

Joint Capital Budget Committee

Budget & Finance

Ways & Means

Education & Information Technology

Minutes

A Joint Capital Budget meeting of the Budget & Finance, Ways & Means and Education & Information Technology Committees 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 May 16, 2013 at 9:30 a.m.

MEMBERS PRESENT:

Legislator DuWayne Gregory	Chairman, Budget & Finance
Legislator Jay Schneiderman	Vice- Chair, Budget & Finance
	Member, Education & Information Tech.
Legislator Wayne Horsley	Vice-Chair, Education & Information Tech.
	Member, Budget & Finance
Legislator Al Krupski	Member, Budget & Finance
Legislator Lou D'Amaro	Chairman, Ways & Means
Legislator Steve Stern	Vice-Chair, Ways & Means
Legislator Rob Calarco	Member, Ways & Means
Legislator John Kennedy	Member, Ways & Means
	Member, Education & Information Technology
Legislator Sarah Anker	Chairperson, Education & Information Tech.

MEMBERS NOT PRESENT:

Legislator Thomas Muratore	Member, Budget & Finance
Legislator Lynne Nowick	Member, Ways & Means
Legislator Tom Cilmi	Member, Education & Information Technology

ALSO IN ATTENDANCE:

Presiding Officer William Lindsay, 8th Legislative District
Legislator William Spencer, 18th Legislative District
Robert Lipp, Director, Budget Review Office
Benny Pernice, Budget Review Office
Rosalind Gazes, Budget Review Office
Jill Moss, Budget Review Office
Allen Fung, Budget Review Office
Cary Flack, Budget Review Office
Greg Moran, Aide to Legislator Nowick
Justin Littell, Aide to Legislator D'Amaro
John Stype, Aide to Legislator Krupski
Amy Ellis, Aide to Legislator Anker
Kevin LaValle, Aide to Legislator Muratore

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Christina Delisi, Aide to Legislator Schneiderman
Chris DeLuca, Aide to Legislator Cilmi
Michael Pitcher, Aide to Presiding Officer Lindsay
Gil Anderson, Commissioner, Suffolk County Department of Public Works
Rebecca Sanin, Assistant Deputy County Executive
Tom Vaughn, County Executive Assistant
John Marafino, County Executive Assistant
Tom Melito, County Executive's Office
Shaun McKay, President, Suffolk County Community College
Ben Zwirn, SCCC, Intergovernmental Relations
John Lombardo, SCCC, Assoc. VP, Workforce Economic Development
Nina Leonhardt, SCCC, Assoc. Dean for Continuing Education
MaryLou Araneo, SCCC, VP Institutional Advancement
John DeMaio, SCCC, Administrative Director of Facilities
Paul Cooper, SCCC, Executive Director of Facilities
Gail Vizzini, SCCC, Vice President, Business and Financial Affairs
Kevin Peterman, President, Faculty Association
Donald Rogers, Commissioner, Information Technology
Penny LaValle, Real Estate Property TSA
Other Interested Parties

MINUTES TAKEN BY:

Alison Mahoney, Court Stenographer

MINUTES TRANSCRIBED BY:

Kim Castiglione, Legislative Secretary

(*The meeting was called to order at 9:40 A.M. *)

CHAIRMAN GREGORY:

Good morning, everyone. Welcome to today's Capital Budget meeting for Ways & Means, Budget & Finance, and Education & Technology. We'll start off the meeting with the Pledge of Allegiance led by Legislator Krupski.

Salutation

We don't have any cards. We did receive a request from the community college. I understand there's a meeting that we're trying to get the President and some of the staff to in a little while, so we'll ask the President to come forward. And I will -- if the Chair of Education, would you want to take over the meeting for this portion?

LEG. ANKER:

No, you can do it, that's fine. Thank you for asking. It will go fast.

CHAIRMAN GREGORY:

Okay, all right.

DR. McKAY:

Good morning. It's a pleasure to be back before you again. It's a few days before commencement and I think certainly we will see most of you at the commencement. It's the culminating moment for all of our students and your residents. My team is here with you this morning to speak a bit about two capital programs that are germane to economic growth and to this County. I have been before you many, many times on this project and I know that my colleagues will speak directly to the benefits and to the merits of these programs. Certainly the Health and Wellness Center on the East End campus, which has received State funding is in design, and also the Renewable Energy Center, which will be the only one of its type in the State of New York. We've received significant letters of support for that building and we'll talk about the economic impact for that building. We'll talk about the programmatic aspects of it, and we'll answer any questions that you have. Because my colleagues are here to speak on the merits this morning I will be brief, but once again to stay thank you for your continued support. I'll go to Nina Leonhardt to begin, then I'll go to John Lombardo and to Ben Zwirn, and then we'll take questions. Thank you.

MS. LEONHARDT:

Good morning and thank you for giving us this opportunity to present to you once again the proposed Renewable Energy and STEM Center, which is to be located on the Michael J. Grant Campus in Brentwood. It will be a robust, state of the art renewable energy training and STEM incubator research facility. Renewable energy training will build on our very successful Solar, PV and Energy Efficiency Programs that lead to national certification. There's the North American Board of Certified Energy Professionals, also called NABCEP, which we provide the entry level installer, the building performance institute building analyst and envelope shell certification, and the lead green associate certification. We will also develop wind and geothermal training. The building will be a learning laboratory whereby students can visualize and train using the actual operating energy systems, so it's real world, real time training.

Suffolk's Renewable Energy Training Programs are linked to the workplace as well as to our credit programs in engineering and other disciplines. We have a National Science Foundation Grant to alter our current Engineering Program so that we have an energy option whereby students can earn a degree in renewable energy. For example, a student can enroll in the Solar Training Program that we currently have concurrently with completing the Electrical Technician or Engineering Science Degree. After they graduate, that student can choose to either continue their education or they can perhaps obtain employment because they would have a certification in addition to the degree.

These programs provide 90 hours of instruction for career changes or for those students who have to begin at the GED level, it's much longer term, but we do serve them. In fact, we've had several GED students complete their GED and obtain employment at prestigious locations such as Brookhaven National Laboratory. There are jobs. The last class we had of 30 students over the winter, we have 23 people who are employed out of that class of 30, entering class of 30, so we're very proud of that. We have over 25 business partners, local Long Island business partners.

The STEM Research Facility will provide Suffolk students with unique opportunities to engage in cutting edge research: Battery storage development, software development, health IT, material science, nanomaterials and cyber security protocols, without leaving the community college. This is very novel. They haven't had that opportunity to do. Up to now they've had to go off to a research facility, be it Stony Brook University or Brookhaven National Laboratory. With this facility they'll be able to do it right there. They won't have to worry about transportation to any of the research facilities.

By partnering with Stony Brook researchers who are entrepreneurial, students will serve as research assistants while learning the business side of R and D, and will perhaps start their own high tech company after graduation, increasing the likelihood that they will contribute to the Long Island economy. Thank you.

MS. VIZZINI:

And now John Lombardo to talk about the workforce development and manufacturing aspects related to the STEM building.

MR. LOMBARDO:

Good morning. Nina really detailed the elements to be utilized within the facility.

*(*Legislator Calarco entered the meeting at 9:47 a.m. *)*

I'd like to talk a little bit about the partnership between the sciences and manufacturing that will occur within this particular building. Very unusual to be able to prototype and develop, design and conceptualize products at this level, but to be able to prototype them we have rapid prototyping equipment that we will be moving into the building so a student can conceive of an idea, they could produce it, design it on a rapid prototyping piece of equipment, test it. Our industry partners will take a look at it in terms of its manufacture ability and its cost effectiveness. So a building that appears to be research and development, science and development, all comes together under one roof with the type of collaboration that existed 50 years ago when Grumman was developing and designing in its heyday.

The other part of the building that I think is the most exciting is it becomes an interactive learning lab, a place where our high school teams, our high school partners can come and see what we do and how we do it here on Long Island.

*(*Legislator Schneiderman entered the meeting at 9:48 a.m. *)*

It's very, very exciting for them not to have to wait until they're in college to be able to put their design. So our high school academies will also benefit from this where they're learning basics in manufacturing, and in Nina's teams they're learning pre-engineering, talking about designs in the step prior to STEM. And those programs, by the way, in the career focus that we passed out before you'll see a lot of the programs at the college, but in particular these programs, it's not so much that they win national notoriety, it's the skills that they instill in the students. It's the actualization of the scientific method, and it's what we do the best here.

So I just want to encourage the fact you've supported this development over the past six or seven years when we conceived of the first Workforce Development Center. We've outgrown it. We need to move our HVAC labs and our energy labs from the Workforce Building into this building because we are currently training advanced manufacturing students who are receiving jobs before they exit the program. That's on the credit side of the house, and the Advanced Manufacturing Credit Program as well as our Fee For Service Programs. So this building is the next generation for us of the types of relevant programming that we're providing for the region. Thank you.

MR. ZWIRN:

Good afternoon. First of all, thank you for the opportunity today, and to see so many of the County Legislators here is very impressive and we thank you for that.

We'd also like to thank the County Executive for including all the college's capital programs in his Capital Budget. What we would like to do today is to ask you if you can move up two of those projects that he delayed from our timetable. You heard about the Health and Wellness Facility. It is -- the design money has been appropriated. It will be ready to be constructed next year. The County Executive has suggested it be moved back to 2015. On the East End it will be a major economic development booster. It is, again, 50% aided by New York State. The project will be shovel-ready in 2014.

I had a conversation with Jim Castellane of the Nassau Suffolk Building Trades, who's very much in support of this project because it means workers in his unions he'd get to work right away. The college has always used local contractors. They have a Local Preference Law. It means work for our people here on Long Island, and it also will be, as I said, a driving force. It will provide not just a gymnasium, it will have an exposition center for programs on the East End. It will have an indoor pool, which there's only one public indoor pool on the East End of Long Island in the Town of East Hampton which is run by the YMCA, and that facility has gotten tremendous use by local civic groups and schools. This would provide another opportunity for those on the East End to have that -- we're surrounded by water here on Long Island, but only for a couple of months a year can we really use it. This will provide an opportunity for volunteer fire departments, their dive teams to practice. Right now a lot of them come up all the way to the Brentwood Campus to use the indoor pool at the community college there.

The renewable energy building is an exciting project. In order for us to get this in the State Capital Program in their five year plan, the County has to move first. That's the way it works. We had tremendous Legislative support, both the Senate and Assembly side. We met up with our Legislators up in Albany on SUNY Day. They want to put this in, but the County has to move first. There are a number of letters of support for this project from some of the members of the Legislature, Deputy Presiding Officer Wayne Horsley, Legislator Anker, the Presiding Officer, have all sent letters of support along with a number of other State and local figures. So we would ask that that, at least the planning money for that, be included in 2014 so that we can go to the State and ask them to put it in their budget.

Whenever we put a project through it gets into the Capital Budget, as you all know, that's the first bite, and that before that project, any of the money can be spent, before you can go forward, it has to come back before the Legislature for a second time. And not only do we need ten votes, we need 12 votes to go with bonding. So there will be a second bite at the apple as things progress.

The college is keenly aware of the County's financial situation. You have Gail Vizzini here, who was head of BRO. I was on the County Executive side, worked with the Budget Office. We are keenly aware. The college did not -- for the second year in a row did not come back and ask for any increase in local maintenance from the County. We understand that. We didn't ask for anything in addition over the past two years. We have dipped into our reserves in the college to the tune of almost \$2 million and have a modest tuition increase in the Operating Budget because we recognize

that everybody is under constraints. But in recognition of that we would also ask you to support the moving up of these dates when you review the Capital Budget and make these amendments. And again, thank you and we're here to answer any questions that you might have. Thank you.

CHAIRMAN GREGORY:

We do have several cards that came in. Are you finished with your presentation?

MR. ZWIRN:

Yes.

MS. VIZZINI:

Yes.

CHAIRMAN GREGORY:

Okay. I see Dr. McKay came up. You did fill out a card, but we'll allow you talk anyway of course, as the President.

DR. MCKAY:

Let me just say certainly that these projects are very, very important, not just for the college, but for the region. The Health and Wellness Facility, again, on the Eastern Campus, just to reiterate the importance, in design, construction ready for next year. It's the first such facility. We have a Health and Wellness Facility on the Grant Campus. That is an auxiliary entity as well, because as you know, we hold a lot of events at that location.

Recently you might have seen that at the Nassau Coliseum that they may go under construction as well, which means whatever events are held there, they would be looking for other similar facilities. The most -- well, I would say that the Health & Wellness Facility at Grant is one of the largest such facility to hold home shows, car shows, expos. On the East End you don't have that. You have the wineries, the hotels on the East End. If you want to find a location to hold such a large event on the East End, there isn't such a single East End facility.

For the -- for physical education courses at the college, as we all know, in the spring, when there is snow, if it's raining, our students cannot go outdoors on the eastern campus and that is an educational requirement for completion of their courses. So this facility has not only academic needs, but an economic need as well on the East End.

Certainly for the Renewable Energy Center I want to see Long Island and specifically Suffolk County to be the first to have such a synergy that can look at workforce economic development and to keep companies right here because we're finding ways to be efficient, we're training workers to work on HVAC systems, on renewable energy systems, and at least to create new jobs here on the Island. I want to thank you and we'll take any questions that you have at this point.

CHAIRMAN GREGORY:

Thank you. Let's -- we have -- we're going to hold off on the questions right now and get to the comments. We have Kevin Peterman, who filled out a card. Kevin?

MR. PETERMAN:

Good morning. I just wanted to again thank you for your past support, but I want to echo and support what Ben Zwirn has said about the two capital projects that we would like to see moved up a year, certainly for a lot of reasons that were mentioned, and that would be the brothers and sisters in the construction trades who need the work. That would be very, very vital for the economy of Long Island and also for the students of the college. If we can get this money moved up a year it will be that much closer to being finished. And as we all know, when capital projects get delayed, when we finally put the shovel in the ground, the money is not worth what it was when it first gets

appropriated because that's just the way the building construction goes. So the sooner we can get these projects going I think the better we are because we'd get more bang for our buck. And I notice that we'll deal with capital projects on June 4th; is that correct?

CHAIRMAN GREGORY:

(Nodded head yes)

MR. PETERMAN:

I would hope that you would make my day, because that's the day I officially become the President of the Faculty Association, and what better gift to give me than capital projects moved up.

*(*Laughter*)*

I would appreciate your support and your consideration on that. Thank you.

CHAIRMAN GREGORY:

Thank you. Okay, next we have Penny Wells-LaValle.

MS. WELLS-LAVALLE:

Good morning. Oh, we don't have to press the button? No continuous hold anymore. Okay. Thank you, and thank you all for allowing me to come up and just speak on our Capital Project 1758. And first I want to thank you for your support in the past. I think you've seen the ramifications of the capital projects that I have endeavored to produce, say online aeries for you. I think we have 1758 up there. Actually, originally -- this 1758 goes back to 2011 where you approved it for 2012 and then the bottom kind of fell out of the economy. I understand that. I'm back. The parameters have changed a little because our vision has been on-line, on target to produce streamline government, to have more efficiency in our production and the underlying mandate to produce the tax maps, but also to produce more revenues for the County.

The -- we -- one of the items in our first 2011 proposal was to work with the County Clerk to see if we could do some E-Verification. Well, over the years we've worked together as well as we could with our financial situation, and we're almost there for a few documents, satisfaction and assignments. John will be familiar with that, where if we have -- we will have the capacity with some infusion to do some E-Verification on-line. I need to be able to do that. Today I have 7800 documents in a backlog. We're looking at a half a million dollars every time I say 7800 documents in backlog, minimum. So 300,000 is what I'm asking for over three years. The return on your investment, last year we brought in 9.5 million -- oh I have a document, the narrative that I can give to you here. The return on your investment is over 6%. So I'm here to implore you to support us, and if you have questions, I would be happy to respond.

CHAIRMAN GREGORY:

Penny, Legislator D'Amaro has a question, then Legislator Kennedy.

MS. WELLS-LAVALLE:

Sure.

LEG. D'AMARO:

Good morning.

MS. WELLS-LAVALLE:

Good morning.

LEG. D'AMARO:

So this project, it says in my report here will include the ability to electronically verify and record key

documents over the Internet. Is that correct?

MS. WELLS-LAVALLE:

Yes.

LEG. D'AMARO:

And you're looking for funding. The Budget Review Office recommendation matches the County Executive recommendation for 2014 to begin funding.

MS. WELLS-LAVALLE:

Yes.

LEG. D'AMARO:

You cited that this system would help you in reducing the backlog you currently have in your office?

MS. WELLS-LAVALLE:

Yes.

LEG. D'AMARO:

Now, during the Operating Budget at the end of last year, didn't we also give you additional personnel for that?

MS. WELLS-LAVALLE:

I have two vacant positions as we speak.

LEG. D'AMARO:

Two funded positions that were put back in by the Legislature in the Operating Budget process, but were not filled?

MS. WELLS-LAVALLE:

I have not asked for them to be filled and I will explain why. Because of the vision of the agency, and I understand a need to be able to work with the new technology that is at our doorstep and reduce the need to continually -- to hire individuals. I am -- I was holding off on asking for the SCIN forms to be signed. I was hoping that we would be able to move into this next stage and phase where we could be proud of Suffolk County to service our clients and still provide tax maps.

I am also looking at changing the nature of the titles. I have been working on new specs to be able to provide the County with new titles in Real Property that will service you better in the future, individuals who will understand better the complexities of the mapping that we perform and be able to perform the tax maps with a lower or a smaller learning curve. Making a map, and I welcome you all to come in, is not always an easy -- it's not an easy profession. We have overlaps in Suffolk County that go back many, many years. The -- we need to be on the forefront as we have been in the past of --

LEG. D'AMARO:

Let me ask you this question. So in the Operating Budget I recall we did put in, was it two more positions?

MS. WELLS-LAVALLE:

It was a Recorder I position, who actually is the person who would do the verification, and a GIS Tech I.

LEG. D'AMARO:

Right, and at the time I recall you were telling us about the same backlog that you're having a

problem with in the office, and the purpose of putting that personnel back in was to help alleviate the backlog. So I'm just a little confused as to why those positions weren't filled if they're funded and then today we're here talking about a capital project again citing the same backlog.

MS. WELLS-LAVALLE:

We do have the same backlog. The turnover savings for those positions have been efficiently used I will say, otherwise we would be in a larger backlog, for overtime and for part-time individuals to date.

LEG. D'AMARO:

Oh, I see. So in managing --

MS. WELLS-LAVALLE:

I needed immediate response. I know how long it takes to -- and I understand the budgetary process and so I needed immediate response to deal with the backlog. Overtime works. We have not asked for a lot, but we have -- we've used approximately 10,000 in overtime to date.

LEG. D'AMARO:

And you're funding the overtime from those two slated positions.

MS. WELLS-LAVALLE:

Turnover savings.

LEG. D'AMARO:

Do you anticipate filling those positions at all this year?

MS. WELLS-LAVALLE:

Yes. When I go through the process I will be back to you hopefully within -- as soon as I work the title out with Civil Service and IT to approve new titles for Real Property.

LEG. D'AMARO:

Okay. And this project, going back to what you're speaking to today, had been removed from the Capital Program last year.

MS. WELLS-LAVALLE:

Right.

LEG. D'AMARO:

And now the County Executive has recommended included as well as our Budget Office.

MS. WELLS-LAVALLE:

Yes.

LEG. D'AMARO:

Right. And it says here that "Implementation of the project will reduce County operating costs, increase County revenues and provide improved operational efficiencies." Sounds good. How do you see this project increasing revenue?

MS. WELLS-LAVALLE:

Through more efficient processing of not only our tax maps but through the E-Verification.

LEG. D'AMARO:

You mean there's additional fees that would be charged to do that or?

MS. WELLS-LAVALLE:

Well, that would actually be up to the Legislature and the County Clerk and I would -- a convenience, small convenience charge for on-line.

LEG. D'AMARO:

Yeah, because my understanding is when you start to institute and use technology that it actually lowers cost.

MS. WELLS-LAVALLE:

Increasing revenues. Lowering cost, increasing revenues.

LEG. D'AMARO:

Right. No, I mean cost to the user. Is it the end user where the revenue would come from, or is the additional revenue to the County coming because we can process more? You know, where is that additional revenue?

MS. WELLS-LAVALLE:

Actually, both. You would have faster processing. We're looking at sats and assignments, as I said in the beginning, and just a lower staff cost, health care cost, you know, all the benefits that are attached to every single position.

LEG. D'AMARO:

Okay. Very good. Thank you for answering my questions.

MS. WELLS-LAVALLE:

Thank you.

CHAIRMAN GREGORY:

Okay. Legislator Kennedy. Just a quick reminder that we would like to get the President out and his staff. There is a meeting I guess at eleven and I know there are several people that wanted questions specifically addressing the Capital Budget for the college, so quickly, please.

LEG. KENNEDY:

Sure.

CHAIRMAN GREGORY:

All right, thank you.

LEG. KENNEDY:

Penny, you're right, everything that you speak about with this is much needed, and we are way behind even sister entities. New York City with the ACRIS system is not only allowing for the electronic transaction recording, but they've actually moved a step further, as you know, to having the data input by the recorders be done on the recorder side. So I am 100 percent in favor of this. I think it will not only result in a faster remittance of revenue, it's going to facilitate electronic transfer, it's going to facilitate electronic payment that will assist with reconciling and depositing remittance. It certainly will make us more marketable with many of the out of state bulk filers that we have to deal with on a routine basis.

My only question goes to Commissioner Rogers in that I would assume that the two of you have collaborated and you concur that this software that they're looking at will be something that you're going to be able to support or that they're -- the software fix is something you agree with?

COMMISSIONER RODGERS:

Yes. Do you want me to come up?

LEG. KENNEDY:

Can I through the Chair? Yes, thank you. If all it is is yes, that's fine. I'm fine with that and that's all we need. Okay, good. Thank you.

MS. WELLS-LAVALLE:

Thank you.

CHAIRMAN GREGORY:

Thank you. Back to Legislator D'Amaro. You had a question regarding the community college?

LEG. D'AMARO:

Are we ready for questions?

CHAIRMAN GREGORY:

Yes, we are. Let's go to the presentation.

LEG. D'AMARO:

You guys are all done presenting, then? I would assume, right? Thank you.

MR. ZWIRN:

Yes.

MS. WELLS-LAVALLE:

Thank you.

LEG. KENNEDY:

Thank you.

LEG. D'AMARO:

So there are two capital projects that you're speaking to today, the Health and Sports Facility and the -- what was the other one? STEM -- Renewable Energy and STEM Center. I read our BRO Report on both of these and I know the Legislature supported both of these projects in the past, and I don't think we're debating whether or not we should even go forward or not. That's not the issue here today. The only issue seems to be that the projects were pushed back in the recommended budget, I believe. But nonetheless, the issue that is in my mind surrounding both of these projects is the County's position with respect to servicing debt from the Operating Budget, and I think that point is made in the comments for both projects in the BRO Report.

For example, on page 147 at the top it says, "An important fact to consider is that the County's capital investments have a direct impact on operating expenses resulting from debt service. Authorizations to bond for the County share of college projects have been rising sharply over the last several decades. We", meaning the Budget Review Office, "are concerned about the growth in pipeline debt associated with college projects." So that is the concern expressed basically for both of these. It talks about the County having a policy of limiting additional debt so we can reassess after a year to see where we are with respect to servicing the debt through the Operating Budget, and also mentions that by keeping both projects in the budget, however, you'll still have your ability to go for the matching State aid. So, again, it's not really the merits of the project. I think in the comments one of the projects is operationally ready to move forward I believe is the term that's used in the Budget Review Office Report.

So what I wanted to ask the Budget Office, Dr. Lipp if you would with respect to the comments made in your report, can you just give us a little more information as to why you have such a concern with respect to moving these projects forward one more year? I know it will have an impact on the County's Operating Budget. I know debt service is increasing, but how does the year make a

difference to us, because that's what we're really talking about here today.

MR. LIPP:

So what we've said, for instance, in the introduction to our report is that the primary concern is 2014 and the Operating Budget problems that we have, and moving forward we need to manage those problems. So that being said, we do recognize long lead times between Capital Program and Operating Budget.

LEG. D'AMARO:

Uh-huh.

MR. LIPP:

And that we even said we're, you know, we're not criticizing at all anything that was put in the County Executive's program.

LEG. D'AMARO:

Right.

MR. LIPP:

Of course we always have differences and we actually do make a few recommendations for increasing or advancing some funds, but we restricted ourselves in terms of more recommendations in a better economic climate we would have preferred to do. You could argue that this might have been one of them, but from our perspective as long as we have it in the Capital Program then that's sufficient for the college to bring to the State to advance it as part of the plan, and this is going to take a long time to do anyhow.

LEG. D'AMARO:

Well, with respect to the Health and Sports Facility the -- again, it's operationally -- there's no reason to delay the project. So I guess what I want to ask you is if we were to put this funding back, advance the funding as requested here today on each of these projects, what would be the actual impact to the Operating Budget?

MR. LIPP:

Well, let's see. If we're talking about we have it in the review here if you would allow me. Let's see. So we're talking about the first one is CP 2120 --

*(*Legislator Stern entered the meeting*)*

LEG. D'AMARO:

Right, that's the sports facility, Health and Sports Facility.

MR. LIPP:

Right. So here we have if we did the entire request.

LEG. D'AMARO:

President McKay, you wanted to put the funding up to 2013, the 16.74 million, correct?

MR. ZWIRN:

Fourteen.

DR. McKAY:

The design is ready for -- the Health and Wellness is already on the way.

LEG. D'AMARO:

Right.

DR. McKAY:

But construction is in 14. Now, what's important is that the State has already recognized this project, so if we push this back, there are no guarantees that we will get that funding from the State. That's a project that's already --

LEG. D'AMARO:

Right. Yeah, I misread the chart here. So the County Executive's recommended budget put it back to 2015.

DR. McKAY:

Right.

LEG. D'AMARO:

And you're looking for -- obviously not this year, for next year, 2014, which is where it was adopted last year.

DR. McKAY:

Absolutely.

LEG. D'AMARO:

Is that correct?

DR. McKAY:

Yes.

LEG. D'AMARO:

All right. So, Rob, basically we'd be advancing the 16 --

MR. LIPP:

Right. So the bottom line here is it's half State aid, of course, take that into consideration. So if you look at the highlighted area on the screen, this would be -- and our sort of boiler plate or template in how we estimate the debt service is, since it's hard to schedule it, once it's all scheduled and we issue the bonds, it would be \$8.375 million in aggregate what's in the proposed program, and the first year cost if we issued at all, are when it was compiled in terms of the multiple years --

LEG. D'AMARO:

Right.

MR. LIPP:

-- it would be well over 500,000 and well over 11 million over the lifetime. And very simply, okay, we do have a ranking system that is basically somewhat subjective admittedly, but it has been codified into law by the Legislature. We haven't really used it to actually make a determination that this project is a higher rank and therefore we would go for it or not.

LEG. D'AMARO:

Right.

MR. LIPP:

It doesn't have the highest of ranks based upon the criteria. You could argue you don't like the criteria and ranking form, but we do have a ranking that's codified into law. In fact, I spoke with --

LEG. D'AMARO:

Is that ranking against all capital projects or just the college capital projects?

MR. LIPP:

It ranks all Capital Projects. Each of them receive its own ranking. That being said, as a rule of thumb you could argue that an average ranking is in the neighborhood of 50. This one is a 36.

LEG. D'AMARO:

Even though the design phase is complete, it doesn't rank as high as some of the -- it's not on the higher end of the ranking system.

MR. LIPP:

Okay, so there are different criteria for the ranking.

LEG. D'AMARO:

Yeah, I don't want to get into that right now.

MR. LIPP:

Okay, your call.

LEG. D'AMARO:

I appreciate it.

MR. LIPP:

So basically what we're saying is because of the tough decisions one needs to make, and this is a judgment call in terms of the value of it, we're saying that there's -- the pipeline debt is very high, the debt service costs on the General Fund are very high.

LEG. D'AMARO:

So the impact of this project, should we advance the funding to where it was adopted last year, would be about 500,000 to the County?

MR. LIPP:

Well, it would be closer to 600 if we issued all the bonds, which we won't all at once, so it'll be layered on.

LEG. D'AMARO:

Okay.

MR. LIPP:

It's a judgment call on your part. We had to make cutoffs because of the financial situation.

LEG. D'AMARO:

All right, I appreciate that. And same question with respect to the other projects.

MR. LIPP:

STEM project.

LEG. D'AMARO:

Yeah, Renewable Energy and STEM Center, which is really a great project. It's a state-of-the-art building and we're already training students. This will just facilitate that training, so it's a great project regionally.

MR. LIPP:

It did receive a higher ranking, 55 by the Executive, and 49 by us, by the way.

LEG. D'AMARO:

And just so it's clear before you go with that, the funding here was recommended to be pushed back to 2015, the 900,000. So was that just for design at this point?

MS. VIZZINI:

Planning, yes.

LEG. D'AMARO:

And the actual construction was pushed back to 2016, and once again the request is just to advance that back to where it was adopted last year in the Capital Program.

DR. McKAY:

Right.

MS. VIZZINI:

Well, the STEM is a newly included project, even though the college has been looking to advance this. In terms of the comments as far as the debt service impact, using your own words, Legislator D'Amaro, the support for these projects is substantial.

LEG. D'AMARO:

Yes.

MS. VIZZINI:

And they more than likely will move forward. So really what you're advancing is the debt service impact, you know, maybe a year sooner.

LEG. D'AMARO:

Right.

MS. VIZZINI:

Once we do bond, and we only bond when we need the money to go to bid and contract, the debt service doesn't kick in until the following year.

LEG. SCHNEIDERMAN:

2015.

LEG. D'AMARO:

Yeah. No, I understand that, I do. I agree with you, the projects are going forward one way or the other.

MS. VIZZINI:

The important thing for the college is to sequence it, grab the State money, the commitment that we have for the Health and Wellness Facility, and to leverage the support of including it in '14 so we can do our due diligence to garner the State money when they do their next budget.

LEG. D'AMARO:

Yeah. I understand that also, it's just a function of the tobacco securitization money is receding on our debt service and we are going more and more in the hole with respect to debt service. So we have to keep an eye on that, you know, as you know, the impact on the Operating Budget.

So just very quickly, and then I'll yield to my colleagues. Just on the Renewable Energy and STEM Center, that would only be advancing, not only, but it would be a \$900,000 funding or bonding in 2014, which would have -- what's the impact on the --

MR. LIPP:

Right. So you could see what you had just stated, the requested column shows where the college is requesting and the Executive and BRO columns are showing, you know, to deferring it one year, and the highlighted section on your screen shows that the debt service impact, if it was all borrowed and layered, which is a little bit more than the previous project being 600 and -- almost 650,000 is the first year impact, it's a little higher the average impact. And then over the life of an 18-year bond, which is the average that we've issued since like 2004, 13.1 million.

MR. ZWIRN:

If I might just jump in, Legislator D'Amaro. The State money is very competitive, and they will not step forward unless the County shows a commitment to moving forward. I know Senator LaValle said, you know, if we get this in he'll do everything he can, as did Assemblyman Englebright and Assemblyman Sweeney said they would do everything they can to get this in the Capital Program. That's why we need the support moved up.

LEG. D'AMARO:

Okay, I understand that as well. But also keeping it in the budget would also show the support. BRO notes that this is the sixth major construction project for Suffolk County Community College in the last several years, again going to its concern just about the bonding and the debt service. I don't think we're debating here at all the merits, at least I'm not, of each program. So thank you for answering my questions. I appreciate it.

LEG. STERN:

Mr. Chair.

CHAIRMAN GREGORY:

We have a list. I'll put you on. Legislator Krupski.

LEG. KRUPSKI:

Good morning. I would like to commend you, these are really two -- two really projects that have a lot of merit, both of them, they're really important. Looking at the big picture that Legislator D'Amaro, you know, kind of highlighted the problems with financing this immediately. I'm not familiar, as familiar as my colleagues with the County budget process, but I am familiar with the budget process in government, and I know when all the different departments come in, and we just had a department head come in just before you and talk about a capital project that's going to make County government more efficient, it's going to serve the taxpayer better, and no one seems to say that here, that the taxpayer does need to be served. That's kind of what we are thinking about here, right?

So when you look at these two projects you have to think of everything in context. You can't look at them and say, we'll that's a great -- that would be a great facility to have on the Eastern Campus and the Renewable Energy and the STEM Center is a great project because you are going to train young people and you are going to move forward with renewable energy and you are going to move forward with educating people in a different way, but you see what's right underneath them is a safety issue that's going to be funded, because that's something that's really important because -- and that's not being pushed off because that is a safety thing and there's also I think parking at another campus that needs to be done, another safety issue, right.

So those things -- I don't think the college is being neglected here. I think some of the needs are being met and I just -- and I'm getting -- I get comments from my colleagues, I get comments from

other people who are in County government and I get comments from people in my district, but I think one of the most interesting one is one I got this morning. I got it from the college. It says, "Be inspired, not in debt", and I think that's one of the things that we have to consider everything, everything in context when we make these decisions. Thank you.

CHAIRMAN GREGORY:

Legislator Horsley.

D.P.O. HORSLEY:

That was an interesting -- Gail, let me ask you a quick question. I know you were always good at telling the story for the County to us. And let me go to the -- to both these projects and particularly the STEM. Have you looked at the economic multiplier effect for these types of projects as far as the economic -- as far as economic development to the County? Because we have to look at the full broad range of issues, you know, is this -- you know, what does the STEM building do for the economy of Suffolk County which would bring in more monies to Suffolk County and all those -- you know, those types of issues that we should be looking at. What does it do for the region, what does it do for Suffolk County as far as dollars and cents from an economic picture? Has anyone looked at that? Because that would be a compelling argument to overlook, you know, some of the concerns about our debt in a couple of years if we know that the economy is going to grow X amount of dollars.

MR. LIPP:

I could answer off the top of my head if you want, you know, without going into a real study, because I don't have, unless --

D.P.O. HORSLEY:

I wasn't looking for something elaborate, Robert. I was just, you know, I just -- you know, science and technology, you know, it seems to me that that would have an impact.

MR. LIPP:

Obviously we leverage State dollars so you've got let's say ten million out of the almost 20 million for the STEM Center is State money, and that's an injection to the local economy and the multiplier may be in the neighborhood of two, so that's --

D.P.O. HORSLEY:

That would just be for the building construction issues.

MR. LIPP:

Correct. And then you have ongoing operating in terms of any additional jobs that are brought from the multiplier effect and also from hirings at the college and revenues being brought in perhaps by the students and State aid, that kind of stuff. And then you have to -- against that you have to net out the impact of the half of the cost being the ten million for the County or maybe 13 million in terms of or 14 million in terms of the operating debt service cost over say 18 years. So there's a positive impact, but it's not usually the case that the economic growth from a specific project is going to offset the fiscal cost to the County's budget.

D.P.O. HORSLEY:

Right, I understand that. You're using the classic economic model of what, you know, 2, 2 1/2%, whatever it may be and I get at. I'm just thinking for the -- I'm looking for the vision thing on the part of the college of what this is going to do for the economy of Suffolk County. Is anyone, you know -- because that to me seems to be the compelling case for spending this kind of dollars, you know, in tough times. What's it going to do for, you know, the people of Suffolk County? I think that's what has to be looked at as well.

DR. McKAY:

We'll do two parts of that. I'll have John do the second portion. In the Capital Budget that we submitted to you in year one we anticipate that 260 students will be enrolled. That, of course, will look at -- and that's on the credit side. We'll have 1040 credits. That means that the credits also will come back to us on FTE based aide that in addition to what the direct revenue will be for students paying into the program, State aid will be coming back to us again based on enrollment. That we are looking for in regards to direct dollars from tuition around \$226,000 in the first year coming back to the college. Fees will be around 40,000. State aid we are looking at, direct State aid based on enrollment for the first year, about \$96,000 again. So overall we're looking at a direct infusion of about \$300,000 in the first year.

Now, in regards to operation we have not asked for any new positions in the budget. We know that the economic impact study has to be clearly looked at because there are indirect and direct impacts here.

D.P.O. HORSLEY:

That's what I was going for, I guess the indirect.

DR. McKAY:

Yeah. And again, where there's a direct impact where business and industry are looking to us for soft skills training or training within workforce. That is going to happen directly through Nina and through John on the STEM side. Nina will also, as the program she mentioned earlier, be bringing in a totally different number of students into that building as well. Now, I will ask John to speak on the workforce side and then Nina, could you speak on STEM side as well? John.

MR. LOMBARDO:

The comment I wanted to make in terms of what this brings to the County is we must train a future workforce. We must train the emerging industry. We will not look toward the existing industries as being driven economically going forward. The emerging industry alliances that we have in preparation, workforce preparation, it's incumbent upon us to have a facility like this to train the future workforce. If we don't train the future workforce, there will be no workforce, and without a trained workforce you don't have an economy.

D.P.O. HORSLEY:

I think that's the kind of commentary that I think that has to be played out in this whole argument verse, you know, one debt versus, you know, the future. And I think that's a compelling argument and I think you guys have to sell that. I mean, that's important.

MR. LOMBARDO:

Just to add to that. I mean, I worked with several of the County Legislators regarding workforce support for existing industries within your constituency, and we are doing a great job in terms of placing talent and more importantly keeping talent here. The Renewable Energy and STEM Center is the type of facility where we will be not only training the workforce that builds the product, but working together with the scientists developmentally, because you have to have a developmental economy as well as a workforce. So this group of individuals are challenged with new products that will be manufactured here because the feasibility will be done within that building.

DR. McKAY:

Nina.

D.P.O. HORSLEY:

John, that's the argument I wanted to hear, something like that.

DR. McKAY:

Nina.

MS. LEONHARDT:

As I mentioned earlier, we have students who have to first earn a GED. Those are students who are not really contributing to our current economy, and we're taking those students and meeting them right where they are and upgrading all their skills so that in the short time that we run this project, we have students who have moved from not holding any sort of a certificate to the point that they have the GED and an industry certificate and have employment. So that we have a track record in doing that. That's one audience that we have to look at.

We also started this project in the depths of the recession and there was a precursor project that allowed us to pilot these concepts, and those individuals who were long-term unemployed have been employed. I mentioned some from the last group who were employed. We have over 200 people who have been employed through this program and they -- a lot of the original people who were employed have moved up to management positions in the small companies in which they are and they're reaching out to us now for those who are completing the program, which is really an enviable position to be in. We don't have to search out placements anymore, so that's really good.

As far as the research arm, our students now if they're not going to be able to do the research that they'd like to do on Long Island, they're going to leave Long Island to do research. So we have students who do go to Brookhaven National Laboratory, who do go to Cold Spring Harbor, who do go to Stony Brook University, but there are only a certain number of placements at those locations. If we can fund some of our own then we will have people who stay here and see the benefit of being. And I love the idea of them being involved in the business aspect of R and D. What Stony Brook is trying to do now is encourage a culture of entrepreneurialism and that's what we're trying to do as well here with those brilliant students who are in the STEM fields.

D.P.O. HORSLEY:

Thank you. I appreciate the comments. When we have to look at the big picture here, you know, one is, you know, our debt. Certainly it weighs on our mind. We've got to deal with that on a daily basis of how to keep our costs down. However, we got to look to the future and look to see and make sure that our economy is going to be strong in the future, because that also reflects on managing government and managing education and managing our community. So I appreciate your comments.

CHAIRMAN GREGORY:

Okay. Legislator Kennedy.

LEG. KENNEDY:

Thank you, and I just wanted to talk a little bit more about the STEM Center or the advanced energy center in two components. Shaun, John and I talked just the other day about the Federal Administration's announcement of the competition for five regional defense -- it wasn't defense, it was technology and employment. Now, I know you and I have had many conversations about an actual interest in this presence at a Federal level. Is that something that you're still pursuing as far as --

MR. LOMBARDO:

Yes. We are pursuing at a variety of levels, including the Federal Department of Labor ETA, the community college actions in terms of supporting workforce development. That's something that our Office of Grants is on top of every single day.

LEG. KENNEDY:

So we have some possibility of being able to get some financial support to the whole collaboration

from them as well.

MR. LOMBARDO:

Yes, and additionally we have major support from local industries that are looking to supplement their product and their engineering talent as well.

LEG. KENNEDY:

Well, you've done that just recently with Forecast, Forecast Consult, and most importantly, with the veterans group that you are working with. Tell me a little bit about that.

MR. LOMBARDO:

Throughout the college we're sensitized toward the needs of returning veterans and we -- all three campuses are involved in local organizations in terms of supporting their return, including a credit interface right now with the 106th Airborne that we're working with. I think we've enrolled about 16 to 20 students there. The Airforce does have its own community college that collaborates with SUNY institutions. In addition to that, we're active with not only the State but the County Office of Veterans Affairs. At any moment in time there's one or two individuals from each campus engaged in activity in support of the returning veterans, and we have boot camp projects so they can learn to weld in half the time, you know, so --

LEG. KENNEDY:

Not only are you educating them, but you're getting them employed.

MR. LOMBARDO:

Yes, we are.

LEG. KENNEDY:

Okay. Thank you.

CHAIRMAN GREGORY:

Legislator Stern.

LEG. STERN:

Thank you, Mr. Chairman. And good morning, Dr. McKay.

DR. McKAY:

Good morning.

LEG. STERN:

I have a question about the STEM facility. I think we all agree with Legislator Horsley that this is an important investment and exciting project, and I think everybody agrees on the mission of the college when it comes to training, you know, workforce and emerging industries. My question goes to the -- I guess this is your report.

DR. McKAY:

Uh-huh.

LEG. STERN:

And essentially it says that the first floor of the facility is going to be dedicated to doing all of the good training and education that we've been talking about here, and that the second floor will be dedicated to -- it will serve as an incubator for firms, licensing technology from Stony Brook University. So my question to you and to anybody else who wants to answer, how you see that as part of the mission of the college. Is that the role that the college needs to play going forward, particularly when there are so many other organizations and education facilities that promote and

provide that type of assistance within our community and regionally as well. I also would be interested to know what kind of dialogue there has been with Stony Brook University in particular since they were pointed out in your report.

DR. McKAY:

Right.

LEG. STERN:

And I guess ultimately what benefit you see that effort, the incubator effort that's going to be housed in this particular facility, the benefit that it's going to have to so many students that -- and I heard comments about R and D so I know that the thinking is there, but I was hoping that maybe you can also give some examples of how that might ultimately work, what is the vision there, because when I take a look at the proposal here I see two parts, and two very different missions and visions going on within the same building. One is clearly to provide the educational benefit to our students, but the other one goes well beyond that. I was wondering if you believe that truly is part of the mission of the college.

DR. McKAY:

Legislator Stern, let me just say that part of our mission is -- it says to transform lives and to empower individuals. Another part of the mission talks about the community that we serve. We -- before we got into this concept -- we've met with Stony Brook University. I've met with the President, I met with Yacov Shamash, I met with others at Stony Brook University. Nina is currently working with them, John has worked as well. But let me say this. Several of our institutions, coming up on Sunday we'll be graduating approximately 3,900 students. Last year we had 4,015. If you look at Stony Brook University on intake, they can take in about 3,600 students first time, full-time or even as transfers, which means that our students that are graduating, even if they all want to apply, they can't get in. Our students are at the very core at top, from BNL, going to California. We had eight STEM students placed in the summer. All the students in the STEM areas, even if they apply, they have to compete with everyone else to get in including transfers and students from out of State and out of County coming here going to the universities.

Why is this important? Some of our faculty are doing research at Stony Brook, at Farmingdale, other places. Why not work with our students right here in Suffolk County, right here at the college, and then we can work with faculty from Stony Brook University and Farmingdale to come to us here and we develop, you know, concepts and products. What we were told was that there's not enough lab space there to test some of the products that they were developing, so why not have those students as the very core work with those individuals on our campuses.

The return on investment is real. Part of it going forward, which we haven't discussed yet, is going to be the legal aspects of that, because certainly there would be an MOU, there would be licensing and they'll be all those things on the back end. Now the campus is getting involved in an area that we have not done before, but that those institutions cannot do right now. So what we're doing now is generating for the first time an area of students and of faculty that can bring direct and indirect revenue right here to the college. John, can you speak on the workforce side?

MR. LOMBARDO:

I think our relationships with industry at this point after really heavy amounts of training over the past ten years provide us with a knowledge base in terms of the talents of our variety of industry partners, and we have several hundred of those. So I think a product concept at an R and D institution like Stony Brook would have a quicker path to production and testing and licensing through the community college. We just returned from Next Generation Manufacturing Conference in Denver, where some of the Fortune 50 companies were there. They came to hear how do we turn around this type of training and relevant training so quickly. And the community colleges nationally are being looked at as a pathway for products and productivity.

LEG. STERN:

I guess that really is the important element, so that what I'm hearing is this is part of the college's mission you believe.

DR. McKAY:

Yes.

LEG. STERN:

Going to be a growing part of the college's mission.

DR. McKAY:

Absolutely.

LEG. STERN:

That you're not just going to ask for taxpayers to make the investment, cross your fingers and hope that someone is buying. This is something that you've seen develop in other parts of the country and you see this as really responding to an existing need.

MR. LOMBARDO:

I can give you an example that I think will get everyone's attention without details, because it's still somewhat private, but we have, through our HVAC facility where we train dozens and dozens of students each semester, they all have jobs before they leave. There's an emerging energy product that's been developed by a Long Island company that has recently received a patent, recently received EPA approval and one of the largest manufacturers of heating and air conditioning systems on the Island has agreed to partner with them. We have been involved in that for about a year. We've already developed a training for it. There's machine parts as a secondary operation. As matter of fact, {HA Kazinski}, who's one of the companies within Legislator Kennedy's area, has already prototyped the fittings. This product is going to save 27 1/2% on your energy bill for heating -- for air-conditioning. That would not have happened as quickly or as efficiently if it went through anyone else but Suffolk County Community College.

LEG. STERN:

Thank you.

CHAIRMAN GREGORY:

Legislator Schneiderman.

LEG. SCHNEIDERMAN:

That's music to my ears because that is not only helping the residential homeowner lower their costs --

MR. LOMBARDO:

Yeah, the County.

LEG. SCHNEIDERMAN:

It's stimulating the economy, it's economic development, it's everything that we hope for when we get behind some of these projects. And yeah, there's a cost associated with it, but we hope that we get back a lot more than we put in, you know, in all that stimulus.

Let me start with the STEM Program because I think that's a great project. You know, I love the relationship between Brookhaven National Laboratories and Stony Brook with our community college. If we can keep some more of the students from Suffolk County here in Suffolk County, and maybe even attract some of those students from Nassau County because finally, you know, we're offering something that other places don't have, that should provide some relief to the taxpayers as

well who are funding that out-of-County tuition. I think that's important.

Staying on that theme as we talk about the Eastern Campus and the fitness facility there too, that facility, as I understand it, should generate a significant amount of income for the college through, you know, renting it out, memberships, you know, because the community will be able to use that pool on weekends or when the students aren't using it. Hopefully, and I would like you to respond to this, Dr. McKay, hopefully that additional income will take some pressure off of tuitions having to raise or the County having -- and our piece of it having, you know, and I know you have been very gracious in not asking for a greater contribution from the college -- from the County to the general operating fund of the college, and I'm hoping that projects like this with the State money paying half of it will help -- help bring in more money for operating for the college and put some -- take some pressure off of the Legislature as well as the students.

You know, Legislator Krupski mentioned the title on your journal about "be inspired not in debt", and I know what that's about. That's about the students themselves and the high cost of education and, you know, some of these kids are graduating with debt burdens that they just can't possibly handle, and probably the best deal out there anywhere is our Suffolk County Community College. And so to keep those tuitions from going up I think is really important so that these kids have a fighting chance in life. But, Dr. McKay.

DR. MCKAY:

Thank you again, and your points are well taken. Certainly when we look at the history in regards to the Health and Wellness Center at the Grant Campus, that is part of our operating budget and there's a line that shows revenue coming in directly in that area. Part of the vision here is that we need to make that Island wide. We got high schools that travel all the way to the Brentwood Campus, the Grant Campus, to utilize the facility for indoor track meets. On any given night you have about 2500 or 3,000 students in that building. So we have the high schools using the facilities.

On the East End we hope to do the same thing. What we did as well was to expand the footprint of our employee for that area. We have now an Assistant Director that is involved for marketing directly to the East End, to work with the hoteliers, work with high schools, Southampton PD, all of them, to using that facility. Hopefully when we start the marketing of the East End Suffolk will be a part of that so we can then bring additional revenue from outside that have never come here before out to the East End.

What's significant with this project on the East End as well is that if you look at the footprint of the East End, everyone is talking about what's happening out in the wineries. Let's go out to the East End. We have some new hotels being built, downtown Riverhead has been revitalized, but there's no facility like this on the East End. You look for a pool, indoor pool, a place for the community to go and use to hold community events. There's no place like that. So you have the community side of it, we have the auxiliary side of it, you have the academic side of it, and certainly the East End has no such facility. So for our students that are on that campus and are residents, they don't have to travel all the way to the western end of the Island, but we can generate products and programs unique to both sides of the Island as well.

LEG. SCHNEIDERMAN:

Thank you, Dr. McKay.

CHAIRMAN GREGORY:

Legislator Anker.

LEG. ANKER:

I also want to thank you for all the work that you've put in to these programs. I know I have been working with the Workforce Development Center and you basically have proven results, and I think

that's vital in understanding what to invest and what not to invest, and also the partnerships with -- as you have discussed, the science institutions and education and business and technology. You're across the board and you don't find that -- I haven't heard of any type of institution that has so many connections and so much vital support throughout Long Island. I can say throughout Suffolk County, but it's actually throughout Long Island and even the State. I appreciate you guys going even out of State looking at innovative ways of making your institution stronger and a more vital part of the County.

And I also wanted to thank you for your Vets Program. That is an incredible program. We're having a tremendous problem with our returning vets and trying to get them jobs, and you have a specialized program targeting our vets. I know Legislator Stern and I work on the Vets Committee and we know it to be a problem and you're helping us with that and getting wonderful results.

So, you know, working as Energy Director for the Town of Brookhaven, I worked with over 30, 40 different companies and they were desperately looking for individuals who could install solar panels, work with energy efficiency technology and I think what you do -- I will try to be short because I know you guys have that eleven o'clock meeting, is that you provide that intermediate type of help, the manufacturing that the high tech companies need. Yes, they're doctors, engineers, attorneys, you know, maybe people making \$200,000 a year. You're focusing on the realistic jobs and those students are getting those jobs before they graduate.

So again, my point of this conversation or this discussion is that you have proven results and again, the Legislature sees that, we hear that, we support you. But again, on the other side of the coin, literally financial coin, we do need to watch our finances, but we do appreciate everything that you've done for the County.

CHAIRMAN GREGORY:

Legislator Calarco.

LEG. CALARCO:

Thank you. I just had a couple of questions here, and it's about the STEM facility. And I think the reason so many of us are questioning it is not because of the validity of the project. It sounds like a great project, a great idea. It's just asking us to put \$20 million into our budget over the next two years for something that is new to us. So I guess maybe it's just the suddenness of the project popping into the program for us that kind of makes us step back a little bit and ask some questions. So with the facility, and correct me, you know, I guess I'm trying to just figure out exactly what the plan here is. We have a current workforce training facility, correct?

MR. LOMBARDO:

Yes.

LEG. CALARCO:

When did that open up?

MR. LOMBARDO:

In two thousand -- I think we cut the ribbon in 2009.

LEG. CALARCO:

So fairly recently, right?

MR. LOMBARDO:

Recently in terms of years, but we've outgrown it already because of our success.

LEG. CALARCO:

Okay. So the plan would be to move out of the existing building into the new building or?

MR. LOMBARDO:

No.

LEG. CALARCO:

Or just start providing all new programs in the new building.

MR. LOMBARDO:

No. The plan is there is an existing HVAC Program there and that program would dovetail better in a Renewable Energy Training Academy where we will have geothermal and solar and wind, and then the existing four labs that HVAC encompasses, we need higher temp welding for the aerospace and defense industry. We need to expand our quality control component, and those four rooms would be perfect for that without much in terms of upgrade at all. It's more efficient to have the heating, ventilation and air-conditioning labs within an energy center, because the building management software that we use would enable us to monitor every aspect of the renewable energy component and then do some statistics and be able to indicate how we're saving money and where. It's proposed to be a net zero energy center. It's going to take a couple of years to get there, but it should sustain itself and that model will help us reduce energy costs throughout not only the college, the County, but the State.

LEG. CALARCO:

So in that sense what you're going to do is reconfigure your lab space, move some things out of the existing building, create some new programs in the existing building and then create some new programs in this new proposal -- proposed facility.

MR. LOMBARDO:

That's the proposal, and what we would be doing is we've determined over the last four or five years that the current workforce development manufacturing training programs have supported the region and our students show measurable results in the factory. However, we also need to begin to include some higher levels of the same training. Take the CNC to another level, take the welding -- there are three needs in the County right now for welding. We are currently training for one of those three. With backlog in the aerospace and defense industry of over \$100 million for projects with Boeing that are unencumbered by sequestration, we need to train high temp welders as well as seam welders, both of which we need separate labs, separate ventilation and new equipment.

LEG. CALARCO:

Is there a lower cost alternative, maybe expanding the existing building as opposed to building a whole new facility?

MR. LOMBARDO:

I don't know if expanding the existing building -- it's like putting a dormer on your house. I'm not sure how efficient that is. I'm not equipped to speak to that.

DR. McKAY:

The proposal, and John, if you can join me here as well. The proposal, certainly you are looking at two totally different concepts here, but supporting of each other. For example, the plan here is to take our STEM students, STEM faculty, the lab space that the region doesn't have, have the prototypes developed on-site. The other building doesn't have that level in regards to us going up and out. The needs of this proposed center is uniquely created for this project. If you put both together, certainly, John, you can speak to that, because I'm not sure if you can build-out in the other building and have the same footprint that we've asked here for. John.

MR. DEMAIO:

I think architecturally a new structures fits the mission of the programs that are going to be within that structure. To expand the architectural footprint of the Workforce Technology Center wouldn't be an efficient way to go based on what's going to be housed there and what's going to be housed in the few facility.

DR. McKAY:

And you also, again, when you look at what we're putting in with the wind geo nanos, all of those elements, we don't have that currently in the building. The building systems we have now have been created and tailored for the existing facility. So if you add on what you're looking for to the footprint in the new building, you will have to go back and look at the systems on the other side, because now you're putting two facilities together that have not been initially in the beginning architecturally designed for that purpose or that mission.

LEG. CALARCO:

Okay, thank you. Getting to the budget process, this is a new project so it's not included in the State plan at all right now?

MR. ZWIRN:

Correct. It would have to be adopted in the County Capital Budget before the State would consider it, that's the way it works.

LEG. CALARCO:

When does the State redo their five-year plan?

MR. ZWIRN:

October.

LEG. CALARCO:

This October?

MR. ZWIRN:

Yeah.

LEG. CALARCO:

If we were to put this in as the college is proposing and having the planning money in '14, what's the likelihood of the State being prepared to provide the match in 2014 for our commitment?

MR. ZWIRN:

From my conversations with our State Delegation, it would be excellent. They'd make --

LEG. CALARCO:

They feel pretty confident that they can make this happen?

MR. ZWIRN:

They were very excited about this.

LEG. CALARCO:

And then match the nine million or so in '15?

MR. ZWIRN:

That's correct. If you look at the --

LEG. CALARCO:

I guess what I'm asking is would a delay of a year make it more reasonable to expect it will get into the State plan by putting this back by one year and giving the County a little flexibility as well? Since we're already committing quite a large volume of dollars to the college's capital infrastructure, and have for the past couple of years now. We need a little breathing room, and I was just looking for it.

MR. ZWIRN:

It's a very competitive process in the State. If we move it back a year, there's no guarantee that the State will -- they certainly won't consider it right now. Remember, if it goes in -- if it goes in --

LEG. CALARCO:

So the State's got extra money waiting around for next year but not two years from now?

MR. ZWIRN:

It's year to year with the State and, you know, they have problems too. It's a very competitive process to get this money. Not every project that is submitted by community colleges across the State are funded with matching grants from the State. The community college in Suffolk has been -- does an excellent job and has been very successful. Also, you always have to remember that even though this goes in, it shows support from the County Legislature, but it still has to come back before the County Legislature before this money can be spent. So in a sense, the Capital Budget is a planning document that shows priorities. But, again, every one of those projects has to come back here for 12 votes to get bonding approval. It's a majority plus to get this thing moving. But it shows a commitment on the part of the County that they think it's important and they want to move it forward.

MR. DEMAIO:

Just to add to that briefly. When you look at the last several cycles at the State, every Capital Project that this body has put in to a budget year, that October prior to that year we have submitted to the State, we have gotten State support for every single one of those projects. They see that we mean business, they see that we have the support. We don't submit unless we have the support and can pull it off, and all of the products that have been mentioned, when they hit that October date and we submit it with the call letter from the State, that has made it into the budget and been funded that following year. So the record indicates a lot of success.

LEG. CALARCO:

So our record of history with the State is that we typically put these things in to the following year's budget and the State has always jumped right on board without having to have a year or two of lead up to get their support?

MR. DEMAIO:

That is correct.

CHAIRMAN GREGORY:

Legislator Horsley.

D.P.O. HORSLEY:

Yeah, just real quick. I see in your brochure that you have the numbers in the STEM Program now at 1200. What -- is that true, first of all; 1,500? I thought it was 12. Fifteen? And what do you anticipate if this building is erected? What do you look as your capacity for the program itself?

MS. LEONHARDT:

This --

D.P.O. HORSLEY:

It was in the brochure.

MS. LEONHARDT:

This particular building is not going to house every STEM student.

D.P.O. HORSLEY:

Okay.

MS. LEONHARDT:

A lot of STEM students, the majority of the STEM students that you are referring to, are in the credit programs and they are taking courses on the campuses. They will have the opportunity, though, to participate in the research aspects, and certainly some of their labs will take place within this building. So when we're talking about capacity within the building, we should be looking at those that we're looking for the training programs, which we would expect --

D.P.O. HORSLEY:

So -- okay. So what you're saying basically is that not all people that are in the STEM Program are not part of that 1200. But what do you look to as far as growth in the STEM Program? Does this building grow the STEM Program?

MS. LEONHARDT:

Yes, definitely.

D.P.O. HORSLEY:

I would think it would.

MS. LEONHARDT:

Definitely.

D.P.O. HORSLEY:

I would hope so.

MS. LEONHARDT:

Definitely.

D.P.O. HORSLEY:

And what is your capacity? What are you looking for, what do you envision?

MS. LEONHARDT:

We would expect that just because we have the capacity there and we have research there it's going to attract more students to our programs.

D.P.O. HORSLEY:

I would think.

MS. LEONHARDT:

And we would expect at least a 10% increase every year without a doubt. There is a facility, there's research taking place and that's what excites students. The literature is very clear that students who have the opportunity to do research remain in the STEM pipeline.

D.P.O. HORSLEY:

Doctor, what you are saying is then that we're going to increase the STEM Program 10% a year if this building is built.

MS. LEONHARDT:

Uh-huh.

D.P.O. HORSLEY:

That's a commitment. There you go, 10% per year. Okay. Thank you.

CHAIRMAN GREGORY:

Legislator D'Amaro.

LEG. D'AMARO:

Is the Science and Technology Building open yet?

DR. McKAY:

Not yet, no.

LEG. D'AMARO:

It's under construction?

MR. DEMAIO:

At the Ammerman Campus?

LEG. D'AMARO:

Yeah.

MR. DEMAIO:

Yes, it is under construction.

LEG. D'AMARO:

That building is 64,000 square feet. It doesn't have the capacity to incorporate the technology you are looking for for this facility?

DR. McKAY:

No. This is the first new Science and Technology Building at Ammerman Campus since it was opened. It's been 54 years on that campus and the campus currently has grown to 14,000 students. What we hope to do on that campus in the space that has been -- will be relieved at least, because we are going to move the folks out of the building that they're in now into the new Science-Technology. What we're going to then do is to create some classroom space that we have outgrown. And in addition, the Student Center, we don't have the student services --

LEG. D'AMARO:

Yeah, I remember.

DR. McKAY:

Yeah, so we're going to backfill with that because again, right now it's a narrow corridor downstairs. We can't get all the students in --

LEG. D'AMARO:

Right.

DR. McKAY:

-- to the student support areas, and faculty need additional space for that campus because we have outgrown it. Our adjunct faculty as well, as we have grown we have gotten more adjunct faculty, so we don't have enough adjunct faculty spaces. So the campus in this footprint, while there's traffic problems, you have office space problems and you have service problems where you can't have all

the students on campus at the same time trying to get services. So we have a plan for both spaces.

LEG. D'AMARO:

All right, thanks.

CHAIRMAN GREGORY:

Okay. All right? No more questions? I guess that's it. Thank you very much for your time and attention.

DR. McKAY:

Thank you very much. Thank you.

CHAIRMAN GREGORY:

All right. Thank you, Mr. President. I believe Mr. Melito, Mr. Rogers, they wanted to come up. I was requested to ask you guys to come up, but you guys wanted to come up and make a statement or comments. Thank you, gentlemen. We have allotted four hours for your questioning.

*(*Laughter*)*

MR. MELITO:

How about 14 minutes.

CHAIRMAN GREGORY:

Excellent.

MR. MELITO:

Okay, thank you, everybody. Good morning. As you know, I'm Deputy County Executive Tom Melito. I'm here today to support the proposed Microsoft Enterprise License Capital Project, which our Commissioner of Information and Technology will speak to you in a moment about. Use of technology is the cornerstone for many performance management initiatives, and those of you who have listened to me over the past year have gotten a little bit of a sense of the type of mission that we have, including improving employee productivity through data driven decision making, the use of performance metrics, information sharing, developing an awareness of return on investment for the initiation of projects, as well as their implementation, and analysis. It is also the backbone for operation and success of our County departments that all rely on automated functions, tools and the ability to manage data in order for them to function properly.

As you know, we spent much time last year evaluating our technology based infrastructure and data usage with an eye for leveraging existing technology tools and judiciously making decisions regarding the acquisition of new tools. Performance management, and as we've discussed over the last couple of committee meetings that we've spoken at, is already reducing the silo based mentality that permeates county governments across the country, but including our own. Our goal is now to increase the County's return on its investment while advancing its presence as an accessible, available, information rich public organization. If we are to effectively address the current combination of layoffs, attrition and retirement resulting in an operating environment that includes a greatly reduced workforce, we must provide the tools needed to improve efficiency, to ensure compliance with regulatory requirements and mandates, and to better promote workforce management while serving Suffolk County constituents in the most effective and reasonable way.

Particularly during the exigent times we are experiencing, there are actions we must take in order to make our most precious, expensive and important asset, our people, our human capital, effective. Any organization's people define its culture, drive its performance, embody its knowledge base, and are the key to successful transformation efforts. As such, strategic human capital management is critical in our agenda and in order to maximize our government's performance while assuring its

accountability for the benefit of Suffolk County residents. This human capital management includes providing the tools, training and support necessary for our employees to excel. As noted by the Suffolk County Community College representatives here this morning, who spoke at length about training our workforce and training our future workforces, training is also critical to our own workforce as it exists here today in Suffolk County.

The enterprise agreement before you is a critical platform for delivering a much needed infusion of human capital and technology investment that will improve Countywide communications, skill levels, data storage and retrieval, management reporting capabilities heretofore not achieved. More importantly, with this enterprise agreement you can be proud to know that your constituents, our constituents, will have better access to their County government and higher quality service delivery than is currently available. I will now turn it over to Commissioner Rogers.

COMMISSIONER RODGERS:

Good morning. Thanks for taking the time this morning. This enterprise agreement is part of an overall IT reorganizational structure within the County, and the thrust is this is part of a coordinated effort for us to make better use of technology throughout the County. Now, this agreement represents a new agreement. As Suffolk County allowed its previous agreement to expire, there is no opportunity to renew or utilize any costs that may have been associated with that. However, in the interest of us entering into an agreement and through negotiation, we have been able to negotiate a price of \$1.02 million less than the current New York State OGS Enterprise License Agreement costs. So if we take a look at this agreement and we compare apples to apples, the cost of this agreement today is one million dollars less than what New York State OGS pricing would be. If we sign this agreement a month from now, it will be one million dollars more. If we sign it a year from now it will be at least one million dollars more. This is an offer that was negotiated and presented to us so that we could enter into an agreement again.

So the question then becomes why aren't you entering into an agreement at all? The County is currently in a state where we had an expired agreement. That agreement was for 6,352 devices. This agreement is for 5,000 licenses. What I want to make clear here is this -- this agreement is not for DOIT, this agreement is for the County. This agreement is not for departments. This agreement is for users. We have the flexibility within this agreement to be able to go out and apply it to those users that will most benefit from it. So there are no departments that are excluded here.

We have done an assessment and in our opinion, the number of users that we are targeting here will most benefit from the software that we are purchasing. When we consider that we have approximately 10,000 County employees, we look at these 5,000 as being in a position to most utilize the tools that are coming in here, which is primarily Microsoft Office, SQL Server, Development Tools and SharePoint, Link, which is a communications product, and as part of this agreement we are getting significant additional benefits. We will realize about \$450,000 in training capability included in our purchase of the agreement. Now, that's in support services and implementation over the five years of the agreement. That is the minimum amount that we will realize out of this agreement.

So we sit down and we say, "Okay, why is Microsoft being so nice to us? How come they want to do a deal with us?" We had an independent third party come in and assess this agreement. We gave them the package, we gave them access to Dell, which is who the license goes through. We gave them the ability to ask any questions they wanted and to assess it. This is the group that did an assessment of the New York City agreement, and they came back and said to us this agreement is better than what New York City received. This agreement is better than they have seen anywhere else and that we should take advantage of it. That is why I'm here before you today.

We had the ability to tailor this agreement to our needs, not to sit down and say we want to apply it only to certain departments and have it just handed out. Our intention here is to make sure that we

maximize the utilization of our staff in this County. Now this, as I said to you earlier, is part of an overall plan for implementing technology throughout the County. We have already instituted a skills assessment survey that we have gone out and assessed the skills of staff. As part of that we will utilize the training as available through this to bring staff in, to have them trained, not at their desk, but to have them trained in a classroom. We have the ability to bring in outside resources and trainers if we need to on this. They will work in groups together. One of the biggest issues, as Mr. Melito alluded to, that we have seen in this County and is the silos and decentralizations that has existed for departments to do things independently with a focus only on what is their immediate need. We are trying to focus on what is the need of the County overall. We want people to work together, we want to share these resources and we want to expand the capability of staff.

We have approximately 200 IT people throughout the County. We have 5,000 licenses that we're using. We want to empower these people to be able to do what they need to do.

If you go back to your office and ask your staff what training did you receive in Excel, what training did you receive in Word, I can almost assure you the answer will be, "Well, I learned it on my own," or "I spoke to somebody else." We're not maximizing that resource. When they want to do something they've got to call IT. We want them to be able to use these tools effectively.

Now, hand-in-hand with this we have other tools which are part of our initiative to do business intelligence. We have other tools for SQL Server to do a conversion and -- excuse me, and I think it's important. Now, in the interest of time, I have developed a detailed analysis of the enterprise agreement. I have developed a detailed response to the current BRO Report, and I could sit here and go over it with you right now. I would rather provide every member with their own individual copy which I will be happy to discuss with you. And I will have that to you by close of business tomorrow.

What I can say to you is this. We will see significant savings of a million dollars regardless of any other savings, over cost alone, in this agreement today. If the question is why do we need an enterprise agreement, the answer is somewhat straightforward. We need an enterprise agreement in order to move this County forward on an even playing field so that we are all operating in an environment that works for the County and we don't see departments each spending as to what they view an individual need to be and we have a coordinated effort. We have as part of our strategic plan a desire to move County -- departments in a coordinated direction. Yes, part of that is to move to SQL and to move off of Oracle. Part of that is for us to put tools in place that the departments can utilize and can coordinate together. Part of that is for us to train staff in a coordinated effort.

So, again I say to you, the important thing here is this is for 5,000 users. This is for us to be able to reach out to individuals throughout the County and say this is applicable. Now, one of the nice side benefits we also get here with regard to employees is every employee will be able to purchase their own copy of Microsoft Office for \$10. Normally that's about 300 bucks. They'll get it for 10 bucks and they will be able to use that.

Again, I don't take lightly the current fiscal situation that we are in. I understand it. Our initiative here is to be able to reduce costs as we move forward. If we don't do this now it significantly delays our ability to move forward. As I said, I will be happy to take any questions and I will provide every member with a detailed analysis of this presentation by close of business tomorrow.

CHAIRMAN GREGORY:

Thank you, Mr. Rogers. I have a few questions and then I will yield the floor to Legislator D'Amaro. So as I understand your presentation is there's a million dollars plus in savings, which is good. It's going to coordinate the various IT personnel by having licenses throughout the County, which is good, but other than that, what's the benefit? I read something about that there's -- there would be some efficiencies that would come about through this. I also notice that DSS and the PD are not a

part of it, and that kind of concerns me because they are the two largest departments within the County and that may be -- well, I'll let you answer that. I think why that may be, but I'll let you answer that.

MR. MELITO:

Let me just jump in first before we get to that, and Don, I'll let Don respond. But when you talk about the importance of it, quite frankly there are two levels. There's one, we're talking about strictly technology, providing technology tools to our employees, giving them the training they need to know how to use those tools. And then it's also the advancement of the Performance Management agenda, which County Executive Bellone has brought with him when he came into office, and that's how do we apply those tools in some standardized way in order to evaluate our performance. As you know, you have been in here many -- several hearings that I have spoken at. Legislator Cilmi is a vociferous proponent of lean principles. Lean principles say we look at what it is we do, should we be doing it in the first place, number one. Number two, how do we do it, and number three, are we doing things that we don't need to be doing and how do we eliminate those. In order to do that you need tools that are standardized across the County operation that allows us to make those evaluations.

We have gone through and talked with just about every department here, and one of the striking things is that we don't have standardized tools for making these evaluations. We have a database here, someone has an Access spreadsheet here, whatever the case might be, and there's nothing that goes across that says when we measure this thing we're comparing it as apples to apples to this other thing that allows us to make reasonable decisions.

So aside from the technology, and I'll let Don speak to that, it's really about advancing the Performance Management agenda, making sure that we have a standardized approach to looking at data, evaluating data, turning that data into information, and then using that information to make decisions. And that's what data driven decision making is, particularly at a time when we're losing employees. And don't kid yourself, I'm sure you all realize as all of us are stewards of Suffolk County, the morale of our workforce has suffered because of the situation that we're in. It's very difficult to work under those circumstances.

Research shows, and my experience shows, that one great reward for employees to let them know that they are valued, to spur them on to achieve better things and to engage them in the process of meeting our mission, is to provide them with training to advance their skill levels so that they, in fact, feel that they are part of achieving the overall mission. People go into the public sector not for monetary rewards as we all know why, because there are none, but they go into the public sector because of a deep, intrinsic and overriding desire in many cases to do good things for other people. We are in a position now in a number of ways, but certainly this is a cornerstone piece, to provide the incentive for our employees to perform beyond what they have been able to perform in the past and up to this point, particularly in these situations now where we don't have resources and we're really struggling to keep our workforce motivated, on target and up to skill levels.

*(*Legislator Spencer & Presiding Officer Lindsay
Entered the meeting at 11:23 A.M. *)*

CHAIRMAN GREGORY:

Before Mr. Rodgers answers, that's exactly what my concern was, why we don't have DSS as a part of this, you know, when you consider the fact that DSS is under a consent decree because they have been meeting the time regulations for applications for Public Assistance employees, why we wouldn't put a system in place that ensures that they're being efficient as possible or how to reduce those time burdens.

Also, what I'm hearing as well, one of the things that kind of perturbs me is this RFP waiver process

where we're doing more RFP waivers than RFP's. One of the things I'm hearing is that's potentially because of the situation with employees, are they being used to their maximum capacity, how are we monitoring them and that departments may be usurping the RFP process and going to waivers. And that certainly concerns me. We should be monitoring that and other situations that may present itself throughout the various departments. How would this system through -- implore you as Performance Management to analyze and pick up those circumstances and to correct or address them as necessary.

COMMISSIONER RODGERS:

Let me address DSS and PD first. DSS and PD are not excluded from this agreement. Okay? This is not a department agreement, it is a user agreement. What we are receiving is 5,000 user licenses; as such, we can deploy those however we feel to the most appropriate staff. This leads directly into your next statement, which is what are we doing with staff and how are we looking at things, whether it's the RFP process or whether it's the situation at DSS where we are under decrees and we need to pay attention to things. We do not have a standard environment in this County. We have suffered from an extreme silo approach in this County where departments made decisions on their own and said, "This is what's best for me." That's not a criticism of the department; the department has to survive. We are trying to take an approach that says we need a coordinated effort going forward. We need to understand what it is that we're doing and how we're working going forward and making sure we're doing that most efficiently, whether we're talking about Performance Management or whether we're talking about a department management of its own.

What is the methodology that is currently in place for departments to be able to analyze actually the operational environment that they're in, and the answer to that question is as varied as how many departments we have in this County. And when I want to look at cross County -- across the department benefits I can't or I can't do it easily. And when I want to ask members of a department to provide me with information from their department I have to rely on hoping that that skill set of the individual who is providing me that information is up to snuff and they're actually providing it correctly. We have way too much emphasis on things like Access databases and Excel spreadsheets that are developed by people who have not been trained appropriately in those areas. We want to address that. We want to make sure that they are trained appropriately so that when I'm asking for data or a department is creating data it's in a standardized format and that training has been standardized and they understand how to use the tools that are available to them. We can exploit the training that is available as a result of this agreement to bring these people in and make sure they are trained to maximize their efforts and utilize the tools that are there. Not only that, we look to standardize the database environment so that when we went to look at data we're looking at apples to apples and we're not taking the time of highly trained IT people to have to worry about converting data from one format to another or assessing it or what's the platform that it's on. This is key to what we're doing here. As much as it's about Performance Management for performance management, it is about performance management for the departments as well and their staff and maximizing the efficiencies of our most valuable resource, which is our employees.

CHAIRMAN GREGORY:

And I agree. Your predecessor and I had the same conversation on many occasions that the silo approach has done a disservice to the County. They're software applications out in various departments that we're not even aware of, and you're right, the training is not there, so I agree with that. I just want to kind of have a better understanding on my part what will be the benefit from an efficiency standpoint. I think you started to address that. But in the BRO Report it does say that DSS and the PD is excluded. Now, Robert, is that a misunderstanding or?

COMMISSIONER RODGERS:

If I can just respond to that?

CHAIRMAN GREGORY:

Okay, sure.

COMMISSIONER RODGERS:

When Allen and I spoke, I wasn't aware that he was -- we were having a conversation for the BRO Report and it was at a very early stage in the conversation, and if I was I would have said to him I need to get back to you and provide you with a more complete picture on this. The conversation was that we were going to address DSS and PD as the needs were at a later date, and that is true, but not as a department level, at an individual level. We're talking staffing now, we're not talking departments. This is true for the other departments as well, all right? We're talking about 5,000 licenses here per user and each user can have up to five licenses as a result of one authorization. So if you have a laptop and a desktop that only counts as one license. If you have laptop and mobile device, that's only one license. We get efficiencies out of that. Previous EA was based upon devices, desktop devices, so it was segregated to departments because it was much -- that was the way to do that, where we could say this department has 500 devices, this one has 1,000 devices. This EA is directed to users.

CHAIRMAN GREGORY:

Okay. And the last question, directed at BRO, your ranking of 15 is rather low. I know the County Executive ranks it at a 46. Can you explain your ranking?

MR. LIPP:

I believe that's based upon our findings that we didn't think that it was warranted, number one. Number two, the two things, without getting into the specifics, that I'd like to bring out. Number one is we are -- you know, we would like to hear because of the updated information, you know, your response and, you know, at the end of the day -- at the end of today you are saying, you know, you are going to give a response --

COMMISSIONER RODGERS:

Tomorrow.

MR. LIPP:

Tomorrow. And we will fairly look at that and if we think, you know, that he's on point and we were wrong we are more than willing to admit that, number one. Number two, I really think it should be mentioned here that all previous EA agreements have been Operating Budget agreements. I realized because of our deficit what we've done is we've restructured and said, just like we've done with cars saying that we're going to keep cars longer, that we are going to keep these agreements for five years instead of the normal three years, a longer shelf life, so that we could sort of shoehorn it into the Capital Program. That being said, it's another slippery slope. We just keep on throwing everything into Capital. If we want to do this, in our view this should be an Operating Budget item.

CHAIRMAN GREGORY:

Point very well made.

COMMISSIONER RODGERS:

If I can respond to that.

CHAIRMAN GREGORY:

Yes.

COMMISSIONER RODGERS:

And I understand that all previous agreements were under Operating. Tom has some information with regard to GASB 51, and in addition I would just like to make the point that this is a big ticket item. We understand that. If this is my operating budget, that's it, that is my operating budget and

every year my operating budget gets cut. I want to be able to know that going forward we can implement this plan and make it go forward because for us to succeed and put the changes in place that we need to put into place, we need to understand that we can do this going forward.

Additionally, this isn't all we're going to be doing. And the expectation that my operating budget is going to be able to include this and the other things that I need to be doing I don't think is a realistic one on my part if I were to take that position. So beyond that, I think the GASB issues that Tom's going to address also support why we want to put this into Capital.

MR. MELITO:

Yeah. If you would just humor me for about a minute. Just to get it out in the open, GASB 51 states that the Government Accounting Standards Board issued Number 51, reporting for intangible assets in June of 2007, which established accounting and financial reporting requirements for intangible assets in an effort to enhance comparability of such assets between state and local governments.

I would add that Bond Counsel has reviewed this project and has concluded that it fits within the context of GASB 51 and qualifies as a Capital Project, and I'll just read you briefly the question and answer that's given out from GASB, General Accounting Standards Board as we know. Question: "An agency purchases commercially available software through a five year license agreement. Under the agreement terms, the agency is required to make annual payments to the software vendor for the right to use the software over the life of the agreement. Should the software acquired under this licensing agreement be capitalized?" Answer: "Yes. Under these circumstances the licensing agreement to use software for five years qualifies as an intangible asset and should be recorded as a capital asset and depreciated over the useful life of the asset." And I can go on and on and on, but I just -- to give you a sense of it is sanctioned and it is recommended that that's the way the item should be treated.

CHAIRMAN GREGORY:

Yes, Dr Lipp.

MR. LIPP:

No disagreement at all. Basically my interpretation of what you're saying, correct me if I'm wrong, is that legally it can be borrowed for. There's no argument, never meant to say otherwise, true, it can be legally borrowed. We didn't say anything in the review that it couldn't. The point I was just making is this is part of our overall slippery slope. Mr. Rogers was talking about his budget. He makes an excellent point here. Here is part of the problem. Part of the problem is the way we do our budget, show our budgets, we don't show the debt service there. There's stuff that's 18 years out that's in the -- that's implicit in the debt service for all sorts of projects, for, you know, who knows which departments. You know, maybe we should be showing debt service by department, if we wanted to do that. We're just saying that there's slippery slope with the issuing of bonds. We've gotten so far away from any sort of pay-as-you-go policy, we've gone in the opposite direction. Just calling that to your attention.

CHAIRMAN GREGORY:

Okay. Thank you. Legislator D'Amaro.

LEG. D'AMARO:

Thank you. And, excuse me, Rob, just to pick up on that. I apologize. I agree with you, it is a slippery slope. This is something traditionally, I'm not talking about the legality and, Mr. Melito, I understand that we could put this in the Capital Budget if we chose to do so, but this is something that in the past we've always made an operation expense and we have not bonded for or paid interest over time. I have a couple of areas I want to go into. Number one, the performance management, the basic theory being you make an investment in people, technology, and from that

you achieve a savings. What's been our savings? I hear an awful lot about performance management and areas that have been looked at, but, you know, are we on track? Are we saving here?

MR. MELITO:

We are definitely saving money. I don't have a full accounting for you at this moment, but I know if you've been in some of the meetings we've had before we've already looked at revenue enhancement opportunities, the way in which we track work we do through DSS and we've recoupled about \$6.5 million in a year, and we have ongoing initiatives.

LEG. D'AMARO:

Right, I agree with you. I think you've done a great job in making the County more efficient given the tools you have to work with, which is not a lot these days money wise, I mean, because there is none. But this project now seeks another about 1.4 or 1.5 million for 5,000 licenses, which will not cover the whole County, but I guess you can use them selectively for efficiency purposes to try and achieve three goals that have been stated, at least in the report that I'm reading. One, cost savings; two, the implementation of a standard County-wide database; and third is the additional software that would come along with this, business intelligence and performance evaluation tools, etcetera. So there are three objectives.

The Budget Office says that none of them will be achieved and, in fact, recommends that this be deleted from the Capital Program, yet you gentlemen are sitting here today telling me this is vital, we need it, this is the future, we're behind, we have to integrate all our systems, I can't get the right data out of the departments because we don't even know what systems they're using sometimes. So I hear your testimony and I understand your testimony and I think your goals are the proper goals, but the devil here is in the details, and if you read this BRO analysis, and Commissioner I'm sure you've had an opportunity to look at that, or if you haven't I would suggest that you do.

COMMISSIONER RODGERS:

I have.

LEG. D'AMARO:

Okay. It really takes you to task on these goals and whether or not they're achievable. I'll just give you a couple of things here. "The Commissioner seems too optimistic, the software" -- "We don't need this costly agreement to obtain the additional software we desire. There are" -- "By going to the Microsoft model, there are other software, McAfee in particular will be replaced." They're not necessarily sure that you should even be doing that. And finally, it says that, you know, "Since the stated reasons for this project are not going to be achieved, and because the expected benefits cannot be completely substantiated and appear to be outweighed by unanticipated costs", and that's another issue I have. You know, we talk about 5,000 licenses not including DSS, not including the Police Department, so, yeah, the plan is to cover them, but what's the cost? What are the hidden costs? What are we talking about in the future, because what happens is once we standardized half the system, then you're going to come back and say well now we have to do, you know, everybody else. So I don't think we're -- I think there's -- the report tells me that there's approximately 12,700 desktops and laptops deployed throughout the County. Certainly we are not going to be covering all of those.

So from an IT perspective I appreciate what you're trying to do. You are trying to take a system that is, what is the term you use, siloed, that has different software applications being used in various departments and one not talking to the other and not giving you data in the same format. The training is different for each of those software applications. So the goal is to get everybody doing the same thing at the same time. I understand that, but my Budget Office is telling me you are not going to achieve that here if I spend a million and a half dollars, number one. And second of all, even if we can start to achieve that, can we afford to do this right now? I mean, your ranking

here is very low, and I know it's important to you and the department and I would like you to be able to achieve those goals, but I'm being told they're just not going to be achieved.

COMMISSIONER RODGERS:

I couldn't agree with you more with regard to the report, and I have developed a response to every item in there and as I say, I think that a more thorough discussion needed to take place with regard to this prior to that. And additionally, as I said, appropriate individuals in PD and DSS will be covered under this agreement.

LEG. D'AMARO:

Okay.

COMMISSIONER RODGERS:

Okay? They're not excluded. Beyond that, there's not 12,000 devices in the County, all right, so there needs to be a discussion to make sure everybody is on the same page with regard to what is or isn't out there. However, what I will say to you is this. The simple fact that I'm saying there's not 12,000 devices and your Budget Office is saying there is 12,000 devices points out significantly what's wrong here in that the answers to a lot of questions are I think, it could be, maybe, but they're not definitive. We need to get to a point where we can have definitive answers.

MR. MELITO:

Legislator D'Amaro, I would just add to that and, you know, you say, you make the comment that, you know, we're going to do 5,000 and then we're going to come back and ask for more and can we afford to do that. And I would just posit to say without trying to be rhetorical that we can't afford to not do this. At a time when we're losing employees, we are losing revenues, we have no choice. If we want to survive as a viable public organization we have no choice but to make the resources that we have --

LEG. D'AMARO:

I don't agree with you.

MR. MELITO:

-- as effective as possible.

LEG. D'AMARO:

I don't agree with you. I understand we want to be as much in the forefront as possible, but the County is functioning right now. And, in fact, your Commissioner has stated -- and Commissioner, you tell me if this is not what you said -- but it says when asked by the department -- when the department was asked if this project was not implemented, when asked what the downside to the department would be if the project was not implemented, the Commissioner answered that there would be none. There would be none. And that everything --

COMMISSIONER RODGERS:

I have already had a conversation with Mr. Fung regarding that statement.

LEG. D'AMARO:

Okay. So you did not say that then?

COMMISSIONER RODGERS:

Well, I believe what I said is there would be none, we would continue to sit here and not advance.

LEG. D'AMARO:

Right, that is correct. Right, okay.

COMMISSIONER RODGERS:

That's not a positive statement. The intention of that statement is to mean that the impact is going to be detrimental. It will be detrimental to us because we are not operationally moving forward. We are spending money that we really shouldn't be spending. We are not organized in the departments the way we need to be; this will help us to do that. And yes, you're right, we are addressing only 5,000 licenses.

LEG. D'AMARO:

Right.

COMMISSIONER RODGERS:

And we will have to come back. But what I am saying to you is I'm not coming back for another 5,000 of the same type of agreement.

LEG. D'AMARO:

All right. Well, let me ask you about that. Also we're being told that, and I don't want to get too technical or use too much time here, but unfortunately that's the area we're in. It says, "Performing daily production work on the VM where virtual servers" -- it goes on to talk about these servers. "Therefore, the Department of Information Technology would require a massive investment in server hardware in order to be able to first establish the same production environment in Hyper-V" etcetera, etcetera. So, you know, again, we have a Capital Project of a million-four for 5,000 licenses and my Budget Office is telling me yeah, but what about the massive investment, and that's their words, in server hardware? Now, is that an accurate statement?

COMMISSIONER RODGERS:

No, it's not.

LEG. D'AMARO:

Okay. Okay, it also says that replacing -- using this Microsoft agreement in place of the McAfee -- in fact, Microsoft is seeking to eliminate many -- ceasing the development of many of its planned Forefront products and therefore the Budget Office is saying you should not be switching away from one software to another. Do you agree with that?

COMMISSIONER RODGERS:

Forefront is part of this -- is part of this agreement. We would be remiss if we did not explore the potential to replace McAfee with Forefront. That does not mean that we are replacing it. However, Microsoft has announced, Microsoft has announced, that what they are doing is they are rolling some of the components of Forefront into other packages.

LEG. D'AMARO:

Right.

COMMISSIONER RODGERS:

Which are included in this purchase, so we're not losing that capability. Now, I just would like to add that New York State recently announced that they are also assessing Forefront and likely moving in that direction. Now, I have no intention of us moving to anything strictly from a standpoint of this is free and that's not and putting the County at risk.

LEG. D'AMARO:

Right. Let me just -- and I'll be very quick. Another major point I want to make here or ask you about is that we talk about performance management, performance evaluation tools, and the report that I'm reading indicates that those tools are already available under the previous EA, although the software under the proposed EA contains a small number of functionality enhancements over the prior agreement, it's only a marginal additional usefulness. For example, the option to upgrade to

Office 2013 under the proposed EA is of no significant advantage. So that seems to directly contradict, if I understand this correctly, what we're -- what you're telling us that you need these enhancements to the software and these 5,000 licenses to better do performance evaluation. What the Budget Report is saying that those tools are already there under the old agreement.

You know, this is so -- and I'm not saying you're right or wrong. I'm just trying to understand why we have such a wide gap between what the Budget Office is telling us as opposed to the need for this capital project. I mean, again, to just go back to my initial comments, there were three objectives to be obtained, and this report is taking all of those objectives to task, not only saying maybe you'll achieve them, but saying you won't achieve them and in fact you already have the ability to do the performance evaluation that you need to do.

COMMISSIONER RODGERS:

And I appreciate your concern. As I said, I will be happy to sit here and address them with you now. I have put together a comprehensive presentation and I have also addressed everything that I felt really was outstanding in the report item by item. And I'll be happy to respond to it now or I'll be happy to respond to you separately.

LEG. D'AMARO:

No, Commissioner, my purpose is here today is not to say, again, what's right or what's wrong. We're trying to go through a process here and I think you'd mentioned you have by close of business tomorrow a report coming to us and response to this.

COMMISSIONER RODGERS:

Correct.

LEG. D'AMARO:

I will read it, I will, you know, consider that as well. We don't need to go through that today. I just want you to understand, and I think you do, where I'm coming from with respect to reading this Budget Review Report is telling me just the opposite of what your testimony is here today. So I look forward to receiving your report. I don't want to take any more time, but I think you understand my point.

COMMISSIONER RODGERS:

I do. I do, and I appreciate it.

LEG. D'AMARO:

All right.

COMMISSIONER RODGERS:

Thank you.

LEG. D'AMARO:

Thank you.

CHAIRMAN GREGORY:

Legislator Anker.

LEG. ANKER:

Thank you for coming here today and giving us your insight of how the County can move forward. Honestly, I have concerns, because if you compare with our BRO Report with what you have, you know, it's night and day. So, you know, the point -- you know, the County basically is in triage right now and sometimes we have to just stay in neutral territory rather than move forward during times like this. I'm going to not comment more because I'd like to hopefully have, you know, our two

departments get together and see if there's some common ground. Right now there's a vast divide in as far as moving forward or the technology needs versus the technology wants kind of thing. Let's see if we can move closer on that perspective, you know, and then see -- because, you know, we're talking about millions and millions of dollars. And the bonding, you know, I'm going to say this, but we have to stop bonding. We have to stop bonding until we're in better financial health. So again, I'm looking forward to seeing how you guys -- to see your perspective once you have further discussion. Thanks.

COMMISSIONER RODGERS:

Thank you.

CHAIRMAN GREGORY:

Commissioner, just one last comment, if I may. I see there's a potential fatal flaw. I understand that what you are trying to do, but you address the silo approach and I understand -- I remember last year there was an attempt to bring those people under your supervision, if you will. That attempt failed. So was it --

COMMISSIONER RODGERS:

I'm sorry, that was implemented, Legislator.

CHAIRMAN GREGORY:

Okay. It was my understanding that it wasn't implemented to the degree or effect that you would have liked it to have been.

COMMISSIONER RODGERS:

Well, what we did was we moved a significant number of departments directly under DOIT itself. The Police Department, DSS and Probation did not roll into DOIT, but they are part of the overall federated model and are working with us in a coordinated effort for us to go forward.

CHAIRMAN GREGORY:

So you have -- you don't necessarily have direct supervision over them, but you do have some kind of I guess control, if you will, over?

COMMISSIONER RODGERS:

I currently -- we have established a Working Oversight Committee of which we have representatives from Performance Management, Police, DSS, DOIT and myself. We are moving forward with that. We are moving forward, as I said, we did a skills assessment of all the IT people in the County, not just DOIT, and we are starting to coordinate working groups within that environment to take advantage of the skill sets of everyone throughout the County and ensuring that those services are shared across the County.

CHAIRMAN GREGORY:

Okay.

MR. MELITO:

So there are about ten departments directly under the federated model, and more from a user side I can speak to. We have been working very closely with those departments. We have definitely seen benefits associated with that federated approach. We have spent a lot time working with the Department of Health and their technical resources, help get them -- get the EMR system up and running appropriately. So there have been lots of leeway and that federated approach, quite frankly, is a platform for doing all of the things that we're talking about with regard to performance management.

The only thing I would add, and I know you want to say something so I'll shut up, is that in the past, you know, we haven't had the focus on performance management, quote/unquote, lean principles, data driven decision making. So the status quo would not have as much of an impact on an overall agenda because that agenda was not there. So we do have that agenda, we are trying to move this forward, and whether you agree with it or not or the nuances of it, the truth of the matter is we are working with our employees to try to maximize their utility, their skill levels and their capabilities.

CHAIRMAN GREGORY:

Okay. So as the federated approach, as you call it, are they -- because from what I recall was there was an attempt to move those IT personnel and Parks, Probation, wherever, DSS, under DOIT. That has not happened. They are still Parks, Probation, DSS employees, but they're working with you? Is that --

MR. MELITO:

No, no. First of all, there was never an intent to bring those people directly into DOIT.

CHAIRMAN GREGORY:

Not physically, I'm talking about supervisory, control, you know, control wise.

MR. MELITO:

Their budgets run through DOIT and therefore the Commissioner has some control over the allocation of those resources. But I just want to make sure we understood the concept.

CHAIRMAN GREGORY:

No, because I specifically remember the concern being well, there's a IT person in Parks and there's an issue in Parks. What's the concern going to be, is DOIT going to tell them no, we need you in DSS because they're having a particular issue or will Parks be able to retain control over their person for their specific needs. I specifically remember that.

COMMISSIONER RODGERS:

I couldn't agree with you more. I specifically remember it as well.

CHAIRMAN GREGORY:

Okay. So what was the end result?

COMMISSIONER RODGERS:

Well, the end result is that certain staff were moved under DOIT from a reporting standpoint. They remained in the department and they, from a technology standpoint, operate out of DOIT. PD and DSS, who are much larger organizational environments and have a managerial structure in place, remained entities within their departments. However, they all coordinate. They're all coordinating together. I honestly think that if you had a conversation with Health or if you had a conversation with Parks today, they would tell you that they're being better served than prior to the implementation of the overall federated model, which is an accepted IT structure for implementation of IT services.

CHAIRMAN GREGORY:

Right, I don't disagree with you. I think progress has been made because there wasn't communication before. Whether they're directly under your supervision and control or not, at least from my point of view and perspective, there's improvement because there's at least communication and cooperation where in the past there wasn't. So I think that's important. I just wanted to fully understand what the mechanics are when you talk about a federated approach. Are they DOIT employees that are situated in DOIT or still in departments, I just wanted to understand that better. But you are communicating, cooperating, working together and that's, I guess, the overall important part of this.

COMMISSIONER RODGERS:

We wanted to ensure that whatever reimbursement levels or charge backs could be maintained were maintained, so it had to be done judiciously.

CHAIRMAN GREGORY:

Okay. Legislator D'Amaro.

LEG. KENNEDY:

Wayne?

LEG. D'AMARO:

Just very quickly. I just had a question.

P.O. LINDSAY:

Lou, could you suffer an interruption for a second?

LEG. D'AMARO:

Sure. Yeah, go ahead.

P.O. LINDSAY:

It's just that we're running so late and we have a Working Group downstairs and we still have a Health Committee hearing. So Legislator Spencer would like to hold the Health Committee hearing in the BRO conference room separately. So if there's anybody here that would like to address Health, if you could go back to BRO's Conference room and we'll have a stenographer back there so everything will be recorded, okay? I'm sorry for the interruption.

LEG. D'AMARO:

Thank you. Completely different topic, Commissioner, but while I have you here, okay, and this will just take a moment. I mean, one of the opening comments I believe Mr. Melito made was better access to County government and I agree, that is a very important goal. Back in June of 2010 the Legislature passed a bill, which was signed into law, to implement the County version of Project Sunlight. It was a Capital Project, it was Capital Project 1650. What it did was it was going to provide residents with easy access to information about individual elected officials, campaign finance activities, legislation, lobbyists, State contracts, and registered corporations and charities. I sponsored the bill, it was passed, it became law. We then put -- the bill actually amended the Capital Program and put in \$110,000 in planning funds. And I would want -- I just wanted to bring that up and ask you if you have any knowledge of that, if it was implemented and whatever became of the Capital Project. If you don't have that information now I'd be happy to talk to you at another time.

COMMISSIONER RODGERS:

I do not, but I would be happy to talk to you.

LEG. D'AMARO:

All right. Please take a look at that because it was -- I think it kind of folds into what you're talking about being more efficient. An end goal of all of this, I think one of the end goals would be allowing residents, taxpayers, to have access to all of this information. It was done at the State level. We were doing it here at the County level. I believe the funds were -- actually the bill I'm looking at we appropriated the funds for the planning, so we probably spent 110,000, and I would just like to know what the outcome of that Capital Project was.

COMMISSIONER RODGERS:

I will be happy to get back to you on that.

LEG. D'AMARO:

Okay. I appreciate that.

COMMISSIONER RODGERS:

Absolutely.

LEG. D'AMARO:

Thank you.

CHAIRMAN GREGORY:

Legislator Kennedy.

LEG. KENNEDY:

Yes, thank you. I did not hear what you gentlemen presented about before, but I do want to just kind of bridge off of what Legislator Gregory spoke about, particularly, Commissioner, with how IT is functioning. And what my understanding was when it came to not so much the deployment of the personnel, I do understand the rationale with that having come out of the Clerk's Office where they have a freestanding set of IT support folks, but my concern goes more to the procurement, support and maintenance of the software. I believe yesterday we talked about specifically a piece of software or some type of implement -- oh, I know what it was, servers, backup servers for the Mary Gordon Building. There is a Capital Project that's speaking specifically about backup servers.

So my question to you is, is having -- I know what the disjoint decision making was and has been for quite some time regarding not only software but particularly hardware, and the complete absence of any kind of uniformity or standard, so much so that the usual decision tree was something between -- and I'm really going to date myself here, Sun servers and Microsoft servers, and Sun servers is what we worked off of out in the County Clerk's Office. But again, I couldn't, if my life depended upon it, explain to you the differences, the benefits or the drawbacks. I relied upon the IT staff that were out there and it seems like it was a good choice that was made. We have run consistently for almost ten years without interruption.

Having said all that, have you looked at those backup servers that they're requesting, and does it comport with the standard that you put into place for hardware procurement for the County in total?

COMMISSIONER RODGERS:

I'm happy to say the answer to that question is yes. We have been in discussion with DSS with regard to this overall project, which is for disaster recovery of the Mary Gordon Building. It was recently highlighted by the storm, and we understand the importance of that. And not only have we been in discussion with them, but we have assured that the disc drives that they will be using are of the same nature and brand and manufacturer that we use for disaster recovery on the overall DOIT environment, so that we are hoping to be able to avoid having to purchase additional racks or locations for actual storage of this equipment.

LEG. KENNEDY:

Okay. So now let me go actually to the both of you gentlemen. That's an excellent example of a collaborative effort. What if you found that those pieces of equipment didn't comport. Would you be able to direct them to get something else, or would they say we like this stuff, we're getting that.

COMMISSIONER RODGERS:

Well, actually their original recommendation was for different equipment and we did work with them to have them do this. Now, however, that's an excellent question. And this is why I have established this overall group for us to meet together and make sure we have these kinds of conversations. The IT Steering Committee is charged with looking at this. However, it is my intention to make sure that any and all of those issues are resolved before they ever get to IT

Steering Committee.

LEG. KENNEDY:

Okay.

COMMISSIONER RODGERS:

That departments understand that they need to pass this through so that we can have the discussion and ensure that funds are being used judiciously.

LEG. KENNEDY:

Okay. And then let me go to Tom, then, from a procedure process. So the hammer should be that the voucher or the check never gets cut to acquire it until it passes through his group and it gets the blessing. Is that the -- that's the way it operates now or we're moving to that?

MR. MELITO:

Yeah, it does and we are moving more to that. It hasn't quite been in need of the hammer, quite frankly, because the way we have been working with the departments through the federated approach and then reaching out to DSS, the Police Department, have not required that, but yes, that's the general idea.

LEG. KENNEDY:

Excellent. Okay, good. Thank you very much. Thank you, Mr. Chair.

CHAIRMAN GREGORY:

Thank you. Legislator Calarco had a question, that's right.

LEG. CALARCO:

Hi, Don. I just have a question for you and it relates to a lot of the changes that are going to take place with this. I mean, we're migrating from Oracle to SQL, from VMware to Hyper-V Migration, from McAfee to Forefront, and in each one of these it's going to require us to get training. I understand that you've worked out a deal with Microsoft to provide all that training for us and really make sure that our employees are able to get up to speed, so to speak. But they're all up to speed on the other programs that we're using, the other software that we're using. And I hear you say this is going to allow us to move forward, but I haven't really heard you say why it's going to allow us to move forward. Are these other programs, Oracle and McAfee, are these softwares not being maintained anymore? Are they outdated? Are they things that the upgrades aren't coming out on them yearly and that everybody in corporate culture are switching away from these entities? I mean, why is it that they're no longer good?

COMMISSIONER RODGERS:

They are good.

LEG. CALARCO:

Okay.

COMMISSIONER RODGERS:

The move, the definitive move within that group is Oracle to SQL, that's the definitive move. McAfee to Forefront is something that we will assess, hyper-V and VM is something that we will assess. With regard to Hyper-V and VM we may see a hybrid situation, okay. Now, the assessment is being done because we do pay a fee for VM. Hyper-V is included within the package that we have, all right. As with anything else, we need to take a look at exactly what you're saying, what is the learning curve, what is the feasibility of the implementation. If we -- if we do that migration, we will incur additional savings. That's a given. And I -- my feeling is I would be remiss not to explore those opportunities for us because they are there.

With regards to Oracle and SQL, the County itself is not of such a size that we demand to be -- to have to operate in an Oracle environment. Oracle is one of the most cost prohibitive software bases there is. Not only that, there are better and more available tools that we can get out to the user community in a SQL environment so that we can have a consistent operating platform for everybody to use, not just for the people that are identified as IT people. So when we want to get data to people that want to use things in Excel, when we're operating out of the SQL environment it's much more conducive to that. And the licensing cost is probably about one-fifth of what the licensing cost for Oracle is, and we are not -- we are not losing anything there. Okay. But with regard to Hyper-V/VM or Forefront/McAfee, these are areas that we want to assess. If we can utilize them we will because we will save money.

LEG. CALARCO:

So your goal here is the Oracle Program, to get out of Oracle. That's the real bottom line for you here.

COMMISSIONER RODGERS:

I wouldn't say that's my goal. That is one of the initiatives. Oracle is a definite, that's a given, all right. We need to move away from Oracle. We need to have a standardized platform.

LEG. CALARCO:

We can't get a standardized platform through Oracle?

COMMISSIONER RODGERS:

We can, it's a lot more expensive and it's not as conducive to the end user being able to use those tools, which is where we want to go. We want to be able to look at these 5,000 people we're talking about and say what else can you do, how much more can you do if we have the data available to you and it's in a format that you can use and work with and we train you how to use that.

LEG. CALARCO:

And the savings that you're -- for the other programs then you're looking at switching to Forefront or the Hyper-V because it's a package deal, it's kind of like when you switch -- you get Cablevision and you pick up the phone for free because it comes for free and you drop your Verizon landline.

COMMISSIONER RODGERS:

Exactly.

LEG. CALARCO:

Well, not free, but.

COMMISSIONER RODGERS:

Well, there's no such thing as free, we know that.

LEG. CALARCO:

Okay. Thank you.

CHAIRMAN GREGORY:

All right. Thank you, Commissioner, Mr. Melito. I think that's it.

MR. MELITO:

Thank you. We appreciate it.

COMMISSIONER RODGERS:

Gentleman, I believe you also have another project in front of you, 1807, for security.

CHAIRMAN GREGORY:

Okay.

COMMISSIONER RODGERS:

I would just like to address that with you briefly if I can. This is a -- this is for a supplemental service package that we utilize, which actually runs behind McAfee. Now, McAfee is our primary protector against intrusion that's out there, and it uses a particular methodology. We did a proof of concept with this particular software package. The reason we're looking for it is what we found out is that there are things that get past McAfee, and this uses a completely different technology to be able to try and discover those -- what those intrusive items are.

What I can say to you is that from April 23rd to May 14th there were over 500 different items that this particular software stopped after they had gotten through the initial firewall, and when you keep in mind that approximately 85%, 85% of all e-mail is blocked and never gets in it gives you a little bit of an idea of the kind of vulnerability and attack that we are subject to, or could potentially be subject to. So I would ask that you just consider this when you are assessing this particular project. It is not redundant, it takes a different approach than McAfee does. I would be happy to go into exactly how it works with you, but it is proactive, it's not reactive, when it looks at things. McAfee is basically working from a table that says we know that these are the bad guys and we're looking for them, but unfortunately it doesn't know they're bad guys until somebody reports them as bad guys. This particular software looks at it for characteristics and performance basis and then says can we stop this.

My concern, again, is the security of the network, which is the only reason why we would take the approach and ask for this. Thank you.

CHAIRMAN GREGORY:

Okay. Any questions?

LEG. D'AMARO:

Yeah.

CHAIRMAN GREGORY:

Legislator D'Amaro.

LEG. D'AMARO:

I just want to, again, point out that this is Budget Office again recommending that this go to operating funds and the cost be reduced. Have you had an opportunity to look at those conclusions?

COMMISSIONER RODGERS:

I have, and again, I would love to reduce the cost. It's not an inexpensive option, I understand that, and if we could negotiate a reduction we would be happy to. So again, I --

LEG. D'AMARO:

Well, they're saying it's based on the fact that you're not doing the SIEM system anymore? You can purchase these units each for 125,000. You know, I don't want to get into all the details here, but again, it seems -- it's not really disagreeing that this added level of security is not warranted. It's basically saying the cost is too high maybe based on a wrong assumption, so you might want to just take a look at that.

COMMISSIONER RODGERS:

I will be happy to look at it, Legislator.

LEG. D'AMARO:

Okay, thank you.

CHAIRMAN GREGORY:

Okay. Thank you, Commissioner. All right.

LEG. ANKER:

Thank you.

CHAIRMAN GREGORY:

All right. We stand adjourned. Thank you.

*(*The meeting was adjourned at 12:11 PM*)*

{ } Denotes spelled phonetically