DATE

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 September 3, 2014 at 10:00 a.m.

MEMBERS PRESENT:
Legislator Robert Calarco, Chairman
Legislator William J. Lindsay, III, Vice Chair
Legislator Jay Schneiderman, Deputy Presiding Officer
Legislator Thomas Cilmi
Legislator Kevin J. McCaffrey

NOT PRESENT:
Legislator Kara Hahn - Excused Absence

ALSO IN ATTENDANCE:
Presiding Officer DuWayne Gregory, District No. 15
Terrence G. Pearsall, Chief of Staff
George M. Nolan, Counsel to the Legislature
Lora Gellerstein, Chief Deputy Clerk of the Legislature
Benny Pernice, Budget Review Office
Robert Doering, Budget Review office
Samuel Chu, Commissioner/Department of Labor & Consumer Affairs
Tom Vaughn, County Executive's Office
Michael Watt, Gasoline Retailers Association
Michael Pitcher, Aide to Presiding Officer
Diane Burke, CEO of Habitat For Humanity
Brian Sapp, Aide to Legislator Calarco
Eva Greguski, Aide to Legislator Calarco
Chris DeLuca, Aide to Legislator Cilmi
Jason Hann, Aide to Legislator Schneiderman
Sean Rogan, Aide to Legislator McCaffrey
All Other Interested Parties

MINUTES TAKEN BY:
Diana Flesher, Court Stenographer

MINUTES TRANSCRIBED BY:
Kim Castiglione, Legislative Secretary

(THE MEETING WAS CALLED TO ORDER AT 10:05 A.M.)

CHAIRMAN CALARCO:
Good morning. Welcome to the Government Operations, Personnel, Housing and Consumer Protection Committee. I hope everybody enjoyed their summer. If we could all please rise for the Pledge of Allegiance led by Legislator Schneiderman.

SALUTATION

Okay. Good morning, everyone. We do have -- Legislator Hahn is not going to be joining us this morning. She has an excused absence. She has a family emergency she is attending to.

PUBLIC PORTION

We will going right into -- we have no correspondence so we're going to go right into the Public Portion. We have one card, Michael Watt.

MR. WATT:
Good morning. For the record, my name is Michael Watt. I'm the Executive Director of the Long Island Gasoline Retailers Association. I'm here to discuss IR 1637 and I'm here to speak on behalf of over 500 members, many of whom conduct business in Suffolk County. We have discussed this before, so I just want to reiterate and emphasize that our members are staunchly opposed to this proposed legislation. We feel it's unwarranted, unprecedented, possibly even unconstitutional. We feel that you're punishing an industry for the -- as a result of the efforts of one man in that industry, so we really encourage you to vote against this legislation. Thank you very much.

CHAIRMAN CALARCO:
Thank you, Mr. Watt. Does anybody have any questions? Thank you, Michael. Appreciate it.

MR. WATT:
Thank you.

CHAIRMAN CALARCO:
Okay. I have no other cards. Is there anybody else in the audience who would like to address the committee this morning? Okay. Going once, going twice. All right. We will move on with the agenda then.

What I would like to do to start off before we get into the agenda, I see that we have Commissioner Chu here with us. If you could come forward. I know we had had a couple of questions and we were talking about the ongoing progress with the Taxi and Limousine Commission. I know you have been working diligently over there to get the whole program up and running, and if you could just maybe give us a brief update on where are with things.

COMMISSIONER CHU:
Sure. In the nutshell, I'll be glad to answer any questions. We are -- we have progressed quite far in contract negotiations with Accela to the point where we in a short timeframe we'd be in a position to execute. If you recall at the last meeting in June, before the summer break, we had quite a lively debate about the software package, ensuring that it was the right direction and ensuring that it would be a quality package. And at that point, you know, at that meeting Legislator Kennedy shared an anecdotal conversation he had with the Brookhaven Town Supervisor, to which I responded that I would, you know, I would do my best to set up a meeting.

So I would like guidance from this committee and the Chairman in light of the fact that Brookhaven has responded to us that they are doing an internal audit of their -- internal audit of their software, the software platform they use there, and would be unable to meet with us for additional weeks and possibly months.

I also would like to couch that with the fact that we did extensive, which I think all the Legislators have been provided -- if you don't have it handy I can provide it to you today -- considerable background, reference checks, with other clients of Accela.

So that's where I'm at now. I did make a commitment to the Legislature to set up that meeting, but I, you know, I -- you know, the resolution has passed, you know, gave the authority to go ahead and execute contracts with Accela, but I did make a personal commitment to set up that meeting, so I defer to the Legislature for guidance in light of the fact that they will be unable to meet for some weeks and months.

CHAIRMAN CALARCO:
Does anybody have any questions for Mr. Chu? Go ahead, Legislator Cilmi.

LEG. CILMI:
Not so much a question as -- but rather a statement. I think we've waited long enough on this. For the sake of, you know, moving on with things, not only with the traffic and parking -- rather the Taxi and Limousine Commission, but in light of all the other benefits that this software could provide to the County, I think it's -- I think it's crucial that we move forward with this. And we've approved this resolution?

CHAIRMAN CALARCO:
(Shaking head yes).

LEG. CILMI:
And it was just in deference to some questions that you said you would try to set up this meeting with Brookhaven. You know, any time you have a product or a service you're going to have some clients that are supportive of it and some clients that aren't supportive of it, it just doesn't work out for them. So regardless of what the Town of Brookhaven has to say about it, you know, I wish that some of that information were forthcoming at this point, but if it's not, then I think we have no choice but to move forward. So I would support, although we've already approved it, I would support you moving forward with it at this point. That's my personal opinion.

CHAIRMAN CALARCO:
Thank you, Legislator Cilmi. And I would agree and I guess I could -- I don't want to speak for everybody on the committee here, but I think the committee would like to see the project move forward and we appreciate that you have done your due difficult to try to uphold your end of the bargain as was requested to put together that meeting with Brookhaven. And perhaps at some point in the future if you have the ability to do that meeting that would be a good thing to do, but we've put it off for a couple of months now so that you could try to have that meeting. We can't hold you accountable for other people's actions, and if they're not prepared to meet with us, then so be it and we need to move forward. So I think the committee would feel comfortable with telling you -- giving you the green light, so to speak, and get moving on the project.

COMMISSIONER CHU:
Okay. Thank you.

CHAIRMAN CALARCO:
Thank you very much. If you could stay there. Legislator Schneiderman has a question for you

about an unrelated –

D.P.O. SCHNEIDERMAN:
Sorry, this was actually on the earlier topic of gasoline stations. I had come across some guidance, I don't know if it was legislated or not, from Consumer Affairs relating to the signage at gas stations. When one payment form -- price pertains only to one payment form or particular payment form that the font size, you know, for like the cash only has to be the same size as the price itself. Have you looked into that? Have you seen -- do you know what I'm referring to? Because none of them do that. They have the number and then they have a little cash only beneath it.

COMMISSIONER CHU:
I don't know the -- I don't know offhand the exact wording of the legislation. I know that if there is -- I know if there's different prices that they both have to be posted above the pump. Generally that's a tell that there's a different price if you are driving by and you see two separate prices. And I know that there's also a regulation on the books, you know, that mandates that they're a certain size, which I believe is six inches.

D.P.O. SCHNEIDERMAN:
That's for the pumps, but the road signage, I believe it's --

COMMISSIONER CHU:
I think with the road sign -- that it says if there is a price and it does, you know, cash only, but I don't know --

D.P.O. SCHNEIDERMAN:
Right, but that the letters for the cash only have to be as large as font size as the numbers. If you could look into that.

COMMISSIONER CHU:
I'll be glad to look into it and get back to you today on the resolution and our interpretation of it and how we enforce it. I'd be glad to.

D.P.O. SCHNEIDERMAN:
Okay. Thank you. I'd appreciate that.

CHAIRMAN CALARCO:
Sure. Legislator Lindsay.

LEG. LINDSAY:
Sammy, in regards to the complaints that we've received in the gas station issue, without giving any personal information, can you -- is there a common theme to the complaints that you've gotten in Consumer Affairs about some of the issues with the gas stations? I know there was only 50 complaints that were lodged.

COMMISSIONER CHU:
We do get complaints. They're fairly, you know, we do get complaints and, you know, they're generally -- people are generally worked up by the time they call us, that they feel like they've been surprised. Those are calls that come in with some frequency that people at the pumps they, you know, they see one price and then they realize either mid-pump or, you know, or after they're done that they were charged, you know, in their estimation an excessive amount more for gasoline because they paid credit. So we do get those calls and they do come with some frequency. But, you know, I also want to say it's generally -- we generally get calls about the same stations, you know, time and time again.

LEG. LINDSAY:
And from your perspective, is there anything -- is there any follow-up, any action that you guys are able to do?

COMMISSIONER CHU:
You know, we have -- you know, from the agency standpoint, other than enforcing signage and the quality of the, you know -- and the volume of the gasoline, we generally don't have a specific regulation that we point to to -- to address, you know, price gas disparities. The Attorney General has -- you know, the Attorney General was quite active during Sandy. We wrote several instances of unconscionable business practices, not specifically for the discrepancy between cash and credit but for, you know, what we felt was, you know -- you know, were predatory prices that were well beyond, you know, market rate. So we wrote a few of those violations. But we don't have a specific regulation that we point to in terms of, you know, writing violations specific to price disparities between credit and cash.

LEG. LINDSAY:
And the last question. Do you have any other industry that you get similar type complaints over?

COMMISSIONER CHU:
Not with the type of regularity. You know, gasoline sales is, you know, for Long Island especially, is something that people, you know, generally most people participate in on a regular basis.
So -- and it's probably one of the, you know, the most consumed, you know, goods that we have -- we have purview over. So, you know, I guess it's not surprising that this is, you know, we don't get, we don't have anything else that we get any specific type of call that we get with this type of frequency.

LEG. LINDSAY:
I'm sorry, I've got one more question. And then when these complaints are logged in, and there is really no recourse for these people after, you know, say they are one of the ones that completed pumping the gas and the transaction went through, is there any recourse from the County's perspective for them?

COMMISSIONER CHU:
You know, on occasion, you know, we'll send out, you know, we'll send -- we'll sent out an investigator. You know, we will send out investigators. If we get complaints, we'll send out investigators. We'll send people to -- Weights and Measures Inspectors to check on a station as with anything else. You know, I guess the law enforcement call of probable cause if somebody is doing something that would be deemed, you know, unfavorable or unsavory they might be doing other things so -- that we might be able to write a violation for. But we don't -- we can't always, you know, most cases it's something we can't write, for that specific item, something we can't write a violation for. Again, in the most egregious, in the most egregious cases we might be able to write unconscionable business practice, but it's a very broad -- it's a very broad, you know, subjective, you know, violation. So it's not -- it's the not most ideal when you're trying to deal in black and white.

LEG. LINDSAY:
Thank you.

CHAIRMAN CALARCO:
Okay. Thank you. Legislator Schneiderman has a follow-up question.

D.P.O. SCHNEIDERMAN:
I wanted to piggy-back on that unscrupulous or unconscionable was I think the word you used for a

business practice.

COMMISSIONER CHU:
Our kids are not the only ones that have the first day of school today.

D.P.O. SCHNEIDERMAN:
So your department does have some authority to investigate and pursue what you deem as unscrupulous or unconscionable business practices, correct?

COMMISSIONER CHU:
That's correct.

D.P.O. SCHNEIDERMAN:
Thought it's not as, you know, it's a little more subjective.

COMMISSIONER CHU:
Yes.

D.P.O. SCHNEIDERMAN:
So -- and, Commissioner, are you aware that there are a number of gas stations, several dozen I believe, that are charging close to a dollar more per gallon of gasoline if you use a credit card than if you pay by cash, or about a 25% additional fee for credit card use.

COMMISSIONER CHU:
Yes, I'm aware of them and we get repeated calls on them. You know, Dick O'Kane, the President of the Nassau/Suffolk Building Trades is good for a call at least every three weeks or so. You know, because it's something that really does aggravate people. There's several, you know, there's a couple right in this immediate area.

D.P.O. SCHNEIDERMAN:
So have you looked as to -- does that meet your definition of an unscrupulous or unconscionable business practice?

COMMISSIONER CHU:
Again, it's, you know, it's not out of the limits of, you know, regulation. There's nothing that precludes them from doing it now by law. So, you know, generally when we write a violation it's something that we want to make sure that without -- beyond, you know, any sort of -- beyond any sort of interpretation that there can't be an interpretation that it was an unscrupulous business --

D.P.O. SCHNEIDERMAN:
So even --

COMMISSIONER CHU:
So for instance, the unscrupulous business practices we wrote for Sandy were, you know, people were, you know, people were, you know, don't hold me to these specific numbers. But, you know, the going rate for a gallon of gas was $4 and, you know, and as the lines got longer people, you know, they were charging six dollars which, you know -- and we do have regulations that point to that because, you know, they're not supposed to change their prices more than one day. They're also --

D.P.O. SCHNEIDERMAN:
But that wasn't illegal charging six dollars for a gallon, right?

COMMISSIONER CHU:
Right.

D.P.O. SCHNEIDERMAN:
It was just unscrupulous. So if the going rate right now is let's $4 a gallon --

COMMISSIONER CHU:
That's not always the truth. Sometimes -- if they change the price more than one day, if they, you know, if they're charging, you know, per delivery, so.

D.P.O. SCHNEIDERMAN:
Right.

COMMISSIONER CHU:
There could be specific laws that are violated, too, which we would write as well.

D.P.O. SCHNEIDERMAN:
All right. So if the going rate is $4 and they're charging $5, that's okay?

COMMISSIONER CHU:
Again, it's subjective.

D.P.O. SCHNEIDERMAN:
I think the concern we have is that people are driving by seeing a rate posted, and it's hard to see that it's a cash only rate and they come in and they're hit with a much higher fee if they plan to pay by credit card, which many people do. And some are getting caught off guard. Those are the people who I guess are calling you. All right. So you haven't looked into whether it would qualify as an unscrupulous practice. Is that --

COMMISSIONER CHU:
Again, I think that would be a matter of interpretation and that's a tough -- that's certainly a tough violation for anyone to write, something that's subject to a matter of interpretation.

D.P.O. SCHNEIDERMAN:
Okay. Thank you.

CHAIRMAN CALARCO:
Thank you. Legislator McCaffrey has a question.

LEG. McCAFFREY:
Thank you. Commissioner, I think what I heard, that you kind of agree with, what Michael Watt said, that it appears as though that these violations are basically coming from one vendor, one gas station owner. Is that the sense that you are getting?

COMMISSIONER CHU:
I wouldn't characterize it as the majority. You know, it's -- you know, anecdotally, you know, we heard, you know, there's a particular vendor that is the most -- that commits the most egregious, you know, instances of having a great disparity between cash and credit prices that get people upset, but I can't say for certain that it's only one vendor. I would say -- I would say that in, you know, in deference to the industry that it is a minority, but I would counter that saying that most of our regulations are written to regulate the violating minority. You know, we have -- we violate electricians, we violate home improvement contractors. The majority of businesses in the trades are, you know, upstanding, you know, responsible business owners. So, you know, I think most

legislation, you know, and most resolutions that we enforce are written to the minority.

LEG. McCAFFREY:
And I don't disagree, but the point I'm trying to make is, and you've got the ability, I mean, because you get the complaints. You know who the owners of these facilities are. You have the ability, if we asked you to to say, if we get 50 complaints in a month, a week, whatever it is, that 80% of them or 90% of them are from this one owner. We would be able to get that information if we needed it, correct?

COMMISSIONER CHU:
Yeah, I mean, I think we have provided that information. You know, we generally don't, you know, we generally -- we don't make it public.

LEG. McCAFFREY:
But my point is are we --

COMMISSIONER CHU:
The simple answer is yes. I'd be glad to with any Legislator about which, you know, where are the violations coming from or where the complaints are coming from, but there's two separate things. There's complaints and violations. We get a lot of complaints that we don't necessary have authority to --

LEG. McCAFFREY:
No, I understand. And in this case it's not a violation, because there's no law that says that they can't do that. But I'm talking about the complaints, which seems to have generated this proposed legislation out there is based on the complaints that we're getting that they're charging in excess or close to 25% of the cost of the gasoline in terms of this excess fee. And I'm just thinking, can't there be an alternative that's less onerous on the less unscrupulous people out there, that would go after them and not the hardworking businesspeople that are going to be inconvenienced, change their signs and do all kinds of different things, when there's probably just this one guy out there that's doing it. There's got to be an alternative. Let's find him, let's bring him into the court. Unscrupulous business practice, whatever we can. I mean, why are we proposing a law when there's one guy and we don't seem to be doing anything to go after him at this point.

COMMISSIONER CHU:
You know, regardless of what the Legislature decides to do on this particular bill, you know, we're always open as an agency, and myself as Commissioner, to discuss, you know better ways to -- and I have met with -- and in fairness to LIGRA, we've met with them about how to, you know, and their members generally do a good job of, you know, self-policing. You know, we work on them with, you know, on holiday, you know, holiday weekend, you know, stings and things like that to try and get -- to try and find out who the bad operators are. But I imagine there's a lot of ways, but I defer to the legislative process. I know there's been quite a lively debate on this. I think that, you know, from what I've heard, if someone were to call, the advice we would give, you know, there are -- there are existing methods for, you know, for consumers to check the prices. I know myself I, you know, whenever I see double signs above the pump I just go to another station unless I'm in a jam, which seems to be the most common instance. It seems to be on well-traveled roads that people find themselves like, you know, I'm running out of gas, I've got to get gas.

So to the simple answer to your question, are there other means to address this? I would say the simple answer would be yes and I'll be glad to have a conversation about that.

LEG. McCAFFREY:
But have we done that? Have we taken that action?

COMMISSIONER CHU:
That doesn't speak to the merits of this bill.

LEG. McCAFFREY:
I understand that, but have we taken any action, other than proposing this legislation, to go after what seems to be this one owner, this one unscrupulous dealer out there.

COMMISSIONER CHU:
We have been out there multiple -- we've been to his facilities multiple times and we've enforced signage. We've done, you know, we've done checks, you know, on his quality of gasoline, so.

LEG. McCAFFREY:
Okay. So he's getting special attention? He's getting the attention that he deserves.

COMMISSIONER CHU:
Any time we get a call, you know, any call at the agency we take seriously and that's for any complaint, so -- and that's generally cause enough for us to investigate.

LEG. McCAFFREY:
Okay. Thank you.

CHAIRMAN CALARCO:
Okay. Thank you. Legislator Lindsay has another follow-up question.

LEG. LINDSAY:
Commissioner, we've heard that it's one owner although it's not one station. Do you know how many stations he owns?

COMMISSIONER CHU:
It's in the double digits, but again, you know, if I wasn't clear before, I'm not certain it was -- it's just one owner.

LEG. LINDSAY:
Because from going through the list of complaints that you had on file we counted 15 different stations. So whether they're all owned by the same person -- it seemed like there's different corporations for each one, which is probably --

COMMISSIONER CHU:
It is in double digits, I can confirm that.

LEG. LINDSAY:
So whether it's one owner or two owners or three owners, it's really not the number of owners, it's the number of stations.

COMMISSIONER CHU:
You have to remember how we also, you know, we don't -- the way we license -- the way we license gas stations, you know, many people, even if it's, you know, and this is not uncommon in the corporate world, you know, there may be one owner but there's multiple individual corporations, and that's how they -- that's how they license, so.

LEG. LINDSAY:
And there's no way --

COMMISSIONER CHU:
It wouldn't necessarily be immediately apparent that it's, you know, all the same owner, but we can certainly do -- any queries that are presented to the agency we will do our best to answer.

LEG. LINDSAY:
Well, on those 15 stations that we counted for the complaints, and that was as of July I think was when we got that list, can you check to see who the owner is of each one of those corporations to see if they're all owned by the same individual.

(Presiding Officer Gregory entered the meeting)

COMMISSIONER CHU:
Sure. What I could do is provide -- I can provide for the committee, all the members of the committee, how many different owners there are, if at all.

LEG. LINDSAY:
Thank you.

CHAIRMAN CALARCO:
Okay. Any other questions for Mr. Chu? Legislator Schneiderman.

D.P.O. SCHNEIDERMAN:
Just one clarification, because there's been several remarks that this is punishing an entire industry, and yes the regulation does apply industry-wide, but only those stations that charge more than 5% difference for credit card and cash, which apparently is just one owner or several owners. Most gas retailers won't have to do anything differently, nothing differently. So, in fact, this is relatively targeted at those offenders, or what we perceive as offenders, that are perhaps misleading in some ways. Certainly people are feeling misled by pulling into these stations thinking they are getting gas at a particular price and then finding it's not available at that price unless they pay by cash.

COMMISSIONER CHU:
I don't think anyone is feeling good about that. I think that goes without saying.

CHAIRMAN CALARCO:
Okay. Thank you very much, Mr. Chu, for being here today.

COMMISSIONER CHU:
If I do get a -- I'm working on an answer, it's not a terribly complicated question, would you like me to --

CHAIRMAN CALARCO:
Sure. If you could get that answer while we're debating this bill because it's coming up next that would be great.

COMMISSIONER CHU:
I'm going to work on that right now.

CHAIRMAN CALARCO:
Thank you very much. We appreciate it. Okay. I have a -- we haven't started the agenda yet. We are going to move right into our tabled resolutions at this point in time.

Tabled Resolutions

IR 1637 - Adopting Local Law No. -2014, A Local Law To Provide Truthful Advertising at Gasoline Stations.

D.P.O. SCHNEIDERMAN:
Motion to approve.

CHAIRMAN CALARCO:
We have a motion to approve by Legislator Schneiderman. Seconded by Legislator Lindsay.

LEG. CILMI:
Motion to table.

CHAIRMAN CALARCO:
Motion to table by Legislator Cilmi.

LEG. McCAFFREY:
Second.

CHAIRMAN CALARCO:
Seconded by Legislator McCaffrey. On the motion? Anybody?

D.P.O. SCHNEIDERMAN:
I just believe this should be on the floor of the Legislature. It's too important an issue affecting too many people to keep it bottled up at the committee level.

CHAIRMAN CALARCO:
Okay. Anybody else? Legislator Cilmi.

LEG. CILMI:
Fifty people have called? How many people have called?

D.P.O. SCHNEIDERMAN:
How many people are affected? Thousands?

LEG. CILMI:
You know what I get a lot of complaint about? The price of gasoline. And I think the reason I get complaints about the price of gasoline is because gasoline prices are extremely high here in New York. And the reason that gasoline prices are extremely high here in New York as compared to other states, particularly neighboring states like New Jersey, is because of our oppressive tax and regulatory policies. And we continue to pass legislation that impacts our gasoline station owners seems like almost every month. That's what people are tired of, and quite frankly, one of the -- one of the most significant reasons that people can no longer afford to live here is our gasoline prices. I took a look the other day at what I'm spending on gasoline and it's just astronomical. So every opportunity that I get, unfortunately, when I drive my son back to college, which is he goes to school at Seton Hall in New Jersey, I make sure to fill up in New Jersey because New York's policies when it comes to taxing and regulation on gas stations are absolutely killing residents of this state. It's not the fact that people are occasionally rolling up to a gas station and mistakenly don't look at the pricing that's right in front of them on the gas pump and pump a couple of gallons at a higher price than they expected to pay. It's not reason.

CHAIRMAN CALARCO:
Legislator McCaffrey.

LEG. McCAFFREY:
In support of the motion to table, we heard today that, you know, the Commissioner stated that he is looking to get us more information as to whether this is one owner and what are the other possible resolutions we have to this. We don't even know right now if it is one owner that's charging 25% or more. That's why I suggest we table this until we get some more information and make an informed decision on this.

CHAIRMAN CALARCO:
Okay. Legislator Lindsay.

LEG. LINDSAY:
Just in response to Legislator Cilmi. If this is one owner of 15 stations, however many stations, that's today. What if a month from now, two months from now, it becomes every station. What if this becomes the industry norm. What do you think the crippling effect would be on our local economy, as well as our local residents, if in addition to all of the high taxes that I'm very much against as well, they're paying a 30% surcharge in addition to that to pay with a credit card. I mean, those would have a more crippling effect than any one tax would, because there it's purely not market driven. It's purely just driven by those individual gas stations. And if you say well, they could always pay in cash, well what would the effect be on our economy if we went to just cash and went away from the overwhelming use of credit cards within our economy. And speak to any economist about that and that would have a very crippling, a large crippling effect to our local economy if we went to a cash only society.

LEG. CILMI:
I think people would be less in debt and I think that would be a good thing for our residents and our country, I mean, quite frankly. And if every gas station went to a 30% surcharge on credit card prices as opposed to cash prices, again, maybe people would start paying cash to get those sorts of discounts. I know I would.

LEG. LINDSAY:
Well, speak to an economist and ask them what the effect would be if we went to just a pure cash society and how that would affect our economy.

LEG. CILMI:
It would impact our economy because people would spend less money that they don't have. People should spend money that they have, and if they use credit cards to do that, then that's great. If they pay their credit card bills off, that's great. But if they're accumulating debt that they can't pay, that's bad for the economy.

LEG. LINDSAY:
So what you're advocating is the government to tell people how to spend their money and how to --

LEG. CILMI:
Not at all.

LEG. LINDSAY:
Well, that's what I'm hearing.

LEG. CILMI:
Not at all. No. It's not what you're -- if you're hearing that, then, you know, quite frankly, you should clean your ears. That not what I'm saying.

CHAIRMAN CALARCO:
It looks like Commissioner Chu has an answer for some of our questions here.

COMMISSIONER CHU:
For that one specific question, the 15 stations in question that Legislator Lindsay asked about are attributed to one owner.

CHAIRMAN CALARCO:
Okay. So we're looking at 15 gas stations that we know of that have been doing this that we've received complaints about and there's one particular person who owns all those stations.

COMMISSIONER CHU:
I knew that the majority of them were attributed to him, but we just confirmed they're all for those particular stations. All attributed to --

LEG. CILMI:
So can I -- may I jump in here?

CHAIRMAN CALARCO:
Sure, go ahead.

LEG. CILMI:
Commissioner, I've been asking for some time for a list of those gasoline stations. Would you provide that list to me, please?

COMMISSIONER CHU:
For those particular complaints?

LEG. CILMI:
Yeah.

COMMISSIONER CHU:
I think that's something we can accommodate, yes. I just -- when I take pause I just want to make sure that I'm not, you know, we're not, and we've had this conversation before, that I'm not, you know, in any way violating -- I'll just check with the attorneys.

LEG. CILMI:
If you could let me know, first of all, whether or not you can provide that information to me, and if you can, I'd expect it fairly quickly if possible. And secondly, whether or not I'm at liberty to disclose that information publicly. Because I think -- I think the public -- more awareness of this particular gas station is a good thing. This particular owner, owner's stations, where these stations are would be a good thing.

COMMISSIONER CHU:
Sure. I'll send an e-mail right now to Legal.

LEG. CILMI:
And people can plan appropriately where to shop for their gasoline.

D.P.O. SCHNEIDERMAN:
There are at least one other -- there is at least one other gas station that is charging more than that percentage, in fact, even higher. So he's at typically 98 cents a gallon more for credit card and there's another gas station, I don't believe that he owns, that is charging I think $1.30 more per

gallon, something in that range.

COMMISSIONER CHU:
Again, to be clear on what this number is, the 15 stations and the one owner. That's speaking to a number of specific complaints that we received over a period of time. So that's not -- by no means, you know, I'm by no means reporting there's only -- that those are the only stations that are -- that have that type of price discrepancy.

CHAIRMAN CALARCO:
Okay. Legislator Schneiderman.

D.P.O. SCHNEIDERMAN:
In one respect I agree with my colleague, Legislator Cilmi, that the price of gasoline is frustrating a lot of people and impacting our economy. This bill, I believe, will lower the price of gasoline. Certainly there will be some gas stations that will choose to post the signage at a higher price and at least the public will be aware, but there may be some gas stations that will, you know, stay within that 5% range, and therefore lower that credit card charge, that charge that's assigned for credit card purchases of gasoline. That will help because when you're paying an extra dollar on top of the $4 per gallon of gasoline, it really adds up quickly. We've heard from the building and trades. They are in support of this bill. We heard from the Long Island Federal of Labor. A lot of --

LEG. CILMI:
Let's not forget the Community College.

D.P.O. SCHNEIDERMAN:
We heard from the Community College as well, thank you, and the students there who are impacted. So, you know, a lot of people do use credit cards. You don't want to encourage people to drive around or walk around with a lot of cash it their pocket. There's public safety issues there as well. So, you know, to me this bill -- all it does is provide consumer notification and for most gas retailers it won't affect them at all. So I certainly encourage everybody to support it, discharge this to the floor of the Legislature. I made a motion to approve.

CHAIRMAN CALARCO:
Okay. We have no other speakers. I'll be honest. I'm a little torn on this resolution. I understand where it's coming from, what we're trying to attempt to deal with, and there is a real issue with some of these retailers who really want to, I guess, make a lot of extra money off of those consumers that aren't really paying attention and coming in and using their credit cards. But at the same time, there also needs to be certain levels of personal responsibility that we have to expect people to have. The prices are required by law to be posted on top of the gas station, the pump. You drive in, you get up to the pump, it's right there staring you in the face. If you don't want to look at it then that is almost a failure on your part to have a little bit of responsibility for yourself and your purchasing decisions.

I certainly know of one of these retailers in my district and I don't know if it's the same owner as those 15 complaints came from, but I also know that nobody ever stops in that gas station. There's almost never a car at the pump there and I sometimes wonder how he even stays in business. Quite honestly, he was this way before people started charging different prices for gas -- for credit and cash. He was always a dollar more than everybody around us and I always wondered how he stayed in business. So -- but that's his business decision, and if that's the way he wants to operate, then so be it.

But given that this is something that a lot of people have put much work into and there's a lot of attention to this, and I think there's quite strong feelings on both sides, what I'd offer is a

compromise here. I'd be willing to discharge this without recommendation. I don't know if I'm ready to vote for it per se, and we'll put it to the floor and let the whole body debate this next Tuesday. So that is a motion to discharge without recommendation.

P.O. GREGORY:
If I may, Mr. Chair.

CHAIRMAN CALARCO:
Sure. Mr. Presiding Officer.

P.O. GREGORY:
I've been listening to both sides and I know this issue has come up several times, so kind of iterations of the same thought process of addressing this issue. And, you know, I think it's -- whenever we can by awareness to our consumers I think that's a good thing. I understand this is a complex issue and I know Tom has expressed his frustration. It seems like, you know, we're targeting the gas retailers and I appreciate their position in this as well. But I think, you know, what should be paramount for us is awareness. Yes, there -- obviously there's personal responsibility. We can never legislate that and should never attempt to, but I think, you know, there's been several instances of even our colleagues and people who have come here to speak who have been I don't want to say victimized, I mean, that's too strong of a word, but who have, you know, succumb to this, you know, to this situation and/or seen themselves in the middle of this situation, and I think it just adds a little bit more awareness.

You know, after one of our Legislative meeting in Riverhead I, you knows, I had 20, you know, my thing was reading 20 miles left. I had to fill up. Before I made it to Amityville I would have been stuck somewhere in I guess Brookhaven. And I got out, you know, we go to -- I don't go to Riverhead all that often. We go there for the Legislative meetings, I may go out there for some other stuff, but I'm not really all that familiar with the area. I went and I got out to pump and it was like 98 cents more. I actually took a picture of it and I text Jay and said wow, this is crazy. I'm just not in the mood, I imagine I'm no different than many other people who want to, you know, they have to get gas, they have to get out and, you know, get the credit card out or whatever, and then you look and say wow. The price is, you know, a dollar more than per charge than it is for debit. To get back in the car and go search around somewhere else, you know, there's that. Would you say that person is not being, you know, personally responsible or are you saying that, you know, this is a situation where, you know, people are being taken advantage of. It's a commodity, right? You would think that, you know, commodities are generally priced similar, you know, similarly. So, you know, today I think it's around maybe $3.69 I guess per gallon or whatever it is. I just got gas this morning and I didn't even look, but across from my district office there is no difference, so I really don't even look at the price. There is no change for gas in cash and charge.

So, I mean, look at the price. It is what it is. I mean, I am not going to change the world price on petroleum, but people -- and I think people feel similarly. You know, we're in a petroleum based economy. We're in suburban Suffolk County. We need our vehicles to get around. You know, it's one of the consequences of buying a car. You got to fill it up with gas and the price is the price. May you can a little cent or two difference, but that should be reflected in -- that shouldn't be, I guess, people shouldn't feel taken advantage of because they decided to charge that purchase as opposed to providing cash. Which I think, you know, in today's, you know, I think it's a safer alternative. You know, who wants to walk around with a whole bunch of cash on them. You read the stories where people are being robbed because they have cash on them. It shouldn't be -- I'm not saying everyone should be alarmed that they're going to get robbed if they have cash on them, but, you know, people just don't carry cash with them. I don't think that's unusual. And to say that, well, if you want to get a better purchase price you always have to carry cash, I don't think

that's necessarily the message either.

I think there is -- I don't know if this is necessarily the -- I'm going to support this, but I don't know if this is necessarily the solution. But there has to be some common ground, and leaving it up to the retailers to charge up to $1.23 more for credit, I don't think that's the answer. I really don't.

LEG. CILMI:
Can I just --

CHAIRMAN CALARCO:
Sure. Legislator Cilmi.

LEG. CILMI:
Mr. Presiding Officer, my question though is when is it enough? When will we say that consumers are aware enough? When we will say that the sign is big enough and the extra notifications are as many as is enough? At what point? I mean, I'm sure at some point when we discussed in this Legislature years ago, however many years ago it was, when we discussed, you know, the cash/credit thing and posting the different size letters on the tops of the pumps, I'm sure at some -- and requiring that the price selected is shown on the pump itself. I'm sure when we had those conversations the mantra was the same, it's more awareness for the consumer. So my question is when is it enough awareness? When do we stop?

P.O. GREGORY:
And I honestly don't have the answer for that, but I think bringing attention to this issue is bringing more awareness. I forget where I was the other day. It was --

LEG. CILMI:
But there are ways to bring attention without legislating.

P.O. GREGORY:
Oh, absolutely, and I'm not for we have to legislate everything, trust -- that's the libertarian part of me. You know, but I think in this instance I think it's appropriate. It's not out of line. You know, there can be arguments made that it goes too far, but I think something should be done, you know, where is that fine balance?

LEG. CILMI:
I mean, it's just that there are -- certainly there are other products that are bought and sold in Suffolk County that don't have anywhere near the regulatory requirements as far as consumer awareness and notification that gasoline does. You know, they already have the street signs which are not required, but they're there as advertising. They already have the prices on the pumps themselves. They already have the price that you're going to pay based on your own selection at the pump. So why haven't we -- why haven't we done this, and I hesitate to ask this questions, but why haven't we done this with other products? Why just gasoline stations?

P.O. GREGORY:
That's a good question. I don't know. I think when you have, you know, I think of what the former Presiding Officer Bill Lindsay did with home heating oil, you know, creating an opportunity for people to come to a website to look at what the current prices are for the day just to provide awareness. Now, is that something that everyone has, you know, readily has access to? I don't know, but it draws attention to it. And posting the price on the sign, on the large sign, it's, you know, that's one thing, but that's not the -- that's not the potential price that you pay. The price that you pay could be significantly higher than that. So you can argue --

LEG. CILMI:
As is the case with a lot of advertising.

P.O. GREGORY:
I'm sorry?

LEG. CILMI:
As is the case with a lot of advertising.

P.O. GREGORY:
Right. But it should -- at least it should say well, maybe there's a disclaimer. Okay, the price on the sign says 3.69, but that's only a cash price.

LEG. CILMI:
It does have that.

P.O. GREGORY:
Well, some -- what I've seen is there's the charge -- well, not on the big sign, on the sign above the machine.

LEG. CILMI:
But the two different prices are displayed. It's going one step further.

P.O. GREGORY:
Listen to your argument. You're saying that there's two separate signs that are -- two separate prices that are being displayed. In itself that's a conflict, so why is that? Why does that exist? So if --

LEG. CILMI:
But that's what we're suggesting that we do in this legislation.

P.O. GREGORY:
No, they're saying that if there's a difference above the between 5% --

LEG. CILMI:
That it should be displayed.

P.O. GREGORY:
Right, display the higher number. You're saying, well, because both numbers are displayed -- well, actually what you said was first was if the number is displayed that should be sufficient enough, but that's not the final price. Potentially that's not the final price. And then the other price is displayed. So there is -- so in itself, from what I understand what your argument was, we displayed a price, that should be it, but that's --

LEG. CILMI:
But not only do we display the price, the consumer selects what product they're going to purchase. And then the price that they're actually going to pay is on the pump.

P.O. GREGORY:
Right.

LEG. LINDSAY:
If I could jump in here. They do, but that's at the point of sale. So to get them in the door they're

seeing one number. Once they're in the door, at the cash register for argument's sake, it's a different number. So -- and the legislation as proposed is only if you -- you have to display the larger number, but you don't have to display both. So the fact that it wouldn't add any additional expense to any of these stations is more of an argument in favor of it. And for me the industry who, you know, and I appreciate Michael and all the times he's been here and I do feel badly, Michael, that we -- you know, and I hope you don't feel like we beat you up every time you came in because that's not our intention. Our intention is actually to work with them as what they proposed and what they asked for the last time there was legislation that was passed that just wasn't possible, and that was to add that additional step at the pump.

This actually to me is a benefit to the -- if I'm a gasoline retailer and I'm not in this practice of charging more than 5% for my credit card purchases, I would be in favor of this. This is going to drive more business to my station because now that that person in charging 30% surcharge, for argument's sake, for credit card purchase, he's got to post that price on the street. He's got to -- nobody's going to go into that station if I'm a guy next door to him and I'm not doing that. So to me I don't see where it's onerous on business owners to ask them to disclose what their true price is. To me, the more disclosure you have in any purchase that we're making for any consumer group, the better that it is.

And to your point that why aren't we going after other industries, I don't know of any other industry that does this. I mean, I don't know that there's any other type of retailer that does this. Gas is not a want. It's a need, it's a necessity for all of us. And to make that purchase in this manner I think is just unfair to the consumers. At least letting them know before they pull up to the cash register what they're going to pay I think is only fair.

LEG. CILMI:
In deference to the committee, I mean, clearly we each have our opinions on this and our decisions within our -- our decisions are made so let's just vote.

CHAIRMAN CALARCO:
Legislator McCaffrey.

LEG. McCAFFREY:
Let me just add one more thing. You know, to Legislator Lindsay's argument that it is a commodity, and I agree, gasoline is, but so is milk and bread and all those other things, and we haven't even thought about looking at the price that's advertised for milk to find out whether or not you go in there it's the store brand versus the name brand. And why do we even -- you know, we've gone so much further with the gasoline and I don't think we've gone far enough in terms of a County in terms of going after this one person or it appears to be this one owner or very few besides him. Let's go after him for unscrupulous business practices, because I think every one of us believes here that if you're being charged 25% more for credit that that is an unscrupulous business practice. Let's do that. Let's bring him through the system. Let's call up the Attorney General. He'd love to make hay out of this stuff. Let's make this as difficult as we can for him without making it more difficult for the people who don't follow these business practices. We need to do more to go after this person. Let's bring the full force and fury that we can under the existing laws we have now. Go after this one guy and the one or two that may be out there with him and then let's let the other ones continue to do business without putting more of a burden on them.

LEG. LINDSAY:
Just to respond quickly to Kevin. In using your milk analogy, I'm not telling any business what they should charge for whatever product they are selling and that's not what we're trying to do here. All I'm saying is whatever you are charging, whether it be credit or cash, should be disclosed before the person gets to the cash register. I would never want to regulate any business to the point where

we're telling them what to charge.

CHAIRMAN CALARCO:
Okay. We have a motion to table and we have a motion to approve. I had made a motion to discharge without recommendation. Legislator Schneiderman.

D.P.O. SCHNEIDERMAN:
Okay. I will withdraw my motion to approve and second the discharge without recommendation.

CHAIRMAN CALARCO:
Okay. So the motion to approve has been withdrawn. We have a motion to discharge without recommendation. I made that motion. It was seconded by Legislator Schneiderman. The tabling motion goes first. All those in favor? Opposed? Abstentions? (Legislators Calarco, Gregory, Schneiderman and Lindsay - opposed). The tabling motion fails.

We have a motion to discharge without recommendation. All those in favor? Opposed? Note two opposition. The resolution is discharged without recommendation. ***(Vote: 4-2-0-1 Legislators Cilmi and McCaffrey - opposed; Legislator Hahn - Not Present; Presiding Officer Gregory is included in the vote).*** Okay. Moving on to Introductory Resolutions.

Introductory Resolutions

IR 1660 - 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 purposes (SCTM No. 0200-973.70-06.00-023.000) (Co. Exec.).

I see that we have Ms. Rosen-Nikoloff Thompson here. Jill, if you could come forward, please. This is -- is this the parcel that happens to be in Brookhaven and North Bellport?

DIRECTOR ROSEN-NIKOLOFF:
Yes, it is. It's on Sugar Avenue.

CHAIRMAN CALARCO:
It's on Sugar Avenue. This one is going to Habitat for Humanity eventually?

DIRECTOR ROSEN-NIKOLOFF:
Correct.

CHAIRMAN CALARCO:
Is that the plan? And I see that we have folks from Habitat for Humanity here. This is an unbuildable lot as is. The adjacent parcel is already in the hands of Habitat; is that correct?

DIRECTOR ROSEN-NIKOLOFF:
Correct. And this additional parcel is 25 by 100. It's going to be combined with the adjacent parcel, which is 50 by 100, in order to complete construction and allow them to get Board of Health approval for the sanitary system.

CHAIRMAN CALARCO:
How many properties do we currently have in North Bellport that we've transferred over to the Town of Brookhaven for this kind of housing properties?

DIRECTOR ROSEN-NIKOLOFF:
I do not have that number.

CHAIRMAN CALARCO:
You don't have that number right now. I apologize. I didn't ask that ahead of time. I know you probably come a little unprepared. I just have some minor questions about the issue, or at least concerns, I guess. We've had quite a bit of debate going on in this neighborhood regarding its future and the type of growth and development we want to see there. The Town of Brookhaven has made repetitive concerns regarding 110 vacant and abandoned properties, homes, in the neighborhood that need to be rehabbed before we start doing anything new in the neighborhood. And so I do start to question -- I know that Tom has indicated to you at least that they're looking for this to happen. Whether it makes sense for us to continue to transfer vacant, undeveloped parcels for development purposes for single family homes in a community where we have 110 vacant single family homes.

DIRECTOR ROSEN-NIKOLOFF:
I don't disagree with what your just said. It's a concern which, you know, is on the front burner when we review these parcels for transfer. I think that with this particular parcel, even though it's in Bellport, it's necessary in order to develop the parcel that's already in Habitat's inventory. So we want to get what's in the inventory built and completed, even though it is a difficult market for the non-profits to develop in. But on a going forward basis, yes, I would agree with you.

CHAIRMAN CALARCO:
Sure. Perhaps -- maybe the reps from Habitat could come forward please and just -- just a couple of quick questions. I know you do great work in the community and I don't want to mean the questions about any disrespect to your organization or what you're able to do there. How many parcels do you currently have or how many projects are you working on in this particular community at this point in time?

MS. BURKE:
Diane Burke. I am the CEO of Habitat for Humanity of Suffolk. Right now this is the only parcel that we're developing in Bellport. It's a 50 foot lot and the Health Department would like us to see -- have the second parcel merged so that it creates a 75 foot lot, which is more pleasing to them.

CHAIRMAN CALARCO:
Do you have any other properties in North Bellport that you're not currently building or is there just that section up on Ecke Avenue. I know we've had discussions about that area that's really not ready to go in any way --

MS. BURKE:
Exactly.

CHAIRMAN CALARCO:
-- because of many issues that are affecting that parcel.

MS. BURKE:
We did met with the town regarding Ecke last week and we've decided to -- that that's not going to move forward. There may be a better use of that land further down the road, but certainly not right now.

LEG. CALARCO:
Sure.

MS. BURKE:
We are working with the town in the redevelopment of those blighted, if you will, properties. So

we're, you know, ready, willing and able to assist in that progress.

CHAIRMAN CALARCO:
That'd be great, because I think that's part of what we have to do there is to, especially since the town is making such a focus on those abandoned homes, that if we can actually start acquiring those properties and rehabbing them and getting them into a place where people can live in them again.

MS. BURKE:
We talked about some of the issues surrounding the ability to do that. You know, there are some problems with the way properties been bundled and transferred on the banking side.

CHAIRMAN CALARCO:
It's a complex issue that's affecting every neighborhood in Suffolk County, quite honestly.

MS. BURKE:
Because the title was never properly recorded, those transfers or those multiple transfers of title have become very complicated. So the town is working on a solution to those challenges and where we can actually trace proper title to those properties and then move forward. Until you know, you know, we have -- we insure title on every property that we take. And in order to do so, because then it makes it easier once we develop to then properly transfer title, so without being able to do that, it sort of puts everything in a gridlock. So there's going to be some heavy lifting, if you will, in order to get to that point.

CHAIRMAN CALARCO:
No, I agree. I think, and as I -- I think that particular issue is an issue in communities all across Suffolk County right now, probably across the nation. I could take you in any neighborhood I represent and point out vacant, abandoned homes that are just sitting there. Nobody really knows who owns them, nobody really knows who's --

MS. BURKE:
Exactly.

CHAIRMAN CALARCO:
-- got responsibility to them.

MS. BURKE:
Exactly.

CHAIRMAN CALARCO:
Some bank may be on the title but they may not actually be the one in ownership because of the whole subprime mortgage fiasco, so.

MS. BURKE:
I'm sure you've heard stories of folks that are trying to get themselves out from under and they no longer know who they can go to to do that.

CHAIRMAN CALARCO:
They're trying to refinance or get some help and they can't -- they don't know who they're supposed to work with.

MS. BURKE:
We live that every day and we want to -- we don't want to be part of the problem, we want to be part of the solution. So what we've done with this -- our property that we have developed this year

in Bellport, it was a property that had been transferred over many years ago in a block that made sense to put a new home. The Health Department really wants us to have that extra 25 feet for our sanitary and that's really all we're trying to do there.

CHAIRMAN CALARCO:
No, I understand that. And this is the only one you have in North Bellport right now?

MS. BURKE:
We have -- I think, Jill, I think we have -- or Katherine. We have, I believe, three properties that would be buildable in Bellport but they're not on our --

CHAIRMAN CALARCO:
They are not on your to-do list right now.

MS. BURKE:
The one that we have on our agenda to build this year is the one that you speak of. It's formerly known as unoccupied, dilapidated home that was transferred to us that we've applied for a permit to take it down and redevelop.

CHAIRMAN CALARCO:
Okay.

MS. BURKE:
But the only property on next year's building plan in Bellport is a property like that.

CHAIRMAN CALARCO:
Okay. Great. That sounds fantastic. Thank you very much.

MS. BURKE:
You're welcome.

CHAIRMAN CALARCO:
We appreciate it. Okay. I will make a motion to approve.

D.P.O. SCHNEIDERMAN:
Second.

CHAIRMAN CALARCO:
Second by Legislator Schneiderman.

LEG. CILMI:
On the motion.

CHAIRMAN CALARCO:
Sure.

LEG. CILMI:
If I could ask, through the Chair, if I could ask Jill to come up. And thank you to the folks at Habitat for Humanity. You folks do a great job. Jill, could we just talk, just to make this simple, about all three of the resolutions that are before us today, 72-h resolutions that are before us today. The one that we're talking about now, IR 1660, what are the -- just give us a brief description of what this affordable housing will be dedicated to, if anything. Is it veteran specific, is it --

DIRECTOR ROSEN-NIKOLOFF:
This 25 by 100 lot is going to be adjoined to a house that's already under construction. I believe Habitat has already identified an occupant for that. They use them in the labor and construction of the house. So not that one, but the next two, which are two 40 by 100's which will be combined, it is also going to Habitat and we have had discussions with Habitat that we're going to do this with some kind of a preference for veterans on those two.

LEG. CILMI:
Okay, 1670 and 16 --

CHAIRMAN CALARCO:
It might be helpful, actually, if, Diane, to call you back up again and not to put you on the spot, but just maybe so the committee understands how Habitat develops their houses, because you do have in a lot of ways a unique angle here that you use, that you pre-identify who's going to go into the house.

LEG. CILMI:
But before do that, let me just finish my line of thought before it goes out of my head. Jill, could you -- I'm sorry, could you come just back up again? Diane, stay there. So the thing that concerns me is this parcel, the County investment is very small. It's like 900 - less than $1,000 I think.

DIRECTOR ROSEN-NIKOLOFF:
Yes.

LEG. CILMI:
And what about the value of the property if we were to not do this.

DIRECTOR ROSEN-NIKOLOFF:
We didn't do evaluation on it. We're not required to when the property is under a certain size.

LEG. CILMI:
So it's under that size and it's probably under a value that's anything substantial.

DIRECTOR ROSEN-NIKOLOFF:
Not buildable.

LEG. CILMI:
With respect to the next one, IR 1670, the County investment is stated at $64,000 plus?

DIRECTOR ROSEN-NIKOLOFF:
Yes.

LEG. CILMI:
And so that will be basically -- we'll walk away from that investment. In other words, that's been our investment. We're not going to recuperate that investment from the Town of Brookhaven at all.

DIRECTOR ROSEN-NIKOLOFF:
I prefer to think of it as an investment in affordable housing.

LEG. CILMI:
I understand that. But certainly we make lots of investments in affordable housing, and not only through 72-h program but through capital programs as well.

DIRECTOR ROSEN-NIKOLOFF:
Correct.

LEG. CILMI:
But that's -- so that's -- I just wanted to be sure that I was correct. So we're foregoing $64,000 of County investment. The property value on this piece of property?

DIRECTOR ROSEN-NIKOLOFF:
I believe there's a value range of $115,000 to 130,000.

LEG. CILMI:
Okay. So if we were to not 72-h this particular property, then, to the Town of Brookhaven, what would happen to it? It would go to auction?

DIRECTOR ROSEN-NIKOLOFF:
Correct.

LEG. CILMI:
And your best estimation is that it could fetch between 115 and $130,000?

DIRECTOR ROSEN-NIKOLOFF:
Yes, ballpark. Range of values, not a specific appraised value.

LEG. CILMI:
Right, right, right. So I guess this is not an Operating Budget concern so much as it is a cash flow concern. Okay. Diane, maybe you could tell us a little bit about your project here.

MS. BURKE:
So the program that Habitat is unique, as Mr. Calarco said, it takes a person in as a family partner. They go through a process of application where they demonstrate not only their ability to pay, but their willingness to partner and willingness to do community service as well. Their willingness to partner means they'll spend 300 hours building their home and the homes of others with folks in the community, the schools, local businesses, all coming together to help build the home for a hardworking family.

Part of our mission in Habitat, you know, from an economic standpoint is to try to keep working families staying in Suffolk County. Many of the folks that come in our program all have jobs, all have decent credit scores in order to be able to obtain a mortgage and become part of the community through their work through us. We're working hard to make sure that our hardworking members of Suffolk County have a place to live and it's affordable.

We promise them that their mortgage and taxes will not be more than 30 to 35 percent of their income, deeming them affordable, and being able to then be a part of the community in which they live and work. And being able to spend, you know, money on the things that they need to live outside of housing or including housing.

LEG. CILMI:
Talk to us about your selection process.

MS. BURKE:
So our selection process is simple. You go on our website, you download an application and you apply. If you meet certain criteria based on income -- so our base income for a person applying for a home is 40 to 60% of median income. In an area where there may be high taxes we can, in our

program, reach up to 80, but we try to stay within 40 to 60%. The area median income for a family of four in Suffolk County is about 105,000. So you're talking about, you know, somebody making 40 to 60%, in that range, for a family of four.

And basically if they meet the income requirements, they meet the credit requirements, they go through the next phase where they have to give us a lot more data and they go through an underwriting process that's assisted by Astoria Bank. They do a preliminary underwriting process, and then it goes to our selection committee, who we take a look and make sure that we think these folks can be successful homeowners. Then to our board, and our board determines who we partner with and then we pair the families to the properties based on a whole bunch of different criteria, how large their family is and how big the house is that we can build there, proximity to where they work and things like that. So we try to match the family to the property that best suits them.

LEG. CILMI:
What sort of -- what sort of volume of applications do you have?

MS. BURKE:
We have a lot of applications. We build about 12 houses a year. We've been around for 25, well, 26 years now. We have built over 170 complete. We're in the midst of our, I believe, 178th home in the last 26 years.

LEG. CILMI:
How many applications do you have existing currently?

MS. BURKE:
Currently we have --

LEG. CILMI:
Roughly.

MS. BURKE:
Probably about 20 in process.

LEG. CILMI:
In process. So in other words, 20 applicants, or 20 applicants who are in the process of getting homes built.

MS. BURKE:
We have no application deadline, our applications roll. So as people come in through the process, the applications roll and we meet with our board about every other month where we'll go through the approval process. And then as they're approved then we match them up with properties that we have in our inventory and we call that our pairing.

LEG. CILMI:
Okay. So you said you have a total of roughly 20 outstanding applications then at this moment, and those applicants may or may not, in the foreseeable future, have access to a home.

MS. BURKE:
Yeah. We have had folks sort of miss the mark and not be able to get over the approval for pretty much financial reasons. Their willingness to partner is there, they have good, steady work, it's just that they don't have the credit score or they don't have the ability -- we require folks to save. We have a program where we require folks to save $188 a month, and then those savings are matched four to one to cover closing costs. But for me, it teaches folks how to save. If you're not a good

saver it makes it difficult to be a good homeowner.

So if folks have come to us and they haven't quite met the mark, we've instituted a mentoring program where we teach them how to save. We teach them how to improve their spending. We teach them how to basically relinquish some of the financial stresses in their life by creating more simple choices, simplifying some of the things that they thought were important and simplifying that and teaching them how to be financially successful. And we've had two families that have gone through that process and have turned the corner and are never looking back. And I have -- in some of our families that are in homes for a while that are struggling I have the similar program where I personally bring them in and go through their financial statements and get them ready.

We just had our family picnic where we have a family reunion every year and somebody sat down and I thought uh-oh, what's coming my way, he said basically you taught an old dog a new trick, because I said every time you pay somebody I want you to pay yourself. He said nobody ever told me that before. So our program is about creating a place to call home for folks that otherwise couldn't and helping them be successful in that measure.

LEG. CILMI:
So once somebody applies and is approved and you find a suitable location, from a transactional point of view what happens.

MS. BURKE:
They sign a partnership agreement with us.

LEG. CILMI:
Okay. What about financially?

MS. BURKE:
They put down $1500, which turns into their down payment. We hold that for them and that turns into their down payment on their home once we go to contract, for the contract of the sale of the home.

LEG. CILMI:
Okay. So you enter into a contract of sale, and this contract of sale is between the perspective homeowner and Habitat?

MS. BURKE:
Yes.

LEG. CILMI:
And so is there a mortgage then that's held by Habitat for the homeowner?

MS. BURKE:
It depends. We have a partnership with a bank and the SONYMA Mortgage Program. If they qualify for -- we try to establish parameters that will -- we can't promise a mortgage ahead of time, that's not legal, so we try to establish the selection parameters so that they will be successful in the end, but sometimes things come up like not enough traditional credit to please the bank. Then we'll lend to them directly through Habitat. So it really depends.

We're in the process of a build right now, I don't want to say which one because it would be private, but, you know, the traditional credit wasn't enough. They've simplified their life, they've cleaned up their credit and they're keeping their borrowing minimal. The bank said we'd like to see more borrowing because we'd like to see a better track record, and we feel that the borrower has

demonstrated that they've made some great strides in their ability to do the right thing and we'll lend to those folks.

LEG. CILMI:
So when you sell one of these homes to one of applicants, let's say that the home on the market would be valued at say $300,000. Is it a discounted price that you're selling it to to the homeowner?

MS. BURKE:
Yes.

LEG. CILMI:
Is there a rule of thumb, a formula, as to how much that is discounted?

MS. BURKE:
We will never allow their housing cost to be greater than 35% of their income.

LEG. CILMI:
Okay. So the cost of the home that you're selling is relative to their income, their ability to afford living there.

MS. BURKE:
The cost of the home is whatever it costs us to build, but the selling price, the ultimate selling price is based on their ability to pay. So it does get discounted, and that discount gets recorded as a soft mortgage, which gets discounted over -- which gets forgiven over time, over 20 years. There's a covenant and restriction on the land that we receive from the County that says if I sell you this house and it's deemed an affordable home through the 72-h Program, that when you decide to sell the home it has to be sold to somebody at 80% of median income or less. And that covenant and restriction lies on the deed. It's regardless of whether we sell the property to a homeowner and they sell it to somebody else. That deed is -- that restriction is on the deed. It travels with the land, not the owner. Once that owner sells that stays there. The next person would have to -- it stays affordable in perpetuity. They can live there forever and not sell, but that affordability component lives on the deed.

LEG. CILMI:
Okay. Thanks very much.

MS. BURKE:
You're welcome.

CHAIRMAN CALARCO:
Any other questions? Diane, thank you very much for coming in today. We appreciate it.

MS. BURKE:
You're welcome. Thank you.

CHAIRMAN CALARCO:
Okay. I have a motion and a second. I don't have a Clerk. Okay. We have a motion and a second on IR 1660. All those in favor? Opposed? Abstentions? IR 1660 is approved. ***(Vote: 5-0-0-1 - Not Present: Legislator Hahn)***

IR 1670 - Authorizing the sale of County-owned real property pursuant to Section 72-h of the General Municipal Law to the Town of Brookhaven (Sound Beach) for affordable

housing purposes (SCTM No. 0200-030.00-04.00-024.000)(Co. Exec.).

We have kind of gone through the program already. I'll make a motion to approve. Second by Legislator Lindsay. All those in favor? Opposed? Abstentions? IR 1670 is approved. ***(Vote: 5-0-0-1 - Leg. Hahn - Not Present)***

IR 1671 - 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 purposes (SCTM No. 0200-030.00-04.00-025.000) (Co. Exec.). I'll make a motion to approve.

D.P.O. SCHNEIDERMAN:
On the motion.

CHAIRMAN CALARCO:
Second by Legislator Schneiderman. On the motion.

D.P.O. SCHNEIDERMAN:
Jill, would you step up to the podium for a second? It's a quick question. This is just a generally question really pertaining to all these. A moment ago it was mentioned that there's a restriction and a covenant of these properties that say 80% of median income. We had passed a resolution some years ago that expanded that I thought to 120% of median income. Are we still restricting them to 80%?

DIRECTOR ROSEN-NIKOLOFF:
That is the general program parameter. You can go up to 120 as an exception, and we have done that.

D.P.O. SCHNEIDERMAN:
Okay, but it's nothing further that we would have to do. Basically your office would put the restriction on?

DIRECTOR ROSEN-NIKOLOFF:
No. If the non-profit indicates to me that they believe that the 80% will be too restrictive, then when we come over here and get your approval, we would put a provision in the resolution that says you are allowing us to go up to 120.

D.P.O. SCHNEIDERMAN:
Now, these today are all at 80?

DIRECTOR ROSEN-NIKOLOFF:
Yes. That's Habitat's model. They never go -- they won't go over a certain income level.

D.P.O. SCHNEIDERMAN:
Okay. Thank you.

CHAIRMAN CALARCO:
Okay. All your questions are answered? Ready to move on? We have a motion and a second on IR 1671. All those in favor? Opposed? Abstentions? IR 1671 is approved. ***(Vote: 5-0-0-1 - Leg. Hahn - Not Present)***

IR 1689 - Approving the reappointment of William C. Macchione as a member of the Suffolk County Home Improvement Contracting Board (Co. Exec.). I will make a motion to approve. Second by Legislator Lindsay. All those in favor? Opposed? Abstentions? IR 1689 is

approved. ***(Vote: 5-0-0-1 - Leg. Hahn - Not Present)***

IR 1692 - Accepting and appropriating funding for the Disability Employment Initiative (DEI) from the New York State Department of Labor for the Workforce Investment Act (WIA) Program (Co. Exec.). Is this 100%, Counsel? I will make a motion to approve and place on the Consent Calendar. Second by Legislator Schneiderman. All those in favor? Opposed? Abstentions? IR 1692 is approved. ***(Vote: 5-0-0-1 - Leg. Hahn - Not Present)***

IR 1693 - Approving the appointment of Jason Lucia to Detective in the Suffolk County Police Department (Co. Exec.).

This is coming to us because this is a nepotism issue. There is -- I think he has a relative who is a superior in the department. Can we just have somebody -- Mr. Vaughn, could you just comment whether or not you can confirm that Mr. Lucia here is, you know, on the top of the list for the detectives and is due for this promotion.

MR. VAUGHN:
He is. He went through the entire Detective promotion process, which included being, as it says here, things that were reviewed were -- included his attendance, writing skills, interview skills and command performance reviews. There were several rounds of interviews in which candidates were interviewed. His relative was not part of that process, so yes, we do feel that it's an appropriate appointment.

CHAIRMAN CALARCO:
Okay. I'm comfortable with it. Legislator Schneiderman.

D.P.O. SCHNEIDERMAN:
And just -- and just to make sure we have done our due diligence and I appreciate that, Tom. So just on the record there was no one else who was more qualified who was passed by to reach this individual. Is that correct?

MR. VAUGHN:
I'm not sure that I understand the question, Legislator Schneiderman.

D.P.O. SCHNEIDERMAN:
So obviously there was a number of candidates that were screened for this position. I just want to make sure -- this person obviously is related to somebody in the department, that we choose the most qualified individual for the position, regardless of the fact that he may have been related to somebody. I just want to make sure that -- because that's what the statute, I believe, is about.

MR. VAUGHN:
Right, that we chose the best applicant for the spot.

D.P.O. SCHNEIDERMAN:
So he was the best applicant.

MR. VAUGHN:
Yes.

D.P.O. SCHNEIDERMAN:
Okay.

CHAIRMAN CALARCO:
Okay. Do we have a motion yet? I'll make a motion to approve. Second by Legislator Lindsay. All those in favor? Opposed? Abstentions? IR 1693 is approved. ***(Vote: 5-0-0-1 - Leg. Hahn - Not Present)***

IR 1698 - Updating standard work day and reporting for Elected Officials 2014 (Pres. Off.). This is just for our new Legislators to get their hours registered with the Comptroller's office with the State. I will make a motion to approve.

D.P.O. SCHNEIDERMAN:
Second.

CHAIRMAN CALARCO:
Second by Legislator Schneiderman. All those in favor? Opposed? Abstentions? IR 1698 is approved. ***(Vote: 5-0-0-1 - Leg. Hahn - Not Present)***

IR 1710 - Authorizing amendments to Affordable Housing Development Agreements for Wyandanch Rising to reflect a municipally approved rent standard (Co. Exec.). Motion by Legislator Schneiderman. I'll second the motion. Jill, are you still in the audience out there?

DIRECTOR ROSEN-NIKOLOFF:
I am.

CHAIRMAN CALARCO:
Could you just explain to us what we're doing here quickly?

DIRECTOR ROSEN-NIKOLOFF:
We are adopting an affordable rent standard to be applicable to Wyandanch Village Building A and Wyandanch Village Building B, which were two affordable housing developments previously approved by the County.

CHAIRMAN CALARCO:
And we have to approve this because that's just our standard procedure or are these different from what we usually have for affordable housing rates?

DIRECTOR ROSEN-NIKOLOFF:
They're slightly different than Article 36 of our code permits, but it's permissible to have a different rent structure if it's adopted by another municipality, which the Town of Babylon has done.

CHAIRMAN CALARCO:
Okay. And is this lower than ours, higher than ours?

DIRECTOR ROSEN-NIKOLOFF:
They are --

CHAIRMAN CALARCO:
How does it relate.

DIRECTOR ROSEN-NIKOLOFF:
Well, our program restricts the rent to the HUD established fair market rents. There are very limited situations in which the program as now adopted by the town will exceed the fair market rents, but in my opinion it's appropriate because the fair market rents are slightly flawed in terms of applications because they're not tied to income.

CHAIRMAN CALARCO:
Okay. Very good.

LEG. CILMI:
That answer your question?

CHAIRMAN CALARCO:
It did.

LEG. CILMI:
I'm sorry, Jill. If you could just iterate. Legislator Calarco asked if the rent schedule here is lower or higher than our rent schedule.

DIRECTOR ROSEN-NIKOLOFF:
There are limited situations, approximately 18 units, where the -- this rent structure will be higher than what we permit --

LEG. CILMI:
Higher, okay.

DIRECTOR ROSEN-NIKOLOFF:
-- under the fair market rent.

LEG. CILMI:
For 18, roughly, units. And the rest of the units will comply with our --

DIRECTOR ROSEN-NIKOLOFF:
Correct.

LEG. CILMI:
And how much higher are -- will it be for those 18 units?

DIRECTOR ROSEN-NIKOLOFF:
I can get you the specifics. I didn't break it down here.

LEG. CILMI:
I mean roughly.

DIRECTOR ROSEN-NIKOLOFF:
It's not significantly.

LEG. CILMI:
Okay. All right. Thank you.

CHAIRMAN CALARCO:
Legislator Schneiderman, do you have a question as well?

D.P.O. SCHNEIDERMAN:
So first of all, how many units of affordably priced housing are there total at this project?

DIRECTOR ROSEN-NIKOLOFF:
One-hundred and twenty-two.

D.P.O. SCHNEIDERMAN:
One-hundred and twenty-two. So all -- and how many units are there overall, 122?

DIRECTOR ROSEN-NIKOLOFF:
Overall?

D.P.O. SCHNEIDERMAN:
Yeah. Is this 100% affordable?

DIRECTOR ROSEN-NIKOLOFF:
No, no. There's a market component in each of the buildings.

D.P.O. SCHNEIDERMAN:
Do you know how big that is?

DIRECTOR ROSEN-NIKOLOFF:
The total number of units in Building A I believe is 91, of which we have 60 affordable. And then I think in Building B the total number of units is 86, of which we have 62 affordable.

D.P.O. SCHNEIDERMAN:
So it's way above the 20% percent threshold.

DIRECTOR ROSEN-NIKOLOFF:
Oh, yes.

D.P.O. SCHNEIDERMAN:
More than 50%.

DIRECTOR ROSEN-NIKOLOFF:
(Shaking head yes).

D.P.O. SCHNEIDERMAN:
Okay. Thank you.

CHAIRMAN CALARCO:
Okay. No other questions? We have a motion and a second. All those in favor? Opposed? Abstentions? IR 1710 is approved. ***(Vote: 5-0-0-1 - Leg. Hahn - Not Present)***

IR 1737 - Adopting Local Law No. -2014, A Local Law to safeguard employees impacted by privatization (Browning). This needs to be tabled for a public hearing. I'll make that motion. Second by Legislator Lindsay. All those in favor? Opposed? Abstentions? IR 1737 is tabled. ***(Vote: 5-0-0-1 - Leg. Hahn - Not Present)***

I have no other items on the agenda. Seeing no other issues from the committee, we are adjourned.

(THE MEETING WAS ADJOURNED AT 11:25 A.M.)