

ECONOMIC DEVELOPMENT

and

ENERGY COMMITTEE

of the

SUFFOLK COUNTY LEGISLATURE

Minutes

A regular meeting of the Economic Development and 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 Wednesday, May 1, 2013.

MEMBERS PRESENT:

Legislator Wayne Horsley - Chairman/Deputy Presiding Officer
Legislator Lou D'Amaro - Vice-Chair
Legislator Thomas Cilmi
Legislator Kara Hahn
Legislator Lynne Nowick
Legislator Stern

ALSO IN ATTENDANCE:

George Nolan - Counsel to the Legislature
Sarah Simpson - Assistant Counsel to the Legislature
Michael Pitcher - Aide to P.O. Lindsay
Debbie Harris - Aide to Legislator Stern
Claire Mangelli - Aide to D.P.O. Horsley
Justin Littell - Aide to Legislator D'Amaro
Robert Lipp - Deputy Director - Budget Review Office
Sharen Wagner - Budget Review Office
Greg Moran - Aide to Legislator Nowick
Renee Ortiz - Assistant Deputy Clerk
Gil Anderson - Commissioner of Public Works
Sarah Lansdale - Director of Planning
Carolyn Fahey - Intergovernmental Relations Coordinator
Joseph Sawicki - Comptroller
Christina Capobianco - Chief Deputy Comptroller
Manny Alban - Chief Auditor
Rick Brand - Newsday
All other interested parties

MINUTES TAKEN AND TRANSCRIBED BY:

Gabrielle Skolom - Court Stenographer

*(*The meeting was called to order at 2:55 p.m. *)*

CHAIRMAN HORSLEY:

May we all please stand for the Pledge of Allegiance.

*(*Salutation*)*

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

*(*Moment of silence observed*)*

All righty. Welcome to the Economic Development and Energy Committee meeting. What we're going to do, we're waiting on Comptroller Sawicki. He's on his way. We were trying to judge when the last hearing would be over, so we kind of gave him a little leeway with it. I have, the public portion, I have one card to be -- for the public portion, and Nancy Gamby. Ms. Gamby, welcome again.

MS. GAMBY:

I just, I have a lot of concerns with the grant money for the bus, the transit bus. It seems that we're taking more and more grant money for -- for money we don't have. In every single level of government, we don't have money. We're in short supply on the Federal level, on the State level, on the County level, and on the local level. It seems like this grant money, people think it's just free money and it's just coming to you, and it's no strings attached. It's just coming out of my right pocket versus my left pocket. It's coming from my child's future, which we don't have. We got all these feasible studies that is coming with all these mandates that are coming down from Washington D.C. down to our local level, between the Cleaner Greener Long Island right from Cuomo, who Cuomo got it from Department of HUD, Department of Transportation, and the MTA. They're all -- I mean DOT. They're all combining these massive grants, and they are, especially in the Connecticut and Long Island area, they are doing a cookie cutter development. They think that what works for, say, a town up in Connecticut is the same thing that works for the Ronkonkoma hub and all these other things.

From the last -- our last committee meeting that we just had, you know. There's not available land to do another shooting range. That's cause we're buying up all the available property with TDRs. Right now, Suffolk County, the last I heard, was two-thirds of all the farmland was all TDRs, and they are putting higher and higher density around every single place. So people, in order to use their private property, are having less and less space to do it.

But there is so many grants with so many strings, I don't think you can keep track of every single string that is going to be pulled, plus there's always money coming out of our pockets in addition to the grant money. It's never fully funded, just like the sewers. You know, you're getting a certain amount of money for sewers, but you're not getting other sewers -- of the other money, so then the taxpayers are still going to be paying more, and, you know, the grant money is always touted. It's never told how much additional money is going to be coming out of their pocket in addition to it, so I just want you to really think before you approve any grant money for anything. Thank you.

CHAIRMAN HORSLEY:

Thank you very much, Ms. Gamby. Would anyone else like to be heard during the public portion?

UNKNOWN AUDIENCE MEMBER:

I know you have another one, but she ran to get some water from her car.

CHAIRMAN HORSLEY:

Oh. All right. Well, we'll give her a little leeway. What we'll do is if she comes in and wants to speak, we'll make room for her. Okay. Very good.

Okay. Why don't we go to the *tabled resolutions*. The first tabled resolution is **1253, Establishing an Educational Outreach Program on the economic value of Cultural Arts (Hahn)**. Legislator Hahn, who is getting over the rope --

LEG. HAHN:

Motion to approve.

LEG. D'AMARO:

Second.

CHAIRMAN HORSLEY:

Seconded by Legislator D'Amaro.

LEG. CILMI:

On the motion.

CHAIRMAN HORSLEY:

On the motion.

LEG. CILMI:

I think there's been an amendment to this, and I'm not quite sure that I read the amendment, so, Kara, could you tell us about that, or maybe Counsel. It had something to do with exactly what sort of outreach this had to be.

LEG. HAHN:

I think it just went from -- I think we just changed it from being creating a website to a webpage. I didn't want there to be the requirement to create a whole new website and multiple pages and, you know, tons of hours spent. I kind of just thought there might, you know, might be able to be a page up on the Economic Development site that deals with this issue, a page of the site. Get it?

LEG. CILMI:

Yes, I get it.

MR. NOLAN:

There was just one other change, that the print materials for the campaign are now if they're necessary. It's not mandatory that the Department create print materials to promote this.

LEG. CILMI:

Okay. So there's no fiscal impact except for, possibly, opportunity cost.

CHAIRMAN HORSLEY:

From BRO, is there --

MS. WAGNER:

No, pretty much as long as the printing needs are met by -- the DPW printing shop can meet most printing needs, it turns out, and so within those limits, there shouldn't be any, other than the opportunity, costs to the department to put the webpage should be fairly minor, and IT maybe.

LEG. CILMI:

And, you know, I'm curious because lots of the resolutions that we pass, the fiscal impact statements talk about the opportunity cost as being the only impact or part of the impact, at least, and I wonder how much that opportunity cost really is and if we stacked up all of the opportunity

costs that we've talked about in our fiscal impact statements, what are we really -- what is the opportunity that we're losing? And they may be significant. Do you have any sense of -- is there any way that Budget Review could look at that?

MS. WAGNER:

Well, in a way you're right that everything the departments have to do, you know, if they have something else to do, it's an opportunity cost and not doing something else.

LEG. CILMI:

We have limited resources and there is a limit to, you know, where those resources end, so to the extent that we continue to dilute those resources with all of these different things that we pass, it just makes us less effective at doing the things we're supposed to be doing, I think.

MS. WAGNER:

Well, in this case, they're developing the outreach program. I mean, there is -- I would consider it a minor opportunity cost, but, you know, it's unclear what that would involve, so it's always a priority.

LEG. CILMI:

If I could ask the sponsor, what do you envision this page looking like? What sort of information would you see it presenting?

LEG. HAHN:

So I'll give you a little bit of background. I had a meeting with a local arts counsel, and they were talking about Dickens Festival in Port Jefferson, which is really an extraordinary events. They said it brings in 35,000 people to Port Jefferson during that weekend. And there was a side comment made by the Art Council individual -- and again, this wasn't a scientific study he did, and he said there are some businesses that don't like the Dickens Festival. You know, my response was kind of like, What do you mean? Like 35,000 new potential shoppers and patrons and -- well, I guess they just don't really -- haven't gotten it down, how to take advantage of whether it be an arts festival, a music festival, a parade, a fair. There are tons of them through out our downtowns throughout the County, and there are places where businesses do a really great job. They have coupons, and they have different flyers to get people to come back and to get them just to come in and see, and they have giveaways, and they really know how to take advantage of that event that happens annually in their downtown. And so we were just talking, and I said, You know, it would be really great if our Economic Development department just came up with some ideas and shared them, you know, whether it be through our chambers. Each of us Legislators can share them with our chambers and share them with businesses when there's a parade or a festival or whatever. Doesn't have to be really extensive. Doesn't have to be -- you know, but just a way of -- we already do the grants through our hotel motel tax money. We do grants for concert series, for festivals, for, you know -- now let's -- and we talk about how beneficial they are to our downtowns and to our small businesses, and so this was just kind of taking it another step and saying, Let's really connect the two and have something that might help the business, not telling them how to do their business but giving them ideas. I don't envision it being a huge project. Did that help at all?

LEG. CILMI:

It helps. I think it helps me decide, I think, what I want do.

LEG. HAHN:

Sure.

LEG. CILMI:

Unfortunately, it's the opposite of what you would like --

LEG. HAHN:

That's okay.

LEG. CILMI:

-- but, you know, I know that there's an economic -- tremendous economic value to the arts, and, you know, we see it as much in the areas that I represent in my district as you see from the Dickens Festival, and I've been to the Dickens Festival, and it's a wonderful event, and you're right: Any business who can't take advantage of that extra traffic needs to rethink their marketing. I just don't think that it's, with the finite resources that the County has, although this would be minimal in terms of the amount of resources it demands, I just don't think it's the County's place to get in there, but, you know, that's just me.

CHAIRMAN HORSLEY:

Okay. Thank you very much, Legislator. Are there any further questions? We all good?

LEG. NOWICK:

Just --

CHAIRMAN HORSLEY:

Yes, Legislator Nowick.

LEG. NOWICK:

I know we're looking to pass time. To the sponsor, so what you see is that the different small businesses, perhaps, can learn how to make that Dickens Festival, as an example, work for them. Would -- who would give them, the webpage the ideas? Where would the ideas come to feed into the small businesses?

LEG. HAHN:

Economic Development Department.

LEG. NOWICK:

And they are happy with this and they are willing to participate?

LEG. HAHN:

Yes, that's my understanding.

LEG. NOWICK:

Well, I don't see how it could hurt, if we're going to help small businesses in any way possible.

LEG. HAHN:

That's absolutely --

LEG. NOWICK:

Think out of the box. It's a great idea.

MR. VAUGHN:

Legislator Nowick, just to answer your question, Legislator Hahn has had many conversations with Commissioner Minieri, or at least multiple conversations with and Commissioner Minieri, and, yes, supportive.

LEG. NOWICK:

Good. I think it's a good idea, and if it's not going to cost anything and small businesses can somehow learn from it, why not.

LEG. CILMI:

Mr. Chair, could I just readdress on something?

CHAIRMAN HORSLEY:

Readdress.

LEG. CILMI:

Just a thought, I wonder if it's more complicated or less complicated -- or I wonder if it's more complicated to create a whole new site with maybe a dot com or something other than the dot gov, and then maybe we could advertise on that site. We could offer advertising on that site and generate some revenue from it.

LEG. HAHN:

And I'm sure the Department is listening and if that's an idea they want to pursue, you know, I'm sure they will let you know if they do.

MR. VAUGHN:

I'd be happy to ask Commissioner Rogers if that's a possibility.

LEG. CILMI:

Okay. Thank you.

CHAIRMAN HORSLEY:

Okay. We good? All right. We have a motion to approve, correct? And seconded. Are there any other motions? We're all good? All those in favor? Opposed? So moved. **Approved (5-1-0-0, Opposed: Cilmi)**

LEG. CILMI:

I'm going to oppose.

CHAIRMAN HORSLEY:

All right. Yeah, we've -- Joe, where are you? I saw you come in. Can you just give us a second? We're just going to complete the calendar before bringing you up.

1327, Authorizing cultural funding for 2013 (County Executive). Carolyn, you want to come on up and just, you know, give us an overview? And stay up for 1328 as well.

MS. FAHEY:

Good afternoon. This is the annual cultural arts funding program that is funded through the hotel-motel tax. These are the cultural -- part of the cultural arts events that Legislator Hahn was referring to before in the previous resolution. There is \$273,000.66 budgeted by this Legislature for the Citizens Arts Board to handle their competitive arts program. We had a competitive program, and what you have before you is a recommendation of the arts board.

CHAIRMAN HORSLEY:

Okay. Do you have that? Is it long? What are we looking at?

MS. FAHEY:

The attachment.

CHAIRMAN HORSLEY:

The attachment -- yeah, okay. That's what I thought. Okay. Are there any questions of Ms. Fahey? We're all good? Yes, Legislator D'Amaro.

LEG. D'AMARO:

Thank you. Hi. I just wanted to -- I'm looking at the list here in front of me, and I see that there are differing amounts going to different agencies, and it's just a little bit -- I wanted to ask you about the process used in order to arrive at the awards. Do we have specific criteria in place?

MS. FAHEY:

Yes, there's a whole application. There's financials that need to be submitted. The program will not fund more than 50 percent of the program that they are requesting funding for, so the awards will vary based upon the program that they're requesting.

LEG. D'AMARO:

Yeah. Does an applicant normally get the amount requested, or is it something different?

MS. FAHEY:

It varies.

LEG. D'AMARO:

It varies.

MS. FAHEY:

It does vary. It depends upon -- you know, the board looks at it to make sure that there's a diversity with regards to the type of arts that are being funded. So if we have -- if we're heavy in one area, you know, we might give a little bit more to some of the other arts.

LEG. D'AMARO:

Right. And does the board actually vote on each award?

MS. FAHEY:

Yes.

LEG. D'AMARO:

It does. Okay. All right. Thank you.

CHAIRMAN HORSLEY:

All right. Are there any further questions? Okay. I'll make a motion to approve.

LEG. STERN:

Second.

CHAIRMAN HORSLEY:

Seconded by Legislator Stern. Okay. All those in favor? Opposed? So moved. **Approved (6-0-0-0)**

1328, Authorizing film promotion funding for 2013 (County Executive). Carolyn, would you like to go over that?

MS. FAHEY:

Sure. Once again, this program is funded through the hotel-motel tax. This is part of the 10 percent that the Legislature had put aside to market Suffolk County and to develop our film industry. The programs before you are the Next Exposure program at about \$9900, and that's to -- it's a competitive program for film makers who produce at least 50 percent of the principal photography here in Suffolk County. There is a commission -- there are five members of the film commission that will then screen those applicants and make the recommendations for the awards. The actual program itself is administered by the Cinema Arts Center. The second part of the program is the Emerging Film Exhibition program. It's for film exhibition programs that provide opportunities for local, national, and international filmmakers to screen their films here in Suffolk County, and there are six programs that are being funded underneath that program, as you see on your attachment.

CHAIRMAN HORSLEY:

Yes. Thank you very much. Legislator Hahn, I see you have a Greater Port Jefferson Arts Council. Have you seen their film?

LEG. HAHN:

Yes, of course.

CHAIRMAN HORSLEY:

Just checking. I'm sure it was extraordinary. Okay. Are there any questions concerning --

LEG. NOWICK:

I just wanted to ask one question.

CHAIRMAN HORSLEY:

Lynne, Legislator Nowick first.

LEG. CILMI:

I do too.

LEG. NOWICK:

I don't even know if it has anything to do with this same cinema kind of thing, but I noticed that we're doing in Suffolk County more shows that are actually on channel five and actually on real stations. Does that -- and congratulations for that because I think that's wonderful. Does that bring a lot of revenue in?

MS. FAHEY:

It does, yeah. The network film, the nontraditional network series like that's on Fox or the cable stations, we're seeing a lot of that. And they do bring money. They do bring money, they leave the money, and they leave.

LEG. NOWICK:

Those shows like Revenge and Royal Pains, they're all filmed right here in Suffolk County.

MS. FAHEY:

Some of them are, yeah. Royal Pains is filmed out east, and if you live out east, you'll see their sets set up all over the place, yeah.

LEG. NOWICK:

So that does bring in revenue, and that's great if you we can keep fostering that.

CHAIRMAN HORSLEY:

Yes, Legislator Cilmi, and then Legislator D'Amaro.

LEG. CILMI:

To just piggyback off of Legislator Nowick's remarks, does this funding help promote those other types of programs? I mean, does the fact that we spend money with these organizations I guess sort of make us more visible to those programs that -- or does this -- I mean, I don't know. I'm looking at the list of arts organizations, the funding of which we just approved, and in addition to the economic value, there's also some educational value for all of this with our kids, particularly, which always concerns me or interests me. And I'm not sure that we have the same with the film, but maybe we do. Could you elaborate a little bit?

MS. FAHEY:

If your question is does the funding that we spend on the film promotion entice other filming, yes, it does.

LEG. CILMI:

Yes, it does.

MS. FAHEY:

You know, we fund those filmmakers who were here and film in Suffolk County -- that's the part A on your exhibit; and part B is to be a showcase, and when you showcase and you bring filmmakers into the County, they get to see the County, they get to see the assets, and then we try to exhibit to them our other natural assets that they can use in their next feature film.

On the cultural side, it's a variety. Cultural is more dance, music, art, print art as opposed to the actual filming.

LEG. CILMI:

So you see this absolutely as a good investment that's paid us back?

MS. FAHEY:

Oh, definitely.

LEG. CILMI:

Okay. Thanks.

CHAIRMAN HORSLEY:

Thank you very much Legislator Cilmi. Legislator D'Amaro.

LEG. D'AMARO:

The cost -- not the cost. The revenue that comes into the County as a result of marketing for filming, are they all indirect revenue, or does the County actually make a fee when we do this?

MS. FAHEY:

There is a fee schedule for using County property, so the Legislature has passed a fee schedule for use of various County facilities, so we would get the general revenue from that.

LEG. D'AMARO:

So, for example, if a filming company wanted to come in and film here in the Legislative building, we would charge a fee.

MS. FAHEY:

Correct.

LEG. D'AMARO:

To do that, there's a fee schedule for that? Like if they wanted to do some kind of reality TV show about this Legislature.

MS. FAHEY:

I'd like to see the fee. Yes, there would be a fee assessed, and then any overtime that would be required would be covered by the filming agency also.

CHAIRMAN HORSLEY:

It's all overtime.

LEG. D'AMARO:

Now, does your agency have an estimate as to the amount of revenue that the County benefits from as a result of this program?

MS. FAHEY:

Sure. We have a general idea.

LEG. D'AMARO:

What is it?

MS. FAHEY:

I don't have it off the top of my head, but I can get that for you. I can show you what we've done in 2012 and what the economic impact associated with that filming is, sure.

LEG. D'AMARO:

Right, but it's a substantial impact, I would assume.

MS. FAHEY:

It's a substantial impact. The revenue to the County directly is minimal. You know, the intent is to entice the filming.

LEG. D'AMARO:

Right, the direct revenue to the County is minimal, but the indirect effect -- the multiplier effect, if you will, is significant.

LEG. D'AMARO:

Okay. Very good. Thank you.

CHAIRMAN HORSLEY:

All right. Any there are further questions? Okay. We don't a motion on this, do we?

MS. ORTIZ:

No.

CHAIRMAN HORSLEY:

Okay. I'll make a motion to approve.

LEG. D'AMARO:

Second.

CHAIRMAN HORSLEY:

Second by Legislator D'Amaro. All those in favor? Opposed? So moved. **Approved (6-0-0-0)**

All right. Lastly, **1349, Accepting and appropriating 80% Federally funded New York Metropolitan Transportation Council (NYMTC) carryover grant funds for the purpose of preparation of the Suffolk County Bus Rapid Transit Feasibility Study (County Executive).**

Do we have any motions?

LEG. D'AMARO:

I'll offer a motion to approve, but I did have a question as well.

CHAIRMAN HORSLEY:

Sure. Seconded by -- I'll second the motion. It is -- the motion to accept has been registered.

On the motion, Legislator D'Amaro.

LEG. D'AMARO:

Yes, thank you. Mr. Anderson, Commissioner Anderson, thank you, and Director Lansdale. Thank you for coming today. I just wanted to ask you a little bit about where the feasibility study will be focusing on, what area of the County, if you know at this point.

DIRECTOR LANSDALE:

So at this point, it's going to look at Countywide, and it's going to, at the end, be able to identify 10

corridors Countywide that will be studied further for Bus Rapid Transit.

LEG. D'AMARO:

So your target is to come up with 10 areas or corridors to examine for this type of service.

DIRECTOR LANSDALE:

Yes, that's right.

LEG. D'AMARO:

And how long do you expect the study to take?

DIRECTOR LANSDALE:

The study will be completed at the end of this year.

LEG. D'AMARO:

Great. That's all I had. Thank you.

CHAIRMAN HORSLEY:

Thank you very much, Legislator. Legislator Cilmi.

LEG. CILMI:

Yes. Hi, Commissioner and Director. So you said, Sara, that this study will result in 10 potential locations for further study, right?

Is that the objective of this study, is to identify 10 locations?

DIRECTOR LANSDALE:

It will identify and prioritize 10 corridors for implementation of Bus Rapid Transit and then also come up with an implementation plan so that we don't continue to study and study and study it.

LEG. CILMI:

But there will be some subsequent study. This study is costing -- and I recognize that it's not costing, per se, but it looks like it's costing to close to a half million dollars, am I right? Total project cost is \$400,000; is that right?

DIRECTOR LANSDALE:

Yes, yes.

LEG. CILMI:

Do we really need to spend \$400,000 to identify 10 potential routes that are going to be studied further afterwards? And who's benefitting from this \$400,000 besides, theoretically, the County? In other words, who is going to do the study?

DIRECTOR LANSDALE:

The request for the proposals -- the RFP Selection Committee is meeting later this week to determine -- a request for proposals was issued last month. The proposals have come in, and that will be up to the RFP Selection Committee, which -- so a team has not been selected at this point.

LEG. CILMI:

Okay. So we don't have any idea at this point who might do the study. You just want to have the money available to do it when we do -- get the RFPs back?

DIRECTOR LANSDALE:

Yes. We need this bill passed so that we could enter into a contract with a firm to conduct the study.

LEG. CILMI:

And the County share is roughly \$100,000, \$80,000, something like that?

DIRECTOR LANSDALE:

The County share is \$80,000, and that would be in-kind staff time to manage the project.

LEG. CILMI:

Couldn't we simply hire somebody for 60 or \$70,000 and have that person do the study?

COMMISSIONER ANDERSON:

Again, part of the Federal process -- again, it's a prolonged process. Yes, to answer your question, yes, we could go out and hire a consultant to do this, but in obtain Federal funding to move this thing forward beyond just a feasibility study, because it is going to be a large expensive project, if we don't have the Federal involvement now, we won't be we wouldn't be able to get the -- like, we wouldn't be able to go halfway in and go, Oops, it's too expensive, we need the Federal program to help us out; got to start it from the very beginning. And that's the reason we're starting with this individual feasibility study, and then we can identify the areas that we want to look forward and develop, you know, and then we'll look forward to funding depending on what's needed to create the BRTs at these locations.

LEG. CILMI:

So how does this work, exactly? The Federal government makes whatever the number is, \$320,000 or so available to us. We go out for an RFP. Let's say that somebody comes back and says, I can do this for \$100,000. Do we still get the entire 320 from the Feds, or do we just get 80 percent of what it costs us?

COMMISSIONER ANDERSON:

It's 80 percent of what it costs us, so whatever the cost is, that's what we can charge. We can't go -- you know, if it was 100,000, we couldn't expect to get the 300,000.

LEG. CILMI:

Is it just the cost of the consultant, or can we build in other costs to it?

DIRECTOR LANSDALE:

We have built in \$21,000 for supplies.

LEG. CILMI:

All right. Thank you.

CHAIRMAN HORSLEY:

All right. Thank you very much, Legislator Cilmi. Just quickly, on the roots, they are -- all 10 will be north-south?

COMMISSIONER ANDERSON:

Not necessarily.

CHAIRMAN HORSLEY:

Not necessarily. Oh, okay.

COMMISSIONER ANDERSON:

I would anticipate east, west, north, south, a combination of those. Obviously, we do -- you know, I mean, personally I believe we do need more north-south systems like this, but as we go throughout the County, there will be other areas where maybe it would be logical to do some combination of both. If you're doing one along 97, you want to connect Stony Brook into Ronkonkoma hub, even though it's technically a north-south route, you're going to have to at some

point hit east and west as well.

CHAIRMAN HORSLEY:

Okay. Got it. Okay. Yeah, I understand what you're saying. Okay. Very interesting. All right. Anyone else that would like to have any questions? We're good? Do we have a motion on this?

MS. ORTIZ:

Yes.

CHAIRMAN HORSLEY:

We do. We have a motion to approve and seconded. All those in favor? Opposed?

LEG. CILMI:

Opposed.

CHAIRMAN HORSLEY:

So moved. Okay. It has been approved. **Approved (5-1-0-0, Opposed: Cilmi)**

All right. I saw Mr. Sawicki bolted out the door a few seconds ago. Maybe we can tell him we're ready for him.

Mr. Sawicki, thank you for indulging us today and rearranging your schedule to -- we had several hundred guests before that arrived, and it took a little time to listen to them all, but we do appreciate you being here today.

All right. What this is about, and I think everyone recognizes this is that during last week -- maybe it was the week before; I'm not sure. We received an audit from the Comptroller on the LICVB and -- over a whole range of issues, and I thought it would be the best way to handle this is we first have the Comptroller here to speak about the audit, his findings, give us a little more in-depth discussion on the issues, where he thinks that we should be going as well. We certainly want to give the LICVB their day in court, their opportunity to rebut this. I would've assumed that they must have had a rebuttal in this as well. They had to talk to you about -- respond to the audit, so maybe you might want to go through some of those issues as well. So I think the best thing to you is to just give it to you, Mr. Comptroller, and tell us what you feel about the LICVB.

MR. SAWICKI:

Thank you, Mr. Chairman. I'd first like to introduce to me left, as you know, is my chief deputy, Christina Capobianco, and to my right is Manny Alban, who is our chief auditor who oversaw the day-to-day operations and also the writing of the audit itself.

I'd like to explain that -- if you have a copy of the audit and the management letter. We can certainly give you one, if any of the members would like a copy just to have it in front of you. We brought some extra copies.

I just wanted first, Mr. Chairman, to explain why there are like two reports. The one is your basic audit or performance audit, which is standard what we basically do for any agency or department that the County does business with. The second, which is what I believe you're referring to, Mr. Chairman, probably more controversial, is what we call a "management letter," a management letter accompanying an audit report. And basically a letter -- the management letter does not go to the agency that's being audited. The management letter is directed those who oversee and have responsibility of a familiar agency or a corporation or whatever. So in this case, it's the County Legislature and the County Executive because you have, basically, full, you know, authority over the -- not only the creation but the continuation of the agency itself. So the LICVB did not receive a copy of the management letter for the very simple reason that it was not directed toward them. You are the ones, the Legislature and the County Executive are the ones that are able to make the

decisions that we think -- that we recommend needed to be made.

As such, I thought I would start with the management letter itself. The audit report is pretty straightforward. If you have any questions on the audit report, perhaps we can address them later, but I think the more pressing issues are contained in the management letter. And if you have it in front of you, I just want to quickly go page by page, and we start out with a background in the management letter on page one, and it basically gives -- shows that the agency was funded by the Suffolk County hotel-motel tax at three quarters of a percent since 1992. And the top of page two details how that three quarters of a percent was distributed with two-thirds of that -- two-thirds of that three quarter percent would go to the agency itself, which in this case has been designated 20-something years ago by the County Legislature, I guess, to be the LICVB and another one third to be utilized by support of other cultural programs and activity to enhance our tourism industry.

As most of you know, I don't know if you were all here in September 2009, you increased that tax -- the Legislature increased that tax to three percent, and on the bottom of page two, you'll see the various provisions or ways the three percent is distributed, 26 percent, 24 percent, and then when you flip to page three, the pie chart is pretty self-explanatory. And we base the pie chart on the most recent 2012 revenues that three percent hotel-motel tax raised, you'll see that that three percent raised over \$8.2 million in 2012 of which the LICVB over to the right-hand side in like the 3:00 or 2:00 position received almost \$1.98 million. Under the chart is a narrative comparison of how Nassau County collects its own three percent tax and how they distribute it.

If you jump -- please feel free to interrupt me at any time. I don't know what your time schedule is like and whatever. But if you jump to page five and finding -- well, actually, before we get to that, you'll see that as a bottom line, Nassau gave, in 2012, \$727,000 to LICVB. It's 727 versus our nearly \$2 million, so it's almost three times as much, Suffolk gave, two and a half times at least, which, to me, is very disturbing as a County official, and I'm sure it is to you too. The chart on page five under "Finding One" clearly illustrates how Suffolk's --

LEG. NOWICK:

Wayne, I just wanted to stop him one minute.

CHAIRMAN HORSLEY:

Yes, Comptroller, would you suffer --

MR. SAWICKI:

Absolutely. Anything for Legislator Nowick.

CHAIRMAN HORSLEY:

Thank you. Legislator Nowick.

LEG. NOWICK:

Did they only give that money because they don't have as much hotel-motel tax or -- compared to what we give?

MR. SAWICKI:

I don't know what they generate annually, Legislator Nowick, but I know that if you look on page four, 75 -- actually page three, Nassau -- of the three percent, 25 percent is distributed under an even crazier formula than ours. So in 2011, Suffolk's --

MR. ALBIN:

What I did was I inferred the numbers that you have on the graph to try and come up with hotel sales that generated these amounts, and for 2012, Suffolk County hotel sales were approximately 275 million, which would've lead to the 1.9 million, and in Nassau, it was approximately 145 million. So the answer to your question is, yes, Nassau has less sales. Also, I'd like to point out that Suffolk

County actually recognizes that fact, and as part of a contract, there is a Suffolk County marketing plan for which a good portion of the funding that we provide LICVB is to be used solely to market Suffolk County.

LEG. NOWICK:

Thank you.

MR. SAWICKI:

And also, Legislator Nowick, of the three percent in Nassau -- again, looking at the bottom of page three -- we designate 24 percent to LICVB. Nassau designates two thirds, that very last bullet, of their 25 percent, so it's about approximately 17 or 18 percent of that tax.

LEG. NOWICK:

Lot of math.

CHAIRMAN HORSLEY:

24 and 18-8.

MR. SAWICKI:

Yes. That's an easy way to put it. Why didn't I put it that simply? So going back to the top of page five, the middle of page five, the chart clearly illustrates since 2007 how Suffolk's contribution to LICVB skyrocketed, where Nassau's basically was static. And when you again see 2012, you'll see the disparity between Suffolk and Nassau, the 1.98 versus the 7.26 or 7.27.

LEG. CILMI:

If I can interrupt just very quickly. Is that a result of the Suffolk specialized -- sorry, Joe. Is that a result of the extra money that Suffolk gives, or is that apples to apples?

MR. ALBIN:

No, this is --

MR. SAWICKI:

That's apples to apples. That was when -- you'll see in 2009, we were kind of like -- we were always given more in 2008, 2009, we were always given twice as much as Nassau, but then it just skyrocketed after the new tax went into effect.

CHAIRMAN HORSLEY:

That's because of the new tax increase plus we give a larger percentage, so it compounds itself.

MR. SAWICKI:

Correct. So now it's grown to almost the cap at \$2 million a year.

The other -- if you turn to the top of page six, I'm just trying to highlight what I think are the important things that you'd like to know of. The top of page six, you'll see that since 2011, Suffolk's increased their funding 84 percent; Nassau increased at only 11 percent. New York State matching funds actually decreased 22 percent, and membership dues increased 16.5 percent, so it's like we're just about carrying this organization.

The -- in the middle, you'll see that -- a recap of how 54 other New York State municipalities have a hotel-motel tax that were approved by the State Legislature, and 40 of 54, the laws are silent, how that municipality uses a tourist promotion agency. Three of them give each municipality an option to use a tourist promotion agency or to do it inhouse or whatever, and only 11 of 54 require a tourist promotion agency, and, of course, that's what we are, one of the 11. We require a tourism promotion agency. How we got to that point, I really don't know, because this goes back.

CHAIRMAN HORSLEY:

Joe. Let me ask you something.

MR. SAWICKI:

Sure.

CHAIRMAN HORSLEY:

Do you want to have questions asked to you as you're going along? Would that -- is that your preferable (sic), or you want to wait until the end?

MR. SAWICKI:

Yes.

CHAIRMAN HORSLEY:

That being the case, Legislator Stern has a question.

LEG. STERN:

Thank you, Mr. Chairman. Mr. Comptroller, I guess that's the question that you started to speak to rhetorically. How does that happen? Does that happen by request from the municipality as it's being considered up to the State law, or does that originate with State lawmakers and is then mandated down the municipality and then go through that process?

MR. SAWICKI:

I believe, Legislator Stern, this all emanated, basically, from the County's request probably 20-something years ago to have, you know, the three-quarter percent tax implemented, and then you pass a home rule request to the State Legislature, and then they probably give you the option back -- is that how the process works, Manny? They give you the option back of refining whether you want a tourist agency. And I'm really not sure how LICVB was exactly chosen 20-something years ago.

CHAIRMAN HORSLEY:

I don't know that, either, and --

MR. SAWICKI:

Probably none of us do.

CHAIRMAN HORSLEY:

-- we're meeting with Legislator Engelbright tomorrow to kind of get their side of it because we just don't know that, either, I mean, because apparently he wrote the legislation.

MR. SAWICKI:

Okay. I mean, I would imagine the State Legislature would be amenable to anything that this body would want, I would think.

CHAIRMAN HORSLEY:

As a former assemblyman, is that what you think?

(*Laughter*)

MR. SAWICKI:

Well, for a local law, for the most part. Not the MTA payroll tax.

CHAIRMAN HORSLEY:

Okay, there you go.

MR. SAWICKI:

Or the State of Long Island.

CHAIRMAN HORSLEY:

Legislator Cilmi and then D'Amaro have questions.

LEG. CILMI:

Just very quickly, the question that immediately pops to my mind is how do you define, or how does the law define, "agency"? Could we call our Economic Development Department an "agency"?

MR. SAWICKI:

I know I asked that -- raised that question also. Do you know, Man?

MR. ALBIN:

I'm not certain as to whether we can do that. I think that's our preference.

LEG. CILMI:

Does it define -- does the law -- anybody know if the law defines "agency"?

MR. NOLAN:

The State law says we have to contract with a tourism promotion agency, which, in my opinion, means we have to use an outside -- somebody out of Suffolk County government to provide the service, but it does not define "tourism promotion agency" in the State law. And the way we distribute the revenues from this tax comes right from the State. Our local statute is based on what the State distribution says it ought to be, has to be.

LEG. CILMI:

We don't have any discretion as far as how much money we give to the LICVB, then? I mean, we have discretion as to who that agency would be, but we don't have discretion as to the amount?

MR. NOLAN:

It says 24 percent of the revenue but capped at \$2 million.

LEG. CILMI:

That's what the State law says?

MR. NOLAN:

Yeah. And by the way, prior the law changing in 2009, two-thirds of the revenue went to the tourism promotion agency, so the percentage actually got reduced --

LEG. CILMI:

Significantly.

MR. NOLAN:

-- but the pot got bigger.

MR. SAWICKI:

Two-thirds of three percent -- I'm sorry, two thirds of three quarters of a percent.

CHAIRMAN HORSLEY:

So we can't create our own agency, then, as an LDC or something like that?

MR. NOLAN:

I'm not sure what the answer is to that.

MR. SAWICKI:

Because Nassau --

CHAIRMAN HORSLEY:

That's worth exploring, so no sense -- you know, that'd be definitive. I'm sorry. Legislator D'Amaro has a question.

LEG. D'AMARO:

Yes, thank you. Mr. Comptroller nice to see you. I wanted to ask you about the couple pages you just went over. You're comparing -- you're looking at how much Suffolk County is contributing to the bureau. You're comparing that against historically what's done in the past, how it's been increasing, and then also comparing it to the level of funding given by other -- Nassau County as well as the State, et cetera. And I understand your point; I think it's very clearly made that Suffolk is certainly contributing more than Nassau County. But what I wanted to ask you -- and then you go on in a recommendation to state that you recommend, your office recommends the elimination of the contract with the bureau. But what I wanted to ask you was for the amount of funding that the County is giving Suffolk County, how are you measuring the impact of that funding? I understand the point that we're giving more than Nassau County, but putting that aside for a moment, if the amount that we're investing is bringing in a return that's tenfold, eight-fold, or not bringing anything in at all, have you looked at that, and is that in the report, and have you considered that?

MR. SAWICKI:

Yes, we have looked at that, Legislator D'Amaro, and Manny Albin can certainly get into a little bit more on that in detail, but what we felt was that if we're giving two and a half times as much as Nassau, then Suffolk County should have two and a half times the advertising directed towards Suffolk's own hotels and motels and other tourist-type of businesses throughout.

LEG. D'AMARO:

That's measured in dollars?

MR. SAWICKI:

Right.

LEG. D'AMARO:

So it's based on expenditure, right? Not that they have five ads and we have three.

MR. SAWICKI:

Right. Exactly. What we found in the audit is that more often than not, they would advertise Long Island as a region.

LEG. D'AMARO:

Right. I saw that in your report, which you can make an argument either way how effective that is, and that's why I'm wondering what is the impact of the amount that we're expending? What's the return on that investment, so to speak?

MR. SAWICKI:

I don't know if you can really quantify that, Legislator D'Amaro. You know, as the Comptroller, I'm looking at the expense side, and maybe the LICVB side could justify that. But I do know that in our findings, if you flip ahead to page eight, we found a little over \$800,000 that we feel -- I don't want to use the words "misspent" but just not properly spent in accordance with the contract with the County.

LEG. D'AMARO:

Yeah. I have to tell you, I have to agree with you. I'm not a fan of the way this is set up. I'm not trying to disparage the folks that are running this visitor and convention bureau, but it's an awful lot of money that we're spending, and I'm sure that they're going to come in and tell us, Well, yeah, this is what you're spending, but this is what you're getting in return, and I'm very anxious to hear

that.

MR. SAWICKI:

You may see some of their response in the back of the audit report where they responded to, but don't forget, they didn't see this management letter, so they'll have some comments in the reverse of the other report, the audit report.

LEG. D'AMARO:

Because I know and I've heard their testimony here in the past, they have come in with figures explaining, supporting the expenditures by the County and explaining that, in fact, yes, we're making a substantial investment, but here's how you're getting it back and it's substantial. So your report focuses less on that aspect of it, your management letter, and the first point really focuses on the fact that even if we're getting more bang for our buck or whatever that amount, if you can quantify it, what the return is to the County, the fact is that we are funding far more of this bureau than Nassau County.

MR. SAWICKI:

Correct.

LEG. D'AMARO:

I also had a question about the second finding, but I don't know if you're prepared to move onto that yet.

MR. SAWICKI:

Please do.

LEG. D'AMARO:

Could you explain, first, just by way of background, this concept of members? Who's a member, how you become a member, why you're a member, who lets you become a member? You know, just very briefly.

MR. SAWICKI:

Manny. I'll turn that over to the chief auditor.

MR. ALBAN:

Members pay a fee to the LICVB. It's based on the size of the hotel and the number of rooms, so each member is going to pay a different amount. And for the amount that they pay, they receive benefits from LICVB, which we have outlined in finding number two. First benefit is leads through the website. If someone was looking for a specific hotel or someplace to hold a convention and visited the website and put their information --

LEG. D'AMARO:

You know, let me just interrupt you. In the interest of time, I read the points in the report, and I appreciate that you want to go through them, but I see that if you're a member, there are benefits, and you've listed them here and detailed them here. But is the membership offered to any organization that wants to join?

MR. ALBAN:

Not organizations, the membership is open to the hotels.

LEG. D'AMARO:

Not organization, but hotel, let's say. Right, because I notice when you go on the website, for example, and you click on "Hotels and Lodging," there are different categories, smaller hotels, resorts and full service hotels. Are those only the members that are listed on the website?

MR. ALBAN:

No.

LEG. D'AMARO:

Okay.

MR. ALBAN:

All hotels receive -- all Long Island hotels receive a profile page with one picture on the website.

LEG. D'AMARO:

Okay. But they don't receive the added benefits that are contained in the management -- management letter; is that what it is?

MR. ALBAN:

That's right. They don't get the three additional pictures. They don't get the link to their hotel's website.

LEG. D'AMARO:

So the Convention and Visitors Bureau is basically saying to hotels and motels, If you become a member, here's what you get in return if you pay a fee.

MR. ALBAN:

That's correct.

LEG. D'AMARO:

All right. So the point I think that's made in your management letter is that, in effect, the hotel-motel tax is subsidizing hotels that are members at the expense of those that are not; is that correct?

MR. SAWICKI:

Yes.

LEG. D'AMARO:

But if the member hotels are paying a fee, isn't that where the added benefit is being paid for? In other words, let me state it another way. If the hotel-motel tax is paid by all and they are all receiving some level of benefit, and then you want to go beyond that level of benefit, well, isn't that where the fee kicks in?

MR. ALBAN:

There is actually a provision in the contract, which I thought I had but I can't seem to find right now. But there is a provision in the contract that all hotels are supposed to benefit equally, that there should be no conflict of interest, and the Board of Directors of LICVB --

LEG. D'AMARO:

Well, conflict of interest is a different issue. What I'm talking about here is you say in the report, "Collecting the hotel-motel tax on behalf of Suffolk County, all are entitled to equal benefit and representation," but that's only to the extent of the hotel-motel tax. So are you saying even with respect to expending the hotel-motel tax, some hotels are being favored over others, or is it just that they pay an additional fee for the additional benefit?

MR. ALBAN:

Well, all the leads that go into LICVB are only fed out to members. How is that fair to the other hotels that are collecting the tax?

LEG. D'AMARO:

I'm not saying it's fair; I just want to understand exactly what we're talking about, because we're

talking about terminating a contract and favoritism and we're talking about conflict of interest and I want to make sure I get this straight.

MR. ALBAN:

Right.

LEG. D'AMARO:

But are you saying that even though they are paying this fee they are not getting the service in return to the extent of that fee.

MR. ALBAN:

The members?

LEG. D'AMARO:

The non-members.

MR. ALBAN:

The nonmembers are not receiving the same benefits. That's our position.

LEG. D'AMARO:

So do you feel that if we were to keep this contract that at a minimum, the membership aspect should be eliminated?

MR. ALBAN:

Absolutely.

LEG. D'AMARO:

So that the funding -- hotel-motel tax funding would be directly tied to equal benefits for all hotels across Suffolk County?

MR. ALBAN:

Correct.

LEG. D'AMARO:

And this concept of membership, which I'm sure they will say that if you pay the membership fee, Sure you're getting more benefit, but you're paying directly for that, we're not using the hotel-motel tax for that; but that's not what your findings are; is that correct?

MR. SAWICKI:

Legislator D'Amaro, if you turn -- the last bullet on page 7, the membership revenue only comprises four percent of the Bureau's revenues, while government funds between Nassau and Suffolk, 89 percent. So out of a sake of equity for all the hotel-motels across the County or across the Island that collect the tax, if they are going to market it, and if we agree -- if you agree that they're going to market it as a Long Island region, then there really shouldn't be a spinoff of, Okay, if you pay an extra X numbers of dollars, you'll have a link to your website. It's just not fair.

LEG. D'AMARO:

Right. I tend to agree with you because if almost 90 percent of the funding for this is coming from hotel-motel, which everyone is paying, member and non-member, but all of the leads are directed only if you're a member -- and that's only four percent of the funding, then just -- you know, I haven't done calculations, but it seems to me that the hotel-motel tax, then, is subsidizing the members.

CHAIRMAN HORSLEY:

That's their argument.

MR. SAWICKI:

Correct. We have an e-mail to that effect, too, where they readily agree and state that that's their policy.

LEG. D'AMARO:

Right, and they're operating -- I mean, I understand an organization trying to encourage membership, but at whose expense is the question.

MR. SAWICKI:

Exactly. Exactly. And if they're going to do that, why should the government step in, fund 89 percent when it's not fair to the rest of the County, the rest of the businesses in the County.

LEG. D'AMARO:

Right.

MR. SAWICKI:

And tourist-related business.

LEG. D'AMARO:

Right. The last area I wanted to ask you on very quickly is you guys mentioned conflict of interest. We can talk about the funding, and we can talk about what's fair and not fair, but conflict of interest in my mind means not this favoritism, for lack of a better word, based on paying a membership and being a member but real conflict, where something is being done that should not be done, not a stated policy, are you telling us that, in fact, there is a conflict where, let's say a decision-maker gives out the leads, is actually an owner on the other side? Are we talking about that kind of conflict, or are we just basically talking about the fact that a member is getting more exclusive treatment at taxpayer expense?

MR. ALBAN:

I have to apologize, because I did have the portion of the conflict, which we were referring to, but it goes back to the conflict of interest that all member -- not member. All hotels who collect the tax are entitled to equal benefits, and by creating this membership, we feel that they are creating a conflict of interest. In addition --

LEG. D'AMARO:

The conflict being that the Convention and Visitors Bureau favors members but the members are not paying their fair share for that exclusive treatment.

MR. ALBAN:

Well, I wouldn't say that the members aren't paying their fair share because they are paying what LICVB has requested. Another issue that we have is the Board of Directors of LICVB is made up of members who decide whether or not the President of LICVB stays or goes, so there's another inherent conflict.

LEG. D'AMARO:

That I agree with.

MR. ALBAN:

That's our issue.

LEG. D'AMARO:

Yeah. You can't police yourself.

MR. ALBAN:

Exactly.

LEG. D'AMARO:

That's a major flaw in the setup. The directors are only members?

MR. ALBAN:

They're not only members, but I believe we counted -- there were 32 members and 13 of the 32 were member hotels.

LEG. D'AMARO:

Right. Yeah. That could create substantial problems.

MR. ALBAN:

Exactly.

LEG. D'AMARO:

All right. Thank you.

CHAIRMAN HORSLEY:

Thank you, Legislator. Let me continue on a little bit of with that thought process. Let's go to the Board of Directors. Who chooses the Board of Directors?

MR. ALBAN:

You know, I don't know offhand. I believe -- I'm not sure.

CHAIRMAN HORSLEY:

Would one suspect that Mr. McGowan chooses the Board of Directors?

MR. ALBAN:

I can't speak to it.

CHAIRMAN HORSLEY:

Or maybe the fellow board members choose who are their fellow board members?

MR. SAWICKI:

We just don't know.

MR. ALBAN:

I'm sure that's a question you could ask the president.

LEG. D'AMARO:

Well, if I may.

CHAIRMAN HORSLEY:

Yeah, go ahead.

LEG. D'AMARO:

Is that a not-for-profit corporation? Do we know the kind of setup? It's a private company.

MR. ALBAN:

It's a not-for-profit, yes. They file a 990.

LEG. D'AMARO:

It's a not-for-profit, so I would assume that the membership -- the ownership interest, however that is set up -- you know, normally in a corporation, you have shareholders, limited liability companies have limited partners, general partners, I would assume that whoever the owners of the company

are voting on who sits on the Board of Directors.

CHAIRMAN HORSLEY:

I would argue the shareholders would be the People of New York or Suffolk County.

LEG. D'AMARO:

No, I don't think so.

CHAIRMAN HORSLEY:

But that's probably in another world but.

MR. SAWICKI:

They are a private -- like Legislator D'Amaro pointed out, they are a nonprofit agency.

CHAIRMAN HORSLEY:

Right. Usually it'd be chosen by --

MR. SAWICKI:

They're another outside contract of ours, contract agency.

LEG. D'AMARO:

So they would be governed by the not-for-profit corporation law. They would have the same, probably, structure as required by that law.

CHAIRMAN HORSLEY:

Does Suffolk County have seats on the board?

MR. SAWICKI:

I don't believe so.

MR. ALBAN:

I believe there's one person from Economic Development who sits on the board.

CHAIRMAN HORSLEY:

Ms. Fahey, do we know who the Suffolk County representative is on the board? I'm asking Ms. Fahey in the back. Do you know?

MS. FAHEY:

Yes, it's Michelle Stark from our department.

CHAIRMAN HORSLEY:

Part of your accusation, at least the way I read it, is that there is to finance -- in the financing of the agency, they receive over \$1 million of payment for employees.

MR. SAWICKI:

19 employees, 15 full-time, 4 part-time. That includes their fringe benefits also.

CHAIRMAN HORSLEY:

And that would include their fringe benefits. So literally half the dollars are spent on employees. Now, did you look at what those employees were doing since they are half the tourist dollars. One would think that a promotion agency would be promoting, you know, spending monies on advertising, spending monies on leads and things like that, and maybe that's what they do. Maybe they are calling the German Embassy or something like that and they are looking for peoples to come over to New York and, in particular, our tourism centers.

But do you feel that that dollar amount is excessive for the kind of work in which they do?

MR. SAWICKI:

You know, we didn't do an operational audit of what each employee does, Mr. Chairman; however, just the number bothers me, with 15 employees, especially when we learn that they outsourced in our audit period \$800,000 worth of work. So there are 15 employees plus 4 part-time, and they are still outsourcing. They outsourced, which actually appeared in Newsday --

CHAIRMAN HORSLEY:

Websites and things like that.

MR. SAWICKI:

Yeah, and Arkansas for \$160,000 for a website design --

CHAIRMAN HORSLEY:

Long Island First, I see.

MR. SAWICKI:

-- and then another \$647,000 for an advertising firm from Long Island, but what's the agency doing? Why do they need to outsource? And then, the best kicker, if I can use that term --

CHAIRMAN HORSLEY:

The best kicker, okay. Let's hear what the kicker is.

MR. SAWICKI:

The best kicker is that as we were finalizing our audit at the end of March, we found an RFP filed by LICVB to enter into a contract to create, print -- create and print and publish the 2013 Suffolk Travel Guide. To create, publish, and print the 2013 Suffolk Travel Guide. I offer the fact that I think we would have -- our own Economic Development department would have such pretty good handle on developing such a guide as opposed to -- printing, you could obviously see, but who knows, maybe our own print shop could print the travel guide in Suffolk County, but to outsource that, I just --

CHAIRMAN HORSLEY:

I hate to say this, but I think that's what Newsday does.

MR. SAWICKI:

Now they're acting as a middle man.

CHAIRMAN HORSLEY:

Doesn't Newsday do the Travel Guide? But I get my newspaper on Sunday.

LEG. D'AMARO:

But if I can, you have to remember also as we're kind of talking in a vacuum here.

CHAIRMAN HORSLEY:

You're absolutely right.

MR. SAWICKI:

You have to hear the other side.

LEG. D'AMARO:

There may be companies out there that only do that, they're special, they may be the cheapest out there, who knows? I really, I get your point, and I tend to agree with you, but we have to hear what they say about that.

MR. SAWICKI:

Exactly. Thank you.

CHAIRMAN HORSLEY:

Absolutely. We certainly want to give them the day in court.

MR. SAWICKI:

And let me make one point. I have nothing but the utmost respect for Mr. Moke McGowan. I think he's a real gentleman, he's a professional. It's just the operation in general and the money, the amount of money that's being spent. As the Comptroller, I would be remiss for not sharing our findings with you and saying, you know, I really think it's time to take a second look at this agency, \$2 million a year, what are we really getting? Couldn't we do it inhouse with a handful of County employees and save a million dollars for our own budget? You know, at least a million dollars.

LEG. STERN:

Can I just --

CHAIRMAN HORSLEY:

Yeah. How about Legislator Stern first?

LEG. STERN:

Very quick comment to the Comptroller's comments and raising the issues. I understand that we have the two documents in front of us, some of which contain at least some -- at least a cursory response to some of the issues that were raised and there are responses going back and forth, but as far as two sides to the story and additional information, documentation --

CHAIRMAN HORSLEY:

We're committed to that second story.

LEG. STERN:

-- I have the 2012 LICVB report with the president's cover letter with April 4, 2013, here, so this is what's coming before this committee and this Legislature, none of which goes to the any of issues that the Comptroller and his staff are raising here. So I would very strongly suggest that if we're going to entertain that part of the conversation that the issues that are being raised here today and in the Comptroller's audit be placed before us, either in anticipation of that discussion or at the time of that discussion, because certainly what was given to us as a part of the annual report doesn't address any of these important questions.

CHAIRMAN HORSLEY:

Thank you very much, Legislator Stern. Legislator D'Amaro, you had further questions.

LEG. D'AMARO:

Just very quickly to the Budget Office, do we ever do an analysis as to the return on the expenditure to the Convention and Business Bureau?

MS. WAGNER:

I know we monitor that -- we have been getting -- I know the program changed, so we tried to take that into account, but we have been getting more hotel-motel tax revenue, but it is hard to say. I mean, Superstorm Sandy did have an influence on hotel revenue too, so it's hard to say to what extent it's based on their efforts.

LEG. D'AMARO:

I appreciate that, but that's not quite what I was asking.

MS. WAGNER:

I'm sorry.

LEG. D'AMARO:

That's okay. Not the amount of the hotel-motel tax, just whatever amount we wind up budgeting for this agency, do we measure the return we're getting from that expenditure? You know, what's the level of tourism that affected? You know, if you say, well, we spent \$1 million but we got \$10 million back in sales tax generated or however you would measure that. Do we do that type of analysis?

MS. WAGNER:

Let me think about that. I'm thinking in terms of we look at how much more hotel-motel -- you know, the hotel-motel tax itself is an indication of how many more -- much hotel tourism goes on.

LEG. D'AMARO:

Right, because like I indicated to the Comptroller, it's important that the level of funding between Nassau and Suffolk in a joint venture kind of set up like this. That's a very pertinent question. But I also would like to know if we even measure it, you know, what kind of return are we getting on this expenditure because -- and, really, it goes to the effectiveness of the Convention and Visitors Bureau; how effective is it as far as the amount of that expenditure goes?

MR. LIPP:

The short answer to that question, Legislator D'Amaro, is we haven't done that type of analysis.

LEG. STERN:

Let me just quote from the report here, and I don't know which committee members have received this yet or have not, but on page nine, the LICVB posts sales results from 2012 regarding meetings and conventions and sports development. They will show a number of sales leads generated, room nights generated with an approximate direct expenditure of close to \$36 million in 2012, that \$36 million over a 2011 number of \$26 million. The challenge, of course, is that it's pretty simplistic. It's pretty cursory. It doesn't have any kind of a breakdown as to numbers between Nassau or Suffolk, which is in large part the subject of the conversation today, so it might -- all this really does is raise these additional questions of the Comptroller and the staff is raising, so, I mean, there's a quick easy answer, but I'm sure we all agree that we're going to need an awful lot more information than what's being placed before us about the Bureau.

LEG. D'AMARO:

Right. And, Legislator Stern, that's a great point, and I agree with the Comptroller also that this Convention and Visitors Bureau takes a regional approach, which we are, by far, the substantial contributor to that region. I mean, it's a wonderful thing to all work together, but whose putting in the most, and what are we getting in return for it? I mean something as simple as a central reservation system. What you're telling me is if you make an inquiry or get a lead into this agency, this agency could pick and choose, basically, where to send that lead. I mean, to me, if it's publicly-funded, you need that level playing field, and you need, at a minimum, a central reservation system that -- you know, you put in your criteria and it spits out whoever meets the criteria; that's fair. So there's a whole host of issues here, and I appreciate that you're bringing these to our attention, and I think we should invite the Convention and Visitors Bureau here.

CHAIRMAN HORSLEY:

Absolutely. And Counsel just brought to my attention that they are to report to us -- can you read that over here, George?

MR. NOLAN:

We passed a resolution last year saying that the Department of Economic Development is supposed to come in and give a report on the effectiveness of the Tourism and Promotion Agency each year at two of our meetings, June and December, and that in lieu of them doing it, the Tourism Promotion Agency itself is supposed to come in twice a year to the committee to give a report, so they should

be -- somebody should be here in June.

CHAIRMAN HORSLEY:

Okay. Let me refer the question, Mr. Comptroller. Did you see in our audit -- and I'm sure you looked at the numbers -- the fact that they got upwards of three quarters of a million extra because of the increase in the revenue to the hotel-motel tax, was there a corresponding dollar amount given to its officers, and how did that break out into its employees? Was there raises that were given that related to, you know, improvements in their condition? Did you get into that kind of issue?

MR. SAWICKI:

No, we didn't get into that in-depth of an audit. You know, looking at their own books and their payroll records, et cetera. See, the audit itself was of 2009, 2010. We -- I wanted to add on the most current numbers of revenues for your edification of 00 through 2012 so you know exactly what you're dealing with going into another tough budget year, '13.

CHAIRMAN HORSLEY:

You know, one of the -- I think that's something you should take a look at. I mean, that seems to be a reasonable question. You know, did we see dramatic salary jumps to correspond to the dollar increase in their budget from the public. The question -- when I first looked at the audit, I was -- the fact that you say that we should consider taking the contract away from the LICVB, I think that that was a very dramatic statement. I don't think I have seen that in an audit before, at least not often.

MR. SAWICKI:

That's why we did it in a management letter.

CHAIRMAN HORSLEY:

Yeah, and I was like, Whoa. Obviously, you feel this is a special situation, certainly one that tanks high on the problematic scale, and I thought maybe you'd want to address that. Tell me why should we get rid of them? I mean that's a strong statement.

MR. SAWICKI:

You know, Mr. Chairman, we're in the toughest of economic times this County has ever faced. We all know that. We're all in the same boat together. Spending \$2 million a year when a neighboring Nassau County spends a little over \$700,000; that's one issue. You look at the bottom of page eight; you see how there's \$800,000 in moneys that were either not spend or they weren't spent in accordance with the contract; that's another issue. When you raise the question to yourself, Okay, we're spending \$2 million in this agency. Do we really need that kind of tourism promotion from Long Island? I think Long Island is pretty renowned across the nation. Our beaches, our wineries, you name it, I mean, Huntington Vanderbilt Museum. What are we really promoting? Where do you -- I mean, we could discuss this until the cows come home. What are you promoting Long Island for, and where are you promoting? In Alaska? Are you promoting in the German Council -- Embassy, like you alluded to earlier?

CHAIRMAN HORSLEY:

The reason why I mentioned it, the German Council is --

MR. SAWICKI:

Do we need this --

CHAIRMAN HORSLEY:

Because when Mr. McGowan was here last time, he emphasized that a lot of the new tourists that are coming to New York, and they are trying pick off from the City to come out the Hamptons for the day, were German tourists, and he emphasized that, and he emphasized that, and that's the reason why I bring that particular --

MR. SAWICKI:

Oh, okay. I thought it was another personal thing on your side.

CHAIRMAN HORSLEY:

No, no, no, no, no, no. Oh, absolutely, I'm sorry.

MR. SAWICKI:

If you ask yourself a question, when you go on a trip, weekend or week, however, how often do you actually Google a Long Island convention -- a convention bureau for where you want to go? You kind of, like, Google things to do, places, to see, right? I mean, this is me thinking.

LEG. D'AMARO:

I couldn't agree with you more. I really -- you know, what you have is a private company that has a mission. The mission is to enhance the benefits to its members. And then off on the side here, you have the County come along through State legislation, say, Here's a boatload of money to enhance your mission of helping your members. That's what seems to really be happening here. And you can justify it with all the reports that you want coming from the Convention and Visitors Bureau, but the fact to have matter is if we're going to spend that kind of money on a Convention and Visitors Bureau, then they should have the County's best interest at heart, not necessarily the membership's best interest, so I think that is kind of an inherent conflict there.

MR. SAWICKI:

You're absolutely right, Legislator D'Amaro. And if you look at the \$8 million that the three percent raised in 2012, that's a lot of money. And we all know when we go into New York City -- I was in West Palm Beach overnight last week, it was 11 percent; New York City is, I don't know, 12 or some other ungodly percentage. If you start now -- if we start thinking of just toying with the idea for revenue producing, if three percent raises eight million, which is, you know, spent. You got two million spent on LICVB, which is questionable. The other, you know, is up to Legislature's discretion. But even doubling or tripling that tax is a big chunk of revenue compared to municipalities around us that have hotel and motel taxes. Just something to play with as budget negotiations open up for '14.

CHAIRMAN HORSLEY:

Yeah, I see that. And what would be even as much -- even more interesting would be the fact that since you've done this audit, we have come almost an about-face as far as the tourism and hotel businesses in Suffolk County. We are doing much better these last, this last year, and that's not included in this audit. So I would believe that there's even more monies now being put into the LICVB than it appears in your report.

LEG. NOWICK:

Wayne?

CHAIRMAN HORSLEY:

Legislator Nowick.

LEG. NOWICK:

Just to what you said, though, I'm curious, though, that the reason we did so much better with the hotel-motel is that we had thousands of people staying here because of Hurricane Sandy. That might have been part of it and not only staying in here and eating in restaurants and paying hotel-motel. But, Joe, what I wanted to ask you was, having read your recommendation or talked about your recommendation to possibly come inhouse, and I'm not so sure that inhouse we have the expertise to do what an agency can do, but it's like a two-part question: one, are you talking about not having LICVB but hiring another agency, or are you talking about inhouse? That's part one of

the question. What are you seeing a new agency or inhouse? Because I don't know we can do it inhouse. That's a lot of extra --

MR. SAWICKI:

I really believe it's up to the wisdom of this Legislature and the County Executive to work out. I'm not a policymaker. We just suggest and find areas where we think there's a lot of money being spent. I want to -- you know, I need to bring that to your attention. I think that's my job, my role as a Comptroller. But if the LICVB contracts \$650,000 in one year and \$180,000, \$160,000 for a website design, why couldn't an inhouse, an economic development department do that? I don't know the answer. I think that's something you need to explore.

LEG. NOWICK:

I don't know. I mean, I hear you saying 13 people on the board and there's a president and how many people are working there. I'm just wondering if we could do something like that. That's a question. That's a lot of people we went through: the president, the board. How many people are working there?

MR. SAWICKI:

19 employees, 15 full-time.

LEG. NOWICK:

19. Yeah, I question that because we pay benefits and everything as well.

MR. SAWICKI:

Right.

LEG. NOWICK:

The other thing I wanted to ask you is do you feel, having made your recommendations as the Comptroller and the auditor, do you feel that there is a way for your recommendations for LICVB to meet, perhaps, with the auditors and adhere to your recommendations? And would that work, or do you think it's too late for that?

MR. SAWICKI:

I don't think that would work, Legislator Nowick, because over the years, we've done other audits of them, and, as always, you're dealing with kind of an independent agency using County funds. If worse came to worst, quote unquote, and if you want to maintain a relationship, a contractual relationship, between the County and LICVB, than just give them a share equal to Nassau County and then let them market the region. That's if worse comes to worst. Then that in itself is a 1.3 million, 1.2 million savings.

LEG. D'AMARO:

But even there, the leads are still just going to members. You know, even there.

MR. SAWICKI:

True. But again, it's -- this body is the policymakers, so these are all questions I think you have to answer. Personally, I'd like to give it a shot inhouse, but I'm not the County Executive, I'm not the Legislature.

CHAIRMAN HORSLEY:

Mr. Sawicki, do you factor in the fact that the Suffolk has more tourist-type destinations than Nassau County does? Would that factor in to that thinking?

MR. SAWICKI:

Two and a half times as much.

CHAIRMAN HORSLEY:

I would like to say yes, but that's besides the point.

MR. SAWICKI:

The revenue has really skyrocketed after the 2009 --

CHAIRMAN HORSLEY:

I can see that, and I think you're just hitting the tip of it 'cause I think this last year, I think, is over the top, so they may have a lot more money than we realize.

MR. SAWICKI:

Well, in 2010, they didn't spend almost \$280,000 of the money. They left it in as a fund balance.

LEG. D'AMARO:

Did not spend?

MR. SAWICKI:

Did not spend.

MS. CAPOBIANCO:

And there's no provision to return it to the County.

MR. SAWICKI:

It's in the second bullet on page eight. And there's no provision in the County's contract for them to return it to us.

LEG. D'AMARO:

That goes to your third finding, right? Where even if there's a misappropriation of some kind, we have no enforcement.

MR. SAWICKI:

Or a misspending, right.

CHAIRMAN HORSLEY:

Isn't there a cap on the dollars that can go to them?

MR. ALBAN:

No.

CHAIRMAN HORSLEY:

So are you saying they're getting more than that?

MR. SAWICKI:

No. We're saying what we gave them at -- 12/31/2010, there was almost \$280,000 dollars, they received for the County they did not spend. It was part of their fund balance.

LEG. NOWICK:

But that's more our fault because we needed to make a policy that says "If you don't -- " You know, I'm thinking we should have had a policy. If you don't spend the money, it comes back to us. But I guess we never did that.

MR. SAWICKI:

But, Legislator Nowick, why would we have to do an audit? I mean, with our manpower and staffing, if we get to audit once every five or six years, that's a lot. We have to monitor them every year to see if they spent our money?

LEG. NOWICK:

Well, shouldn't have to.

MR. SAWICKI:

It's really up to them. We're giving them too much money. They have \$280,000 left.

LEG. NOWICK:

We don't have enough money to do an audit every year.

CHAIRMAN HORSLEY:

Legislator Stern has been trying to get a word in.

LEG. STERN:

Just on that, is that a policy issue or something that we can do effectively here, or does that have to be part of the State, the enabling State legislation? If they receive an amount that they don't spend in any given year, does that have to be implemented at the State level that there be a return at the end of the year for any unused funds?

MR. SAWICKI:

I think maybe that's a question for Counsel. Not to cut you off --

MR. ALBAN:

That's fine.

MR. SAWICKI:

That would be in the contract between LICVB and the County; that wouldn't be mandated through the State, right, George?

MR. NOLAN:

I think that would probably be something you'd want to get in the contract with them, that anything that's unspent by them that comes from us comes back. I don't think that would violate the State law.

LEG. STERN:

Wayne, quick question.

CHAIRMAN HORSLEY:

You've got the floor.

LEG. STERN:

Two issues: There's the share and the fundamental fairness of it, and then, of course, there's the ongoing question that we'll all have to ask, which is the effectiveness. Is this the best way to be spending taxpayer dollars for these efforts. The \$650,000 is over and above the million that went for payroll and benefits and all of that. So this is \$650,000 that went to an outside advertising agency in addition to the million. Any idea what that money was used for? Is there any kind of a breakdown? Was any of it actually used for advertising costs, or was it only a payment for advertising agency personnel?

MR. ALBAN:

No, they were contracted with in order to put in various ads in magazines, and that's the issue that we had because they were using Suffolk Plan Funding, which is the funding over and above Nassau's funding, which is to be used solely for Suffolk County advertising, and the ads, we felt, were promoting Long Island as a region. What would happen is you would see a print add on top. It would say "Long Island Suffolk County," but the predominant portion of the words in the ad really

generated interest towards Long Island as a region. But our biggest problem was the website that they were directed to was LICVB's main page. We feel that if it's a Long Island Suffolk County ad, it should be directed to a Suffolk County-centric website.

LEG. STERN:

Do you have any idea as to breakdown of that \$650,000, how much of it was used for those ads as opposed to administrative costs, payment to personnel at the advertising agency?

MR. ALBAN:

We were only looking at the invoices and the ads in general. I wouldn't know the breakdown. I mean, I would have to go back to the auditors who are actually in the field and ask that question.

LEG. STERN:

Is it safe to say -- because \$650,000 as opposed to the million dollars seems like a very significant percentage when you look at it, but if it's \$650,000 for services rather than personnel, maybe I look at it a little differently. So you're -- the main issue -- there might be issues as well, but your main issue is how the \$650,000 was spent in terms of the subject matter of the advertising. It was more Long Island regional rather than more Suffolk County specific.

MR. ALBAN:

Actually, as I'm looking, it's not -- we were concerned with the \$600,000 because they contracted their obligations without written consent from the County. That's in the contract, and that was a concern of ours. So with regards to the \$600,000, it's solely that they contracted their rights without notifying the County or getting written consent. But the amount that pertained to the ads was \$225,000.

CHAIRMAN HORSLEY:

We're good?

MR. SAWICKI:

I have a copy of the '09 -- I'm sorry, March of '11 article that appeared in Newsday in the business section about the hiring of the Arkansas firm which raised a lot of eyebrows back then in both counties. I think it'd be -- just find it interesting to bring that issue back for the website design.

CHAIRMAN HORSLEY:

Legislator Cilmi has a question, but he's waiting for Counsel.

LEG. CILMI:

So I've been questioning this agency's -- the value of this agency since I became aware of this expenditure when I first got elected, and I'm happy to see that we're looking at it seriously now. Just off the top of my head, we -- let's create a shell agency. Let's create a shell agency. We staff it with our own employees from Economic Development. We don't necessarily have to hire anybody additional. We fund that shell agency with a few thousand dollars, create a website, can't cost more than 10 or \$20,000 to create a website. We give the website a dot com or dot org address. We sell advertising on the website, and we let the County do it. We let the shell agency do it, and we return -- how about we return the tax money to -- we get rid of some portion of the tax, and maybe by getting rid of some portion of the tax, we actually encourage additional tourism. So we save money because we don't spend millions of dollars with LICVB. We create our own website, which we control. We keep additional revenue, and -- from the advertising on the website -- and we lower taxes.

CHAIRMAN HORSLEY:

All right. Thank you very much, Legislator.

LEG. D'AMARO:

But what about the opportunity costs?

LEG. CILMI:

Ah. But the opportunity cost is paid for by the savings of the \$2 million.

MR. SAWICKI:

Going back to State law, if I may, if you look again at page six, how many other municipalities -- from what our research shows, 54 municipalities in the state have hotel-motel taxes. I have to believe that the State Legislature gave 40 of them basically carte blanche to spend the money however they wanted; three of them have to use a tourist promotion agency -- have the option to use a tourist promotion agency; and 11 of them like us have to use a tourist promotion agency. I would think that a strong home rule message from this Legislature should be able to amend that law. I can't see it being highly debated in Albany. I mean, it's a Suffolk County issue, plain and simple.

CHAIRMAN HORSLEY:

We'll address that with the assemblyman tomorrow. We'll bring that issue up.

LEG. CILMI:

Mr. Chair?

CHAIRMAN HORSLEY:

Yes.

LEG. CILMI:

So, Counsel, in all seriousness, can we legally create some sort of an agency? Can the Legislature create some sort of an agency, a tourism agency, for the purpose of complying with this State law?

MR. NOLAN:

My sense, from the last time we reauthorized this back in 2009, we did have dealings with people in the State Legislature, and I got the distinct sense at that time, they wanted us to contract with an entity like the LICVB. You know, the State statute, it says what it says. It doesn't say a lot. It says "tourism promotion agency." We should contract with them. I think it was their intention for us to contract with somebody outside of the County government. So the short answer is, no, I don't think we could set up our own entity to funnel this money to. At this point, I think what we ought to do, the bill -- the hotel-motel tax comes up for reauthorization, I believe, next year. Now is the time to start reaching out to State officials. If the County Legislature wants to go in a different direction, then we need to start talking to those people and make sure it finds its way into the new State bill next year. We can fix it, but the easiest way to do it is through the State Legislature.

LEG. CILMI:

All right. I mean, we should ask somehow, whether I do it through you, whether the Chair does it for the committee, or however we do it, we should do that, because I think Legislators Stern and D'Amaro really articulated well and complemented what the Comptroller's work has shown, that this is fraught with questions. This whole thing is fraught with questions. There's absolutely no reason why a Board of Directors that's made up largely of membership would have any impetus to direct business as it comes in to anyone other than their members. And yet, it's the taxpayers and our government that's funding, as you said, 90 percent of their business. It just doesn't make any sense, and there's no way of measuring the value that we're getting because who knows whether or not -- you know, if we see a rise in tourism, it could be because of any number of factors. It doesn't necessarily mean that LICVB is doing a good job or whatever.

LEG. D'AMARO:

Well, that's where a central reservation system would be effective because it would funnel all the

hits into one system and then you have something to measure.

LEG. CILMI:

Which we could easily do in the County's point of view. Our IT department could put that together in a day.

CHAIRMAN HORSLEY:

Okay. Well that summarizes, I think, all of our positions of concern.
Legislator Nowick.

LEG. NOWICK:

Quickly before we leave. We are leaving eventually, right?

CHAIRMAN HORSLEY:

I am.

LEG. NOWICK:

Legislator D'Amaro, just quickly, I don't understand that central reservation system. If somebody was going to travel and there was no -- or there was, I thought, Well, you would Google hotels in Long Island, on Long Island. Do you mean a central Long Island system?

LEG. D'AMARO:

No, no not all of Long Island, just for the Convention and Business Bureau. So if I go on their website and I'm thinking of traveling to Suffolk County and I look at some hotels, motels --

LEG. NOWICK:

You go on their website?

LEG. D'AMARO:

Their website. It generates a lead --

LEG. NOWICK:

Goes to their --

LEG. D'AMARO:

-- that either I can say, Oh, okay, I see that hotel, and contact it directly if I want, right; that's one way. But if it generates a lead, it goes to the membership.

LEG. NOWICK:

So what you're saying is don't generate a lead; just put everything out there and let the person looking on the --

LEG. D'AMARO:

Well, the question is how are we tracking even the leads that are generated.

LEG. NOWICK:

I don't know.

LEG. D'AMARO:

That's exactly my point.

LEG. NOWICK:

I know if I was going to travel somewhere, I would Google it and look at all the different hotels.

LEG. D'AMARO:

So think about this: If there's two hotels on Shelter Island, one next to the other, one is a member,

one is not --

LEG. NOWICK:

So the member gets it.

LEG. D'AMARO:

I mean, yeah, it's crazy.

MR. SAWICKI:

I'd like to leave you with one last thought.

CHAIRMAN HORSLEY:

Okay, one last thought.

MR. SAWICKI:

One last thought, because I know it's getting late. As a follow-up audit, I think it's probably long overdue that we do some kind of random sampling to ensure that all hotel motels in the County are collecting this tax.

CHAIRMAN HORSLEY:

I think that is a wise idea.

MR. SAWICKI:

So that's on our next -- after this is wrapped up and a couple other audits are wrapped, we will be going down that road.

LEG. D'AMARO:

Joe, just could I ask you on that, doesn't the State audit that as well? It's a State tax; isn't it a State tax? Does the State ever audit that?

MR. SAWICKI:

I don't know, Legislator D'Amaro. The three percent is all ours, so to use -- whether how much the State -- the State, I guess, collects their own sales tax, right, on top of the three percent.

LEG. D'AMARO:

Yeah, but I don't know. New York State Department of Taxation and Finance, I wonder if they ever audit.

MR. SAWICKI:

Good question.

CHAIRMAN HORSLEY:

Well, we think that's a wise idea, and this committee recommends that you go out and take a look at the hotel-motel tax and see how it travels through our systems. That's a good idea.

MR. SAWICKI:

We're going to start in Smithtown where Legislator Nowick is.

LEG. NOWICK:

And what hotels would you go to exactly in Smithtown?

MR. SAWICKI:

Don't answer that.

CHAIRMAN HORSLEY:

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Okay. With that being the case, Mr. Comptroller, and thank you to all three of you for coming down here today to explain this to us. It was educational, certainly. And at the end of the day, though, what we've got to do, we've got to make sure we give the LICVB their day in court. We certainly have to ask them some of these same questions to make this a fair analysis by the Legislature.

MR. SAWICKI:

Our pleasure, Mr. Chairman. Thank you for the invite, and thank you for your interest.

*(*The meeting was adjourned at 4:32 p.m. *)*