

**ECONOMIC DEVELOPMENT, HIGHER EDUCATION & ENERGY COMMITTEE**  
**OF THE**  
**SUFFOLK COUNTY LEGISLATURE**  
**MINUTES**

A meeting of the Economic Development, Higher Education & Energy Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on June 15, 2011 at 2:00 PM.

**MEMBERS PRESENT:**

Leg. Wayne R. Horsley, Chairman  
Leg. Steven H. Stern, Co-Chair  
Leg. Thomas Cilmi  
Leg. Ricardo Montano  
Leg. Lynne C. Nowick

**ALSO IN ATTENDANCE:**

George Nolan, Counsel to the Legislature  
Sarah Simpson, Assistant Counsel  
Gail Vizzini, Director of Budget Review Office  
Jill Moss, BRO  
Joe Muncey, BRO  
Eric A. Kopp, County Executive's Office  
Carolyn Fahey, Office of Economic Development  
Paul Perillie, Aide to Majority Leader  
JP DiMartino, Aide to Leg. Horsley  
Bob Martinez, Aide to Leg. Montano  
Andriani Mikolaitis, appointee to Citizen's Advisory Board for the Arts  
Dave Lory, Escape to New York  
Tony Ceglio, Airport Manager, Gabresky Airport  
Ellen Cea, Office of Economic Development  
Moke McGowan, LICVB

**MINUTES TAKEN BY:**

Diana Flesher, Court Stenographer

**THE MEETING WAS CALLED TO ORDER AT 2:05 PM**

**CHAIRMAN HORSLEY:**

Good afternoon everybody and welcome to the Economic Development, Energy and Higher Education Committee meeting. Please stand for the Pledge of Allegiance.

**SALUTATION**

Stand for a moment of silence for those men and women who are protecting our freedoms both home and abroad.

**MOMENT OF SILENCE OBSERVED**

All right. Please be seated. Again, welcome to our committee meeting of June 15, 2011. And may I also add that for the committee members that after the conclusion of this meeting, those members who are on the Higher Education working group for the budget will be meeting else where in the building. So, please don't forget that and go home.

So, let's move to the one presentation. It's of Andriani Mikolaitis, candidate for the Suffolk County Advisory Board of the Arts. Is Andriani -- there you are. Welcome.

**MS. MIKOLAITIS:**

Yes. Thank you. And thank you so much for inviting me.

**CHAIRMAN HORSLEY:**

I'm sorry. I didn't see you there.

**MS. MIKOLAITIS:**

There is one little problem. I didn't know I was supposed to make a presentation. I did give you some documents. I don't know if you had a chance to look at them.

**CHAIRMAN HORSLEY:**

I have a copy of your resume.

**MS. MIKOLAITIS:**

Yes.

**CHAIRMAN HORSLEY:**

And looks like about five pages thick.

**MS. MIKOLAITIS:**

No, no, the whole thing is not my resume. Only the first page is my resume.

**CHAIRMAN HORSLEY:**

Okay.

**MS. MIKOLAITIS:**

Then and I gave you two articles or copies of articles from Newsday. This way you become familiar with the type of projects that I've done related to the arts.

**CHAIRMAN HORSLEY:**

Right.

**MS. MIKOLAITIS:**

One of them is -- I organized the studio tour for the Amityville Artist Circle. And that's a group that I founded in 2001. And I was the first president of the group and I'm very much involved with right now. And I also have an article that shows the write up on a mural that we did as a group. It's for the Amityville Library. We did a forty foot long mural. And actually that was my first experience that I had with grants. The New York State Council of the Arts gave us the funds to buy the material to create the mural. And at the time I actually was on a board that distributed the grant. So I had to excuse myself from voting. Obviously I couldn't vote for myself.

**CHAIRMAN HORSLEY:**

You recused. That's the word.

**MS. MIKOLAITIS:**

Yes. And so I do have some experience with the position that I'm being suggested to fill. I've done -- it was -- the Huntington Arts Council was responsible for distributing the state funds to our organization. And I did that in 2000, 2003. It overlapped. It started in October. And then they do the advance for the 2003 year. And then you're responsible to go around and take a look at how they spend -- some groups to see how they spend the money, if they're spending it the way they're supposed to. And so I did that. And then the following year, now 2004, I was the Chairperson of the panel. And so I do have some experience in this area. And that's it.

I am -- in my past, in my previous life I spent fifteen years as a civil engineer and I -- my highest position was a project manager so I'm quite capable of handling money and overseeing projects and so forth. And that's it.

**CHAIRMAN HORSLEY:**

Well, that sounds great. I'm looking at you having this picture here --

**MS. MIKOLAITIS:**

Oh, yes.

**CHAIRMAN HORSLEY:**

And it looks like a good picture.

**MS. MIKOLAITIS:**

Thank you. Yeah, that's -- actually, it's along Ketchum's Creek. My piano instructor was there --

**CHAIRMAN HORSLEY:**

I know where Ketchum's Creek is. Okay.

**MS. MIKOLAITIS:**

-- with my model. I knew he was kayaking so I asked him to pose for me. I took some photos and then I made that painting.

**CHAIRMAN HORSLEY:**

You did the painting yourself?

**MS. MIKOLAITIS:**

Yes. I'm an artist. I gave up engineering and I'm an artist. Since 2000 and -- no, I'm sorry, 1998.

**CHAIRMAN HORSLEY:**

I'm sure it was a lucrative decision.

**MS. MIKOLAITIS:**

No. It gave me rewards in other ways.

## LAUGHTER

### CHAIRMAN HORSLEY:

I'm glad it gives you rewards in other things. I have a son who's an artist and so I can appreciate that.

### MS. MIKOLAITIS:

Great.

### CHAIRMAN HORSLEY:

But thank you very much for being here today.

### MS. MIKOLAITIS:

You're welcome.

### CHAIRMAN HORSLEY:

And thank you for offering your service to the County. It's truly appreciated. Would anyone like to ask any questions of --

### LEG. NOWICK:

Thank you. Thank you for being here.

### MS. MIKOLAITIS:

It's my honor to be offered this position. Thank you.

### LEG. NOWICK:

And you did a great job.

### MS. MIKOLAITIS:

Thank you.

## INTRODUCTORY RESOLUTIONS

### CHAIRMAN HORSLEY:

Right. The presentation was just excellent. I'll be glad to make the motion to approve Andriani Mikolaitis for the Arts Council. **[1480, To appoint Andriani L. Mikolaitis as a member of the Suffolk County Citizens Advisory Board for the Arts. (Gregory)]**, seconded by Legislator Stern. All those in favor? Opposed? So moved. **(VOTE: 5-0-0-0)** Well, congratulations. And just so you know, you don't have to -- Tuesday's when the full Legislature votes on it, but you don't have to be there. But you're certainly welcome to be there. But they won't do this to you again, no presentations and things. We do appreciate and thank you very much and congratulations. Okay, bye, bye.

### MS. MIKOLAITIS:

Thank you again. Bye.

All right. We'll move right into the introductory resolutions. 1480, we've already done that so that one's passed.

**1484, To reappoint Frederic DeFeis as a member of the Suffolk County Citizens Advisory Board for the Arts. (D'Amaro)** I assume it's a reappointment so Frederic does not have to be

here. May I have a motion on Frederic? Motion by Legislator Nowick, second by Legislator Stern. All those in favor? Opposed? So moved. **(VOTE: 5-0-0-0)**

The next introductory resolution is **1531, Accepting and appropriating a grant award from the National Science Foundation for an NSF Science, Technology, Engineering and Mathematics Scholarships Program (NSF Stems II) 100% reimbursed by Federal funds at Suffolk County Community College. (Co. Exec.)** That's at a 100% level. So, Legislator Nowick will make the motion and to put that on the consent calendar. Thank you very much. We have a motion by Legislator Nowick, second by Legislator Cilmi. All those in favor? Opposed? So moved. **(VOTE: 5-0-0-0)**

**1532, Accepting and appropriating a grant award from the Research Foundation of the State University of New York, for a project Win-Win, funded by the Lumina Foundation for Education 100% reimbursed by Federal funds at Suffolk County Community College. (Co. Exec.)** Can we have the same motion, same second. All those in favor? Opposed? So moved. **(VOTE: 5-0-0-0)**

**1554, Approving and authorizing a contract to promote convention business and tourism in Suffolk County. (Co. Exec.)** I see Moke, did you want to speak on this?

**MR. McGOWAN:**

I'm here if you have any questions.

**CHAIRMAN HORSLEY:**

Okay. There's a quick question. A quick explanation, okay. Come on up anyway. Legislator Cilmi.

**LEG. CILMI:**

Yes, more for our Counsel than that for Mr. McGowan. The bill calls for -- the contract, rather, calls for one year with up to, I think, three years of extensions at the County's discretion. And I guess my only question is what does that exactly mean? Does somebody administratively in the County get to decide or does it come before the Legislature again or how does that work?

**MR. NOLAN:**

Well, what it means is, if after a year we want to extend the contract, that's at our option and our sole discretion, the County. I don't believe that would come back here. I think it'd be up to the Department.

**MS. FAHEY:**

That's how's it's been handled in the past. It's at the Department's discretion.

**LEG. CILMI:**

Thanks. That answers my question.

**CHAIRMAN HORSLEY:**

Okay. Are there any further questions? Moke, did you provide the copies of your audit to all the members of the Committee? Otherwise I'll distribute them. I think you did, didn't you?

**MR. McGOWAN:**

Yeah, our annual financial audit, yes, we did.

**CHAIRMAN HORSLEY:**

Our annual report rather. I'm sorry, yeah. Very good. Okay, I have prompted Mr. Cilmi to jog his memory. Legislator?

**LEG. CILMI:**

Maybe, just, Moke, maybe just sort of a quick summary of what you anticipate, you know, for the upcoming year's contract and, you know, maybe a little anecdotal information on how you view tourism today going forward for the next six to twelve months.

**MR. McGOWAN:**

Most happy to do so. It's a mixed bag and it's a challenge. Through the first four months of this year, we've really seen a downturn in our occupancy rates in Suffolk County; predominantly western Suffolk County we're down about five and-a-half percent. Rates, however, on the other hand are up about a percentage, one and-a-half percent. So there's a little balancing act going on. That part of Suffolk County is still very heavily dependent upon business transient, corporate group business, social group business and what have you. And that has been a very slow return to part of our business.

On the other hand there's some real strong optimism about leisure travel. And as we went into May, we went into Memorial Day despite the weather being what it was, we saw some very good business, increases there. I think that we're probably going to look and see two things: One is leisure travel will still be very strong this year despite the economy and despite the job numbers and things of that nature. Surveys by American Express, a very recent survey by American Express indicated about 59% of Americans anticipating that they will be traveling during the summer vacation months as opposed to 51% last year. We had a very -- fairly robust leisure travel year last year. So that's a positive indicator.

And the other aspect is that we do anticipate international travel to be strong again this year. New York City remains the number one destination for international travel in the nation and we plan on being the greatest crumb snatchers you can find.

**LEG. CILMI:**

What do you see as the greatest challenge towards -- you know, for this industry in our regions specifically in the upcoming years?

**MR. McGOWAN:**

Not only in the region but specific to say, like, Suffolk County, our challenge is building a business in order to absorb the number of hotel rooms that have come on line in the last five, six years without having major new product to help drive that demand. It really means that we're going to have to stand on our own on the basis of both our natural and our manmade attractions. Our manmade attractions being our shopping, our heritage and cultural assets that we have; our natural attractions, of course, being our beaches and the overall recreational value that we have to offer. That's a tough position to be in because there are so many other destinations out there with very similar product offerings. And so what we will have to be in our challenge to be is to give potential visitors the real reason and the value to select Long Island and Suffolk County for their leisure travel.

The other challenge is really relying on the corporate sector, loosening their travel and meetings budgets enough that we can compete and drive business and pick up business. We've seen some decent indicators of that; but, again, it's highly competitive and, again, unfortunately lacking some major conference facilities. We're a little bit at a disadvantage there.

**LEG. CILMI:**

It's also become easier and easier to teleconference.

**MR. McGOWAN:**

That has -- you know, the promise of technology and providing teleconference services whether it's through Skype, whether it's through online meetings and things of that nature, that was promised ten years ago. And it's really come into its own in the last two to three years. And that is a very efficient way for corporate entities to hold conferences while really keeping an eye on the bottom line.

That said, again, our challenge is to be face to face with those folks and convince them that the necessity of face to face meetings cannot be underestimated in terms of the quality of their return on investment in that kind of a meeting. So we certainly, you know, it's almost like the leisure travel. They're going to travel; they're just not going to spend as much. And the corporate sector is going to meet. They're just not going to meet as much face to face as they have in the past. But that is a growing trend. So it's one that we're keeping an eye on and it's a challenge.

**LEG. CILMI:**

Just one more last question, I'm sorry. The capacity that you talked about, give us sort of a summary of that trend. We understand the trend has gone up. But do you have any numbers to illustrate that trend?

**MR. McGOWAN:**

Are you speaking in terms of capacity for conference center or capacity of what we've got lodging inventory at this point?

**LEG. CILMI:**

Lodging inventory.

**MR. McGOWAN:**

You know, I honestly didn't bring that in with me. And I hesitate because it's going to come back to haunt me to give you a figure. But it is significant percentage-wise. I'm going to say it's at least 12, 15 percent in the last five years. We still have properties that are under construction coming on line very shortly. We've got the Hyatt Place in Riverhead that's coming on line next month. There is a benefit to that because Riverhead, I think, is becoming a good strong destination with a lot of quality offerings. Plus that particular property has not only the attractive value of the aquarium, but also a conference center that they've likewise put into this production as well.

**LEG. CILMI:**

Thank you very much.

**CHAIRMAN HORSLEY:**

Legislator Stern.

**LEG. STERN:**

Thank you, Mr. Chairman. With corporate and business bookings down, particularly in western Suffolk County, I was wondering if you have any numbers -- how do we compare to other parts of the country when we're talking about that type of business, corporate travel? And when you say that all bookings are down, what would you say -- do we fair better than other parts of the country in that regard, is it about even?

**MR. McGOWAN:**

We're actually running better than we were in 2009 and actually 2008. But the overall business arena in which we're operating in is sluggish. How do we compare to the rest of the country? We're ahead of the rest of the country quite honestly.

The downside is, is that that means our bar is higher. When we compare ourselves, and we really can't to Albany and Syracuse and Niagara, Buffalo, etcetera, we're all basically on a par of the same level of business. The problem that we're faced with is everybody took such a huge hit in 2009 that we are climbing back out of that abyss, if you will, and return to full business normality. Business performance by the lodging industries still not projected 'til about 2013, '14 at this point.

**LEG. STERN:**

And if I'm a business owner and I'm concerned about the profitability of my company and the bottom line and I'm in negotiations to bring in new business and forge new business relationships

with another corporate leader who's like-minded, and we both agree that video-conferencing is helpful to our bottom line and we're going to go through that process, I'd be interested to know what role you or LICVB would play in convincing them that -- that it should be a face-to-face meeting, that they should pursue that. What kind of role does the organization play in that? You had said before that that's important to get that message out to business leaders, that not everything should just be handled over the air waive. But I'd be interested to know what role, if any, your organization would play in that.

**MR. McGOWAN:**

First off, you have to understand the nature of our business, how we go about working to attract a meeting, a conference, a convention to the Island. It starts with a first getting to know that particular company and the individuals responsible for the meetings. Second, to find out what their objective for that particular meeting are. And those objectives are very much varied from educational seminars to incentive programs to new product introductions to, you know, improving the bottom lines, things of that nature. In really working to discover that really helps determine the approach that we will take in trying to convince them.

What we're -- we are finding is resonating with a number of meeting planners, corporate meeting planners, conference planners, is -- the real fact that these companies likewise are struggling to come out from the abyss they were in; and that the need to be able to get away and seclude themselves, if you will, from the day to day interruptions of of their business in order to have a better foundation for their discussions and developing their plans to move forward and things of that nature, that concept does continue to resonate.

But like I said, we're also finding, you know, corporate entity may have two dozen meetings during the year. And while they'll find teleconferencing, they'll find online conferencing to be an efficient way to do it, they're only going to be probably conducting 25 to 30% of their meetings via that particular mode. They still do need to meet face to face with -- whether it's a sales relationship and clients or in the development of new sales approaches and things of that nature. Really does depend tremendously on what the objective of the meetings will be.

**LEG. STERN:**

Thank you.

**CHAIRMAN HORSLEY:**

Legislator Nowick.

**LEG. NOWICK:**

Hi, Moke. Just quickly, did you say that the rates have gone up?

**MR. McGOWAN:**

They have. Through the first four months, we actually, you know, we're now -- we receive our reports on lodging performance about three weeks after the month ends. So we haven't seen May as yet. Typically we're really coming out of the slower months of the year anyway. From January through April is always the slowest period of the year. So we do anticipate both occupancy as well as rates increasing fairly significantly. Again, we're looking at 2011 to 2010. 2010 barely was the beginning of getting back to normal business activity after 2009.

**LEG. NOWICK:**

It's interesting how the economy is so poor and yet I hear in the business station that the price of everything is going up. I would think a deal would bring in more people.

**MR. McGOWAN:**

Well, keep in mind that 2009 the occupancy rates came up -- 2009 occupancy rates were really the result of a significant decrease in rates. So in order to get demand up, rates had to go down and they went down significantly. That's 2009.

2010 we started seeing a more leveling of the field. Occupancy coming up slightly, rates coming up slightly. What our lodging entities are trying to do is get back to a point of having decent rates for what they offer. And what we saw last year likewise in the Leisure Inn -- folks on the East End did exceptionally well. They really bolstered our tourism economy. And the reason for that was because they had such great weather. Every weekend from Memorial Day weekend to Labor Day weekend was fabulous. They were able to get their three-night minimums at rates that were equivalent to 2007/2008. So, that's -- you know.

**LEG. NOWICK:**

All right.

**CHAIRMAN HORSLEY:**

Legislator Montano.

**LEG. MONTANO:**

What is the overall contract amount or your budget amount for the year?

**MR. McGOWAN:**

The terms, as I recall, from the enabling legislation is that the lodging tax is 3%.

**LEG. MONTANO:**

Right.

**MR. McGOWAN:**

And we receive 24% of that collected to a maximum of \$2 million.

**LEG. MONTANO:**

Okay. And the contract here has some figures in the back. All right, so, I'm looking at the contract. It has various budgeted items. Those are for different categories of activities that you're going to be performing next year?

**MR. McGOWAN:**

That we'll be engaged. That's our budget for our marketing plan and operations plan, yes.

**LEG. MONTANO:**

All right. And that's all funded through the Hotel/Motel tax?

**MR. McGOWAN:**

It's a combination of contract with Suffolk County, Nassau County and revenues that we receive from our members, approximately \$90,000 and some change and some other minor revenue sources.

**LEG. MONTANO:**

Okay. And, Gail, if I may, what do you project the -- it's going to bring in this year?

**MS. VIZZINI:**

The 2011 budget adopted was \$7.1 million in Hotel/Motel revenue.

**LEG. MONTANO:**

Okay. And how are we doing on that? If you know? I mean it's not crucial. We can discuss that later.

**MS. VIZZINI:**

We're running close to 2010, you know, we're waiting for the summer numbers to come in.

**LEG. MONTANO:**

Okay.

**MS. VIZZINI:**

The June, July and August occupancy; then we'll get a better idea.

**LEG. MONTANO:**

Okay. Thank you.

**CHAIRMAN HORSLEY:**

Okay. Thank you, Legislator. Quick question to you, Moke. One, was last year my recollection is that you placed a great deal of emphasis on your campaign, your advertising campaign for the Germany's -- and I think there was another country that you may have you been -- directing our advertising more towards. How did that go? Can you give me your feeling about your pointing and -- the direction of advertising, you know, to certain locations? And how did that work out?

**MR. McGOWAN:**

We do not advertise to the international markets simply because it's cost prohibitive. What we do is we work with the travel trade, the tour operators, the tour wholesalers.

**CHAIRMAN HORSLEY:**

That's what it was, yeah. Okay. Thanks.

**MR. McGOWAN:**

That said, the actual investment in that -- in the international market's probably less than about \$60,000 at the most. It's actually gone extremely well. We only started our international program -- got the approval of our board in 2006. And, you know, our entree into the market wasn't really until 2007. At that time no international tour operator wholesaler, receptive operator carried any Long Island, let alone Suffolk County, products in their catalog of offerings. That is who they sell to, travel agents and to the public at large.

And, yes, you're right. We did focus on two primary markets. The UK and Ireland and Germany and German-speaking. That was the primary focus. We don't try to cover the world. We just don't have the resources. But those are also the two largest markets that come into New York City on an annual basis. So that made sense for us to partner with NYC and Company and to focus on those markets.

Today we have well over two dozen international tour operators carrying Long Island product. Probably about eighteen of our lodging properties now participate in offering rates to the international tour operators. And we just met about three weeks ago with a number of the operators that carry our products to discuss how the sales were going. The interest is very, very strong. And the sales are likewise doing very well. So we're very pleased with that initial program.

**CHAIRMAN HORSLEY:**

You'll keep us up to date on how that is going throughout the year? I mean that's --

**MR. McGOWAN:**

That's a success story. We will definitely keep you abreast of.

**CHAIRMAN HORSLEY:**

You want to tell. Good. I'm glad to hear it. Because it's -- you know, I remember thinking at the time, you know, it was a gambit. And I thought that's good.

The other question I had real quickly was that I have seen a pull back in -- since you -- this is a bi-county relationship with you, the Hotel/ Motel Tax and the like, I've seen a pull back in Nassau involving the Regional Planning Board. And I was wondering have you've heard anything from our

Nassau counterparts as to your budget, I mean, as far as dollars and cents to you? Has there been any concern there?

**MR. McGOWAN:**

There is -- from a standpoint that -- I mean we have a working contract with Nassau County. And it actually is moving along and things of that nature. That part is relatively smooth. The difficulty right now is NYPA; obviously controls the finances of the County. And so we are -- we'll be receiving the full amount of that which is due to us visa vie the collections. But the process is -- does move very slowly and onerously. So that's -- we're constantly in contact and moving with them or trying to move them in a timely fashion.

**CHAIRMAN HORSLEY:**

So there's been no outreach to you about cutting back on projects or anything along that line?

**MR. McGOWAN:**

Not through us --

**CHAIRMAN HORSLEY:**

Good. Glad to hear it.

**MR. McGOWAN:**

-- at this point. That said, let me also just -- I need to qualify that. Our contract with the County is up March 31st, 2012. So we'll be working towards that. We're also working towards sunseting enabling legislation at the end of the year. My understanding, and I think there was a recent --

**CHAIRMAN HORSLEY:**

Enabling legislation at the end of 2012?

**MR. McGOWAN:**

Actually is the end of this year.

**CHAIRMAN HORSLEY:**

End of this year?

**MR. McGOWAN:**

Yeah.

**CHAIRMAN HORSLEY:**

'11. Okay.

**MR. McGOWAN:**

My understanding in discussions with Rob Walkers, the Deputy County Executive Director, Executive, is that they have the enabling legislation written and ready to go from both the Senate and the Assembly. Now, there was a recent article in the paper that indicated there might be some questions with regards to how smoothly that will go. I wish I knew.

**CHAIRMAN HORSLEY:**

Again, if we don't hear, please inform us as soon as you hear one way or the other from our counterparts. You know, the success of this program is bi-county nature. And so, you know, you'll be in touch with us.

**MR. McGOWAN:**

I couldn't agree more. And we are obviously -- we have representation through the agency, through the Department on our board. And Michelle Stark is that representative. And she is fully abreast of everything that's going on. She and I have a lot of conversations on an ongoing basis.

**CHAIRMAN HORSLEY:**

I bet. Good luck. All right. Are there any further questions? Okay. I don't think we have -- do we have a motion on this?

**MR. McGOWAN:**

Thank you all.

**CHAIRMAN HORSLEY:**

Okay. The motion to approve is -- I'm sorry -- I don't want to anticipate, but Miss Nowick?

**LEG. NOWICK:**

Motion.

**CHAIRMAN HORSLEY:**

Motion. Seconded by by Legislator Montano? All right? You just seconded the motion.

**LEG. MONTANO:**

Okay.

**CHAIRMAN HORSLEY:**

All those in favor? Opposed? So moved. **(VOTE: 5-0-0-0)**

**1558, Authorizing use of property at Francis S. Gabreski Airport by escape to New York, LLC (Co. Exec.).** Carolyn -- Mr. Kopp, glad you're here to address us. Right before the meeting today I got a whole bunch of questions that were posed to me and I could not answer them.

**MR. KOPP:**

Let me just muddle.

**CHAIRMAN HORSLEY:**

Why don't you just tell us all about this.

**MR. KOPP:**

This morning CEQ issued a ruling different than what was anticipated in the resolution. So the resolution would have to be replaced by another resolution. But before we make a judgement as to whether to come before the Legislature on Tuesday with a CN to do it, as long as we have everybody here, we may as well have a discussion.

**CHAIRMAN HORSLEY:**

Right.

**MR. KOPP:**

This resolution anticipated an unlisted action. It was a Type II, which was less stringent that we had anticipated they would do. So the resolution has an error in it.

**CHAIRMAN HORSLEY:**

So the issue is environmental as far as you're concerned. I'm hearing questions about --

**MR. KOPP:**

I've heard there were questions.

**CHAIRMAN HORSLEY:**

The cavorting --

**MR. KOPP:**

So we have people -- we have people who can answer those questions. We're glad to do that as well.

**CHAIRMAN HORSLEY:**

Okay. Would anyone like to hear that? I know there was a whole host of questions to me before the meeting. And I'm sitting going *I don't know anything about this*. So why don't you come on up and tell us?

**MR. KOPP:**

I appreciate that.

**CHAIRMAN HORSLEY:**

Thank you, Eric.

**MS. FAHEY:**

Okay. What you have before you is the license agreement to utilize property at Gabresky Airport for the purpose of a camping/parking event which is in conjunction with a concert and an event that's being held on the Shinnecock Nation property.

I'm just going to give you a brief overview; then, Tony Ceglio, the Airport Manager and Dave Lory, who is the producer of the event -- of the whole event is here to answer your specific questions.

The license is for 15.6 acres for the use of camping and parking. It's for a week August 1st through the 8th. The actual event is August 4th through the 8th, but the days prior is to help the producer set up. It is again for camping and parking. The revenue generated to the Airport will be about \$35,000.

You have as part of the license agreement that was submitted, and I hope you have the correct license agreement. There were two sent over so please make sure you have the correct one. Attached to that are two maps showing you the parcels on the Airport property that are going to be used. I think I'm going to ask Tony Ceglio to start off in giving you an overview of what's being used at the Airport, the acreage and the potential uses. And then we'll ask Mr. Lory to come up and give you a good overview of exactly what's he's going to do. Okay?

**CHAIRMAN HORSLEY:**

Sounds good. Hey, Tony. You ready for the picnic?

**MR. CEGLIO:**

I think so, yes.

**CHAIRMAN HORSLEY:**

Okay.

**MR. CEGLIO:**

As Carolyn mentioned, Escape to New York came to us looking for use of the property at the Gabresky Airport for overflow of camping and parking related to an event they're going to hold at the Shinnecock Reservation in the beginning of August.

The property -- I actually have some visual aids if you need them. I know there are some attachments to what was submitted to you. But generally the west side of the airport, it's a mowed, flat grass area that is inside the airport fence. There will be a secondary fence put up by the developer to secure the airfield from any of the other activities that are going to be going on. Security, the plan will be submitted. They actually have coordinated with the Suffolk County Sheriff's Office, the Police Department, Fire Marshal, Town of Southampton for permits. I think all the ducks are in order and we certainly support it.

Dave Lory, as Carolyn mentioned, is here to answer any specific questions with the meetings he's had with the various agencies to lead up to this. Like I said, I have some visual aids if you want me to point it out on the Airport; that might give you a better idea. It's up to you.

**CHAIRMAN HORSLEY:**

Are the visual aids of where they're going to be? Is that what you're going to be showing us?

**MR. CEGLIO:**

Yes, exactly.

**CHAIRMAN HORSLEY:**

All right. I think we have an overview that was just passed out. So I think that would be -- one is, as I guess, Tony, as far as your question would go would be, how are we covered on this as far as liability issues? Maybe Carolyn knows better? I assume that there's all sorts of insurance and, you know, this could be -- it sounds like a big crowd. Any time there's a big crowd, we got to start thinking about liability. How are we doing?

**MR. CEGLIO:**

Absolutely. And in the license agreement there is a general liability policy required, automobile required. I think it's \$5 million for auto. And just general requirements for insurance. That's in all our license agreements at the Airport.

**CHAIRMAN HORSLEY:**

Okay. That's good. That's all in place. The other questions that I had fired at me when I walked in the room today, the porta potties, do we have enough? Someone said that they didn't see them on any agreement that they had to have porta potties with the number of people that we have. Where are we on that?

**MR. CEGLIO:**

I'll tell you what. Maybe at this point I should ask Dave Lory to come up because he's coordinated that and probably can answer some very specific questions for you.

**CHAIRMAN HORSLEY:**

Dave, I guess it's a basic question. You have to push down the button.

**MR. LORY:**

Okay. You'll see on the plan those porta potties running down both sides and they're above Health -- I'm working with the Health Department of Suffolk County on another site that we're doing, what we call Glamor Camping, which really isn't camping, at the Elk's Lodge. So I've been working with that office and we have more -- we're actually above code on all of our trash bins, our porta potties, etcetera.

**CHAIRMAN HORSLEY:**

Okay. So you feel that you have adequate facilities?

**MR. LORY:**

Yes, sir, we do.

**CHAIRMAN HORSLEY:**

Good, good. Thank you. And the security is -- is the Sheriff on duty, Carolyn? Is the Sheriff on duty because they have an office out there. And they would oversee the security operations as well?

**MR. LORY:**

That's correct. There's an e-map, which has already been approved by all officials in both

Southampton and Suffolk County. State Police, Southampton Town, Suffolk County Sheriff's Office, all EMS's as well as the Fire Departments. We're actually -- Carl {Clooney's} coordinating all EMS. And Stony Brook University is handling our on-site medical needs and supervising all sites.

**CHAIRMAN HORSLEY:**

Wow, that's an impressive undertaking.

**MR. LORY:**

That's 30 years in the business. With not one accident.

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**CHAIRMAN HORSLEY:**

With not one accident. That's good to hear. Do you know what the numbers we're expecting as far as -- how many people are we expecting at this?

**MR. LORY:**

It will be -- it's 196 tents. Figure the most in a tent would probably be four, maybe an occasional five. So it's going to be just under 1,000. The event itself I'm capping at 5,000 with a couple thousand guests. This event, unlike the other event that's being held in the area, is geared more towards a higher clientele. We have high end food, showers, we're glamping, like I said, is, you know, massage, butler service, etcetera. It is all ages. It is family oriented. But it is a UK festival that's coming over that -- it's about participating in an event. It's not about -- and by doing that, it's by -- making your own food, making your own drinks as far as a Bloody Mary Buffet bar or we have human foosball table. We have all kinds of things going on on-site, art work sculptures.

**CHAIRMAN HORSLEY:**

That is -- it's only in the Hamptons.

**MR. LORY:**

And you might be seeing a giant bunny running around in Suffolk County.

**CHAIRMAN HORSLEY:**

Camping and a massage. I think that's -- couldn't get better. I do have a -- the other question that was asked of me by staff was the Road of Alcohol. You obviously have this -- the Blood Mary table. And somewhere along the line I'd heard that there was a prohibition against alcohol on Gabresky. Have we gotten past this? Is this a -- has Legal taken a look at this and they're okay?

**MS. FAHEY:**

Actually what Mr. Lory was referring to is happening on the Shinnecock Nation property, not on Airport property. The actual alcohol Blood Mary table, as much as we would love to have it at the Airport, they're not at the Airport. Those are at the Shinnecock property.

**CHAIRMAN HORSLEY:**

Okay.

**MR. LORY:**

And i actually made an executive decision. We were going to have a beer and wine tent and I actually took that off the agenda. I just didn't want to have to deal with that being -- going over three -- three sites and so I took it off the agenda.

**CHAIRMAN HORSLEY:**

Okay. So what we're saying is there's not going to be alcohol provided at this event? At the Airport?

**MR. LORY:**

That's correct.

**CHAIRMAN HORSLEY:**

At Gabresky. All right. Well, that's -- Paul, is that about all the questions that you threw at me there? Sounds good? Okay. Is there any other questions on this application? Okay. Anything else you'd like to say?

**MR. LORY:**

No, just thank you for your time.

**CHAIRMAN HORSLEY:**

You're very welcome. All right. We have to table that. That's right. We have to table it. We're going to be provided with a CN, Mr. Kopp? So we should expect this on Tuesday?

**MR. KOPP:**

Yes.

**CHAIRMAN HORSLEY:**

Very good. Okay, so I'll make a motion to table, second by Legislator Nowick. All those in favor? Opposed? So moved. The motion has been tabled. **(VOTE: 5-0-0-0)**

**1560, amending prior capital authorized appropriations for the renovation to the Physical Plant Building/Warehouse. (Lindsay)** This is for the College, I presume, right?

**MR. NOLAN:**

It's moving money within a project.

**CHAIRMAN HORSLEY:**

Just moving money within a project, okay. Does anyone have anything to say about this? Okay. Ms. Nowick, would you like to make a motion?

**LEG. NOWICK:**

Sure.

**CHAIRMAN HORSLEY:**

Motion to approve, second by Legislator Stern. All those in favor? Opposed? So moved. **(VOTE: 5-0-0-0)**

**1561, appropriating funds in connection with infrastructure, college wide. (Lindsay)**

Again, this is the same thing. It's moving money -- or -- this is actually the appropriation itself. I'll make a motion to approve. Is there a second on the motion? Second by Legislator Nowick. All those in favor? Opposed? So moved. **(VOTE: 5-0-0-0)** That has has been approved.

That concludes our agenda. What we'll do now is I wanted to move to the College Budget. And Gail is going to give us an overview of the College Budget issues in which she will give more in depth when we get the working group together after our meeting.

Gail, do you want to take few minutes and just kind of -- I know that you prepared an extensive memorandum and you might want to just, you know, just go through it as briefly as possible. And if there's questions, we'll deal with it then.

**MS. VIZZINI:**

Thank you, Legislator Horsley. Yes, we sent our report on the recommended 2011/2012 College Operating Budget. The College Operating Budget request is \$495 million. This is a \$7.3 million increase over the previous adopted College Budget, which is equivalent to about a 4% increase. Our report demonstrates in a pie graph for you the breakdown where according -- you know, if they

were to get a total budget of this magnitude in terms of revenue, the students' share of the revenue is 47%. The state and -- the state is 23% and the County contribution -- county share of the revenue is 22%.

The significant areas of increase -- actually all areas of expenditure increase personnel by 2%, equipment by 6%. There is a reduction in supplies of 3%. Utility costs have gone up. Employee benefits have increased 9%. That's directly related to health insurance and retirement costs. And there are some enter-fund transfers where the College transfers monies back to the County for services that the County renders to the College.

The other highlights of the report include the tuition. The Board of Trustees is the only entity that will determine the line item funding or the basic cost of tuition. So they have determined in their resolution that approved the request that if the County will increase the County contribution by 4%, then there will be a \$190 increase annually for full-time tuition. Tuition at the college is currently \$3,776. So with the 4% increase, it would go to 3996.

If the -- the County Executive has recommended no increase in the County contribution, which if no other revenue offsets the amount, the trustees in their resolution indicate that annual tuition would go to 4,026 which is a \$250 annual increase for the students.

Nassau County's tuition was just increased to 3990. With a zero percent change in the County contribution, we would be about \$36 more than Nassau. And with a 4% increase, we would be just \$6 more than Nassau. We are usually neck and neck. But now we're a little bit higher than Nassau.

For each 1% increase in the County contribution, it's approximately \$386,000. The last time the County contribution was increased, the Legislature increased it 2%. That was in 2007/2008. The County contribution is currently \$38.6 million. So 4% would bring it up to 40 million point one, which is a \$1.5 million increase.

In the County Executive's Recommended Budget, he actually suggests in the narrative that the College resort to using a transfer from their fund balance rather than get the additional revenue, the 1.5 million from an increase in the County contribution, that the college's \$15.6 million fund balance be decreased accordingly. And in my most recent discussions with the President, that is not necessarily an option that the College seeks to pursue. They are endeavoring to build up their reserves in the event of a midyear state cut or a second cut in state aid since they did experience a cut. But he indicated that the fund balance was actually a little bit more than the 15.6 million.

The expense to the County for out-of-county tuition, the sponsor's obligation to pay -- to offset part of the tuition for our Suffolk County residents who opt to go to other schools, like Nassau community College or FIT or something like that, is a cost to our General Fund. And is \$5 million annually. There is a provision in the law for the County to charge back a portion of this expense according to a formula to the Townships of origin of those students. And in our report we demonstrate that almost every town has representation going out of our community college system with Babylon, Huntington, Brookhaven and Islip being where the largest percentage of those students are. That line is 32 percent those students who go to other than Suffolk Community College. Huntington is number two.

We fall short of making any specific recommendation, but we certainly, you know, will work with the working group to determine what would be the best course of action for the Legislature.

**CHAIRMAN HORSLEY:**

Gail, thank you very much. And as always you're very thorough. Let me ask you just a quick question and then I'll open it up for the rest of the Legislators for any questions they may have. The fund balance itself that we spoke of and as you mentioned it, may have increased somewhat over the fifteen million which we originally understood it to be. What is recommended by the

recommending agencies on what a fund balance should be? So where do we fall in that spectrum of, you know, are we doing -- I know we're better obviously than a couple of years ago but where should we be?

**MS. VIZZINI:**

You know, that was really a tough one to track down and we tried. Often Middle States is quoted as the authority in terms of -- I think it was in 2007 one of the comments was -- and at that time the College's fund balance was less than \$5 million that they need to endeavor to increase their fund balance. However, now that fund balance is \$15-and-a-half million. We could not find a direct citation or reliable citation from Middle States.

We did, however, find that the National Association of College and University Business Offices, who's job would be easier if there was a substantial fund balance, I might add, recommends 25% of the Operating Budget be in reserve fund. Based on \$192 million expenditure budget, this is without grants, that would constitute a reserve of \$48 million, which -- it's stated that would be \$32 million more than what they have. Again, this is Business Officers. Even in General Municipal Law, our Tax Stabilization Reserve fund cannot be more than 10% of our General Fund. So it was a little bit hard to absorb that.

**CHAIRMAN HORSLEY:**

Swallow.

**MS. VIZZINI:**

Yes, that, too.

**CHAIRMAN HORSLEY:**

Yes, I understand that. But that does answer the question. So what the Business Officers would like to see is 48 million. What I had heard from Middle States was that it was -- that they're looking more towards one percent.

**MS. VIZZINI:**

When I answered it was 10%, again, we were -- you know, we went to their website and digging and asking, but we haven't seen the precise guideline.

**CHAIRMAN HORSLEY:**

Right.

**MS. VIZZINI:**

Even if you use what General Municipal Law suggests for a tax stabilization reserve fund, it's in the area of 10%.

**CHAIRMAN HORSLEY:**

Okay. I think that answers our questions. And looking back in our past history when it was down around \$5 million, again, that's when we were tied together and fund balances were a little bit less meaningful than they are now now that we're separate entities.

**MS. VIZZINI:**

We refer to it as -- it is a fund balance, but it is their reserve.

**CHAIRMAN HORSLEY:**

Reserve. Okay. Are there any questions of Gail? Very good. All right. Gail, thank you very much. And we will discuss, you know, where we feel that the budget should go. And we do appreciate your input. Anything else anyone would like to discuss? Anyone like to speak? All right, that being the case, meeting adjourned.

**THE MEETING CONCLUDED AT 2:58 PM**

{ } DENOTES SPELLED PHONETICALLY