

ECONOMIC DEVELOPMENT, HIGHER EDUCATION & ENERGY COMMITTEE  
CONSUMER PROTECTION COMMITTEE  
LABOR, WORKFORCE & AFFORDABLE HOUSING COMMITTEE

OF THE  
SUFFOLK COUNTY LEGISLATURE

Minutes

A Special Joint Meeting of the Economic Development, Higher Education & Energy Committee and Consumer Protection Committee and Labor, Workforce & Affordable Housing Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on October 25, 2006 to discuss the matter of the Operating Budget.

MEMBERS PRESENT:

Leg. Wayne R. Horsley, Chairman of Economic Development, Higher Education & Energy Committee

Leg. Kate M. Browning, Chairperson of Labor, Workforce & Affordable Housing Committee/member of Consumer Protection Committee

Leg. Thomas F. Barraga, member of Labor, Workforce & Affordable Housing Committee/member of Consumer Protection Committee/member of Economic Development, Higher Education & Energy Committee

Leg. Jack Eddington, Vice Chair of Labor, Workforce & Affordable Housing Committee

Leg. Lynne C. Nowick, member of Economic Development, Higher Education & Energy Committee/member of Consumer Protection Committee/member of Labor, Workforce & Affordable Housing Committee

ALSO IN ATTENDANCE:

Gail Vizzini, Director of Budget Review Office

Jill Moss, BRO

Joe Muncey, BRO

Ben Zwirn, Assistant Deputy County Executive

Jim Morgo, Commissioner of Economic Development

Marian Zucker, Director of Affordable Housing  
Joe Sanseverino, Director of Community Development  
Carolyn Fahey, Chief Program Analyst Inter•governmental representative  
Tony Ceglio, Gabresky Airport Manager  
Robert Dow, Jr., Commissioner of Labor for Suffolk County  
Peter Crisano, Labor Department  
Joanne Kandell, Labor Department  
Catherine Stark, Aide to Leg. Schneiderman  
Paul Perillie, Aide to Majority Leader  
Bob Martinez, Aide to Leg. Montano  
Peter Quinn  
Greg Moran, Aide to Leg. Nowick

MINUTES TAKEN BY:

Diana Kraus, Court Stenographer

(THE MEETING COMMENCED AT 2:23 PM)

**CHAIRPERSON BROWNING:**

Good afternoon. We'll start with the Pledge of Allegiance led by Legislator Barraga.

*SALUTATION*

**CHAIRPERSON BROWNING:**

Thank you. And I guess we have a few people that are not quite here yet so we shall begin. What I will do and what I will say this morning like Legislator Eddington said we will try and refrain from too many questions each to give everyone an opportunity to say something here at the horseshoe. We'll start with our Commissioner of Labor Bob Dow if you'd like to come up and give us a report. I'm sorry. I do have a card. Peter Quinn was here. Do you mind if I let Peter speak first?  
Sorry about that thank you.

**MR. QUINN:**

I came to yesterday's public hearings. And I observed that there were many questions about this job or another job and questions to various people in

various departments about one or two job changes and sewer district employees, etcetera.

And I said to myself this is kind of my micro•managing. And I thought that this was the wrong focus and you needed to enlarge your lense to macro issues. And I would submit that Computer Associates have been written about in the last few days where Kumar and Richards both admitted to guilt of \$300 million in theft. The company paid a fine of 225 million so that they wouldn't be indicted. And there's a {Fatico} Hearing coming up this week where Legislators, it seems to me, when you think of the potential tax losses to this County as a result of their behavior, you should be calling to insist that the penalties to Kumar be lenthened. The proposal is zero years to 30 years. And I would submit that that company had 4,000 employees on the basis of three different IDA's given to it over the years. They are now down under 2200. What impact, I will ask you, has that had on taxes and employment and the economy of Suffolk County? Attempt to extract any still benefits that they receive and perhaps we'll have more revenue to spend.

The second issue deals with Keyspan. Today's Newsday shows that they're seeking a rate increase. They haven't even finalized their agreement with National Grid and they're proposing before this •• sneak it into their case before the Public Service Commission, which will increase those who use natural gas least. I submit that it ought to be if you want to reduce the use of fossil fuels, you can't charge those who are using the least amount most. And they more than double for those who use fewer than three therms.

And the third point had to do with you US Web. I understand you've submitted to the state the request from the Economic Development Agency to include that company beyond the Empire Zone. Why don't we just give every company •• why don't we create an empire zone for the entire County? Give every business ten year tax abatements, sales tax eliminations. And that's •• in the long wrong, that's what business is seeking.

But I would submit to you that you work with Steve Mallone to get that sewer district lines built to Wyandanch. And since this is a minority group of workers, that you resite the business in Wyandanch. And if you did, it would be more readily available to those who walk to work. It would take care of minority concerns in Wyandanch. And it would stop the nonsense about making exceptions to the rules to create empire zones. Thank you.

**CHAIRPERSON BROWNING:**

Thank you. Okay. Good afternoon, Bob.

**MR. DOW:**

Good afternoon, Legislators and Madam Chairman. My name is Robert W. Dow, Jr., Commissioner of Labor for Suffolk County. And I'm here to give a brief overview of the Department and answer any questions with regards to our budget.

To the right of me is Pete Crisano, Director of Grant Development and Program Compliance.

**CHAIRPERSON BROWNING:**

I don't think your mike is on.

**MR. DOW:**

Okay. Better. As a former electrician, yes, it is a little embarrassing. Let me start again. Good afteron, Honorable Legislators and Madam Chairman. My name is Robert W. Dow, Jr., Commissioner of Labor for Suffolk County. And I'm here in front of you to give a brief overview of Department of Labor 2006 highlights and also discuss our budget. And to the right of me is Pete Crisano, Director of Grant Development and Program Compliance. And to the right of Pete is Joanne Kandell, Director of Finance.

We currently with 2006 we have approximately 180 employees. Our operating budget request is approximately \$15 million. Some of our highlights have been •• this year we've been very fortunate in doing a very good job on making our program compliances with the Workforce Investment Act that handles employment and training programs for residents of Suffolk County to the fact that we've been able to secure and have utilized supplemental income of 953,000 from the State of New York.

Another section of our department that's under Workforce Investment is our business services. There is a wonderful grant out through the State of New York for employers to get training up to \$50,000. And we've helped secure employers in Suffolk County to the tune approximately currently of about \$1.5 million in monies that they can use for workers that are incumbent to be able to re•train them and get them higher paying positions. And obviously affording the County a better economic advantage for these employees and

the employers.

We have our SWEP Program with •• working with the Department of Social Services or our Welfare to Work Program. We've served over 6,000 eligible participants this year in our program. We have our Displaced Homemaker Program which helps women that are going into the workforce at a later date and helps them in securing work and teaching them how to become employable.

We also had recently on October 14th our Youth Awards Ceremony. And that was the finish of our Summer Youth Program of which we serve 530 youths. In a six•week period they were able to secure various jobs throughout Suffolk County. They were paid minimum wage. And the culmination of that was to have our Youths Award Ceremony of which we had over 100 awardees. And I was very thankful to see that Legislator Browning and Legislator Eddington made it. And they are able to congratulate their awardees in their district. And that worked out very well.

And to continue on we have the Suffolk County Pro Board that we administer along with Labor and Mediation, Labor Statistics. And three bills that you're well aware of, the Living Wage, the Fair Share Medical Health Care Act and also now the Employer Verification bill which will start in 2007 that we will start to administer.

What I'd like to do now is ask Pete to just give you a very brief overview because our department is primarily 80% funded through federal funds, pass through funds; to have Pete give an overview of both the Workforce Investment Act and the TANF Act that funds our SWEP Program. Thanks.

MR. CRISANO:

Thank you, Commissioner. Workforce Investment Act Funds are federal funds authorized by congress passed through to the State of New York based on a formula. The distribution within the state to one of 33 local workforce investment areas of which Suffolk County is one is based on a formula that is proscribed primarily by the feds but you can add some local statistics to it to compensate for certain things that happen within New York that don't happen in other areas.

We were the beneficiaries of one of those statistical anomalies called an area of substantial unemployment. When we originally prepared our budget, we

had preliminary planning estimates which showed a decrease in all three funding streams under Workforce Investment Act which is adult, youth and dislocated worker. Part of the formula for adult and youth contains something called area of substantial unemployment, which is your relative position vis-à-vis the other counties or the other areas in the state; how you stack up and how you may use more of that money to meet these areas of substantial unemployment.

What happened was the federal government had distributed ASU's figures that caused New York State to lose a substantial amount of money. Our congregational delegation and our workforce people from the State of New York challenged the federal government on this. The feds backed off and decided to re-calculate how the money would be distributed and changed this ASU factor. The ASU factor added \$1.2 million to Suffolk County; about \$600,000 in adult and \$600,000 in youth. And that's primarily because the only available statistics they had were the 1990 census. So the state •• the federal government had to go back to 1990 statistics. They did not trust newer census stats so they went back to older stuff, decided this is the way to distribute it. And we were the beneficiaries of that recalculation of ASU. So we actually received an additional \$1.2 million in both the adult and youth streams which we programed into service to the customers.

The second good news is that during the year there is a supplemental allocation distributed to those areas that meet certain financial and enrollment targets. We have met the financial enrollment targets under the dislocated worker for the first quarter. That's July through September. We are currently awaiting an audit to see that these statistics and the way we reported it are perfect. And then we expect to receive a supplement allocation for the first quarter of about \$440,000. That would be under the Dislocated Worker Program. That would be re-programmed back in to provide training services, intensive services and counseling for dislocated workers coming in. There is a second allocation worth about 300,000. Should we meet the goals in the second quarter, we will become eligible for that additional funding.

So I make a point of this only because we tend to receive a lot of money during the year that we need to re-program in that we cannot put it in the budget because it is questionable until we reach the targets. So we are looking at an additional three quarters of a million dollars to serve unemployed and under-employed. That should be coming in by the end of

probably February. We should have the full amount in.

On the other side of the coin over in the TANF area, I think most of you are aware that the changes in TANF regulations have really put a stress and a strain on the staff because of the requirements that have •• that have actually made participation a very difficult thing to track, report and produce. Now, we need to make •• they had a participate rate of 50% for those •• those who are required to work or participate. That on the surface sounds like an easily, do•able thing. However, we have to understand that the denominator when calculating participation rates includes a lot of people who are severely work limited, who have mental problems and drug substance abuse problems, have •• coming out of incarceration. Level one through three sex offenders are included in that group. They're very, very difficult to place. So meeting the 50% participation rate is not that easy.

We've asked for additional staff along the way to meet these requirements that are placed upon us. We do feel that with the proper effort put forth and the cooperation between Suffolk County Department of Social Services and Labor that we will meet the participation rate. If we do not, this County may be subject to certain financial penalties in its welfare block grant.

Now we do have •• we have sort of a free year. October of '06 through September of '07, it appears that they will not put any financial penalties on us if we do meet that participation rate. But after that, the game is wide open. And I think the mood •• the mood federally is to obviously is to recoup more money, put in back into the federal budget because of all the shortfalls and what seems to be going on up there. So we need to be very careful; make sure we make these targets and that we keep Suffolk County out of any kind of financial sanction or penalty.

**CHAIRPERSON BROWNING:**

Okay. Do we have any questions? You have a question.

**LEG. BARRAGA:**

Good afternoon. Certainly you gave us a nice overview in terms of what, you know, your department does. But in listening to this gentleman here I got the sense that you're looking for additional positions in order to make or meet certain TANF changes in regulations?

**MR. CRISANO:**

Well, we originally asked that as we lose positions, that they be backfilled. And what we're looking to do is reclass a lot of the higher level positions that we lose into lower level so we get •• to be honest get some more Indians on the line rather than create chiefs. So if we lose any of the government relations coordinator, we'd like to replace it with a labor technician.

LEG. BARRAGA:

Well, the recommended budget has you at \$15 million which is 569,000 more than the 2006 adopted budget; and about \$908,000 than you requested. Now, this 15 million O 32, does that include the positions you're talking about or they're just not there?

MR. CRISANO:

I don't think it •• if I looked at what the recommendation was, the elimination of the 14 positions •• there were 14 positions eliminated from our budget. And I'm not sure that that includes all of the ••

LEG. BARRAGA:

Are you asking for those positions to be put back?

MR. CRISANO:

No.

LEG. BARRAGA:

No.

MR. CRISANO:

No, not those 14, no. But we are asking that we backfill as we lose people that these positions be left available to us to put the staff in place.

LEG. BARRAGA:

So you'd need additional dollars over and before what's been budgeted?

MR. CRISANO:

Actually, no. We would backfill it with lower cost. And we'd realize some substantial staff savings by taking, say, a grade 25 who leaves and retires and replace it with a grade 17.

LEG. BARRAGA:

So you don't have a problem with this 15 million budget?

MR. CRISANO:

No.

LEG. BARRAGA:

All right. Well, that's what I'm here for. Obviously I didn't sense any real problems.

MR. CRISANO:

No.

LEG. BARRAGA:

Okay.

CHAIRPERSON BROWNING:

Budget Review, would you like to make a comment?

MS. VIZZINI:

Actually we pretty much concur with what the department said. They do have 13 remaining vacancies with some appropriations depending on how successful they are in terms of these other federal funds coming in. And the one area of •• that we are equally concerned about is their ability to administer and adhere to the TANF requirements. And to that end we actually recommended abolishing a higher level position, but creating a labor technician. And what they're talking about is if they have a vacancy in an appropriated title that they can work with Civil Service to bring it down to an appropriate title so they can do their core mission.

CHAIRPERSON BROWNING:

Okay. Thank you. Thank you, gentlemen and ladies.

MR. DOW:

Thank you.

CHAIRPERSON BROWNING:

Is there anyone else here to speak on Labor? If not, we'll go to •• Lynne, I believe you're going to take over on Consumer Protection? You want to switch seats?

CHAIRPERSON NOWICK:

Do we have any cards?

CHAIRPERSON BROWNING:

No cards.

CHAIRPERSON NOWICK:

I don't think this is going to be a big deal.

CHAIRPERSON BROWNING:

No, I don't think so either.

CHAIRPERSON NOWICK:

Do I have anybody here that would like to speak on the Consumer Affairs issues? Do I see anybody here from Consumer Affairs? That would lead me to believe that as Legislator Barraga says, another happy camper. With that I will turn it over Mr. Horsley. Let's see if you can name that tune in four notes.

CHAIRMAN HORSLEY:

Good afternoon from the Economic Development, Energy and Higher Education Committee. May I open up this hearing concerning the 2007 budget •• Omnibus Budget by asking Mr. Morgo to come forward. I don't believe by the way I have any cards. Is that true?

MR. QUINN:

May I simply ask that you distribute that letter I gave you yesterday regarding energy issues and share it with all the Legislators? Thank you.

CHAIRMAN HORSLEY:

Okay. Thank you very much, Mr. Quinn. All right.

COMMISSIONER MORGO:

Good afternoon.

CHAIRMAN HORSLEY:

Good afternoon, Mr. Morgo. It's always a pleasure.

COMMISSIONER MORGO:

Pleasure's all mine.

**CHAIRMAN HORSLEY:**

And to the rest of the entourage.

**COMMISSIONER MORGO:**

Yes, you see all the support I need.

**CHAIRMAN HORSLEY:**

How's your budget?

**COMMISSIONER MORGO:**

As a matter of fact our recommended budget is approximately \$5.5 million. And as you know the department really spans two legislative committees because it is now Economic Development and Workforce Housing. And we have five divisions: Community Development, Workforce Housing, the airport. And particularly at the airport one of the sub zones of the Suffolk County Town of Riverhead Empire Zone, the Hampton Business and Technology Park. The forth division Cultural Arts, Motion Pictures and Tourism.

**CHAIRMAN HORSLEY:**

By the way, I saw your publicity the next day after coming here relating to ••

**COMMISSIONER MORGO:**

The motion picture?

**CHAIRMAN HORSLEY:**

Motion picture, yes.

**COMMISSIONER MORGO:**

Fun and Games. I didn't get to meet Naomi Watt, though. But anyway, and Grants and Contracts. As a matter of fact we have some specialized grants, not just the omnibus and the member items that are associated with economic development and housing but we also have the Downtown Revitalization Grant and the Cultural Arts Grants.

All of these divisions are organized under the umbrella of our overall mission which is to attract businesses and jobs and investments to Suffolk County. And to retain those businesses we have and to help them expand. And, of course, we have many different tools for that; the Industrial Development Agency which I chair and the Empire Zone which I chair as well and the Film

Commission which I also chair.

When the Legislature made the decision in late 2004 to combine Community Development and the Office of Affordable Housing under Economic Development, it was a very wise decision, I think, because now that we have housing initiatives, we not only deal with the number of one detriment in bringing businesses and keeping them here, real estate taxes and the cost of energy; but also now the fact that we can offer housing benefits to the different entities is something that has expanded the reach of the department. And it's made us, I think, all the more effective and busy.

I just came from a business meeting and was talking about the Employer Assisted Housing Program. And when the department was combined, there were four employers participating. Now there are 74. And that's about in a year•and•a•half. And the program is about to be expanded with an infusion of \$25 million from the State Senate Long Island Delegation this January.

To talk about the budget specifically as Joe Muncey has said to me several times, when the office of Budget Review puts together its report it really is a snapshot in time. And what I'd like to do is just to clarify a couple of points from the BRO's report. Joe and I have had conversations; Joe and folks with whom I work. My key people here have also spoken to Joe about these things. Just two points that I want to make and then I welcome your questions.

Number one, there was a recommendation in the BRO report that the Program Analyst in Community Development, that position not be filled in the 2007 operating budget. In fact the Program Analyst job is an extremely important one. As you know Community Development is the county agency that deals with appropriations from HUD; both housing and community development and blight removal and revitalization. A Program Analyst does some very important things; probably if not the most important one of them, the most important is to monitor the municipalities that are part of the Suffolk County Community Development Consortium. All municipalities in the County are part of it except for Babylon and Islip and Huntington to a lesser degree. Many of the villages are. And that's •• and the Community Development receives appropriations from the Community Development Block Grant Program and the {HODEN} Program and is responsible to make sure those funds are used as they should be. I should also mention those rapidly diminishing funds.

Also the Program Analyst would deal with all our grant applications and would deal with the financial guidelines to make sure they're •• the compliance with those financial guidelines to make sure they're being complied with. That position is going to be filled. It's going to be filled before the end of 2006.

The other matter dealing with the snapshot in time, if you will ••

CHAIRMAN HORSLEY:

So you agree with BRO recommendation?

COMMISSIONER MORGO:

No, I don't agree with it because it's almost moot because the position is going to be filled. The recommendation was that it not be filled because it hadn't been filled, but that is moot now because it is going to be filled. Is that about it?

CHAIRMAN HORSLEY:

Okay. Could BRO comment on this?

MS. VIZZINI:

Yeah. You know, our recommendation is based on the duration of time that the position had remained vacant in this title. And prior to that it was something else. And even on the position comptroller as current •• as we have now, we don't have a name. But we recommend that it be abolished only because of the length of time it had not been filled. But if you're telling me you've gotten the approvals, you're moving forward, that's good news.

COMMISSIONER MORGO:

Absolutely.

The other thing that I'm going to ask the Airport Manager to talk a little bit more in depth, and again as I say, Tony Ceglio spoke to Joe Muncey right before this meeting concerning the landing fees at the Gabresky Airport. This is the Aviation Division of the Airport; not dealing with the industrial park.

You know what else just occurred to me? I didn't introduce any of these folks. But you know them all anyway, right?

CHAIRMAN HORSLEY:

A fine group, but why don't you anyway?

COMMISSIONER MORGO:

Okay. On the far right •• my far right, your far left, and your perspective is probably more ideologically correct as I introduce, Marian Zucker, the Director of Affordable Housing.

CHAIRMAN HORSLEY:

Tom, are you the far left then?

LEG. BARRAGA:

Far, far right.

COMMISSIONER MORGO:

Yes, I've known Legislator Barraga for quite a while. And that's probably right on.

CHAIRMAN HORSLEY:

I was just checking your left/right business.

COMMISSIONER MORGO:

And to Marian's left, my right is Joe Sanseverino, Community Development Director. To my right is Carolyn Fahey, the Chief Program Analyst Inter •Governmental representative of the department. And to my left is Tony Ceglie the Airport Manager.

CHAIRMAN HORSLEY:

Welcome to all. Before we talk about the airport, Jim, could I just ask you a couple quick questions if I may. The Downtown Revitalization Program we've placed the monies one please versus another place. Would you go over that so I make sure you agree with what I think it is.

COMMISSIONER MORGO:

Well, let's see. There are really two downtown programs.

CHAIRMAN HORSLEY:

Yeah, I know. I picked that up.

COMMISSIONER MORGO:

There is what we in the department call the traditional program. That's the

## Legislators' Downtown Revitalization Program.

CHAIRMAN HORSLEY:  
Right.

COMMISSIONER MORGO:

And that program was the one that last year there was a change in the allocation of the grants. Prior to last year it was pretty much an entitlement program where whatever was available was sliced up 18 different ways and 18 different pieces of the pie. Last year the panel with the backing of the Legislature thought there might be a better way of doing it. And that was to base the grants on merit and look at more substantial grants that would have longer and more sustainable benefits to downtowns.

Whenever you change anything there's some resistance, but I think because the process went well last year, I hope it went equally as well this year •• you'll find out soon because the recommendations of the downtown panel are going to be laid on the table; and they have been laid on the table. So you'll be looking at them and evaluating them. You'll be considering them at your next legislative meeting.

The decision was made for both that program and the County Executive's program, which was called the Downtown Beautification Program, to bond both and not to fund them through the operating budget. They were capital projects. 64•12 was the legislative's program. And 64•18, which was the County Executive's. Now they are •• the recommendation is to bond both of them and to fund them through bonds. The allocations would be the same for each. There is recapture in the old rounds from the Legislative's program. So that's what ••

CHAIRMAN HORSLEY:  
It's at the level of 500,000; is that ••

COMMISSIONER MORGO:  
Yes.

CHAIRMAN HORSLEY:  
Okay. Now, what about the Beautification?

COMMISSIONER MORGO:

Same.

CHAIRMAN HORSLEY:

Same. Equal pieces.

COMMISSIONER MORGO:

Yep.

LEG. NOWICK:

Can I ask a question?

CHAIRMAN HORSLEY:

Sure, on that matter; then I got another one. Go ahead.

LEG. NOWICK:

I'm just kind of confused as to why we're bonding. It would be a million dollars ••

COMMISSIONER MORGO:

But they would be •• yeah, separate though because they're two separate programs.

LEG. NOWICK:

So we're bonding something that we're going to use in one year; right? Is that correct?

COMMISSIONER MORGO:

No.

LEG. NOWICK:

Or is this going to be spread over •• excuse me.

COMMISSIONER MORGO:

Yeah. That was •• talking about the County Executive's program, one of the problems with the County Executive's program •• there were two things we addressed. One of them is if it were funded by operating money, it had to be used in one year. If it's bond, it's really based on the useful life of whatever you're bonding. So by bonding the County Executive's program, you're not limiting it to one year.

The Legislative's program was not limited to one year. It would be over •• and it was a complicated process. Now we're encouraging for both that the projects that do get funded are substantive bondable projects. You know, and I'm not talking about depreciating or saying anything negative about many of the things that were financed in the past. The flower pots, the Band is Coming Into Town because they do serve a purpose. But now that's been done. And we're looking for more substantial things like ••

LEG. NOWICK:

Right.

COMMISSIONER MORGO:

Yeah. Okay. We talked about this previously.

LEG. NOWICK:

Right. And I understand that. It just occurs to me all the time if we're bonding that in the •• won't that cost us more money in the ••

COMMISSIONER MORGO:

Well, yeah, there's debt service. And it does cost you more than paying as you go. But there's another reason, too.

LEG. NOWICK:

Although at 2:15 today we're supposed to find out if it'll cost us even more; right? Is that •• the feds are coming in at 2:15; right?

COMMISSIONER MORGO:

Yeah, the new rights. But there is •• there's another reason, too. When we were going •• you'll remember, I think, Legislator, last year when we were going •• when we were trying to change the process with the Legislators' Downtown Revitalization Program ••

LEG. NOWICK:

Absolutely, I remember.

COMMISSIONER MORGO:

•• someone said well, there's review of the Legislators' grants. We get to vote on them. But why don't we get to vote on the County Executive's? Do you remember that came up? Well, now that they're bonded you'll have to vote on everyone of the appropriations. They'll be a bond resolution. So you

will have legislative oversight.

CHAIRMAN HORSLEY:  
I hadn't thought of that.

COMMISSIONER MORGO:  
Yeah, which is, you know, certainly a different perspective. And you'll be able to judge them based on the ways •• the same way you judge ••

CHAIRMAN HORSLEY:  
Are they merit based also? Is that how that works? Or is that just ••

COMMISSIONER MORGO:  
They are going to be reviewed by the downtown panel. That was something that we worked on. Did the panel ask for that or did we ask for it?

MS. FAHEY:  
I think we •• we asked for it based upon the comments that the Legislature •  
•

CHAIRMAN HORSLEY:  
Did the County Executive agree to that?

COMMISSIONER MORGO:  
Yep, yep.

CHAIRMAN HORSLEY:  
So it's basically going to be the same process.

COMMISSIONER MORGO:  
It's not going to be the same allocation of points. But •• go ahead.  
Do you want to ••

MS. FAHEY:  
Yeah. The intent was based upon the comments from the Legislature last year that there were no review or oversight by the Legislature in the end of the County Executive's Program. We're trying to put into place now a review process that the Downtown Revitalization panel gets to look at the projects

that are going to move forward. It's not going to be a competitive merit •• competitive process. The County Executive will pick those downtown •• that need •• the assistance based upon the need. The panel will review the project to make sure that it's something that they also feel the specific project for that area will be reviewed by the panel to make sure that they also feel that it's the project that will bring the best impact to the community.

CHAIRMAN HORSLEY:

Do they fill out an application? Is that how it is? How does the County Executive get these projects in front of him?

MS. FAHEY:

In the past we have asked for three projects from the communities that he's targeted so that we can take a review of the level of impact, the leveraging money that they would bring to the table •• to the County Executive's money. And then the department and the ••

CHAIRMAN HORSLEY:

And that's the County Executive's choice of which communities he wants to beautify?

MS. FAHEY:

Yes.

COMMISSIONER MORGO:

Yeah. And I really think beautify is a misnomer because it's •• you know, it's not ••

CHAIRMAN HORSLEY:

I used to be president of a beautification society so I love it.

COMMISSIONER MORGO:

I'm certainly not one who would be against beautification, Wayne. But what happens is as Carolyn mentioned, he •• through meetings with different chambers is the way that he comes up with the different communities and he tries to assess the need. Then as Carolyn mentioned that we •• the department will ask for three proposals. But we also have another advantage in that we know what the citizens panelists who sit on, you know, the downtown panel that you designate. We know what the kinds of things that

they're going to be looking at. And one example is that •• of that is that in Smithtown, for example, there have been requests for pavers and road improvements in Smithtown. And also we've been talking with the town about the need to expand the Kings Parks Sewer System there. So I'm just giving that as an example. It's true on the east end. It's true throughout the County. We have the benefit of knowing what other people are proposing and how the different proposals mesh if you will or if they are •• if they benefit one another or in fact if this would be a conflict with one another.

CHAIRMAN HORSLEY:

Lynne.

LEG. NOWICK:

And I understand that. Well, Smithtown was quite happy last year. But just quickly because I know we have questions. So if we bond for a million dollars, how long does that money last readily available; for how many years?

MS. VIZZINI:

As long as there's some activity in the project, five years.

LEG. NOWICK:

Five years.

MS. VIZZINI:

You know. And you'd typically would bond for ten or twenty depending on the useful life of whatever it is you're going to do.

LEG. NOWICK:

Up to the amount; five hundred and five hundred?

COMMISSIONER MORGO:

Well, it's what Gail just said, the useful life of whatever you're financing.

LEG. NOWICK:

Okay. All right. Thank you.

CHAIRMAN HORSLEY:

All right. Thank you very much, Legislator. Legislator Eddington.

LEG. EDDINGTON:

I was wondering if you could give me the definition of downtown.

COMMISSIONER MORGO:

It's not my definition but I think it's a good definition. It comes out of the Planning Department. And it deals with the number of businesses, their locations of the street. It was broadened this year to include downtowns are areas that were once downtowns or aspired to be downtowns because I'll tell you just how it works. There are 18 reps from each legislative district, one ex officio •• well, actually •• voting rep from the Planning Department and the County Executive's representative.

And the Planning Department which really does have •• and I want to emphasize •• this has a substantive view on what makes a downtown a downtown and how •• why it is important as a center of commerce and a center of activity, he would frequently be the •• if you will •• arbiter of whether an area is a downtown or not. And, Legislator Eddington, there are specific criteria on what designates a downtown. There are certain areas that if you're driving along a quote, unquote Main Street and you have strip shopping malls, they're not pedestrian friendly. And that's again one of the criterion. I don't have them off the top of my head. I do know some of them.

And it is not a place where you have pedestrians shopping in often niche stores or even chain stores in the downtown. Eating in restaurants. It's some place if there would be one overall criterion, you don't need an automobile to get to from store to store.

LEG. EDDINGTON:

Right. And the reason •• one of the first things I had done when I got in office is I asked to modify that definition and make it downtown revitalization and development because Patchogue is a great example of a downtown that your whole group is doing a fantastic job. It's a model program. But I also represent Medford Hamlet and Gordon Heights. They strive not to revitalize but to develop. And I'm not sure they qualify.

COMMISSIONER MORGO:

Well, with that •• with the new definition of this year that aspired to become •• so I would think that they would, yeah, under that.

LEG. EDDINGTON:

What I wanted to do •• I see you shake your head. That makes me very happy. Thank you.

COMMISSIONER MORGO:

Okay.

CHAIRMAN HORSLEY:

Boy, if that's all it takes. Legislator Barraga.

LEG. BARRAGA:

Jim, I want to talk about the overall budget. Right now it's \$5,492,000 which is 2,460,000 less than last year or 31% decrease. Can you break out for me why the 31% decrease? I see about a million two here has to do with contract agencies. It's working. You're not going to be doing with these agencies in the future; is that the idea?

COMMISSIONER MORGO:

Well, there were a couple of big tickets items, Legislator. The shellfish ••

LEG. BARRAGA:

I see that.

COMMISSIONER MORGO:

•• contract. And what happens is we administer many, many different contracts and grants that we get from the Legislature, omnibus grants, member items. Those all get zeroed out. And they're not in the budget now because, again, I go back to what Mr. Muncey said to me, it's a snapshot in time. They get •• all get zeroed out 'til they get added in by you. So that decrease you see is not nearly the decrease that you have in this snapshot in time.

LEG. BARRAGA:

Do you have any problems with this budget as it's detailed by the County Executive in terms of your department?

COMMISSIONER MORGO:

In the best of all possible worlds I would like to see some things different.

But as it •• and this is a bit self serving so I apologize for this beforehand. I'm sure you never hear anything self•serving in this place. But I think we're doing •• I think I have a terrific department. And I think under this department •• and I'm glad these folks are up here because they're really the ones who make the department work, I think we continue to do the kind of job we have been doing under the department under the budget.

LEG. BARRAGA:

Let's go back to the bonded indebtedness.

COMMISSIONER MORGO:

Okay.

LEG. BARRAGA:

You know, it's been my experience when you take something that's normally paid through an operating budget and you bond it out, obviously the indebtedness associated with the bonds is a lot less than coming up a million dollars every year, whatever that expense is. And sometimes, you know, you can use it to reduce the Operating Budget by close to a millions and save the dollars. But what happens in quite a few cases somebody else comes along and they see a million dollars that you used to spend, you don't have to spend now because you're bonding it out so let's spend it some place else. Now everything has a half life. Jim, the seat you're sitting in has a half life. I could bond that out for ten or twenty years, you know. So I'm just questioning, you know, why that strategy •• it looks to me like •• it's like smoke and mirrors a little bit.

COMMISSIONER MORGO:

I understand your question. And I'm going to answer it in two parts. The first part is what we already talked about and we've been talking about encouraging more substantive projects, things that can be bonded. We want to get both of the downtown programs in that direction.

The second part as someone who worked for many years and getting folks home ownership and having them, you know •• if we could have had everybody buy their home with cash, they would have done much better. But a 30 year mortgage obviously is more expensive because of the debt service. If we had the funds and we wanted to put the million dollars in the Operating Budget and raise taxes to cover it, I can understand your point.

Would I rather pay cash or charge something? I'd rather pay cash. So that's a decision •• the County Executive saw this as because of the different projects that we are funding through bonds, that this would be a way to encourage those substantive projects. And that when we put something substantive in our downtown that encourages more economic activity, gets more people in the downtown spending dollars with local businesses so that the money stays in Suffolk County, he saw the long-term advantage of doing that; doing it through bonds.

LEG. BARRAGA:

You see, what my concern is, what is the County Executive going to do with the million now that he doesn't have to spend that he supposedly is saving, you know, that you're going to bond out? That million dollar expense is no longer there in the operating budget. Now he can spend it some place or he could, you know, reduce the general fund maybe because of the 2.11%. I don't know. But I'm always concerned about people when they do this because we don't really track this as it goes along. I don't really know if you're spending it in some other department, some other agency.

COMMISSIONER MORGO:

I don't think that's the case. I know it's not being spent in our department. And I do know that whatever we bond, you certainly track that.

LEG. BARRAGA:

Absolutely.

COMMISSIONER MORGO:

And we can talk about specifically what was done in both programs. And, you know other programs that are very important to us, not to change the subject, but other programs that are very important to us are also bonded particularly the acquisition of open space and the acquisition of land for workforce homes.

LEG. BARRAGA:

I can see the rationale for that. I guess my concern is that when you've been paying something out of an operating budget for all these years, all of a sudden there's a strategy change in terms of let's just bond this. I mean there's too much of a tendency to do too much bonding on things that should be paid out of an operating budget.

COMMISSIONER MORGO:

And I would share that. I would share that.

LEG. BARRAGA:

All right.

CHAIRMAN HORSLEY:

Commissioner, if •• since we are moving towards •• the bigger project theory, does this mean that there's going to be a bottom to any allocations? I mean is there going to be a limit or a set on the bottom how much •• how much is going to be spent for each project or •• have you thought that out or ••

COMMISSIONER MORGO:

What has been the •• what was recommended the least this year, the smallest number this year?

CHAIRMAN HORSLEY:

And then is there a ceiling on that as well?

COMMISSIONER MORGO:

There hasn't been. The largest last year as I remember was 96,000. And what's the smallest this year?

MS. FAHEY:

Ten.

COMMISSIONER MORGO:

Ten is the smallest.

CHAIRMAN HORSLEY:

Okay. So even though we're bonding, we still can go to those smaller projects. It's just cumulative?

COMMISSIONER MORGO:

Yeah. It's just the kind of project.

MS. FAHEY:

5,000. I'm sorry. 5,000 is the minimum, right. And just to, you know, to reiterate what Jim had said, the Downtown Citizens Advisory Panel •• your

panel really wants this program to go towards more of a concrete long-term capital program in nature. They really want that. And this might assist them by mandating that it has to be a bondable project which gets them away from having to deal with the applications for flowers and things along those lines. They're well aware that the omnibus and the member item grants are out there, you know, quite prevalent now. And they're being used to supplant all those smaller projects and to fund those smaller projects.

COMMISSIONER MORGO:

Right in the application it says that.

MS. FAHEY:

Right. Right in the application they've actually said we really don't want to fund these things anymore; please, you know, let's try and keep it to a more capital nature. This change in philosophy and this change in funding mechanism will help mandate •• give them the mandate to say we can't fund those anymore and allow them to move towards the type of program that they feel this should be.

CHAIRMAN HORSLEY:

Ms. Vizzini, did you have something you'd like to say on this?

MS. VIZZINI:

Just that I wanted to make sure that it was clear that there are very specific criteria in the finance law in terms of what you can bond.

CHAIRMAN HORSLEY:

Yeah.

MS. VIZZINI:

And how long you can bond it. So when the figure \$10,000 came up, it's certainly not the figure but it would not be prudent, practical or perhaps even legal to bond printing or educational ••

CHAIRMAN HORSLEY:

So it's in the aggregate rather than the individual projects is the way we're going to be bonding? Is that what you're saying?

MS. VIZZINI:

It's what you're doing. The focus here is these should be capital bondable

projects. Stone and water, tangible.

MS. FAHEY:  
Brick and mortar.

CHAIRMAN HORSLEY:  
Individually or collectively?

MS. VIZZINI:  
Every which way you look at it.

MS. FAHEY:  
And 10,000 really is out of this year's so it would be something that we couldn't bond. The welcome signs to a community ••

CHAIRMAN HORSLEY:  
Okay. So, we're going to see the numbers start to bump up?

MS. FAHEY:  
Yes.

COMMISSIONER MORGO:  
Yes.

CHAIRMAN HORSLEY:  
Okay.

COMMISSIONER MORGO:  
You understood what Carolyn just said. This year it's out of the operating.

CHAIRMAN HORSLEY:  
Yeah, I get that, yeah. Okay. Are there any other questions? I do have one more. The life sciences initiative, Commissioner, where are we at with that?

COMMISSIONER MORGO:  
We are looking right now for applications. I think what we're going to ••  
we're going to ••

CHAIRMAN HORSLEY:  
You might want to explain it first for those that ••

**COMMISSIONER MORGO:**

Okay. In this year's recommended budget is 50,000 to encourage bio science, life science, entrepreneurs to establish themselves and remain in Suffolk County. The •• we had from our bio tech, high tech specialist, she came up with ten different directions for this 50,000. And we went through a lot and we looked at the possibilities for many any of the different ones.

We've come up with the whole idea of using money to get more money and leveraging the money. We really need funding probably through either one of our universities or our life science not for profit grant writing so that we would be able to bring more of the bio tech life science money. And particularly what we're looking for, Legislator, is to get those companies where we have an entrepreneur who's come up with a creative bio science product who can't get to commercialization through using the money. We can't give it directly to him but we can help him find other sources of funds. And that's where we look like where we're going to be going. It's not •• the final decision hasn't been made. And I'll be sharing the final decision with your committee.

**CHAIRMAN HORSLEY:**

Tony, we did cut you off before we got to the airport. Please.

**MR. CEGLIO:**

My presentation might seem minor compared to all of that. Our budget is relatively small compared to the entire department. But in general the airport operations are down about 6% from last year. We're anticipating holding that through the rest of the year. Our landing fee revenue's up about 1%. Our overall revenue is probably going to be up anywhere from 5 to 8% this year. So overall we're doing well.

It's a little bit different than what the Budget Review Office Report states. They stated that our landing fee revenue and overall revenue, I think, for this year is going to be anticipated to be about \$121,000 less than we anticipated. Talking to Joe Muncey before this and explaining it as Jim mentioned it's a snap shot in time is when he's made his estimate. At that time we had not collected some landing fee revenue based on questions from airport management to certain companies that transmit the landing fee revenues to us. There was also some back payments that were due. So his estimate is probably correct based on that snapshot in time. I would suggest

that maybe we go over the revised numbers based on collecting those late payments and see what we're going to end up with. We estimate it's going to be somewhere between 5 and 8% more than we had last year.

Our landing fees in general just as I mentioned in the last two and a half years have increased significantly. We were at one point collecting about a thousand dollars a year. For the last two and a half years we're up to about three quarters of a million dollars so we're doing fantastic as far as that goes. I'm trying to think was there anything else I can bring up?

**COMMISSIONER MORGO:**

No, but I would •• Legislator Horsley, I'm not going to suggest it now. But I would like •• I would request sometime with the Economic Development, Higher Education, Energy Committee to discuss the airport in more depth. There are two distinct areas of the airport; the aviation side of it where we get the landing fees and the other rentals fees as you know. We have to lease all the property. We don't want to and we can't sell the property. And the Hampton Business and Technology Park. I'd like to give you an update on both. And I think it would be worthwhile because like so many things in government, we have to balance a regional good. And the airport in both sides of the question, both the aviation and the industrial park have really regional positive impact. But we have to balance that with the adverse local impact. I mean there are so many things that we deal with. Something that I'm not unfamiliar with, dealing with housing. For example, everybody would say where there's a great need of affordable homes, but that when you speak about a specific development they'll talk to you. And most of the time with housing it's perceived negative impact. But that's not actually accurate.

Well, with the airport we have the same thing. It has great regional potential, but there is some perceived adverse impacts and some real adverse impacts. And all of our job, and I don't have to tell any of you in government, is to balance both of those. And I'd like to spend sometime going over the airport in full detail; both the aviation side and the industrial side.

**CHAIRMAN HORSLEY:**

Thank you very much. I appreciate it and congratulations. 8% you're thinking increase?

**MR. CEGLIO:**

Between 5 and 8.

CHAIRMAN HORSLEY:

We're getting there. The MBO's, where are we at with them? Carolyn's favorite?

COMMISSIONER MORGO:

There is progress in North Amityville.

CHAIRMAN HORSLEY:

No, not the incubators, the ••

COMMISSIONER MORGO:

Oh, fixed base operators. And said MBO's.

CHAIRMAN HORSLEY:

You're right. I'm sorry. Fixed base operators.

COMMISSIONER MORGO:

The fixed based operators. Well, there are two there now. There's Malloy and LI Jet. LI Jet is looking to renew their lease and expand. We have •• we have other FBO's wanting to locate there; Excel and •• who's the other one? Anyway, the LI Jet lease, as you know in its expansion has been less tied up in litigation. There was a court order to move ahead with the lease. It is back in the Council on Environmental Quality.

Also, instead of the re screening committee, you know, there is a community based review that makes recommendations to you and the County Executive. Jet filled out its Environmental Assessment form. They're about to get that and its application both to the CEQ and to this new group, this ACAP, Airport Conservation Advisory Panel.

CHAIRMAN HORSLEY:

Okay. So we're making progress on them.

COMMISSIONER MORGO:

Yeah. The LI Jet application is going to be emblematic of what I just talked about.

CHAIRMAN HORSLEY:

Yeah, I figured that.

COMMISSIONER MORGO:

Yeah.

CHAIRMAN HORSLEY:

But again it would go to the end of increasing revenues from the airport so we can move towards balancing our books.

COMMISSIONER MORGO:

And hopefully the industrial park will do that, too.

CHAIRMAN HORSLEY:

Very true. Absolutely. Not to be forgotten. All right. Is there anything else we'd like to ask the Commissioner? All right.

LEG. BARRAGA:

I don't think so at this time.

CHAIRMAN HORSLEY:

From the far right.

COMMISSIONER MORGO:

Fraught with dread. Would you like to take out a bond on this seat, Legislator?

LEG. BARRAGA:

Yes, ten years the useful life.

CHAIRMAN HORSLEY:

Mr. Gatan, I saw him there before? Did he walk out?

COMMISSIONER MORGO:

Couldn't follow this act.

CHAIRMAN HORSLEY:

Yeah, I certainly understand that. Would anyone like to be heard concerning Economic Development? Okay. With that being the case •• Ms. Vizzini, did you have anything to ••

**MS. VIZZINI:**

No.

**CHAIRMAN HORSLEY:**

You're good. All right. We'll close the hearing on the Economic Development Committee. All those in favor? Good. All right. We're done. Excellent.

**(THE MEETING CONCLUDED AT 3:19 PM)**

**{ } DENOTES SPELLED PHONETICALLY**