the operating budget is probably not where it •• the funds would come out of. It would come out of the quarter percent, some version of that.

So, that does not have a, you know, a date at this time. We are •• we're proposing a three •year program for \$300,000 a year. And that would include all operating expenses from creating or souping up the equipment that we need to the cost of personnel, cost of the boats. That would not include, if we coordinate this with Nature Conservancy or others who might be involved either in the monitoring or some aspect of coordination, research. We would have to look at that.

CHAIRPERSON NOWICK:

But basically you're talking about \$300,000 from the County per year?

MS. BLUMER:

Yes.

CHAIRPERSON NOWICK:

Okay. And what you see here is that the industry will survive?

MS. BLUMER:

You mean as a result of this work?

CHAIRPERSON NOWICK:

Clamming industry? I guess that is an industry; right?

MS. BLUMER:

It will certainly •• yes, it is. But there's •• I think there are probably about two bay men now who do this as a full•time job as opposed to the former industry that existed.

CHAIRPERSON NOWICK:

Which was?

MS. BLUMER:

You mean in terms of bay men?

CHAIRPERSON NOWICK:

You said there's two now. What was it before that?

MS. BLUMER:

Oh, I mean hundreds of bay men.

CHAIRPERSON NOWICK:

So, that's what I mean. Is this ••

MR. MATTHEWS:

There were thousands.

CHAIRPERSON NOWICK:

This is part of the economic development that you're anticipating.

MS. BLUMER:

Yes, definitely. Definitely.

MR. MATTHEWS:

The planning would produce about \$500 million worth of clams on the bottom. And only about •• the market could only take about 50 million a year. That's about the size of the market. So, it will be a large environmental restoration and recreation restoration in addition to the commercial side of it. It's much more than the market can bear.

CHAIRPERSON NOWICK:

Okay.

MR. MATTHEWS:

Raising clams essentially for the estuary's purpose; not just the market's purpose.

MS. BLUMER:

In terms of marine habitat restoration.

CHAIRPERSON NOWICK:

Okay. I'm just looking at all sides here.

MS. BLUMER:

Yes.

CHAIRPERSON NOWICK:

And, so Legislator Foley, you anticipate that he will be putting in a resolution.

MS. BLUMER:

Yes, we're hoping.

CHAIRPERSON NOWICK:

Well, I'm glad you came here today and gave us a little bit of an explanation. Thank you.

MS. BLUMER:

Well, good. Okay. Thank you very much.

CHAIRPERSON NOWICK:

Is there anybody else for this budget meeting? And if not, we will call this meeting •• we'll adjourn this meeting. Meeting adjourned.

(THE MEETING CONCLUDED AT 12:22 PM)