

**ECONOMIC DEVELOPMENT
HIGHER EDUCATION
and
ENERGY COMMITTEE
of the
SUFFOLK COUNTY LEGISLATURE**

A regular meeting of the Economic Development, Higher Education & Energy Committee of the Suffolk County Legislature was held in the Rose Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on Thursday, August 12, 2009, at 2:00 p.m.

MEMBERS PRESENT:

Legislator Wayne Horsley - Chairman
Legislator Steven Stern - Vice-Chair
Legislator Cameron Alden
Legislator Vivian Vilorio-Fisher
Legislator John Kennedy

ALSO IN ATTENDANCE:

George Nolan - Counsel to the Legislature
Sarah Simpson - Counsel's Office
Brendan Stanton - Aide to Legislator Horsley
Barbara LoMoriello - Deputy Clerk of the Legislature
Joe Muncey - Budget Review Office
Linda Bay - Aide to Legislator Losquadro
Paul Perillie - Aide to Legislator Cooper
Michael Pitcher - Aide to Presiding Officer Lindsay
Jack Caffey - Aide to Presiding Officer Lindsay
Deborah Harris - Aide to Legislator Stern
Carolyn Fahey - Office of Economic Development
Nick Anastasi - Office of Economic Development
Kevin Lambrix, Chief Operating Officer/Merchant Services, Inc.
Douglas Bilotti, Esq., General Counsel/Merchant Services, Inc.
Debra Alloncius - AME Legislative Director
Lori Ann Taggart - Suffolk Community College
Nelson Horchak - National Committee Social Security and Medicare

VERBATIM TRANSCRIPT TAKEN BY:

Lucia Braaten - Court Reporter

[THE MEETING WAS CALLED TO ORDER AT 2:07 P.M.]

CHAIRMAN HORSLEY:

Okay. Good afternoon and welcome to the Economic Development, Higher Education and Energy Committee meeting of August 12th. May we please stand for the Pledge of Allegiance? And I see you all are anyway. Let's go.

(*Salutation*)

May we please stand for a moment of silence to all those men and women who protect our freedoms both home and abroad.

(*Moment of Silence*)

Thank you very much. Please be seated. All right. We don't -- do we have any cards?

D.P.O. VILORIA-FISHER:

Cards, yes.

MS. LOMORIELLO:

One.

CHAIRMAN HORSLEY:

We've got one? All right. Our first card, and it seems our only card, Lori Ann Taggart from Suffolk Community College, in her new duties. I like that. Welcome.

MS. TAGGART:

Good afternoon.

D.P.O. VILORIA-FISHER:

What are her new duties?

CHAIRMAN HORSLEY:

Well, new duties, I guess, where Chuck might have, and others -- yeah.

D.P.O. VILORIA-FISHER:

Oh, those duties.

CHAIRMAN HORSLEY:

She's now before us.

MS. TAGGART:

Good afternoon. Interim President George Gatta just asked that I provide a brief update to you in terms of where we are with enrollment.

As of today, our enrollment is showing -- continues to show about a 20% increase over this time last year. We are working with our master schedule to maximize our seat limits to accommodate all of the students, although they may not be able to get the schedule they exactly want, but we are increasing class sizes. The Faculty Association is working with us. Those class sizes, by the way, have increased by two students per section.

CHAIRMAN HORSLEY:

Which -- at what total, then?

MS. TAGGART:

I believe it's up to 35 now.

CHAIRMAN HORSLEY:

Thirty-five, that's what I had heard.

D.P.O. VILORIA-FISHER:

Oh, my gosh.

MS. TAGGART:

We've combined lectures where we could have up to a maximum of 55 students, but that also is limited by the number of lecture halls we actually have. And we're also looking at the parking situation on each campus, particularly Ammerman, where we feel we might have the most difficulties with all of these additional students.

So that's just a brief update. We'll continue to update you as we go along. Classes start August 31st. So, as I said, our admissions, financial aid offices are to the maximum point that they can, and they're visiting hundreds of students a day, so that continues.

CHAIRMAN HORSLEY:

Okay. Thank you very much, Lori Ann. And, as you know, we had our first quarterly meeting, as prescribed by the new plan, the County Community College plan between us and the Legislature -- between the Legislature and the College, and that went well. And I think it was a good conversation about concerns for the future, which involved money and revenue.

MS. TAGGART:

Plans for the future.

CHAIRMAN HORSLEY:

And all those things that are always on our minds.

MS. TAGGART:

Right.

CHAIRMAN HORSLEY:

Legislator Vivian Viloría-Fisher.

D.P.O. VILORIA-FISHER:

Hi.

MS. TAGGART:

Hi.

D.P.O. VILORIA-FISHER:

Good to see you. With the increased enrollment, I was wondering how much of your full-time staff -- how much has your full-time staff increased? Because I know that with the enrollment coming later than it usually does --

MS. TAGGART:

Right.

D.P.O. VILORIA-FISHER:

-- you probably have had to add many more adjuncts. But, as you know, the Legislature is always concerned about having a robust full-time faculty.

MS. TAGGART:

I think that there were arrangements made in this year's budget for an increase in full-time instructors, although we have been advertising for adjuncts both day and evening to accommodate what we see to be increases in the general education requirements for first-time students. Those areas such as English, History, Communications, the core courses, are where we're really finding that we may need to add quite a number of additional adjuncts part-time.

D.P.O. VILORIA-FISHER:

Through the Chair, I'd like to ask if you could give us for the next meeting a rundown of the number of adjuncts to full-time --

MS. TAGGART:

Sure.

D.P.O. VILORIA-FISHER:

-- so that, as we begin to look at what you're doing for your next year's budget, we can anticipate whether or not there has to be an increase --

MS. TAGGART:

Another increase.

D.P.O. VILORIA-FISHER:

-- in hiring of full-time staff.

MS. TAGGART:

Absolutely.

D.P.O. VILORIA-FISHER:

Because we do want to maintain those levels.

MS. TAGGART:

Right.

D.P.O. VILORIA-FISHER:

Although adjuncts are a good way -- a good stopgap measure.

MS. TAGGART:

Right. To help us accommodate what we need, right?

D.P.O. VILORIA-FISHER:

A college does need to have full-time faculty.

MS. TAGGART:

I can get that for you, no problem.

D.P.O. VILORIA-FISHER:

Thank you.

CHAIRMAN HORSLEY:

I think I take exception as being a stopgap measure, but that's all right, being an adjunct in Farmingdale.

D.P.O. VILORIA-FISHER:

I was an adjunct for many years at Suffolk Community College.

MS. TAGGART:

An integral and important part.

D.P.O. VILORIA-FISHER:

But, as you know, as an educator, you really need full-time staff if you get -- develop curriculum --

CHAIRMAN HORSLEY:

I understand that, and I know that was one of the Faculty Association's largest issues, and which makes sense. There has to be a balance and --

MS. TAGGART:

Increasing the percentage of full-time is always a goal.

CHAIRMAN HORSLEY:

However, the issue that came up, Legislator, that -- concerning this is how much of this dramatic increase, which originally started out at 30% increase, which now seems to have settled to about 20, which is still huge numbers --

MS. TAGGART:

It is.

CHAIRMAN HORSLEY:

How much is this going to be a bubble? And --

MS. TAGGART:

Well, that's what we've been constantly monitoring. We're --

CHAIRMAN HORSLEY:

You know that -- you know, because of the economy, is that why we're getting 30% more students? And then if we put on a truckload of new -- new teachers, new professors, which is always a good thing, then will we be imbalanced at the end of the day? So those are the questions that we've got to discuss over the next year, because I'm not sure we have the answers. And, of course, that means more money, and then where do revenues come from during hard times, you know, all of those good things. Legislator Kennedy.

LEG. KENNEDY:

Thank you, Mr. Chair. Lori, I just wanted to commend you for the job that you're doing, and also in particular say that over at the Western Campus, I appreciate the work of the Dean there, of George, and your Director of -- Director of Enrollment, I guess it is, who worked with myself, my daughter, my wife earlier this week in order to go ahead and get enrolled. And I was amazed by the fact that this uptick in enrollment, according to them, is not only what we're experiencing over this last month or two, but, in fact, your personnel have been working with this on the Western Campus for the better part of almost a year. And it's a credit to the College staff at all levels, that they are continually meeting this challenge and this request and demand for additional education, and on doing so without turning away students. And I think each and every one of us has that concern here, that that's why I'm glad you're here before us. And I want you to continue, through the Chair, to continue to keep us apprised, because, as much as possible, we want to support you in that effort to continue to accommodate students, Saturdays, Sundays.

MS. TAGGART:

Right.

LEG. KENNEDY:

Again --

MS. TAGGART:

I was just going to --

LEG. KENNEDY:

Distance learning, I've seen it all, and I commend you for having done that, and know that we will do what we can to partner with you to continue to kind of support you in that effort.

The other thing that occurs to me is, is this unique to us? What are you hearing when you talk with Nassau or with Westchester?

MS. TAGGART:

It's not -- every day we get news clippings of community colleges throughout the nation who are experiencing exactly the same things we are. Due to the economy, the price of private colleges, particularly students who may not know in what direction they want to go, the parents are referring them to the community college to get an experience in a broad range of areas so that maybe they can focus in and then spend their last two years in a more expensive, either SUNY you or a private college. Another thing, too, is that SUNY is having to limit class sizes because of the increasing enrollments, so that even SUNY schools are becoming more and more competitive and some students aren't getting in. So, you know, it's just a confluence of all of these influences that have created the 20% increase that we're seeing today.

LEG. KENNEDY:

Okay. Thank you.

CHAIRMAN HORSLEY:

Yeah, I concur with that analysis. I know that even -- not even, but Farmingdale has increased their SAT requirements substantially simply because of this bubble that's moving through the system now and all the problems. Some of the good things that -- and maybe we'll have you back next month to talk about some of the other issues that are coming up, like we're in our construction phases. A lot of the things are coming to pass where we're going to be opening buildings and the like, and the other -- the one that I -- this bubble issue, going back to it, they were talking about having classes at 6 o'clock in the morning, and as a new -- as a new way to alleviate the bubble, and I said that is when -- those will go to adjuncts, I'm sure.

MS. TAGGART:

We actually started doing that at Grant last year, 6 a.m. We're starting to look more at times where classes weren't particularly heavily-scheduled Friday afternoons, Saturday afternoons. I mean, we're looking at everything --

CHAIRMAN HORSLEY:

Yeah.

MS. TAGGART:

-- to be able to accommodate the students.

CHAIRMAN HORSLEY:

Yeah.

MS. TAGGART:

So everything's on the table.

CHAIRMAN HORSLEY:

Just, you know, my max is forty-two kids in a class, forty, forty-two, something like that.

MS. TAGGART:

Forty, forty-two.

CHAIRMAN HORSLEY:

So everybody's in the same game.

MS. TAGGART:

Right.

CHAIRMAN HORSLEY:

Legislator Stern.

LEG. STERN:

Yeah. In fact, it is certainly not limited just to counties throughout the State of New York, but this is something that is going on nationally. And I recall just maybe a couple of weeks ago reading an outstanding article in Time or Newsweek, one of the national publications, talking about the dramatic increase in enrollment and all the investment being made in community colleges across the country, and making a pretty good case that the activity going on, the education being received, is going to be important, not just for those communities, but be one of the important factors leading us out and on the road to recovery as a nation.

MS. TAGGART:

Absolutely.

CHAIRMAN HORSLEY:

Yeah.

MS. TAGGART:

Absolutely.

CHAIRMAN HORSLEY:

And to know how hot the topic of community colleges are now, they have a T.V. show on community colleges; that's cool.

MS. TAGGART:

I heard. And we're very closely --

CHAIRMAN HORSLEY:

We're now soap opera, or whatever.

MS. TAGGART:

Right, sitcom.

CHAIRMAN HORSLEY:

Sitcom.

MS. TAGGART:

We're closely monitoring the community college initiative that President Obama has announced.

CHAIRMAN HORSLEY:

Yes, absolutely.

MS. TAGGART:

And so we're hoping to be able to take advantage of some of those programs as well.

CHAIRMAN HORSLEY:

How is our returning vets program going? Is that --

MS. TAGGART:

Actually, there was just an opportunity today with some members of the State Senate who had a forum for college campuses specifically to deal with the increase in population of the vet students, and the college representatives were there. So I look forward to hearing what the day was like and be happy to share that with you as well.

CHAIRMAN HORSLEY:

And you'll be able to report back --

MS. TAGGART:

Sure.

CHAIRMAN HORSLEY:

-- and let us know, you know, how that's all working out?

MS. TAGGART:

Sure.

CHAIRMAN HORSLEY:

Because I know we're in the game on this.

MS. TAGGART:

Yes, absolutely.

CHAIRMAN HORSLEY:

And you reported to us last year about our programs and they sounded terrific, so, you know, very good.

MS. TAGGART:

And just as a note, you will probably be receiving sometime this week an invitation. On September 2nd, we will be cutting the ribbon at our new Workforce Development and Technology Center, where we'll be honored to have the Chancellor of SUNY joining us at that event, so I hope that you'll be able to attend.

D.P.O. VILORIA-FISHER:

I think we got that invitation.

MS. TAGGART:

Did you get it?

D.P.O. VILORIA-FISHER:

Yes.

MS. TAGGART:

Okay, good.

CHAIRMAN HORSLEY:

Okay.

MS. TAGGART:

Thank you.

CHAIRMAN HORSLEY:

Very good. Thanks, Lori. Is there anybody else who would like to be heard? All right. We're going to move to the Introductory Resolutions.

INTRODUCTORY RESOLUTIONS

1614 - Adopting a Local Law -- 1614, a Local Law to reauthorize the hotel and motel tax (Lindsay). This has to be tabled, so may I have a motion to table?

LEG. STERN:

Motion to table.

D.P.O. VILORIA-FISHER:

Second.

CHAIRMAN HORSLEY:

Second -- motion made by Legislator Stern, seconded by Legislator Fisher. That has to be tabled for a Public Hearing. All those in favor? Opposed? So moved. ***(Vote: Tabled for Public Hearing 5-0-0-0).***

1648 - Accepting and appropriating an amendment to the College Budget for a grant award from the State University of New York for an Educational Opportunity Program 87% reimbursement by the State Funds at Suffolk Community College (Co. Exec.) Motion by Legislator Stern, I'll second the motion. All those in favor? Opposed? So moved. ***(Vote: Approved 5-0-0-0)***

1683 - A Local Law amending the Suffolk County Empire Zone Boundaries --

D.P.O. VILORIA-FISHER:

Public Hearing.

LEG. STERN:

Carolyn is going to speak on this first.

CHAIRMAN HORSLEY:

Okay. ***(1683) Local Law amending the Suffolk County Empire Zone Boundaries to include Merchant Services (Co. Exec).*** And I understand -- there she is, one and only, Carolyn Fahey.

MS. FAHEY:

Is that on?

MS. LOMORIELLO:

Yes.

MS. FAHEY:

Good afternoon. The Empire Zone regionally significant project resolutions that have previously been presented to this body were for manufacturing companies. Those companies had to commit to 50 new jobs in 30 years. The Zone Program also allows the regionally significant project designation for other industry clusters, including those of financial services.

Today I'm proud to present to you our first RSP application for financial services regionally significant projects. The difference between a financial services project and a manufacturing project is the financial services firm is committing to 300 new jobs over the next three years. I.R. 1683 amends our boundaries to include Merchant Services, Inc, established in 1989, currently located at 515 Broadhollow Road in Melville. They specialize in credit card and debit card processing, basically allowing the merchants, the retail merchants, to accept credit cards. They're the middle person who then processes the financial dealings between the merchant and the credit card and debit card company. They currently occupy 60,000 square feet, employing 195 employees. They will expand to about 135,000 square feet with, again, an additional 300 new employees.

Today with me is Kevin Lambrix, the Chief Operating Officer, and Doug Bilotti, the General Counsel for Merchant Services, if there are any questions. It's Legislator D'Amaro's District. Sorry.

CHAIRMAN HORSLEY:

Close.

LEG. STERN:

So close, so close.

MS. FAHEY:

This close, this close.

LEG. STERN:

So close.

MS. FAHEY:

I thought it was Legislator Stern's.

LEG. STERN:

I have a couple of questions, if maybe the gentlemen could step up.

MR. LAMBRIX:

Good afternoon.

LEG. STERN:

Welcome.

CHAIRMAN HORSLEY:

Welcome, gentlemen.

LEG. STERN:

Welcome. Thanks for coming down. The Merchants -- it's Merchant Services, Incorporated. It's a corporation. Can you tell me a little bit about the corporation.

Is it a -- is it a closely-held corporation, is it a family business? How many -- how many owners of the company are there?

MR. LAMBRIX:

There's one primary owner, Ray Sidhom. He started the company. He is the primary stockholder. And the ownership -- I mean, it's -- there's some estate planning in place, but, basically, he owns the company, in short.

D.P.O. VILORIA-FISHER:

Can you just ask them to state their names for the record?

LEG. STERN:

Yes, if you guys could both just state your name for the record.

MR. LAMBRIX:

Kevin Lambrix.

MR. BILOTTI:

And I'm Doug --

LEG. STERN:

And, Kevin, your position?

MR. LAMBRIX:

Chief Operating Officer.

MR. BILOTTI:

And Lambrix, for the Court Reporter, is L-A-M-B-R-I-X, and I'm Doug Bilotti, B-I-L-O-T-T-I. I'm Counsel to Merchant Services, Inc.

LEG. STERN:

And, as Carolyn had mentioned, Merchant Services, Inc. was originally established in 1989; is that right?

MR. LAMBRIX:

That's correct.

LEG. STERN:

Okay. And in 1989, when originally established, what was the location?

MR. LAMBRIX:

Actually, Doug, to be honest with you, I'm not sure.

MR. BILOTTI:

The location was in Plainview. It had two locations in Plainview. Originally, in '89, it was in Plainview, I'm not sure of the exact address, then it moved to 51 East Bethpage Road in a space approximately 60,000 square feet. And in the end of July or early August of 2006, we moved to 515 Broadhollow, which is a 70,000 square foot facility.

LEG. STERN:

And -- I'm sorry. You moved to the Melville location when?

MR. BILOTTI:

In the end of July or early August of 2006. The building itself is approximately

202,000 square feet. We occupy the southernmost portion of the building.

LEG. STERN:

And are there any plans for expansion within the building?

MR. BILOTTI:

Absolutely. Part of the expansion is going to -- there's warehouse space immediately north of -- in the building immediately north of Merchant Services. We are planning on taking that warehouse space over as part of this Empire Zones project and also for the expansion. Presently, the 70,000 square feet can only accommodate 400 employees. With the addition of the 300, we'll be exceeding the 70,000 square feet that we have currently.

LEG. STERN:

What is your anticipated timeline in that expansion? How soon do you think that's going to happen?

MR. BILOTTI:

When we originally submitted the proposal, we were saying it would be happening within -- the expansion would probably happen, I think, within two years. I think we're still on track for that given our rate of growth, and also, we have what we call a back end in order to help us process. Right now we handle the front end, which is authorizing a transaction. The back end will allow us to take the funds from a -- from a consumer and actually put it into the Merchant's bank account. Currently, we outsource that to a company in Georgia, but we're going to be bringing that in-house which will allow us -- partially allow us for the expansion. We have -- you know, our expansion is ongoing with the acquisition of other partners. So, with those two together, we'll be able to accomplish the three hundred additional employees.

LEG. STERN:

I guess I wanted follow up with a number. That's going -- that's three hundred additional employees. That doesn't bring the total employees of the company to three hundred, that's three hundred new employees going forward.

MR. BILOTTI:

Absolutely.

LEG. STERN:

And so the expansion that you're contemplating within the physical plant, you're saying that's going to be necessary in order to be able to accommodate the addition of three hundred additional employees.

MR. BILOTTI:

Yes. And the warehouse space that is north of our current location within the building is already vacant, so there should be no problem for us taking over that portion of the lease, especially because the gentleman that owns Merchant Services also is a 50% member in the LLC that owns the building.

LEG. STERN:

I'm just trying to get the timeline correct. There's -- the planned expansion is for three hundred new employees, but the build-out is going to need to occur at your location in order to accommodate the growth of employees, and the timeline right now is for that work to be done in about two years, but you need to satisfy a requirement of adding three hundred employees within -- was it three years?

MR. BILOTTI:

Yes. The way we have our application set up currently, the first two years we'll be adding on an insignificant number of employees, I believe it's 25 for each year. The third year we're going to be adding on 250 employees, so this way it would allow us to do the construction, to move our merchants over onto our back end, because we don't want to migrate approximately 200,000 merchants all at once just in case there's a problem with the back end, which, obviously, we don't anticipate, but you never know what can occur. So the 50 employees in the first two years will easily be housed in our current facility, and the expansion will go along with our expansion physically into the warehouse space.

MR. LAMBRIX:

And if I could just add to that one quick thing. What we're talking about doing is a very complicated process in technology and it's -- it requires a lot of planning, it requires a very large plan, which we've already drafted and already in place, but this is not -- for us, it's not just a matter of, you know, flipping a switch and everything works. We're designing everything with an outside firm. Then we have to effectively fit it into our whole process and our transaction moves through our system as it currently stands. So there will be a transition period where we're not interested in just putting it on and then grabbing all our merchants and running it through this new system, it would be inefficient, and it would -- you know, we'd want to make sure all the bugs are worked out. So there's a -- there is a period of time where we're going to have to analyze the transition and see if the system, what we designed and built, does it work, what are the flaws, how quickly can we fix those flaws, and then, you know, everyone has to sign off on it in order for us to move forward with it. And when I say "everyone", I mean everyone internally has to be comfortable that we would want to route transactions in this new manner versus the manner that we're currently doing.

LEG. STERN:

Thank you.

D.P.O. VILORIA-FISHER:

May I ask a question?

CHAIRMAN HORSLEY:

Sure, Legislator Fisher.

D.P.O. VILORIA-FISHER:

Thank you, Mr. Chair. Thank you for coming down. The three hundred employees that you would be adding to your workforce, would they be substantially Long Island based employees that you would be hiring from here, or you're transferring employees from the Georgia facility?

MR. BILOTTI:

No, they would be all new employees. The Georgia company is a public company, and it's remaining a public company in Georgia, we're not using any of their employees.

D.P.O. VILORIA-FISHER:

That's not an affiliate of your company, you've been outsourcing work to them; is that what I understand you to have said?

MR. BILOTTI:

That's correct.

D.P.O. VILORIA-FISHER:

Okay. And what level of jobs would they be holding? What type -- you know entry level, blue collar, what types of jobs are you talking about with those three hundred jobs?

MR. BILOTTI:

It would be a range. Currently, we have a Customer Service Department that operates 24 hours a day, seven days a week. There would be what we would call a Risk Department which analyzes the risk of certain transactions to merchants, to us, just in an attempt to detect fraud and avoid any kind of fraud that a customer may be perpetrating. We have an Information Technology Department that we would obviously need to be added onto, given the software and hardware that we're going to need to install as part of this back-end project.

MR. LAMBRIX:

The short answer is that in order for this to work the way we're designing it is that basically every department that we have is going to be touched and need to be expanded. So, from a financial standpoint, our accounting group has to expand, because there's a settlement process that goes along with moving money on behalf of Merchants. We do it now, but we'll have to expand to accommodate the new back end that will be inhouse then.

We have a Risk Department that monitors the flow of transactions to make sure that everything is okay, because, at the end of the day, we actually have liability, so that would have to be expanded as we continue to grow. We have an Underwriting Department, same thing. Customer Service, as Doug mentioned, again, same thing. We have a deployment in a technical support area that, you know, part of everything that we're doing here is for the company to grow as well. So, as the company grows, as we bring in these functions inhouse that we currently use our vendor for, we're going to need to add employees across the board in order to make it all work properly.

D.P.O. VILORIA-FISHER:

And then, basically, you addressed the spirit of the question that I was looking for, which is that it's a range of levels on which people would be working, that you're not just talking about hiring three hundred minimum wage employees, we're talking about professional positions and entry level positions. So it's a range, and that's very healthy.

MR. LAMBRIX:

Yes.

CHAIRMAN HORSLEY:

Legislator Kennedy.

LEG. KENNEDY:

Thank you, Mr. Chair. Gentlemen, thank you. And it seems like it's always a good thing where we get an opportunity to assist Suffolk County businesses as they expand. My question goes to, and I don't necessarily need to know specifics, but tell me a little bit about your clientele. I think I heard you mention, Mr. Bilotti, over 200,000 merchants. Do they fall in any particular category? What are we talking about?

MR. BILOTTI:

Right now, I believe we're just shy of 200,000. But what we market mostly to is the small and midsize businesses, not necessarily internet businesses, but actual

brick and mortar businesses. That's been our life's blood.

LEG. KENNEDY:

So we're talking about regular card stores, hardware stores, small restaurants? What are we speaking about?

MR. LAMBRIX:

We are diversified amongst 40 to 45 different zip codes, so I can tell you our -- you know, we do a lot of restaurants. Those present less risk to us, so we tend to focus on those. We do a lot of restaurants, but beyond -- I mean, that may be a good chunk, but still less than 20% of our total merchant base. We're highly granular in terms of the type of merchants that we pursue. It's -- but in 80% of what we pursue is a brick and mortar versus -- we do do a small percentage of e-commerce.

LEG. KENNEDY:

Is it all domestic, or do you serve clients internationally?

MR. LAMBRIX:

Everything that we have now is domestic. We have just recently expanded into Canada. There's some very appealing things about the market for us, but that is a very, very, very small percentage of what we're doing right now.

LEG. KENNEDY:

Okay. Thank you.

CHAIRMAN HORSLEY:

Very good. Now just so I got a full picture here, would you represent all credit card companies for purchases that were at these different locations, these restaurants, and whatever?

MR. LAMBRIX:

Right. We represent all the major brands --

CHAIRMAN HORSLEY:

All the major brands.

MR. LAMBRIX:

-- whether Visa, Master Card, AMEX, Discover, Diners --

CHAIRMAN HORSLEY:

American Express?

MR. LAMBRIX:

What?

CHAIRMAN HORSLEY:

American Express?

MR. LAMBRIX:

Absolutely American Express. We don't discriminate from card types. As long as it's processing on one of our machines, we're happy.

CHAIRMAN HORSLEY:

Very good. This is -- this is good news. This is big news, too, by the way. How did you keep this one quiet, Carolyn?

MS. FAHEY:

Good news doesn't make the papers.

*(*Laughter*)*

CHAIRMAN HORSLEY:

Well, we think this is terrific, at least I think it's terrific, and I'm sure my colleagues would agree. We're glad you're here, and growing.

MR. LAMBRIX:

Great. Thank you for your time, we appreciate it.

CHAIRMAN HORSLEY:

Did you find the -- I know you have to deal with high utility costs and all those issues which we're constantly bumping up against here on Long Island, but we have the best workforce, so it's always an augment. Why Long Island versus saying, "Well, let's go down to Atlanta with those other guys?" Do you get a feel for that?

MR. LAMBRIX:

Yeah.

CHAIRMAN HORSLEY:

I know you do, but --

MR. LAMBRIX:

Yeah. I mean, the honest answer is that our CEO and company founder and owner, Ray Sidhom, you know, was born and bred on -- well, actually he was born -- he moved here when he was three years old, but he was raised on Long Island and he has always committed to Long Island and wanted to keep his business here.

CHAIRMAN HORSLEY:

You know, it's interesting that I've been involved with economic development for quite a number of years now and that always seems to be the number one reason why companies grow and stay on Long Island. You think of all these sophisticated products and stuff like that. Well, it's, "I don't want to move, my family is here," and -- for the CEO, so that's great. Well, it is a nice place to live.

All right. Any other further questions?

LEG. STERN:

That's it.

D.P.O. VILORIA-FISHER:

No.

CHAIRMAN HORSLEY:

Gentlemen, thank you very much. We appreciate you being here.

MR. LAMBRIX:

Thank you for your time.

MR. BILOTTI:

Thank you.

CHAIRMAN HORSLEY:

Carolyn, a quick question to, if I may, other than this issue. Thank you.

D.P.O. VILORIA-FISHER:

We have a public hearing on it.

CHAIRMAN HORSLEY:

Oh, I'm sorry. Let's close the -- oh, I'm sorry, my apologies.

LEG. STERN:

Do we have a motion?

CHAIRMAN HORSLEY:

Do we have a motion?

MS. LOMORIELLO:

You don't have a motion.

CHAIRMAN HORSLEY:

I'll make a motion.

MS. LOMORIELLO:

To table, right?

CHAIRMAN HORSLEY:

This is to table, that's right, for a Public Hearing for --

MS. LOMORIELLO:

Who seconds it?

LEG. STERN:

I'll second.

CHAIRMAN HORSLEY:

Second by Legislator Stern. All those in favor? Opposed? It is tabled for a Public Hearing. *(Vote: Tabled for Public Hearing - 5-0-0-0)* All righty. Thanks, guys.

D.P.O. VILORIA-FISHER:

They should be here for Public Hearing, right?

CHAIRMAN HORSLEY:

Huh?

D.P.O. VILORIA-FISHER:

Should they be here for the Public Hearing?

CHAIRMAN HORSLEY:

Carolyn, the question is should they be here for the Public Hearing?

MS. FAHEY:

Oh, yes, they'll be here for the Public Hearing portion. The question is what --

CHAIRMAN HORSLEY:

I think it's probably -- I know, it's not like an appointment of one of our boards.

MS. FAHEY:

The Public Hearing is a set time, so that sort of helps. But, no, they'll definitely be in front of the full Leg. for the Public Hearing, and they'll be there --

CHAIRMAN HORSLEY:

I think it's a wise idea, because you never know where -- there's 18 of us -- where we're going to be coming from on these issues, so --

MS. FAHEY:

Yeah, I know, I understand that.

CHAIRMAN HORSLEY:

We've been there.

MS. FAHEY:

The question is do you want them to come back to your committee after the Public Hearing, or are you okay? That's usually the open end.

CHAIRMAN HORSLEY:

No, I don't think that will be necessary.

MS. FAHEY:

Okay, fine.

CHAIRMAN HORSLEY:

I think we're good. But at the final --

MS. FAHEY:

Because I did have them scheduled for everything, but we will let them go back to work during the next Economic Development Committee.

CHAIRMAN HORSLEY:

That would be fine. That makes perfect sense. Now, I do have a question for you while you're here. Do you know anything about a company, GE Avionics?

MS. FAHEY:

GE Aviation?

CHAIRMAN HORSLEY:

Aviation, yeah.

MS. FAHEY:

Yeah.

CHAIRMAN HORSLEY:

What do you know about it? Are you hearing, because we're getting letters on it.

MS. FAHEY:

GE Aviation is located over in Ronkonkoma by Islip MacArthur Airport. Actually, I was in touch with their Manager of Government Relations two days ago trying to ascertain --

CHAIRMAN HORSLEY:

Oh, you're on the job, I see. Good.

MS. FAHEY:

Trying to ascertain whether all those faxes and E-mails everyone's getting --

CHAIRMAN HORSLEY:

Yeah, that's what we're --

MS. FAHEY:

-- are real. She had gotten back to me and said, as far as she knew, the rumors were not true. But even with that, I have a call into their Regional Director of Operations, who I met with about a year-and-a-half ago, trying to set up another meeting to just find out what's going on. We're going to actually work through the Manager of Government Relations to get to corporate in Ohio to let them know that if there's anything that does pop up on the screen, to give us an opportunity to sit down and talk with corporate, as well as staying in touch with the local office.

CHAIRMAN HORSLEY:

That's terrific.

MS. FAHEY:

So I'm waiting for the General Manager of the Regional Office to return from a trip abroad so that we can meet with him again.

CHAIRMAN HORSLEY:

Good. Could you keep this committee in touch on the issue?

MS. FAHEY:

Sure will.

CHAIRMAN HORSLEY:

You know, I think some of us felt like the whole OSI thing was just -- we never heard anything until it was too late. It's another issue. I'm not -- I'm not trying to bring it up, but I -- we want to make sure that we --

MS. FAHEY:

Just for the record, OSI was going no matter what --

CHAIRMAN HORSLEY:

Yeah.

MS. FAHEY:

-- the local would have put on the table. They had been looking for the last two-and-a-half years and did not invite us to the table, would not invite us to the table. There's only so much you can do.

D.P.O. VILORIA-FISHER:

Well, actually -- I'm sorry.

CHAIRMAN HORSLEY:

Go ahead.

D.P.O. VILORIA-FISHER:

If I recall from some of the newspaper articles, they weren't even considering Suffolk County offers and locations, they thought that was too far out.

MS. FAHEY:

Correct. The issue was the animal testing facility. They have told us at meetings

over and over again that they want the State to approve an animal testing facility in Farmingdale, and if they don't, they're going, and that was the bottom line.

CHAIRMAN HORSLEY:

Well, there's no sense getting into it at this point, but we don't --

MS. FAHEY:

We'll go with the good news.

CHAIRMAN HORSLEY:

Right. We want to -- we want to be preemptive. Okay. I think we have one more to go as yet.

Okay. **1684 - To Margarita Espada-Santos --**

D.P.O. VILORIA-FISHER:

Motion.

CHAIRMAN HORSLEY:

Well. As a matter -- *as a member of the Suffolk County Citizens Advisory Board for the Arts (Montano).*

D.P.O. VILORIA-FISHER:

It's a reappointment.

CHAIRMAN HORSLEY:

It's a reappointment. And is she not -- she's not here, then?

D.P.O. VILORIA-FISHER:

No, she doesn't have to be.

CHAIRMAN HORSLEY:

I know she doesn't have to be here. There was a motion by Legislator Fisher, seconded by Legislator Kennedy. All those in favor? Opposed? So moved. **(Vote: Approved 5-0-0-0)**

Motion to close. So with that, we're closed.

[THE MEETING WAS ADJOURNED AT 2:41 P.M.]