

**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 July 25, 2013.

**MEMBERS PRESENT:**

Leg. Robert Calarco, Chairman  
Leg. William Spencer, Vice Chair  
Leg. Kate M. Browning  
Leg. Thomas Cilmi  
Leg. John M. Kennedy, Jr.  
Leg. Ricardo Montano

**ALSO IN ATTENDANCE:**

Deputy Presiding Officer Wayne R. Horsley, 14th Legislative District  
Leg. DuWayne Gregory, 15th Legislative District  
Leg. Lynne C. Nowick, 13th Legislative District  
Leg. Lou D'Amaro, 17th Legislative District  
George M. Nolan, Counsel to the Legislature  
Sarah Simpson, Assistant Counsel to the Legislature  
Renee Ortiz, Chief Deputy Clerk of the Legislature  
Robert Lipp, Director/Budget Review Office  
Benny Pernice, Budget Review Office  
Jon Schneider, County Executive's Office  
Tom Melito, Deputy County Executive for Performance Management  
Tom Vaughn, County Executive's Office  
Dennis Brown, County Attorney  
Marie Berkoski, Aide to County Executive  
Chris DeLuca, Aide to Leg. Cilmi  
Paul Perillie, Aide to Leg. Gregory  
Lora Gellerstein, Aide to Leg. Spencer

**(ALSO IN ATTENDANCE - continued on next page)**

**ALSO IN ATTENDANCE (continued)**

Joseph Sawicki, Suffolk County Comptroller  
Angie Carpenter, Suffolk County Treasurer  
Christine Cooke, Chief Financial Analyst  
Jean Roberson, Chief Accountant  
Amy Keyes, Aide to Leg. Calarco  
Bob Martinez, Aide to Leg. Montano  
Michael Pitcher, Aide to Presiding Officer  
Rick Schlomann  
Susie Schlomann  
Mariusz Borkowsky, SC Lifeguards  
Mike Blum  
Erick Gorman  
Don Dailey  
Coni Lorenzen, Treasurer/AME  
Mitch Pally, LI Builders Institute  
Seamore Buttz  
Fred Gorman  
Sue Ciano  
Joanna Ciano  
And all other interested parties

**MINUTES TAKEN BY:**

Diana Flesher, Court Stenographer  
Gabrielle Severs, Court Stenographer

**PORTIONS OF MINUTES TRANSCRIBED BY:**

Denise Weaver, Legislative Aide

**THE COMMITTEE WAS CALLED TO ORDER AT 12:33 PM**

**CHAIRMAN CALARCO:**

Can I have all the Legislators here at the auditorium?

Okay, we're going to get started with our Committee. Thank you everyone for being here. If we could all rise for the Pledge of Allegiance led by Legislator Browning.

**SALUTATION**

Okay, good afternoon everyone. Welcome to the Government Operations, Personnel, Housing and Consumer Protection Committee. We're going to get started. We're going to go right into the cards. We have a few speakers here, the first one being Fred Gorman.

**MR. GORMAN:**

Good afternoon, Legislators. I'm here to talk about the elimination of the Treasurer or the combination -- you know, combining both jobs with the Comptroller's job. I don't think it's a very good idea. You know, the -- first of all, the Treasurer's an elected person. You shouldn't be eliminating elected positions because those are the ones that are really controlled by the people.

For example, if you wanted to really save money, you could save a lot of money in a lot of different directions, you know. We have both a County Legislature and we also have all the Towns. You can eliminate one or the other. You could probably drop taxes by 20 percent if you did that and eliminate a lot of crossover and duplication and confused rules.

You could turn around and you could take libraries, have one library district for all of Suffolk County. It's amazing the amount of money you'd be able to save and the different things you could do. You could eliminate all the unnecessary water districts. You could change fire districts. Why don't we have a fire district per each precinct? Have them lined up and combined? So there's many, many ways to saving money. I just don't think that one of the best ways to save money is to eliminate the people that are looking how other people are spending the money.

We have a Treasurer. And the responsibility of that Treasurer is to make sure that the Comptroller's Office is in compliance. And I don't think we should give up that right. Because when you put everything in the hands of really good financial experts like Mr. Hennessey, things happen. People get a little clever. They figure they can get away with things. We're going to bond things a little differently. We're going to do something else a little differently. And the next thing you can wind up with a major scandal. And, as I said, we just really should not be eliminating elected positions and making them part of the County Executive. Thank you.

**CHAIRMAN CALARCO:**

Thank you, Fred. The next speaker I have is Mariusz Borkowski. Did I get that right?

**MR. BORKOWSKI:**

Mariusz.

**CHAIRMAN CALARCO:**

Marisuz.

**MR. BORKOWSKI:**

Good afternoon. My name is Mariusz Borkowski. I'm here with Suffolk County Lifeguards, also known as Smith Point Lifeguards. In addition to it, I'm here with my two fellow lifeguards Mike Blum and Erick Gorman. I've been on the job for 17 years. They have been there for 14 years. And we

are here to let you know -- well, before I begin, Smith Point Lifeguard is a trained professional that supervises the safety and rescue of swimmers in the bay or the ocean area. And it has been in existence since July 8th of 1959. Since that date up to today, we've performed over 35,000 rescues with zero drownings within the protected area.

A few more things about our accomplishments. Every single guard that works there, whether he's a rookie fifth year or tenth year, is very proud of this zero drownings record. We also have six national team championship titles. Smith Point Lifeguards are well known in the country as well as the world as the pinnacle of life guarding and a beacon of sportsmanship.

In addition, in 2008 our lifeguard corps, or Smith Point Lifeguards, received a Billy George USLA, which is United States Life Saving Association Sportsmanship award in 2008. It's usually given to one competitor, the male or female per year. But in 2008 as a lifeguard corps we're given this as a team.

The problem that we're facing is this: This past season we've lost 16 seasoned lifeguards that left the beach for getting a better -- better wage paying job.

In addition this year also we have 14 -- 14 lifeguards who are part-time, which is a record number of individuals who work as a Smith Point Lifeguard because they actually have to get a job somewhere else to subsidize their income whether -- either to be a trainer, work at a lacrosse camp. Some guys work at the farm. Some people are doing other jobs through delis.

Two more lifeguards left two-and-a-half weeks ago during the actual season. And the idea is that they leave the beach, or lifeguarding, because we really have uncompetitive pay and we really can't sustain us.

Eight years ago, if you look at the actual pay scales for us where we were versus Town of Islip, Town of Babylon or the State beaches, if the County guards were here, those guys were always above. And it's really not helping us because we can't really sustain and we can't really retain individuals with experience and we can't also retain individuals who have a lot of experience and actually can teach the young guards of what to do.

In addition to it, not sure if you know, but before you become a Smith Point Lifeguard or a Suffolk County Lifeguard, what we do is we run a 12-week course where each rookie invests 40 hours of their time before they become a lifeguard. Once you pass that test, you have to put additional 8 to 12 hours to get your CPR Certification, First Aid and AED before you become a guard. If you go elsewhere, it's usually you just -- there's a date, you show up; if you pass that test, you become a guard.

Our system is a little bit different. We want to train guys or girls, or whoever. And when you show up to our beach, before you even get on that stand, you know exactly what to do, how to do it and when to do it.

And the last couple of years, especially this season, it's really become scary because the safety is really being jeopardized. And a lot of us are talking, you know, the zero that have, this perfect record may turn to one. And none of us want to be in those, you know, those shoes when this happens. Thank you.

**CHAIRMAN CALARCO:**

Thank you. Legislator Browning has some questions.

**MR. BORKOWSKI:**

Yes.

**LEG. BROWNING:**

Okay. So you're -- you said 17 years?

**MR. BORKOWSKI:**

Seventeen years.

**LEG. BROWNING:**

Yeah. And so when you -- obviously it's seasonal. So every year when you come back to work, they basically just tell you "this is what the going rate is, take it or leave it."

**MR. BORKOWSKI:**

Hasn't changed, yes.

**LEG. BROWNING:**

So there's no opportunity to negotiate the pay increase or anything for yourself?

**MR. BORKOWSKI:**

Zero, no.

**LEG. BROWNING:**

And you did mention now there is a going rate elsewhere. There's other lifeguards --

**MR. BORKOWSKI:**

There are, yes.

**LEG. BROWNING:**

For other --

**MR. BORKOWSKI:**

We have the numbers if you'd like to have a copy of them, we can give it to you.

**LEG. BROWNING:**

Yeah, if I could get a copy of their pay scales, so now they're all exceeding what you make? Is that what you're --

**MR. BORKOWSKI:**

Yes.

**LEG. BROWNING:**

So they all exceed what you make.

**MR. BORKOWSKI:**

Yes.

**LEG. BROWNING:**

And, you know, I know very much about Smith Point Lifeguards. And you have a great reputation. I know there's a lot of kids from the William Floyd School District that wind up working as lifeguards down at the beach. And I know it's a very coveted position --

**MR. BORKOWSKI:**

Right.

**LEG. BROWNING:**

-- to be a lifeguard. And plus the fact that you have a phenomenal reputation. So that -- one of the things that concerns me, when I'm listening to you is we have senior lifeguards. You train the younger ones. And now we possibly could see where, you know, the older ones are going to say -- I don't want to say you're older because you're not -- but, you know, the more senior lifeguards would leave for a better position, a better paying position elsewhere. And now you're leaving some very young -- I know many of them are high school freshman in college. So I would have concerns about now losing that level of seniority.

**MR. BORKOWSKI:**

Yes.

**LEG. BROWNING:**

And maturity.

**MR. BORKOWSKI:**

Yes.

**LEG. BROWNING:**

So I definitely think this is something that needs to be addressed with the Administration to look at why are we not being competitive? And especially with the reputation you have, that we wouldn't want to try and keep you there.

**MR. BORKOWSKI:**

Yes. I have one more thing, too, that besides the 40 hours of training before you become a lifeguard, once you are a lifeguard, if you're second year, third or fourth or tenth, a lot of these guys and girls what they do is they do pay a good -- you know, a good amount of money for gym memberships, go to the pool and train. Because we just don't show up on May 26 and jump in the water and this is it. A lot of us have to train to be ready for the Memorial Day weekend -- Memorial Day weekend when you show up, you're in top notch shape. So if there's a situation or -- a rescue situation or something else happens, we are 100% ready to respond. And lately it's becoming -- because of the actual uncompetitive wage and guards leaving, it's really becoming a serious concern to us. That's why we're here in front of you today.

**LEG. BROWNING:**

So there's -- again, I guess, a personal expense based on what you're making, you're not making an awful lot of money.

**MR. BORKOWSKI:**

No, we are not.

**LEG. BROWNING:**

So, you know -- so there's -- a lot of personal expense goes into you being able to maintain your ability to do your job.

**MR. BORKOWSKI:**

Yes.

**LEG. BROWNING:**

So our Deputy County Executive just walked in.

**MR. BORKOWSKI:**

Great.

**LEG. BROWNING:**

So I think we'll chat with him. Not to put any pressure on you, but this is the lifeguards and their salaries. So we definitely do want to have a continued conversation to see how we can get you up to a better level of pay than -- and kind of, at least, try and keep it the same as what's -- what the going rate is.

**MR. BORKOWSKI:**

Actually that's great. I mean we're asking for -- for the sky high wages; just want to be just like everybody else so it's fair. So we can keep the talent in and also compensate the young guards who are there to actually buy into the system and stay as long as possible.

**LEG. BROWNING:**

Okay. If you have an extra copy -- do you want me to give you this, Jon? You have a copy or no?

**MR. BORKOWSKI:**

I have a copy. I can give it to him.

**LEG. BROWNING:**

Okay, if you could. And I guess we can have a conversation later with you.

**MR. BORKOWSKI:**

Great.

**LEG. BROWNING:**

Thank you.

**MR. BORKOWSKI:**

Thank you very much.

**CHAIRMAN CALARCO:**

If you could hold on one second, Legislator Spencer has a question.

**MR. BORKOWSKI:**

Sure.

**LEG. SPENCER:**

Hi. Thank you for what you do and, you know, just to hear that -- your reputation and your skills are just -- are noted across this country. I was looking at the lifeguard salary comparison sheet. Are you all a Civil Service position?

**MR. BORKOWSKI:**

I believe we are, yes.

**LEG. SPENCER:**

Okay. And do you fall into the steps and -- like what grade or steps do lifeguards start in at, you know, I guess we have like a step and grade system. Do you know --

**MR. BORKOWSKI:**

Actually that I'm not sure because we are considered seasonal employees.

**LEG. SPENCER:**

Okay.

**MR. BORKOWSKI:**

So I'm not quite exactly sure what you're referring to, the actual scale. We have a scale that goes Ocean I to Ocean V. And there's a senior and a chief. So I'm not sure if that's going to go into what you are referring to. I'm not really familiar with that.

**LEG. SPENCER:**

And because you are a seasonal employee, are you part of our unions? Or -- you're not.

**MR. BORKOWSKI:**

I'm not sir, no.

**LEG. SPENCER:**

You're not. Okay. Thank you. And, again, it's very concerning. And I'm sure myself and my colleagues will try to do everything we can to work with the Administration to see if we can address the inequities. Thank you.

**MR. BORKOWSKI:**

And also I'd really invite everybody -- if you are at Smith Point or Cupsogue, I ask you to come to our beach, see what we do and, you know, if it's a really sunny day, we'll give you an umbrella as well so you can enjoy your day. All right? Thank you.

**CHAIRMAN CALARCO:**

Great. Thank you very much. And I would like to just on behalf of the Committee make the request that the Administration sit down with these folks and these guys and try to find a way of working out something -- a fair resolution to this. There's no point in us putting in all those hours of training and getting lifeguards to the point that they're at this level that they are without -- just so they can ship off to Babylon or the State parks or some of the other parks system. So we'd appreciate that. Thank you very much. Thanks for coming, guys.

Okay, my next speaker is Susan Schlomann.

**MS. SCHLOMANN:**

Hi. Thanks for the opportunity to speak to you today. Reputation was just mentioned regarding the Smith Point Lifeguards. And the reputation of Suffolk County is at stake with the proposed consolidation of offices of Treasurer and Comptroller. Luring financial oversight opens the doors to manage -- mismanagement at best. Suffolk County needs more, not less, financial oversight and accountability to the people. Real savings are not to be found in consolidation. Thank you.

**CHAIRMAN CALARCO:**

Thank you.

#### **APPLAUSE**

The next speaker is Don Dailey.

**MR. DAILEY:**

Good afternoon. I'd like to thank you also for the opportunity to speak today. I'm speaking today against the proposal to merge the County Comptroller's Office and the Treasurer's Office. Having two separate entities overseeing the finances of Suffolk County provides a system of checks and balances. With the lack of forward investigation as to whether this move would actually save

money, the validity of the merge is lacking. This seems like little more than the Administration trying to shoot first, then ask questions later. With the issue -- with an issue as important as the finances of Suffolk County, the taxpayers deserve a little more than business as usual.

If such a merger is to take place, would it not be better to take the time and do the thing right instead of putting the pedal to the metal and trying to get this thing through as quickly as possible? Sometimes we need to take a step back and look at the ABCs when we try to solve problems. We need to go back to the basics.

I come from a construction background. And we had a motto in the construction industry, the five Ps: Proper planning prevents poor performance. So there was another "P" in there, but I'll leave that one out. But it seems like the Administration has a problem with due diligence. And I'd like to see that stop and I'd like to see this merger at least investigated further and vetted to see if it's really going to -- if it's really going to save money, how much money it's going to save and to not try to -- to bulldoze this thing through. Thank you.

**APPLAUSE**

**CHAIRMAN CALARCO:**

Thank you, Don. The next speaker is Coni Lorenz. Lorenzen.

**MS. LORENZEN:**

Good afternoon. My name is Coni Lorenzen and I'm the Treasurer for the Suffolk County Association of Municipal Employees. I have been in accounting for over 35 years. Today's legislative body I'm presenting to you that you should be fully aware of my feelings pertaining to the proposed merger between the Comptroller's Office and the Treasurer's Office.

I'm opposed to this resolution because I also believe that this merge would lead to an erosion of our current checks and balances system. Our gradually recovering economy is still too fragile to put forth a change of this magnitude which could result in doing more harm than good.

In performing my role at AME, I coordinate my efforts with the assistance of our full-time accountant. Thus we have our own checks and balances system in place. We do this as a safeguard to make sure that we are providing optimal services for the membership that we serve.

Further fiscal accountability is secured through our independent auditing firm, which we refer to as our Comptroller, reviewing our records and reporting findings to both our Board of Directors as well as our general membership. Thus, our own checks and balances maintain clear and professional fiscal transparency.

Our County government must maintain these same standards to continue through these difficult economic times. Nothing is accomplished by rushing an issue and pushing it through haphazardly. This matter needs to be thoroughly examined and actual dollar savings reported. This has yet to be done. Yet characteristically this Administration is again setting the stage for urgency that is neither professional nor prudent. Please do not -- please do not do your constituents a disservice by merging these two departments. Remember there are 103 days left to Election Day. Thank you.

**APPLAUSE**

**CHAIRMAN CALARCO:**

Thank you, Coni. The next speaker we have is Rick Schlomann.

**MR. SCHLOMANN:**

Good afternoon. Thank you for the opportunity to speak on the matter. I'm speaking with regard to matter 1567-13. I'm opposed to it. I don't think it's a good idea to move forward.

My name is Rick Schломann. And I'm a resident of Smithtown. I'm a retired banker. I'm a Smithtown Republican Committeeman. I'm a member of Conservative Society for Action. We've been involved in supporting over the past few years a number of elected officials and against certain officials as well. I believe that the Treasurer provides an important oversight and an additional checks and balances. It's something that is good and helpful, especially in today's stressed economic environment and the financial situation that Suffolk County is facing.

Certainly when you look at the difference between the Treasurer, who controls and oversees the revenues side of the income statement or cash flow statement, and you see the Comptroller, who oversees the debt side and the expense side, it is certainly important in my view for integrity of those two -- of those two functions remain independent.

In addition, certainly the Treasurer is an elected position and the people have an important say in this matter. And I think that eliminating one more level of one more elected office is not a good thing.

Over 35 years of banking experience and with the past ten years in dealing with financially distressed companies, I'm familiar with some of the issues that have led to companies becoming distressed. And while I came here and I spoke on Monday and I also heard Comptroller Sawicki speak, and he mentioned how internal audits and external audits will be able to overcome the issues with -- the oversight issues with -- on a merger. My experience is that that does not always happen. Whenever you have a separation, it is better for the company, and in this case, in my opinion, for the County. When you have a merger of these two separate entities and issues, you open the room for abuse.

The other point that I wanted to make was, again, I think it was very interesting that Legislator Nowick asked a question, which Mr. Lipp answered, with regard to the fact that the cost or the benefit of this merger might be -- might be -- obviously subject to quite a number of variables, only ten cents per month per household. That is an extremely low amount of savings when you think about the issues involved not only from the oversight standpoint, but the questions about whether or not a, you know, all of the legal issues with regard to this.

So in my view, I again repeat my position that I don't think this is a good idea. Thank you very much.

**APPLAUSE**

**CHAIRMAN CALARCO:**

Thank you, Mr. Schломann. Our next speaker is Mitch Pally. Mitch, come on up.

**MR. PALLY:**

Good afternoon. Mitch Pally, the Chief Executive Officer of Long Island Builders Institute. And I'm here in support of two of the legislative resolutions on your agenda today. First 1533, introduced by County Legislator Anker with regard to a study to look at new available sites on lands owned by our institutions of higher education for affordable housing and housing for young people. That is a followup note to something the Long Island Association did a number of years ago when I was there and looked at the opportunities in on all of Long Island on lands owned by our colleges and universities for such housing.

We found a number of opportunities, but for a variety of reasons it did not go forward. The State Legislature has now allowed this to happen in Westchester County at SUNY Purchase. So we believe that Suffolk County should also look at these opportunities to see whether there are places where such housing could be built. That's what this does. It doesn't build the housing. It just looks at the opportunities to see whether it's possible to do it. And so we would support that endeavor.

The second resolution is 1541, which provides for a transfer of land from Suffolk County to the Town of Brookhaven. This is intended to be another home built by the Long Island Builders Institute and its sister organization Long Island Home Builders Care for returning veterans. As you know, this would be the fourth parcel that Suffolk County would have provided for us in this project. One of them has already been built on in Ronkonkoma. And a young man and his wife live there, returning veteran. The young man unfortunately lost a leg in Afghanistan and we sold him the house at a third of its value. We are now, as you know, building six homes on a six-lot subdivision in Islandia on land donated to us by Computer Associates and the Village of Islandia. So this parcel would be a great opportunity for next year in 2014 to allow us to move forward.

We have one parcel that we're looking at in Bellport that you gave us two years ago. This parcel in Centereach would be a great addition to that context and so we would urge the County Legislature to start the process of moving this parcel forward. As you know, this is a parcel in tax arrears so the County can't do anything with it and we will put on it a beautiful home for a returning veteran from Iraq or Afghanistan to live and prosper in Suffolk County.

With that I thank you very much.

**CHAIRMAN CALARCO:**

Thank you, Mitch. Any questions? Thank you very much.

**MR. PALLY:**

Thank you.

**CHAIRMAN CALARCO:**

I have no more cards. Is there anybody else in the audience who'd like to address the Committee? Anyone? Okay, seeing none we're going to move into the agenda.

## **INTRODUCTORY RESOLUTIONS**

**LEG. KENNEDY:**

Mr. Chair, if you would, we have a very special resolution before us today, naming the truck inspection station after Suffolk County Police Officer Glen Ciano. And we are fortunate enough to have his widow and mother here. So, I'm going to ask if we can take that resolution up first, if you would please, IR 1507.

**CHAIRMAN CALARCO:**

Sure. So I have a motion to take 1507 out of order.

**LEG. BROWNING:**

I'll second it.

**CHAIRMAN CALARCO:**

Seconded by Legislator Browning. All those in favor? Opposed? Abstentions? **IR 1507 is now before us. (Naming the New Suffolk County Police Department Motor Carrier Inspection Station after Police Officer Glen Ciano) (Kennedy).** Legislator Kennedy, would you like to make a motion?

**LEG. KENNEDY:**

Absolutely. I'd make the motion to go ahead and approve. And it is, I think all of our distinct honor to be able to recognize the ultimate sacrifice of Officer Ciano.

**LEG. MONTANO:**

Second.

**CHAIRMAN CALARCO:**

Okay, we have a motion to approve and a second by Legislator Montano. All those in favor? Opposed? Abstentions? **IR 1507 is approved. (VOTE: 6-0-0-0).**

If the Clerk would please list me as a cosponsor. And just for the record, we do have Officer Ciano's widow Sue with us and his mother Joanna. And Miss Ciano, did you want to come forward and say anything?

**MS. CIANO:**

I would just like to say thank you. This is -- given that Glen gave, you know, 23 years for Suffolk County as a police officer, I'm very touched and honored that you're considering naming the building after him, and that you voted today for the Introductory Resolution. So I thank you all.

**CHAIRMAN CALARCO:**

Well, we want to thank you because really this is little compared to what you have given to the County. So thank you very much.

**LEG. KENNEDY:**

Mr. Chair, as I had indicated, thank you to the Committee and thank you to all. And we look forward to doing a naming ceremony in the third or fourth week of August. I'll make sure that all my colleagues get the invitation to it. It is a fitting and appropriate way to recognize the sacrifice on behalf of this officer.

**TABLED RESOLUTIONS**

**CHAIRMAN CALARCO:**

Okay. Thank you very much. Okay. We're going to go into Table Resolutions. We have **IR 1316, (Adopting Local Law No. -2013) A Charter Law to improve hiring opportunities for Suffolk County Residents. (Nowick)** I'll make a motion to table. The Public Hearing is still open so I will make a motion to table; second by Legislator Cilmi. All those in favor? Opposed? Abstentions? **IR 1316 is tabled. (VOTE: 6-0-0-0)**

**IR 1471, Adopting Local Law No. -2013, A Local Law to strengthen the regulation of precious metal and gem exchanges. (Calarco)** I believe the Public Hearing on this is closed. So I'd like to make a motion to approve.

**LEG. SPENCER:**

Second.

**CHAIRMAN CALARCO:**

Seconded by Legislator Spencer. All those in favor? Opposed? Abstentions? **IR 1471 is approved. (VOTE: 6-0-0-0)**

**INTRODUCTORY RESOLUTIONS**

**IR 1510, Adopting Local Law No. -2013, A Local Law to safeguard employees displaced by privatization. (Browning)** Legislator Browning, the Public Hearing is still open? We have a motion to table by Legislator Browning, seconded by myself. All those in favor? Opposed? Abstentions? **IR 1510 is tabled. (VOTE: 6-0-0-0)**

**IR 1531, Transferring and appropriating Living Wage Contingency Funds to the Federation of Organizations for the NYS Mentally Disabled, Inc., Respite Fee Subsidy. (Co. Exec.)** I will make a motion to approve.

**LEG. BROWNING:**

Second.

**CHAIRMAN CALARCO:**

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

**LEG. CILMI:**

Counsel, could you just talk to us about what exactly the Living Wage Contingency Fund is? Is this the fund that we established to reimburse? And we were trying to eliminate it. And the County Executive eventually put it in the budget to reduce it and eliminate it over time.

**MR. NOLAN:**

That's the same fund that we've talked about the last couple of years where, yes, we help contract agencies comply with the Living Wage Law by subsidizing their costs.

**LEG. CILMI:**

And when is that scheduled to sunset completely?

**MR. NOLAN:**

Give me a moment, I'll try to find that in the code.

**LEG. CILMI:**

Sure.

**CHAIRMAN CALARCO:**

BRO might have that information. Mr. Lipp, do you know when the Living Wage subsidy is going to time out? I believe it's next year, if I'm not mistaken.

**MR. LIPP:**

I believe that's correct, but I'm not a hundred percent sure. I'd have to double check.

**CHAIRMAN CALARCO:**

Okay.

**LEG. KENNEDY:**

Mr. Chair, we do have the Director of the Living Wage Program from the Labor Department, Miss Rosenberg.

**CHAIRMAN CALARCO:**

Sure.

**LEG. KENNEDY:**

I'm sure she could give us the specifics through the Chair.

**CHAIRMAN CALARCO:**  
Miss Rosenberg?

**LEG. KENNEDY:**  
-- invited her to speak.

**CHAIRMAN CALARCO:**  
If you would.

**MS. ROSENBERG:**  
Hi. The fund is scheduled -- this is the last year of the funding. It was \$200,000 for this year's.

**LEG. CILMI:**  
Thank you.

**CHAIRMAN CALARCO:**  
Okay? Any other questions? Okay. We have a motion and a second. All those in favor? Opposed? Abstentions?

**LEG. CILMI:**  
Opposed.

**CHAIRMAN CALARCO:**  
**IR 1531 is approved. (VOTE: 5-1-0-0)**

**IR 1533, Directing the Department of Economic Development and Planning, in partnership with State and County Institutions of Higher Education, to study the feasibility of constructing affordable housing for young professionals. (Anker)** I'll make a motion to approve; second by Legislator Browning. On the motion.

**LEG. KENNEDY:**  
On the motion.

**LEG. MONTANO:**  
Question.

**CHAIRMAN CALARCO:**  
On the motion, Legislator Kennedy, I think you came in first.

**LEG. MONTANO:**  
I yield.

**LEG. KENNEDY:**  
My only question is how are we going to define young professionals? And I question the validity of looking to target specifically young professionals as opposed to commensurate programs that we have now such as SONY MAE First Time Home Buyers, of which I am a proud member. I through the -- I guess to Counsel --

**CHAIRMAN CALARCO:**  
Counsel, is that spelled out in the resolution at all?

**MR. NOLAN:**  
No. It uses the term young professionals. I think it's probably -- you know, it's up to the

Department to determine that since it's really not defined within the resolution. You know, I think it would be probably Workforce Housing, you know, the way we normally think of Workforce Housing.

**LEG. KENNEDY:**

Well, then I guess the next question I have to ask, so if we have an ambiguous term, then we go to BRO. And what's the fiscal impact on this?

**MR. LIPP:**

There is no direct fiscal impact. Because it's just trying to do the study. So, we wouldn't have a fiscal impact until something actually happened.

**LEG. KENNEDY:**

Do we have anybody here from the Department? Anybody here from Economic Development?

**LEG. MONTANO:**

There is an impact.

**LEG. KENNEDY:**

Absolutely.

**DIRECTOR ROSEN-NIKOLOFF:**

Hello.

**LEG. KENNEDY:**

Hi, Jill. How are you?

**DIRECTOR ROSEN-NIKOLOFF:**

I'm well. Thank you.

**LEG. KENNEDY:**

Good. So your Department would be the one that would undertake this study?

**DIRECTOR ROSEN-NIKOLOFF:**

That's correct.

**LEG. KENNEDY:**

Okay. So let me ask the first question, then. How will you define "professional"?

**DIRECTOR ROSEN-NIKOLOFF:**

We don't have a numerical definition for that. We call it Workforce Housing.

**LEG. KENNEDY:**

Well, then it sounds like we have an ambiguity in the resolution. Because Workforce Housing is something that's got a much broader definition than "young professionals." Implied in that, and I'm not trying to be cheeky or cute here, but a professional is generally somebody with some kind of a recognized license: An engineer, an attorney, a Social Worker, somebody who's, you know, licensed by the State of New York in some capacity. Workforce Housing, my understanding is, is much more measured by income level and economic level, whether or not an individual is a tradesman or a health care professional or what have you across the board.

**DIRECTOR ROSEN-NIKOLOFF:**

I would agree with that, yeah.

**LEG. KENNEDY:**

Okay. So I'm going to make a motion to table on this, then, because the term is ambiguous and undefined.

**CHAIRMAN CALARCO:**

Okay, I have a motion to table. You yield on the floor, Legislator Kennedy?

**LEG. KENNEDY:**

Yes.

**CHAIRMAN CALARCO:**

Legislator Montano had a question.

**LEG. MONTANO:**

Well, one of them -- one of them was answered. The feasibility -- I looked at the Financial Impact Statement and says there's no financial impact but there is in terms of the cost of personnel from the Department; am I correct in that?

**MR. LIPP:**

We --

**LEG. MONTANO:**

Call it opportunity costs?

**MR. LIPP:**

Yeah, we said it would be an opportunity cost.

**LEG. MONTANO:**

All right. I also have to agree with the wording of it because the caption of the bill says "constructing affordable housing for young professionals". And the First WHEREAS says "young professionals are leaving Long Island in increasing numbers due to the lack of affordable housing." You call it workforce housing, which is -- is that a -- is that synonymous with affordable housing? Is the term interchangeable or are they two separate concepts?

**DIRECTOR ROSEN-NIKOLOFF:**

They're used loosely.

**LEG. MONTANO:**

All right. Well, that's my point. Loosely -- loosely doesn't cut it. And number two, your First WHEREAS clause is, it's not young professionals that are leaving Long Island. It's young people of all groups. We are losing more people -- more young people than probably any other place in the country. So I have to agree with my colleague here that we should be more specific in the language that we use when we talk about this resolution. Who's going to do the study?

**DIRECTOR ROSEN-NIKOLOFF:**

That would be the Department of Economic Development and Planning. But let me be clear: This is not a bill that's been submitted by my Department.

**LEG. MONTANO:**

Okay. I understand. It was submitted by Legislator Anker. I get that. Let me ask you Counsel a question, if he recalls. Because I believe that we did a similar study on this years ago. And it was a bill introduced by Legislator Schneiderman and myself. And I believe that the study was done by Rutgers. Counsel, do you remember that bill? Don't go there anymore, Kate? (Laughter)

**MR. NOLAN:**

I don't remember the -- I remember the --

**LEG. MONTANO:**

Bring up old --

**MR. NOLAN:**

I do remember the Rutgers Study, but I think that was a broader housing study. This is specific to housing on college campuses.

**LEG. MONTANO:**

What?

**MR. NOLAN:**

If I'm correct.

**DIRECTOR ROSEN-NIKOLOFF:**

Yes, I believe it asks us to study potential partnerships available on the campuses of State and County postsecondary educational institutions.

**LEG. MONTANO:**

All right. I'm going to second the motion to table.

**CHAIRMAN CALARCO:**

Okay, I have a second to the tabling motion. Legislator Browning had some comments to add.

**LEG. BROWNING:**

Well, I understood what this was to cover was your postgraduate students, when they're in the masters program and doing their doctorate who may want to go somewhere else because they may find something cheaper elsewhere. So it's my understanding that this would be to help those students who are possibly married with kids and continuing their education to create affordable housing for them. Now I believe Mitch Pally spoke on it. That's what my understanding was, is to help cover -- to help the postgraduate students. Am I right or am I wrong? That's where I thought the target was.

**DIRECTOR ROSEN-NIKOLOFF:**

Yes, they're postgraduate students on the campuses of their institutions.

**LEG. BROWNING:**

Right. And there's not enough housing for them. Because I know, you know, you can go to Winthrop Hospital and there's housing for, you know, doctors who are doing their residency programs. There's, you know, other states where they have housing for, you know, postgraduate students. And I don't know that it's necessarily a bad thing. If they're Long Islanders and they live here and they want to stay here and continue their education, say, at Stony Brook or whatever the -- we can try to accommodate them. I don't think it's the worst idea.

**CHAIRMAN CALARCO:**

Yeah, and I echo what Legislator Browning's stating and just being a younger guy; going to some of our colleges here on Long Island, I am keenly aware of how hard it is to find affordable housing when you're first out of college. And many of our college campuses don't offer any kind of housing options, or they're very limited at that. But Legislator Cilmi is next on the list.

**LEG. CILMI:**

Thanks, Mr. Chairman, as a younger guy myself -- (Laughter) -- what?

**LEG. KENNEDY:**

Comparatively, there you go, look at that. (Laughter)

**LEG. CILMI:**

My concern is, you know, I read all of the Fiscal Impact Statements that our Budget Review Office does and that the County Executive's Office does on occasion. And oftentimes the Fiscal Impact is what's called opportunity cost. I think sometimes we fail to realize that there is actually a cost that is opportunity cost. We may not be able to put a number on it, but the fact is, is that we cannot continue to pile on these things that have opportunity costs. I mean at some point there's just no more opportunities. You're taking away one opportunity to give other opportunity.

I mean I'm sure there are things that you're doing in your office, Jill, that could be done faster. That doesn't take away from how hard you work or how smartly you work. But the fact of the matter is that for years now, we've all been trying to do more with less. And at some point you just can't.

So I would ask Budget Review and Jill, from your perspective, as the one who's going to do this study, what is this going to take away from? What in your office -- if you had your druthers and could use more staff today, what is it that that additional staff would do to make things in your office run more efficiently? And I would suggest that if it's things that we're already charged with doing, maybe we should use the opportunity that we would be using to do this to do those things better. I'd ask you to comment. And, Rob, I would ask you to comment as well.

**DIRECTOR ROSEN-NIKOLOFF:**

No doubt this will take time away from me to do this study. There's absolutely no question that I would be the person --

**LEG. CILMI:**

You personally?

**DIRECTOR ROSEN-NIKOLOFF:**

I would be the person doing it. It is something that I spend a considerable amount of time on now implementing the current Workforce Housing Program, pretty successfully, I think. And so I would have to sort of redirect some energies to focussing on potential partnerships with these universities. So how to quantify that, I do not know. I also do not know the actual benefit that will come out of it. I don't know what the interest is.

I also know that Governor Cuomo has instituted his new Startup New York Program. And he is looking for partnerships with the universities to use the same vacant land for purposes of partnering with businesses for economic development purposes. So can't quantify what it would take, but it will absolutely take time from me to do this.

**LEG. CILMI:**

And so this may -- may even be duplicative, then, based on what you discussed --

**DIRECTOR ROSEN-NIKOLOFF:**

Absolutely.

**LEG. CILMI:**

-- what Governor Cuomo's doing?

**DIRECTOR ROSEN-NIKOLOFF:**

Having said that, though, I'm happy to explore opportunities.

**LEG. CILMI:**

As you always are. And we appreciate your desire to fulfill the wishes of this Legislature. I just think there comes a point in time where we just can't continue to keep asking. Rob, any comment?

**MR. LIPP:**

Well, typically what happens is, and we do it all the time, you know, when we get legislative requests that we fulfill, we have to sort of put things on the back burner that we normally would have done immediately. And more times than not, it's not like we don't do those other things, but rather there's a lag and we get them done at a later date. You could make an argument that we don't put as many resources in as we should to make it a better product, that opportunity cost. But it is -- as being stated here is, it's very, very difficult to try to quantify that. So we just leave it at that blanket statement, number one.

Number two, in terms of the definitions of workforce housing or professional housing or, you know, that kind of thing, in theory, maybe it's not tightly written in the resolution, but in theory, in the Third Resolve Clause, written report would presumably take all those things into consideration. And if it was done properly, it would spell out, you know, who the housing is for and where it would be and what the financial impacts are.

That being said, it would remain to be seen what is in that report, and, therefore, the actual costs would only be determined based upon the actions taken from the recommendations of that report.

**LEG. CILMI:**

Right. So my only point here is that it's called opportunity cost for a reason, because there actually is cost associated with it. And let's face it, we have limited resources. And the more we utilize those resources for, you know, this and that and the other thing, the less those resources are available to utilize towards performing the things that we're already supposed to perform in the most effective and efficient way we can. So for that reason I'll be supporting the tabling motion on this bill. Thanks.

**CHAIRMAN CALARCO:**

Okay. Thank you. And I know we have -- the Treasurer is here and a few other people want to speak on the bill that's coming up a little later in Committee, so if could try to move things along a little bit. But Legislator Nowick is next.

**LEG. NOWICK:**

Yeah. And thank you for the opportunity. I am not on this Committee, but I just wanted to comment, I'm thinking about this, if there's an opportunity cost, to me it sounds like -- it's a wonderful idea in better times. The County has a small -- a smaller workforce than we've ever had, I believe, working in the County because we are on austerity. So maybe this is not the right time for this.

And in a time when the County or when we are considering firing five people in the Treasurer's Office to save ten cents a month per family, maybe it's not the appropriate time to use our very scarce small workforce to zero in on such a small group of people. I think it's a great idea if we had -- it was in different times. Maybe not to scale in on a small group of people; maybe, as you say, it should be young people -- you see I'm Italian, I need one hand to talk and one to press the button -- maybe it should just be young people in general, which you already spoke about; or maybe the campuses themselves could get together and find housing for their alumni. So I'm not on this Committee, but I just needed to voice my opinion.

**CHAIRMAN CALARCO:**

Thank you, Legislator Nowick. I think, you know, listening to the comments, I'm willing to at this point in time withdraw my motion to approve and go ahead with the tabling motion to allow the sponsor to maybe tighten up the language with the Department and find a little better verbiage that'll make everybody a little more comfortable. Mr. Vaughn, you have something great to add?

**MR. VAUGHN:**

I would like just an opportunity to just add one comment. And I would ask this: The sponsor of this bill is not here. I think that there is a split certainly amongst the Committee as to whether or not this bill should go forward or stay here in Committee. I would ask that the Committee consider a discharge without recommendation. We talk a lot about economic development and we talk a lot about opportunities for students and we talk a lot about bringing people together. I do think that this is kind of an inventive way to take a look at those issues.

**CHAIRMAN CALARCO:**

I don't disagree with you, Mr. Vaughn, but I think that there's a number of members on this Committee that are looking for a little better -- a little tighter language on it. And I think at this point we might as well allow the sponsor that opportunity to sit down with the Department and fine tune it and maybe bring it in line with what the Governor's doing.

**LEG. BROWNING:**

Well, I was just going to say, I mean, I think we do need to be looking at something for our students, especially if they're struggling. They're still paying their college bills. I think we've all been there. But, you know, we do have a 72-h Program. And I don't know if that's something that we could incorporate our college students into the 72-h Program as it stands and --

**MR. VAUGHN:**

And I certainly think that that would possibly be part of the point of this study, Legislator, if we had -- for example, if we did have lands that were adjacent to some of these colleges, maybe that would be something that be would appropriate. And I think that that's one of the reasons why we think that there may be some value --

**LEG. BROWNING:**

But it would be a lot easier done if we just incorporated them rather than have to use Jill to do more. I mean, I don't know -- an issue that I'm not calling Jill for, you know, whether it be redemptions, whether it be Sandy, you know, you name the issue when it comes to housing, you know, she's overwhelmed. And I don't think it's fair to put more on her. So maybe the sponsor would like to look at the 72-h Program and incorporate what she's trying to do here into the 72-h program. I think that's problem solved.

**CHAIRMAN CALARCO:**

Okay. I still have a list of speakers if they are still looking to speak. Legislator Gregory, you were next.

**LEG. GREGORY:**

You withdrew your approval motion. I'm not on the Committee, but I appreciated the comments made here today. I am certainly in support of it. I think there have been a lot of studies that have talked about the brain drain on Long Island and people leaving. I've seen it with -- within my friends, you know, that have Long Island in the past 24 months. I don't think there's any harm in it. I think this is actually the niche of people that we need to target and look at from a business perspective in attracting and retaining businesses here. For any type of sustainability, they're going to look at what's the education of the workforce, you know, where are our young professionals? You know, these are good paying jobs and well-trained people. And we need to look at ways to keep

them here and attract them here. So I think this is, you know, this is a well-intentioned bill. And I had hoped that the Committee would support it, but, you know, we'll table it and I guess the sponsor will work out any kinks that need to be worked out.

**CHAIRMAN CALARCO:**

Okay. I do have a couple of more people. Legislator Montano, did you still want to speak?

**LEG. MONTANO:**

Just very quickly, number one, this is not the County Executive's bill. This is a legislative bill, so we should keep it here at the Legislature. I think I understand where the sponsor is going on this bill, but the wording of the bill doesn't in my mind take us there. It's really -- I think we can all, you know, agree with the concept that affordable housing or workforce housing is something good and dealing with the brain drain that we all recognize as good, but this bill needs some language changes before I think it should come out of Committee and I'll leave it at that.

**CHAIRMAN CALARCO:**

Okay. Legislator Kennedy.

**LEG. KENNEDY:**

I made the comments before that I said that I thought that we had ambiguity with the term "young professionals." Now I'll go specifically to the bill. It's basically wrong and void on its face. We do not have any County postsecondary institutions. So it does not belong being discharged without recommendation. It belongs being tabled and it belongs being revised. Conceptually if the sponsor wants to attempt to implement what is clearly a State of New York responsibility, that's her prerogative. But this bill as it sits now is basically void on its face. It's wrong.

**CHAIRMAN CALARCO:**

Okay. I have a motion and a second. All those in favor? Opposed? Abstentions? **IR 1533 is tabled. (VOTE: 6-0-0-0)** And I hope that Legislators Montano and Kennedy will reach out to the sponsor and try to help her clean up the language and address your concerns.

Moving on, **IR 1536 Authorizing the sale of County-owned real property pursuant to Section 72-h of the General Municipal Law to the Town of Babylon for affordable housing purpose (SCTM No. 0100-170.00-02.00-144.000). (Co. Exec.)** I'll make a motion to approve.

**LEG. SPENCER:**

Second.

**CHAIRMAN CALARCO:**

Second by Legislator Spencer. All those --

**LEG. CILMI:**

On the motion, please.

**CHAIRMAN CALARCO:**

On the motion, sure. Legislator Cilmi.

**LEG. CILMI:**

Yes. So there's a County investment on this property, I'm told, of roughly \$2000.

**CHAIRMAN CALARCO:**

Jill, if you could come up and, I guess, for the next three or four resolutions, just give us a quick brief rundown of what it is, what we're doing with what the investment is.

**DIRECTOR ROSEN-NIKOLOFF:**

Right. So the -- it's a 25 by 90 parcel on Harrison Avenue in Amityville. And the County investment is \$1,953. And, you know, your question, it's small so it can't be built on. It will be combined with two other parcels that are on the agenda today, which are adjacent to it and combined will make one buildable lot.

**LEG. CILMI:**

All right. If I may, Mr. Chairman?

**CHAIRMAN CALARCO:**

Sure.

**LEG. CILMI:**

Jill, those two other parcels are represented in what two other resolutions; 1537 and 1539?

**DIRECTOR ROSEN-NIKOLOFF:**

No, that would make sense. It's IR 1539 and IR 1540.

**LEG. CILMI:**

Okay. So in IR 1539, it looks as if the County investment is roughly \$28,000 and in IR 1540, another \$1500.

**DIRECTOR ROSEN-NIKOLOFF:**

That's correct.

**LEG. CILMI:**

And then if we could just talk in general terms while we're at it, IR 1537 is -- County investment is \$17,000; and IR 1541, the County investment is \$88,000. So if I do some quick math, we're probably in the neighborhood of \$140,000 or so of County investment. And we are -- we are selling these properties for \$5; is that correct?

**DIRECTOR ROSEN-NIKOLOFF:**

Right, there is no -- there's no consideration for these parcels. The investment is the affordable housing.

**LEG. CILMI:**

Okay. I guess my next question, then, would be when we sell these properties, because the County has an investment and a cost associated with the properties, what is the offset for the cost; budgetary offset for the cost? I don't know if you know that, Jill, or Budget Review has to answer that or I'm even making any sense.

**CHAIRMAN CALARCO:**

I think not to speak for Budget Review, but I think what you're getting at, Legislator Cilmi, is that our investment is what we've already paid out. And that was all done through prior budgetary lines. And we certainly have a budgetary line where we determine how much money we're going to bring into the auction process. And certainly some of this money could be coming into the auction process, but I don't think it's -- I think in determining these lines, part of what's ferreted out is what we may not be bringing in. That's why we don't expect to bring in a hundred percent reimbursement on our investments.

**LEG. CILMI:**

My point again, and then I'll let Rob answer, is the intellectual honesty of the issue. You know, when there's opportunity cost, there's opportunity cost. Here we are again talking about -- and I'll

bring it into the equation, we're talking about consolidating two offices to save maybe \$800,000. There are consequences to that consolidation. And here we're talking about just walking away from 140 or so thousand dollars worth of investment for affordable housing to give to the Towns for affordable housing. I recognize that affordable housing is important, but at some point we have to -- we have to come to the realization that we have limited resources.

**CHAIRMAN CALARCO:**

I guess to that, Legislator Cilmi, I don't think we would dispute that the County certainly has limited resources. At some point in time in this prior body's wisdom, they decided to include affordable housing in this program. And if it's something that you are now thinking may not be a prudent idea, perhaps the idea is to reevaluate the program altogether.

**LEG. CILMI:**

I'm thinking we have -- according to the County Executive's Office and Budget Review has concurred more or less with this, we're looking at a deficit for the next couple of years roughly \$250 million, I understand. And we can't keep doing things the way we're doing them.

**CHAIRMAN CALARCO:**

I understand. And to that, a lot of these properties are in neighborhoods that have certain problems that they're facing. A lot of times we direct these to the Suffolk Workforce for Affordable Housing Programs so that they don't turn into slum housing and those kind of programs. But I guess that's a policy debate for us to have. And if it's one that you're looking to have, you know, obviously you could vote how you will on these bills, but maybe you might want to look to bring a resolution for it.

**LEG. CILMI:**

Let me ask one other --

**CHAIRMAN CALARCO:**

Mr. Lipp had, I think, an answer to one of your questions here.

**LEG. CILMI:**

Great. And then I have one other question.

**MR. LIPP:**

Yeah, from the budgetary point of view, okay, so for instance, IR 1536 we would lose \$1,953.11 less a dollar. That would show up as implicit as a negative number under revenue code 1051 gain from tax acquired property. So that would be a loss. That being said, moving forward for future years, we wouldn't incur the additional investment in terms of having to pay taxes to other municipalities because it would be off the tax rolls. So that would be a positive.

However, if we're not -- if we're giving it away as a 72-h as opposed to doing it as a sale of tax acquired property, then, we're losing potential future gain from selling it at auction. So there are several variables. You want me to repeat those very quickly or no?

**LEG. CILMI:**

No, I got it, I got it. And there's absolutely merit to the first part of your statement in that if we're not receiving taxes currently on these properties, we are certainly paying taxes to the other taxing jurisdictions on these properties. So to get out from under that burden and restore these as tax-generating properties as opposed to tax losses, you know, there's certainly merit to that. But as you -- is that the case in all of these resolutions; we're currently not receiving taxes on them?

**MR. LIPP:**

Correct, because we have the deed to them. We wouldn't be able to transfer them otherwise.

**LEG. CILMI:**

Okay. Thank you. And, Jill, could you tell me, then, if any effort has been made at disposing of these properties through auction or direct sale or other means to try and recoup some of our investment?

**DIRECTOR ROSEN-NIKOLOFF:**

No. Affordable housing first shot here, so.

**LEG. CILMI:**

Okay. So we haven't tried to sell these properties for --

**DIRECTOR ROSEN-NIKOLOFF:**

No, we have not.

**LEG. CILMI:**

All right. We look to them for affordable housing first.

**DIRECTOR ROSEN-NIKOLOFF:**

Correct. May I just point out, though, that the County's investment is often different than what the valuation is for purposes of sale.

**LEG. CILMI:**

Right.

**DIRECTOR ROSEN-NIKOLOFF:**

So it could be less --

**LEG. CILMI:**

Sure.

**DIRECTOR ROSEN-NIKOLOFF:**

-- than what we've invested in it.

**LEG. CILMI:**

I appreciate that. Last question I have for you is do we get commitments from the Towns -- in each of these cases, will the Towns involved make investments of their own?

**DIRECTOR ROSEN-NIKOLOFF:**

Sometimes they do.

**LEG. CILMI:**

Do we have commitments in any of these case from the Towns involved that they will be making investments on their own?

**CHAIRMAN CALARCO:**

Jill, maybe you should just give us a quick rundown on how the program works. Because I think what Legislator Cilmi's trying to find out is what is the commitments here? And I know there's a timeframe in which the Towns and whatever not-for-profit entity they're using to develop affordable housing has to comply with. So perhaps maybe you can give us a real quick --

**LEG. CILMI:**

You know, I understand the whole program. Don't get me wrong here. I just want to know if the Towns are -- I mean, we're sacrificing here. I want to know if the Towns are sacrificing as well.

**DIRECTOR ROSEN-NIKOLOFF:**

Not to the extent we do. I mean we clearly are the main component of the affordable housing development in Suffolk County.

**LEG. CILMI:**

Okay. Thank you.

**DIRECTOR ROSEN-NIKOLOFF:**

We are.

**CHAIRMAN CALARCO:**

Legislator Montano.

**LEG. MONTANO:**

Yeah, I'm sorry. I took my eye off the ball a second. Jill, could you just repeat what it is -- just give me the quick synopsis of what we're doing with these properties? We are giving them to the Town on a 72-h and what is going to be there? What are they going to construct there? Single family homes?

**DIRECTOR ROSEN-NIKOLOFF:**

These are single family homes, correct.

**LEG. MONTANO:**

How many homes are going to go up?

**DIRECTOR ROSEN-NIKOLOFF:**

This will be three.

**LEG. MONTANO:**

And then they're going to be distributed or they'll be a lottery system through the Long Island Housing Partnership?

**DIRECTOR ROSEN-NIKOLOFF:**

No, not in this case. In this case other than the one that's going to Long Island Home Care Builders for veterans, the other ones are going to the Community Development Corporation of Long Island.

**LEG. MONTANO:**

Of Long Island, because -- are they part of the consortium? Is that the.

**DIRECTOR ROSEN-NIKOLOFF:**

No. They're a non-profit entity.

**LEG. MONTANO:**

Oh, okay. CDC of Long Island out in Centereach.

**DIRECTOR ROSEN-NIKOLOFF:**

Correct.

**LEG. MONTANO:**

Okay. Thank you very much. You've answered it.

**CHAIRMAN CALARCO:**

Legislator Gregory.

**LEG. KENNEDY:**

One question.

**CHAIRMAN CALARCO:**

John, I have a list.

**LEG. GREGORY:**

I know Legislator Cilmi had some questions about this. And I necessarily wouldn't term it in -- as it being a sacrifice on the County's part. I will look at it as we're providing affordable housing for people in need, as you mentioned, veterans, young people, or people of certain income. And that's an important policy decision that we've decided to make and support. And I think we should continue to support that, you know, just our previous discussion about the brain drain of Long Island. This program helps keep people here. And to pass on any costs because the Towns aren't providing the housing, it's passed through the Towns and not-for-profits, any cost that we decide to pass on is just going to make the affordable housing that much more expensive. Because at some point the non-for-profits, I would imagine, would have passed that cost onto the home buyers. So I think it's an important program. There are some -- you know, there is an investment on our part, but, you know, it's an investment worth making. And it's keeping people here in Suffolk County. Thank you.

**LEG. CILMI:**

If I just may briefly redress? Or you have a list?

**CHAIRMAN CALARCO:**

I do have a list.

**LEG. CILMI:**

Sorry.

**CHAIRMAN CALARCO:**

Legislator Kennedy.

**LEG. KENNEDY:**

I was going to ask a technical question, but I also -- let me -- if it's going to not-for-profits, then, it's going with some kind of a restriction or a covenant on our part so that the property winds up remaining as affordable housing; correct?

**DIRECTOR ROSEN-NIKOLOFF:**

Correct.

**LEG. KENNEDY:**

Okay. So then it goes to, as Legislator Gregory just said, that's a conscious decision that the Legislature makes to go ahead and actually allow for investments. Legislator Cilmi's point is, is that as we vote on these oftentimes, we're not racking up economically what's really just in this one committee meeting, you know, \$150,000 investment. Yet the last resolution we're talking about dismantling all of county government for savings that's down about a half million. It is -- I think it's important that we look at what, in fact, we're doing on a regular basis on a day-to-day basis as far as the investment we put in; while on the other hand we're talking about, you know, eliminating important oversights and protections. That's all.

**CHAIRMAN CALARCO:**

Legislator Cilmi.

**LEG. CILMI:**

Yeah, so, as far as my general objections go to this, in terms of recognizing that, you know, the investment is worth the investment, I'll sort of step aside from that for a moment and put them aside and we'll deal with each of these resolutions individually and we may have questions individually. But I would ask Budget Review maybe in conjunction with -- I'll use whatever resources you want to use, to just give us at some point soon a summary of the 72-h Program, how much investment we've actually foregone -- how much investment we've actually forgone, let's say, in the past couple of years, where that -- where those investments have been made geographically, how they've been made in terms of who has been able to take advantage of those investments. And I don't mean take advantage in a negative way. I mean in a positive way, what economic benefit have we -- have we enured from this program? So if you could, you know, in your due time figure out how to put something like that together, I would appreciate it.

**MR. LIPP:**

Just for the record, okay, I think that's a great idea. We will do it. And then to add a note of levity, there will be an opportunity cost.

**LEG. CILMI:**

Yes, I know there will be. (Laughter) And I appreciate that. Thank you.

**CHAIRMAN CALARCO:**

The opportunity cost means our departments still have some work to do. Legislator D'Amaro.

**LEG. D'AMARO:**

Thank you, Mr. Chairman. I'm not on this Committee, but I just wanted to add a few comments of my own. This is a terrific program. This County should be very proud of this program, the 72-h Program where we convey properties down to Towns and to very reputable and credible organizations that are building workforce housing for people in this County that are in true need of that. We read in the papers all the time about people leaving Long Island and the brain drain and all that, that Legislator Gregory had mentioned.

This is really a great policy that we have in trying to reverse that tide and try and reverse the trend that we see where people can't simply afford to live here. And this gives people an opportunity to get some -- get subsidized in order to get their feet on the ground so they can then go into the workforce and start earning. And eventually as the subsidies decrease on their homes, they are left with the ability to stay here on Long Island. So I think it's a wonderful policy. I don't think we should be playing this policy off against any other policy or initiatives that we're looking at here in the County. I think this stands on its own merit.

But I did want to point out to the members of this Committee that when I was Chair on Ways and Means -- and, John, I think you were on the Committee a few years ago when I was Chairing --

**LEG. KENNEDY:**

Yes.

**LEG. D'AMARO:**

And, Jill, you may remember also, I think we took a look at the properties that had been conveyed down to the Towns for workforce housing purposes, and I think other purposes as well, maybe general municipal purposes, but at the time this Committee did not exist. So Ways and Means was also dealing with the 72-h for workforce housing. And, Jill, forgive me, I don't recall if you were the Director at the time, but I think you were, or you were involved with it somehow.

**DIRECTOR ROSEN-NIKOLOFF:**

Yes.

**LEG. D'AMARO:**

And we did a study. And we took a look at all of the properties going down to the Town. And there was a cost to doing that. No question. The County was giving up, maybe getting some back taxes if we went out and auctioned the property, gave it to a builder who could go out and make a profit and, you know, build some housing that maybe isn't as affordable. But at the end of the day when we looked at all the properties and we looked at what the Towns were doing with them, I think we came to the conclusion that some were not moving as quickly as we wanted them to move. But all in all the Towns were being very successful in creating this workforce housing.

So the point I want to make here today is that, you know, I agree, we have problems, we have fiscal issues, we have deficit problems, things like that. There's no question about it, but I don't think that we should start to evaluate this type of program against any other policy that we're contemplating implementing in this County. And we did take a look at the Workforce Housing Programs and we did closely evaluate whether or not the Towns were fulfilling their commitments on their end. And the conclusion that we came to, especially since we were dealing with these reputable non-for-profit companies, was that they, in fact, were creating this type of housing.

So I would just remind my colleagues of that. And I'm sure the Department might even have some of that backup available if anyone's interested in taking a look at it. Thank you.

**CHAIRMAN CALARCO:**

Great. Thank you very much. Do I have any other questions for Jill? Okay. It sounds like in the future we may have a policy debate on the program and the totality which is a good thing. But we'll move onto the resolutions we have before us. And we do have 1536 and I believe we have a motion -- do we have a motion, Madam Chair?

**MS. ORTIZ:**

(Shaking head yes)

**CHAIRMAN CALARCO:**

Okay, we do have a motion and a second. If there's no other questions, all those in favor? Opposed? Abstentions? **IR 1563 is approved. (VOTE: 6-0-0-0)**

**IR 1537, Authorizing the sale of County-owned real property pursuant to Section 72-h of the General Municipal Law to the Town of Babylon for affordable housing purpose (SCTM No. 0100-083.00-01.00-106.000). (Co. Exec.)** I will make the motion; second by Legislator Browning. Do you have questions?

**LEG. CILMI:**

On the motion.

**CHAIRMAN CALARCO:**

Sure.

**LEG. CILMI:**

Who is this one in partnership with other than the Town of Babylon?

**DIRECTOR ROSEN-NIKOLOFF:**

Again, CDC of Long Island.

**LEG. CILMI:**

CDC, okay, thank you.

**CHAIRMAN CALARCO:**

Okay. All in those favor? Opposed? Abstentions? **IR 1537 is approved. (VOTE: 6-0-0-0)**

**IR 1539, Authorizing the sale of County-owned real property pursuant to Section 72-h of the General Municipal Law to the Town of Babylon for affordable housing purpose (SCTM No. 0100-170.00-02.00-145.000). (Co. Exec.)** Jill, could you tell us who we're partnering with on this one besides Babylon?

**DIRECTOR ROSEN-NIKOLOFF:**

This is CDC of Long Island.

**CHAIRMAN CALARCO:**

CDC of Long Island.

**DIRECTOR ROSEN-NIKOLOFF:**

The three smaller parcels that are going to be combined to build one home.

**CHAIRMAN CALARCO:**

Okay. I'll make the motion.

**LEG. BROWNING:**

Second.

**CHAIRMAN CALARCO:**

Second by Legislator Browning. Any other questions? Seeing none, all those in favor? Opposed? Abstentions? **IR 1539 is approved. (VOTE: 6-0-0-0)**

**IR 1540, Authorizing the sale of County-owned real property pursuant to Section 72-h of the General Municipal Law to the Town of Babylon for affordable housing purpose (SCTM No. 0100-170.00-02.00-143.000). (Co. Exec.)** Jill, same question.

**DIRECTOR ROSEN-NIKOLOFF:**

Same answer. CDC of Long Island.

**CHAIRMAN CALARCO:**

CDC, okay. Same motion, same second. All those in favor? Opposed? Abstentions? **IR 1540 is approved. (VOTE: 6-0-0-0)**

**IR 1541, 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. 0200-486.00-06.00-021.000). (Co. Exec.)** Jill, same question.

**DIRECTOR ROSEN-NIKOLOFF:**

No. This is the one going to the Long Island Home Builders Care for Veterans.

**CHAIRMAN CALARCO:**

Terrific. I will make the motion.

**LEG. MONTANO:**

Second.

**CHAIRMAN CALARCO:**

Second by Legislator Montano. All those in favor? Opposed? Abstentions? **IR 1541 is approved. (VOTE: 6-0-0-0)**

**IR 1544, Providing updated report for elected officials. (Pres. Off.)**

Counsel, if you can just give us a brief explanation of what this does.

**MR. NOLAN:**

This is an update of the time reporting requirements that the State Comptroller requires us to do. We are adding Legislator Krupski as he's the most recently elected. So we're just -- we have to pass this resolution and report his time to the State so he gets retirement credit.

**CHAIRMAN CALARCO:**

Okay. I will make the motion to approve; second by Legislator Montano. All those in favor? Opposed? Abstentions? **IR 1544 is approved. (VOTE: 6-0-0-0)**

**Okay, IR 1567, Adopting Local Law No. -2013, A Charter Law to create a unified County Department of Financial Management And Audit. (Co. Exec.)** What I'd like to do here is give an opportunity -- I know we have quite a few people from the -- we have the Treasurer and the Comptroller and the County Executive staff here that all want to add their comments on it. So, we'll start off by allowing the County Exec's staff to come up. I see the Deputy County Executive Jon Schneider --

**LEG. KENNEDY:**

Are we going to take a motion on this before we hear comment?

**CHAIRMAN CALARCO:**

Sure.

**LEG. KENNEDY:**

Good. I make a motion to table.

**CHAIRMAN CALARCO:**

I have a motion to table by Legislator Kennedy and a second by Legislator Cilmi. Any other motions at this point in time?

**LEG. MONTANO:**

No, but I'd like to just make a request.

**CHAIRMAN CALARCO:**

Okay.

**LEG. MONTANO:**

In light of the extensive Public Hearing that we had the other day, is it possible to -- since we have three diverse offices that want to talk to sort of set a time limit -- equal time for all of them?

**CHAIRMAN CALARCO:**

I'm going to try to keep things under tight control here.

**LEG. MONTANO:**

Okay. Then I have confidence that you will. Thank you.

**CHAIRMAN CALARCO:**

And I'm going to ask all three who come forward to just keep your comments as brief as possible and -- and -- I'm sure that my colleagues are going to have a lot of questions for you. So we'll try to keep the conversations to the questions from the panel. But, Deputy County Executive Jon, you want to come up; Tom Melito, from -- whoever else you guys are bringing along, please come forward.

**LEG. CILMI:**

Mr. Chair, while they're coming forward, might I ask a question of the Chair?

**CHAIRMAN CALARCO:**

Sure.

**LEG. CILMI:**

I think it would be interesting for the Committee and for those in the audience if -- in addition to having the parties to this make their own statements, that we ask the Treasurer's Office or the Treasurer and the Comptroller to sit together and just have a back and forth discussion on the merits of this. Because, you know, I said once before, it was on a totally different issue, that when you have people speak and then somebody else comes up and speaks and gives a different point of view, I think it would be instructive for us to get -- to have the benefit of going back and forth and point/counterpoint.

**CHAIRMAN CALARCO:**

All right, I can appreciate that. I think what I would like to do is give them each a chance to come up, give their brief comments -- very brief comments. We can ask a few questions of them. And certainly if at a later point in time the Treasurer is giving comments or the Comptroller and they want to address an issue or we want to address a question back, we'll deal with that at the time.

**LEG. CILMI:**

That would be great. Thank you.

**CHAIRMAN CALARCO:**

Okay. Mr. Melito?

**MR. MELITO:**

Is this mic on? It is on. Yeah, okay.

So good afternoon, Legislators, and thank you for the opportunity to speak on behalf of IR 1567, a Charter Law to create a unified County Department of Financial Management and Audit. As you know by now Performance Management was asked by the County Executive to look at opportunities for consolidation throughout Suffolk County. The consolidation presented before you today can be achieved through local law; but the County Executive felt it should go to the voters since it has an impact on elected officers.

Mr. Sawicki, who will head the office for the remainder of his term should this go through, at the request of the Presiding Officer, Bill Lindsay, is here today to answer questions as you know about the organizational details and the operations of this office over the next year.

Let me just say that I understand some of you have voiced frustration at the process associated with this bill. The County Executive's Office has been diligently working to address concerns brought up throughout the process to ensure that the ultimate final bill is inclusive of the expressed requirements of this Legislative body.

The bill now eliminates five management positions preserving a savings of approximately \$833,00. We heard your concern about the frontline personnel and why the changes were rolled back to satisfy concerns and only eliminate those particular positions.

Now, let's be clear: As of January 1st, 2014, the Treasurer's management positions would be eliminated. And as of January 1st, 2015 the Comptroller's upper management staff would be eliminated. The new CFO for Suffolk County, be it the Treasurer, the Comptroller or anyone else that the voters put in office, will then have the opportunity to appoint their five management staff.

I know you had the privilege of listening to members of the public and other elected officials at the Public Hearing on Monday. In reviewing testimony, it was notable that many who came to oppose the bill spoke about the valuable staff in the Treasurer's Office and the positive experiences that came from said interactions. I want to remind you that those will continue as we are not removing any of the line staff functions. The daily functions will be intact.

I also want to state that we've never criticized the Treasurer or the Comptroller nor the staff in our report. And our recommendation doesn't seek to do so either. We simply must reform government by among other things removing outdated management structures while developing efficiencies to better serve the people.

You heard repeatedly on Monday that "if it ain't broke, don't fix it." Well, first, in the event that anyone here doesn't understand what the word "deficit" means, we are broke. The reality is the entire system and notion of how we operate government is broken. We are slow to adapt to change. We are slow in our operation. We are over-processed and in need of major overhaul. The notion that we should never leave -- that we should ever leave well enough alone is simply a broken idea. Change makes people nervous. We understand that. But I'm sure the people in Detroit regret not making harder decisions sooner. And this Administration will not accept broken or status quo as our modis operandi.

If we are to change the trajectory of this Suffolk County government, we must begin the true and oftentimes painful process of introspective examination. In our nation today, our cherished as well as our not-so-well-liked public institutions are all being tasked with the same introspective questioning: How do we continue to provide relevant and effective services to our constituents within the confines of what is affordable, just and righteous? We must all turn inward and ask ourselves "how can we do better? How can we be better Civil Servants?"

We are at a point, quite frankly, a tipping point where we have to rethink our operating assumptions. We have to revise how we deliver services as technology and emerging tools enable us to not only have public discussions but to change the processes associated with that.

It was Einstein that said that doing the same thing over and over again and expecting different results is the definition of insanity. Our previous operating assumptions, in effect, from 30 years ago are not apropos to the situation we are facing in 2013. It's our responsibility to look not only at the micro-experiences we have within people and departments, but rather the entirety of our government, system of organization, how we deliver services and how we ensure a representative constituent-focussed organization.

Now, I'd like to make a few points clear before I actually make my official remarks. This report that we put together does not purport to be a definitive --

**CHAIRMAN CALARCO:**

Tom, Tom, you are making your official remarks right now.

**MR. MELITO:**

Yeah. Well, I have some --

**CHAIRMAN CALARCO:**

We're on the clock.

**MR. MELITO:**

All right. God, I thought you guys like to hear the whole story.

**LEG. MONTANO:**

No, actually --

**MR. MELITO:**

This report does not purport to be a definitive review, analysis or indictments of the internal operations of either department. It is a reasoned and reasonable presentation of an opportunity for the public's consideration to improve government efficiency. And what we did is we based our report on available information about the historical thought process here in Suffolk County over the years by dedicated and thoughtful stakeholders as to whether or not this current structure represents an optimal model. A review of relevant organizational structures and municipalities in New York State was also done. And our own experience was put into the process of our one-year-plus working through and operating within the labyrinth siloed structure that exists and has continued to develop over time in Suffolk County.

The structure has evolved into an almost un-governable conglomeration of silos that encourage inefficiency, self-interest, wastefulness, isolationism and stagnation. Our report was not intended to denigrate the contributions of anyone in our County government either now or in the past. In fact, I personally thank the elected officials and the respective staffs for their service of Suffolk County that is happening now and over the years as well.

Now, please -- so what I'd like to do is address some of the contentions that were made at the Public Hearing the other night. Contention one: Performance Management did not complete a site visit of the Treasurer or Comptroller's Office. This assertion is correct. We did no work flow analysis nor did we meet with the line staff in either department to discuss the specific entity. In this instance it was not necessary. The County Executive had asked us to investigate the potential opportunities for consolidation within the County. And as you know in any organization as administrative teams proliferate, layers accumulate and there is increasing distance between leadership and the frontlines. Many examples exist in organizations of all kinds where span and layer reviews are conducted, similar to the one undertaken here that looks at the best and most effective structure based on the experiences of the people working within that organization.

We examined various organizational structures of other major departments with an eye towards numbers of administrative staff, relative line staff, all within the context of specific management and service areas. We have had the same -- it turns out we have the same command and control structure as provided for by Civil Service Law throughout our government. We have departments of over 1,000 to 1500 that operate with the same commissioner and two deputy structure. To make the contention that the new department would not be able to manage with a CFO and two deputies, especially one where there are 40 CPAs, accountants, financial analysts, auditors simply holds no water.

We also need to examine the management capacity. And we did a thorough review of Audit and Control's current management structure and past reporting staff. What we learned was that Audit and Control in the late '90s included Risk Management and Purchasing with a full staff of about 120 employees with exactly the same administrative staffing numbers that it has today.

Now, we analyzed the functions of each office. We reviewed the organizational structure and looked at over a decade of history and data on the idea and reviewed Best Practices. The type of review and analysis we engaged in is standard, appropriate and does not vitiate our recommendation in anyway. Many of our departments today are functioning efficiently with different models of staffing and management that were in place just a few years ago.

When the Law Department was reduced by 20%, there were great concerns that the County would come to a halt. But it didn't. The Department reinvented itself, looked at opportunities to gain efficiencies. And I know we can all agree that the team's -- the legal team's work is of high quality.

After robust review, it is our professional contention that the plan being put forth offers an opportunity for Suffolk County to better manage its finances.

Mr. Sawicki mentioned during the Public Hearing that we had spoken to his staff. This is correct. We have been meeting with them for over a year on numerous issues that include contracts, administrative overhead, streamlining purchasing and other initiatives that are important to the County. We have benefited from having a quality-working relationship with the financial management in his office; however, we did not put boots on the ground either in his office or in the Treasurer's Office as we prepared this pure scope and layers organizational review.

Contention number two: It has been contended that the recommendation before you removes necessary checks and balances from county government. This is absurd. As you know, checks and balances are between branches of government, not departments. And so while it sounds compelling, it's an argument that is void on its face. Ernst & Young, our independent auditor, has also provided written assurance that internal controls will not be compromised.

Contention number three: It was alleged that our bond ratings would be in jeopardy as a result of this merger. The truth is our bond ratings are in jeopardy today and we've been downgraded in the recent past and will be further downgraded if we don't begin to make the tough decisions that government must make in this economic climate. It was alleged that Monroe County is not a good example because they were economically stressed. In fact, Suffolk County is using the model espoused by the opponents of this measure and it's economically distressed as well. The point is that Monroe is not stressed because of its structure but because, like Suffolk County, sales tax revenues have dramatically dropped. To suggest otherwise is purposely misleading and evidence there's no understanding of how county finances work.

So will this merger hurt our credit ratings? No need for a crystal ball here. We don't need to speculate. CMA, our financial advisors, spoke to the rating agencies and we actually know that this merger in and of itself will not hurt our credit ratings. The assertion of this concern is not based on factual information of the new operating reality in 2013.

Contention number five: You have heard that there are minimal cost savings associated with this merger. Let me remind the esteemed Legislators here today that over \$800,000 in savings in one year is significant, and especially when you realize over time that we are talking about the next decade close to \$10 million. Back where I come from this is real money. And if this isn't enough to act on, I ask you what is the cut off? What is the savings number that we are comfortable telling the voters it's worth it for them?

Contention six: You have heard that you need two independent officials to answer directly to the people in order to ensure proper management of county finances. This is not true. According to the New York State Comptroller's Internal Control Advisory Documents, segregation of duties is an issue between individuals, not organizations; which means that reporting structure proposed is wholly appropriate. You need independence of individuals; not offices. This is achieved through strict

internal controls, procedures and technology that provide oversight for what is what we are doing.

All of these are in place in the current model. The fact remains we are the only county still operating with a separately elected Treasurer and Comptroller period, the last county in New York State.

Contention number seven: Performance Management Team is expensive and had little success. As stated before this Legislature, that Performance Management is a \$1 million endeavor. Just to be clear, Performance Management is made up of two dedicated staff and the County Executive's Office: Myself and Rebecca Sanin. And our combined salaries are way less than a million dollars, I assure you. The rest of the Performance Management staff are in key positions located throughout Suffolk County and there are deputy commission positions and the like who use their expertise to do enforcement within those departments. Yes, we do work with those people on specific initiatives. But to suggest that we have control over their day-to-day operation is misleading. I hope I've clarified that. We've embarked on consolidations that have had significant savings and/or efficiencies prompted by the existing financial predicament we're in.

I would just like to say we successfully consolidated and merged several offices: Labor and Consumer Affairs, Federated Model of Technology. Both of these received national recognition in the form of NECO awards. We've also created from scratch a new agency in Suffolk County, TPVA, which is bringing in over \$2 million a month in only its third month of operation. We're committed to these efforts and will continue to do so overtime. I will spare you the list of accomplishments that we've made through doing these consolidations, but I do have that information here if anybody was interested in it.

I would just like to mention our -- so we have spoken often here with this Legislature of LEAN principles and management. These principles have derived from the operational improvement programs inspired by LEAN manufacturing and/or six sigma programs, where there's an effort to identify and eliminate waste, variability and inflexibility. A review of Best Practice literature devoted to these programs suggest that there is a danger in taking a narrow hard data view of these techniques. It's easy to fall into the trap of thinking that by simply training and deploying technical experts, an agency will achieve improvements in performance.

Neglecting the soft side of LEAN, which includes steps that enables leaders to drive continuous improvements and change the way employees think about their organizations, their operating units and work environment can delay or even derail operational transformation. We must properly embed the softer aspects of LEAN by implementing appropriate management infrastructure and focussing on changing employees' mindset, attitudes and capabilities. This is the path we are embarking on.

By the way, in the process of developing it, we are in the process of developing a training program in collaboration with Stony Brook to effectuate further LEAN management training throughout the County.

As you heard repeatedly from me throughout the last year, the County government, like many, is characterized by enumerable and distinct silos that inhibit effective management, coordination of efforts, cross training and communications; because siloed operations with redundancy of management functions increase the size of government to the point where the structure is not representative of mission critical operations. This is a central LEAN management tenet. The result is constricted information, distortion of ideas and a failure to implement policy and serve the County's financial need. And it impedes productivity.

I know and understand there are a lot of emotional feelings about this merger. Whenever you're talking about change in any government, a decision that impacts people's lives, this will be the case.

What I'm asking from you today is put the emotionality aside as we must in Performance Management and look at this from the standpoint of what is right for the people of Suffolk. We did our homework. As I mentioned earlier, we have collaboration with one of the top auditing firms Ernst and Young, who is also our independent auditor. There are internal controls. The lifeblood of a county and treasury will not be weakened by this consolidation.

**CHAIRMAN CALARCO:**

Tom, I have a number of Legislators who are going to have questions for you. So if we can start wrapping it up a little bit so we could move to the questions' portion, that would be great.

**MR. MELITO:**

Okay. So let me just close, then, by reminding this Legislature that what you're considering today is the public's opportunity to make a decision about their government structure and whether to reduce the size in a financially, fiscally sound, secure manner. What more noble task can we undertake than to consider reasonable approaches for bulwarking our ability to do what it is we are here to do; and that is to improve the quality of life of our residents.

I think Jon wanted to make some very terse comments and then we'll answer questions.

**LEG. MONTANO:**

Mr. Chairman?

**CHAIRMAN CALARCO:**

Jon --

**LEG. MONTANO:**

He made his point. We don't need to be redundant.

**CHAIRMAN CALARCO:**

I have control of the meeting here, Legislator Montano, so. Jon, very, very brief comments and then I'm going to pass it on.

**MR. SCHNEIDER:**

I feel confident I can just respond to it in the question and answer form.

**CHAIRMAN CALARCO:**

Okay. Very good.

**LEG. MONTANO:**

Good.

**CHAIRMAN CALARCO:**

Legislator Cilmi.

**LEG. CILMI:**

Thank you, Mr. Chair. I don't know where to start, Tom; I really don't. Let's start with the first point that you raised with respect to your not spending any time in the Comptroller's Office or in the Treasurer's Office. You talk about LEAN and the principles of LEAN. And you are the Deputy County Executive for Performance Management. Performance Management does not equal consolidation. Consolidation may be necessary if you're unable to improve the performance of certain departments; or if you think based on a thorough analysis of those departments that consolidation will help, either make them more efficient, more cost-effective, what have you.

But the fact of the matter is, if you haven't spent any time in the Comptroller's Office and if you haven't spent any time in the Treasurer's Office, then you have absolutely no idea where we could achieve certain savings in those departments. It's very nice to say "consolidate them, you'll save money." You know, it sounds good. The average taxpayer will say "consolidation? Sure, consolidate." But that doesn't necessarily mean that it's good. And it doesn't necessarily mean that larger savings couldn't be developed or you couldn't find revenue-generating efficiencies within those departments had you taken the time to spend some time in those departments.

So my first question is, while it's nice that you say that the County Executive tasked you with looking at consolidation here, I would hope that you urge the County Executive to allow you and your team to get into the weeds at the Treasurer's Department and into the weeds of the Comptroller's Department and figure out what it is they're doing and how it can be done better. Can you respond to that?

**MR. MELITO:**

Sure.

**LEG. CILMI:**

Briefly, please.

**MR. MELITO:**

We are not making the contention that the operation within those departments is either bad or good; we are making a contention based on the way we're structured and the number of silos that we have in this organization, and the impediments we have to communication, sharing data, etcetera. Now, as you know, in our initial report we said over the first year we will work through those departments to identify additional opportunities for improvement and savings. This is a span and control review as what we did. It's a common practice in organizations of all kinds. I understand what you're saying. This is not the end of the story and we will continue to look for those types of opportunities.

**LEG. CILMI:**

Okay. So you're going to continue -- you're going to do that going forward.

**MR. MELITO:**

Yes.

**LEG. CILMI:**

But why haven't you done it already?

**MR. MELITO:**

Because of the circumstances that we are in. We are in drastic -- a drastic situation now. And we are looking at low-hanging fruit where opportunities exist for us to reign in some of the costs that we have and provide a framework for moving forward to make the necessary changes that will follow as time goes on.

**LEG. CILMI:**

So you would characterize a major consolidation as low-hanging fruit?

**MR. SCHNEIDER:**

Legislator, I'd like to handle that question.

**LEG. CILMI:**

Well, he's the one who said "low-hanging fruit." I'm asking him -- Jon, with all due respect, Jon, I'm

asking Tom as our Deputy County Executive of Performance Management how he's carrying out his responsibilities as -- in that role. And honestly, I don't know how you could -- how you could come to us and portray yourself as somebody who's interested in Performance Management having never spent a minute of time in those departments. It's beyond my imagination.

**MR. MELITO:**

The answer to your questions is yes.

**LEG. CILMI:**

Yes, what?

**MR. MELITO:**

Do I consider it low-hanging fruit.

**LEG. CILMI:**

So you do consider that low-hanging fruit?

**MR. MELITO:**

In this particular case, yes.

**LEG. CILMI:**

Okay. Jon, did you want to add to that?

**MR. SCHNEIDER:**

Yes, I would like to add to that. Look, the fundamental question here, and frankly I think the question that everyone seems to be forgetting, I know you all would like to get into the weeds, the fundamental question is this: Suffolk County is the --

**LEG. CILMI:**

Jon, stop.

**MR. SCHNEIDER:**

(Inaudible)

**LEG. CILMI:**

Jon, stop.

**MR. SCHNEIDER:**

(Inaudible)

**LEG. CILMI:**

Please stop. I understand Suffolk County Government here.

**MR. SCHNEIDER:**

(Inaudible) I'm not afraid of these questions.

**GAVEL SOUNDED**

**CHAIRMAN CALARCO:**

Hey, hey, I'm going to control the meeting here.

**LEG. CILMI:**

I understand Suffolk County's got a significant budget problem.

**MR. SCHNEIDER:**

That wasn't what I was going to say.

**LEG. CILMI:**

Go ahead, I'm sorry. I apologize.

**MR. SCHNEIDER:**

I appreciate that. Suffolk County is the only county in the State of New York that has this specific management structure wherein we have two separately elected officials. The question that we asked ourselves is, does that need to be the case? Does that need to be the case? And then we asked ourselves further, can the voters of Suffolk County -- do we have confidence in the voters to make an informed decision on this consolidation? And the answer to that question, we believe, is yes. Yes, the voters can make an informed decision on consolidation; yes, consolidation can work; yes, there is no reason that we need be the only county in the state of New York that has this particular structure; yes, a management team of five people that once supervised 120 people can supervise an office of 100. Yes, they can. Yes, the people can make that choice.

**LEG. CILMI:**

And so that justifies ignoring the operations in each of those departments up until now?

**MR. SCHNEIDER:**

That justifies putting forward a recommendation to this body and which we now -- which we know further the Comptroller has a structure in place that he can manage this office for his last year in office. So, yes, we believe this is a question that is right for the voters.

**LEG. CILMI:**

Okay. Let's put that question aside for a moment because that's another issue which I'll get to. So you've stipulated that you believe that -- the decision to consolidate absent any specific involvement in either of these departments makes sense. Forgo -- forget about any, you know, operational efficiencies that could be gained in either of these department separately, just forget that, it's too hard maybe, put the departments together and you'll work on it afterwards; is that what we're saying?

**MR. SCHNEIDER:**

What we're saying here is that the operational efficiencies -- so even within this number, \$833,000 out of a combined budget of ten million, that is an 8% savings. That is an enormous savings in this area. So, yes, we believe that a management structure of five people where we have -- that in other departments is managing 1,000 people, fundamentally it's not a particularly large leap in logic to say that that management structure can manage 100 people, by the way, most of whom are professionals. So -- I'm sorry -- are licensed professionals, things like auditors and the like. Of course, the entire department is made up of professionals.

**LEG. CILMI:**

All right. That's fine. Let me get to my next question. Tom, you talked about -- you talked about how this merger -- how the credit reporting agencies have said that this merger will not hurt our credit rating in and of itself. Well, that's kind of a frightening statement to make; because obviously -- it's an obvious statement to make. In and of itself it will not hurt our credit rating. But the reduced accountability, the risk that our taxpayers will endure as a result of what I believe -- and it's only my belief -- will be less oversight, is problematic for me.

And the fact of the matter is -- and I'm not insinuating anything by making this statement, but let's say we were to lose a million dollars. Let's say we were to lose \$10 million. Let's say somebody were to walk away with a couple of million dollars. That in and of itself wouldn't hurt our credit

rating either until somebody figured it out. So while the merger itself may not be problematic for our credit reporting agencies, the results of that merger may very well be problematic for our credit reporting agencies.

**MR. MELITO:**

That's a hypothetical statement. I don't know if you've seen the latest report -- letter from CMA. I don't have it in front of me, where they specifically address that issue. And the bottom line is, the credit ratings don't think it's going to affect -- say it won't affect our ratings -- the credit agencies say won't affect our ratings because they're not concerned about the checks and balances that we won't be giving up because we are having them with regard to our independent auditor, our CPAs in the department. And they still have the checks and balances between this Legislature, the types of investments that could be made and what aspects of that cash --

**LEG. CILMI:**

Okay.

**MR. MELITO:**

-- how that cash is managed.

**LEG. CILMI:**

I have -- Mr. Chairman, I have two other questions for Mr. Melito and Mr. Schneider. And I certainly have other questions for the other people who are here to talk, but I recognize my colleagues may have questions as well. Tom, during our Public Hearing process, Alexis Weik, who's the Receiver of Taxes in the Town of Islip, made what I thought was a poignant presentation. She was here today. I don't know that she's still here. I don't see her any longer in the audience. But she made reference to the Suffolk County Tax Act and the fact that the Tax Act references in certain places -- makes reference to the Treasurer's -- the Suffolk County Treasurer. And I'm wondering how we're going to deal with that. If the Tax Act makes reference to the Suffolk County Treasurer in terms of the way we do our business, how do we deal with that problem going forward?

**MR. SCHNEIDER:**

Legislator, we have -- the best person to respond to that is our County Attorney Dennis Brown.

**LEG. CILMI:**

Okay.

**MR. SCHNEIDER:**

He has written a memo to the Legislature regarding the specific to the Treasurer and the Suffolk County Tax Act. Tom Vaughn just went out. I think he was milling out front somewhere.

**LEG. CILMI:**

Okay.

**MR. SCHNEIDER:**

So while we get him, perhaps we can answer the next question.

**LEG. CILMI:**

Okay. The last question I have for -- hello, Dennis.

**CHAIRMAN CALARCO:**

He must have heard his name.

**MR. BROWN:**

Good afternoon.

**LEG. CILMI:**

I guess I should repeat my question.

**MR. BROWN:**

Well, I think -- I think that I heard it. I think that your principal concern is that the Suffolk County Tax Act is preemptive because it names the Treasurer's Office as the Office --

**LEG. CILMI:**

I'm not saying that it's necessarily preemptive. I'm just saying that it references in certain places the Suffolk County Treasurer with respect to how we do our business and how we are going to deal with that if this were to pass.

**MR. BROWN:**

The Suffolk County Tax Act, as you know, was a local law. And without getting into all the legal mumbo jumbo pertaining to what charter county can do with respect to the passage of laws as to a general law, as to a special law, suffice it to say, that the Tax Act is a special law, it pertains only to Suffolk County; and the County as a charter county is empowered to pass laws that aren't necessarily followed to the letter, a special law. The Tax Acts in general are to be construed narrowly, but that's with respect to the substantive provisions of the Tax Act. This does not -- this bill doesn't affect substantively the Tax Act at all. All it does it says that a different officer would be in charge with respect to those duties that are set forth in the Tax Act. And that's entirely within the Home Rule Authority of the County under New York State Constitution, under Municipal Home Rule Law as well.

**LEG. CILMI:**

Okay. So what you're saying, then, is that the use of the word Suffolk County Treasurer in the Tax Act does not preclude us from eliminating the Suffolk County Treasurer?

**MR. BROWN:**

That is correct.

**LEG. CILMI:**

And that there's legal room for us then to just, you know, give those responsibilities to somebody else.

**MR. BROWN:**

That is absolutely correct.

**LEG. CILMI:**

Would the Suffolk County Tax Act ever have to be changed, then, at that point?

**MR. BROWN:**

No.

**LEG. CILMI:**

Okay.

**MR. BROWN:**

We could -- you know, we could do a bill asking for a change at the State level. It would require a Home Rule Message, but no.

**LEG. CILMI:**

But it wouldn't be necessary.

**MR. BROWN:**

Not in my opinion, no.

**LEG. CILMI:**

Okay.

**MR. BROWN:**

That would just be construed as being read the Chief Financial officer.

**LEG. CILMI:**

Okay. Thanks. Thank you, Dennis. One last question. Dennis, not for you, I don't think. I asked the Comptroller, Jon and Tom, during our Public Hearing this question. And it was probably unfair to ask him this question so -- but I think it's completely fair to ask to both of you this question: In making your deliberations as to who would head up this agency, this new office, during the time period which, you know, we have to wait for a new election, I suppose, when we have most County -- I don't know if this played into it at all, obviously it didn't, when you have most counties in New York State who have elected Treasurers and not elected Comptroller's, what was it that led you to appoint Joe Sawicki -- who I have great respect for -- as opposed to Angie Carpenter?

**MR. SCHNEIDER:**

Thank you for the question. Originally -- so one of the things that we've been trying to do quite frankly is, to the extent possible, take personalities out of the mix. You know, we have a lot of admiration for the Treasurer, we have a lot of admiration for the Comptroller; take them out of the mix. And I think that was one of the reasons why in the initial Performance Management Report, the thought was to completely take personalities out of the mix, to basically -- essentially have both offices expire at the end of the year and then the Legislature with the County Executive would appoint somebody. That person will be up for election November 14th.

However, subsequent to that, you know, a number of members of this body, and specifically the Presiding Officer, expressed enormous issues with that, one of which is if you just look at it -- if you just put it out on a map, you know, you have the Comptroller -- you have -- the Treasurer's term expires at the end of this year. You have -- the Comptroller's term expires at the end of 2014.

And it was felt essentially the cleanest way to accomplish doing this was you have the -- you have -- you essentially eliminate the Treasurer's Office at the end of this year, if you will, consonant with the end of her term. And while the Treasurer's on the ballot this year, so too would be this referendum. So the voters, if you will, would have -- would weigh in in that regard.

And then the next step is that the Comptroller's Office, which ends then at the -- his term expires at the end of '14, the thinking being that essentially he takes that last year in office to manage this -- this consolidated department; so essentially he -- you know, serves out his term. And then in November of 2014 the voters of Suffolk County will elect. So essentially in both places you will have -- what you'll have is the voters would decide this November that -- whether they want to see referendum approved. Assuming that they do, then they will have that opportunity in November of 2014 to elect the office.

**LEG. CILMI:**

So what you're saying is that you made that decision -- you came to the conclusion as to who to best run this department based on an election cycle?

**MR. SCHNEIDER:**

Based on -- based on following -- based on following -- based on enuring that -- the will of the voters.

**LEG. CILMI:**

Sorry? I'm not quite sure I follow.

**MR. SCHNEIDER:**

Based on that you would have the Treasurer serve out her term, you have the Comptroller serve out his term. They're both able --

**LEG. CILMI:**

Well, that's the election cycle. Yes or no?

**MR. SCHNEIDER:**

Yes.

**LEG. CILMI:**

You made your decision based on the election cycle and not based on the merits or the experience or knowledge base of either individual.

**MR. SCHNEIDER:**

They're two fantastic public officials.

**LEG. CILMI:**

Okay.

**LEG. MONTANO:**

He didn't answer the question.

**LEG. CILMI:**

No, he did. He said he made his decision based on the election cycle.

**LEG. MONTANO:**

He didn't say that.

**LEG. CILMI:**

I think he said that. In any event, the last question I have for you is how are you going to sort of -- you said that you're sure that the electorate can come to an informed conclusion as to whether to vote yes or no to this by Election Day. How would you propose that they do that?

**MR. SCHNEIDER:**

One thing that I have consistently found is that in Suffolk County we are blessed to have a very well-informed electorate. I believe that the voters of Suffolk County are going to take the time, as they always do, to study the issues, to read, you know, appropriate documents, to do things, frankly, like read the record from the Public Hearing that we had last -- earlier in the week -- earlier in the week. Geez, it feels like longer than that; that they'll take the time to learn the merits of both sides and that the voters will come to an informed decision. I have no doubt in the will of the voters of Suffolk County and in the judgements that they make.

**LEG. CILMI:**

So then why would you -- why would you construct 70 or so words, which you're going to ask the voters to, you know, make their decision based on 70 or so words, why would you construct those

70 words in such a way as to lead them in a certain direction? Why not just say "should Suffolk County consolidate the Treasurer's and Comptroller's Office? And you guys make that -- come to that conclusion."

**MR. SCHNEIDER:**

It was -- I mean this was our belief, this is the question we are putting before the voters.

**LEG. CILMI:**

But you're putting it forth in a way that leads the voters to come to certain conclusions; don't you agree?

**MR. SCHNEIDER:**

I -- again, I have full faith that the voters of Suffolk County -- if there's one thing I found that they -- that they take the time to learn the facts. And, personally, my belief is that when they learn the facts, that they will support this referendum. Fundamentally I have no doubt, I guess, in the intelligence and the wisdom of the voters of Suffolk County.

**LEG. CILMI:**

Well --

**MR. SCHNEIDER:**

And I -- and that's why we feel confident putting this -- you know, putting --

**LEG. CILMI:**

I have absolute faith in the voters of this County as well. But it is my belief that you're putting forth this referendum in such a way as to be leading. And I don't agree with that. Thank you for your answers.

**MR. SCHNEIDER:**

Thank you.

**CHAIRMAN CALARCO:**

Okay. Legislator Montano is next.

**LEG. MONTANO:**

Yes, my questions are going to be directed solely to Mr. Melito. So would Mr. Schneider, Mr. Vaughn please have a seat. I have no interest in asking you any questions and I have no interest in hearing from you. So would you have a seat? Because I find your presence there distracting.

**MR. SCHNEIDER:**

I'm sorry I distracted you, Legislator.

**LEG. MONTANO:**

You're not distracting me yet.

Mr. Melito, how are you?

**MR. MELITO:**

Great.

**LEG. MONTANO:**

You want to step forward to the mic? You -- I'm going to be brief. You made -- first of all, your remarks were written remarks that you read; am I correct?

**MR. MELITO:**

To some extent, yes.

**LEG. MONTANO:**

Well, is that a yes or a no or -- I'm not sure what you mean "to some extent."

**MR. MELITO:**

To some extent, yes. I mean, they're my comments. Some of them are --

**LEG. MONTANO:**

But you read your comments.

**MR. MELITO:**

I read some of them. And other things I said --

**LEG. MONTANO:**

Okay. Do you have a copy of your comments?

**MR. MELITO:**

I could get a copy of it to you.

**LEG. MONTANO:**

Would you include those? Could we have a copy for the record? Because I would like to read them.

**MR. MELITO:**

I will send a copy to you for the record, yeah.

**LEG. MONTANO:**

Okay. Do you have -- could we make a copy of what you have there? Or is that not an appropriate copy?

**MR. MELITO:**

I'll clean it. I'll give it to you.

**LEG. MONTANO:**

You'll clean it. Yeah, clean it and send it to me.

**MR. MELITO:**

Yeah. Sure.

**LEG. MONTANO:**

I have -- and I don't want to argue with you. So I'm going to be brief. And there was just a couple of -- I have some questions, but one thing that you said in your comments was that where you come from. Where do you come from?

**MR. MELITO:**

I come from Babylon.

**LEG. MONTANO:**

Okay. So when you said "where I come from, we do X, Y," you meant you come from Babylon?

**MR. MELITO:**

Yes.

**LEG. MONTANO:**

Okay. That's good to know. You know, I must say, Mr. Melito, just cut to the chase, I find the nature of your comments to me, or as a Legislator, somewhat moralistic and condescending. And I've been here ten years. And I don't appreciate that. You used the word -- first of all, having been here ten years, having been Chairman of many committees including the Budget and Finance Committee, I really don't think I need you to explain to me what the word "deficit" means. I know it quite well. I've been an attorney for almost forty years. I've had my own firm, my own business. I balance my own account. I pay my bills. I know very clearly the fiscal definition and structure of this government and what a deficit is. I served as a department head in this County so I find that to be somewhat disconcerting that you would speak to me or my colleagues in that fashion. But being that as it is, we'll leave it there.

When did -- you're the person that was in charge of the Performance Management Team.

**MR. MELITO:**

Yes.

**LEG. MONTANO:**

When did you start reviewing this particular question?

**MR. MELITO:**

Well, we've been looking at consolidations in general since I've been here.

**LEG. MONTANO:**

When did you start looking at this --

**MR. MELITO:**

March of last year.

**LEG. MONTANO:**

March of last year you started looking at this particular question.

**MR. MELITO:**

No. In general.

**LEG. MONTANO:**

Well -- well --

**MR. MELITO:**

The idea of consolidate -- I can't tell you an exact date, quite frankly.

**LEG. MONTANO:**

Well, give me a month. Give me an estimate.

**MR. MELITO:**

Within the last four or five months.

**LEG. MONTANO:**

And your report was issued on June 13th.

**MR. MELITO:**

Yes.

**LEG. MONTANO:**

Okay. So it was four months that it took you to do this. You didn't start right away. You looked at other issues first. Is that what you're telling me?

**MR. MELITO:**

I'm not sure what I'm telling you. What I'm saying is --

**LEG. MONTANO:**

You're not sure what you're telling me?

**MR. MELITO:**

Yeah, I'm not --

**LEG. MONTANO:**

Why don't you take some time and get sure.

**MR. MELITO:**

Yeah. What are you -- you're asking me when did I start thinking about writing the report?

**LEG. MONTANO:**

When did the Management Performance --

**MR. MELITO:**

I thought about it -- started writing the report probably sometime in March or April.

**LEG. MONTANO:**

My question, if I didn't express it clearly was, when did the Management Performance Team begin to conduct its analysis of this particular issue having to do with consolidation of the two offices? Do you have a date?

**MR. MELITO:**

Probably -- no, I don't have an exact date. Sometime in March -- late March, early April.

**LEG. MONTANO:**

So approximately two, two-and-a-half months before you issued your report.

**MR. MELITO:**

About two months.

**LEG. MONTANO:**

All right. Any reason why you didn't start sooner?

**MR. MELITO:**

No. We -- if you've been to these committee meetings, which you have in the past --

**LEG. MONTANO:**

Excuse me?

**MR. MELITO:**

You've been to these committee meetings where we've spoken --

**LEG. MONTANO:**

You mean the -- this Committee here?

**MR. MELITO:**

Government Ops. Yeah, the Committee.

**LEG. MONTANO:**

I have not missed a meeting.

**MR. MELITO:**

No. What I'm saying is I recognize that. You'll remember from our presentations on how many initiatives we are working on at one time. So at any point in time we're doing 20 to 25 different --

**LEG. MONTANO:**

Right. But I just want to focus in on this particular issue; the four corners of this particular resolution. So you started two-and-a-half months ago. You introduced your report on July 13th. June 13th.

**MR. MELITO:**

June.

**LEG. MONTANO:**

Okay. Do you know what the political calendar is? Do you know what the political calendar is?

**MR. MELITO:**

Meaning what, the election cycles?

**LEG. MONTANO:**

Yes.

**MR. MELITO:**

Generally, yes. Election's Day in November.

**LEG. MONTANO:**

Well, the calendar is a little more involved than just when Election Day is. Do you know -- and I'm not trying to be cute, but do you know what the political calendar is?

**MR. MELITO:**

Yes, the timeframe within which --

**LEG. MONTANO:**

For various things that have to be done.

**MR. MELITO:**

I'm generally familiar with it. I'm not an expert on that, no, by no means.

**LEG. MONTANO:**

Okay. And the reason -- well, let me just tell you where I'm going with this: The reason that we had to have the special meeting and to close the hearing at the last meeting, which was the special meeting, is that if we don't approve this resolution by a certain time, the political calendar prevents it from being on the calendar -- being on the ballot in November. Were you aware of that?

**MR. MELITO:**

Yes. I am aware of that, yes.

**LEG. MONTANO:**

All right. So you said earlier that you did your homework, but you forgot about the political calendar; am I correct?

**MR. MELITO:**

I wasn't, quite frankly, thinking about the political calendar.

**LEG. MONTANO:**

Well, I think you should have. I think you should have.

**MR. MELITO:**

I'm the least political person that you can talk to about that issue.

**LEG. MONTANO:**

Let's talk about the bill. The bill -- and I'm not going to go through it all. The bill talks about the -- this consolidation. And in the bill it starts the clock of the Chief fiscal Officer?

**MR. MELITO:**

Financial Officer.

**LEG. MONTANO:**

Is it Chief Fiscal or Chief Financial?

**MR. MELITO:**

Financial Officer.

**LEG. MONTANO:**

Hold on a second. I'm trying to find the section, because I want to make sure it says Chief Fiscal or Chief Financial or it's interchangeable.

**MR. MELITO:**

Well, both.

**LEG. MONTANO:**

No, Dennis, Dennis, I don't need you. I don't need you. If I need you, I'll call you.

**MR. MELITO:**

Okay. I did not write the bill, by the way. It's written by --

**LEG. MONTANO:**

Okay. But you read the bill.

**MR. MELITO:**

I read it.

**LEG. MONTANO:**

You understand the bill.

**MR. MELITO:**

Yes.

**LEG. MONTANO:**

You're presenting your arguments on the bill, right?

**MR. MELITO:**

I'm presenting my arguments for the --

**LEG. MONTANO:**

Are you able to answer questions on the bill?

**MR. MELITO:**

Well, ask the questions and we'll see.

**LEG. MONTANO:**

Well, I just did. Does it say Chief Fiscal Officer in the bill?

**MR. MELITO:**

Chief Financial -- Chief Financial Officer is the Chief Fiscal Officer.

**LEG. MONTANO:**

So the terms are interchangeable.

**MR. MELITO:**

Yes.

**LEG. MONTANO:**

All right. Just to Counsel -- Counsel, I thought the duties of the County Executive was the Chief Financial Officer.

**MR. SCHNEIDER:**

I don't understand this.

**LEG. MONTANO:**

Wait a minute, Jon. I didn't ask you to come up here. Jon, sit down.

**CHAIRMAN CALARCO:**

Give it a moment here, Jon.

**LEG. MONTANO:**

You're of order and I don't appreciate it.

Counsel, if I may? I thought the role -- maybe I'm incorrect -- of the County Executive was to be the Chief Financial Officer of the County.

**MR. NOLAN:**

I think he's the Chief Budget Officer.

**LEG. MONTANO:**

All right. And what's the difference?

**MR. NOLAN:**

He is charged of putting together the budget of the County and --

**LEG. MONTANO:**

All right. To me they're synonymous. All right. Now, let's go back to the point on the 12 years. This bill imposes a 12-year term on the new newly-elected Chief Fiscal or Chief Financial Officer; am I correct?

**MR. MELITO:**

I guess so. Again, I'm not the person to ask questions on the bill, per se.

**LEG. MONTANO:**

Okay. As I read the bill -- you're the one that made the presentation.

**MR. MELITO:**

Not on the bill. On the report that we put together that argues for the consolidation.

**LEG. MONTANO:**

Okay. As I read the bill, it requires -- it puts -- it imposes term limits on the bill -- on the Chief Financial Officer of 12 years. But the current Comptroller is term-limited for 12 years. And his 12 years expires in 2015; am I correct? Or you don't know?

**MR. MELITO:**

I think that's correct.

**LEG. MONTANO:**

Okay. So this bill would eliminate the Comptroller's office, eliminate the term limits that were passed by the electorate and allow the clock to start running again. And by that what I mean is that it would allow the Comptroller, if he chose to run, and he has said that he hasn't made a decision on this, but having served now instead of 12 years, he'll have served 11 years. And if he chooses to run, he can serve another 12 years under this bill; am I correct?

**MR. MELITO:**

It would seem so.

**LEG. MONTANO:**

And how much is 11 and 12? Twenty-three.

**MR. MELITO:**

Right.

**LEG. MONTANO:**

Okay. I have trouble with that particularly in light of the fact that the County voters, who are super intelligent, knowledgeable -- what was the term that was used of Suffolk County voters? Said they wanted their elected officials to serve 12 years and no more. You're running, Lou? I'll support you. (Laughter)

And I'm going to -- you know what? I really don't want to continue with this, but I'm going to go to the last section. Because obviously I've made a determination that I cannot support this resolution; however, so you know, I am not opposed to considering consolidation. I'm opposed to being put up against the wall and making a decision after I hear presentations without having a chance to go back to my office and read and re-read what was said and analyze and make sure that the comments that were made are accurate, they could be supported and that I have time for due deliberation to fulfill what I consider to be my role as a Legislator. And I don't feel that I'm getting that opportunity with this rush job. You did your homework but you handed it in late as far as I'm concerned. So you get an F.

Now, the resolution that's written, it looks real good until the end where it says blah, blah, blah, blah, blah "eliminating the existing offices of County Treasurer and County Comptroller for the purpose of streamlining and improving government efficiency shall that be approved."

You might as well put in there "eliminating the office of Comptroller -- I'm sorry -- County Treasurer

and County Comptroller for the purposes of motherhood and apple pie be approved." Because this is nothing more than steering the electorate -- who in their right mind would not say "we want to streamline government and improve government efficiency?" This is a -- this is the most loaded -- and I mean loaded in terms of steering the person to vote for this resolution without providing the -- the appropriate facts that I have ever seen in my 63 years on here and my 40 years as an attorney having served in the State Senate, having been an attorney, I just think it's appalling that this would be done and that you would sit there or stand there, I'm sorry, with a straight face and try and sell this to me. Because I'm really not interested in buying. Thank you very much, Tom.

**(THE FOLLOWING WAS TAKEN BY GABRIELLE SEVERS, COURT STENOGRAPHER)**

**(THE FOLLOWING WAS TRANSCRIBED BY DENISE WEAVER, LEGISLATIVE AIDE)**

**CHAIRMAN CALARCO:**

Okay I have -- I'm just going to lay a couple more rules down here. We have quite a long list of people who are asking questions.

**LEG. MONTANO:**

I'm done.

**CHAIRMAN CALARCO:**

And two more groups of people to come up and comment. So if everybody could just please keep your comments, your questions, no comments, questions to the various speakers on -- on the bill and questions to them so that we can move this along and then we'll debate the bill once they're done. The next speaker I have is Legislator Browning.

**LEG. BROWNING:**

Gee, when you were saying that, I was wondering who you were directing it to. Sorry. (Laughter)

Okay, Tom, one -- one of my questions for you is you were hired on this Performance Management Team. When you were hired to serve on this team, what were you -- what were you required to do? What is your job title? What were you expected -- what was expected of you?

**MR. MELITO:**

Quite frankly, Performance Management is responsible for identifying opportunities for improvement with regard to reporting, operations, communications and just providing more effective services where we find opportunities to do so.

**LEG. BROWNING:**

Okay. So you're not going to like my next question then. I definitely know Jon's not going to like it. We had a nursing home that they were complaining about was costing too much money. And I kept hearing about this million-dollars-a-month cost. We had it at one time with a great manager where it was a \$4-million subsidy, which equated, based on our Budget Review Office's report, to 31 cents per year per household. So when that became such a financial disaster and it wasn't being properly managed and it was poor performance, why weren't you in there?

**MR. MELITO:**

I -- I honestly, Legislator Browning, can't answer that question. I know when I started in the middle of March last year that efforts associated with that project were already well underway, but I have not been asked to get involved with that project.

**LEG. BROWNING:**

Hold on, go back, say that again what you just said.

**MR. MELITO:**

My suspicion is when I came in here last year in March, is when I first started here, the process associated with the Foley Nursing Home had been initiated by other people so I was not part of that.

**LEG. BROWNING:**

So the process to sell John J. Foley Nursing Home initiated before you came in, in March of last year. Jon, are you listening to this, I hope. Because I know that we were having meetings and conversations regarding the nursing home and leasing it and looking at other opportunities. And there was, to my knowledge, there was no discussion to sell it to the Shermans back then. So, you know --

**MR. MELITO:**

Well, I mean the honest truth is I can't -- I don't know. I mean you're asking me a -- I don't know.

**LEG. BROWNING:**

Okay.

**MR. MELITO:**

I thought that that process had started.

**LEG. BROWNING:**

Right.

**MR. MELITO:**

I've never been involved with that project. I was not asked to be involved with it.

**LEG. BROWNING:**

And when you're talking about low-hanging fruit and working at Performance Management and doing the right thing, it just seems to me that John J. Foley Skilled Nursing Facility with the 200 employees and at that time probably over 200 residents, they were certainly the lowest hanging fruit. And to just make a snap decision to -- to sell it without really having the Performance Management Team I have issues with.

One other thing I have to say, because I know there's going to be a whole lot to say and I know where I'm going with this, but Jon talked about -- Jon, you said Suffolk County being the only County with an elected treasurer. Tell me why that's a bad idea? Because I know that there's treasurers all over the State of New York. We don't have comptrollers all over the State of New York. I know we have the State Comptroller, but not every county has a county comptroller. But, yeah, we do have an elected official who's our Treasurer. The other counties and, you know, the State they have appointed. They serve at the pleasure of -- and I kind of -- when I think about that treasurer who is independently elected, right away I say, you know what? She's not beholden to anybody but the taxpayers. If you're appointed, you're beholden to the person that appointed you.

So that's why I don't think it's such a bad thing to have an elected treasurer. So tell me why it's so bad to have an elected independent treasurer who can oversee our finances and be another set of eyes that can say, "you know what, there's something wrong here."

**MR. SCHNEIDER:**

Sure, thanks, Legislator. So -- so what I was saying and what we're looking at here is that no County in the State elects -- both has an elected both comptroller and treasurer, not a specific

indictment on the Office of the Treasurer. So basically what we're saying is that you -- so everything you're talking about, the duties, if you will, that are currently held in both offices by independent elected officials, those duties will still exist in the office of an independent elected official; however, you know, simply put, every -- every county in our State does something a little bit differently, but where we think there's an opportunity here as we look for various ways to save and as we look for various ways to consolidate government, is that there is -- because you have these as two separate elected offices, there exists a management structure that we believe we can do -- that we believe we can do without while still performing the tasks and still performing the -- and still maintaining the internal controls necessary to safeguard our finances.

So, we're not saying take the duties of the Treasurer and say, put that office under the County Executive, which is, by the way, what you see in other -- there's some places that do that; other places have a comptroller who's appointed. What we're simply saying is there's an opportunity to consolidate here that's sort of like a self-evident one in that you have -- you know, and what's why we've looked at it, you know, we weren't the first ones to look at this, it's been debated over the past 20 years, but -- but that's why there's this sort of self-evident opportunity to say, you know what, we -- again, agree to disagree, but we do not believe that this particular structure wherein you have two separately elected officials must exist in this County. And we believe that that voters can make an informed choice. And while I understand a lot of the arguments against it, in my -- in my opinion and the opinion of the Administration, I believe those are arguments best made to the voters.

**LEG. BROWNING:**

Okay, but again, I think that when we look at Suffolk County and the fact that we have two independently electeds, two separate sets of eyes and it's nothing against our current Comptroller, because there's nobody I would trust more, however, he's not going to be here forever. And we need to maintain the checks and balances. And I think that we have a very strong checks and balances in Suffolk County that I don't think we should be changing. That's my concern and we will continue to --

**MR. SCHNEIDER:**

Right.

**LEG. BROWNING:**

-- agree to disagree.

But I have one more question, Tom or yourself, whoever wants to answer this. I keep hearing, and at the last meeting I asked about the titles, there was talk about the elimination of certain titles. To date, even in this resolution, I don't think we have seen those titles, what they -- what those titles are that are being eliminated. And I -- this is the first that I've heard about titles being eliminated out of the -- the Comptroller's Office. Yes and no because they're really not -- nobody's getting laid off in the Comptroller's Office. All you're doing is taking the title and changing the name. So you're really not eliminating the title. The titles that are being eliminated are in the Treasurer's Office.

**MR. SCHNEIDER:**

Well --

**LEG. BROWNING:**

And it was five -- no, it was seven titles. Then it was whittled down to five because two of them are AME members. And at the last meeting Angie said four of them are AME members. So now we're down to three. So, we still -- we're supposed to vote on something today that we still haven't seen the actual titles, what they are.

**MR. SCHNEIDER:**

Okay. Legislator, those are in the resolution. So the -- the five -- those are in the local law. So the five specific titles is that on December 31st of 2013 we will eliminate from the Office of the Treasurer the following -- the following positions: Treasurer, two Deputy Treasurers, the assistant to the Treasurer and the exempt secretary to the Treasurer. These five people, if you will, represents -- there's two reasons: One, this represents, if you will, the top management team. And the second is under New York State Civil Service Law -- under New York State Civil Service guidelines, essentially these can't be duplicative. So -- so, for instance, the CFO, if you will, there can't be two assistants to the CFO. So -- so those five positions eliminate on -- at the end of this year essentially, if you will, at the end of the Treasurer's term.

**LEG. BROWNING:**

And not one of them are AME members. None of those five are AME. Right?

**MR. SCHNEIDER:**

No, actually my understanding is that -- is that two of those positions, although they are, in fact, exempt -- one of them is an exempt position and one of them is noncompetitive, do pay into the bargaining unit.

**LEG. BROWNING:**

So -- okay, so now we're down to three.

**MR. SCHNEIDER:**

No, we are -- we're at five. We are at five.

**LEG. BROWNING:**

Okay. Maybe -- maybe Angie can clarify that because I keep hearing that it was -- it was seven, reduced to five because two were AME. Then I since find out that of those seven, four were AME. So maybe Angie can clarify that since it's her office.

**CHAIRMAN CALARCO:**

I think, Legislator Browning, what they're saying is, is that while two of those individuals do pay into the AME bargaining unit and are, therefore, members, they are still being eliminated as per this resolution.

**LEG. BROWNING:**

Right. They're AME members.

**CHAIRMAN CALARCO:**

So there will be five going, two -- two who do pay union dues.

**MR. SCHNEIDER:**

Right. And just to be -- and again, just to clarify that point, you can't have two assistants to the CFO. So the notion, I guess -- I mean, it would sort of be a backwards way of looking at it so say that we should preserve a treasurer so that we can preserve the assistant to the treasurer. Under New York State --

**LEG. BROWNING:**

I'm not say about preserving; I'm talking about checks and balances.

**MR. SCHNEIDER:**

Right.

**LEG. BROWNING:**

That's where my position is.

**MR. SCHNEIDER:**

No, absolutely.

**LEG. BROWNING:**

Check and balances --

**MR. SCHNEIDER:**

Right.

**LEG. BROWNING:**

-- and that we have a strong set of eyes on our finances.

**MR. SCHNEIDER:**

Understood.

**LEG. BROWNING:**

But, again, I'm just trying to clarify --

**MR. SCHNEIDER:**

No, I'm trying to be very clear.

**LEG. BROWNING:**

-- where the five people are.

**MR. SCHNEIDER:**

Right. I'm being very clear with you. Those are the five positions that eliminate --

**LEG. BROWNING:**

And of those five, not one of them are members of the bargaining unit.

**MR. SCHNEIDER:**

No, two of them are.

**LEG. BROWNING:**

They're not just AME members.

**MR. SCHNEIDER:**

Two of them are.

**LEG. BROWNING:**

Two of them are.

**MR. SCHNEIDER:**

The assistant to the Treasurer and the exempt -- and the exempt secretary.

**LEG. BROWNING:**

Right. So I understood that none of the bargaining unit members would be laid off.

**MR. SCHNEIDER:**

What I could tell you is those five positions cannot -- you cannot have -- those positions, they cannot be duplicative. So --

**LEG. BROWNING:**

So where do the two bargaining unit members go?

**MR. SCHNEIDER:**

I would say -- well, I mean, what we would certainly be willing to do is -- is look at ways, you know, in vacancies that exist to -- to work with those people, but those positions, absolutely as part of this resolution -- I'm being very clear and straight forward with you -- on what the positions are.

**LEG. BROWNING:**

Okay. I'm just going to let you go.

**CHAIRMAN CALARCO:**

Okay. I had Legislator Spencer next on my list. He's not in the room so we'll skip over him for now. Legislator Kennedy.

**LEG. KENNEDY:**

Thank you, Mr. Chair. Let me talk to Tom, Jon.

**MR. SCHNEIDER:**

If I stand will it distract you, Legislator?

**LEG. KENNEDY:**

No, you can -- you can hop, jump, do cartwheels, do whatever you want.

**MR. SCHNEIDER:**

Thank you.

**LEG. KENNEDY:**

I -- I don't think I'm going to be that long. Tom, I'm going to say to you that I read that report. I read that report in probably about 15 minutes. And quite frankly I was very disappointed. You may have a background from business. I don't know where your background is, but quite frankly from my perspective as an elected looking at what is rationale to support a radical and draconian departure from good governance here in Suffolk County, and for me to act in a fiduciary capacity on behalf of the 80,000 people in my Legislative District, I wouldn't use it for birdcage liner. It was terrible. It was conclusory; it made radical assumptions; and it went nowhere near what was a frank overall assessment of opportunities for consolidation.

My point is, is perhaps the County Executive tasked you with this task. I'd say to you, what we talked about earlier today, was opportunity costs or forgone opportunities. What I had hoped from the Performance Management Team was a frank overarching review of the whole structure of County governance and where you might think there would be opportunities and work. What you presented us with was a preordained ill-thought-out, poorly-crafted, dangerous assumption that we're now being asked to act on. I will not and cannot go ahead and embrace anything that puts the wellbeing of citizens at risk and, quite frankly, that's what this does. The talk that there would be some kind of savings, \$833,000 and it's dropping like a rock. It started on June 27th when it was first put in; and then it's gone down.

**CHAIRMAN CALARCO:**

Legislator Kennedy, can we -- questions for Tom and then we'll -- we'll debate the issue later.

**LEG. KENNEDY:**

Well, you know what the issue is here, Mr. Chair? Because he started the process. Why? Why didn't you suggest to the County Executive that this was a poor idea?

**MR. MELITO:**

Because I don't believe it is a poor idea.

**LEG. KENNEDY:**

Okay. Let me ask you, let me go to the larger broader concept. What is the total levy that myself and my 17 colleagues adopt? What did we adopt for this year for 2013?

**MR. MELITO:**

Tax levy?

**LEG. KENNEDY:**

Yeah.

**MR. MELITO:**

I don't know the exact number, around 600 million.

**LEG. KENNEDY:**

Five billion. Five billion dollars for the County of Suffolk for this year. Because under the Suffolk County Tax Act we adopt what the levy is for every level of government here. And, as a matter of fact, what the Treasurer does do is, she collects not only on behalf of the County of Suffolk, the 2.6 billion, but all of the opens and delinquents that are out there. Okay, let's try this: How many parcels, tax map parcels, are there here in the County of Suffolk?

**MR. MELITO:**

Approximately 600,000.

**LEG. KENNEDY:**

Five hundred and eighty-five. Okay, let's go to the next largest. How many is that?

**MR. MELITO:**

The next largest?

**LEG. KENNEDY:**

Right. Well, we've been told about the other counties in the State of New York, what's the next largest, that's our inventory. What's the next largest?

**MR. MELITO:**

I don't know off the top of my head.

**LEG. KENNEDY:**

Four hundred and thirty-four thousand in Nassau. And it drops like a rock from there. That's our inventory; that's what the Treasurer protects for us. You would have us throw that out the window and put it all under an auditor, who's supposed to audit, not work the inventory. It's a poorly thought out idea and, quite frankly, I don't understand why it's in front of us. The bill -- the way the bill was structured, you have this election for this new title in a year that's a year when municipals get elected. It's in off-cycle. How can we do that?

**LEG. MONTANO:**

When State's get elected.

**LEG. KENNEDY:**

When State's get elected. But it's been flipped over by creation of this and puts this Countywide out of cycle and out of sync with the rest.

**CHAIRMAN CALARCO:**

There are a few Countywide electeds, such as the Comptroller right now, who are on that cycle.

**LEG. KENNEDY:**

But if the objective was to go ahead and try and provide some kind of uniformity or consistency, why do we look at it here? Look, you guys drafted the bill. I'm going to go and say I really think, like my colleagues have said, you're attempting to go ahead and make a silk purse out of a sow's ear; poorly thought out, dangerous, and put's the wellbeing of citizens at risk. And, who put this on the ballot before them, is actually deceiving the public. It's a bad idea.

**CHAIRMAN CALARCO:**

Are we done, Legislator Kennedy?

**LEG. KENNEDY:**

I'm done.

**CHAIRMAN CALARCO:**

Okay, Legislator Cilmi.

**LEG. CILMI:**

I just have one followup question for Mr. Schneider. This is related to the bill, Tom. It's not related to the actual reporter.

I was thinking about my question to you in terms of how the voters are going to be able to decide, you know. And I decided to work on some language of my own. And I would propose to you an amendment to your bill, which is a change to the wording of the proposition.

**LEG. MONTANO:**

It's too late.

**LEG. CILMI:**

Well, it's not too late, I mean, we could -- the bill could be tabled. There's any number of ways that they could create a -- a different wording. I just think -- so here's what I would suggest: "Shall resolution number, adopting charter law, consolidating the functions of the Comptroller and the Treasurer into a single newly created Department of Financial Management and Audit, which may or may not impact the integrity of the County's finances and may or may not impact the County's credit rating and may or not increase efficiency in order to achieve potential savings of approximately one dollar per year per household be approved." That's -- that's what I think the proposition should say.

**MR. SCHNEIDER:**

Well, Legislator --

**LEG. CILMI:**

I think that would be honest with the voters. Because we really don't know.

**MR. SCHNEIDER:**

Well, Legislator, I think that you -- that you had ample opportunity, as many of your colleagues did, to suggest improvements to the legislation and --

**LEG. CILMI:**

Now is an opportunity.

**MR. SCHNEIDER:**

I wish you could have taken that opportunity at the appropriate time, but knowing your effective communication skills, I'm sure you can talk with the voters of Islip about how they should vote on this resolution.

**LEG. CILMI:**

And I -- and I will very well do so. Thank you. But now is just as an appropriate time as any other time, Mr. Schneider, to suggest amendments to this bill.

**MR. SCHNEIDER:**

I believe the voters of Suffolk County are -- are quite intelligent enough to -- to vote appropriately on -- to make an important decision here. Thank you.

**CHAIRMAN CALARCO:**

Okay. Do I have any other questions here for the Administration? None? Okay. We're going to move on. We'll offer to Mr. Sawicki, the Comptroller, to come forward. And if he wants to add any comments, has any comments he wants to add. Is he here?

**MR. SAWICKI:**

I apologize, Chairman Calarco.

**CHAIRMAN CALARCO:**

No problem. And you could sit at the table if it's more comfortable for you. And I don't know if you were able to bring the representative from Ernst and Young as well with you today. I don't know if that person was able to make it.

**MR. SAWICKI:**

No, he wasn't able to be with us today.

**CHAIRMAN CALARCO:**

Okay.

**MR. SAWICKI:**

I'm just basically here, Chairman, just to -- to answer any questions. I really don't have the any presentation. Monday was quite exhausting to all of us. So if anybody has any further questions.

**CHAIRMAN CALARCO:**

Okay.

**MR. SAWICKI:**

I have no idea what they could be, but --

**CHAIRMAN CALARCO:**

Very good. We appreciate the brevity. Does anybody have a question for the Comptroller? Legislator Kennedy.

**LEG. KENNEDY:**

Thank you, Mr. Chair. Joe, just one thing. There was representation made before about the most recent letter from CMA, Mr. Tortora, Rich Tortora, I guess.

**MR. SAWICKI:**

Yes.

**LEG. KENNEDY:**

Okay. Only half the statement was entered into the record in my recollection of reading that letter. I believe, and correct me if I'm wrong, that the actual statement from CMA was that their assessment was that this merger would not affect the credit ratings provided that there was no diminution or reduction in delivery of services. I'm paraphrasing, but is that pretty close?

**MR. SAWICKI:**

I believe so.

**LEG. KENNEDY:**

Okeydoke. So we heard you speak -- you admirably spoke about and showed us the flowchart and talked about the expertise and competence in your office, which I know firsthand and I believe is impeccable and aboveboard.

I disagree with, you know, some of the functions in the Treasurer's Office and whether they're germane to your office or not, but they say reasonable men can agree to disagree. In any event though, I thought that it was very important to put on the record that full statement from CMA, not just the first half that the Administration wanted to enter. So I appreciate that. Thank you.

**MR. SAWICKI:**

Did I make that statement, Legislator Kennedy?

**LEG. KENNEDY:**

No, you did not. As a matter of fact, it was earlier, I believe it was either Mr. Schneider or Mr. Melito, I forget, they were, you know, back and forth at the podium there, I was getting confused.

**MR. SAWICKI:**

Okay. One of your packets have that -- have that documentation.

**LEG. KENNEDY:**

Yes, absolutely. And I had an opportunity to read the letter just today, I guess, I saw it in an e-mail. So, as I said, the full statement provided no decrease or diminution in services, which clearly this will lead to. Thank you.

**CHAIRMAN CALARCO:**

Legislator Cilmi.

**LEG. CILMI:**

Thanks, Mr. Chairman. Thanks, Joe for being here again. I just wanted to redress a question that -- that I asked you or that we endeavored to get into at our public hearing. And I want to ask you this question not as -- not as Joe Sawicki, but as a comptroller, in your role as a comptroller. And the question is -- relates to the value of our current -- our current setup in terms of having both the Comptroller's Office and a Treasurer's Office separately elected by the voters of Suffolk County. And when -- when last we saw you, we talked about that a little bit and we talked about your previous opposition to this idea. And subsequent to you making your presentation, the Treasurer came up and made a presentation. She began that presentation with a quote, which turned out to be from you, which illustrated your -- your quite definitive opposition at the time to this idea.

And so I got to thinking that well, if you were so opposed to it then, then having the two separate electeds -- separately offices must have some value, there must be some value there. And we -- we sort of got into the question of, okay, but we -- we're in difficult fiscal times and, you know, we have to kind of think anew and think outside the box. And so -- but my question to you is if it had some value back then, does it still have any value at all? Does our current system have any value at all?

And if it does, what value does it have? From your point of view, not as Joe Sawicki, not as somebody who will take over this office, but as a Comptroller, whose had great amount of experience in this area.

**MR. SAWICKI:**

The -- the short answer is yes.

**LEG. CILMI:**

It does have value.

**MR. SAWICKI:**

Yes.

**LEG. CILMI:**

Okay.

**MR. SAWICKI:**

Back in -- I would like to clarify the speech that I made before the Legislature --

**LEG. CILMI:**

Sure.

**MR. SAWICKI:**

-- which conveniently was not -- the entire speech was taken out of context somewhat, of course.

**LEG. CILMI:**

Of course.

**MR. SAWICKI:**

What else is new in our business?

**LEG. CILMI:**

Well, you couldn't read the whole speech.

**MR. SAWICKI:**

On February 7th, 2006, when County Executive Levy introduced such a bill, I ended my public presentation and I also followed up with a letter to the Presiding Officer and members of the Legislature as the bill progresses through -- quote, "as the bill progresses through the Legislative process, I would like to meet with you and your Legislative Counsel and the County Executive staff under very important technical details contained in the current language." And I end with "therefore, please be assured that not only will I make myself available to talk to you collectively and individually but I offer my -- office of my staff...blah, blah, blah." I then go on to say that "if it be the will of this Legislature that this bill will pass, I and my staff stand ready to make it work."

**LEG. CILMI:**

Okay, well, that's fair enough, I mean, you know, I --

**MR. SAWICKI:**

So it was --

**LEG. CILMI:**

Any of us would --

**MR. SAWICKI:**

So it was conceived of back then. And if it ultimately passed, we would make it work. We would make it work.

**LEG. CILMI:**

Sure, of course. So, again, my question goes to the value, you -- you just said just now that you do -- you do see a value to having this set up the way it is currently constructed with two separately elected officials.

**MR. SAWICKI:**

Yes.

**LEG. CILMI:**

So, what -- to our taxpayers, what value is that? What do you place a number on it?

**MR. SAWICKI:**

No one -- no one has challenged or questioned, including us, including myself, the validity or the merits of the current structure.

**LEG. CILMI:**

Okay.

**MR. SAWICKI:**

What we're -- what we analyzed for this Legislature on Monday was a proposed consolidation.

**LEG. CILMI:**

Right. But the County Executive has said that the savings from doing this is now apparently -- and while he said it initially in the referendum, apparently he's now taking it out of the referendum and changed the number based on a reduction in the number of staff reductions. But according to the Fiscal Impact Statement it says that that the reduction is 833 some odd thousand dollars. So we heard Mr. Lipp tell us the other day that -- I think that amounted to roughly -- really roughly a dollar a year per taxpayer. So the whole point here is for the savings. So my question to you is as a Comptroller, try to extract yourself from being personally involved here.

**MR. SAWICKI:**

I have tried all along to do that.

**LEG. CILMI:**

I'm sure you have.

**MR. SAWICKI:**

Thank you.

**LEG. CILMI:**

So as a Comptroller, do you -- do you think the value of having those two separate offices is less than a dollar a year per taxpayer?

**MR. SAWICKI:**

Legislator Cilmi, I think we're talking about semantics or words that are meaningless. A dollar a year, we put a dollar value on something.

**LEG. CILMI:**

I mean, they've said that they want to do this because of the savings.

**MR. SAWICKI:**

I cannot put a dollar value on present structure. I cannot put a dollar value on the future structure. All I can tell you is the presentation we gave you on Monday showed how a streamlined and more efficient operation it could -- it could be, it would be.

**LEG. CILMI:**

Okay.

**MR. SAWICKI:**

And how it could work and how it can work.

**LEG. CILMI:**

The County Executive's Fiscal Impact Statement, item number six -- and I'm not going to ask you because it's not your Fiscal Impact Statement, it's the County Executive's.

**MR. SAWICKI:**

Correct.

**LEG. CILMI:**

But I think it's appropriate to ask you what you envision in this regard. The last sentence in -- in paragraph six of his Fiscal Impact Statement says that "salary and fringe benefits are expected to increase." So there's an 800 and some odd thousand dollar savings now based on -- largely based on reduced staff. But then in his Fiscal Impact Statement, he specifically states that salary and fringe benefits are expected to increase. And my question to you is, as the, at least, interim director of this -- of this department, this new department, what would you envision in terms of those increases?

**MR. SAWICKI:**

The presentation and representation we made to you and the Legislature on Monday took into account what the proposed resolution put forth. And that was the reduction of five positions. And that's what the organization chart that we showed you represented; was the combined office without those five positions. That's what I was given to work with because that's what obviously what the resolution was.

In the future what the rising costs would be, I -- the only, I can't answer that, Legislator Cilmi. What I can answer is that I envision down the road if this passes the Legislature and ultimately the voters of the County, I envision that through efficiency measures and streamlining I envision a less number -- a lesser number of employees needed to run the office over time, over attrition, over consolidation.

**LEG. CILMI:**

Okay.

**MR. SAWICKI:**

All those words.

**LEG. CILMI:**

So you envision being able to do both functions of the Treasurer and the Comptroller -- the current Comptroller with fewer staff than is anticipated on this -- then in this resolution.

**MR. SAWICKI:**

Eventually over the years when it's jelled together, I think that's -- that's what will happen.

**LEG. CILMI:**

Okay. I think you've answered my -- I had one other question but it -- it just slipped my mind. So I'll yield. If it comes back in my head, I'll ask at that point. Thanks.

**CHAIRMAN CALARCO:**

Legislator Montano.

**LEG. MONTANO:**

Yeah, Joe, I just wanted to put on the record because my questions to the Administration were direct and -- and some people would probably say harsh. But the reality is that, you know, I just want to put on the record, you and I know each other since 1981 when I was the head of Human Rights and you were the Deputy Comptroller. We've had a long relationship. And I respect you tremendously both as a politician, as a Comptroller and I consider you a friend.

So I just want to put on the record that this is not your bill. You didn't -- you didn't ask for this to come before us. This was sort of, you know, laid on your lap and we understand that. And my opposition to the bill really is not anywhere near or at any point a personal decision. I feel very badly that I'm even in this position. And I just wanted to, you know, put on the record that this has to do with issues other than personalities, your personality, and Angie Carpenter's personality. And I know that we, you know, we had a private conversation before and I expressed that to you. And I know you understand it, but I think it is important that I put that on the record because of my strong statements and opposition to this bill. And I treasure your friendship and I value it. And whatever happens, you know, this will not interfere in our working relationship.

**MR. SAWICKI:**

Thank you, Legislator Montano, and I assure you that the feeling is mutual.

**CHAIRMAN CALARCO:**

Are we done, Legislator Montano? Okay. Anybody else have any questions for the Comptroller? Seeing none, Joe, thank you very much for making yourself available to us today.

**LEG. SAWICKI:**

Thank you.

**CHAIRMAN CALARCO:**

We really appreciate it.

And I will now ask our treasurer, Miss Carpenter, to come forward, and I'll give her the same courtesy I've given everybody else to give us some brief opening statements, and then we'll ask any questions we might have.

**(THE FOLLOWING WAS TAKEN AND TRANSCRIBED BY GABRIELLE SEVERS, COURT STENOGRAPHER)**

**MS. CARPENTER:**

Good afternoon. I want to particularly applaud the legislators who are not members of the committee who took the time to be here and get some information. And I have asked Jean Roberson, who heads the accounting unit, and Christina Cooke, who heads Cash Management, to join me in the beginning of this because I feel it's very important to explain the differences, especially -- and I have handouts for everyone -- the overlapping functions. I mean, there are a number of reasons why this is being put forward as to why we should do this and why we can do

this, and overlapping functions was one of it. You remember there was a chart with the circles and everything. I was so organized with all of my little things, and then I start scribbling when Mr. Melito was speaking, and then everything went flying.

But let's start with the -- there were four items. One was the administration of two separate offices that was duplicative and overlapping. Our office is heavily involved in the tax functions and the need for this will not change with a takeover. And to explain that a little bit further, management gets involved in the tax functions, and I know that Budget referred to that in their report. A lot of the things that management, the deputies, the treasurer, do are involved daily in the tax functions; this will not change. It's not overlapping. It's not duplicative.

The cash flow projections. A reasonable expectation of cash receipts for daily decision making versus budgeted amounts expected for reporting purpose. These are two methods, two purposes, and I would like both Jean and Christina, in non-accounting, laymen's language to explain what that is and why it's so important.

**MS. COOKE:**

I just want to clarify the cash flow projections. Cash flow projections prepared by the two offices are not overlapping functions. The basis of preparation is different, and the purpose of the reports is different. The Comptroller's cash flow report is prepared based on past general ledger information for a select group of funds, and the projections are based on the approved budget document. Its purpose is for financial reporting purposes, for the credit rating agencies, and borrowing needs; a very important report, indeed.

The treasurer's cash flow report is prepared based on actual bank balances for the General Fund, and the projections are based realistic assumptions of expected cash receipts and cash disbursements. Its purpose is for day-to-day cash transferred decision-making, also a very important report to properly fund the county's operations. To think that there can be one daily cash flow report prepared, no doubt, following the structure of audit and controls, which flows into a weekly report, which flows into a monthly report sounds good in theory but ignores generating a report that is useful for day-to-day cash flow decision-making, which is necessary to prevent overdrawn bank balances and bounced checks. It demonstrates a naive lack of understanding about how the money actually flows through the bank accounts to meet the County's financial obligations and the critical role that the General Fund plays in funding other funds with little or no cash of their own.

The simplest way I can explain the differences in cash flow reporting is this example: Your accountant may need all your financial statement for June 30 for income tax purposes at that point in time. The rating agencies need the comptroller's cash flow report for June 30 to assess our financial condition at that point in time. But if you need to go to the ATM after this session to withdraw \$200, do you care what your June 30 bank balance statement said, or do you want to know what your bank balance is right now when you're standing in front of that machine? And if you need \$200 and you only have 140 available, what decision are you going to make today based on today's information?

The cash flow projections prepared by the two offices are not overlapping functions. The basis of preparation is different, and the purpose of the reports is different, two separate and distinct functions.

**MS. CARPENTER:**

If you looked at the proposed Department of Financial Management and Audit and looked at the legend, everything in blue is the Comptroller's Office; what's in red is the Treasurer's Office; and green are the combined functions. And the combined functions are information and technology,

which there was some reference in the report that the Treasurer's Office has two technology positions, and the Audit and Control has none and has to use audit personnel to maintain their systems, so therefore, that was a reason to do this, and the other combined function would be personnel. Everything else, they're saying, needs to be done; yet, they want to move some of the functions to Hauppauge, which I do believe would have a cost associated to it and no one's factored that in yet, and some of duties or the responsibilities outlined in these divisions totally, totally overlook some of the things that are being done. There was no reference to arbitrage monitoring, and that's a very, very important function. Jean, maybe you can speak to that.

**MS. ROBERSON:**

Our office has been monitoring debt proceeds since 1989. It is not a new IRS regulation that would be involved here. We monitor the cash coming from the debt; we monitor the basis of repayment of that debt; and we restrict cash based on those balances; and we monitor on the long-term debt; we monitor the -- we don't do calculations for arbitrage, which are very complex with all of the refundings that we do, but we monitor where we stand so that we know if we are getting close to an arbitrage situation so that we can bring in a professional to do the calculations for us.

**MS. CARPENTER:**

And if I could just interrupt, that is a very, very important duty and function because if you're not monitoring that arbitrage, you could get us in a situation where the bonds that are tax exempt are no longer tax exempt, and that would be a problem. There were many other things in the organizational chart in Accounting -- Court and Trust wasn't even accounted for. So if you're moving Accounting, which, it seems, that would be the plan, and Court and Trust wasn't even laid out here, Court and Trust needs to be in Riverhead because that's where the county clerk is, and that's where documents have to be certified. So you can imagine if someone comes in and they are told, Oh, now you have go to Riverhead to the clerk's office, and then, Now you can go back to Hauppauge, I don't think we would be really having very happy taxpayers, very happy consumers, and I do think that we would fall into that classification of having our services compromised as the rating agencies were concerned about.

The other two items were the general ledger recording of revenues and expenses. The treasurer records cash receipts and disbursements; Audit and Control records noncash entries. They are not duplicative. They are separate and distinct.

And then there was another -- the last item was debt service schedules, where the financial advisor prepares the debt service schedules. The treasurer uses them for payment purposes in combination with payee information. Audit uses them as part of their review and financial reporting processes. Both functions will still be required, so all of these things that were labeled "overlapping" and "duplicative" are not.

Now, on this organizational chart, the real property tax division with no accounting supervisory personnel in Riverhead, what kind of problems could that cause, Jean?

**MS. ROBERSON:**

Right now, there are four people in my accounting division who are intimately involved in the tax recording. There is one full-time accountant who spends almost her entire day every day reviewing tax certiorari and small claims. This is a function that is not even included on this organizational chart. And there are two clerical people who spend most of their time doing the clerical functions associated with the tax certiorari and small claims refunds. And there is another accountant who assists the tax history supervisor when we have unusual situations with the tax parcels, which happen very often, and who also records the warrant entries, handles the charge-back report that comes to the Legislature, and also handles the accounting for the county-owned property, so there is constant interaction between him and all of the tax units, and having no accounting personal in

Riverhead with the tax people is not going to work.

**MS. CARPENTER:**

Jean mentioned that there was no reference to the property tax reduction claims, and I know in the packet that I gave out the other day, and I don't know if you had an opportunity to review it, but the numbers of claims, as those of you who came to the office saw, have constantly been increasing. In 2009, we had 3,026; in '10, it climbed to 12,014; in '11, it went to 15,470; and last year, we had 18,087.

Now, when we talk about the five positions that would be eliminated and in there were the titles, and let's not forgot that two of them are AME members, the duties that they do, and I'll give you the secretary, for example. In addition to doing the normal secretarial kind of thing that your secretaries will keep in your office: keep a calendar, do correspondence, answer the phones, the other day I was passing her desk and I saw stacks of envelopes, and I said, "What are you doing?" She said, "Well, I'm helping out the cashiers. They have to get these receipts out, and they have to get out," and meanwhile, I had some letters to go out and she just looked at me. I said, "No, do the receipts. They have to go out." But I said to her, "When you get a chance, do me a favor and give me a list of the things that you do outside of what would be called the scope of secretarial work." Well, opening and distributing mail, because we get buckets of mail. We go to the post office every morning; first thing, the mail comes in and everybody digs in and helps opens those envelopes so that all of the checks, thousands sometimes thousands that are in there, are being distributed and processed, and everything that needs to be done to do them is done to them so that we can get them into the bank.

The mail log, the registered mail log, the receipts for cashiers, final approval on wires for cash management. We're talking about millions of dollars worth of wires; approvals on abatements. After they come from cancellations, and before we send them to Accounting, those calculations are checked by another set of eyes. Approvals for overpayment of tax payments; assisting taxpayers by phone. When the record room, and who were there saw how many people were in there and it was hustling and bustling and they get like 80 or 90 phone calls a day, when those phones go busy, they trip over and they come into administration, management, deputies, and those people pick up the phone and assist the taxpayers. They're trained on muni-system. They can go in there and see what information the taxpayers need. Letters to taxpayers, coordinating fund transfers by wire and checks to be picked up at the town tax receiver offices. We're talking millions of dollars.

She's also a notary for the office and also the defensive driving instructor, because we all know that employees that ever use a county car have to have the defensive driving, and rather than sending them to Hauppauge for a day, I asked her if she was willing to become an instructor, so she does the training for not just our department but for all the other departments that are in the building and we do it over two days so that no one is away from their job for an entire day, and if there is an emergency, somebody can come in and get them. That is one position. The deputies, the list goes on and on, and if I find it as I'm chatting here, I will read that off to you. But I don't want to keep Christina and Jean here, and if there's anything that you feel that we've missed on this overlap and duties that weren't addressed.

**MS. ROBERSON:**

I would like to point out, I can't speak for Audit and Control and what they do with the debt service schedules, but what we do in our office with the debt service schedules each year takes approximately one day, unless there's a refunding, and then we have to do a little more work.

**MS. CARPENTER:**

All right. Thank you, ladies. I appreciate it.

**CHAIRMAN CALARCO:**

Angie, we're starting to get a little tight on time, and I have some legislators who have questions for you.

**MS. CARPENTER:**

All right. I just want to go through a couple of things real quick, and I'll speak quickly. But I wanted to respond to some of the comments made by Mr. Melito, the head of the Performance Management Team, and you know something? Those were a lot of fancy words he threw out there, and, you know, there were some of them in that report too. But opportunities for consolidation, reforming government, outdated management instructions, and explaining to us the deficit; thank God he did, because I don't think any of us knew. We are broke. Yeah, we are broke. In fact, this young woman sitting to my right is the one in 2010 who alerted us to the fact that we were going to be needing to have a massive borrowing in the spring, and we convened that meeting with all of the financial partners in the County, the two budget offices, and the County Comptroller and the Treasurer's Office, and Christina shared with them what she felt, that we were going to have to borrow. And the Comptroller's thought, Yes, we probably are going to have to borrow 22 million, and Christina said, No, it's probably going to be 220 million, and as it turned out that spring of '11, it was 260 million.

That's because in the Treasurer's Office, we are watching the cash, and that's what a treasurer is supposed to do, every single penny, and as someone in Cash Management said a couple of weeks ago, we're the cash police. We are the cash police. We watch every single penny. We reconcile the bank accounts, over a hundred accounts to the penny, to the penny. And to think about putting the person who authorizes the payments with the person that sends out the money is a recipe for disaster. And we can do all the introspective investigation, and we need to be affordable, and we need righteous, he said, and also how we can be better civil servants.

I tell you that the civil servants that work in the Treasurer's Office, and I venture to guess in Audit and Control, can't be better. They are doing so much more with less. But I say rather than bringing experts in, why don't we talk to them? Why don't we ask them how we can do things better? Because I've done that and I found out -- how do you think we're able to function with a dozen less employees than we had a few years ago? Because they have helped come up with strategies together. We've found ways to do things, the more with less that we're hearing about, but we're at that critical point. And you know what? This is not low-hanging fruit here. This is not low-hanging fruit when you're dealing with the finances of the County, one of the largest -- the largest county in the State of New York. And Legislator Kennedy did an awesome job of trying to say maybe it's not so bad that we have an elected treasurer and a Comptroller. Just because we're the only ones, does that make it bad? Just because we're the only ones that have 585,000 parcels, maybe we need to combine the parcels. Maybe we need to consolidate them. And comparing us to Westchester County, they don't collect delinquent property taxes; the towns do. And what about bail? The Treasurer's Office visited the County of Westchester a number of years ago. What did we find out about the bail, Christina? Because we were looking for ways to do things better so you talk to other people, and our bail unit takes a lot of work. What do they do in Westchester with the bail?

**MS. COOKE:**

In Westchester County, they handle only the County court cases, which amounts to a number of cases maybe that fills up one page. In Suffolk County, we handle the bail through all of the court systems and the precincts, and we have a couple hundred thousand cases that we handle in our office.

**MS. CARPENTER:**

So, again, comparing apples to apples. The term "low-hanging fruit," though -- and, Legislator Browning, you made a very, very good point. Performance management, you go in and evaluate

performance. You go in and see how it's being done, and I remember having a conversation with Mr. Melito when he first came on board and he introduced himself as the head of the Performance Management Team, and I said to him, "I think that's great," I said, "because sometimes you get in a rut," and you're doing things the same way, and because you always put the water bottle there, you think that's where it goes, but maybe someone says, You know, you're right-handed and if you put it here, it makes more sense. Wow, I didn't think of it. Sometimes you need that extra set of eyes from the outside, so I thought that was a great idea, and I offered to help. In fact, I said something about management training, so I was very interested to see that they do listen when you talk to them, and maybe that's why they didn't come out to the Treasurer's Office, because, then, then they could have seen what we did and then this would not have been one of those low-hanging fruits.

This is not an area where you can cut five positions in administration just by looking at something. I went and looked at something. I went and looked at the budget, and I'm going to say there might be some low-hanging fruit here. Now, in Audit and Control in the budget, there was 68 positions; eight in Administration. We only have five. In civil service, 77 positions, 10 in Administration; the Clerk's Office, 102 positions, 17 in Administration; Economic Development and Planning, 93 positions -- that's a major increase in the last two years -- 16 in Administration; the County Executive's Office, 149 employees, and including the chiefs and the deputies and deputy chiefs; 28 in Administration. Might there possibly be some low-hanging fruit there? And I'm not going to go through this whole list, but I think you know what I'm getting at here. We have 42 positions, five if you want to say they are in Administration, but remember: They do a lot more than just sitting there managing personnel.

**CHAIRMAN CALARCO:**

Ms. Carpenter, I'm going to try to wrap you up a little bit. I know I did the same to Mr. Melito as he was speaking --

**MS. CARPENTER:**

Well, you know what --

**CHAIRMAN CALARCO:**

I understand, but we have a number of questions, and I'm sure that we could try to cover a lot more ground through those questions.

**MS. CARPENTER:**

Okay. We'll go that route. Okay. If I could just say one thing, though.

**CHAIRMAN CALARCO:**

Sure.

**MS. CARPENTER:**

With the duties, the deputies, the administration that you're going to consider authorizing eliminating, this is assisting the treasurer obviously: overseeing the activities of the record room, setting procedures with the supervisor, explaining to the taxpayer, and they're in and out constantly. Is this right, should we do this. They need to have that supervision. They need to have someone to go to. Backup to payroll, bankruptcy, redemption computations, wire transfers, approving vouchers for tax refunds. That's only the first four items out of 25, so I'm not going to read the list in the interest of brevity, but there's a lot, a lot that's done. And I want to ask you to please, please really look at that Budget Review report because it says it all. Time and time again, it makes reference to you might have some savings, but what happens to the services that you're delivering to the residents. And when you talked about the letter from the financial advisor and the letter from Ernst and Young, please understand they qualified what they said so very carefully. Streamlining government operations is generally looked upon with favor.

But here's the caveat: As long as there are no negative consequences such as reduction in services or inability to meet deadlines. As long as the ability of the County to produce a timely audit and provide other government services is in a competent and timely manner and is not adversely affect, and instance upon instance, Budget Review questions that. And even with Ernst and Young, you know, it was like you're asked a question so you spit back the question, and if you look at their letter, it was kind of light. He was being careful. But what he said is that this organizational should provide for an adequate segregation of the County's internal control structure over the processing of financial transactions not be weakened, but they're not maintaining the current internal controls. And the consolidation of these two statutory offices should not change the extent of audit procedures in connection with the County's annual financial audit, but the auditor can't audit himself. Those functions have to go out to the independent auditor, and the audit costs are going to go up because it's enlarging the scope of work.

All right. I see you're, like, losing it. I'll stop. I'll answer questions.

**CHAIRMAN CALARCO:**

Thank you. Legislator Cilmi has a question for you.

**LEG. CILMI:**

Mr. Chairman, I'll be brief. Thank you. Thank you for your presentation again, Angie. You mentioned all of the different areas in our government and all the relative administrative officials in those areas. I had asked Budget Review sometime ago to provide me with some information relative to the administration with respect to some of these positions. So, Rob, if you could just readdress that for me at some point, not now, but just -- and if you don't have that e-mail, I'll forward it to you when I get back to the office later.

Angie, would you consider your department to be important to the County?

**MS. CARPENTER:**

Kind of a rhetorical question.

**LEG. CILMI:**

It was kind of a rhetorical question.

**MS. CARPENTER:**

But yes, absolutely, probably one of the most critical functions, and especially when we're in these tight fiscal times, it's even more crucial and critical.

**LEG. CILMI:**

Right. So I'm looking at this sheet that you've all prepared and -- talking about the overlapping functions and explaining why they are and listening to all of your testimony, and I couldn't help but come to the conclusion that there seems to be a breathtaking lack of understanding of what it exactly is that you all do in your office. And so that led me to the question, then, well, how could there be such a lack of understanding. And we talked about the fact that the Performance Management Team hasn't spent any time in your office. Has the County Executive spent any time in your office?

**MS. CARPENTER:**

No.

**LEG. CILMI:**

Has any of the County Executive's deputies spent any time in your office?

**MS. CARPENTER:**

No, not a second.

**LEG. CILMI:**

Any of their assistants spend time in your office?

**MS. CARPENTER:**

No.

**LEG. CILMI:**

Well, it's not hard, then, to imagine that there seems to be this lack of understanding of what it is that you do. And I guess that, then, leads me to the question, in addition to "Why?" -- I mean "Why?" is the first obvious question. In a department that's so important as yours, you are, in fact, controlling the money in the County among the very many other things that you do. In a department that's so important as yours, not to diminish the importance of any department in the County, how is it that no time was spent in your department? And if, as a result of that fact, there seems to be this breathtaking lack of understanding of what it is you do, how do we expect our voters to come to a valid conclusion?

**MS. CARPENTER:**

I could answer that because I heard it here today: They are going to take the time to study. They are going to review the transcripts.

**LEG. CILMI:**

Maybe we should open your office up to the voters.

**MS. CARPENTER:**

I would welcome --

**LEG. CILMI:**

And maybe the voters should, each and every one of them, should take a walk through your department, because it seems to me that if the lack of understanding from the administration comes from a lack of them being aware of what you're doing in there and walking through your office and talking to your employees, saying an occasional "thank you," then how else is the public going to get an understanding of what it is that you do? So I would suggest to Mr. Schneider and the entire administration that they do take some time to walk through your department, go on the tour that I've taken now twice to familiarize myself with everything that it is that you do, and then we somehow try and educate the voters in this county as to the breadth of activities that go on in your office, because you know my opinion here. I think it's insulting to ask the voters to come to that conclusion without giving them the tools. A very smart person used this analogy with me: It's like asking a jury to render a verdict without having heard the case. And I think it's a travesty, I really do, but I thank you for your presentation.

**MS. CARPENTER:**

Well, thank you, but I want to say something in defense of the Performance Management Team. When I heard Mr. Melito today say they're doing like 20 or 25 projects -- didn't he say that? And he spent six weeks on this report, so he obviously didn't have the time to come. I would love to have the Performance Management Team come out there, and let's do our due diligence. And, you know, Legislator Kennedy filed a resolution that basically talks to a mechanism for coming up with some real sustainable savings that we can have in this County, and it's not going to be done by somebody sitting in an office with a thesaurus writing a wonderful report and reviewing testimony. It's going to be done by engaging the stakeholders, and I just saw the resolution yesterday, and you're including AME; you're including someone from the business community; and, yes, you're including the

Performance Management Team and the chair of this committee, Government Operations; and the Legislature's Budget Review Office; and the County Executive's Budget Office, so that when the report and the recommendations are going to be made, they are going to make sense, and you're going to be talking to the people that do the work. Even if Mr. Sawicki had contacted us when he was preparing this organizational chart, I could've had an organizational chart combining these departments working together with him because we could've said at a glance, Oh, wait a minute, no that's not going to work there, you've got to move it over here. No, that won't work there, it'll be better here. That's how you're going to do this. Yes, their consolidation, combining, all of that makes sense, and yes, we have to do it. We're in a bad, bad time, but not this way.

**LEG. CILMI:**

And I'll say just in quick conclusion, Mr. Chairman, to echo Legislator Montano, this is an emotional issue, clearly, and I wanted to express to all of the parties involved, not just the Comptroller's Office, but to all the parties involved, that none of this is personal. This has nothing to do with Angie Carpenter specifically or with Joe Sawicki specifically or even with John Schneider or Tom Melito or Steve Bellone specifically. This is about good government and making decisions that make sense, and this decision just doesn't make any sense whatsoever. Thank you.

**MS. CARPENTER:**

I have some other handouts, if I could, and it's important to read because there are some examples of what could happen when you have that combined finance function, all reporting to one person, albeit an elected official, after a year. And there's also the comments from the League of Women Voters, which basically was very, very objective, and she makes some really very good points. And also an editorial, a letter to the editor from an AME member that really captured it. Thank you very much.

**CHAIRMAN CALARCO:**

Okay. Legislator Kennedy has some questions for you.

**LEG. KENNEDY:**

Thank you, Angie, for being here, and I, you know, have been very candid, I think, already on my personal opinion with this. But not only -- actually furious with the fact that this matter is before us in the manner that it is because I do characterize it as being so deceptive to the public. I'm extremely concerned about you as a separately-elected official here in the County of Suffolk and having access to the same resources as anybody else, and I'm going to go specifically to the issues associated with the benefit of Counsel.

Now my understanding is is that because we have an inherent conflict here in that presumably the County's Attorney's Office drafted this resolution at the request of the County Executive, by definition he's unable or incapable to represent the interest that you have as a separately elected. So we had a conversation, and as a matter of fact, I think it related to me, you did what any proper, prudent elected would do, and you asked that the interest of the office get the ability to have counsel, non-conflicted counsel to review it. What happened with that?

**MS. CARPENTER:**

Well, you heard on Monday that they responded. I never saw it. It was an e-mail, and he said it was sent on the 28, and then he came back later on and he said it was sent on July 1. But ultimately, I said, "So what was your answer, yes or no" and he said, "No." Mr. Brown called me today and explained that the -- they have the right, they sat and talked about and his team and staff, and they felt that their opinion was, you know, right, that the County Executive had the right, if I understood it correctly, had the right to reorganize government, and that it was -- I was conflicted as an elected official, and I said, "No, I wasn't worrying about that part of it. I was worried about the Office of the Treasurer."

**LEG. KENNEDY:**

The integrity of the Office, the ongoing protection of the citizen and the taxpayer.

**MS. CARPENTER:**

Absolutely, so we have a difference of opinion.

**LEG. KENNEDY:**

Okay. So up to this point right now as you sit here right now, you have not had the benefit of having outside independent counsel to review the legality of the measure that's before us right now?

**MS. CARPENTER:**

I've consulted with --

**LEG. KENNEDY:**

You've consulted, right, and as a matter of fact we've had an esteemed municipal attorney, Peter Bee, before us on Monday. And that was an interesting conversation in that he very graciously came to give us a general opinion, but he indicated that there was this dilemma, if you will, about actually having -- had you as a client yet because we were still waiting for the county attorney to even decide whether or not your request was meritorious. Pretty much sums it up?

**MS. CARPENTER:**

Pretty much sums it up.

**LEG. KENNEDY:**

Okay.

**MS. CARPENTER:**

I asked Mr. Brown earlier today if he would mind putting what he said in writing, so when I get that opinion, I'll be happy to share it with you.

**LEG. KENNEDY:**

Well, my recollection is that Peter Bee said he did not agree with Dennis Browns's assessment. He did not agree that this did not violate the Suffolk County Tax Act, and he had significant questions as to the legality of the way this resolution was drafted.

**MS. CARPENTER:**

There are some legal questions, yes.

**LEG. KENNEDY:**

Okay. So we looked at almost every aspect of how this thing came to us: rushed, imprudent, puts taxpayers at risk, and we don't even have the benefit of arms-length legal review for it. I think that's enough for me. Thanks.

**CHAIRMAN CALARCO:**

Okay. Thank you. Do I have any other questions for Ms. Carpenter? No. Seeing none, thank you very much, Angie. We really appreciate you making yourself available.

**MS. CARPENTER:**

Thank you very much, and I just want to put on the record that if it is the will of the Legislature that we look at this and I'm elected this November, I will work with the County Comptroller's Office, or whomever it is, to see how we can do anything practically in the financial stratosphere without compromising the finances of this County.

My parting comment would be this: The sound financial structure that our founding fathers put in place works very well, and I don't think anyone can really dispute it. The ideal, of course, in my opinion is to leave well enough alone, Comptroller Sawicki. Thank you.

**CHAIRMAN CALARCO:**

Thank you. Okay. I need a clerk.

**MS. ORTIZ:**

I'm here.

**CHAIRMAN CALARCO:**

Madam Clerk, do I have a motion?

**MS. ORTIZ:**

No.

**CHAIRMAN CALARCO:**

I thought we had some motions.

**MS. ORTIZ:**

I'm sorry, yes, to table.

**CHAIRMAN CALARCO:**

A tabling motion. Okay. So I have a motion to table. Is there any other motions? Okay. Seeing none, all those in favor? Opposed? Abstentions?

**LEG. CILMI:**

Abstain.

**LEG. BROWNING:**

Abstain.

**LEG. MONTANO:**

Motion fails.

**CHAIRMAN CALARCO:**

I have three abstentions. That means the tabling motion fails. **(VOTE: 3-0-3-0; Abstained: Legislators Cilmi, Browning, Montano)**

Are there any other motions?

**LEG. MONTANO:**

Okay. Bye.

**CHAIRMAN CALARCO:**

Seeing none. Okay. I have a motion to adjourn. Oh, wait, wait, wait. Before we adjourn, I'm sorry, everyone. I did have somebody else that needs to come up. And I apologize, Mr. Meguin from Labor and Licensing and Consumer Affairs. They -- and I do apologize. I meant to call you up much earlier. They do have an item that they'd like to present to us regarding a CN they want to bring to the floor, which I think is very timely. So if somebody would -- Tom, are you the guy to give the presentation? Please very quickly.

**MR. VAUGHN:**

How about this for the presentation? We wanted to certainly make you aware of the piece of

legislation that we were bringing forward. We filed the legislation. We will be giving it a Certificate of Necessity. We have sent out a memo to all the Legislators as of 10:06 this morning. We would ask that you please kindly review the memo; please kindly review the legislation and we can debate the bill and its merits, and so on.

**CHAIRMAN CALARCO:**

Just quickly, the legislation is dealing with home contractors who are out there doing the home-razing processes. And we found that some people who are not exactly qualified as they're out there doing the work, We've had some homes slip into the bay because they're not capable. And what we want to do is make sure that at least at the minimum, these contractors have the proper insurance levels so that if they do happen to completely destroy someone's already completely-destroyed home, there will be some funding there to help those people get their homes rebuilt.

**MR. VAUGHN:**

Legislator, that sounded perfect.

**CHAIRMAN CALARCO:**

Okay. Thank you very much. We appreciate it.

Seeing no other business, we will make a motion to adjourn. Thank you.

***(THE MEETING WAS ADJOURNED 4:00 PM)  
{ }DENOTES SPELLED PHONETICALLY***