

**GOVERNMENT OPERATIONS, PERSONNEL, HOUSING  
& CONSUMER PROTECTION COMMITTEE**

**OF THE**

**SUFFOLK COUNTY LEGISLATURE**

**MINUTES**

A meeting of the Government Operations, Personnel, Housing & Consumer Protection Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on October 4, 2012.

**MEMBERS PRESENT:**

Leg. Robert Calarco, Chairman  
Leg. William Spencer, Vice Chair  
Leg. Kate M. Browning  
Leg. Thomas Cilmi  
Leg. Edward P. Romaine

**ALSO IN ATTENDANCE:**

Presiding Officer William J. Lindsay  
Legislator DuWayne Gregory, Fifteenth District  
George Nolan, Counsel to the Legislature  
Sarah Simpson, Assistant Counsel  
Renee Ortiz, Chief Deputy Clerk  
Gail Vizzini, Director of Budget Review Office  
Robert Lipp, Deputy Director/Budget Review Office  
Benny Pernice, BRO  
Judith Pascale, County Clerk  
Nicole DeLuca, Chief Deputy Clerk  
Penny Wells-LaValle, Director of Real Property Tax Service Agency  
Christopher Como, Official Examiner of Title  
Jim Malone, Senior Deputy Clerk  
Ben Zwirn, County Executive's Office  
Jon Schneider, Chief Deputy County Executive  
Paul Margiotta, Director of Labor Relations  
Joe Cohen, County Attorney  
Samuel Chu, Commissioner/Labor Department  
Tom Vaughn, County Executive's Office  
Fred Pollert, Budget Office

(ALSO IN ATTENDANCE CONTINUED ON NEXT PAGE)

**ALSO IN ATTENDANCE:** (Continued from first page)

Paul Perillie, Aide to Leg. Gregory  
Lora Gellerstein, Aide to Leg. Spencer  
Amy Keyes, Aide to Leg. Calarco  
Tom Ronayne, Director/Veterans Affairs  
Ralph Fasano, Concerned for Independent Living  
Michael Sharkey, SCSO  
Arthur Sanchez, DSPBA  
Antony Prudenti, DSPBA  
Hank Mulligan, SOA  
John Cowie, SOA  
Peter Quinn  
Paul Caplan  
Lou Viscusi, SCCOA  
Tim Hayde  
Paul Llobell, SPCA  
Noel DiGerolamo, President of PBA  
Jill Rosen-Nikoloff, Director Affordable House/Real Estate  
Laura Ahearn  
Amy Keyes, Aide to Leg. Calarco  
Marie Berkoski, County Executive's Office  
Debbie Harris, Aide to Leg. Stern  
Justin Littell, Aide to Leg. D'Amaro  
And all other interested parties

**MINUTES TAKEN BY:**

Diana Flesher, Court Stenographer  
Alison Mahoney, Court Stenographer

## THE MEETING WAS CALLED TO ORDER AT 12:29 PM

### CHAIRMAN CALARCO:

All right, we're going to get started here with the Government Operations Committee. Thank you everyone for coming this afternoon. And we're going to start with the Pledge of Allegiance, if everybody would please rise, led by Legislator Cilmi.

### SALUTATION

Please just remain standing for a quick moment of silence. Yesterday we lost a colleague in Nassau County, the Presiding Officer, Peter Schmidt; and if we could just have a moment of silence for Peter and his family.

### MOMENT OF SILENCE OBSERVED

### PUBLIC PORTION

Thank you very much. All right. We're going to have a nice, quick meeting here today. (Laughter) We're going to get started. I have a few cards here for the agenda. We're going to go right to the Public Portion. We're going to start with Tim Hayde. I think I got that right, Tim?

### PUBLIC PORTION

### MR. HAYDE:

Yes.

### CHAIRMAN CALARCO:

Please come forward and -- put the podium on. You get three minutes.

### MR. HAYDE:

Okay, this is about my concern about the police budget. Tuesday's -- in Tuesday's Newsday on the front page, *cop contract would cost \$268 million*, 85.6 million higher than what Bellone mentioned. And then the next day Wednesday, *push to save money, cash-strapped County considers privatizing, reconstructing the buses*. I mean, they're cash strapped, so what are they doing with a budget like this? What is Bellone thinking? That's all I'd like to know. This is unaffordable. Because what I have written down -- I've written down some notes. It's going to be with the pensions -- when you greatly increase base pay, it gravely increases overtime payments. And then when they retire and then when they work all their mega-overtime before they retire, they add their overtime into their pension calculations, the pension cost is going to go through the sky. It's unaffordable.

I mean this contract should just be scraped and be completely redone. It has nothing to do with cop-bashing, nothing like that. I mean this really pertains to the whole public sector outside the police force also. But it's the principle idea. This is unaffordable. And why should pensions for the whole public sector be based where they're allowed to add all their mega-overtime into their pension calculations? I mean pensions should be based on base salary only. That is my biggest, you know, concern.

I'm getting a little choked up because I have a lot of passion about this. The private sector is taking a beating. They lost a lot of their income there. They're doing with a lot less. A lot of people are struggling out there. They cannot afford these big tax increases so, you know, to support the public sector. The Police Department, with all due respect, they get paid very, very well for what they're doing right now. They're the highest paid in the nation. God bless them. But this contract is unsustainable. It's a financial disaster. And not only that, say, if they get awarded this, everybody else is going to want a contract like this when their time comes up. The Sheriff Departments and all the other public sector. This is unaffordable.

The private sector is broke. I'm broke. My pockets are empty. I can't afford this. And, yes, I'm really ticked off right now about it, but I have good reason to be. I'm not ticked off out of malice, but I don't know what Bellone is thinking. I mean this guy walks around like he's the emperor; not the County Executive, you know. This is -- this is unsustainable. And I think this is an outrage, to propose a contract like this. And then the next day I got to read about the cash-strapped County looking to sell their bus system while he's proposing something like this. Will somebody explain to me the logic behind this? You know, it's an outrage. It's outrageous. You know, that's all I got to say.

**CHAIRMAN CALARCO:**

Thank you, Mr. Hayde. And we will have the Police contract before us today. So, there's going to be quite a bit of review. We're going to have our Budget Review Office as well as the County Executive's Department Office here to explain what they see the numbers are and that's going to be all part of the discussion we'll be having during the Committee today as we move this forward.

**MR. HAYDE:**

Just one more quick thing. I mean why should a contract be eight years? We're living in such unstable times. Anything could happen that could cause who knows what. Contracts should be no more than three years. Four years, maybe tops. But eight years, no. No, that's ridiculous. We should not have an eight-year contract. Who knows what the situation's going to be four, five, six years down the road? And then they're going to be binded by the constitution because they're protected by the constitution? They get big pay raises? And there's another cost if the inflation index goes above 5%, they want their contracts reopened to get bigger cost-of-living increases? Say if inflation hits 15% when they release all this QE money that's still sitting in the banks. What are they going to do? Get a 15% pay raise to cover the inflation costs? I'm not getting nothing. My pockets are going to get picked to pay their 15% raises or 20% raises if the index goes that high? You know what I'm saying?

They should suck up the inflation costs like the rest of us. I'm going to have to tighten my buckle with inflation; so should they. And my salary and my benefits, I can't even begin to dream about what they're already getting paid already. If I had one half of what they're getting right now, I'd be the happiest guy in the world. They could retire at forty something years old and collect 30, 40 years of a pension. And to my understanding -- and correct me if I'm wrong -- they pay no state and local taxes on their pension checks. And they get COLA raises already on their pensions.

I mean, it's just -- it went on for decades, but changes have to be made. These are different times we're living in. And the private sector is suffering out there. A lot of people are struggling out there, worrying about their mortgage payments, worrying about putting food on the table. And they're getting hit with higher and higher taxes to give raises to people making six figure salaries and six figure pensions. I think it's outrageous.

**CHAIRMAN CALARCO:**

Thank you, Mr. Hayde.

**MR. HAYDE:**

Okay.

**CHAIRMAN CALARCO:**

Next up is Ralph Fasano.

**AUDIENCE MEMBER:**

He had to move his car. He'll be here in a couple of minutes.

**CHAIRMAN CALARCO:**

Okay. I'll put it aside. I have another card that can go first. Paul Llobell.

**MR. LLOBELL:**

Thank you, elected officials. Thank you for those who've been supporting the SPCA. We do appreciate your support. Those who haven't been supporting us, we wish you would.

The reason I'm here this afternoon is to -- we still don't have this indemnification issue settled, approved. While it's benevolent that the Legislature has offered to pay a portion of our insurance policy, that still doesn't handle or take care of the problem that we have, you know, indemnifying the 30 Peace Officers that are within our organization.

We've had indemnification in the past. This is nothing new. We've always had it. The prior County Attorney has signed off on that indemnification quite a few times until her last term. And I'm not sure why. We want to get on the record that there's many facts that have been misrepresented to the Legislature regarding our indemnification. We never said we were going to accept money for insurance in lieu of indemnification. And, again, it's benevolent that you're helping us with that. We want to continue to provide the service that we provide to residents of Suffolk County, but our officers do need to be indemnified to maintain that same level of service.

We have agreed to accept some sort of level of County oversight. We were told talks would continue between the County and the SPCA for indemnification. And, quite honestly, they haven't. So that's something I think can be addressed at a Legislative level.

I don't know if you've seen it, we have petitions circulating around the County. We have quite a few thousand signatures from concerned residents in support of our indemnification. This is basically what the County wants. The SPCA, we plan in the very near future to recognize the Legislators who are supporting us. And we also plan to also publicize the Legislators that are not supporting it.

So with that I'd like you to consider, again, moving forward with our indemnification issues. And, you know, please contact us and let's get the conversation going again. Thank you.

**LEG. ROMAINE:**

Mr. Chairman, quick question.

**CHAIRMAN CALARCO:**

Sure thing, go ahead.

**LEG. ROMAINE:**

Quick question. In your presentation today, you mention that the County was not negotiating with you or dealing with you; is that correct? Did I hear that properly?

**MR. LLOBELL:**

Yes, at this point there seems to be no negotiations moving forward.

**LEG. ROMAINE:**

Thank you. Because they presented just the opposite to us. And I think a reading of the verbatim minutes of our Committee there are members of this Administration that said -- came forward and said they were in negotiations and they were in discussions with the SPCA. I raise this, Mr. Chairman, to kind of fire a flare for this Administration, don't come here and say one thing and then go back to your office and do something else. Don't mislead this Legislature. You do so at your own peril. Not to involve you, Paul, but when you said that, that struck me, because we were told a different story. We have to rely on the good faith and honesty of the Executive Branch where they appear before us and accept what they say.

**CHAIRMAN CALARCO:**

Legislator Romaine, are we getting to a question for Paul?

**LEG. ROMAINE:**

Aren't you surprised as I am about the difference between what is said and what is done?

**MR. LLOBELL:**

Absolutely.

**LEG. ROMAINE:**

Thank you.

**MR. LLOBELL:**

Thank you very much.

**CHAIRMAN CALARCO:**

Thank you, Legislator. Anybody else have a question for Mr. Llobell? Thank you, Mr. Llobell. I think -- has Mr. Fasano come back in the room? Okay. We will call Ralph Fasano next.

**MR. FASANO:**

Good afternoon. My name is Ralph Fasano. I am the Executive Director of Concerned for Independent Living. And I want to thank all of the Legislators for having me here today. I'm here to present a project that we're doing in North Amityville on a former military base there. This is 60 units of housing for homeless veterans and their families. (Displaying poster)

When a military base closes, the BRAC Law, Relocation Assistance Act, calls for proposals from homeless services providers. And those proposals are supposed to be prioritized. Over the years, a number of bases have closed. And they haven't been used to house homeless individuals, no less veterans. So when -- we were -- we found out that this base was closing, we proposed to provide housing for veterans; a very much needed thing here in Suffolk County. There are hundreds of homeless veterans living in shelters, living on the streets, people who served our country well. And so we -- there was a competition that the Long Island Coalition for the Homeless held. Tom Ronayne, our Director of Veterans Affairs, was on that Committee. And they chose us to provide this housing.

We're an experienced housing developer here in Suffolk County. We have over 200 different sites throughout Suffolk where we house people with disabilities, veterans and people who have been homeless. It makes sense to provide permanent housing for people who are homeless. Because when you house people in shelters, it's costly and it doesn't solve anything. And when you house people in permanent housing, particularly families with children, if you end the cycle of homelessness -- and the veterans that will be living here will be given job training, services and hopefully get back into the job market.

I want to thank Suffolk County for entertaining this proposal. It's been a really very difficult project to put together. We have the Town of Babylon, the County of Suffolk, two divisions from New York State Housing, HUDD, the Department of Defense and many different funders: Bank of America, National Equity Fund. We pulled this together. We were ready to close by next week. Governor Cuomo, when he issued these tax credits, essentially said if organizations can pull this together in nine months, we'll give you the funding. If you can't, we're going to take it away from you.

So, we have to pull this together by next week in order to get \$12 million in State funding to be able to make this project work. It has a lot of support. I'm happy to see Legislator Gregory here. And we've gotten great support from the County employees. Jill Rosen-Nikoloff has been terrific with us. And we've gotten through a process where we've done a subdivision, a rezoning, a site plan approval. We've gotten through the Waste Water Department in record time with the help of some of you and the County Executive, Jill and Tom.

And so it's coming to a crux now. We're -- we were given one extension. We weren't able to put the financing together by September 30th. We were given one extension. If we don't pull this

together by next week, we'll lose the state funding. We'll have to start all over again and it might just kill the project.

So, I implore you to fund this project with \$1.5 million in Suffolk funds. We have leveraged significant funding. The project is over \$20 million. And I think it's going to be a wonderful project in the end that will serve veterans well and be an asset to our community.

**CHAIRMAN CALARCO:**

Thank you very much, Mr. Fasano. Does anybody -- Legislator Gregory.

**LEG. GREGORY:**

Thank you, Mr. Chair. I know I'm not a member of this Committee. Thank you for your indulgence. Thank you for coming here today. Although the County's putting up 1.5 million, which basically is for sidewalks and things of that nature, as you said, it's a massive project. As a former -- as a veteran myself, you know, the plight of our homeless veterans is something that's very important to me. And this project will certainly address those needs, so -- I know the timeline has been -- it's very critical. And Senator Schumer came out and, you know, put some force behind on a federal level. So, we've met some obstacles, but we're here. And I'm looking for the support of my colleagues. And I just want to thank you for putting forth a project that the community can get behind and support and they do do that. So, I appreciate that. I really do.

**MR. FASANO:**

Thank you.

**CHAIRMAN CALARCO:**

Legislator Spencer.

**LEG. SPENCER:**

This housing that you're providing, I think, sounds like a wonderful idea. I mean, you know, I definitely think it's something that we need more of. I just had a question. In terms of -- will there be a lottery to choose who goes there? Or how would you -- how will you -- you know, I know there's a bigger need in housing. And the reason I'm asking the question, I know that there may be some potentially -- with regards to VASH vouchers, will this utilize those? I know that they seem to have them in our adjoining County, but I don't think we're utilizing them. So, are you familiar with them?

**MR. FASANO:**

I am, I am.

**LEG. SPENCER:**

And will this be part of the program?

**MR. FASANO:**

And we do intend -- that's a very good question. We do intend to use VASH vouchers. We're working closely with the VA. And what happens sometimes is veterans are given the VASH vouchers and they can't find an adequate place to live. So, this will be a perfect place particularly for veterans who need services. So, sometimes a veteran may receive a VASH voucher, but they need more than just an apartment. They need some help with services and training and vocational placement. So, this will be a place where we'll be able to provide that on-site, but they'll also have really beautiful housing. And, yes, there will be a marketing of the project and we'll do a lottery and try to select those veterans that really need this type of housing in order to stabilize and be a productive member of the community.

**LEG. SPENCER:**

Thank you.

**CHAIRMAN CALARCO:**

Thank you. And I see that we have our Director of Veterans Affairs, Tom Ronayne here. Tom, did you want to add something about this project quickly?

**DIRECTOR RONAYNE:**

If I could, please.

**CHAIRMAN CALARCO:**

Sure, sure.

**DIRECTOR RONAYNE:**

Thank you, Mr. Chairman. As Mr. Fasano explained, there have been many, many levels of government and other individuals, other organizations involved in the planning and development of this project. The ability to put this project in place would provide relief for what is probably at this point becoming a desperate need for adequate appropriate housing for homeless veterans or veterans at risk of becoming homeless in our communities.

One of the more unique aspects of this program, and what we're very excited about, is that it addresses the need of not only our single or non-associated veterans who require homeless services, but also for our families. We have very, very little stock for homeless families at all. And when we specifically address the issue of homeless veterans families, we have even fewer. So, this project would address both of those needs.

As Mr. Fasano explained also, the ability to have services on-site, the VA would have services on-site, my office would have access to service to -- space to deliver services on-site as would many other agencies who would be delivering point-to-point services in the moment. There would not be necessarily the need for referrals or delays in appointment time. We would be on-site in an existing structure that is already on the property that would remain in place for that purpose.

And, again, the other thing that I would just you to consider is the cost -- the cost being borne on this project in terms of the residents occupying the units would be largely by the HUD VASH Program. The cost to the County -- I hate to put it in terms of economics -- if we extract for a moment the issue of doing the right thing for our veterans and the right thing for our community, the cost to the County is significantly reduced by allowing the HUD VASH recipients to occupy these units. HUD VASH would pay two-thirds of the rent -- of the rent on the unit. The occupying veteran or that veteran and his family would pay the remaining one-third. That is an extraordinary savings to the County versus having to put these people in sheltering or other housing options that might presently be -- being utilized.

So, thank you. I urge you to please consider and support this issue.

**CHAIRMAN CALARCO:**

Great. Thank you very much. And it sounds like it's a terrific project and a way for us to give back to the men and women who have given to our country.

**DIRECTOR RONAYNE:**

And we clearly are wholeheartedly in favor of it.

**CHAIRMAN CALARCO:**

Thank you. Okay. I have one more card. Peter Quinn.

**MR. QUINN:**

Good afternoon, members of the Committee. My name is Peter Quinn, a longtime visitor to this forum.

**MS. FLESHER:**

Turn the mic on.

**MR. QUINN:**

I forgot that as I generally do.

I am here to talk about the budget. And I am vitally concerned about the cops' agreement -- arranged agreement with the County Executive. And it concerns me that the Budget Review Office has come up with different numbers, 268 million as a potential increase in cost. And the other side of the coin -- and 36% rate reduction, which would cost -- which would save us allegedly 96 million. There is such a discrepancy that I would hope that when you look at the information that's supposed to come out later today, that you judge what has been taking place in the past.

The fact is Newsday ran a feature article a couple of years ago dealing with the cops' pay and indicated that nine out of the top ten officials in Suffolk County were police officers. That seemed to me out of whack. And I raised it a number of times without any precipitous reaction on the part of Legislators.

And so I'm -- I raised it most recently when -- when the Presiding Officer took a leave of absence. And that was the last time I raised the issue. But it seems prudent to me to say you have a choice: You can either adopt this contract and face potential bankruptcy as a County and continue to lay off more workers in the future -- and it just seems to me the wrong thing to do. There has to be some balance. And the curbs that have been proposed to me don't seem to be adequate. I thank you very much.

Oh, one other point while I'm here. One of the things that I had proposed at least four times this year was that you look at the Suffolk County Industrial Development Agency and seek some changes. When nothing happened, I was asked to put something down in writing. I wrote ten Whereas Clauses and three Resolve Clauses in an attempt to get you to have a three-year moratorium on giving out perks to businesses in a time of dire constraint, financial constraint. I mean, the financial chickens are coming home to roost. And it just seems prudent that between the public sector, which you all allegedly support, and the private sector, which gets multi millions of dollars in benefits on an annual basis, deserves to be weighed and perhaps that three-year moratorium would put us back in fiscal shape where you'd be able to accommodate wages for all of your public sector workers. Thank you.

**CHAIRMAN CALARCO:**

Thank you, Mr. Quinn. Do we have any other speakers who'd like to address the Committee at this time?

Okay, seeing none we're going to move into our presentations.

**PRESENTATIONS**

We're going to start. We have County Clerk Miss Judith Pascale here as well as Penny Wells-LaValle, our Director of Real Property Services. And they're going to give us a few words about some of the operations within their Department as it applies to recording documents.

Judy, please have a seat at the front here. And just some of the things that are going on in their Department. So, if you would, please.

**MS. PASCALE:**

Good morning. I just want to thank Legislator Calarco for allowing us this opportunity to address you. A special thanks to Legislator Browning who has been in touch with my office about some issues that have been brought to her attention. And also Legislator Cilmi, who has kind of kept on top of our budget issues and has been extremely supportive as have all of you.

I believe the reason that we're here today is because Legislator Browning received an inquiry, I'm going to say, from a title examiner, which is allegedly indicative of the title industry in that they must -- they're limited to the number of documents that they can present for recording at any different time. Correct?

**LEG. BROWNING:**

(Shaking head in the affirmative)

**MS. PASCALE:**

And the reason for that is -- and I have with me my Chief Deputy Nicole DeLuca. I also have with me -- are they behind me -- they're here somewhere. Christopher Como, who is my -- he's an attorney who's also my Deputy in charge of recording. And I have with me Jim Malone, who also is an attorney, and he is in charge of my finances. And I believe that was the question, Legislator Browning, about how we came up with the 15 documents?

**LEG. BROWNING:**

Right.

**MS. PASCALE:**

That pretty much sums it up?

**LEG. BROWNING:**

Well, not just the 15 documents, but the fact that you have so many documents between Real Estate and yourself that are not being processed in a timely fashion.

**MS. PASCALE:**

Okay.

**LEG. BROWNING:**

And we're talking about that 14,000 documents and how the numbers are growing.

**MS. PASCALE:**

Okay. Well, in Suffolk County -- just very, very briefly, before my office can record anything, it must be verified by Real Property Tax Service. And I'm going to let the Director of Real Property Tax Services address those questions.

I would like to get back to the 15 document issues so that you can understand why we did what we did. And this has been -- as Legislator Romaine will remember, this has kind of been an ongoing problem in our office. The County Clerk's Office is an extremely busy office. We're the busiest office in the State. And right now everybody is trying to refinance. I know I've had some conversations with some people in this room, and they've said, yes, we've done that, too, because people want to take advantage of the low interest rates. Before I can record anything, it must be verified by Real Property Tax Service. And, again, I'm going to let the Director deal with that, but I am going to have Chris explain very briefly how he arrived at the 15 documents limit.

**MR. DeLUCA:**

To save space, I'll just address it from here. Thank you. Just as a point of background -- is that better? As a point of background, there are three ways to record documents in the Suffolk County Clerk's Office. You can either mail them in -- title companies will drop them off and leave them; or you can wait on a line and have them done immediately. It's about 50/50 in terms of how it's done.

One of the issues that Legislator Browning had brought up was some individuals had complained to an extent about our procedure in terms of recording them when someone walks to our office to get it done immediately. This is one of the issues we probably kicked around more than any in the 15 years that I worked here. Legislator Romaine was County Clerk prior. It's probably the most equitable and fair way we can possibly do it.

Right now then can do 15 documents. And that takes roughly 45 minutes in some instances. Oftentimes we have lines. And if we were to extend it any greater, people would be waiting an hour-and-a-half, two hours on a line to record their documents. And for every person that complains that they can't record more documents, there are five people who complain that they waited on line too long. We do let the general public who come in, drive all the way out to Riverhead, get their work done first, because generally they're general homeowners. They're not going paid to be there.

We've tried many things to make the process more expeditious. Unfortunately, we had some title companies that had family members waiting on line, saving spaces. It became a problem. But one of the reasons we kept the 15 document rule is just to make it more equitable for everybody and ensure every company that does work in our office the ability to at least have their chance. If anyone has any questions?

**LEG. BROWNING:**

Yeah, I think you're going to expand more. But the issue being is that they're -- you know, they're trying to get their paper work done in a timely fashion for their customers. And, you know, what's the cost per document, when they have all these delays -- and, again, I know that the number of documents is growing -- I think you had said you were down at one point only having 2 to 3,000 that you have to process and now your numbers are going up. That's revenue for the County that we're not getting because it's getting held up in an office somewhere. And that's kind of where I'd like to find out what we can do to address that need to get those documents moving.

**MS. WELLS-LaVALLE:**

Good morning. Good afternoon. Penny Wells-LaValle, Director of Real Property Tax Service Agency. And thank you, again, for hearing us.

Good news is, all this is our document backlog (referring). As of this morning ours is down to approximately 13,000. So, it's a needle in a haystack. All it is, I have staff working constantly in the documents that come in. We have tried to streamline over the years. But now I have eight individuals who are working on those documents. In the past we have proposed through a Capital Project a -- which was passed and went through the beginnings of a process to approve it last year -- this year -- it was denied. That project had us looking at the possibilities of E-verification. So, just want to plant that in your head today, that when it comes up again next year, give it some -- because we work with the Clerk on that to facilitate concern documents.

When we verify a document, I have staff looking at the description on the deed or the description as schedule A that's attached to the documents for a multitude of documents that are going for recording. So it's not just an easy process. And this year you passed in April the increase in fees to 60,000 -- that sounds good -- that would be nice -- \$60. So we've seen an increase in revenues.

Both of our offices are revenue-generating offices. And I don't know what the County Clerk's Budget is, but consistently since 1996, we have been a net revenue producer. I'm sure you have as well. I mean, it's millions of dollars, like, 5, 6 million, sometimes 11, 12 million. So, I think we all need to consider the possibilities of how to help our offices through this period of time when we need additional assistance.

**MS. PASCALE:**

Yeah, I mean, I -- I know that everybody is going to -- within the next few weeks, and I know it's already started, come to you and tell you that, you know, "we need money, we need bodies, we need this." I think the one thing that sets us apart is the fact that we are -- and we work in tandem obviously because I can't record anything unless it's verified. We are -- the Suffolk County Clerk is the largest revenue producer this County has. And when the time is right, I will be coming to the appropriate body and ask to have the positions that -- we have both suffered severe personnel losses. And as Penny mentioned, this body approved a -- an increase in the verification fee, which kind of doubled it, and then she lost, I think, half of her verification staff.

So, you know, ultimately that money is not lost, obviously. I mean that money gets in the bank. Would we like to get it in the bank sooner? Absolutely, we would. But I think it comes down to personnel. At least I'm going to speak on behalf of the Real Property Director. And we -- you know, we're doing overtime in my office so we're pretty much day-to-day with the Real Property Office. And other than that, it does come back to bodies. And I think that's what we're going to be asking for. I know I am. I'm going to be asking for some bodies. And, again, we bring money in. Our overtime does not cost us County money. Our overtime brings money into this County. And I also have a fiduciary responsibility to get things recorded and money in the bank in a timely fashion. So, when the time is right -- I believe this is not the body to do that. I hope -- you know, I will be addressing that issue on a separate -- at a separate time. Kate, did I answer your -- did we answer you or --

**LEG. BROWNING:**

I know there's a few more questions.

**CHAIRMAN CALARCO:**

I have a whole list of Legislators who have questions for you. So, when you're ready, we'll start going through the list. Legislator Romaine?

**LEG. ROMAINE:**

Yeah. What we have today are two separate issues; completely totally separate and devoid. One has to do with the County Clerk's Office and their policy of only -- as was mentioned -- documents come to our office multiple ways. Mostly through the mail. But occasionally title searches or members of the public will carry them in to be recorded themselves. Okay.

They have a rule that says if you're going to go to the counter, you can drop 15 documents at a time, but you can't come in with a hundred documents because you'll clog up the line. So, you can file 15 documents at a time. At the end of filing your 15, you can get on the back of the line and file the next 15. That's to keep the flow going. That's the County Clerk's issue. Understand that everyone that's walking in that document has already been sent upstairs, if I'm not mistaken, to Real Property Tax Service Agency. Because we're a different County than most counties in this State. We verify those documents, giving us liability, by the way. We verify those documents.

For example, Nassau County doesn't do any verification. Why do we verify? Because we like to charge for it. Plain and simple. When we started to verify, it was \$3. When I was there, it was \$15. On my way out the door, County took it up to \$30. And then last year we jacked it up to \$60. What do we do? We -- the burden in other counties -- and I want to make this absolutely crystal clear -- is on the person recording the document. As long as the document is in recordable form, in other Counties they accept it and record it. We actually verify and are supposed to check the property description against the tax map, which as most of us know, is not 100% accurate in this County. So, that's the issue with Real Property Tax Service.

Now what a lot of people don't understand, *well, I sent it into the County Clerk to be recorded.* Doesn't go there. County Clerk isn't recording any document until it's verified first. So, if you're walking a document in, you title search or something, you walk in, you've already been sent upstairs, which is Real Property Tax Service, for them to verify and then you're walking it down. The issue of the Clerk's Office is, we're only going to do 15 documents for any one person at any one time; otherwise the line gets clogged. Some of these title searchers will come in with a hundred, 200 documents a day. That line won't move all day long. And everyone lining up behind it -- the general public who comes in with one document or two documents have to wait on a line. That's why -- that's that issue.

Now, the other issue is what are the 14,000 documents sitting at Real Property? They're all sitting at Real Property to be verified. Why? Because in our wisdom, we adopted a Budget that cut Real Property Recorders. Not a wise move considering that we are charging \$60 a document -- in my personal opinion. But when you do that, the more with less philosophy, I think, is proving a little

tiresome at this point. People can only do so much at a given time, particularly when we're liable for what verify. But we wanted the money so bad, we decided to verify where most Counties in this State don't.

So, why do we have 14,000 documents? Because all of these documents are coming in. There's only so many people in Real Property. There's only so many people. And what happens is you build up a backlog. Now can we send people in to help them out? Guess what? You're using your time in some type of speciality and some type of long-term training to be able to do verification. So where do we have a backlog in the system? Right now in the recording system? It's at Real Property because they don't have enough Real Property Recorders for the volume of documents coming in. And all documents -- even before they see the County Clerk's Office must be verified first.

**CHAIRMAN CALARCO:**

Thank you, Legislator. Legislator Cilmi.

**MS. PASCALE:**

Can I just -- excuse me.

**CHAIRMAN CALARCO:**

Sure, I'm sorry.

**MS. PASCALE:**

I just want to correct one thing. The general public that does walk in with a single document is not subjected to the line. So we do have -- you know, as our staffing will allow for that day. But we certainly don't make the general public that has one document stand on the line.

**CHAIRMAN CALARCO:**

Our County Clerk has streamlined the process, Legislator.

**LEG. ROMAINE:**

That's why she's County Clerk and I'm a Legislator.

**CHAIRMAN CALARCO:**

That's right. Legislator Cilmi.

**LEG. CILMI:**

Thank you, Mr. Chairman. Thank you both for being here -- you all for being here. So, you said there are 13 -- was it 13 or 14,000?

**MS. WELLS-LaVALLE:**

14,000 documents

**LEG. CILMI:**

That are in your backlog?

**MS. WELLS-LaVALLE:**

Yes, right now.

**LEG. CILMI:**

Is that a fairly consistent number?

**MS. WELLS-LaVALLE:**

I think we've reached that plateau.

**LEG. CILMI:**

Okay.

**MS. WELLS-LaVALLE:**

We have -- right now it's been that way for -- up and down a little bit. Hanging in there at 13,000.

**LEG. CILMI:**

Let's say for purpose of argument that no other documents came in beginning now. How long would it take and -- how many labor hours would it take to go through those 13,000 documents?

**MS. WELLS-LaVALLE:**

If we had the staff and the overtime and the part-time individuals that we have now, I expect that in the beginning of the year, probably in January, the end of January, we'd be able to catch up.

**LEG. CILMI:**

So it would take you roughly --

**MS. WELLS-LaVALLE:**

Four months.

**LEG. CILMI:**

-- four or so months; three or four months to go through with the staff that you have now?

**MS. WELLS-LaVALLE:**

Right. If I had everyone in everyday.

**LEG. CILMI:**

Right.

**MS. WELLS-LaVALLE:**

But that never happens in every office.

**LEG. CILMI:**

Of course. And how much revenue do you think that those 13,000 documents --

**MS. WELLS-LaVALLE:**

Well, we will bring in the nine million this year that was projected in the budget. We're right now at over 5 million from our September revenues. So it's another 750, \$800,000.

**MS. PASCALE:**

Are you thinking about what's sitting up there now? Is that what you're trying --

**LEG. CILMI:**

Yeah. How much money is sitting up there waiting to be dealt with?

**MS. WELLS-LaVALLE:**

Approximately three quarters of a million, a million dollars. It depends because one document --

**LEG. CILMI:**

Roughly. Something less than a million dollars?

**MS. WELLS-LaVALLE:**

Yes.

**LEG. CILMI:**

So -- now let me ask a question to you, Judy. So if all of a sudden all of these documents went

through to your office, would you have the staff available to be able to deal with those?

**MS. PASQUALE:**

Immediately, no. I am down 30 people. So, you know -- and like I said, we'll address that at a different time. I do need some recorders. But what we do -- what we have done to stay on top of it, and with the ebb and flow of the work over the years, and this goes back to Legislator Romaine's days, we do overtime as much as -- you know, we can. Because our overtime -- I mean we do overtime -- if I have everybody in on a Saturday, it'd cost the County, you know -- what we -- what the County brings in in revenue is probably like tenfold. So, it doesn't really cost the County anything for us to do the overtime because we are revenue-generating. But I would -- we get right on it. As a matter of fact, what we do is, if we see the -- you know -- if Real Property Tax Services is sending down two buckets, then we get right on the two buckets.

So we want to get it moving. We have to get the money in the bank. So, it would be obviously easier next year if I have the staff, which, by the way, I'm going to take this opportunity to mention that the staff that I am looking to hire and have restored in the budget is 60% reimbursed by New York State. And a third of their benefits are reimbursed by New York State so I think that's like a -- kind of a no-brainer. It's a win/win/win for the County.

**LEG. CILMI:**

So, now is a perfect time. You said, you know, at the proper time you'll be asking us for that additional staff in the budget. As members of the Government Operations Committee concerned with the efficiency and the effectiveness of our departments, now is a great time to talk about that, because, you know, the fact of the matter is that if you had that staff -- and certainly we all know the great job that you've done in terms of improving efficiencies in your office, but if you had the additional staff, you'd be able to bring in additional revenue over and above the cost of the staff. And that then drops to our bottom line and helps us do other things in the County. So this is a great Committee to talk about that.

I'm wondering has Tom Melito been in to see you at all about operations in your Department?

**MS. DeLUCA:**

Who is he?

**LEG. CILMI:**

He's our Performance Manager.

**MS. DeLUCA:**

Oh, yes, I'm sorry. A few months back. About four months ago.

**LEG. CILMI:**

Have any recommendations come forward?

**MS. DeLUCA:**

No, we really didn't discuss personnel. It was basically on storage and some of the storage issues in the County --

**LEG. CILMI:**

Okay.

**MS. DeLUCA:**

-- that we were having. So we basically talked on more of a performance management dealing with the storage issues that we were having in the County Records.

**LEG. CILMI:**

My experience with him is that he's been -- he's been sort of a bright spot. So, I think, you know,

maybe you should reach out to him and make him aware of what's going on in your area. And that may translate to some results. I recall several months ago, I had asked our employees to come before us and speak to us, share ideas on how they believe we could make our government work smarter. And this was one of the ideas I remember that was -- that was peppered throughout the report from different people that -- in areas where we could hire folks to generate additional revenue and make investments to generate additional revenue, that we should do that. So, we're talking and, you know, maybe you could let us know now exactly how many positions -- and if you could share with us, how much revenue that would require -- or how much funding that would require, I should say.

**MS. PASCALE:**

We just so happen to have that.

**LEG. CILMI:**

Very good. And I will -- and I will search for an appropriate offset. And maybe the offset is the additional revenue that's generated. Our cash flow is our cash flow. If we can improve our cash flow, then it's more revenue. But any event, I'll file a resolution. I'll ask Budget Revenue to draft it. But it may also be something that our Budget Working Group, which is feverishly working on -- on amendments to the budget, they might want to consider as well. So if you can share with us that information, that would be great.

**MS. DeLUCA:**

We actually have in our Budget now five vacant clerical positions that are 60% reimbursed and a third of their fringe benefits. So out of that -- Senior Clerk Typist makes about \$28,000 -- I'm sorry -- 32,000 and a Clerk Typist 28,000. So 60% of their annual salary is reimbursed by the State for the mortgage tax money.

**LEG. CILMI:**

So, let's say just for simple math, let's say they all make \$30,000 a year. And let's say that their benefits cost another what, \$20,000 a year. So that's \$50,000, let's say, per employee, multiply it times five, it's \$250,000. But you said 60% of that --

**MS. DeLUCA:**

Yeah.

**LEG. CILMI:**

-- more or less.

**MS. DeLUCA:**

In annual --

**LEG. CILMI:**

The benefits are reimbursed --

**MS. DeLUCA:**

Yeah.

**LEG. CILMI:**

-- differently but --

**MS. DeLUCA:**

In annual salaries to hire those five clerical positions --

**LEG. CILMI:**

Right.

**MS. DeLUCA:**

-- would cost the County 88,000 in annual--

**LEG. CILMI:**

Oh, that's the number I was looking for.

**MS. DeLUCA:**

-- in annual salaries.

**LEG. CILMI:**

In annual salaries. So another -- so maybe 120,000 or so in salaries and benefits. I see Mr. Malone coming to the table. Maybe -- sure. No, no. Are you going to elaborate on --

**MR. MALONE:**

James Malone, Deputy County Clerk. Thank you, Mr. Chairman, thank you, Legislators for having us here today. The Director of Real Property mentioned a few moments ago that there's as much as three quarters of a million dollars in revenue in verification fees that are sitting and waiting. That's just one arm -- one component of what's waiting in the pipeline. Those are the verification fees. Then there are handling fees and other fees that we collect associated with those transactions. 14,000 of them.

And so, I had the privilege of speaking with Legislator Browning a few days ago on this in a broader sense. Those numbers are really in excess of a million dollars; 1.2 to \$1.4 million when you bring in all the fees. And the transactions associated with those satisfactions of mortgages or recordings of deeds or mortgages themselves adds a tremendous amount of revenue, not just to this County, but to the ten Towns throughout this County and to the State of New York. And to give an overview, in a general and average month, the County Clerk's Office processes about 12 to 13,000 land record documents in one month. That's what's waiting in the pipeline.

Our revenues on average every month overall are \$20 million, of which three quarters of that is -- touches and concerns land records, whether it's CPF transfer tax or mortgage tax or just regular transfer tax. So it's not unreasonable to assume it's \$15 million worth of revenue in the pipeline in addition -- embedded within the 1.2 to \$1.4 million that this County stands to enjoy. There's just so much work, you know, you can get through in a given day, but we're looking at an entire month's of work up there and the associated revenue -- and as our Chief Deputy just pointed out, the individuals who are processing these are 60% reimbursed as well as their benefits.

**LEG. CILMI:**

Well, and all of that -- but not to mention the -- and these are all Real Property transactions, people's lives are, you know, in the -- hanging in the balance. And I would imagine that the faster that we can get these transactions processed, the faster people can get on with their lives, the faster they may settle issues that are hanging over their heads and they can then maybe spend some more money and do the things that they need to do after these transactions take place. So I'd imagine there's some economic benefit out of it in addition to the fiscal benefit to the County and to the other municipalities that are impacted.

**MR. MALONE:**

That is an absolute fair assessment, Legislator Cilmi. And during these most difficult economic times, in every municipal jurisdiction, having money sooner rather than later is a big help. We thought that mortgage tax components for the Towns and the State, you know, those are significant numbers. And every couple hundred thousand dollars adds a great deal to the bottom line.

**LEG. CILMI:**

So my, sort of, last group of questions then would be to Penny, the money that we talked about for you, Judy, that's just in the Clerk's Office. That doesn't relate to the --

**MS. PASCALE:**

That's correct.

**LEG. CILMI:**

Okay. So, what then, Penny, would be your complement for Real Property, then, in terms of being able to, you know, eliminate this backlog and make things flow more freely?

**MS. WELLS-LaVALLE:**

We're looking at and requesting a Recorder One -- at least one Recorder One. It's not in the budget, but -- there is one Recorder One in our budget, but you would have to add another Recorder One. We'd ask for two. We're also asking for Drafting Assistants. I am down to five drafters. I have some documents to send -- pass around to you. And one of the documents is a survey that I did earlier this year on the number of drafters, the number of employees in the drafting area, that -- we have to maintain over 580,000 parcels in the County compared to the other Counties. And I'm mentioning this because everything -- we talk about verification and recording. Everything depends upon the tax map and the maintenance of the tax map and comparing and -- the integrity of the tax map is -- and I think it's a little bit higher than 90% -- 95% maybe -- the integrity of the tax map is essential for for ad valorem purposes.

Our original mission was to prepare the tax map for the assessing jurisdictions. So going from the bottom from drafting, we need additional drafting staff, which is One -- that's about 40,000 that I have in the new budget for next year, Recorder One would be approximately 20,000, another 40,000, a hundred thousand dollars. Now I'm talking about -- this -- if our budget revenue estimate is correct at \$7 million this year, that is approximately \$330,000 per capita per employee. I don't know if you have a private business that you can get production like that. So did I answer your question?

**LEG. CILMI:**

I think so. And I'd ask our Budget Review Office to get in touch with both of you and work on something for us to make this right.

I guess the last question I have is what happens if all of a sudden you catch up? And let's say we -- you know, we provide you with this additional staff and then, you know, the stream slows or -- what do we do?

**MS. PASCALE:**

Well, I can honestly tell you that I have been in the Clerk's Office for many, many, many, many years. And there are two gentlemen that are sitting around this horseshoe that have also been in the Clerk's Office for many years.

**LEG. CILMI:**

To my right.

**MS. PASCALE:**

It never, ever stops.

**LEG. ROMAINE:**

Never stops.

**MS. PASCALE:**

It never stops. And we just talked about this. There is never a day when -- and when I used to interview potential employees, I used to say there will never be a day when you come to work and say, "gee, I don't know what I'm going to do today. I have nothing to do." There is always -- we are a reaction to the economy. And right now everybody is trying to refinance, or try to take advantage of lower interest rates. So we are busy in that. Our Court Actions Department is busy as well. I'm not even going to address the Court Actions issue today. There is never a time -- we

are never going to be able to say that we have nothing to do here and we are totally caught up. It's a continuous feed of documents.

**LEG. CILMI:**

I understand. I understand. But at some point capacity exceeds demand. At some point. I mean, if we gave you 30 people, I mean clearly your capacity would exceed your demand. So my question is, do you have, you know, other things that these people would do in the event that we increase your capacity to such an extent that it exceeds the demand?

**MS. PASCALE:**

One of the things that I think we've always prided ourselves on is the ability to address the ebb and flow in the office. And the other thing that history will show is that I have never taken or asked for something that I didn't need. You know, there's always, you know, -- sometimes you get what you want, you know. What is it? You don't always get what you want, but you get what you need. I have never asked for anything that I didn't absolutely need. And I think history will show that even before I was in this position -- you know, we -- right now we have people on FMLA, I will tell you very honestly that if somebody retired and I did not need to fill that position, I am keenly aware of the fiscal crisis I see in this County. And I think it's just part of being a responsible elected official and running an efficient department.

So let me assure you that if the day ever came that I did not need all of the employees that I had, and somebody decided to retire or transfer, it would not be -- it would not be as catastrophic as it is for me right now, because that's what happens. I lose people. And after they're trained, you know I lose people to another County Department and it really is catastrophic because we make a tremendous investment in them. So I can promise you that I will never have a -- never come to you and say to you, you know -- I only ask for what I need, surely.

**LEG. CILMI:**

Mr. Chairman, I've taken up a lot of time. Thank you very much for your indulgence. Thank you all, again, for being here. I really look forward to working with you all and with my colleagues and with the County Executive towards making this right. So, thank you.

**CHAIRMAN CALARCO:**

Okay. I have a number of Legislators who still have questions. I just ask, just try to keep it brief as possible. We have quite an agenda before us and we're already an hour into the Committee.

**P.O. LINDSAY:**

I can cut it short real quick.

**CHAIRMAN CALARCO:**

Legislator Lindsay, please.

**P.O. LINDSAY:**

It's not that I don't like to hear from you ladies, but tomorrow morning the Budget Working Group is meeting downstairs at 10:30. If you guys could send representatives, I think this is an important enough issue that we can take up as soon as you arrive and see if we can solve your problems or come close to solving your problems.

**MS. PASCALE:**

Thank you, sir. We're there.

**CHAIRMAN CALARCO:**

Thank you. So no further questions? Legislator Browning, you're next on the list.

**LEG. BROWNING:**

I think Tom pretty much asked everything I was going to ask, but just one quick. If I was to come to bring a document and it has to go to Real Property, I have to pay \$60. I pay that \$60 --

**MS. WELLS-LaVALLE:**

One parcel.

**LEG. BROWNING:**

Right. I pay that \$60 when I come in or do I pay the \$60 after it's verified?

**MS. PASQUALE:**

You pay that \$60 -- or that \$60 is made out to the Suffolk County Clerk even though --

**LEG. BROWNING:**

Right.

**MS. PASCALE:**

-- it's really in her budget. And you pay it at the time of recording.

**LEG. BROWNING:**

Okay. So if I was to bring a document to you today, how long would it take for me to have it verified and recorded?

**MS. DeLUCA:**

Same day. If you walked it in the same day -- if you walked it in the same day.

**LEG. BROWNING:**

Right, but you -- now you have 14,000 documents. So of those 14,000 documents, when did that first run come in? Do you get what I'm saying? When did that first document come in of the 14,000?

**MS. WELLS-LaVALLE:**

Actually we add a little bit of a line to the County Clerk's Office because if you come in -- for instance, a satisfaction, you say "I have to have the satisfaction done because I'm getting a mortgage tomorrow so I need it today" -- so we send them down. We process it and we send it down to Judy's office for a certified copy. So, we're adding an additional line to you because they go to a particular line and they charge them \$5; right? So it can be done that day. We take care of the public that walk in.

**LEG. BROWNING:**

So of the 14,000, do you get what I'm trying to ask you? Is the 14,000 documents that you're sitting on right now --

**MS. PASCALE:**

Probably came in the mail.

**LEG. BROWNING:**

Came in the mail?

**MS. PASCALE:**

Right.

**LEG. BROWNING:**

And how far back does that go? A month, two months?

**MS. PASCALE:**

'Til May.

**LEG. BROWNING:**

'Til May?

**MS. WELLS-LaVALLE:**

We have a lot of title companies dropping off packets of documents because they're in County Center, they have clients.

**MS. DeLUCA:**

She's asking --

**LEG. BROWNING:**

I think -- I think you gave me the answer.

**MS. DeLUCA:**

Yes. Some of -- some of them -- yes.

**LEG. BROWNING:**

So you're saying the first documents came in May?

**MS. PASCALE:**

Yes. Correct. And Real Property is working on the oldest documents first that are in that backlog.

**LEG. BROWNING:**

Right.

**MS. PASCALE:**

So now we're up to June? We just came into June.

**LEG. BROWNING:**

So you're pretty much getting close to six months. And I paid you a check to do something for me. Do you cash that check right away or --

**MS. PASCALE:**

No, we don't cash that check until a document is recorded. And what we have been doing now, because of this issue, is we have been monitoring the date on the check. And anything that's in question, we are obviously contacting -- Jim is on top of that as well. So most checks are good for six months. The only questionable ones if it said, you know, "not valid after 60" or "90 days". And at that point we are dealing with those on an individual basis down in my office before we can record it.

**LEG. BROWNING:**

So possibly some of those checks you have to send it back to the customer to say "reissue a check because the check is too old"?

**MR. MALONE:**

Legally it's a six-month window that you can -- before the check becomes stale. You know that. We absolutely have not rejected anything for that at this point in time. We have no intention of doing that. So in the event that, you know, numbers do move beyond six months, we would have to contact the maker. But that hasn't happened yet.

**LEG. BROWNING:**

Okay. Well, I think most of the questions were asked. And I guess we'll see you tomorrow morning.

**MS. PASQUALE:**

Again, thank you very much.

**CHAIRMAN CALARCO:**

We're not done yet.

**MS. PASCALE:**

Oh, you're not? Okay.

**CHAIRMAN CALARCO:**

Legislator Kennedy has a few questions.

**LEG. KENNEDY:**

Thank you all for being here. And I'm telling you it's kind of a walk down memory lane listening to some of this, going back to -- Gail, 2000's, and times when there was a real bust. But Legislator Cilmi and others around the horseshoe have covered most of the well. I just want to go back to a couple of specific points, though, because this function with skilled people most times is a fairly straight forward function.

So, let's go back to July 1st when we had the four Real Property Recorders upstairs that were terminated. They were laid off; correct?

**MS. WELLS-LaVALLE:**

Yes.

**LEG. KENNEDY:**

Okay. So that roughly for a 35-hour workweek per person is 140 hours that got forfeited from production that week. Through today we forfeited 1680 hours of production. And for those to remain unfilled through the end of the year would be 3,000 hours. Now a skilled Recorder can probably go through 8, 10 instruments, maybe less, maybe more, depending on whether it's a sat, a mod, an assignment. And it's a function that's like many other things that we have here in County government. You'll find that out in the world. Not too many people gain that knowledge as to what's involved with looking at, as you pointed out, does the description for the instrument match what the metes and bounds of tax map number is? And if so, do we go ahead and can we verify it?

So I'll be eager to hear tomorrow about the requests. But I think it's got to be posed against the reality of -- no amount of temporary part-time or catch as catch can is ever going to replace what a skilled, knowledgeable sustained person is in these types of functions. So, when you do the ask, do it mindful of what you ladies know, a person doesn't walk through the door and have that skill or ability. It comes over time. You know, it's -- I think it's important for everybody to realize, that's the only way that we're going to get out of this hole.

The other point, and Jim Malone attributed to it somewhat, both of you ladies have a legal responsibility, which you know well, to keep our records, our grantor/grantee, mortgager/mortgagee records contemporaneous, because there's multiple layers of dollars of lending decisions that are made everyday based on a contemporaneous record. Talk about small business and mid business, it's the title -- the land title industry and underwriting and lending that gets brought to its knees when we don't have contemporaneous information. Pretty much that's the way it goes, isn't it?

**MS. PASCALE:**

That's correct.

**LEG. KENNEDY:**

So be mindful when you do the ask, all right?

**MS. PASCALE:**

Yeah. And I appreciate that. And let me just -- in all fairness, obviously there is nothing that replaces a trained full-time employee. But in all fairness, I must say that the County Executive's Office has been extremely generous in helping me in terms of temporary employees to help with the ebb and flow, not necessarily the meat and potatoes, but they have been very generous in helping with the ebb and flow of some of the workload so -- but I'll be very happy to see Presiding Officer Lindsay tomorrow morning.

**LEG. KENNEDY:**

Good. Thank you.

**MS. WELLS-LaVALLE:**

May I just say --

**CHAIRMAN CALARCO:**

Sure.

**MS. WELLS-LaVALLE:**

I concur with Judy that our part-time individuals, and we are very lucky that the individuals who we laid off, we were able to hire them part-time so no training was involved. So, you know --

**LEG. KENNEDY:**

Good.

**MS. WELLS-LaVALLE:**

-- we appreciate also the input from the County Executive's Office.

**LEG. KENNEDY:**

Okay. Thank you.

**CHAIRMAN CALARCO:**

Thank you. Anybody else have any questions? Miss Pasquale, all of you, thank you very much for coming and sharing your time with us. I look forward to seeing you tomorrow morning and at Budget hearings in a couple of weeks as well. Be sure to come back at the time if you have any additional information to share.

**MS. PASCALE:**

We'll be here. Thank you so much.

**CHAIRMAN CALARCO:**

Thank you very much. Okay.

## **INTRODUCTORY RESOLUTIONS**

We have quite an agenda before us. And if the Committee doesn't mind, I will make a motion to take **IR 1916** out of order. It's the resolution **authorizing funding of infrastructure improvements and oversight of real property under the Suffolk County Affordable Housing Opportunities Program (Concern Amityville). (County Executive)** Mr. Fasano is still here. And I thought we could do this quickly, get it done maybe before we get into Public Safety. So we have before us **IR 1916, Authorizing funding of infrastructure improvements and oversight of real property under the Suffolk County Affordable Housing Opportunities Program (Concern Amityville). (County Executive)** I have a motion by Legislator Spencer, seconded by Legislator Cilmi. Are there any questions on the motion?

**LEG. CILMI:**

Madam Clerk, just list me as a cosponsor.

**LEG. BROWNING:**

Cosponsor

**CHAIRMAN CALARCO:**

Seeing none, all those in favor? Opposed? Abstentions? If you could list myself as a cosponsor as well.

**LEG. SPENCER:**

Cosponsor.

**CHAIRMAN CALARCO:**

Legislator Spencer. All those in favor? Opposed? Abstentions? Motion carries. **(VOTE: 5-0-0-0)** Congratulations, Mr. Fasano, great work and thank you for what you do for our veterans.

**PRESENTATIONS**

**Verbatim Testimony Taken & Transcribed by  
Alison Mahoney - Court Reporter**

**1915, Authorizing the County Executive to execute an agreement with the Suffolk County Police Benevolent Association covering the terms and conditions of employment for the period of January 1, 2011 through December 31, 2018. (County Executive)**

Okay, moving onto the next is -- we're going to head into a couple of presentations regarding the Suffolk County PBA proposed contract. What we will do first is the County Executive's Office has asked to come and speak on the contract. They have a Power Point presentation. So, if the representatives from the County Exec's Office would like to come forward -- I see we have our Deputy County Executive Jon Schneider. Anybody else hiding in the background there that would like to come and speak about the issue.

**MR. SCHNEIDER:**

Apparently they didn't acquire the education that I did.

**CHAIRMAN CALARCO:**

Okay. We have Dennis Cohen, our County Attorney; Paul Margiotta, Director of Labor Relations. Anybody else? Is Mr. Pollert coming forward; were you bringing Fred Pollert? Okay. Jon, you have the floor.

**MR. SCHNEIDER:**

Thank you. I'll start until Fred gets here. Thank you very much, Legislators, for indulging us today. In order to understand the current PBA contract before you and the decision you need to make, it's important to understand the broken system inherited by this County Executive.

When we walked in the door in January, police officers' salaries had been rising unchecked over the course of decades, with an average increase of more than 4% a year over the past 40 years -- I'm sorry, over the past 20 years. Police officers do provide a very vital function in this County. They literally put their lives -- their lives on the line each and every day and they deserve to be well compensated for what they do.

We also must acknowledge the fiscal reality of our County and Suffolk County taxpayers. What we've seen over the past 20 years, since the last negotiated contract, is year after year of salary increases which have outpaced the taxpayers ability to pay, with no end in sight. It's put us on an unsustainable trajectory. And how the County reached this point is very clear and it's the system of mandatory arbitration.

What you can see is that this broken system of mandatory arbitration has resulted in average salary increases of 4.24% over the past 20 years and nearly 4% over just the past decade. Now, some have asked, perhaps in this current fiscal situation, perhaps the County could do better through arbitration. Well, in 2011, more than three years into the worst recession since the Great Depression, and after a historic dip in the County's sales tax, we had a chance to find out. And what we got was, in fact, the lowest arbitrated increase in the history of our County. Unfortunately, it was a three-year increase of three and a half percent with no meaningful reforms.

As you can see, over the past decade, through the mandatory arbitration system, we've seen awards which have exceeded the ability of Suffolk County taxpayers to pay. Between 1999 and 2010, the cumulative percentage salary increases for the PBA has exceeded the growth in the consumer price index by more than half. Given that past history, it's entirely likely that future arbitrated settlements will be in the 3% plus range annually.

As we note in the mandatory arbitration system, awards are given based on what has been received by other municipalities in the region. When you look throughout Suffolk County, you also need to understand that the -- that these awards are further magnified by the impact of pattern bargaining. We recently saw this with the award we just got back for the Corrections Officers which were approximately 3.3% and which will cost Suffolk County taxpayers \$35.6 million in retro pay.

Throughout the region, as you can see from the slide, we haven't seen any let-up in the spiraling cost, at the same time that law enforcement unions haven't really provided any meaningful concessions throughout the region. Southold recently went to an arbitration where their officers were awarded 3% increases and the Town's efforts to have officers pay a portion of health insurance was denied. In Northport Village, a contract was agreed upon that delivers three and a half annual increases until 2018. In 2019 and '20 has a five and a half percent increase, and in 2021 has a six and a half percent annual increase. In the Village of Quoque, they reached agreement on a contract with raises of 3% a year over five years. While the Northport and Quoque agreements were not arbitrated awards, they remain very relevant because, as we know, arbitrators base their awards on the agreements that have been reached in surrounding municipalities.

So that's the reality that we find ourselves in today, a broken system of mandatory arbitration. And that's the context in which the County Executive and our office sat down, with the leadership of the PBA, to do something about this unsustainable trajectory which we've been on for 20 years.

I think it's particularly noteworthy to commend the leadership and membership of the PBA for having the courage to sit down at the bargaining table and negotiate a deal within the system that is both fair to their membership and is fair to Suffolk County taxpayers. And as with any negotiated deal, both sides got a little bit and both sides gave a little bit.

In the agreement, current Police Officers will receive fair raises and raises, frankly, and other compensation that, when you add it up, is likely what they would receive through the mandatory arbitration system. What we also saw was the PBA was able to negotiate work protections for their members, and importantly was able to negotiate a return to patrolling the highways which also makes a great deal of sense from a Public Safety perspective.

But in breaking the pattern of mandatory arbitration, there are a lot of benefits for Suffolk County taxpayers. First and foremost, and it's vital to the budget that we're going to be looking at both for 2013 and 2014, is 0%, zero retro pay for 2011 and 2012. This provides vital savings to Suffolk County taxpayers. On the PBA deal alone, this will save Suffolk County from having to make nearly \$55 million in likely retro payments. However, because of the impact of pattern bargaining, which we recently saw in the Corrections Officer contract, this will also translate into contracts for other bargaining units, likely saving an additional \$35 million. All told, the bill of these retro payments which would come due in 2014 would be approximately \$90 million, which -- you know, obviously we're not looking at the 2013 budget, but going forward, that would be a tremendous fiscal time bomb just waiting to explode.

New Police Officers will be paying 15% into their health care; The first time on Long Island in which law enforcement will be paying into health care, which is truly an important step forward. Another contract we'll be discussing later today is the EMHP agreement, and it's important to note that the ability to sit down and work out an agreement with the PBA and the ability to work out a deal on EMHP are essentially linked and will be providing \$17 million in annual savings as well as making sure that all future Suffolk County employees pay into as a portion of their health care.

We see a lower starting -- we see a starting salary of \$42,000 which remains at that level throughout the length of the contract. We see something you would never be able to get through an arbitrated process which is doubling the amount of time it takes for Police Officers to reach top step, increasing to 12 years. And very importantly, the top step for new officers under this contract will remain at -- will remain frozen at approximately \$111,000 throughout the term of the agreement. This is an important part of making officers more affordable. It means that for the first time, officers hired under this contract enacted will essentially be receiving step increases, not both step increases and raises.

You know, one of the things the County Executive talked about in his State-of-the-County is there's two ways to deal with reality, you can embrace it or you can deny it. The fact is nothing will change the trajectory that Suffolk County has been on for the past 20 years. However, by breaking the cycle of arbitration, for the first time we have a game changer for Suffolk County residents. Yes, existing officers will continue to see steady increases and higher salaries. However, we'll be putting new officers on a different path, and for the first time ever we can say that the next generation of Suffolk County law enforcement will be more affordable than the generation that precedes that. And every year that we cycle in new, more affordable officers, Public Safety will also get more affordable in this County and taxpayers will get a break.

Another benefit of breaking the cycle of arbitration, you see before you the analysis put together by the Budget Review Office which demonstrates the difference in the graduated approach over 12 years as opposed to the prior increase in steps. We also will see -- you know, while this represents long-term savings, we'll be seeing immediate savings if you enact the County Executive's 2013 budget which contains a 75-member Police class. That class alone will save more than \$10 million over the life of this contract. And again, as both budget offices have noted, savings will increase as new officers are hired and older officers retired.

So that's reality of the situation we find ourselves in today. We have a good sense of what the arbitration system will get us. We know that the lowest arbitrated award in the history of Suffolk County is three and a half percent. To put that in context, that level of award, if applied to the PBA through 2018, would cost Suffolk County taxpayers more than \$100 million additional than what both budget offices estimate is the cost of this negotiated contract.

In fact, just to break even, we would need two and a half percent increases over the life of this contract, a level that we've never achieved in this County. But even that would only equal the dollar savings in this contract. What it wouldn't -- what it would also do, though, is provide a negative impact in the short term by saddling Suffolk County with massive retro increases in 2014, and it would also have long-term -- a long-term negative impact by eliminating some of the game changing things which will make future Police Officers more affordable. Simply put, you're not going to double the number of steps through an arbitrated settlement.

It would also represent, I believe, a failure of labor management to work together, sit down at the table and come to a fair agreement for both the men and women of the PBA as well as Suffolk County taxpayers. I know in recent weeks -- recent days, I should say, you know, there have been a lot of thoughts on, well, you know, perhaps -- you know, perhaps we can tweak this, perhaps we can tweak that. The settlement you see before you represents months of people sitting down, working together in good faith. It represents running more than 30 different budget scenarios. In short, it's more than the sum of its parts. It's an integrated agreement and, you know, many of the options that have been discussed represent things that were set down at the negotiating table, discussed and ultimately dismissed.

Short -- simply put, within the system of mandatory arbitration, it's a historic agreement. So why would someone vote no? Essentially, if someone wanted to commit to a no vote, what they would be -- essentially, the reason to do so is to take a gamble, and the gamble is this. Since 1974, New York State has had a system of mandatory arbitration. It will soon be celebrating its 40th

anniversary. If you believe that in the near term, that system will go away, if you're willing to gamble more than \$100 million in taxpayer dollars on that proposition, then that would be a reason to say, "You know what? I'm going to vote no and I believe that that's going to go away and I believe that the County Executive could sit down and work out a better agreement if it goes away." However, if you're not willing to take that gamble, if you're not willing to gamble \$100 million of taxpayer money, then we believe you should vote yes on this historic, negotiated settlement which not only provides immediate savings, but it is an historic step forward which changes the game by making new Police Officers more affordable and saving money for Suffolk County taxpayers. Thank you very much.

**CHAIRMAN CALARCO:**

Thank you. And I know I'm going to have a number of questions from the Legislators here. What I'd like to do first is I see that we have Noel DiGerolamo here, the President from the Suffolk County PBA. If you would like to come up. I know you had a couple of comments you wanted to add, and perhaps we'll let you do that now and then we'll field questions.

**MR. DIGEROLAMO:**

Thank you very much. I appreciate the opportunity to address this body. I feel a little awkward right now sitting with the County, actually, doing this.

*(\*Laughter\*)*

Not something I'm used to; usually one goes and the other one attacks. But while I do share most of the sentiment that was expressed here about the importance of this deal, you know, I do not share the sentiment of arbitration being a bad thing. I believe the arbitration process has a significant meaning in the state. It brings finality to labor disputes and it protects the residents from strikes and so forth. So I do believe arbitration is a necessary avenue for us to go down at points. And frankly, if it wasn't for that arbitration process, we would not be where we are today making these changes and having the influence of that process pushing us together to reach an accord the way we have.

Some points that were made, and I really think it's important to echo, is that with the minimal changes that we're going to see next year and the savings that are in place by no retro payments for 2011 and 2012, the Budget Office has come up with a savings of \$43 million; that's a significant amount of money that's going to impact the budget that you're looking at right now, for tomorrow.

In addition, it was mentioned about the health care. I know the health care agreement is not before us right now, but I think it's important to mention it during this because they are linked. They were negotiated simultaneously. And a lot of credit also has to go to the leadership of the other County unions who were willing to sit down and negotiate that. At the same time we were working on an individual agreement for the PBA, those other union leaders were willing to sit down and negotiate a cumulative patch of healthcare that affected all County employees, and exempts, I believe, are going to be on that same plan. That savings of \$17 million that comes in right now in this new plan is in addition to the \$15 million that is already generated as recurring savings.

A lot of time public employees in Suffolk County are accused of having no-cost health insurance, non-contributory health insurance, and that's not a fair label for them to have. The fact is that Suffolk County employees are paying over 10% for health insurance, all current Suffolk County employees. The fact that we've elected to manage those savings ourselves, in the way of reform in the plan rather than making premium contributions, should not be negated. The plan is approximately \$300 million. And saving over \$32 million of that plan cumulatively between the 15 and the new 17 million is over 10%. I don't think it would make any fiscal difference, whether we were paying that premium or paying the 32 million in savings, since they are all recurring savings that have to be generated year over year.

The new officers being hired, as was pointed out, it's a totally new trajectory for Police Officers in Suffolk County. Going from a five-year system to a twelve-year is not common in law enforcement. There is only one other department on the Island that has something similar to that and that's Old Brookville; they have a 14-year and that was just established this year. No one else goes beyond eight years. So this is the second highest salary scale as far as time in to reach the top salary on the Island.

In addition to some of the savings we spoke about, there are a couple that are -- weren't outlined. The County is going to receive deferrals in 2013, '14 and '15 through salary and other payments, holiday payments, and that's going to be nearly \$7 million in deferrals to help offset the '13, '14 and '15 budgets. And there will be an additional \$4 million in savings that can be generated because the employees, all of them, current and future, are going to be required to work additional training days in the next three years also. So that's an additional \$11 million that's added to this, the savings of this plan.

And one of the things was pointed out about the past arbitration awards and contracts. Even the negotiated contract, the last one was 1989. If you take any eight-year period in Suffolk County, this is the lowest cumulative raise in eight years in the last three decades. So before someone looks at this agreement and just looks at the bottom line on it, we really need to take into account the length of term this is, eight years moving forward, and what any eight-year period in the last 30 years has delivered. Thank you.

**CHAIRMAN CALARCO:**

Thank you. So we'll open it up to questions.

**P.O. LINDSAY:**

Rob?

**CHAIRMAN CALARCO:**

Legislator Lindsay.

**P.O. LINDSAY:**

I really want to address my colleagues about this process that we just saw take place, and the contract that's before us. And I really want to applaud the people that took part in this negotiation.

Just recently we had two contracts settled. We had -- or proposed settlements. We had Correction Officers that went through the arbitration process, and we got the PBA agreement that's before us that was negotiated at the bargaining table. On one hand we have a contract -- and I'm not criticizing the Correction Officers. They did what they had to do, but they have \$35 million coming to them to make them whole as far as their contract is concerned. The PBA agreement gave up, I believe it's \$54 million, in '11 and '12. That \$54 million, colleagues, we didn't have. We started this year with a \$500 million deficit. That \$54 million represents 10% percent of that deficit, alone, with just one contract.

It's a huge sacrifice, I think, by the PBA. I think it was a very innovative agreement by the County. I think that it really deserves our scrutiny and early approval, because I really think it's good for both sides.

You know, when we -- Noel said that he's a believer in arbitration. Well, I'm a believer in collective bargaining and negotiations. I think if reasonable people sit down at a table, and if they have enough time to work out an agreement and they want to solve a problem, they can solve a problem. And I think this is a very good example of collective bargaining, working to benefit both the County and the Police Officers that protect us. So again, I urge that you support it.

**CHAIRMAN CALARCO:**

Thank you. And I'll just remind my colleagues that Budget Review is going to give us a run-down

based on their analysis as well in a minute. So if we can keep our questions for the County Executive, or for Mr. DiGerolamo. Legislator Spencer?

**LEG. SPENCER:**

Hi. And congratulations. I appreciate the hard work. And Jon, thanks for that presentation. It really kind of spelled it out and it helps me to understand why.

With regards to the contract, I did see a return of the LIE to be patrolled by the Police Officers. And we've seen some back and forth in the papers with regards to the Memorandum of Understanding that was with the Sheriffs. And I know moving forward -- you know, I -- for me, I'm an advocate for all of our law enforcement agencies, and I didn't -- I wanted to find out how that complicates this agreement and why it was that we could not honor that Memorandum of Understanding for the previous patrols that were there. And even if we have a way of not honoring it in terms of negotiating with unions in good faith, how is that impacted if we -- if it appears that we're not honoring our word?

**MR. COHEN:**

Thank you, Legislator Spencer. What I would say to that is -- I mean, without getting into the legal argument as to why I think that the prior agreement may be invalid, it is our intention to sit down with the Sheriffs' Union and discuss that issue. We've taken some preliminary steps to do that and we certainly hope to have future conversations with them to resolve that issue.

**LEG. SPENCER:**

*(Laughter)*. Short and sweet. Okay. Well, you understand my concerns, and I don't want us to have a great agreement and then where we have a situation where there is a conflict there. But I fully support our officers, Noel, and congratulations, really, on coming to the table and working out an agreement that I'm supportive of. Thank you.

**CHAIRMAN CALARCO:**

Thank you. Legislator Browning.

**LEG. BROWNING:**

Okay. I can agree. I think, Bill, you said it well. You know, I think you've made some history to sit at the table and negotiate rather than go into arbitration. But I want to follow-up with what Legislator Spencer said. It's your legal opinion that maybe that agreement with the Sheriffs was not binding; however, they have an attorney who may think otherwise.

I think what I would have liked to have seen is obviously we have the Deputy Sheriffs, the Correction Officers, who are still behind on the contracts, that -- so I'm hoping that you will be meeting with them very soon and hopefully negotiating rather than going back to arbitration again. But the one thing that I would have liked to have seen is that with this agreement and giving the highway to the PBA, that knowing that the Deputy Sheriffs are currently on the highway, why wouldn't you try to avoid any kind of litigation and talk to them at the same time, and come up with some kind of an agreement with them rather than, I believe, what we will see as potentially we'll see litigation.

**MR. COHEN:**

I mean, quite frankly, I think it would have complicated the negotiations with the PBA. I mean, it's tough to negotiate two separate union agreements at one time. And, you know, a decision was made to make it as uncomplicated as possible by dealing with the PBA first, setting the pattern, if you will, and then proceeding with the other unions subsequent to that.

**LEG. BROWNING:**

I think that's a specific issue that, you know, we know the history of what happened in the past. I would have preferred that we not have to go down this road again. Now they're going to have their attorneys. I think that something could have been done. Something could have been done so that

we're not going to have to deal with future litigation, because litigation costs money.

**MR. COHEN:**  
Understood.

**CHAIRMAN CALARCO:**  
Legislator Romaine.

**LEG. ROMAINE:**  
Yes. Let me stay on that subject and let me address myself both to our labor negotiator and our County Attorney. And my thanks to Jon Schneider for doing a pretty good job with summarizing his side of the case.

We have two very good law enforcement agencies in the County, obviously our PBA and our Deputy Sheriffs. I want to concentrate on the Memorandum of Agreement. This was entered into by our former County Executive, Mr. Levy, with the Deputy Sheriffs; is that correct, Sir? Is that correct?

**MR. COHEN:**  
If it's the agreement I think you're referring to, then yes.

**LEG. ROMAINE:**  
Yes, the agreement with the Deputy Sheriffs, the Memorandum of -- excuse me, Memorandum of Agreement; MOA, if I'm not mistaken?

**MR. COHEN:**  
Yes.

**LEG. ROMAINE:**  
Okay. What was in that MOA? What are the major factors? One of the factors, obviously, was that the Deputy Sheriffs would stay on the highway, the two highways, Sunrise, that part of the Sunrise Highway that's within the Police District, and that part of the Long Island Expressway that's within the Police District. They don't patrol, my understanding, Sunrise Highway to the east outside the Police District, I believe that's patrolled by the State Police, if I'm not mistaken. And they certainly don't patrol that patrol, small as it may be, of the Expressway outside of the Police District; is that correct.

**MR. COHEN:**  
Do you know the answer to that?

*(\*Dennis Cohen confers with Fred Pollert on the side\*)*

We're not sure if it's the State Police or the Town Police who does it out east.

**LEG. ROMAINE:**  
The State Police, for the Sunrise Highway. The Town police for -- although the State Police can do it, it's -- yeah, they actually do do it for the three or four miles of the Expressway that is outside the Police District.

Let me ask you this. Besides giving control of the highways to the Deputy Sheriffs 'til 2017, did that Memorandum of Understanding have any other key factors in it, such as job protection provisions?

**MR. COHEN:**  
I don't have that agreement in front of me today, so I'm a little leary of specifying exactly what was in that agreement.

**LEG. ROMAINE:**

This is a public agreement signed by a former County Executive who -- approved by the former County Attorney. This is an issue that everyone here has been asking about and you don't have knowledge of, Sir.

**MR. COHEN:**

No, I didn't say I didn't have knowledge. I said I don't have it in front of me. I'm a little leary of quoting from a document that I don't have in front of me.

**LEG. ROMAINE:**

I asked a general question. Let me repeat the general question again. The general question was did that agreement have anything -- other than the highway, have anything to do with job protection provisions in it? That's not a specific question, that's a general question.

**MR. COHEN:**

Yes.

**LEG. ROMAINE:**

So not only the highway would be affected, but any job protections in that agreement would be affected, by your opinion, that that Memorandum of Agreement is negated; is that correct?

**MR. COHEN:**

I'm not sure what you mean by job protections. I mean, no one -- when you say job protection, that means to me, you know, layoffs, and I'm not sure that agreement had a no layoff clause in there.

**LEG. ROMAINE:**

What -- we have our labor negotiator right there, I'm sure he's studied that agreement. Have you studied that agreement, Sir? Paul, have you studied that agreement?

**MR. MARGIOTTA:**

I did when I reviewed it to see how it would affect our outcome with the PBA.

**LEG. ROMAINE:**

Right. Okay. Then let me direct my question to you, Sir, if I may. What job protection, provisions, if any, did it have, and generally what did those provisions involve? Since this is a public document, we're not talking about something that -- you know, I understand your unwillingness to be transparent, but, I mean, this is a public document.

**MR. COHEN:**

Wait. But Legislator Romaine, when you're talking about not being transparent, we didn't expect that a conversation on the PBA would necessarily involve us going, you know, word-for-word through an agreement that affects another union. I'm sure if you have questions on it and you have a copy of it to show us, that might be another issue. But to say we're not being transparent because we were not prepared to talk about another union contract is a little disingenuous.

**LEG. ROMAINE:**

I'm the third Legislator to raise these questions today at a committee meeting. I'm a third Legislator to raise these questions. And, you know, I have great respect for the PBA, but I'm talking about a labor agreement, and I think even the PBA can understand that I'm talking about a labor agreement that was made, that a former County Executive said was valid, a former County Attorney said was valid, that had provisions not only about who would control the highway, but other provision in it regarding job protections.

I'm asking very general questions, because when we adopt -- and I suspect we will adopt the PBA

agreement, that will have an impact on this Memorandum of Agreement. I am the third Legislator to raise questions. Unlike some of my colleagues, I'm asking a little bit more probing questions because you have two agreements out there that contradict with one another. And my understanding is despite all the good faith statements made to my other two colleagues, that this administration has stopped negotiating with the Deputy Sheriffs; is that correct? And I'll direct that to Paul: Has this Administration stopped their negotiations with the Deputy Sheriffs?

**MR. MARGIOTTA:**

No.

**LEG. ROMAINE:**

Okay. I would invite the press, I think there's members of the Deputy Sheriffs in the back, to speak to them about the quality and the content and the amount of negotiations that are taking place on this matter. And I think they can speak for themselves, because I'm not going to represent them. But I appreciate the answer, I suspect they may have a different view of that.

However, moving ahead, the thing that concerns me, one of the things that -- and I don't want to -- to Judge Cohen, I don't want to misconstrue your words. One of the issues that you raised with this Memorandum of Agreement was that this Memorandum of Agreement was never ratified by the Legislature, and that's one of the reasons it's null and void. Is that correct?

**MR. COHEN:**

Yes.

**LEG. ROMAINE:**

I'm looking at all my colleagues. Now, with the exception of Dr. Spencer who wasn't here, I know I voted for a County budget that included that \$4 million that was set aside by this agreement, and that amount was included in this budget, in the 2013 budget. I definitely would call that an affirmative vote. How about you?

**MR. COHEN:**

Well, I would disagree with that. And I also don't think in open -- in an open forum like this, this is the time to be litigating that matter. I would think if --

**LEG. ROMAINE:**

I'm not litigating, I'm just pointing out the fact that we all voted on a budget that accepted the money that was incorporated as a savings in that Memorandum of Agreement when we adopted the '13 -- 2013 budget. I mean, that's a matter of public record. That isn't something that's -- you know, this isn't litigation or anything, otherwise I would not be going there, and I'd obviously ask to speak in an Executive Session. This is pretty -- this is pretty transparent. We all voted on that budget.

**CHAIRMAN CALARCO:**

I wasn't here either.

**LEG. ROMAINE:**

My concern, and I share the same concerns as Dr. Spencer and Legislator Browning. My concern is that we have a Memorandum of Agreement which you have indicated is not valid. I have to tell you, if I'm a union leader and that's not valid, I'd be reluctant to enter into any Memorandum of Agreement with the County again. Because if you can say this one's invalid and you come up with a reason as to why, what makes the others that were negotiated prior to this valid? Why is the others not as invalid as this one? Maybe you can give an explanation of that.

**MR. COHEN:**

Again, I haven't reviewed the other MOA's to see if they're valid. This was an issue that was brought to my attention and I gave an opinion. And again, this is not the forum to be talking about

future possible litigation and all legal arguments. I just think it's inappropriate at this point.

And if you want to insist on that line of questioning, I'm going to ask that we go into Executive Session to discuss it. But in an open forum like this is certainly not the forum.

**LEG. ROMAINE:**

I don't want to dominate this, so I will just sum up by saying my concern is that we have a Memorandum of Agreement which you do not view as valid. There's a lot of other Memorandums of Agreement that have been negotiated by this County over many, many years, and this is the first one, to my knowledge, in my 27 years of service to the County, that has been invalid after the fact, ex post facto.

It raises a great deal of concern for me on how we deal and negotiate and deal with the various unions that represent this County. This is a major issue that goes to the heart of trust and government and trust with the employees. And this agreement now is being invalid to prepare for what -- and I heard Mr. Schneider's comments and I understand why the PBA contract makes sense, in one sense. But the nagging thing is by approving this contract, this issue is still standing out there. And my understanding is that negotiations aren't going forward at this time with the Deputy Sheriffs to resolve this issue,

My two colleagues have expressed that concern, I expressed that concern. I don't want to go into Executive Session. I'm trying to talk about things that are on the public record, in the public domain about issues of concern, about how we deal and negotiate with our employees.

So suffice it to say, I'll end it there. I think you understand my concern and you understand that this issue probably -- the PBA issue may be resolved in the next couple of days, and I'm sure it will be. But this issue probably will not go away and you're going to be asked a lot more questions about this and you're not going to escape that easily, and we may be in Executive Session and I may ask the Chairman for that the next time we're here. Thank you very much.

**CHAIRMAN CALARCO:**

Okay. Legislator Cilmi?

**LEG. CILMI:**

Yes. Thanks, Mr. Chairman. Just to sort of piggyback off of what two of our colleagues asked. First of all, I think Legislator Browning was properly alluding to a desire to have -- for us to sort of have a full -- a whole picture of things when we're talking about providing services, particularly with public safety. And there are not only the PBA and the Deputy Sheriffs, but we have Corrections, we have SOA, Detectives Association, etcetera -- to some extent, Probation Officers Association, and maybe one or two others -- that I think, going forward, I would hope that we could look at these things sort of in concert rather than separately. Because I think they all relate to one another, and certainly they all relate to our ability to provide public safety in Suffolk County. So I would just -- it's sort of, you know, a request for future consideration.

To just pursue a little bit more of what Legislator Romaine asked.

I don't think I was -- I may have been. I understand there was a Memorandum of Agreement, or maybe a Memorandum of Understanding possibly with other unions in the County. Could you talk to us a little bit about that and how this impacts that? I'm not sure if the Legislature ratified it at that time or not. Have there been any other Memorandums of Understanding or Memorandums of Agreement between the County and other unions in Suffolk County in the recent past.

**MR. MARGIOTTA:**

In general, yes, there's been a lot. Not on this.

**LEG. CILMI:**

Is that something we can talk about here, or not?

**MR. MARGIOTTA:**

Yeah.

**LEG. CILMI:**

Okay. So just can you give me an idea of which agreements there have been that -- again, that the Legislature has not ratified?

**MR. MARGIOTTA:**

The agreements where we gave a promise that we would not seek contributions to healthcare from persons who retired by a certain date. There are MOA's that are done with regard to grievances that are filed with Section 75, when people are brought up on charges.

**LEG. CILMI:**

Have there been any others that have -- where there's been some significant value to the agreement?

**MR. MARGIOTTA:**

I haven't done any MOA's that would require any kind of -- any dollar amount that would have to be spent. It was my understanding that if it required funds, that it would have to come to the Legislature.

**LEG. CILMI:**

Okay. So there was no other agreement that involved a giveback of sorts in exchange for some monetary amount with another union recently?

**MR. MARGIOTTA:**

No. Not that I could think of, no.

**LEG. CILMI:**

Okay. I'm trying to think, I seem to remember something with AME, but I'm not sure.

**CHAIRMAN CALARCO:**

Legislator Cilmi, I know where you're going with this and I, quite honestly, have many of the same concerns and questions. And I think that what we should do now is try to keep ourselves focused on this police contract before us.

**LEG. CILMI:**

Well --

**CHAIRMAN CALARCO:**

And I'm going to have this committee visit this very issue in the near future, because I think there is quite a few concerns regarding the Memorandums of Agreements we've had over the years for the various different bargaining units and how this action does or does not impact those MOA's and how we'll view them in the future, including one with the PBA. So there's many out there that have been done. We had the early retirements earlier this year that were all done by MOA's. So we're going to have to visit this issue and think about how we're going to make sure that this -- those MOA's are honored appropriately and that this body has a say.

**LEG. CILMI:**

I appreciate that, Mr. Chairman. Let me just finish my specific inquiry about this AME question. Does that ring any bells with you? Was there an agreement between the County and AME, that millions of dollars worth of commitments -- one way or the other?

**MR. MARGIOTTA:**

Not with me.

**LEG. CILMI:**

Well, that wasn't really my question. You've only been here a few months.

*(\*Laughter\*)*

**D.P.O. HORSLEY:**

Good answer, though, Paul.

**LEG. CILMI:**

Are we in court?

*(\*Laughter\*)*

**D.P.O. HORSLEY:**

I like that one.

**MR. COHEN:**

Are you asking about an MOA that occurred before we got here?

**LEG. CILMI:**

If you know of one.

**MR. COHEN:**

Do you know of one? *(Addressing Mr. Margiotta).*

**MR. MARGIOTTA:**

I don't.

**LEG. CILMI:**

Dennis, do you know of one?

**MR. COHEN:**

I don't know of one.

**LEG. CILMI:**

Mr. Schneider, do you know of one?

**MR. SCHNEIDER:**

*(Shook head in the negative).* I'm just here for the view.

**P.O. LINDSAY:**

Where are we going with this?

**LEG. CILMI:**

All right. Well, listen, if none of you know of any such agreement, then we'll move on from there and, as the Chairman said, we'll discuss it in other meetings.

**MR. COHEN:**

Yeah. Just so it's clear --

**LEG. CILMI:**

All right. That's fine.

**MR. COHEN:**

I mean, I think it's fair to say, there were, what, thousands of MOA's that are out there?

**MR. MARGIOTTA:**

*(Nodded head in the affirmative).*

**MR. COHEN:**

So just -- you know, we're not trying to be difficult. It's just -- I mean literally, there are thousands of MOA's that were out there before we got here. So if there's a specific issue that you have, you know, we're certainly willing to help and answer questions but, you know, it's tough to pinpoint one, because we just don't know.

**LEG. CILMI:**

You know what? We'll deal with it --

**CHAIRMAN CALARCO:**

Let's try to keep this --

**LEG. CILMI:**

We'll deal with it at a future meeting.

**CHAIRMAN CALARCO:**

Yeah, let's try to keep --

**LEG. CILMI:**

But I am concerned about the precedence that this may set and how it impacts those other Memorandums of Agreement. And so if we could pursue that at a later date, I'd appreciate it,

**CHAIRMAN CALARCO:**

We will.

**LEG. CILMI:**

Thank you.

**D.P.O. HORSLEY:**

On that issue. Mr. Chairman, just quickly. So what you're saying is you're going to be looking at the policy of what comes to the Legislature and what doesn't come to the Legislature.

**CHAIRMAN CALARCO:**

I'm going to be looking at --

**D.P.O. HORSLEY:**

And that's going to be a future issue that you're going to take up.

**CHAIRMAN CALARCO:**

-- those policies when they impact us budgetarily and what's coming to us.

**D.P.O. HORSLEY:**

So it's clear and we know one way or another.

**CHAIRMAN CALARCO:**

Exactly, so we have a little more clarification on what is something that the County is required to honor. And quite honestly, I think that we're looking at a liability with this contract in regards to the MOA with the Deputy Sheriffs.

**D.P.O. HORSLEY:**

And I think it would be wise for us to do that review.

**CHAIRMAN CALARCO:**  
Absolutely.

**D.P.O. HORSLEY:**  
That makes sense.

**CHAIRMAN CALARCO:**  
Legislator D'Amaro?

**LEG. D'AMARO:**  
Thank you, Mr. Chairman. I have questions also relating to the agreement. But just to chime in on the MOA situation, you know, I do want to point out that under this particular agreement, that I know we're going to be debating the merits of in the coming days and today, there's a cost to voiding that MOA, and the cost is about \$14 million. So it is a part of the issue here. And although I appreciate that we're going to be addressing that at a later date, I think it is something that we need to keep in mind as we look at this contract vote. I wanted to ask, is the budget --

**CHAIRMAN CALARCO:**  
BRO has it there.

**LEG. D'AMARO:**  
Sorry?

**LEG. SPENCER:**  
Four million.

**LEG. D'AMARO:**  
No, the cost of returning the Highway Patrol back to the highways under the BRO presentation is almost \$14 million over the course of this contract.

**CHAIRMAN CALARCO:**  
Right.

**LEG. D'AMARO:**  
So there is an impact. And I'm not saying whether I support it or don't support it, I know we're going to talk about all of this. But I think it's appropriate to point out that there is an impact right here and now. And I think that if you go into Executive Session, it may not be a bad idea because we need to get this right. We need to get this right. Because if it turns out that we're not right, we're starting off with another \$14 million hole in the budget.

But I wanted to ask you, Mr. Chairman, is Budget Review Office also going to present today? Because I'll hold my questions.

**CHAIRMAN CALARCO:**  
Yeah. As I said, we're going to have Budget Review doing a rundown of their own analysis and then we'll have questions for them specifically. This is a time for questions with the County Exec's staff and/or Mr. DiGerolamo. So does anybody else -- Legislator Kennedy?

**LEG. KENNEDY:**  
I --

**CHAIRMAN CALARCO:**  
Again, for the County Executive staff or for Mr. DiGerolamo.

**LEG. KENNEDY:**  
BRO did a pretty comprehensive review. Some of the items that I wanted to go to were just simple

definitions. I know there are some items that became items of mandatory negotiation, I believe it is, and in this contract, that is something that is new.

Dennis, I guess I'm going to direct this to you. The other question that I had for you is, is tell me a little bit about the process. Because in my eight years here, I've never had occasion to have to vote on a Police contract. As you all pointed out, the last negotiated one goes back to '89 when I worked for Pat Halpin, I guess. So who actually sat down and negotiated this? Do we have Labor Counsel or is it -- who was part of it?

**MR. MARGIOTTA:**

I was, Sir.

**LEG. KENNEDY:**

You were part of it. Do we have Labor Counsel that we consulted also, were they part of it, or was this something that was just done in-house?

**MR. MARGIOTTA:**

Labor Counsel was not involved in the negotiations, they were involved in the formalization and finalization of the MOA.

**LEG. KENNEDY:**

So they took, I guess, what you sat with -- and Noel, it was yourself or your Counsel was --

**MR. DIGEROLAMO:**

No.

**LEG. KENNEDY:**

You two guys did it eye-to-eye and then each respective outside Counsel reviewed what you two hammered out, they made suggestions as to whether or not we could live with it, we couldn't live with it and went back to you two and that's ultimately how it went?

**MR. MARGIOTTA:**

Actually, it was Noel and I face-to-face agreeing on our concepts and our agreements, and our Counsel made sure that what we saw eye-to-eye on was what was written down.

**LEG. KENNEDY:**

Okay. So when you had the discussion and dialogue, then it would leave you to what the mutual agreements were, go to the respective counsels, be reviewed and come back to you two?

**MR. MARGIOTTA:**

Not on a daily or weekly basis. We would spend a lot of time getting a lot of language down and then --

**LEG. KENNEDY:**

Which is fine.

**MR. MARGIOTTA:**

Yes.

**LEG. KENNEDY:**

And as a matter of fact, when you get down to this, you can pretty much, you know, talk about what does somebody really mean about today is -- you know, Thursday or not.

**MR. MARGIOTTA:**

Yes.

**LEG. KENNEDY:**

But I guess the thing that I'm trying to get at is that after the two of you would come to whatever substantive types of agreements and discussion and what have you, then that writing would go to two people, your lawyer and our lawyer, and both of them would look at it and then it would come back to you two?

**MR. MARGIOTTA:**

Yes.

**LEG. KENNEDY:**

Okay. So when -- well, I see Noel nodding, so let's stay with him for a second and let's go to Noel. You're telling me yes. All right, Noel.

**MR. DIGEROLAMO:**

No, I agree. I just want to clarify, you know, so you understand exactly the process. It seems like, you know, you want to know the process, and the process was for, you know, a significant amount of time. Months we sat and we negotiated what each party wanted and what each party was willing to give as a concession. And during that process, Counsel was consulted on both sides to make sure that the way things were written were written clearly and legally for the parties to be able to live by them for the following six years, it's a long time.

**LEG. KENNEDY:**

Uh-huh.

**MR. DIGEROLAMO:**

But you mentioned a comment about things that were made mandatory in this contract and I just wanted to clar --

**LEG. KENNEDY:**

Well, we are going to go to that. But I guess let's --

**MR. DIGEROLAMO:**

Well, I think I could just briefly explain what that's about. I know the section you're speaking about, there were certain benefits that were put in and it said that in the future, these will be mandatory subjects of bargaining. And unfortunately, someone's writing in the newspaper, Mr. McMahon, is inaccurate with his depiction of what mandatory and non-mandatory subjects of bargaining are. They're set by law. There's mandatory, non-mandatory and prohibited sections of bargaining. And once something is a non-mandatory, the parties can agree to negotiate about them. Once they're put into a collective bargaining agreement, they no longer remain non-mandatory. If it's put into a collective bargaining agreement, it automatically becomes mandatory. That language was put in to clarify that it will remain mandatory. If there was a change in the law, then the County would have been on the hook to say they're non-mandatory. So that was actually a concession for the County's part to protect them from any potential change in the law.

**LEG. KENNEDY:**

And look, that's, you know, one of the other things that each one of us has to look at when -- Jon, you talked about a no vote, and actually every one of us around here is working through this and will come to whatever we believe is the best vote for our constituents, along with what you've discussed.

I don't know what the likelihood is that binding arbitration will be renewed. Of course, you see, that's one element that's not in the room here. The State is not here. We are looking at a contract voluntarily negotiated. We have the sword of Damocles holding over our head --

*(\*Laughter\*)*

-- that is binding arb. We see the actuality of what you pointed to. I spoke with Scott Russell, I know what happened in Southold. I, quite frankly, am amazed that Northport agreed to a 10-year deal, but hey, that's the Village of Northport. But we don't have the State here. So I'm going to those terms for a variety of reasons.

And then I guess I'll ask any one of you gentlemen here. They're being put in this agreement for the first time. When we go to your predecessor, he gave us a budget that was going to lay off cops. Now, had there been this agreement in, I think what I'm hearing you say to me, Noel, and lawyers chime in, that would have been an impossibility had that been a mandatory term previously. That would not even be something that a County Executive could consider; is that correct?

**MR. COHEN:**

I think the answer is if there was a no layoff clause in the contract, then yes, they wouldn't have been able to consider that.

**LEG. KENNEDY:**

No, no, no. I'm not talking about your time, I'm talking about what we had to live with before you came here. We had a budget that was presented to us that was going to lay off 40 or 50 Police Officers. As a matter of fact, that was one of the first items that you guys addressed when you came in, because none of us wanted to see that happen.

**MR. COHEN:**

Right. But I don't think there was a no layoff clause in the -- I mean, there was no prior agreement, so in the prior arbitration award, I don't believe there was a no layoff clause.

**MR. DIGEROLAMO:**

No.

**MR. COHEN:**

And if there was not a no layoff clause, then layoffs could have occurred.

**LEG. KENNEDY:**

So now it will be different than it was then.

**MR. COHEN:**

Now it will be different, yes.

**LEG. KENNEDY:**

Will run for the full eight years with no layoff. Now, for all intent and purposes, our force, as I understand it, is under 2400. But it's important, I think, for us to understand. Once this goes in, that basically remains in there. Is that in there for perpetuity?

**MR. COHEN:**

It's not in there for perpetuity. What it means is you can't unilaterally take it out. It's now subject to negotiation in future contracts.

**LEG. KENNEDY:**

Okay. Let's shift gears for a second, then. Two other places, the education piece.

**MR. DIGEROLAMO:**

May I?

**LEG. KENNEDY:**

Sure.

**MR. DIGEROLAMO:**

Just for the record.

**LEG. KENNEDY:**

I'm all ears.

**MR. DIGEROLAMO:**

Yeah. Just for the record, you said for the next eight years.

It's not -- it's an eight-year agreement, but it's only six years prospective.

**LEG. KENNEDY:**

You're right, Noel. Yes, as a matter of fact, I appreciate you pointing that out. Thank you.

Two other elements that I just want to touch on briefly. The education enhancement? I don't know what to call it. I guess that's, you know, a term of art. I am a product of education on the job. Every degree I've ever gotten, I got while I worked. But I was never in a circumstance where, when I got a particular degree, I automatically got a change in my salary. So my question there is -- and you may or may not want to talk about this, Dennis -- I'm not offering it because I think it's a bad thing, but I've already had a couple of questions with Civil Service. I have a concern as to whether or not we are creating a class, Police Officer, that's got disparities within it. Can we do that?

**P.O. LINDSAY:**

Of course you can.

**MR. COHEN:**

Yes. Yeah, we can do that. We can do that through the -- you know, through the agreement.

And I think it's important to recognize that, you know, it's tough to look at each clause individually and say whether this is as good or bad for the County, because it was negotiated as a whole.

**LEG. KENNEDY:**

No doubt.

**MR. COHEN:**

So I just want to kind of put that out there. So that, you know, I know there's been comments about, you know, a clause here or a clause there that, you know, "Well, why would we agree to that?" Because it's part of the larger agreement. That's what negotiating a labor agreement is all about. You can't take them in individual clauses. You take out one and the rest of it falls,

**LEG. KENNEDY:**

Dennis, there's all kinds of give and take. And my purpose in doing this is not to try to, you know, focus on any one particular item and say, you know, "Well, that's a real, you know, nose-holder or not." I'm looking at, as best I can, maybe in a little bit different light some of the things that my colleagues have talked about. They spoke about the MOA's. I'm looking at the guts of this thing and making sure, as we go through it, that it's an intact, legal agreement, that it's as fair as fair can be for our citizens, for our employees, and even within the class of our employees. So that is something you're saying, we're not creating two separate distinctions amongst the Civil Service title Police Officer?

**MR. COHEN:**

No. Again, you know, our review of it is that it's a valid clause. You know, I know our Counsel looked at the whole agreement and did not raise any issues with respect to that clause. And I assume, you know, Noel spoke to his Counsel and had the same opinion.

**LEG. KENNEDY:**

Okay. Last item I'll ask you then is, is just the work schedule, the workdays. I think we have a

little bit of a difference between what were the number of workdays that a Police Officer would have in a calendar year, where we've been and what we're coming into. Just tell me a little bit about that.

**MR. DIGEROLAMO:**

That only applies for the new hires that are taking longer to get their salary and have different conditions in which they're being employed under.

Under the previous agreement -- actually, depending on how far you go back, all officers -- and Legislator Muratore will remember this -- all officers used to work the same time, and then over the course of negotiations and arbitrations, employees, new employees coming on had to work additional hours as a way of offsetting other costs within the contract. And since those employees are now giving a significant concession back, as we saw in the slides, where one of the benefits that we were able to negotiate back was the additional hours that they were required to work. The new employees used to be required to work additional hours their first two years of service. All we are now is making them whole. They're not working less or more than anyone else. They're just being made whole now with everyone else that is in the bargaining unit.

**LEG. KENNEDY:**

So it's an effort to try to keep some continuity or integrity across the workforce itself, the Police force itself?

**MR. DIGEROLAMO:**

Yeah, it actually is a little cumbersome on the County to manage it, to be honest with you. What you're doing is you have new employees coming on and then you have to have aides within the department, Police Administrative Aides, that are trying to monitor who has worked how many days throughout the year and coordinate, if they could get them to come in for specific training days or additional days, and that will no longer happen because it will all be on the same schedule. Nobody is going to work the additional hours.

And just to answer your education question, we also had Labor Counsel look at it and it is not a requisite to remain employed. We're not changing the Civil Service Law. You know, I think both parties, I don't want to speak for the County but, you know, through our negotiations, I got the feeling that they agree that, you know, a higher educated officer is a better officer to serve the public, and we agree with that to some extent. However, if the officer does not receive the required requisite of credits, he still will get the educational money, but then there are other offsets for the County until he receives that education. And the PBA will be funding that continued education for them, we have a separate education fund that we manage.

So they have 12 years to get to that level, so there's little reason why they wouldn't be able to. And if they aren't, they're not subject to termination, it's not a change of the Civil Service Law. There's other contractual issues that would kick in in order to prevent the County from unnecessarily giving funds for something that wasn't achieved.

**LEG. KENNEDY:**

Okay. As long as you've looked at it and you vetted it. I mean, it's something that, you know, looks like there's legitimacy to it, that's fine. I'll yield. Thank you.

**CHAIRMAN CALARCO:**

Anybody else? Okay. Thank you very much, gentlemen. What we're going to do is go on and ask Gail Vizzini, Director of Budget Review, to run through their analysis of the proposed contract. Gentlemen, if you want to at least stick around, I'm sure there might be more questions as we move through this process.

**MR. MARGIOTTA:**

Thank you.

**MS. VIZZINI:**

Thank you, Mr. Chairman. Budget Review submitted to you a report on the contract on September 27th, 2012. Included in that is the Executive Summary. I'm just going to highlight some of the aspects in the Executive Summary. It's more in terms of the nuts and bolts of the contract.

The agreement, as was discussed, is from 2011 through 2018. We estimate the cost to be \$268 million over the life of the contract.

We have some difference between the fiscal impact that the County Executive prepared, those are detailed in our report. They amount to \$45 million in retirement costs associated with the increased salaries, and 13.8 million in Social Security costs associated with the increase in salaries. We also have a difference in our base in terms of personnel. As Mr. Schneider indicated, the agreement provides us a degree of budget certainty in 2011 and 2012 in that the updated estimates from the County Executive are a relief of \$54 million, which includes \$43 million in salary and retirement and Social Security costs.

What this agreement does is it maintains the existing salary structure for the current Police Officers and it establishes a separate salary structure for new recruits. In terms of current officers, about 85% are already at top step. We provide a chart in our report that shows how top step will increase. The increases are equivalent to 2.04 in '13, 3.8 in '14, 6.11 in '15, 5.6 in '16, 3.5 in '17 and 3.5 in 2018. Over the life of the contract, this is 27.28% increase over '11. On average, it's about 3.4 % a year, or compounded it's 3%.

Over the life of the agreement, top step will actually go from 108 to 139 by 2018. This is base pay. Based on our own W-2 report, the W-2 data indicates that on average, overtime, night differential, holiday pay and other salary related items constitute an additional 36.9% over base pay. Top step is also increased on January 1st of 2013 by 1,250, and again by that same amount on January 1st 2015. Each increase, we show in our -- each dollar increase we show in our fiscal to amount to about \$2 million. Top step base pay is increased by 20 hours of comp time effective April 1 of '14, and 40 hours of comp time April 1st of 2015.

As Noel indicated, there is a cross relationship between this and the EMHP agreement that is also before you. For the purposes of consistency of fiscal impact, the County Executive shows that the PBA portion of the projected \$17 million in savings related to EMHP is shown to be about 15% -- is shown to be about \$2.9 million. As indicated earlier, the new recruits will begin to pay 15% of the premium towards their health care costs which will be revenue to the County.

Also as discussed, Highway Patrol is transferred back to the Police. The way this is shown in our fiscal impact statement is it advances the \$4 million deferral from 2015, and it also is basically \$2 million annually; it's detailed in the chart.

There is a guarantee of no layoffs, as the County Attorney indicated, through 2018, and this would then be a subject that would have to be negotiated. Meaning that the County Executive nor the Legislature could unilaterally or, you know, without negotiations go towards that action.

We talked about the reduction of the 261 days for the new recruits down to the standard working of 232 days. Longevity, which is \$375 per year of service, will increase \$25 in '13, '14 and '15 respectively. These -- the payout here is delayed until 2016, and then longevity increases again by \$50 effective the end of 2018; at that point, it will go from 375 to 500.

You were just talking about the \$1,500 increase in top step for those who obtain a college degree. As far as the new recruits, that is where your savings comes from. Rather than the current five-step plan, this is a 12-step plan which basically, conceptually, if you look at it, the new recruits other than the 2013 salary increase per se, they will get two steps per year over a 12-year period. Their starting salary is \$42,000, which is the same as it is right now. After the 12 years, top step is estimated to be 111,506.

In our report we show per recruit, over the six-year life of this agreement, each recruit will save the County \$128,000 in base pay compared to if they were hired under the existing agreement, and \$210,000 per recruit over the 12 years equivalent to the new salary schedule.

There's also a section that we usually include in our agreements in the event -- and I would really defer to Noel in terms of process. But should, for some reason, the Legislature deem that they are not going to approve this agreement, the parties would deem an impasse. If they were not able to go back to the bargaining table and resolve issues, they would go to mediation, if that has not already been taken into consideration, otherwise the next step would be arbitration. And in the case of the PBA, it is binding.

**CHAIRMAN CALARCO:**

You're all done?

**MS. VIZZINI:**

Yeah.

**CHAIRMAN CALARCO:**

Okay. Questions for Gail? Legislator D'Amaro.

**LEG. D'AMARO:**

Okay. Good afternoon. Gail, thank you for your memo. I appreciate the depth of the analysis in the memo. I did look at it. I spent some time trying to understand it. And I do appreciate the job that the Budget Office has done in trying to give us a true picture of what we are voting on. Because I know, speaking for myself, that I want to be sure when I cast my vote that I know what we're doing.

I wanted to start off by asking you, and I know we've had some discussions about this in the past, that the two hundred and -- the cost of the contract itself, the 268 million, 268.7, the assumption that that is -- one of the assumptions it's based upon is that there is what you call a static workforce. And I think you do go on, in fairness, in the memo to point out, however, that the County Executive's Budget Office wasn't with the static workforce, their comparison was really more about if you had new recruits coming in, 50 or 80 a year, with retirements, that the number might be different.

So what I'm asking is the very crux, part of what we're looking at here is the new pay schedule for the new recruits coming on to the Police force. And that's where, as you just said, a lot of the savings in this contract is coming from. But when you arrive at the 268 number, just for clarity purposes, are we showing the impact of that in any way in that 268 when we say, "This is what this contract will cost"? Are we including in there the new recruits coming in and perhaps some of the higher paid police officers leaving the force over time?

**MS. VIZZINI:**

No, not in that number. The County Executive's fiscal impact statement does a static workforce scenario.

**LEG. D'AMARO:**

Right.

**MS. VIZZINI:**

And then in addition to identified anticipated savings, they do two examples of 50 and 80 new hires. We did it by recruit. So, you know, what you have is the -- we don't -- we're not that different in terms of total cost of the agreement in terms of the methodology with the static workforce, once you add back in retirement and social security.

**LEG. D'AMARO:**

Okay. Right, that's where the major difference is, what I would call indirect costs of the contract have been included by the Budget Review Office, the corresponding Social Security payments and retirement. Is that increases or is that the full boat payment that you included?

**MS. VIZZINI:**

We pay the retirement system based on salaries, it's a percentage of the salaries reported. So as they go up --

**LEG. D'AMARO:**

Right.

**MS. VIZZINI:**

And similarly on Social Security, as you know, is a percentage up to a maximum.

**LEG. D'AMARO:**

Okay. All right. I appreciate you just clarifying that for me. I know that there's been some talk about how -- you know, the methodology used in the reports. And I accept it, but I just wanted to make sure it was clear.

What I believe we're being asked to do with this contract is to measure it less against the County's ability to pay and more against the risks of going to arbitration. And looking at the history of arbitration, seeing what the result could have been, what the result could have been had we gone to arbitration. I know the Executive's Office just had up on the screen there for the last 45 minutes, if you reject the contract you could go up in cost a hundred million in arbitration, or you would go up a hundred million in arbitration. I myself would have added the word "*maybe*" at the end of that sentence, because it's really an unknown what would happen in arbitration. But nonetheless, I think they make a correct point in saying that we have to measure this against the history of what's happened in the past, what's recently happened in other jurisdictions. And certainly there is a substantial risk, I believe, that if we go to arbitration that we could wind up with a much worse deal and more -- I don't want to say better or worse, but let's say more costly deal than what we're looking at here.

But putting that issue aside for a moment, okay, I want to just ask you to focus with me a little bit on some of these numbers that I'm looking at in the contract and in your Budget Review Office review that are somewhat daunting to me. And I want to refer specifically to page three of your memo which concludes, you know, the bottom line on that chart, "*Additional cost impact of tentative PBA/MOA*," is the title of the chart, and I think the idea here is to show how much more this would cost as compared to, what, the status quo; is that correct? Continuing along with whatever agreement is in place or whatever agreement is governing right now, because there is --

**MS. VIZZINI:**

Correct.

**LEG. D'AMARO:**

Right. Okay, I just want to make that clear. So am I reading this chart right in looking at the personnel cost line, the very first line that says in 2012 you have no increase, in 2011 you have no increase, but then it starts to go up. And then when you get to the years 2016 and then 2017 and 2018 you're looking at 54.6 and then 64.7 million in increase alone over -- if you projected just the status quo terms that we have today. And I look at that number and I'm pointing this out, again, not indicating whether or not I want to vote for this or not, but I want to understand this. So by 2017 and 2018, the increase alone in the cost of police protection in this County will be more than the property tax levy that we have in the County; is that correct?

**MS. VIZZINI:**

Well, don't forget, the property tax levy for the Police District is \$471 million.

**LEG. D'AMARO:**

Well, yeah, I'm talking about the General fund.

**MS. VIZZINI:**

You're looking at the General Fund.

**LEG. D'AMARO:**

That's correct. Okay.

**MS. VIZZINI:**

Okay. Secondly, I think one of the reasons why the latter years go up like that is if you look at page five, it shows you the percentage increase by which -- you know, in years '15 and '16, the four small increases add up to bringing top step up to an increase of 5.5 and 6.6.

**LEG. D'AMARO:**

Right. That's the chart on page five that you're referring to?

**MS. VIZZINI:**

Yeah. And then, of course, that last 2015 increase occurs December 1st of '15. So entering '16, the salaries start at, you know, 6.62% higher than they just did in '15.

**LEG. D'AMARO:**

Right.

**MS. VIZZINI:**

Now, in '16 and '17, the -- you know, you have increases of 3.5 and 3.5, but that's what's bringing up those numbers. Again, this is a scenario that depicts static workforce. How the budget --

**LEG. D'AMARO:**

Right, I was going to get to that.

**MS. VIZZINI:**

-- is managed to address these costs --

**LEG. D'AMARO:**

Uh-huh.

**MS. VIZZINI:**

-- is a completely other question and a completely other discussion.

**LEG. D'AMARO:**

Right, I agree with you wholeheartedly on that. These are raw figures, cost of contract, static workforce. We're really not looking at how we manage the budget going forward and we're certainly not looking at how the attrition occurs over time and how the new recruits are coming in and at what pace, and that has to be factored into this at some point. But nonetheless, I want to understand your report.

A couple of other quick questions. You know, it's pretty clear what your report says, but I just wanted to clarify that when I'm thinking through this contract, is it fair to say that over the -- the annual average increase for an existing Police Officer during the term of the contract is about 3% per year?

**MS. VIZZINI:**

Compounded, yes.

**LEG. D'AMARO:**

Okay. And it's about three and a half straight.

**MS. VIZZINI:**

Average, 3.4, yeah.

**LEG. D'AMARO:**

Average, 3.4. All right. And corresponding, the average -- the same average increase for the new recruits coming in, granted, at a frozen base pay, frozen pay scale, 12-steps instead -- 12 years instead of five; nonetheless, the average increase for a new recruit is over 8% a year?

**MS. VIZZINI:**

Yes. The methodology is such, or at least the way both Budget Offices interpreted the methodology, there's a starting salary and an ending salary and that is divided into 24 equal distant steps.

**MR. LIPP:**

(Inaudible)

**LEG. D'AMARO:**

Okay. But it's one thing to talk percentages, it's another to talk dollars. Nonetheless, with the new recruit pay scale, the County is saving money over what we have as status quo, or what even the existing force would get under this agreement should it be adopted. So we are seeing a cost savings for the second level of Police Officer coming in after the new year. So there's a savings there nonetheless.

**MS. VIZZINI:**

Compared -- certainly compared to the existing contract. I think on the bottom of page eight --

**LEG. D'AMARO:**

Right.

**MS. VIZZINI:**

-- percentage wise, the current is 17.3%, because they get salary increases and they get steps. So under the new it's 8.6.

Point six.

**LEG. D'AMARO:**

Okay. All right.

So again, just looking at page three at the chart, this is the cost impact of each of the different areas that you delineate in the chart. The increase is only -- and then I think you had another chart in here on the next page which is the cumulative cost to the County of the contract per year, based on -- based on the proposed contract. And by the way, just my comment before about the Highway Patrol is also on this chart and that's where I got nearly \$14 million in increase to flip the jurisdiction on the highways, which is another discussion that we can have.

So at the end of the day, your numbers -- your report is excellent.

It makes it very clear what the cost ramifications are of the contract. But I guess at the end of the day, we have to measure that against the history of arbitration as opposed to even the County's ability to pay for this contract. Because as the Executive's representative said, that should we decide to reject this, you know, would we do better, would we get the concessions, would we get the contribution to health care, and would we get the longer pay scale for the new recruits coming in over time, which over the years should lower the cost of police protection in the County, we are given a really impossible, or unfair is the word I would use, choice here. Because we are -- we are not making decisions in a reality that we should be making them in.

The reality is there's State law with this binding arbitration and the history of that arbitration is forcing our hand into accepting a contract that perhaps could have been less expensive had we not had this problem with going to arbitration, and it's really a horrible position to be put in. But nonetheless, I think that's the proper way to analyze this contract. I see pay raises. I hear people talking about how they can't afford any more. I know that we've done layoffs in this County, and yet we're looking at a contract that gives officers -- and I'm not talking about the quality of our force, they're second to none -- but gives them pay raise after pay raise after pay raise, year after year after year, not to mention all the other benefits that are in this contract. But yet here we are sitting as a County, when the State of New York has made the decision to put us in this position, and it's really a horrible position to be in.

In any event, I'll leave it at that. And I did want to just, again, compliment you on this report, I thought it was excellent. And I appreciate you taking the time.

**CHAIRMAN CALARCO:**

Thank you. Any other questions for our Budget Review Office?

Gail, thank you very much for your report. And I think Legislator D'Amaro hit on one of the key themes that I was seeing in the report and at least one of the issues that I thought we needed to look at, and that's the fact that we won't have a static workforce. We're going to have retirements and, in all likelihood, we're going to have new officers hired. I think the County Executive's Office put the number at a \$100 million savings for every 75 officers? What was the number they had there?

**MS. VIZZINI:**

Oh, no, no. Yeah, we do --

**CHAIRMAN CALARCO:**

I'm sorry, I know I got that wrong.

**MS. VIZZINI:**

Right. No, that's the -- if we went to arbitration and there was three and a half over the life of the contract, that was \$100 million.

**CHAIRMAN CALARCO:**

What was their estimate savings?

**MS. VIZZINI:**

Ten point three.

**CHAIRMAN CALARCO:**

Ten point three for every --

**MS. VIZZINI:**

For each class of 75, 10.3.

**CHAIRMAN CALARCO:**

Okay. And just so I understand that properly, that 10.3 just reflects the savings of hiring those 75 now under this proposed agreement, under the new scale, versus hiring them under a status quo. And that has nothing to do with cost savings reflected from the fact that in all reality those 75 are going to be replacing people who have left, not necessarily -- so we're not -- we're not factoring the cost savings of those people who have left and are no longer paying them at higher scale; is that correct, incorrect? Am I -- could someone comment on that?

**MS. VIZZINI:**

Since it's Fred's number, he'll comment.

**CHAIRMAN CALARCO:**

Okay. Fred, thank you. Welcome to the table. We haven't had you here yet, so, you know, I had to make sure we got everybody up to the table once.

So am I getting this right, the 10.3 million savings from the class of 75 hired under the proposed contract, that's strictly the savings that we would see as compared to hiring that class of 75 under the existing contract?

**MR. POLLERT:**

Yeah. The cost savings is a cost savings of hiring under the new salary schedule as opposed to under the current salary schedule.

It assumes a class of 75 beginning in September. Obviously, if the class started sooner, the savings would be larger than that, but it's a savings from 2013 through 2018. It's primarily made up of three or four different components. The salary savings, obviously, that are associated with the salary plan is about \$7.4 million; the associated cost with respect to night differential, holiday pay and overtime is about another \$1.8 million. You have the employee contributions, because the new employees will be contributing to the health insurance, that's a savings of about \$1.1 million, for a total cost of about \$10.3 million on the base salary and health benefits.

**CHAIRMAN CALARCO:**

Do you know what the savings was with regards to the pension now that they're in Tier 6?

**MR. POLLERT:**

The savings with regard to the pension, the current pension rate is approximately 25%, and for the new tier employees it drops down to about 16.3% of their salaries. We didn't include the retirement just because it's a constant across both analyses, and when you start to get involved in replacements, it's difficult to do the timing of when the pension bill is actually going to hit as well as what the forecast on this brand new tier is going to be.

**CHAIRMAN CALARCO:**

And just so I'm understanding it correctly, that savings now, is it irrelevant of -- is it just concerning the savings versus hiring them under current contract versus hiring them in the future? And it's irrelevant of whether or not those officers are replacing people who have retired or have been promoted or what have you?

**MR. POLLERT:**

It's the comparison between -- there would be more savings comparing it to a top step individual which is retiring. We assume that there will be retirements, that's in base case.

**CHAIRMAN CALARCO:**

That's what I mean. So if we just did a one-for-one replacement as people left the force and we -- and we never increased the size of our force, we're going to see an even greater savings than that 10.3 million.

**MR. POLLERT:**

That's correct.

**CHAIRMAN CALARCO:**

Okay, that's what I thought. Thank you very much.

If we don't have anybody -- anything else on this, I know the Presiding --

**LEG. BROWNING:**

No, he left.

**LEG. D'AMARO:**

Are you going to do the EMHP?

**CHAIRMAN CALARCO:**

We will be handling that today, yes.

**LEG. D'AMARO:**

(Inaudible).

**CHAIRMAN CALARCO:**

Okay. So we're just going to get into the agenda then.

All right.

**LEG. CILMI:**

Can we take this out of order?

**CHAIRMAN CALARCO:**

You want to take it out of order?

**LEG. CILMI:**

Yeah, just because we just talked about it.

**CHAIRMAN CALARCO:**

We can do that. I have a motion by Legislator Cilmi. Do I have a second? I'll second the motion to take *IR 1915-12 - Authorizing the County Executive to execute an agreement with the Suffolk County Police Benevolent Association covering the terms and conditions of employment for the period of January 1st, 2011 through December 31st, 2018 (County Executive)*. All those in favor? Opposed? Abstentions? The bill is now before us.

Do I have any motions? I'll make a motion to approve.

**LEG. CILMI:**

I'll second.

**CHAIRMAN CALARCO:**

Seconded by Legislator Cilmi. Any comments on the motion?

**LEG. CILMI:**

On the motion, just very quickly.

**CHAIRMAN CALARCO:**

Sure. Legislator Cilmi.

**LEG. CILMI:**

I just wanted to make an observation or two. I thank my colleagues for asking all of the complicated questions, and there were many. You know, we're all obviously concerned with the cost of governance, not only at our level but at every level of government. You can't look at a \$16 trillion debt at the national level and not be concerned with the cost of governance. And you can't look at, you know, a potentially \$500 million deficit at the County level and not be concerned with the cost of governance. So these issues are on our minds constantly and we obviously have to take those into consideration.

With that said, there were a couple of points here that I took away from this process. One is that I

saw there was a give and take, and that's important. In the past several years we didn't have that and now we do, and I think that bodes well for our future. I think we have -- with this proposal we have savings for the present in terms of the zeros in 2011, in 2012, and in terms of the one and a half percent in 2013, and we have savings in the future in terms of new employees and the contributions to health insurance, in terms of the length of time to top step, etcetera. So we have savings both ways.

So I think when you put all of that together, and as Deputy County Executive Schneider said, you know, if you're willing to take a risk, you may decide that this isn't the best way to go because of the overall cost of policing in Suffolk County. I'm not really a gambling man but I -- you know, I'm familiar with Roulette. So you have some black numbers on the Roulette wheel and you have some red numbers, and you fully expect that when you spin the wheel that you'll get either a black number or a red number and you can predict, or guess at least, with a 50% certainty as to where you're going to end up. But I know that there's no yellow number. And the fact of the matter is if we look back in history, taking a risk here would be the equivalent of betting on yellow in Roulette, and there just is no yellow number in Roulette.

So our taxpayers' concerns are certainly my concerns. But I appreciate the give and take that was exemplified in this contract and I compliment both parties in that regard and I'll be supporting this resolution. Thanks.

**CHAIRMAN CALARCO:**

Thank you, Legislator Cilmi. Would anybody else like to comment? Legislator D'Amaro.

**LEG. D'AMARO:**

Not to go over what I went over just five minutes ago, I just wanted to make one point, that I'm also a member of the Working Group and we have the very difficult task right now of trying to put together a budget for next year and protect taxpayers and look at priorities and do everything that we always do in the Working Group in crafting that budget. And it's very important to keep in mind here not only the risk of arbitration, and we probably would do worse had we gone to arbitration and not get the concessions from the unions -- all the County unions, in fact, with the EMHP agreement that's going to be discussed in a few minutes. But also remember that retro payment is crucial, and the Presiding Officer had made that point.

I looked at that retro more as almost a deferment in a way that that helps me justify more with the PBA contract of accepting that contract, that we are in this crisis right now. We are in a position where we have to deal with an economy that's in complete meltdown, hopefully starting to come back a little bit. This County had nothing to do with creating the crisis that we're in, but yet we have to deal with it. That retro, whether it's 47 or 55 million, as Legislator Lindsay pointed out, we don't even have that money. So, you know, at this point, not only are we getting the concessions, not only are we breaking the cycle of arbitration, not only are we having contributions by all County employees, new County employees going into health care, but we are also in the short-term helping craft our budget for next year, I believe. And I give credit to the PBA as well for making that a reality. I think it may not be easy to go back to membership and say, you know, "All that retro pay that you thought you were going to get and that over the history of arbitration you always did get, you're not going to be getting, at least you're not getting it today." You know, it might be built more into the back end into the higher years, but we'll deal with that as hopefully the economy improves."

So although I'm not a member of this committee and I won't be casting a vote today, I just would encourage the members of the committee to keep in mind that there's that short-term assistance to the next year's budget to consider as well when you cast your vote. Thank you.

**CHAIRMAN CALARCO:**

Legislator Gregory.

**LEG. GREGORY:**

Thank you, Mr. Chair. I, too, am not a member of the Committee, so I thank you for your indulgence. I really appreciated Legislator Cilmi's analogy with the Roulette wheel; I think that put it pretty nicely.

I think there's one thing that hasn't been considered yet, or at least not spoken publicly. You know, my office and I know others have received calls about this contract from concerned residents and, you know, employees as well. But you know, we are in a situation, as we all know, with the budget the way it is, arbitration being the unknown question and not really -- we can kind of get an historical basis of what it might be. Generally, comparing it to this agreement, we figure that we've made out. But if we look to our neighbors in Nassau and we look at the condition they're in, they have a control board, you know, hundreds of millions of dollars in debt. They tried to unilaterally give authority to the County Executive to, you know, take away negotiated terms in their contracts, it went to the Court and the Court said, "No. Given all your economic conditions, given all the Control Board, given all the factors, you have to live by the agreement that you made."

So in that sense, I think it's unrealistic, because some of the questions that have been posed to me is, "Well, why any raises?"

I think that's an unrealistic expectation. You know, arbitration certainly is not going to do that retroactively, I don't think it's been demonstrated that they would do it prospectively as well.

So given that situation, those circumstances, the Administration and the PBA, I respect that they came to the table and they negotiated an agreement, but they negotiated an agreement generally from -- you know, that's to our benefit as it relates to what we would have received in arbitration. Knowing that if we would have went to court, you know, there's no relief there, certainly nothing in binding arbitration. Having no raises is not going to happen. So what's our alternative? To negotiate a contract where the increases are implementally (sic) less than what we would get from the arbitrator.

Let's not forget, what are we getting for this increase, for this contract? One, from a budget perspective, I think it's very important, and this shouldn't be overlooked, we have a longer term ability to project what our cost is going to be. I mean, we've seen over the past three or four years, since I've been here, State mandates increasing just alone in pension contributions. One year it was 90 million, another year was 40 million, another year was 50 million, after we already made -- put our budget together. This instance, we know what our costs are going to be over a longer term. So from a budget perspective, that's a plus for me.

But, you know, our -- but I think even more importantly, and as an elected official, you know, our number one job is public safety. And we're assuring that our residents, our constituents receive the top quality, top-notch Police force that they expect. And if there's anyone here that -- you know, I mean Nassau County is consolidating Police Departments and they're, you know, shedding personnel. If anyone doesn't like their Police Department, please, we can -- you know, we can talk off-line. I'm in the position where we want more personnel.

So I think -- and I believe everyone, I know everyone understands and respects the work that they do. So, you know, given all the circumstances, this is a deal that is almost hard to pass up. That we've negotiated an agreement that respects what the taxpayers' concerns are, respects what our budget considerations are and balanced against what we received otherwise if we let -- if we let the process be controlled by someone else.

So I thank you for your indulgence. I just wanted to put that on the record.

**CHAIRMAN CALARCO:**

Thank you, Legislator Gregory.

Okay. If we don't have anything else, I think that we've all said what needs to be said. I have a

motion and a second, I believe. All those in favor? Opposed? Abstentions? Okay, the motion is approved.

**IR 1915 is approved (VOTE: 5-0-0-0).** And we will see you on Tuesday.

**CHAIRMAN CALARCO:**

Keeping in the round of our employee benefits and salaries and contracts, I think it would be prudent now to take up the issue regarding the EMHP agreement and the healthcare bill. So I'm going to make a motion to take out of order IR 1886 Ratifying and approving the Memorandum of Agreement with the County's Employee Unions relating to the Employee Medical Health Plan. (Presiding Officer). Can I have a second? Second by Legislator Cilmi. All those in favor? Opposed? Abstentions? IR 1886 is now before us.

Gail, not to put you on the spot, if you wouldn't mind maybe quickly running through whatever it is that Budget Review may have to add regarding the memo that you put out on this agreement?

**MS. VIZZINI:**

Well, again, since the resolution was sponsored by the Presiding Officer, it was Budget Review Office who did the Fiscal Impact Statement. And just basically the savings associated with this will all depend upon the extent to which the County brings AME a new prescription manager and -- which according to our discussions with the County Executive's people, they have hired a Seneca consultant to do an RFP. Seneca Consultants are -- they're highly regarded. They have the appropriate expertise in the prescription management area. They are well known. They're going to put together the RFP and they're going to guide the County -- the EMHP Board, I guess, through the selection of a new Prescription Benefits Manager. And that Manager will come forward with recommendations to changes in the Prescription Benefit Plan, which will theoretically have a target savings of at least \$17 million recurring on an annual basis.

The extent to which that will be achieved, of course, will be measured by the EMHP cost consultant based on the methodology described in the Memorandum Of Agreement that allows for a certain normal growth in prescription costs and a certain normal growth in the Employee Medical Plan.

More specific than that, Budget Review was not in the room when those discussions took place. More specific than that, I really can't address it. But that's the intent of this agreement.

It is similar to the intent of the EMHP Agreement that the Legislature approved in 2007 where the target annual savings there was 15 million. So this is a little bit higher level of savings. In addition to that, this agreement has a provision that existing employees will not contribute towards health insurance unless that is changed by some other future agreement; and that new employees will contribute 15% of a premium, which we estimate for a family plan in 2013 to be 2,629 annually. And for the individual plan 1,232.

This approval of this agreement will also create an entity called SCOPE, which is the Suffolk County Coalition -- it's the Suffolk Coalition of Public Employees. It's basically all the union heads from this point forward will be the entity through which health insurance matters are negotiated with the County.

There are a few other items in this agreement, some of which we have a fiscal impact estimated, some of which we just don't have enough data. But such plan changes as emergency room treatment if you're out of network, there's a prescribed amount of money that the plan will pay. The coordination of benefits is restored so that if two County employees are married or domestic partners, that, you know, through efficiencies we eliminated the coordination of benefits. That is going to be restored. Also in the past we eliminated buyback. That is also going to be restored. There are some existing grievances in regards to buyback that will also be resolved. We estimate that there -- over the life of the agreement that the potential cost of that is about a million and a half.

There's a provision for consideration for participants who have minor children with physical and mental disabilities, that special consideration will be given for 100% reimbursement of reasonable and customary charges from out of network deductibles. And if the County employee is a grandparent and the grandparent has legal guardianship of their grandchildren, then the plan would cover them as well.

That's basically the extent of the fiscal aspect.

**CHAIRMAN CALARCO:**

Thank you very much. Legislator Cilmi, you had some questions?

**LEG. CILMI:**

I do. Thank you. Maybe this is because my having read 1100 pages of budget documents and gone through the PBA contract quite extensively my brain is sort of nearly at capacity. But I'm having a hard time grasping exactly how we come up with this savings. And maybe you could try and elaborate, to the extent that you can, and, if not, maybe there's somebody else in the room who can, how those savings will be achieved. And at the -- I guess part of that question could be, you mention that there was a previous agreement that saved us \$15 million or, you know, purported or sought to save us \$15 million a year. And I would ask how that's working out? Are we saving that \$15 million a year? Gail? Anybody --

**MS. VIZZINI:**

Well --

**LEG. CILMI:**

-- can answer those questions.

**MS. VIZZINI:**

Yeah, I would have to defer to the County Executive's people here, Mr. Cohen, Mr. Margiotta --

**LEG. CILMI:**

Or Mr. Pollert maybe?

**MS. VIZZINI:**

I don't know. Fred?

**MR. POLLERT:**

I would prefer them.

**LEG. CILMI:**

We were talking about numbers and I'm --

**MS. VIZZINI:**

Yes. We have had several conversations with these gentlemen. And since these were the gentlemen involved in the negotiations, it's best that they answer these questions.

**MR. COHEN:**

I guess to your question, basically is how they're going to generate the savings? Is that --

**LEG. CILMI:**

Well, let's first of all talk about the \$15 million from the previous agreement. Are we achieving those savings?

**MR. POLLERT:**

The previous agreements required that the annual savings be verified by the County's independent actuary for the Employee Medical Health Program. The last two years I've been gone from the

County, I don't know what they have done, but I knew that when I was here, those savings were being annually verified by the County's actuary. I recently rejoined the EMHP Committee. I don't recall seeing a report. They probably do it at yearend and I'll be happy to make the inquiry.

**LEG. CILMI:**

Okay. I appreciate that. And so then let's talk about this \$17 million projected or proposed or committed to savings going forward. Where does that come from exactly?

**MR. COHEN:**

Through the -- through the RFP processes of selecting a new PBM, Prescription Benefit Manager, we're going to be looking at proposals that will generate those savings. So what's going to happen is --

**LEG. CILMI:**

Dennis, I'm sorry to interrupt you. I just want to make sure that I understand this correctly. Proposals that generate those savings, what if -- what if we don't get any proposals that generate those savings?

**MR. COHEN:**

Based on conversations that I think the County and unions have had with various companies who want to submit proposals --

**LEG. CILMI:**

You have reason to believe that we can?

**MR. COHEN:**

-- right -- they've indicated that they can --

**LEG. CILMI:**

Okay. Fine.

**MR. COHEN:**

-- make recommendations to the plan that would generate those savings.

**LEG. CILMI:**

Okay. Sorry to interrupt. Keep going.

**MR. COHEN:**

Sure, that's okay. Then what would happen is that plan -- that new plan would have to be adopted by the EMHP Board. And at that point, you know, you'd go with the suggested changes from the new Prescription Benefit Manager. And then there'll be a reconciliation to ensure, similar to the \$15 million that we were just discussing, there'll be a reconciliation to ensure that the savings are realized.

**LEG. CILMI:**

Okay. So we're entering into -- this is another one of these understandings; Memorandums Of Agreement or whatever? Is that what this is technically speaking?

**MR. COHEN:**

Yes. This is an MOA, yes.

**LEG. CILMI:**

Okay. You said that --

**MR. COHEN:**

I'm sorry. Legislator Romaine?

**LEG. ROMAINE:**

(Off the microphone)

**LEG. CILMI:**

I think he's referring to the fact that the Legislature has to adopt this first before -- so in any event, you said that once you go out and you find these -- you look for these companies that are going to propose savings to the County, and you said that you are -- based on conversations that you've had, you understand that the \$17 million is doable, my first question is: You said that -- whatever the selection is must be adopted by the EMHP Board. So what happens if they disagree on which plan to adopt? Is there a mandate that it be adopted? What binds the board in terms of making an agreement that results in these savings?

**MR. COHEN:**

Basically the change in the plan will impact the unions. So, you know, from the County's point of view, if it's a reasonable projection of savings, you know, from the County's side of the table, you know, we would be okay with most if not all changes, I think, that are recommended. And from the union side, they've made a promise through this agreement to generate \$17 million in savings. Now if -- what I envision is the proposals -- we'll come in with various proposed changes that will generate savings, almost like a menu. And then the --

**LEG. CILMI:**

Benefit changes -- changes to benefits effectively?

**MR. COHEN:**

Yes. And then the EMHP Board will choose which ones, you know, they think will be effective and redo requirements of the members and that's what would be adopted.

**LEG. CILMI:**

Okay. And you mention that this specifically relates to prescription drug coverage?

**MR. COHEN:**

Yes. The \$17 million promise in savings is specific to the prescription benefit plan.

**LEG. CILMI:**

Okay. Now -- so once we find the \$17 million of savings, and this is -- is this a January through December thing?

**MR. COHEN:**

It would be -- right, fiscal year.

**LEG. CILMI:**

Right. So this will have to take place in 2013?

**MR. COHEN:**

Right. We are beginning the RFP process. I think somebody mentioned before that a consultant was recently hired through the Waiver Committee and, you know, has prepared or is preparing the RFP.

**LEG. CILMI:**

Okay. Once we save that \$17 million next year, you said it's a recurring savings. So our prescription drug coverage cost us "X" this year. It'll cost us X minus 17 million next year. What will it cost us the following year?

**MR. COHEN:**

The same "X" minus 17, although "X" will become a different number only because there's a

provision in there that -- you know, there's been annual increases. So that's going to come off the top. So they're going to save \$17 million, but after you've calculated in what the annual increases have been over the last four years.

**LEG. CILMI:**

And the annual increases are -- you get that number from looking at that -- I forget what it's called exactly, but there is some -- some metric that's --

**MR. MARGIOTTA:**

Kaiser Family Institute.

**LEG. CILMI:**

Kaiser Family Institute metric that's -- what -- what relates that to reality? You know, if the Kaiser Family Institute says that the cost is going up "X" amount, let's say that our cost actually went up much less than that or maybe it went up much more than that, how does that impact the County?

**MR. COHEN:**

Well, actually I think -- I think the last answer was that -- the question that you just asked, which was what's the increase based on? That's based on the actual numbers. So whatever the plan has increased over the last four years, the average of that percentage increase, and that'll be the, you know, the projected increase going forward. So, for example, and just because I use basic numbers because that's the only way I can do it --

**LEG. CILMI:**

You and I are on the same page.

**MR. COHEN:**

Right. So if the plan costs \$100 million last year and if the average increase over the last four years in the plan was 10%, so 2013 they'd have to come in at 83 million, "X" being a 100 million minus the 17 million. 2014 you'd add the 10% to the 100 million, 110 million minus the 17 is 93 million. And then upward from there.

**LEG. CILMI:**

Okay. So we're going to have -- theoretically we're going to have a -- reduction in benefit next year equal to \$17 million. But then once that reduction in benefit is taken, it's just that -- that continues. So it's not like we're saving an additional \$17 million every year. It's just that same \$17 million. And it's not \$17 million really in savings. It's \$17 million of reduction in benefit. Or do you think it might actually be -- there might not be any impact to benefit and it's just savings? What do you think?

**MR. COHEN:**

I'm not sure I understood the question. I think --

**LEG. CILMI:**

Well, I guess, maybe there was a couple of questions in there. First of all, do you think the \$17 million is going to -- is going to come from reduced benefit? Or do you think there's \$17 million in savings from existing benefits just by -- just through, you know, maybe a different provider or something?

**MR. COHEN:**

I think a combination of both. It don't think it's a reduced benefit. I just think it's a way of granting the benefit in a different way to save money.

**CHAIRMAN CALARCO:**

Perhaps we can have a -- maybe John will come up. I believe he's President of PBA, but also, I think, he head up SCOPE. He helped arrange this deal so maybe you can speak to Legislator Cilmi's

questions.

**MR. COHEN:**

Well, did we do something wrong that now you're standing?

**MR. DiGEROLAMO:**

Yeah, I'd rather stand than sit next to them again. (Laughter) I do want that separation a little bit if you don't mind.

Thank you for giving me the opportunity to explain it a little to the point where everybody should understand it. The health plan, the way we've designed it now, will come up with 17 million in recurring savings every year. So that 17 million needs to be repeated year on year on year and staying below the Kaiser index. The entire plan has to. So if the Kaiser index for the Northeast Region goes up 10% and our plan went up 12%, we would have to come up with the 17 million plus the additional 2% over. We have to maintain the Kaiser as a baseline and provide the 17 million in savings upfront that will be recurring going forward.

**LEG. CILMI:**

Okay. So, it's not that we save \$17 million this year so our cost is \$83 million, then we save another 17 million next so our cost is whatever it would be. It's just the \$17 million off of the total cost each year of the agreement?

**MR. DiGEROLAMO:**

Correct. It's 17 million in recurring savings.

**LEG. CILMI:**

Right.

**MR. DiGEROLAMO:**

And it's not 1734 and so forth.

**LEG. CILMI:**

Right, right, right. Now what -- again, you brought up the Kaiser percentage. What happens if our actual cost is different from that?

**MR. DiGEROLAMO:**

I'm sorry. I noticed I don't have to hold this button anymore. It used to be you'd have to hold it the whole time.

**LEG. CILMI:**

(Laughter) We like to change things up on people just to keep them on their toes.

**MR. DiGEROLAMO:**

I haven't been here that much recently, thankfully, but --

**LEG. CILMI:**

See if you sat down, you'd have to hold the button.

**MR. DiGEROLAMO:**

I know. That's why I'm standing. If it's not even with the Kaiser, we would have to come up with the additional savings to offset the increase cost to the County. That's part of the agreement. We need to keep within a certain growth level and provide those savings. And just in case -- it seemed like the beginning of your conversation you were concerned about being on the prescription benefits alone. It's the intent of the agreement to do it through modification of the prescription benefit. And then the menu would be set up. If for whatever reason we're unable to maintain those cost savings and stay below the Kaiser, then the unions would have the opportunity to come up with

additional cost savings in order to reach that goal.

**LEG. CILMI:**

Okay. So what's -- over that period of time, how much -- how much money will -- if we use the Kaiser -- increase on an annualized basis? How much money will -- would it cost us without the \$17 million savings? And how much money are we saving as a result?

**MR. DiGEROLAMO:**

There would only -- there would be no cost. Because if you're under the Kaiser, then technically there are no costs because you're under it. If you're over it, there's no cost to you because we're giving you the money. And the 17 million times eight years --

**LEG. CILMI:**

Right, okay. Whatever that is.

**MR. DiGEROLAMO:**

I'm not that good at math myself, so.

**LEG. CILMI:**

I get it.

**MR. DiGEROLAMO:**

Maybe 134 million?

**LEG. CILMI:**

Okay. All right. I have one more simple question, maybe more of a policy question. I understand that at some point in time we extended additional benefits to domestic partners. That was at a time when New York State didn't allow same sex marriage. New York State allows same sex marriage now. Why would we continue that policy? And how would you even define -- we're allowing folks to get married. (Someone spoke off the microphone) Well, even so, though -- but even so, I mean I understand that it's not -- that doesn't necessarily denote homosexuality, I'm just saying is this -- what's this -- is there a cost -- significant cost associated with this or do we have very few or --

**MR. DiGEROLAMO:**

I would go so far as to say there's no way there could be an additional cost to it. Because as you point out, the State's going to recognize it. Then the person would be entitled to that benefit regardless. We have a stricter policy in place than simply getting married. It has to do with time spent together, living arrangements and so forth. And then you're only allowed to have that domestic partner change within so much time after a split. There has to be a vacancy of -- that has to be a vacancy of -- there has to be a separation, I should say, from another domestic partner. It's actually more restrictive than marriage.

**LEG. CILMI:**

Okay. All right. Thanks very much, Noel.

**MR. DiGEROLAMO:**

You're welcome.

**LEG. CILMI:**

I appreciate the answers. Thank you fellows as well.

**CHAIRMAN CALARCO:**

Legislator D'Amaro.

**LEG. D'AMARO:**

Yeah. Thank you. Okay 17 million per year. I get it. That is when you get the new PBM. Then they'll figure out the cost savings. A impartial, hopefully, consultant, the EMHP cost consultant would do a reconciliation, see where we land and then determine if more savings need to come -- we need to come up with more savings for the unions; or if they went over, they can carry forward. I get that.

**MR. COHEN:**

Exactly, yes.

**LEG. D'AMARO:**

Okay. So here's my question: My question is when doing that reconciliation to determine if we're getting a true 17 million, there are other costs to the County in the MOA. And to my disappointment the Budget Review Office Fiscal Impact Statement pretty much concludes for each one of them that we don't know what it's going to cost for all of these stated benefits. I don't know if they're new benefits, if they're a continuation of existing policy. And I don't know the costs associated with them. So when we talk about 17 million in savings, based on the prescription benefits and the new manager, how is that impacted by all of these other provisions in the MOA? I mean, just to use my perspective, if we're saving million in one clause or one page of the agreement, but we're incurring new liabilities of, you know, 20 million, you know, are we really saving any money?

So just can we -- can we go a little bit into the other costs to the County that are addressed here? Because I'm talking about emergency room treatment costs above a reasonable and customary rate. Have we done that in the past? Coordination of benefits being reinstated, buyback payments for health coverage. We're now going to cover 100% reimbursement for charges for children with physical and mental disabilities. Are we doing that now? And, also, of course the extension of coverage through dependent grandchildren. These are all going to have a cost implication. Are we doing all of this now?

**MR. COHEN:**

Well, most of those would be enhanced benefits to what's occurring now. But where we're guaranteeing the savings and ensuring that the plan does not rise -- does not increase at a greater rate than the Kaiser Study, is this language under Section Two, which I believe is the fourth paragraph, where you're going to do a calculation. You're going to make sure you have the \$17 million in savings.

Then with respect to the rest of the agreement -- you know, the rest of the EMHP Plan, if that plan exceeds in growth that as set forth in the Kaiser survey, then as Noel just explained, there's going to have to be benefits made up. You know, and that's where the menu comes in and they'll have to figure out a way -- and the union would choose as to how to modify the benefits --

**LEG. D'AMARO:**

Okay.

**MR. DiGEROLAMO:**

-- to generate extra savings.

**LEG. D'AMARO:**

So are you saying that the ceiling placed in the agreement applies to all of the EMHP benefits? Because that in my mind is an important distinction. And I don't know, if -- Noel, if you have an --

**MR. DiGEROLAMO:**

Yes, it does.

**LEG. D'AMARO:**

-- answer or if you guys have an answer.

**MR. DiGEROLAMO:**

All of the benefits in the Employee Medical Health Plan must stay at or below Kaiser.

**LEG. D'AMARO:**

Very good. So although you're targeting the savings from one -- a couple of specific ideas or provisions, when we look at maintaining the savings and meeting the index and all of that, it's all of the EMHP benefits combined.

**MR. DiGEROLAMO:**

Correct.

**LEG. D'AMARO:**

So we have a real savings, not an offset?

**MR. DiGEROLAMO:**

No.

**LEG. D'AMARO:**

We can have savings but not offset by increases in other aspects of the plan.

**MR. DiGEROLAMO:**

Correct.

**LEG. D'AMARO:**

That's good news.

**MR. DiGEROLAMO:**

What was referred to as enhancements in the plan, and just for the record some of them already existed and some of them are just settling of grievances, right, from my perspective we were going to win anyway -- I would have won it, Paul. (Laughter) Those are included in the overall cost of the plan going forward. And with those additional costs we still must stay below Kaiser.

**LEG. D'AMARO:**

Okay.

**MR. DiGEROLAMO:**

So, no matter how that works into the plan, we have to stay below the Kaiser. And the independent reconciliation that's done, under the last agreement we only did one over a five-year period. Under the new agreement, it'll be a minimum of one every year two years --

**LEG. D'AMARO:**

Every two, right.

**MR. DiGEROLAMO:**

-- to ensure that the savings are in place and we don't go five years without realizing a savings.

**LEG. D'AMARO:**

Okay.

**MR. DiGEROLAMO:**

Also should be noted if the savings are not realized in that reconciliation, not only do we have to come up with additional cost savings to make sure we realize it going forward, we owe retroactive the money that was not met.

**LEG. D'AMARO:**

Right. Okay, that's fair. Okay, just two very quick questions after that. We're changing the method of calculating what's reasonable and customary. I just want to ask -- throw it out there, why are we doing that? As opposed to a percentage of Medicare? We're having a new methodology of determining -- I mean, who's benefitting from that and to what extent? Why would we do that?

**MR. COHEN:**

There's a little bit of a history, but the -- there was an old company called EngineX that was a third-party provider that set the reasonable and customary rate. There was an Attorney General investigation that, I guess, basically forced them out of business. So until such time as a new third party provider was identified setting forth a new rate, there was an agreement with the EMHP Board that, you know, I guess, temporarily they would use this 395 times Medicare rate to set the reasonable and customary rate.

It's my understanding from discussions with various people from the EMHP Board that, again, the intent was just to use that temporarily until this new company was up and had, you know, had a reasonable and customary study done on each of the procedures. And now that that's done, the intent is just to move forward with that.

**LEG. D'AMARO:**

Okay. And my last question is the remaining proposals that are still under negotiation, so obviously this MOA is not covering every issue that is being negotiated, I don't want to go into any specifics, but I do want to ask if the outcome or resolution of those remaining issues are a cost to the County --

**MR. DiGEROLAMO:**

They're not. They're not economic in nature. It's policy and process.

**LEG. D'AMARO:**

Okay. Then that solves that. Okay. Then I thank you, gentlemen, very much for those answers. Mr. Chairman, thank you. I appreciate it.

**CHAIRMAN CALARCO:**

Great. Thank you. Do we have any other questions for -- on the issue? Okay. I want to thank all of our bargaining units for sitting down and working with us on this. It really shows that our employees are willing to work with the County to find ways to help us weather this financial storm that we're all experiencing and we want to thank you for that -- for doing that for us.

So I have **IR 1886** in front of us. I don't know, do I have a motion on this yet?

**LEG. BROWNING:**

Motion.

**CHAIRMAN CALARCO:**

Motion by Legislator Browning. I'll second the motion. **(Ratifying and approving the Memorandum of Agreement with the County's Employee Unions relating to the Employee Medical Health Plan) (Presiding Officer)** All those on favor? Opposed? Abstentions? The motion carries. IR 1886 is approved. And please note that we have a full complement of the Committee here. **(VOTE: 5-0-0-0)**

Okay, I've been asked if we would be so kind to take out of order **IR 1923, Transferring and appropriating Living Wage Contingency Funds to the Federation of Organizations for the NYS Mentally Disabled, Inc., Respite Fee Subsidy. (County Executive)** So I will make the motion to take it out of order, second by Legislator Cilmi. All those in favor? Opposed? Abstentions? It's now before us. It's my understanding that somebody from FECS who is present. I make a motion to approve.

**LEG. SPENCER:**

Second.

**CHAIRMAN CALARCO:**

Second by Legislator Spencer. On the motion, Legislator Cilmi.

**LEG. CILMI:**

Just very quickly, did you say somebody was coming up?

**CHAIRMAN CALARCO:**

I believe they're waiting in the audience here. And certainly if you had questions for them, they'll probably be willing to come up.

**LEG. CILMI:**

Just in general, the County Executive has -- we've approved some sort of a gradual reduction in this subsidy, correct, over the next --

**CHAIRMAN CALARCO:**

Correct. I think what we are doing, and if our Commissioner of Labor is here, Mr. Samuel Chu, if he'd want to come forward and explain it. But if I remember correctly what we agreed to was -- with the entities is we're going to wean them down, you know, gradually, I think, you know, a quarter at a time for the next two or three years until the subsidy got -- basically goes away.

**COMMISSIONER CHU:**

That's 100% accurate. It was originally eliminated. And then after further conversation, it was decided to phase it out over this year and next -- and '13 and then '14. The wage subsidy would cease to be available.

**LEG. CILMI:**

And do all of our none-for-profits, are they all aware that this is the case? Have we notified them?

**COMMISSIONER CHU:**

They are, yep

**LEG. CILMI:**

Okay. So they can plan. Very good. That was it. Thank you.

**CHAIRMAN CALARCO:**

Good. I have a motion and a second. All those in favor? Opposed? Abstentions? **IR 1923 is approved. (VOTE: 5-0-0-0)**

#### **TABLED RESOLUTIONS**

Going back to the beginning, **IR 1349, Designating Individual Agents of the Suffolk County Society for the Prevention of Cruelty to Animals as Volunteers of the County of Suffolk for the Purposes of Providing Reasonable Indemnification. (Spencer)** I have a motion to table by Legislator Spencer. I second the motion. On the issue.

**LEG. SPENCER:**

On the motion.

**CHAIRMAN CALARCO:**

On the motion, Legislator Spencer.

**LEG. SPENCER:**

I know during the speakers portion, someone from the SPCA expressed concerns, and also my colleague, Legislator Romaine, who has a -- his resolution was actually first. But I am aware that there is a solution that should be presented to us from the Executive's Office that will address this issue. So, I don't know if -- that we can speak to that. If that's possible at this time, but I know that -- that -- I have been reassured that there have been negotiations to address those concerns that the SPCA has.

**CHAIRMAN CALARCO:**

Mr. Vaughn, can you help us out with this?

**MR. VAUGHN:**

First of all, you know, Ben made this job look so easy. And I would actually just like to start off by saying that I completely agree with the gist of what Legislator Romaine started saying. I think it's incredibly important that the representations that are made by the County Executive's Office are representations that this Committee can trust.

After the meeting that we had last month in which I stated to the Committee that the County Executive was going to put money into the Budget to address the insurance issue of -- the insurance issue for the next year, I had a conversation with Mr. Gross, in which he said that he agreed with the way that I had characterized the situation in front of this Committee last month. At that point in time it was clear that we viewed that as a temporary stopgap measure, that we would continue to talk with the SPCA.

In the intervening weeks, I have spoken actually to {Mr. Laten} and Mr. Gross in that time. We have not sat down and had everybody back into a room to continue to address the issue of indemnification as a whole; however, the County Attorney's Office has been working to prepare a contract for the Suffolk County SPCA, which would deal with indemnification as far as an animal abuse registry and we believe that we are ready -- just about ready to lay that bill on the table as a late starter for October 9th.

So I was actually a little bit surprised by the speaker's comments that we had not been talking to them. I had also -- and perhaps this is my fault -- I had assumed that when we had said that we would discuss this, that we would put money for insurance into the Budget, that we would begin talking formally again about this issue. Once the Budget season had concluded, because their insurance, as I understand it, does run through the end of the year -- I know that there has been -- this has been a longtime coming and there has been bills from both sides of the aisle to address the indemnification issue.

But, yeah, I don't think that -- we never -- we agreed that, also, that the -- the insurance and putting money into the insurance was just a stopgap measure and conversations would continue.

**LEG. CILMI:**

Question.

**CHAIRMAN CALARCO:**

Legislator Cilmi.

**LEG. CILMI:**

Tom, thanks very much. And you'll make it look easy as well.

**MR. VAUGHN:**

Thank you.

**LEG. CILMI:**

So would you expect, then, that if this agreement is reached and agreed to by the SPCA, do you

think it -- does it end there or will there continue to be negotiations as far as more far reaching indemnification?

**MR. VAUGHN:**

I think that it's important to note that there's two different -- there are two different issues at play here. One is indemnification as far as the Animal Abuse Registry. And as far as that goes, we have drafted a resolution and I believe that the County Attorney's Office is in the process of getting the SPCA to approve the contract that is addressed in that resolution. Our plan is currently to submit that resolution with or without the contract being approved by October 9th as a late starter. We can -- with the length of time that is in between the October 9th meeting and the November 20th meeting, we believe that we'll be able to add the contract as backup -- as an amended copy essentially.

Beyond that and beyond the issue of the Animal Abuse Registry, the County Executive's Office has not told the SPCA that we have made a final decision on indemnification as a whole. But we were coming up -- and last month this is what I was -- I had hoped to explain -- but last month we were coming up to a time where we needed to make a decision in the Budget. If we had not put the money into the Budget for the insurance, it kind of left it in limbo. And we didn't want it to be in limbo. We wanted to put the money in there. As I said before, I think it's an issue that's been very important to both sides of -- both caucuses quite frankly.

But it was -- that money was never intended to be anything more than a promise of continued talking. And that is where we are at. And I was a little bit surprised to hear that after -- you know, the fact that I had spoken to both Mr. Gross and Mr. {Laten}, I was very surprised by some of the comments today. We do intend to continuing talking to them about indemnification. I had hoped that we could talk to them maybe in November about it? But if they would like to talk to us before November, I guess, we can do that, too.

**LEG. CILMI:**

And is it the -- is the issue -- if we're going to indemnify them for the Animal Abuse Registry, but we just can't get to at this point indemnification for the other services they provide in terms of investigating cases of animal abuse, etcetera, with their Peace Officers, what differentiates the two as far as from the County Executive's point of view?

**MR. VAUGHN:**

The differentiation from the two was the fact that Legislator Cooper, I believe, had adopted the Animal Abuse Registry or had -- I'm sorry -- had introduced the Animal Abuse Registry. The Legislature had adopted it and it set up a specific task. The SPCA, when they came to us, said "look, we are concerned that if we are not indemnified by you after being tasked by you to perform this function, that if we get bad information, we're going to be on the hook for it." And that certainly seemed -- when Deputy County Executive Jon Schneider heard that argument, he thought that that was certainly a very fair argument. We also, I think quite frankly, thought that it was a sign of good faith, that we were really willing to be -- to be working with the SPCA. And that was kind of the genesis behind the separation of the two issues.

**LEG. CILMI:**

Okay. I won't belabor the point. It's good to hear that you're still talking apparently. And, please, just keep us updated on that -- on those ongoing talks. Thanks, Tom.

**MR. VAUGHN:**

Absolutely.

**CHAIRMAN CALARCO:**

Okay. We have a motion and a second. All those in favor? Opposed? Abstentions? **IR 1349 is tabled.**

**LEG. ROMAINE:**

I'm opposed.

**CHAIRMAN CALARCO:**

Excuse me. One opposition. **(VOTE: 4-1-0-0. LEG. ROMAINE OPPOSED)**

**IR 1470, Imposing a Moratorium on Wage Increases for County Management Personnel (Excluding Employees at the Suffolk County Community College and the Board of Elections) (County Executive)** I'll make a motion to table, second by Legislator Spencer. All those in favor? Opposed? Abstentions? **IR 1470 is tabled.** There was no public on this. Not on this one. **(VOTE: 5-0-0-0)**

**IR 1479, Authorizing a Voluntary Lag Payroll for Elected Officials in 2013. (Barraga).** I make a motion, seconded by -- motion to table, excuse me. Second by Legislator Browning. All those in favor? Opposed? Abstentions?

**LEG. ROMAINE:**

Opposed.

**CHAIRMAN CALARCO:**

**IR 1479 is tabled. (VOTE: 4-1-0-0. LEG. ROMAINE OPPOSED)**

**IR 1522, Adopting Local Law No. -2012, a Local Law to Enhance Provisions for Enforcement of Certain Consumer Protection Laws (County Executive)** I will make a motion to table, second by Legislator Cilmi. All those in favor? Opposed? Abstentions? **IR 1522 is tabled. (VOTE: 5-0-0-0)**

**IR 1580, Authorizing elected officials to make immediate contribution for health insurance. (Cilmi)** I think we had this conversation last time. I don't think they're going to be ready to go with it for a while.

**LEG. CILMI:**

Motion to table.

**CHAIRMAN CALARCO:**

Motion to table by Legislator Cilmi. I'll second the motion. All those in favor? Opposed? Abstentions? **IR 1580 is tabled. (VOTE: 5-0-0-0)**

**IR 1698, Adopting a Local Law No. -2012, A Local Law to amend post-employment restrictions. (Schneiderman)** I believe this has a public hearing open. I'll make a motion to table. Second?

**LEG. CILMI:**

Second.

**CHAIRMAN CALARCO:**

Second by Legislator Cilmi. All those in favor? Opposed? Abstentions? **IR 1698 is tabled. (VOTE: 5-0-0-0)**

**IR 1803, Adopting Local Law No. -2012, A Local Law to eliminate item pricing fee. (Cilmi)** I believe this also has a public hearing open. I got a motion to table by Legislator Cilmi. I will second the motion. All those in favor? Opposed? Abstentions? **IR 1803 is tabled. (VOTE: 5-0-0-0)**

**IR 1815, Establishing County Policy to maximize savings through Early Retirement Incentive Program. (Kennedy)** I will make a motion to table, second by Legislator Cilmi. All

those in favor? Opposed? Abstentions? **IR 1815 is tabled. (VOTE: 5-0-0-0)**

**IR 1830, Authorizing health benefit cost sharing. (County Executive)** I will make a motion to table subject to call, given that last resolution we already approved today. Do I have a second? Second by Legislator Spencer. All those in favor? Opposed? Abstentions? **IR 1830 is tabled subject to call. (VOTE: 5-0-0-0)**

### INTRODUCTION RESOLUTIONS

**IR 1889, Authorizing the sale of County-owned real property pursuant to Section 72-h of the General Municipal Law to the Town of Riverhead for Affordable Housing purpose (SCTM No. 0600-105.00-02.00-069.000). (County Executive)** Legislator Romaine, would you like to make a motion? Motion by Legislator Romaine, seconded by Legislator Spencer. All those opposed? In favor? Excuse me. All those in favor? Opposed? Abstentions? **IR 1889 is approved. (VOTE: 5-0-0-0)**

**IR 1895, Authorizing the sale of County-owned real property pursuant to Section 72-h of the General Municipal Law to the Town of Brookhaven for Affordable Housing purpose (SCTM No. 0200-958.00-08.00-032.000). (County Executive)** Motion by Legislator Browning. I will second the motion. All those in favor? Opposed? Abstentions? **IR 1895 is approved. (VOTE: 5-0-0-0 approved)**

**IR 1911, Amending the 2012 Operating Budget and establishing a County Policy to maximize savings through the Early Retirement Incentive Program. (Kennedy)**

**LEG. CILMI:**

Motion.

**CHAIRMAN CALARCO:**

I have a motion to approve by Legislator Cilmi. I will make a motion to table. Do I have a second? IR 1911? Can I have a second?

**LEG. ROMAINE:**

Second for approval.

**CHAIRMAN CALARCO:**

Second -- Legislator Romaine makes a second on the approval. Do I have a second on the tabling motion?

**LEG. SPENCER:**

Second.

**CHAIRMAN CALARCO:**

Second by Legislator Spencer on the tabling motion. We're looking for an explanation. Counsel, could you help us out? I see that the sponsor is here. Budget Review, whoever might be able to -- so capable?

**LEG. KENNEDY:**

While Budget Review is finding out, Mr. Chair, this bill would eliminate the positions from this year for those employees who elected to retire. You'll recall the last time there was some discussion that there were a number of positions that were heavily aided positions. I amended the bill to remove 100% funded positions. And I forget the level I went to. BRO will let us know, I guess.

**MR. PERNICE:**

The criteria for exclusion is that if the position has since already been filled, the intent of the bill is

not to lay anyone off. It also excludes anything that is 80% or more reimbursed.

**LEG. KENNEDY:**

Right, right. Yes, if ultimately what we're going to do is realize the savings that had been, you know, presented and identified earlier in the summer, this would be very certain, or to make sure that we achieve those savings.

**CHAIRMAN CALARCO:**

I could appreciate that. I'll tell you my major concern with this. I'm looking through the list you have here. And have a Case Worker Supervisor in DSS, a Senior Case Worker in DSS, a Senior Clerk Typist in DSS, Social Service Examiner One, Two, Three, a number of people from our Department of Social Services. As you and I both well know, we're being sued right now because we can't process our DSS applications quick enough. It is very likely that we could result in a court order telling us to hire more people so that we can get those applications processed. And now I'm going to abolish positions in the budget? I agree that perhaps there should have been some better tailoring to do early retirement incentive offer, but we got it here. I can't see telling Social Services we can't hire these people when they're going to be told by the Courts fairly soon we're going to have to hire them.

**LEG. KENNEDY:**

You know, I'd be happy to take a look at the list and work with them a little bit further, Mr. Chair, but I will tell you that I don't think we're at the point where we can just categorically exclude any particular department. As you know very well in the Department of Social Services, we go from 100% funded down to 100% County money. So, when we look at these different functions, yes, there may be a court oversight through Empire justice, but I believe that suit is limited only to the Medicaid applications because there we have a 45-day federal mandate.

**CHAIRMAN CALARCO:**

And food stamps.

**LEG. KENNEDY:**

Again, for food stamps -- what's our reimbursement on food stamps? You know what? Look, let's -- well, I'm not a member of the Committee so -- sure, sure, let me defer to a Committee member.

**CHAIRMAN CALARCO:**

Legislator Cilmi, go ahead.

**LEG. CILMI:**

Yeah. What would be the force and effect of this resolution? It really just takes care of the rest of this year, right? I mean if these positions are in the budget for next year, then they're -- and the Budget gets approved with those positions, wouldn't they --

**CHAIRMAN CALARCO:**

BRO, could you comment on that? But I believe if we abolish these positions, they won't be in the Budget next year either unless we decide to put them back in.

**LEG. CILMI:**

Well, that's what I mean.

**MS. VIZZINI:**

Yeah, it's -- the mechanics are a little complicated because the 2013 Budget is already out. Very often when we make budget amendments at this late date, it's a little -- it's hard to reconcile with a document that's already out. We'd have to go back and restore something that has to be put back or abolish something that is in there. Some of these might be -- might be in the 2013. So if their intent --

**LEG. CILMI:**

That was my question. Do we know if they are?

**MS. VIZZINI:**

-- they'd have to be created.

**LEG. CILMI:**

Tom, do we --

**MS. VIZZINI:**

Yeah, we didn't do --

**MR. VAUGHN:**

I think our -- pardon me. The Administration's position is that the Legislature currently is working as a Budget Working Group and we would think that it might be most appropriate for the consideration of these positions to happen in that Budget Working Group as you guys are working towards a finalized budget point '13.

**CHAIRMAN CALARCO:**

Can we maybe -- to deal with this in a more efficient manner, can get a commitment from the County Exec's Office not to fill any of these positions until we get done with our budget process? Is that a yes?

**MR. VAUGHN:**

We are defining the budget process as November 20th? Absolutely.

**CHAIRMAN CALARCO:**

Okay. So would that suffice to say --

**LEG. KENNEDY:**

I'm fine to table, but let's just -- if I can, Mr. Chair, I appreciate the commitment from the Exec's Office because obviously we're all looking, you know, to wrap change to make payroll. But, again, let's be very clear. So the commitment goes to, we're not going to fill any of these positions for the balance of 2012? What the Budget Working Group on is, is working the proposed Budget for 2013.

**CHAIRMAN CALARCO:**

Exactly. So we can deal with this in the budget process moving forward and the County Exec's says until November 22nd they will assure us they will not fill any of these positions until they know what our role is by the fact that the Budget will pass.

**LEG. KENNEDY:**

Okay.

**LEG. CILMI:**

I withdraw my tabling motion -- my motion to approve rather.

**LEG. KENNEDY:**

Thank you.

**CHAIRMAN CALARCO:**

Okay. Thank you very much. I have a motion and a second to table, then. All those in favor? Opposed? Abstentions?

**LEG. ROMAINE:**

Opposed.

**CHAIRMAN CALARCO:**

**IR 1911 is tabled. (VOTE: 4-1-0-0. LEG. ROMAINE OPPOSED)**

**IR 1919, Adopting Local Law No. -2012, A Local Law terminating the Suffolk County Public Employment Relations Board. (County Executive)** This needs to be tabled for a Public Hearing. I'll make the motion. It needs to be held over for a Public Hearing. It's a Local Law. Can I have a second?

**LEG. CILMI:**

Second.

**CHAIRMAN CALARCO:**

Second by Legislator Cilmi. All those in favor? Opposed? Abstentions? **IR 1919 is tabled. (VOTE: 5-0-0-0)**

**IR 1924, Accepting and re-appropriating 100% funding for Program Year 2011 Adult, Dislocated Worker, Youth and Administrative Funds from the New York State Department of Labor for the Workforce Investment Act (WIA) Program. (County Executive)** I'll make a motion to table and place on the Consent Calendar. Motion to approve and place on the Consent Calendar. I'm sorry. Second by Legislator Cilmi. All those in favor? Opposed? Abstentions? **IR 1924 is placed on the Consent Calendar. (VOTE: 5-0-0-0)**

**IR 1925, Authorizing the disbursement of funds from the Suffolk County Living Wage Contingency Fund for Lazy Cow, Inc. Dba Kiddie Care Early Learning Center, the Community Programs Center of Long Island, Inc. - Port Jefferson, the Community Programs Center of Long Island, Inc. - Ronkonkoma, Colonial Youth and Family Services, Inc. And Brightwaters Child Care and Development Center, Inc. Dba Kiddie Academy of Brightwaters Day Care Providers under contract with the Department of Social Services. (County Executive)** Can I have -- motion by Legislator Spencer, second by Legislator Browning. All those in favor? Opposed? Abstentions? **IR 1925 is approved.** Thank you, Mr. Chu, for sticking around to answer questions on that bill. **(VOTE: 5-0-0-0)**

**IR 1926, Adopting Local Law No. -2012, A Charter Law to strengthen and improve the County's economic efforts by consolidating departmental functions within a newly created Department of Labor, Licensing and Consumer Affairs. (County Executive)** This is a Charter Law. I'm going to make a motion to table for the Public Hearing, second by Legislator Cilmi. Gentlemen, if you could come to our Public Hearing in a couple of weeks on the matter so that we can discuss this proposal by the County Exec's on how you're going to put this together, we would appreciate it. **IR 1926 is tabled. (VOTE: 5-0-0-0)**

**IR 1927, Adopting Local Law No. -2012, A Local Law to establish collaborative long-term visioning plans among County Departments ("The Suffolk County Visioning Act") (Gregory)** I have a motion by Legislator Spencer to table for the Public Hearing. I will second that. All those in favor? Opposed? Abstentions? **IR 1927 is tabled. (VOTE: 5-0-0-0)**

**IR 1930, Authorizing one-time exception to allow carry over of accrued vacation time by Board of Elections Employees. (Romaine)**

**LEG. ROMAINE:**

The purpose -- I'll make a motion. And if there's a second, I'll explain the purpose.

**CHAIRMAN CALARCO:**

I have a motion by Legislator Romaine to approve. I'm going to make a motion to table for the purpose of discussion.

**LEG. CILMI:**

I'll second Legislator Romaine's motion.

**CHAIRMAN CALARCO:**

I have a second on the motion -- on the approval motion by Legislator Cilmi. Do I have a second on the tabling motion?

**LEG. SPENCER:**

Secnd.

**CHAIRMAN CALARCO:**

Second by Legislator Spencer on the tabling motion. Okay, Legislator Romaine, if you could enlighten us?

**LEG. ROMAINE:**

Yeah, both Commissioners, both the Democratic and the Republican Commissioner of the Board of Elections approached me. They had multiple elections this year. And, therefore, people could not take their accrued vacation times because -- first we had a federal primary -- first of all we had the Village elections, both in March and in June. Then we had the School Board Elections in May. Then we had the federal primary in April -- the first federal primary. Then we had the second Federal Primary in June. Then we had the State Primary in September. And then we have our Presidential General Election in November.

Because we've had so many elections, many of the employees at the -- at BOE who accrue vacation, they can only accrue so much and can't carry it over and they have to use it. And the Board of Elections really can't let these people use it because of all of these elections and has asked for a onetime exception where they could roll over their accrued vacation 'til, I believe, it is March 31st of -- April 30th of 2013 to give them more time to use their accrued vacation or otherwise they would lose it.

When both Commissioners write to me, I take notice. And I take notice of their operational difficulties. Because as we all know, through all of us here, the BOE is a special place. We look to them for guidance and for competency. So.

**(LAUGHTER)**

And I am very interested in having their good will. And I'm sure most of you are, too. So, therefore, the genesis of this resolution.

**(LAUGHTER)**

**CHAIRMAN CALARCO:**

Am I right on this thing that -- then this does not allow them to carry the extra time on their cards going forward? It just simply gives them an extra period of time, a window, so to speak, I guess?

**LEG. ROMAINE:**

Right. I think it's three or four months to utilize their accrued vacation.

**CHAIRMAN CALARCO:**

To take their vacations; otherwise they're going to lose that time.

**LEG. ROMAINE:**

That's correct. And that doesn't apply to every employee because most of them don't have -- have max'ed out. But some of them do.

**CHAIRMAN CALARCO:**

Okay. I will withdraw my tabling motion. I see that the new Ben Zwirn had something to add to the conversation.

**MR. VAUGHN:**

I'll pass, thank you. We spoke to Commissioner Katz earlier today to confirm her position on this bill. And what she explained to me earlier today was that, yes, she had been part of a letter that was sent, I believe, to both Legislator Romaine, but as well as to Paul Margiotta, who is the Director of Labor Relations, making this request to him earlier in the year. That request Mr. Margiotta denied. When asked how she felt about it, her words to me were "I'm okay with the decision and stand by the decision of the Director of Labor Relations." We just wanted to put that on the record.

**LEG. ROMAINE:**

I'd like to say thank you for that. And obviously Paul Margiotta isn't elected and we are. So he can make those decisions. But when he wants to run for office, that would be fine. I think it is our decision to make. And that's why this resolution is before us now. And I'm sure Miss Katz received no pressure to change her original point of view to coincide with our County Executive's Administration.

**CHAIRMAN CALARCO:**

I wished she shared a letter with me. Just to hear from legal Counsel, so I make sure I have this right, there's no legal implications about this in terms of how it impacts with collective bargaining because these employees are not subject to --

**MR. NOLAN:**

These are exempts. And we set the policy in terms of their benefits and their time and how it's used and things like that. So the resolution's in order.

**CHAIRMAN CALARCO:**

Okay. Well, given that we -- yeah, given that we've had -- our exempts have been hit with other things over the years that everybody hasn't, I'm going to grant them this onetime reprieve. All those in favor? Opposed? Abstentions? IR 1930 -- Legislator Spencer, sure.

**LEG. SPENCER:**

Do you withdraw the tabling?

**CHAIRMAN CALARCO:**

I do withdraw my tabling motion. Legislator, we just had a motion to approve. All those in favor? Opposed? Abstentions? **IR 1930 is approved. (VOTE: 5-0-0-0)**

**IR 1935, Adopting Local Law No. -2012, A Local Law to safeguard employees displaced by privatization. (Browning)**

**LEG. BROWNING:**

Motion to table for Public Hearing.

**CHAIRMAN CALARCO:**

Motion by Legislator Browning to table. I'll second it. All those in favor? Opposed? Abstentions? **IR 1935 is tabled. (VOTE: 5-0-0-0)**

I have no other business here for today's Committee. I make a motion to adjourn. And my apologies to the Health Committee. We have run grossly over our time limit today. So, thank you.

**THE MEETING CONCLUDED AT 4:12 PM  
{ } DENOTES SPELLED PHONETICALLY**