

**JOINT ECONOMIC DEVELOPMENT &
GOVERNMENT OPERATIONS, PERSONNEL, HOUSING & CONSUMER PROTECTION
OPERATING BUDGET COMMITTEE MEETING
OF THE
SUFFOLK COUNTY LEGISLATURE
MINUTES**

A joint meeting of the Economic Development and Government Operations, Personnel, Housing & Consumer Protection 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 October 22, 2014 at 1:30 p.m.

In Attendance:

Legislator William Lindsay - *Chairperson/Economic Development; Vice Chair/Government Operations, Personnel, Housing & Consumer Protection*
Legislator Robert Calarco- *Chairperson/Government Operations, Personnel, Housing & Consumer Protection*
Legislator Steve Stern - *Vice-Chair/Economic Development*
Legislator Kara Hahn - *Member/Economic Development and Government Operations, Personnel, Housing & Consumer Protection*
Legislator John Kennedy - *Member/Economic Development*
Legislator Kevin McCaffrey - *Member/Economic Development and Government Operations, Personnel, Housing & Consumer Protection*
Legislator Jay Schneiderman - *Member/Economic Development and Government Operations, Personnel, Housing & Consumer Protection*
Legislator Tom Cilmi - *Member/Government Operations, Personnel, Housing & Consumer Protection*

Also in Attendance:

Legislator Al Krupski - Legislative District No. 1
Legislator Tom Muratore - Legislative District No. 4
Legislator Tom Barraga - Legislative District No. 11
Legislator Robert Trotta - Legislative District No. 13
Jason Richberg - Chief Deputy Clerk, Suffolk County Legislature
Robert Lipp - Director, Budget Review Office
Laura Halloran - Budget Review Office
Roz Gazes - Budget Review Office
Benny Pernice - Budget Review Office
Jill Moss - Budget Review Office
Massiel Fuentes - Budget Review Office
Eva Greguski - Aide to Legislator Calarco
Debbie Harris - Aide to Legislator Stern
Greg Moran - Aide to Legislator Trotta
Christina Delisi - Aide to Legislator Schneiderman
Sean Rogan - Aide to Legislator McCaffrey
Alyssa Turano - Aide to Legislator Hahn

Catherine Stark - Aide to Legislator Krupski
Maria Barbara - Aide to Legislator Cilmi
Michael Cavanagh - Aide to Legislator Lindsay
Tom Vaughn - County Executive's Office
Tom Melito - County Executive's Office
Amy Keyes - County Executive's Office
Ryan McGarry - County Executive's Office
Scott Mastellon - Assistant Deputy Commissioner, SC Police Department
Barry Paul - Deputy Commissioner, SC Department of Health Services
Sarah Landsdale - Director, SC Department of Planning
Carolyn Fahey - IR Coordinator, Economic Development
Joanne Minieri - Commissioner, Economic Development
Karen Slaster - Economic Development, Chief Accountant
Pam Killoran - Suffolk County Department of Labor
Ray O'Rourke - Suffolk County Department of Labor
Vanessa Pugh - Suffolk County Department of Labor
Barbara D'Amico - Suffolk County Department of Labor
Kathleen Rivers - Suffolk County Department of Labor
All Other Interested Parties

Minutes Taken By:

Alison Mahoney - Court Stenographer

Minutes Transcribed By:

Kim Castiglione - Legislative Secretary

*(*The meeting was called to order at 1:36 p.m. *)*

CHAIRMAN CALARCO:

Good afternoon and welcome to the combined public Hearing for the Government Operations Committee and the Economic Development Committee. If we could all rise for the Pledge of Allegiance led by Legislator Barraga.

Salutation

Okay. Thank you. We'll get started with our Public Portion. I do not have any cards. Is there anybody from the audience who would like to address the committee this morning? Seeing none, we'll go right into our departments. We'll start with the government operation side of things until Legislator Lindsay gets here, who is the Chair of Economic Development. I know we have Mr. Melito in the audience. I think he wanted to come and give a brief presentation about the things that Performance Management in the County Executive's Office is requesting. Go ahead, Tom. Whenever you are ready.

MR. MELITO:

Okay. Can you hear me? All right. So members of the Legislature, it's a pleasure to be here today to speak about our program and the budget. We've been asked to keep our comments brief so I have done that. I have just a few slides to share with you before opening up for questions. The slides attempt to give a very concrete account of our efforts and our results as requested. They have been prepared with specific budget lines where possible and portrayed using all the tools at our disposal and to the best of our ability.

So, where do we start. We start with the basics, expenses versus benefits. So we've assembled the combined salaries of the Performance Management Team. Rebecca Sanin and I are reported as full-time in Performance Management in the budget. However, each of us has many responsibilities that fall outside of this umbrella, but for simplicity we've included them as budgeted. For this slide we then apportioned the salaries of the extended team, all of which, as you know, work virtually full-time in their own departments, and we did that as accurately as we could. We used reasonable percentages of allocated time for each and added the requisite fringe benefits on top of that.

CHAIRMAN CALARCO:

Tom, not to interrupt you, but it's a little difficult to see what you have on the screen. Is there any way to either blow that up to make that a full screen view or do you have copies that you could distribute?

MR. MELITO:

Is that better?

CHAIRMAN CALARCO:

Maybe. Thank you.

MR. MELITO:

Is that a little better?

LEG. BARRAGA:

Yes.

MR. MELITO:

Okay, great. The results of this screen show you, if we just go to the bottom right hand corner, that the total expenses for the group amounts to about \$2.1 million over the three-year period. Before moving, we should note that there have been other initiatives, many other initiatives, quite frankly,

where members of our team have added value on projects, but where immediate and tangible benefits were difficult to quantify, so we have not included any of these projects in any of these analyses.

We then went ahead and categorized relevant projects into two categories, as we'll see in a second, revenue maximization and expense reduction. A third category of operational improvements will also be discussed as we get into some of the projects a little bit later in the presentation -- actually quite soon. You will see on the list of projects icons for the NACo, and those are projects that received NACo awards. And NACo, for those who may not know, is National Association of Counties.

So let's start with revenue maximization. In terms of Child Protective Services, through the Office of Temporary Disability Assistance, we were able to gain reimbursements for services heretofore not received that were provided on specific cases of children that were in imminent risk of danger, provided by employees outside of DSS, like the District Attorney's Office and the Police Department. This required painstakingly detailed analysis of the tasks and the hours associated with working on things that were associated with those particular cases, and then applying to OTDA so that we could be reimbursed for those expenses. That resulted in about \$5.3 million of reimbursements.

We consolidated the Department of Labor and Consumer Affairs. We have been here to speak about that in the past. That consolidation allowed us to leverage the management skills across the two departments, which clearly created certain efficiencies. It allowed for better financial management, for one, staff utilization and operations for licensing and license violations fee collections. And we were able to get more people out in the field, which really resulted in over the two years of about \$700,000 over the previous years collections with regard to those fees.

We embarked on a several months long process of the red light camera negotiations or renegotiations, if you will, when the new cameras legislation was passed. We continue the contract at no cost to the County within that framework, and we introduced a new camera complement. We increased the percentage of revenue split, which was -- moved it to 58% versus 42% for the contractor. We added a collections process. We increased the ability to move cameras and actually were able to move about 20 cameras at no cost to better producing locations. And the number that you see up there is calculated by simply breaking down the actual transactions history over the period, running it through the old contract provisions versus the new contract provisions.

TPVA, this is an area that we have been very, very involved with and continue to be. We meet at least once every two weeks, often much more than that. Aside from or working to stand-up to department, in which we'll about shortly, within budget we continually work to improve the ongoing operation. The agency exceeded its budget revenues by 2.8 million. We think that was largely attributable to the fact that we identified various work streams and we focused in on six work streams that were worthy of continued analysis. That included moving violations, guilty/not guilty moving tickets, incoming mail, parking, guilty/not guilty parking and customer correspondence. These accounted for over 20,000 documents that were in backlog. So we apportioned resources to support the revenue generating streams and we brought in additional, what's the number up there, 2.8 million in revenues and then we expect to continue this process and bring in about another \$1 million in additional revenues through the course of 2014.

In the Probation Department, we introduced and worked with Probation and DoIT to implement on-line fee payment capability. This has resulted in the first nine months of the program in about \$95,000 in additional increase in fees, which would extrapolate out to about \$115,000 over the course of a year. We will continue to monitor that.

So the footnoted projects that you see up there, you can see the little red one's. They represent about \$1.7 million in annually recurring revenues. Total revenue over the three years is about 12.1 million, which alone is about five times the investment in Performance Management.

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The next slide is the expense reductions. These are projects that obviously resulted in reduced costs. We entered into a Category 1 flat load gas purchasing consortium with Hess, which accounts for about \$65,000 a year of reduced costs. The SPEDES, we've spoken to you about the SPEDES STP inspection system which we implemented which reduced required staff time for inspections by prioritizing the inspections, but we did not jeopardize the operation of the sewage treatment plants or contamination. In fact, the annual report shows that the STPs continue to be effective, discharging an average of seven milligrams per liter of total nitrogen, which is actually down from ten just a few years ago. So we had a cost avoidance there of one Engineer and one Sanitarian. Over the two year period, about \$350,000.

Consumer Affairs I would note that we had \$50,000. With the consolidation we moved everybody into one building, so we lost about \$50,000 in utility costs associated with that.

TPVA operations in line with the work stream analysis that I just mentioned, we also were able to come in \$1.1 million under the expense budget, in large part due to that effort.

Also, there was a plan, I don't know if you guys remember, there were long lines when TPVA first opened up out the door. So we had two choices. There was consideration of actually building a structure to house the people when they stood outside and to keep them warm, and we had decided rather than house the constituents why don't we fix the problem and eliminate the need for them to be outside. So we fixed that problem. We continued with the work stream adjustments to accommodate more throughput without adding staff.

In terms of capital project close-outs, we looked at the cash situation. We went back to projects starting in 1997. We worked with reporting systems from various departments, including the Treasurer, the Comptroller's Office and the Budget Office. We conferred with DPW regularly to find out what projects could theoretically and in factually be closed-out, and we were able to accommodate over the three-year period close to \$13.5 million in cost -- in actual cash saved. This helped with the mitigation program. In addition, seven million went to water quality projects in Fund 477, and a half a million went to improvements at Gabreski Airport, which ended up in Fund 655.

From the Workers' Compensation arena we entered into a medical bill review contract renegotiation. We changed to a per unit basis as opposed to a percentage of savings, and that saved about \$500,000. Health service permits process, we're going to talk a little bit about that in a second because a multifaceted project, but it also avoided labor costs of about -- of 2.5 FTEs. Net of reimbursements, we net about \$150,000 in savings with that. So we identified, as you can see by the footnotes, annual reoccurring benefits of \$690,000 and a three year identified savings of about \$17 million.

So the next two slides will give us an overview of the two specific projects -- of two specific projects that demonstrate the interplay of revenue enhancement expense reduction and operational improvement. So we'll just go right to the TPVA slide. Hopefully you guys can see that. I'm going to read you the relevant points. Obviously we'd like to take a little bit of credit for working to stand-up to department in a very short period of time. Other entities have struggled to do that over a period of several years. We implemented a software platform, we renegotiated the red light camera contract, as I mentioned, and we managed and prioritized the high volume of mail and improved the customer engagement through the process.

We worked collaboratively with TPVA, DoIT, Suffolk County Police Department and DPW. So again, we open TPVA on schedule within budget. We improved access to information. It was a great test case, quite frankly, for the type of work we like to do. We had a department that we were setting up and we were able to actually create systems that gave us information to make help make management decisions much more quickly. I note we reduced the customer wait times by over

50%. As you know, if you ever go by there today, probably each of us has had to go there at least once, you will see that there generally are no lines at all and we're regularly processing in excess of a thousand people on a daily basis.

The other thing I'd like to mention in terms of the cost impacts improvements. The software we implemented was well below estimated budget. We reduced the operational expenses through resource prioritization. We realigned staffing assignments and created processing improvements. We avoided the additional construction costs for housing the people on the lines. We realized additional revenues beyond the budget projections through the process improvements of 2.8 million, and we realized additional revenues through the renegotiated red light camera contract.

The next project I want to talk about is the Office of Wastewater Management, and some of you may be familiar with that project. We basically began the Health Department review in January when members of the design community, through LIBI, began making the County Executive aware of the length of time it was taking to have wastewater permits granted. And the question that we got from the design community was, "Why is it taking Suffolk County so long? Why is Suffolk County so slow?" And a collaborative effort then began with LIBI and others in the development community.

So our Performance Management Team applied business analytics. We actually used some PowerPivot software to go into the existing permit system and so we were able to uncover a wealth of information. Though Walter Hilbert had a sense, and an anecdotal sense that there were a lot of things outside of our control that were causing this slowness in getting these permits, he didn't have the data, he didn't have the ability to come out and just say it. So it wasn't until we actually created the means to pull the data from the system, take a look at it, analyze it, that we were able to say to that community, "Hey guys, here's what's happening." And we learned that little time was afforded to employees in the actual technical review process and much more was being lost on delays associated with back and forth iterations of faulty applications. And, quite frankly, we have data, I'm not going to get into all the details, but if I went through the list of how long it was taking us to get things back from them that should take really a couple of weeks were taking three, four and five months in some cases and was really -- that was what was really slowing down the process.

So we presented these results to the community, which a few of you here may have attended. We met with representatives of all the towns as well to tell them about what we were finding, to confer with them about what we'd like to do in the future about correcting that, and how we considered making changes in the system and in the process and to see how that would fit in with the things that they did. And the idea is that, quite frankly, over time we'll continue this process and continue to work more collaboratively with the towns so that more things can be done at the same time. So we proposed changes with the design community that they were happy with. We worked together to develop new process with performance targets that were reasonable, attainable, and make for a clear difference in the experience of those who were applying for the permits.

We implemented a new process starting July 1st that focuses on improving and rewarding quality application submissions as a starting point, while providing clear, concise guidance to support the granting of permits. So what we did was we took that process and we put it back out to the community and said this is what we really need and we'll work with you to evaluate the things that we're asking for and how long it takes us to get back to you. In return, you guys have to work on getting your applications to be appropriate and correct. And we created documents to help inform that process, which we did.

Now, we just recently, I think it was October 2nd had our three month review with LIBI and others that were invited to a public meeting and the results were very favorable. And I actually have some of the statistics on this slide, that unfortunately is a little hard for you guys to read. I'll just read you off some of the more relevant topics. I just want to mention that, you know, we had the goal of reducing cycle time for construction approval on commercial and residential water permits and

reduce the backlog of permit applications. Those were the functions that we were looking at at this point. And so I talked already about improving our access to the data using business intelligence tools. We implemented a revised permit application submission process, which started July 1st. So far we have been able to reduce the backlog of permit applications from 7.8 weeks to 3.1 weeks, and we're on track to achieve the goal of two weeks by the end of the year. We reduced the cycle time to approve a residential application from three months currently now to two months, and we're on track to achieve a goal of 1.5 months by the end of the year. And we reduced cycle time to approve a commercial application from six months to 2.9 months, and again, these are year to date numbers, on track to achieve a goal of three months by the end of the year. If we look at the applications that have come in since July 1st, these numbers are even more impressive.

From a cost point of view, we mention that the, you know, the small impact on the expense reduction of the 2.5 FTEs, but there's also an economic development benefit associated with this process, and the longer it goes on the more that benefit with inure. We have not yet been able to quantify that, but we're talking to the groups about it and we hope to get that analysis under way as well soon.

So for 2015, you know, what we really want to do, and as you can see by my remarks, I mean, we've really been mostly a project oriented operation. We are not, you know, a full-fledged, full-department. We allocate our time amongst other things, and so we'd like to grow from that project based program to more of a Countywide program, and a big piece of that will be the training for Suffolk County employees that establishes a Countywide quality improvement program. The idea of the training is to help employees themselves identify revenue, cost avoidance and quality improvement opportunities, create teams that we'll oversee and we'll work with them to do in each department to help these processes continue on an ongoing basis, hopefully ad infinitum, and drive change management. And would clearly increase our ability to accommodate new legislative projects like Local Law 41-2013, which deals with the contract agency reporting as well as open government initiatives.

So to sum up, just to review the numbers, and this has been a very fact based presentation, you know, unlike the others I normally give, but Suffolk County has invested \$2.2 million over three years in Performance Management. We've cultivated about 12.1 million in additional revenues in that three-year period while establishing 1.7 million in actual annual recurring revenues. We've identified \$17 million in expense reductions over that same three-year period and established 690,000 in annual expense reductions. And finally, we've obviously made improvements in services in many County departments, which we hope to continue to do.

CHAIRMAN CALARCO:

Thank you, Tom. We do have a number of questions, I think, from the Legislature. We'll start with Legislator Krupski.

LEG. KRUPSKI:

Thank you. So could you go back a couple of slides, please. I think it's the second or third one that you put out there, the gas consortium purchasing. The one that's got that at the top.

MR. MELITO:

The revenue -- the expense reduction.

LEG. KRUPSKI:

What exactly is that?

MR. MELITO:

That's where we entered into an agreement with Hess. Nassau County belongs to it as well. And on the table one, gas purchases, is we get a better deal because we've joined with other people that

are large.

LEG. KRUPSKI:

Regardless of volume or a rack price?

MR. MELITO:

Yes, yes, but it's just for the table one. Table one is the gas purchases that are level. Things for like the sewer plant, things that are like -- they don't vary that much so it's just on that one specific category, so that's why the number's relatively low.

LEG. KRUPSKI:

All right. Thank you. And then also the next line there, the STP Inspection Program.

MR. MELITO:

Yes.

LEG. KRUPSKI:

How were we able to save that much money every year?

MR. MELITO:

Of reduced -- of not hiring back. I think it was people. They're avoided personnel costs.

LEG. KRUPSKI:

So how do we comply with the --

MR. MELITO:

One Engineer and one Sanitarian. So what we've done is we set up a program that prioritizes the inspections so not as many inspections are being done, but they're being done on a priority basis. Those who have not had a good track record, those who have failed in the past, those that are close to failing, and so we've done it that way. And so that's why I mentioned that the actual -- based on the annual report shows that the discharges are actually lower now than they were just a couple of years ago.

LEG. KRUPSKI:

How do you quantify that if you're not inspecting?

MR. MELITO:

How do I glorify it?

LEG. KRUPSKI:

How do you quantify that if you're not inspecting.

MR. MELITO:

Those are the numbers that we have.

LEG. KRUPSKI:

It's your job to glorify it, not mine.

MR. MELITO:

Yeah, right.

LEG. KRUPSKI:

So how do you quantify that, though.

CHAIRMAN CALARCO:

It looks like Mr. Paul might have an answer to that question. You just have to push the button once, Barry.

MR. PAUL:

Okay. While the process for the inspections has changed, the data flow from every STP is still monthly and they all self report the nitrogen performance for their facilities. I want to remind everybody that this program is a State program, New York State DEC, and in addition to our process, we negotiated this new work plan with the State and they approved this. So DEC is on board, and the monthly reporting is how we validate the nitrogen performance.

LEG. KRUPSKI:

This is for non-County STPs?

MR. PAUL:

This is for all County STPs.

LEG. KRUPSKI:

Okay. Thank you. And then I've got one more question if I could here. On the capital close-outs, you said that there's \$7 million that was used for water quality improvements. What were those?

MR. MELITO:

That I can't tell you off the top of my head. I'm going to have to find out.

LEG. KRUPSKI:

Okay. And is there -- you're looking forward to 2015 to what you were going to do. Is there any -- anything in the plans to have an energy policy, energy use for County employees?

MR. MELITO:

That is definitely one of the projects that we've talked about doing, yes. Yes, we've talked about that, but we don't have any definite plans right this second to do that.

LEG. KRUPSKI:

Okay. Thank you.

CHAIRMAN CALARCO:

Okay. Legislator Trotta.

LEG. TROTТА:

You never mentioned how you fixed the problem at TVB.

MR. MELITO:

Oh, well part of it was -- there were a couple of things. First of all, we increased the hours. During lunch we opened up, initially those were closed. So there were issues associated with people doing specific tasks, so we changed their schedules around so that we were able to open up during lunch, so that clearly helped. In addition, we changed the work streams to make them quicker so that we would have more people to be able to work at the counters to get people in and get them out. And then we also worked inside to create areas where people could wait on the inside if they needed to do that.

LEG. TROTТА:

They respond at different times also, the people?

MR. MELITO:

Yes, yes. What was happening -- right. We made a very -- we made a point of changing the schedule of when people would come in, yes.

LEG. TROTТА:

So they don't need a traffic circle there or anything?

*(*Laughter*)*

MR. MELITO:

What's that?

LEG. TROTТА:

The cameras, have you looked for a vendor locally? I mean, we're sending this money to a different state. Is there some vendor locally?

MR. MELITO:

Well, Xerox was done, you know, prior to us getting involved, but that was -- that was done through an RFP. That was done through an RFP. So there aren't -- I'm not sure what local vendors there are that actually support that program to that level of detail in terms of the operation. There are local vendors, I agree with you, who actually provide technical hardware to do some of that information. So we've recently done an RFEI, which is a request for expressions of interest, with the advent of having to make changes because of the speed camera legislation. So we are actually in that process and we have interviewed about seven or eight firms, and several of those are local firms.

LEG. TROTТА:

That will do the new cameras?

MR. MELITO:

That would be part of -- yes, the new --

LEG. TROTТА:

Is there any way you can -- is there any way we can give like special consideration for a local -- like maybe pay a little bit more?

MR. MELITO:

Well, the County has local preference legislation so, yeah, I mean, it exists.

LEG. TROTТА:

Okay.

CHAIRMAN CALARCO:

Legislator Kennedy.

LEG. KENNEDY:

Okay. Thank you. Staying on this graph, Tom. So let's go to the capital project close-outs. Of the 17 million, that's 13.5 million. Now, you're aware that we convened a group, going back two or three months ago, and we now have a resolution to close-out \$80 million in Capital Program projects.

MR. MELITO:

Right.

LEG. KENNEDY:

Is that 13.5 reflected in the reso that we have for the 80 million reduction? Or is that separate and apart.

MR. MELITO:

No this is separate. This is actual cash. These are bonds that were actually issued and there was cash sitting in accounts waiting. You're talking -- I believe what you're referring to is pipeline debt.

LEG. KENNEDY:

Well, we have both pipeline debt and we still have projects that have balances in them as well, but the lion's share is pipeline debt. If these are projects that were actually -- so let me make sure that I understand. They were undertaken, completed and there were balances that were sitting there that were not necessary, unexpended.

MR. MELITO:

Right. In some cases that was the case, in the other cases work hadn't been progressed. And this was done literally two years ago we started this process. So I do not believe there's any overlap between what the debt is that you guys are talking about and what I'm talking about. Tom wants to answer.

MR. VAUGHN:

Well, the other thing that I would add, Legislator Kennedy, is that you get the numbers that Mr. Melito is referencing are specific to that if you go back into the adopted 2012 Operating Budget and you look what that number would have been. The number, for example, on the 2012, the number that came in was actually \$6.1 million higher than what we budgeted for, and that is how we're getting to the 13.5 number. So if you look at the budgeted numbers over that period of time, there would have -- it came in at 6.1 higher on 2012, 5.8 higher in 2013 and the 1.6 higher in the 2014.

LEG. KENNEDY:

You're talking about the debt service in Operating or the Capital? The gross amount adopted in Capital.

MR. VAUGHN:

Yes.

MR. MELITO:

Yes, and --

LEG. KENNEDY:

No, that's an either or. Which? Are we talking debt service in Operating or gross adopted in Capital?

MR. MELITO:

These are bonds that were issued and there were funds sitting in accounts that had not yet been spent on those projects.

LEG. KENNEDY:

But that means that there were resolutions that were adopted to undertake those projects.

MR. VAUGHN:

And I'm fairly positive that if we go back we'll find resolutions that close these out.

CHAIRMAN CALARCO:

I think you're referring to the close-out resolutions we've done every December for the last two or

three years.

MR. VAUGHN:

Yes.

LEG. KENNEDY:

Okay. And so the answer then is we see this, so that when we pass 1574 I think -- well, I forget what the number is, when we pass that in essence we'll have 93-five eliminated from the Capital Program in total. Robert, do you kind of agree with that?

MR. LIPP:

I'm just seeing this for the first time here so I'm a little bit at a loss, but clearly the resolution you're talking about has Capital close-outs just like this. If they're saying it's in addition to that, I'm not sure.

MR. VAUGHN:

Yes.

MR. MELITO:

Yes.

MR. LIPP:

Yes. Okay, so then I don't want to misspeak, but I think what they're saying is there will be another resolution coming forward.

MR. VAUGHN:

No, sir. What I'm saying is that we have already presented resolutions.

MR. LIPP:

In the past.

MR. VAUGHN:

Yes.

MR. LIPP:

Okay.

LEG. KENNEDY:

Okay.

MR. VAUGHN:

Work that was done by the group.

LEG. KENNEDY:

You know what, Tom, then if you would just separately, if you would push me an e-mail that could either, you know, reference the resos that did these close-outs.

MR. MELITO:

Sure.

LEG. KENNEDY:

I would like to see that.

MR. MELITO:

Sure.

LEG. KENNEDY:

Because out of the 17 million, this thirteen-five is, you know, a substantial amount. Let's face it, I mean, it's -- there's three and a half left. And, look, saving money is a good thing. I'm all for saving money, but I do want to be able to get a look at it. And just so that I understand, explain to me again with Legislator Trotta's question. So TVB became operational in '12 and you're reflecting that you were able to reduce operating costs by 1.3 in '13 and an additional one million in '14. Is that what that line means? What does that line mean?

MR. MELITO:

That is what that line means, yes. And we're expecting through the end of '14 to have another million in savings.

LEG. KENNEDY:

But we're also being asked to create six new positions in TVB as well, correct?

MR. VAUGHN:

Well, Legislator Kennedy, what I would say is that the majority of the positions that you're being asked to create in TVB are unfunded Clerk Typist -- or Senior Clerk Typist positions, and that they are anticipated and possibly in the need when we do bring on the red light -- I'm sorry, the speed cameras, which is why they're unfunded, because we don't know at what point in time the speed cameras will come on.

LEG. KENNEDY:

So you want the positions, but you're not looking for the money.

MR. VAUGHN:

We want the budgetary flexibility by having the positions there, yes.

MR. MELITO:

Right. The speed cameras are a very labor intensive process and they have to be responded to in 14 days. In addition, you need people to actually look at and review every video, like we do with red light -- like the legislation says with the red light cameras. That's where that potential need would come from. I'm personally not advocating that we need those people right now. You know, they're in the budget if they're needed, and they're relatively junior positions.

LEG. KENNEDY:

Well, in the alternative, Tom, I mean, we could look to go ahead and create those positions, the Exec can amend the budget at any time. If we don't get up and running until, you know, summer 2015, we could look at going ahead and creating those positions at that point. What is the unknown at this point? Is it that we are still in the process of the RFP in selecting the vendor? Do we have any kind of a timeline here? What are we looking at.

MR. MELITO:

Well, did you want to say something first?

MR. VAUGHN:

Yeah. I'll defer this to Mr. Melito in a moment. I would just say this to kind of start. We talked a little about this briefly last night, Legislator Kennedy.

LEG. KENNEDY:

Who, you and me?

MR. VAUGHN:

I'm sorry, the Administration and the public safety.

LEG. KENNEDY:

Oh, because I was at a lot of places last night, but I don't recall talking to you.

MR. VAUGHN:

You don't remember that conversation?

LEG. KENNEDY:

Might have been. Could have been Smittown, could have been Great River, could have been Bayport. I was all over last night.

MR. VAUGHN:

We had some good conversations last night.

LEG. KENNEDY:

There you go. Okay.

MR. VAUGHN:

It was a fun evening.

LEG. KENNEDY:

All right.

MR. VAUGHN:

But one of the things that we spoke about last night with the Public Safety Committee was that we don't have a tremendous amount of revenue placed in the budget on the Speed Camera Program. One of the reasons that we don't have a lot of -- a tremendous amount of revenue placed in the budget for that program is because of a lot of the unknowns that are out there that I think Mr. Melito can speak to a little bit more. But we do anticipate the program coming on-line at some point in time in 2015, which is why we did add in the unfunded positions to provide I would say almost budget transparency. We put them there, we anticipate there will be a need for the work. We are not sure when we are going to need those individuals, which is why we put the heads in there without putting the funding in place for them.

LEG. KENNEDY:

Okay. All right. I anticipate a lot of things, too, but I -- so now you tell me where we are in the process.

MR. MELITO:

So the process is -- well, where we are with the process, we have, as I mentioned, issued the RFEI. We've interviewed firms. What we found is that there are a lot of variables associated both with the hardware, the types of cameras, the technology that's used with those cameras, whether it be laser, ladar, radar, etc., how they are positioned, whether they're mobile versus fixed, etcetera. Then those also then create other issues associated with reporting and tracking the information. So you have to have a system that has software that can link up to the systems you have or you have to build frameworks to have those systems go into there. So those are very technical, specific issues that are very complex.

In addition, the program is complex and there's a question of, you know, we want to learn lessons from those around us and make sure that we give people the proper notice. There are issues associated with checking the signs, checking local ordinances. There are questions with the vehicle and traffic law with regard to speed limits and whether or not they're set appropriately according to

the State guidelines. We also have a lot of things to think about policy wise with regard to how the East End fits into this process, if they -- how they do it and -- because it's going to require a lot of collaboration, potentially MOUs with each individual one because the law calls for the tickets to be processed in the local jurisdiction that has processing jurisdiction. So it's a whole -- there are a whole host of issues associated with the program. So we do anticipate it getting up in 2015 clearly, but we want to do it right and we have to think about a lot of these things at the same time and make the appropriate choices on the hardware and the software.

LEG. KENNEDY:

There's so much that we could talk about with this and, you know, I'll yield to my colleagues other than the one thing that I will say very specifically, that I would ask as you go through the vetting process here. In the 12th Legislative District I have five school districts, and I have elementary schools that may, in fact, be less than like a quarter mile away from each other, even though they're in different districts. As you know, I didn't vote for the speed cameras. In any event, I don't support them. But what I don't want to see is, is like that iron triangle in Plainview where you have three different districts abutting and you have three sets of speed cameras and citizens are jacked up no matter where they go. There's got to be some physical parameter associated with how these things get set, otherwise every one of them is going to get thrown out.

MR. MELITO:

Okay.

LEG. KENNEDY:

Thanks.

CHAIRMAN CALARCO:

Okay. Thank you. Legislator McCaffrey.

LEG. McCAFFREY:

Thank you. Tom, I'm just putting aside that 17 million because there's some question about whether that money would have gotten out anyway, but just putting that aside. So the recurring revenue is 690,000 annually in savings?

MR. MELITO:

Yes, in the expense reduction side.

LEG. McCAFFREY:

In the expense reduction side, correct. And in terms of cost, it's \$2.2 million over the three years, which is about 700,000 and something.

MR. MELITO:

Yes.

LEG. McCAFFREY:

So just on its face, taking apart that 17 million on the cost reduction side, we're looking at probably a negative, correct, if we just compared those?

MR. MELITO:

I would prefer to say it's just about a break even, if you are just looking at that one number.

LEG. McCAFFREY:

Okay. So breakeven is fair. And a lot of this stuff you would have to say is the low hanging fruit that we went after?

MR. MELITO:

To some degree, yes.

LEG. McCAFFREY:

So the savings that we're going to get are going to be kind of harder and harder to get.

MR. MELITO:

Well, yes and no. I mean, the program that we really want to implement is the training program similar to programs that are done throughout the country with public organizations whereupon you engage -- don't forget, the effort was -- it's less than two full-time people, quite frankly. We want to mobilize, we want to empower, quite frankly, the staff of Suffolk County to participate in these processes. And again, not unlike when we went into the wastewater permits in Health, Walter Hilbert was aware that there were issues, wasn't able to fully put his arms around what they were and how we were to deal with those, and we gave them the tools and we helped do that. I mean, obviously he was a big part of that process. But those opportunities exist throughout Suffolk County.

LEG. McCAFFREY:

Right. I'm well aware of that. So you're looking more at a process improvement team and quality improvement teams is what -- and give these kind of tools to all the employees in Suffolk County --

MR. MELITO:

Yes.

LEG. McCAFFREY:

-- to identify on a daily basis, kind of going with the people that are closest to the work and know best how to improve these things.

MR. MELITO:

No question. There's two ways -- yes. The short answer is yes. There are two ways to look at it. You know, when we talk about the County's STAT Program, that's us and management side looking at what performance indicators we think are relevant and giving those tasks to the departments and asking them to report back to us. The quality improvement piece of it, the other piece that we're just talking about now, is turning that process on its head and having the results bubble up from the people closest to the issue. Those are the ones who do this work day in and day out, who know there's something available to do that. What we need to do is give them -- first of all, we need to give them a common language so that we can speak in terms of performance and opportunities. And then the second thing is the tools to actually go through, do analyses. We'll be part of that, we'll facilitate that process, and we'll meet on a regular basis. I mean, these are overall improvement programs that are well established. And that's what we want to do, yes. So the idea is to keep Suffolk County percolating opportunities for improvement on a day to day basis going forward forever. I mean, that's the process

LEG. McCAFFREY:

I understand and I have been involved in those.

MR. MELITO:

Oh, great.

LEG. McCAFFREY:

You could just tell by the kind of way that I was kind of leading you into those questions.

MR. MELITO:

Okay.

LEG. McCAFFREY:

And I do know that they work. I have seen some work and some not. One thing I do know is that the implementation and the cost in getting these things off the ground and going can be a lot. Is there any estimate on what these training costs would be? We're going to have lost time from the employees. I know they have to go to classes, you need to train the trainers and plus consultant will be coming in. What are we talking about here? Is there an estimate?

MR. MELITO:

We're looking -- we have I think in our budget approximately \$300,000 for bringing that training. I mean, many of us on the staff have experience doing these kinds of things, so we're going to leverage those capabilities with the initial training, and then it will be up to us to keep that process moving. That would be the cheapest way to do it, but we think it would be effective. We've found that the employees here are very much willing and interested in learning how to do the things we're talking about doing.

LEG. McCAFFREY:

Are you bringing in outside consultants?

MR. MELITO:

We would do an RFP for the training, absolutely, because the training will be done on a large scale basis.

LEG. McCAFFREY:

Is that the 300,000?

MR. MELITO:

Yes.

LEG. McCAFFREY:

Okay. And what about -- I guess we would have to calculate lost time for the employees doing the training, etcetera. That's got to be a pretty big number too, right?

MR. MELITO:

Well, we're hoping that that can be integrated into the everyday operations, quite frankly, and that we won't have much lost time, that we'll have more productive time. But, yes, I mean, there'll be people having to do some of that work, correct.

LEG. McCAFFREY:

I mean, don't get me wrong. Process improvement is good. I mean, it not only reduces cost, it improves efficiencies across all the departments, which is a good thing. I've just seen it kind of go haywire in terms of what the cost is and when you bring the consultants, when are training, more training, the lost time is going to be more than you think it is because you need to hit everybody in all the departments. If you don't have the buy in from everybody it's not going to work. So I mean, if -- I forgot the amount of employees that we have, but it would be a significant amount of training for each one of them, and plus the other ones that are going to serve on the quality improvement teams or the process improvement teams, whatever you call them, and the time that they are going to -- it's going to be substantial. It's going to be a lot more than 300,000. I just hope that we expect to get, you know, some sort of -- be realistic about the returns we're going to get considering that we've already kind of gone off that low hanging fruit already.

MR. MELITO:

Right, right. So I hear what you're saying and I think you have a point that's relevant. I think it's our responsibility as a group to make sure that doesn't get off the rails, so to speak. And, you know, many of us have had experience doing these things for a long period of time. I think the key

is, particularly in the public sector, it's a little different than the private sector, is just engaging the employees and, you know, releasing their capability and providing a forum where they can actually provide input. And it really catches fire if it's done properly. I've seen it happen many, many times.

LEG. McCAFFREY:

I've seen it catch fire and then the fire goes out, unfortunately.

MR. MELITO:

(*Laughter*). So we're going to work as hard as we can to make sure that doesn't happen.

LEG. McCAFFREY:

Let's hope it doesn't burn down. Just another question on a different issue. Your Performance Management Team, and it's a little bit of a pet peeve of mine, is the fact that we've looked at a lot of departments and we've looked at every department, and correct me if I'm wrong, except for the Treasurer's Office. We're looking at one of the biggest consolidations ever, eliminating an elected official's position. Have we spent any time in that office, have we done an evaluation before we -- we're bringing a referendum to the voters about whether or not that should begin. Have we gone in there, looked at what the savings would be and what the possible loss of services would be to the residents.

MR. MELITO:

Okay. So I'd prefer not to really comment on that, since that we've kind of gone beyond that. But I would just add to that that we did two other consolidations, including Labor and Consumer Affairs and Risk Management was consolidated into the Attorney's Office, and we followed similar protocols in doing those and they've both been successful. But that's all I'll say.

LEG. McCAFFREY:

All right. So you cannot or don't want to answer the question about why we didn't do that in the Treasurer's Office?

MR. MELITO:

I think that's water under the bridge at this point.

LEG. McCAFFREY:

I don't agree, but okay.

MR. MELITO:

Right, but you weren't here when everybody -- we had an opportunity to discuss this at length.

LEG. McCAFFREY:

Okay. Thank you.

CHAIRMAN CALARCO:

Okay. Legislator Lindsay.

LEG. LINDSAY:

Hi, Tom.

MR. MELITO:

Hey.

LEG. LINDSAY:

I just had two, actually three quick questions. First was on the Workers' Comp. I know you said we're going back and we're auditing claims to make sure that they're being processed properly. Do

we have a firm that's going back and auditing the old claim files to reduce and close-out old reserves that are built up?

MR. MELITO:

Yeah. We -- it's a good question. We started that process. We don't have a firm now going way back in time. We focused more on what we have now and we have made inroads into that and the claim numbers actually have gone down a bit.

LEG. LINDSAY:

But you understand that that -- those old claims and even the ones that haven't been paid, just reserve, they affect our pricing.

MR. MELITO:

Yes, absolutely.

LEG. LINDSAY:

That's something that could be some lying fruit there, and it's not uncommon that when you go through that process that you will find old reserves that are just claims that are dead, but for some reason they just never closed the files out.

MR. MELITO:

Right. Absolutely.

LEG. LINDSAY:

Certainly some savings that you could definitely locate there. Also, in the same vein on the health insurance as well, there should be -- have we ever conducted an audit on the health insurance claims for self-insured looking at the billing codes to make sure that we're paying claims under the right billing codes, we're not double paying claims to the same health facilities, doctors and so forth.

MR. MELITO:

I have personally not been involved with that.

LEG. LINDSAY:

Because there could be a tremendous amount of possible savings sitting out there in that arena as well. When you look at those two costs, they're probably two of our biggest expenses on the employee side and there could be real savings there that are sitting there waiting for us to find them. And then my third question was about space management. Have we done anything, any recent inventory on how much vacant space we have throughout the County facilities?

MR. MELITO:

Yes. In fact, a few months ago we worked with DPW and they put together a very detailed analysis of the buildings that we have, etcetera. Unfortunately, we don't have a lot of opportunities to take people out of rented spaces at this point, but we are working on a plan for the Dennison Building.

LEG. LINDSAY:

Okay.

MR. MELITO:

We have some ideas. We're going to begin that process pretty shortly, but we have some drawings, we have some ideas on how to do that.

LEG. LINDSAY:

Okay. I mean, to me probably the easiest move, the most immediate that we need to make, and it's right here, is we have a bunch of ADA's sitting in the old precinct building where all the insulation

and the guts of the building have literally been ripped out because there was asbestos in there. So whatever --

MR. MELITO:

That is in our plans.

LEG. LINDSAY:

-- it's costing us to heat and air-conditioning that building is just literally flowing right out the roof.

MR. MELITO:

Yes. That is in our plans, our immediate plans, yes.

LEG. LINDSAY:

Okay. Great. Thank you.

CHAIRMAN CALARCO:

Okay. Thank you. I have one more person on my list, Legislator Cilmi. And just to remind everybody, in case anybody else wants on, that this is about the budget. Let's keep our questions relevant to the budget because we have five minutes to the next committee and we haven't gotten through more than our first presenter.

LEG. CILMI:

All right, so let me just be very brief and just ask Tom to reiterate, please, on that \$13 million. I think I understand what's going on here. So every year, I'm remembering back to our discussions in terms of the pipeline debt reduction, that there were -- we talked about two different sources of reduction. One was the projects that we were going to look at, and the other was an annual bill that the County Executive proposes to us every year to eliminate some projects that were completed or whatever. Does that money represent the first two years of your existence, that bill, that the bill that the -- that the County Executive proposes to us each year to eliminate those items?

MR. VAUGHN:

Legislator Cilmi, I think that the best way to say it is that \$13.5 million represents what was done over and above what was budgeted for that year. So, yes, I do believe that it is a result of those Capital closes-out type costs.

LEG. CILMI:

Right, okay.

MR. VAUGHN:

But again, I -- and I was just looking through my notes before because I was looking for the exact number, but I think in 2012 we had, in that budgeted line, we had about \$5 million. Through the work of Tom and his team and the people who have done this type of analysis, through him talking with I think the Treasurer and the Comptroller and our Budget Office and going back even further than I think had traditionally gone back, they were able to look and I think came up with that additional 6.1.

MR. MELITO:

Yeah. 2012, five million dollars was budgeted; in 2013, 5.5 was budgeted; and in 2014, 7.2 was -- I'm sorry, 5.6 was budgeted in '14. So those are numbers above what those budgeted numbers were.

LEG. CILMI:

Okay. And again, if you could briefly speak, Tom, to -- you mentioned two specific performance management, what I would call performance management, true performance management

initiatives, in your presentation. And all of it was good, but the two specifically are TPVA in terms of reducing the cycle time of people coming in and out of the door, and number two, the permit processes that we talked about in the Health Department. What I'm curious about is did you implement in either of those projects, did you implement any visual indicators for employees to see whether or not the benchmark -- and I really should ask the question did you set any benchmarks, first of all. And then did you create any visual indicators for our employees to know when they're not meeting those benchmarks and create any sort of -- any sort of protocol for addressing when we're not meeting those benchmarks.

MR. MELITO:

So at TPVA we definitely created benchmarks. We didn't create documents that show them, but we worked with them and Rich Lanna, our Industrial Engineer, worked very closely with them to identify, you know, lengths of time, because we figured out how much time should it take, reasonable expectancies of time. So we did do that.

With the wastewater permits, we actually went a step further and we created real targets with the community and now because of the software that we use to pull the data, we're creating reports every month and we go back and we meet -- we meet every week with the water people and go through where we are, where we stand with those benchmarks, vis a vis what our progress is. So that's how we came up with the numbers that I reported to you today.

LEG. CILMI:

Okay. I don't have any other budgetary questions, Mr. Chairman.

CHAIRMAN CALARCO:

Okay. Thank you. I'm going to ask the next questions, because I don't think we've gotten to them and I think they're the most pressing of the issue in terms of what we need to address in this coming budget. I've got a list of new positions in the budget that Budget Review has given me, and there is a number of them that are associated with the County Exec's Office, and I also think perhaps IT, that are directly related to the things you're asking for. So if you could, please, tell me what these positions are for, when you plan on filling them and exactly what those people are going to be doing.

MR. MELITO:

Well, when the County Executive's Office, clearly the Director of Performance Management is someone who would be able to focus more full-time specifically on monitoring projects and give me more time, quite frankly, to do some of the other things I do, but also to keep the Legislature more informed of what it is we're doing. I can only feel that we haven't done a good enough job in letting everybody know what we're doing on a regular basis, and I think part of that is because we're very busy doing the work, but part of it is because it's difficult to communicate certain types of accomplishments because they're very operationally orientated and not everybody has the patience for that. So that particular position would help that.

All three of those positions in the County Executive's Office, the Executive Analyst and that one, are to help facilitate the process that Legislator McCaffrey and I spoke about with regard to the training and the ongoing process of finding performance management projects within the departments bubbling up to the top and creating those results.

In terms of technology, one of the areas that has been very frustrating for everyone and it's taken us kind of a while to get through this, is that it's very difficult to get information. Part of the reason for that is because there's not a lot of standardization of data. There's loads of data throughout this whole County. Data is different than information, and so we've run into the type of situation where we need support in identifying how we define data, where it resides, how we get to it, and then how we turn it into information. So the positions in technology, you know, while contributing to the

overall workload, if you will, will also have people -- we're hoping to have people that will be able to help with that process as well and helping to turn data into information and be able to use some of the tools, the newer tools, for business intelligence that would help us to do that.

CHAIRMAN CALARCO:

So in essence that's related to, you know, we just passed the Open Data Law here in the County, which I authored, and it's right up -- that's the intention. I was taking a two step approach in that first we need to identify the data that we have out there and then I would hope we would turn it into the next step of producing some sort of dashboard that can turn that data into usable information so we can then analyze exactly what we're doing in each and every department, similar to what the Presiding Officer is looking for on the contract agencies, and actually start knowing what we're doing, how we're doing it, what's the metrics on it and seeing if we're being effective. And now that's what those IT positions are for? People to actually provide that?

MR. MELITO:

They are to help --

CHAIRMAN CALARCO:

Program?

MR. MELITO:

Yes, there will be programming and there will be data analysis, but it's to help the deficit of resources in technology for those projects, those types of projects.

CHAIRMAN CALARCO:

So then they'll be developing whatever software systems we need in-house in order to address that based off of the existing software systems we have now? Are we going to be looking to go out in the future to buy more software, or is that what those individuals are specifically going to be doing.

MR. MELITO:

That's what the individuals will be doing. We're getting used to a product called SharePoint, which is a data collaboration and reporting process. And we're introducing that for use with Legislator -- Presiding Officer Gregory's bill. That enables us to put information into it and then draw out reports. So, I mean, these people will ostensibly be able to help us do these initiatives.

CHAIRMAN CALARCO:

Are those IT people going to be positioned in Building 51 over there at IT or are they going to be working out of the Dennison Building directly under you?

MR. MELITO:

There'll be in IT.

CHAIRMAN CALARCO:

They'll be working directly in IT.

MR. MELITO:

Yes.

CHAIRMAN CALARCO:

And then that Deputy Commissioner of IT is going to be assigned to overseeing that, or is that person going to be -- or is that something you don't know about because it's not your department.

MR. MELITO:

Well, out of respect to the future leadership of the department, that would be part of what they

have to figure out.

CHAIRMAN CALARCO:

That person is going to be part of their management structure for IT in general.

MR. MELITO:

No.

CHAIRMAN CALARCO:

Apart from Performance Management.

MR. MELITO:

Correct.

CHAIRMAN CALARCO:

But these IT positions being created that are going to reside in IT are going to be dedicated to performance management and open data.

MR. MELITO:

They're certainly going to contribute to that process, yes. I can't tell you because I'm not in IT that they'll never be working on other IT projects, but there will be people who have the capability of aiding and abetting the projects that we're looking to do.

CHAIRMAN CALARCO:

How many people are you looking to create specific to performance management.

MR. MELITO:

I think we have three in the budget.

CHAIRMAN CALARCO:

Three. So yourself and other persons directly in performance management now and then one other person, this new Deputy County Executive title?

MR. MELITO:

Well, I'm in performance -- I mean, my --

CHAIRMAN CALARCO:

So you're looking for three new additional titles.

MR. MELITO:

Yes.

CHAIRMAN CALARCO:

Okay. That's the Director of Performance Management.

MR. MELITO:

Yes.

CHAIRMAN CALARCO:

And I'm looking at two County Executive Assistant I's. That's not them? Is that them?

MR. MELITO:

No.

CHAIRMAN CALARCO:

I got a Budget Assistant, a Government Liaison Officer.

MR. MELITO:

They are Executive Analyst --

CHAIRMAN CALARCO:

I don't have Executive Analyst on my sheet here.

MR. MELITO:

They're Civil Service titles. I'm not sure where they --

CHAIRMAN CALARCO:

Oh, they're going to be Civil Service titles. Okay. I just have a general sheet of all titles here. That particular position I don't see.

MR. MELITO:

One is a Senior Management Analyst, which is what we have in the budget, and the other one is chief -- yeah, there they are. The two Executive Analysts. Chief Executive Analyst, Senior Management Analyst. Those are Civil Service titles, which are competitive.

MS. GAZES:

Those are transfers.

MR. MELITO:

Oh, those are transfers from Budget. That's correct. So I said the wrong thing. One new position, Director of Performance Management.

CHAIRMAN CALARCO:

So those two people are going to be transfers. They are already existing titles?

MR. MELITO:

Yes.

CHAIRMAN CALARCO:

They're unfilled right now?

MR. MELITO:

Yes, from Budget.

CHAIRMAN CALARCO:

And they're intended to be filled, but they're going to be Budget positions coming over.

MR. MELITO:

Yes.

CHAIRMAN CALARCO:

Okay, that's clear. You're just asking for one specific new title.

MR. MELITO:

Correct. In your parlance, yes.

CHAIRMAN CALARCO:

Okay. And then these IT positions, the Senior Program Analyst, I got two Senior Programmer

Analysts, two Programmer Analysts and a couple of other titles. Those are -- how many of those are going to be expected to contribute primarily to your --

MR. MELITO:

We're hoping the two -- the four.

CHAIRMAN CALARCO:

All four.

MR. MELITO:

Yeah.

CHAIRMAN CALARCO:

Are there going to be future anticipation of filling the existing empty titles in IT now, because some of them are actually corresponding. We have a couple of empty Programmer Analysts in the IT right now.

MR. MELITO:

In respect to the future leadership of the department, I think that would a decision --

CHAIRMAN CALARCO:

Mr. Vaughn.

MR. VAUGHN:

Yeah. So I think that that's one of those things, though, that we wanted to provide that flexibility with, and I think that that's something that this budget has tried to do very openly and honestly, quite frankly. We -- there has been a drive on both the part of the Administration and the Legislature to provide better information all the way around.

CHAIRMAN CALARCO:

I would agree with you, Mr. Vaughn. What I'm trying to get at is we see the titles in the budget and we don't necessarily understand why new titles are being created when there are empty titles there that are similar. I guess that's what I'm trying to get the information for.

MR. VAUGHN:

Yes, and I think that that's what I'm trying to explain. What I'm trying to say is this. The positions that are in the budget right now, we view them as, absent of these four, the current positions, we view them as positions that are integral to the day-to-day operations of the County, so keeping the technological superhighway running, however you want to put it. The new positions were created for the -- with this goal of going beyond that to do these more specialized types of projects. So rather than having to pull people off of day-to-day stuff, being able to then start devoting these staff members to those specialized projects, to the building of metrics, to the collection of the data, so that way we can begin to cull out this type of information and be able to provide both the public, the Legislature, ourselves, with the information that's there.

We were talking about it today and I think that the way that we have data collected right now is very different than what is information, and those are two kind of totally different things. We've got data and we would need to transform it into information and these titles I think are going to help us do that.

And one of the other things I would ask the Legislature to consider is that we have not yet filled the Commissioner of IT spot. Doug Miller is doing an excellent job as the Acting IT Commissioner, but we would also like to have that flexibility there in place for the new Commissioner once we do eventually bring that individual on or promote Doug, whatever the case might be it. So it provides

us flexibility with a goal of knowing of where we're headed to in the future, and these positions are for that, for those future type projects.

CHAIRMAN CALARCO:

Okay. I think I understand better what you're trying to get at here. I appreciate that. Since you're here, Mr. Vaughn, I have one more question about positions, and since I don't know where the next appropriate venue will be to do this, there are some other positions we're looking for in the Exec's Office. I know that the Exec's Office has been operating at a pretty all time low like everybody else in the County. Can you just maybe give us a brief idea of what those positions are going to specifically be for, if you know.

MR. VAUGHN:

Again, I would go back to kind of the theme of flexibility. We have -- the positions I think that you are referring to in the County Executive's Office are all unfunded positions. The majority of the new positions that were added to the budget were largely Civil Service positions and those were the positions that were funded. We do have in some offices positions that were left unfunded. Most of the positions in the Exec's Office go under that category, as unfunded positions that we may want to utilize in the future.

CHAIRMAN CALARCO:

So you're not necessarily looking for new positions to be filled, you're just looking for new titles so you have some flexibility in the future.

MR. VAUGHN:

Correct.

CHAIRMAN CALARCO:

Okay. Thank you. And Mr. Melito, I can tell you I certainly appreciate what you are trying to accomplish over there. I know we had that conversation and I showed you some literature I've read about doing the training for employees and the importance of that and certainly the business analytics. So, you know, I think it's vital for us. It's such a large County with such a large budget and so many employees to really try to get a handle of what we're doing in each and every location so we can maximize, especially given our budget constraints. And one more question for you, Mr. Melito. Legislator Trotta had a question. Then we're going to move on and try to get through the rest.

LEG. TROTTA:

Just quickly. The capital project, the six-million five-point-eight and the 1.6. Explain. That's money you found that wasn't being used?

MR. MELITO:

Yes, for those particular projects at that time, correct.

LEG. TROTTA:

So it was sitting in an account.

MR. MELITO:

Yes.

LEG. TROTTA:

We were paying the carrying costs with this? We were paying this?

MR. MELITO:

Yes. It was just sitting there doing nothing.

LEG. TROTTA:

Well, who's in charge -- who specifically was in charge of those accounts that were sitting there and weren't being monitored?

MR. MELITO:

I can't tell you specifically who was in charge of those accounts, but I can tell you we got information on these from three different places, and the reports that we got all overlapped and none of them all coincided together. So it was then when we went in and actually took a look to evaluate what it was that was going on and that's how we came to those.

LEG. TROTTA:

So we just sort of lost \$13 million?

MR. MELITO:

Well, technically the projects were still active. Technically they weren't closed-out. It was basically found money.

LEG. TROTTA:

But we're paying interest on money that we had. We're paying -- this is bonded money.

MR. MELITO:

Yes. You are paying debt service on that, yes.

LEG. TROTTA:

So who's responsible for this?

MR. MELITO:

I can't give you a specific answer.

LEG. TROTTA:

Well, you're the guy who looked into it, right?

MR. MELITO:

All the monies are held in the Treasurer's Office. That's my answer.

MR. VAUGHN:

Legislator Trotta, the one thing that I would also add to this, the who's responsible to this, has obviously changed a lot over the years, because some of these projects go back as far as 1997. So I'm fairly positive we haven't had one person responsible for this over the last 20 plus years.

LEG. TROTTA:

When someone comes in and takes over, they should be analyzing these things. Mr. Lipp, how --

CHAIRMAN CALARCO:

I think, Mr. Trotta, the answer is that that's exactly the point. There was nobody responsible for making sure projects were being closed-out appropriately unfortunately. So in this situation what happened is Performance Management took that responsibility upon themselves to start looking at these things. There was nobody looking at when a project was completed was there any money still sitting there in the account and let's get that thing closed out. I do believe that there was some efforts under the previous administration to start doing that before we -- they kicked in, but it was certainly something that as we went through this pipeline debt reduction we found out there was a pile of projects out there that nobody ever said, "You know what? This thing got canned a long time ago or we're done with this project and there's no reason why we should have this stuff sitting on our books anymore. There's no need for these authorizations to sit on the books." Nobody was

doing that work and looking at it and bringing it back to us so we could do the official closed-out, because nothing can be closed-out until we do it through legislation.

LEG. TROTTA:

The most important feature of this is finding out who is responsible for this, because the taxpayers are paying this interest on this money, and all of a sudden oh, here is it, we're okay. I mean, someone should be held accountable for this money sitting in there and us paying interest on it. I mean, it's nice that you come in and find it, but who is accountable for this process?

LEG. CILMI:

Can I just chime in here, Mr. Chairman? So it should be the departments that requested the money or under whom the projects exist, the original projects exist, there should be some level of communication between those departments and whoever actually holds the money to say okay, we're done with this. We're not doing any more, whatever, and reinvest or give back or whatever happens to the money at that point. Obviously that communication, the oversight hasn't been there and the communication hasn't been there, so that's something that really needs to be addressed.

LEG. TROTTA:

The first day that whoever takes office should -- let me know everything you have. There should be a spreadsheet. If this hasn't been used in six months where's -- I mean, I can't believe this actually happened.

LEG. CILMI:

I agree with you.

CHAIRMAN CALARCO:

Oh, I got a list.

LEG. McCAFFREY:

Oh you do? It was related to this that's why I was going to ask.

CHAIRMAN CALARCO:

But we are 15 minutes past our deadline and we haven't gotten anybody else up to the table yet, so please, let's keep this stuff as brief as possible. Legislator Krupski.

LEG. KRUPSKI:

In response to Legislator Trotta, we can hold you responsible. Is that all right?

LEG. TROTTA:

I feel responsible.

LEG. KRUPSKI:

No, I'm kidding. My question is on this related line here, and I asked you before what specifically the water quality projects that were done with that seven million. Could you get us a list then, if you don't know right now, of the capital close-outs and then where that 13 and a half million dollars went.

MR. MELITO:

Sure.

LEG. KRUPSKI:

Thank you.

CHAIRMAN CALARCO:

Okay. Legislator McCaffrey.

LEG. McCAFFREY:

Tom, just to follow-up on the question Legislator Trotta raised. Now, I assume that -- understanding how you went about this that there was process improvement. So you probably created a process now that where we look at these things on a regular basis. Is that what your team did?

MR. MELITO:

I don't think it's fair to say it was never done before. The Budget Office had monies in the budget to do those things, we just took it a step further and we looked at reports from different areas and tried to reconcile the reports that we got from the Treasurer, from the Comptroller's Office, from the Budget Office. We then went to DPW and said, you know, based on these projects what can we stop. And so not in every case were they in agreement that we should, but we discussed it and then came to the conclusion that this made sense to do. So it was a complex process.

LEG. McCAFFREY:

I understand. I just want to make sure that -- and part of this whole process improvement is to create processes and new guidelines and procedures that are in place. So we know now that -- I assume that after this review and we found out that money was sitting there, that there is now a process that says every three months, six months, we review these, we look at the -- is that what has come out of this?

MR. MELITO:

Yes, it has. But like I say, it's not fair to say nothing happened before. It did. There was a process.

LEG. McCAFFREY:

I just want to make sure. The process wasn't working, that's why your process improvement. My question is you've improved the process and everybody knows what they need to do so this doesn't occur.

MR. MELITO:

Yes.

LEG. McCAFFREY:

Okay.

CHAIRMAN CALARCO:

Okay. Mr. Melito, thank you very much for your time. I hope that once you get those business analytical tools up and running, that dashboard, that you give us access to it so we can watch and see what's going on as much as you.

MR. MELITO:

Absolutely.

CHAIRMAN CALARCO:

Thank you very much. Okay. I think we have somebody here from the Department of Labor, Consumer Affairs and Licensing. Do you have anything you would like to add or tell us?

MS. PUGH:

Good afternoon.

CHAIRMAN CALARCO:

Hi, Good afternoon, Vanessa.

MS. PUGH:

Chairman Calarco and committee members, I'd like to simply advise that we are happy with the budget and happy to answer any questions if you have any.

CHAIRMAN CALARCO:

Sure. Vanessa, can you just put your name on the record so that they have it?

MS. PUGH:

Yes.

CHAIRMAN CALARCO:

And your title.

MS. PUGH:

Vanessa Pugh, Chief Deputy Commissioner for the Department of Labor, Licensing and Consumer Affairs.

CHAIRMAN CALARCO:

Great. Thank you, Vanessa. Does anybody have any questions for Vanessa about Labor, License or Consumer Affairs? Hopefully we are going to get the TLC up and running soon and you're working diligently on getting the commission formed.

MS. PUGH:

Yes, we are. We anticipate a March, 2015 opening.

CHAIRMAN CALARCO:

Right in time for prom season. Great. Thank you very much. We appreciate it, Vanessa. Okay. Do I have anybody else in the audience who would like to address the committee regarding the Government Operations, Personnel, Labor and Consumer Affairs portion of the agenda?

Seeing none, we're going to move right on to the Economic Development portion, if Legislator Lindsay wants to come over and Chair that portion he's welcome to it. I see Joanne Minieri out there in the audience. Joanne, why don't you come up while Legislator Lindsay is coming on over and you can get started.

CHAIRMAN LINDSAY:

Good afternoon, Joanne. Thanks for coming in this afternoon. If you could begin your presentation. Thank you.

MS. MINIERI:

Thank you. Good afternoon, everyone. I'm here to actually report that we, too, here in Economic Development and Planning are very happy with the recommended budget. We appreciated the Budget Review Office comments on our budget. We believe that this Operating Budget really supports all of the economic development initiatives that we have here in Suffolk County. So I would be more than happy to answer any questions. Any questions?

CHAIRMAN LINDSAY:

Anyone? Not seeing any.

MS. MINIERI:

Okay. Thank you very much. It's nice to see you.

CHAIRMAN LINDSAY:

Thank you, Joanne. Anyone else that wanted to address the group? Not seeing anyone, we'll close out Economic Development.

CHAIRMAN CALARCO:

Okay. Motion to adjourn.

CHAIRMAN LINDSAY:

We are adjourned.

*(*The meeting was adjourned at 2:49 p.m. *)*