

**WAYS AND MEANS COMMITTEE  
OF THE  
SUFFOLK COUNTY LEGISLATURE**

**Minutes**

A meeting of the Ways and Means committee of the Suffolk County Legislature was held at the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, NY 11787 on Monday, **December 9, 2002** in the Rose Y. Caracappa Auditorium at 1:30 P.M.

**Members Present:**

Legislator George Guldi, Chairman  
Legislator Allan Binder  
Legislator Ginny Fields, Member  
Legislator Fred Towle, Member

**Also in Attendance:**

Paul Sabatino, Counsel to the Legislature  
Bill Faulk, County Executive's Office  
Christine Costigan, Suffolk County Real Estate  
Gene Murphy, Town of Islip Dept. of Planning Program  
Susan Barbash, Barbash Associates (Sunnybrook)  
Jim Morgo, LIHA  
Paul Fink, Town of Islip COA  
Donna Bonacci, Town of Brookhaven  
Brenda Rosenberg, County Executive's Office  
Nikki Thompson, Sunnybrook  
Marian Zucker, Affordable Housing  
Joe Poerio, Suffolk County Chief Deputy Comptroller  
Janet Ioli, Suffolk County Deputy Comptroller  
Todd Johnson, County Executive's Office  
Tim Motz, Democratic Caucus Aide  
Eben Brofman, Aide to Legislator Guldi  
John M. Armentano, Suffolk County Ethics Commission  
John Ortiz, BRO  
Tom Donovan, Aide to Presiding Officer Tonna  
Robert Cabble, Suffolk County Attorney  
Jim Burke, Suffolk County Real Estate  
And all other interested parties

**Minutes taken by:**

**Eileen Schmidt, Legislative Secretary**

**(The meeting was called to order at 1:50 P.M.)**

**CHAIRMAN GULDI:**

We will begin with -- we're going to take the agenda totally out of order and scramble everything. The first thing we're going to consider is **2287. Authorizing acquisition of property under Suffolk County Affordable Housing Opportunities Program (Sunnybrook Court) (0500-367-01-084, 85 & 86; Town of Islip). ASSIGNED TO WAYS & MEANS (Co. Exec.)** I don't have any cards. Did anyone give you a card? Can we have an explanation of this resolution, please? And I know they're some speakers here, come on down. There was a debate earlier today about whether or not we should have the audio transcription of the meetings and deliberations of the Suffolk County Legislature available in real time on the Internet and it occurred to me that not even the people in the room listen. So why would you want to put it on the Internet? Tell us what 2287 is going to do.

**MS. ZUCKER:**

2287 is the second project to move through Affordable Housing Opportunities Program. It is a mix of the County buying three properties that will be merged with two properties that the County had previously transferred to the Town of Islip. On these five combined parcels the Long Island Housing Partnership in association with Susan Barbash is going to construct 10 townhomes for sale units. The units will be sold at approximately \$120,000. The County subsidy in this case is going to the purchase of the land and also as allowed by the change made to the program last December to provide a subsidy for the development of the homes on the parcels previously transferred to the town.

**CHAIRMAN GULDI:**

What's the selection process for the eligible buyers going to be?

**MS. ZUCKER:**

The Long Island Housing Partnership is going to advertise in the local papers and bear with me one second, I have a number of people -- I also have a number of people in the audience who are here to answer more specific questions and if I could just take your time and introduce them. We have Gene Murphy who's the town planner for the Town of Islip. Susan Barbash, the developer of the project. Paul Fink, the executive director of the Islip CDA and Nikki Thompson and Nikki, I'm going to mess this up. You're the director Bay Shore Community Corporation which is the local area civic association. I'm actually going to ask Jim Morgo the head of the Long Island Housing Partnership to discuss the selection process.

**MR. MORGO:**

Okay. Still good afternoon, everyone. The question was the selection process. As I think most of you know the Housing Partnership has developed more than a 1,000 homes now in our soon to be 15 year history. And all of the homeowners are selected through a lottery that's well advertised in both majority and minority media and particularly in the community that's why we're very pleased to have Nikki Thompson as a partner in this because she lives in the community. In fact, she lives directly across the street of where the new development is going to be planned. Sunnybrook Court is actually being developed by the Bay Shore Partnership Housing Development Fund Company, which is a subsidiary of the Housing Partnerships. The same entity that developed Southwind Village of which we and I think most of Long Island is very proud of. So it will be done through a lottery with a preference, a local preference for people who live and work in the Town of Islip. Unfortunately, it's just 10 units, but it's a good use of space. And not only does it make homeownership possible, but it also revitalizes an area that has fallen on some hard time.

**CHAIRMAN GULDI:**

Go ahead, Legislator Fields.

**LEGISLATOR FIELDS:**

Exactly where is this located and is it possible to have a lottery where it's just residents of Bay Shore?

**MR. MORGO:**

It's on the corner of Brooks and Rhodes, Legislator Fields.

**LEGISLATOR FIELDS:**

Okay.

**MR. MORGO:**

And it was the site of a blighted overcrowded rooming house owned by an absentee landlord. As Miriam said we're complying five sites; this is on three of the five sites this acquisition and the Town of Islip who is also our partner has preferred the preference to be town wide not just neighborhood wide.

**LEGISLATOR FIELDS:**

Okay.

**MR. MORGO:**

As preferences go since there is also other money besides -- other subsidy besides Suffolk County subsidy you can't exclude anyone, but you can have a weighted preference and that's what we intend to do with these units. And incidentally there are four other units in the Bay Shore entities work in the Sunnybrook community that are going to be up on Second Place, you know where that is right off of Second Avenue.

**LEGISLATOR FIELDS:**

Yes, I grew up there.

**MR. MORGO:**

Yes, I know.

**LEGISLATOR FIELDS:**

Okay, Thank you.

**CHAIRMAN GULDI:**

Okay. I'm looking at the resolution; this is authorizing acquisition of the land. The land is identified in the legislation and as you say it's a former rooming house by an absentee landlord. Is it for sale or are we doing it by condemnation?

**MR. MORGO:**

It is currently owned, the three parcels are owned by the Housing Partnership now.

**CHAIRMAN GULDI:**

All right. So you've already acquired the land.

**MR. MORGO:**

We acquired it, yes.

**CHAIRMAN GULDI:**

Okay. And you've already appraised the land? So we've already appraised the land and we've got a resolution that authorizes acquisition, we're not talking about money. Their appraisals, are they off authorized list?

**MS. COSTIGAN:**

Yes. The Division of Real Estate has reviewed the appraisals and put it through the normal acquisition process in Real Estate to make sure that it meets the new requirements.

**CHAIRMAN GULDI:**

Yeah. And do we know yet or is that in progress?

**MS. COSTIGAN:**

No. It's been appraised; the appraisals have been reviewed. The reviews have been filed.

**CHAIRMAN GULDI:**

So we know what our number is?

**MS. COSTIGAN:**

Yes.

**CHAIRMAN GULDI:**

Does the Housing Partnership already know what that number is or is it an in house number?

**MS. COSTIGAN:**

No. They don't know what that number is.

**CHAIRMAN GULDI:**

Then I shouldn't ask you because we'll tell them at the same time cause I was going to ask you what the number was and then I was going to ask him how much of a profit the Partnership is making on selling us the land so we can build on it.

**MS. ZUCKER:**

The answer to the -- to your last question is that the Partnership is not going to make a profit on this.

**CHAIRMAN GULDI:**

So if it appraises at above their cost basis we get it at cost basis?

**MS. ZUCKER:**

Yes. But it didn't appraise it above their cost basis.

**CHAIRMAN GULDI:**

Oh, so you know that, okay. That answers my question.

**LEGISLATOR TOWLE:**

Mr. Chairman.

**CHAIRMAN GULDI:**

Go.

**LEGISLATOR TOWLE:**

Thank you. Have we done this kind of relationship before where obviously a fine and reputable housing organization has bought some property and then we've acquired the property back from them for affordable housing? Is that what we're doing I guess?

**MS. ZUCKER:**

Yes. And that is what we did in the Huntington transaction as well and the issue with regard to that is that the purchase of land happens quickly in the general market. And to put together a housing development, particularly one that has a number of subsidies as this one does takes quite a long period of time. So I think it's likely that we will see people as in the Sunnybrook transaction step in and buy the property in the interim hoping then for the County's involvement.

**LEGISLATOR TOWLE:**

Now lets go through a couple of scenarios. Why would we have not looked to acquire this property ourselves as opposed to using them as a conduit?

**MS. ZUCKER:**

Frankly, I don't think we could have moved quickly enough.

**LEGISLATOR TOWLE:**

For who, us or the property owner?

**MS. ZUCKER:**

Property owner.

**LEGISLATOR TOWLE:**

Was the property behind? I heard it was like dilapidated housing units or what was there people living there; there weren't people living there, what was the situation?

**MR. MORGO:**

Legislator Towle, it was an absentee landlord. The community put a great deal of pressure, when I say the community, the people who live in the Sunnybrook neighborhood of Bay Shore put a great deal of pressure on the Housing Partnership to get involved because they were afraid that this -- that the property would just be passed on to another absentee landlord.

**LEGISLATOR TOWLE:**

Jim, just for the record, clearly as I said your group obviously has a very good reputation. Obviously, you know, all of our property acquisitions now good, bad or indifferent come under extreme scrutiny.

**MR. MORGO:**

I understand that.

**LEGISLATOR TOWLE:**

And the appearance that you've bought a piece of property and within a short period of time we're now going to come back and buy that property from your group for the purpose of affordable housing. And then your group is then going to manager it. Just the appearance, you know, from a distance not looking at all the details --

**MR. MORGO:**

-- I understand completely --

**LEGISLATOR TOWLE:**

-- doesn't look good.

**MR. MORGO:**

But in fact we're not going --we're not going to be managing, this is ownership. So we convey the title to the new owners.

**LEGISLATOR TOWLE:**

But you're going to be involved obviously with the conveyance of the title because of the job that your group does.

**MS. MORGO:**

Yeah, under the County program, if I might, the way the property goes it goes from after the County acquires it and you already had the original resolution. The planning resolution, which already passed which, envisioned this moving on. The property is taken by the County and then the County conveys it to the municipality and then the municipality works with either a for profit or not for profit developer. We, as I said, we've done as you know Legislator Towle a lot of homes throughout Suffolk County and we've done more homes with this municipality than any other. So it is envisioned that they will pass it on to us as the not for profit developer and then after we -- the homes are developed and our general contractor builds them as per her fixed price contract they will go to the individual ten owners. It's not like we have a long term interest in the property.

**LEGISLATOR TOWLE:**

By the way I'm not suggesting that there is anything, you know, nefarious about what you've done.

**MR. MORGO:**

I don't think you are.

**LEGISLATOR TOWLE:**

Yeah. I just think from a practical point of view it's odd for the way that we do business for affordable housing; at least in my opinion that I've seen in the seven years that I've been here. You know I asked for an example we give the Huntington example and that was of recent; I can't think of any really long term examples where we've done this.

**MR. MORGO:**

Well, this is the only the second one of the program.

**CHAIRMAN GULDI:**

Legislator Towle, is you'll suffer in interruption.

**LEGISLATOR TOWLE:**

Go ahead.

**CHAIRMAN GULDI:**

One of the long term examples of a similar sort of practice is that we have over the last several decades from time to time acquired open space for preservation from the Nature Conservancy in particular and Peconic Land Trust where they had acquired the land to meet the seller's timeline requirements with the knowledge and expectation that this County would ultimately approve the preservation of the process -- of the property and effectively reimburse them for their expense in acquiring it. So there is a precedent and practice that is entirely consistent with this and one that has been exercised for the same timing concerns.

**LEGISLATOR TOWLE:**

That very well maybe the case Legislator Guldi, but clearly, you know, we're talking about affordable housing not land acquisition. I understand the similar comparison, but it appears to me just on the surface a little different. The question I guess that was asked and answered, but maybe I want to ask it in a different manner. Jim, what would happen today if hypothetically the County didn't move forward with this resolution, what would you guys do? What's your plan obviously, cause as Legislator Guldi pointed out it clearly is a gamble on your behalf to do something like this because you have the support of a Legislator in a district that said, oh, I'll sponsor a resolution on the County Executive doesn't mean that the rest of us are all going to sign on to that program. I wouldn't even want to put odds on it by the way being a very high bet.

**MR. MORGO:**

Well, the worst case scenario from the Housing Partnership perspective and it certainly wouldn't be a worst case scenario from a physical point of view is that we would sell the property. And -- but that would be the worst case because then ten people who would otherwise would never buy homes probably people from Bay Shore would not have the opportunity to buy the homes. We were operating under the perimeters of the County program and as Marian said this is exactly what happened, although the Housing Partnership wasn't the landowner in Huntington. It was a different organization and I dare say without our track record.

**LEGISLATOR TOWLE:**

As Legislator Binder leave the room after you just --

**MR. MORGO:**

And that one proceeded so we would -- and I also have to say that with both the principal planning from the town and the community development director from the town, this is a town where we've built more than a thousand homes and I don't know the exact number, but I bet about 250 are in Islip.

**LEGISLATOR TOWLE:**

Okay.

**MR. MORGO:**

So the programs there and it's doing, in this case, it's doing what it was designed to do.

**LEGISLATOR TOWLE:**

Let me just ask another question in regards to that. The comment was made that obviously the Housing Partnership would be making no money on this deal, you obviously acquired the property for an amount. At what point do you acquire the property; when did you take ownership of the property?

**MR. MORGO:**

I'm trying to remember I -- it was this summer.

**LEGISLATOR TOWLE:**

Okay. So sometime this summer, you know, I'm assuming the property value has changed somewhat, you know, possibly as more an appraisal than what they actually paid for it. I don't know that to be factual --

**SPEAKER:**

(inaudible)

**LEGISLATOR TOWLE:**

-- yeah, they came in less than what they paid for it.

**MS. COSTIGAN:**

Well, it's extremely less because of the time this property was acquired there was a building on it. The building was removed; we only appraised and are only paying for vacant land. So all the expenses of removing and demolishing that building have been paid for by the partnership at this point.

**LEGISLATOR TOWLE:**

Are they going to be reimbursed that expense?

**MS. COSTIGAN:**

No. We're buying vacant land.

**LEGISLATOR TOWLE:**

Okay. How much did you spend Jim, for the demolishing on the house and the cleanup of the property?

**MR. MORGO:**

Well, the total price was 317,500 for the three parcels, but as was mentioned there were two buildings on it and one of them was being used as a rooming house.

**LEGISLATOR TOWLE:**

Okay. What did you spend to cleanup the property and demolish it?

**MR. MORGO:**

I don't even remember. You got to understand that when we go into these developments as a not for profit we want to be made whole. We don't want to lose money obviously, but we're not looking at it as something where we're looking at it as a profit motivated basis.

**LEGISLATOR TOWLE:**

How are you made whole here?

**MR. MORGO:**

Say it again.

**LEGISLATOR TOWLE:**

How are you made whole here?

**MR. MORGO:**

Through the overall budget through the sale of the home. It's a long-term process. We're going to be made whole when the development is finished as we're always made whole. There were times with Southwind Village where I have to tell you that that the end of that tunnel looked very far off, but we eventually were made whole with Southwind Village.

**LEGISLATOR TOWLE:**

Okay.

**MR. MORGO:**

You know, Legislator Towle, I could certainly it would be easy enough for me. The general contractor is here, I could ask her exactly what the demolition cost were.

**CHAIRMAN GULDI:**

I have an easy way to do this if you want.

**LEGISLATOR TOWLE:**

Okay. I'm done.

**CHAIRMAN GULDI:**

May I jump in? Jim, you're selling ten finished homes at a 120,000 a piece.

**MR. MORGO:**

Right.

**CHAIRMAN GULDI:**

That's a 1.2 million, that's the project, right?

**MR. MORGO:**

That's it.

**CHAIRMAN GULDI:**

The acquisition cost was you said 317.

**MR. MORGO:**

Mmm.

**CHAIRMAN GULDI:**

How much a square foot are we building the townhouses for and how -- what's the total contract price, you said you had a contract, right?

**MR. MORGO:**

The square footage is almost 1400 square feet, 1390.

**CHAIRMAN GULDI:**

And the fix cost construction contract for the project is ....?

**MR. MORGO:**

The contract with the GC you're talking about?

**CHAIRMAN GULDI:**

Yeah. How much?

**MR. MORGO:**

I don't know, but --

**CHAIRMAN GULDI:**

-- I'm just trying to do the math. The bottom line is you divide the sellout by the cost factors and you figure out what the spread is and actually if they have them here will get -- and one of the other things I want to put on the record unless the Real Estate Division objects is this resolution is in a zero dollar fiscal impact. We're buying land we know how much we're buying it for, if there's not a reason to continue to keep information proprietary I'd like to put it on the record unless you have a strong objection to doing that? I'd like to know how much we're voting to spend out of this fund. It's not like we're done negotiating. Let us put it on the record and talk about what we're doing.

**MS. ZUCKER:**

The total amount of the resolution is for 317,500. Of that 131,400 is for land and 186,100 is subsidy for the development cost of the project.

**CHAIRMAN GULDI:**

Okay. So we are -- that's whole we're making them whole. The land appraises at 131,400; the subsidy amount is the spread, that's the plug figure.

**MR. MORGO:**

You know and I don't know how to say this tactfully and I understand you folks doing your job in due diligence and I respect you for that, but when the Housing Partnerships or any of our affiliates use what we do is I think you know we blend public funds with private funds. And when a development is completed we're audited it seems sometimes by the world because if there's any state funds going in and in this development is going to be affordable housing -- affordable homeownership development program funds in. If there's every any HUD funds in, you have separate HUD audit. So largely, probably because of some of the things that went on in housing earlier, well before there was a Housing Partnership there are audit systems that are so scrupulous that -- and just think about what we've been selling homes for in a market where the median price in Suffolk County is 280,000 for homeownership. This is high for us 118,000 is actually high for us. We sold homes in two developments, one I think in your district Legislator Towle, South Country Estates I don't know if that's (inaudible) I don't know if that's yours or not, but those went for 84,000 and these -- Southwind Village went to 84,000. So it's -- even if we wanted to somehow put away money for this we wouldn't be able to. You know what I'm talking about, is that clear?

**CHAIRMAN GULDI:**

Yeah. I know what you're talking about, but I'm confused by the numbers. I would really like to see this budget because I've been trying to crunch some numbers based on the mean to sellout and the 317 cost base is the subsidy for the land leaves you no 893 for construction and administrative and at 40,000 square feet that's 10-4's -- what's in the budget? Let me see the budget.

**MS. ZUCKER:**

(inaudible)

**CHAIRMAN GULDI:**

You need to use the microphone; you're not allowed to whisper with the stenographer otherwise she doesn't get it on tape. I get yelled at all the time for whispering around here.

**MS. ZUCKER:**

Do you want me to go through this on a line item basis?

**CHAIRMAN GULDI:**

Yeah. Would it be easier have my Aide copy it and distribute it?

**MS. ZUCKER:**

Yes. If you'll give me one second.

**CHAIRMAN GULDI:**

And I thought this was going to be simple.

**MR. MORGO:**

I did too.

**CHAIRMAN GULDI:**

You need to use the microphone anyone will do.

**MS. ZUCKER:**

I wanted to verify that I had the final copy.

**CHAIRMAN GULDI:**

Okay.

**MS. ZUCKER:**

Legislator Towle.

**LEGISLATOR TOWLE:**

Yes.

**MS. ZUCKER:**

I want to address your concern about buying from what could be called an interested party and I think it is something that's going to happen throughout this program cause the program is designed in a way that we need to come back to the Legislature twice. One for planning steps resolution and one for a final resolution for the acquisition. And in the interim we are negotiating a set of documents with the town that will govern the terms of development of that site. And all of that and plus the town is rezoning the sites; people are pulling their building permits and getting their financing lined up and all their other subsidies lined up and that is a very long term project. Market rate housing development that takes a long time and affordable housing development it takes even longer. And I don't think that we are in a position to be able to move quickly on a piece of land when it comes into -- on the market to be able to get all of those pieces together and to come forward with a planning steps resolution and a final resolution and be able to buy from, you know, an unrelated third party.

**LEGISLATOR TOWLE:**

Why not?

**MS. ZUCKER:**

Cause the market has been too hot and land turns over too quickly.

**LEGISLATOR TOWLE:**

So it's not a internal problem where, you know, the system -- I mean, obviously, it takes a little longer for us to close on a piece of property than it would if I was closing on my house.

**MS. ZUCKER:**

Right. But unlike an open space acquisition where the land is just going to be held in its existing state we actually have to come up with a document and negotiate the terms of that document as to what the project will be used for, what the marking plan is, what the selection process is going to be for the tenants or the homeowners.

**MR. MORGO:**

And that's not the half of it. If you know what it's like to put together one of these developments where you have to in the current as Marian said very overheated market on Long Island to try to put together a development plan where you're blending both money from the public sector and money from the private sector. If we tried to do that when this property was available well, it would have been long gone. And I emphatically agree with Marian that you gotta buy this property -- we had 16 -- 16 different funding sources for our Southwind Village and to try to put those together and keep the property affordable is a daunting task.

**CHAIRMAN GULDI:**

Who's the recipient of the 103,244 developer fee?

**MR. MORGO:**

The general contractor.

**CHAIRMAN GULDI:**

That's in addition to the 824,000 construction and demolishing budget and the 114,974 site improvements? The signage would be included in that as well, wouldn't it?

**MR. MORGO:**

The general contractor under the state's Affordable Housing Development Corporation is limited to a 10% profit or less.

**CHAIRMAN GULDI:**

10% GNA or 10% profit above GNA.

**MR. MORGO:**

10% profit hard and soft cost, everything.

**CHAIRMAN GULDI:**

Hard and soft cost.

**MR. MORGO:**

Yes.

**CHAIRMAN GULDI:**

Okay. What's the price per square foot they're bringing this project in at? Ms. Barbash, I see you're -- come on up and use the microphone and sit down. I called this out of order cause this was going to be simple and quick. What's the price per square foot and why?

**MS. BARBASH:**

My name for the record is Susan Barbash. I represent Barbash Associates with offices at 265 West Main Street in Babylon. I'm the developer of -- the builder of record general contractor. We are estimating cost anywhere between 47 and \$50 per square foot direct cost. That doesn't include the soft cost, selling cost, etc. The budget is still being refined, but we do have an estimated price including everything of approximately \$175,000 per unit for complete development. There is subsidy coming in from the state of \$25,000 assuming this does pass we have 31,700 coming from the County if the affordable housing money comes through.

I wanted to take us back a few steps because I understand Legislator Towle's concern of how these things work, but being a developer, for profit developer this is my first foray in not for profit housing, I will be honest. And it's as hard as for profit development is this is much harder because you're dealing with so many different agencies and requirements. I got involved in this project, one, because I live in Bay Shore and two, because a woman who was here who would like to speak after me Nikki Thompson who lives in this community. Probably four or five years ago said something had to happen to stem the tide in her community of absentee landlords, declining property values, spiraling crime, crack, everything you could imagine. It was really just the epicenter of absolute the worst and it was destroying our community. You know it was like a cancer and it's right near our school district and it also was historically the minority community in Bay Shore. Bay Shore is diverse, as it is we pride ourselves at being very heterogeneous; it's segregated lets face it. This was a very poor black neighborhood and it use to be all owner occupied houses and I would say in the last 10 years we've seen that number shrink.

As we were working on plans led by Nikki to redevelop this area and I believe Long Island Housing Partnership was involved, how many years ago, Jim? Starting like three or four years ago?

**MR. MORGO:**

The community asked us to get involved after what they saw what we did in Smithtown -- on Smith Street which is now Southwind Village.

**MS. BARBASH:**

We received a grant from Citi Bank to do a master plan and spent years talking and then all of a sudden two sites became available owned by a absentee landlord who happened to be on the front page of Newsday about a week ago because he owns and manages a home for the mentally disabled and that there was some scandal with the state. This is the people we were dealing with. The property become available, Nikki found out about it. She called me; we wanted to do something quickly so this property did not fall in the hands of another absentee landlord because -

**MR. MORGO:**

-- let me interrupt you for one second because some of the questions about the general contractor -- I have to tell you when times are bad for the building community we have general contractors who come and want to work with us. We don't have too many wanting to work with

us now and that's why I have to say Susan's dedication to our community is the reason that she's the GC here. I just had to add that.

**MS. BARBASH:**

Well, thanks, but sort of besides the point. The fact is we had an opportunity to buy three lots, two houses and a vacant lot. It was uniquely sited because it was on the perimeter of this particular neighborhood visible to the rest of the community. On one side of it was a parcel that the County owned and was about to convey to the town and on the other side of it was a small parcel that the Long Island Partnership already owned. You have to understand how difficult it is to assemble parcels in western Suffolk it's just -- Smith Avenue it took years, years and Paul Fink can attest to how difficult that was. We were able to do this without condemnation, which is ideal. We jumped, we even brought in another builder from Texas or something and they weren't interested in it because it wasn't big enough from them. So my firm bought the two parcels and yes, did we take a risk, why we sure did take a risk especially listening to the questions today. We just felt that we had to do this and if we didn't do nothing was ever going to get beyond the talk phase and we conveyed it Long Island Housing Partnership and we've been working with the County for it must be six months now.

**CHAIRMAN GULDI:**

Now just clarification. We -- you contracted -- you funded Long Island Housing Partnership's acquisition on this.

**MR. MORGO:**

No.

**CHAIRMAN GULDI:**

The deed is in Long Island Housing Partnership; you took a deed from --

**MR. MORGO:**

-- it's in the Bay Shore Partnership Housing -- it's the subsidiary that I mentioned.

**CHAIRMAN GULDI:**

Right.

**MR. MORGO:**

We bought it from Barbash Associates.

**CHAIRMAN GULDI:**

And Barbash Associates bought it from John Q developer prior owner at market?

**MR. MORGO:**

Absentee landlord.

**MS. BARBASH:**

Absentee landlord.

**CHAIRMAN GULDI:**

And the -- what if anything was the spread between your acquisition cost and sale cost?

**MS. BARBASH:**

Zero.

**CHAIRMAN GULDI:**

Zero. Okay, that clarifies. Next question is, \$50 a square foot, what construction technique are you using?

**MS. BARBASH:**

I'm fortunate in that I'm building a for profit development soon as Legislator Binder probably knows in his own area and what I do is when I have 259 homes to sell for profit I tell my contractors and guess what, you're also going to build this job and you're not going to be killing me on this. Because to build a 10-unit development obviously you have no economy of scale, but if it becomes a kicker on a 259-unit project --

**CHAIRMAN GULDI:**

-- I see, is it all balloon construction and multi-family or is it with a wood frame or --

**MS. BARBASH:**

-- wood frame.

**CHAIRMAN GULDI:**

-- wood frame standard --

**MS. BARBASH:**

-- we are probably going to look seriously at lease prefabricated walls that have really taken over the industry.

**CHAIRMAN GULDI:**

Yeah. That's the walls and ceiling panels, yeah.

**MS. BARBASH:**

Right.

**CHAIRMAN GULDI:**

One of my colleagues was concerned about the synergy if you will if the community approaches you, you buy the land. You bring in the Housing Partnership and you try to find another contractor and then fine yourself building it at and I said at \$50 a square foot it's a gift. I couldn't do this for twice that.

**MS. BARBASH:**

It is a gift. It is a gift and I didn't bring Long Island Housing Partnership in, they were in at the same time I was there. We've always been working on this together.

**CHAIRMAN GULDI:**

Did anyone else bid the project?

**MS. BARBASH:**

The development cost?

**CHAIRMAN GULDI:**

Yeah. You said you brought it in a developer from Texas, they didn't bid it. Did anyone else bid it?

**MR. MORGO:**

Actually, they're from Long Island now, but they could not have done it obviously at \$50 a square foot.

**CHAIRMAN GULDI:**

No. That wasn't my question. My question is, did anyone else bid the project or were they asked to.

**MR. MORGO:**

You mean from us?

**CHAIRMAN GULDI:**

Did anyone else bid the construction?

**MR. MORGO:**

Well, we're the developer; the bids would come from us.

**CHAIRMAN GULDI:**

Right.

**MR. MORGO:**

No. Because we have several other GC's with whom work. We knew we were getting the best price.

**CHAIRMAN GULDI:**

You knew, yeah, you couldn't get near this -- prefab you can get 65 if you're lucky.

**MR. MORGO:**

We're paying 70, 75 hard cost only.

**CHAIRMAN GULDI:**

Right, right. Okay. I understand. Legislator Towle.

**LEGISLATOR TOWLE:**

Jim, just another couple of questions, I want to hear your soft costs. Where is the fee I guess specifically geared towards your agency's overseeing of the project? I mean, there's a couple of different things here like marketing for example is 55,000 and you've got 159,000 in change for contingency. Is there administrative cost here or they're aren't?

**MR. MORGO:**

There are no administrative costs.

**LEGISLATOR TOWLE:**

None whatsoever?

**MR. MORGO:**

Nope.

**LEGISLATOR TOWLE:**

So your staff doing this and you're not reimbursing -- you're not making yourself whole, which I guess is your statement of earlier.

**MR. MORGO:**

There's a couple of ways we make ourselves whole and I'm sure you don't want to hear the entire structure of the Housing Partnership how we're --

**LEGISLATOR TOWLE:**

-- no, I just want to know how you're making yourself whole.

**MR. MORGO:**

We make ourselves whole through contributions. All the members of the Housing Partnership pay an annual fee. We have \$150,000 grant from the Fannie Mae Foundation that has to be used for this and our administrative charges are charged to that. In fact, the line items so far have been coming from the Fannie Mae Foundation. A network of banks through the New York Mortgage Coalition will give us a fee an origination fee for every time there's a closing, not just for this development, from developments that we have nothing to do with for, you know, used homes. We -- our funding is -- comes through a variety of sources.

**LEGISLATOR TOWLE:**

What is four and seven, let's just talk about those two for example.

**MR. MORGO:**

Say again.

**LEGISLATOR TOWLE:**

Number four and seven, the marketing 55,620 and then the contingency of 159,050.

**MR. MORGO:**

The marketing is really not your traditional what you usually think of marketing although it's in there. Advertisements --

**LEGISLATOR TOWLE:**

-- I mean, you have ten homes, you've got a waiting list for affordable housing that would choke a horse so we've heard and so I believe cause I know the number of calls my office is receiving.

**MR. MORGO:**

Yeah. I was going to finish --

**LEGISLATOR TOWLE:**

-- and we're going to spend \$55,000 on marketing. I'm kind of confused about that.

**MR. MORGO:**

Well, that's what I tried -- started to say when it's not your traditional marketing. We must advertise in different media because of the public funding sources, but the biggest chunk of that money is goes through qualification for the prospective homebuyers. You have to go -- unfortunately these are only ten homes; I hate to think how many applications would be

generated.

**CHAIRMAN GULDI:**  
(inaudible)

**MR. MORGO:**

You have to qualify everybody who goes into the lottery has to be under 80% of median and had to be a first homebuyer.

**CHAIRMAN GULDI:**

Why can't you simply use the lottery to establish a list in order and then take --

**MR. MORGO:**

-- first come first serve --

**CHAIRMAN GULDI:**

-- and take it on off the list of those who qualify?

**MR. MORGO:**

First come first serve.

**CHAIRMAN GULDI:**

First come first serve use your advertising to generate a lottery. Draw your lottery to establish a ranking like the old draft lottery is was one through whatever. One through 10,000 and six for your applicants and then start working down your list and qualifying applicant until you get ten qualified applicants.

**MS. ZUCKER:**

I have something.

**CHAIRMAN GULDI:**

Go ahead.

**MS. ZUCKER:**

I just wanted to interrupt and say that this pre-qualification is actually something the County does and also when it does its' first time homebuyers auction.

**CHAIRMAN GULDI:**

Pre-qualifying the auction for bidding, that's different than this.

**MS. ZUCKER:**

It's a very similar thing because you want to get people in the pool who are qualified and are going to be able to get a mortgage and who meet the requirements of the program.

**LEGISLATOR TOWLE:**

Jim, before you -- so in other words we pre-qualify people already?

**CHAIRMAN GULDI:**

For other programs.

**MS. ZUCKER:**

I was just the analogy to the first time homebuyers auction.

**LEGISLATOR TOWLE:**

Okay. Would we pre-qualify any of these people through the County?

**MS. ZUCKER:**

No. We review and approve the marketing plan as a part of bringing this project here, but the marketing and the pre-qualification gets done by whoever is involved in the project.

**LEGISLATOR TOWLE:**

The problem is, is the way you've listed it probably under marketing. Probably is a bad location to be under because if we're already talking about ten homes, it's \$5,000 a homeowner to pre-qualify somebody. I mean, that seems odd somewhat similar to the real estate fee or I'm assuming it's real estate cause it says legal fee of \$38,455. She bought the property from the developer; you're buying the property from her who's developing it and now we're buying the property from you. I -- you know \$38,000 in legal fees? I mean, it just, you know, it just doesn't --

**MR. MORGO:**

Getting to one question at a time. Legislator Towle --

**LEGISLATOR TOWLE:**

-- I mean, if you hired Counsel Sabatino I could understand why you'd be paying \$38,000, but considering the quality of the rest of the attorney's in the County --

**CHAIRMAN GULDI:**

-- it's actually an average closing cost for a single family residence in my district.

**MR. MORGO:**

Yeah. I was going to say I don't know about the legal cost, but what I said Legislator Towle about the marketing I said it is not traditional marketing. All of the mortgage qualifications and the fact that these people are under 80% of the median income to get them qualified for a mortgage, to keep them away from predatory lenders. You want to know what I'm thinking right now, I'm thinking, do they have any idea what this job entails. What it is to try to do affordable homes on Long Island, oy.

**LEGISLATOR TOWLE:**

Jim, I want to remind you of having sat on this side of the horseshoe with all due respect. I've sat for the last two months and talked about properties that this County has acquired without any reason whatsoever to even be questioned on these properties because there were more than legitimate properties that this Legislature should have acquired for legitimate reasons from committee members who came here. And I can't believe that I'd have to take time out of my schedule to talk to a reporter about a piece of property four acres that we purchased in middle of nowhere. And because somebody happens to live in that town now is it worth, you know, should we have done that and try to second guess every decision we've made. And today, I mean, this is like a novel, the community comes to the developer the developer comes to, you know and whether it appears -- this actually happened it's cool how it appears to the naked eye, she comes to the housing group, the housing group, you know, she buys the property, housing group takes it from her and now wants to the County to buy it so we can do affordable housing and by the

way she's going to build it. Just the appearance is just, you know, I don't know how else to describe it. It just doesn't look good and if this is how we're going to be forced to manage this program then we need to look at this program and try to come up with a better method cause it -- and I'm not suggesting by the way that I believe anything has been done wrong. I'm just suggesting the appearance doesn't look good.

**MR. MORGO:**

You know, Legislator Towle, I understand that completely and when you began asking the questions, I think you will remember my saying, I certainly understand why you're asking the questions and I commend you for doing the do diligence and I think that's a very good thing. What I was just saying and it probably was inappropriate for me to say it and it's not the first inappropriate thing I ever said.

**SPEAKER:**

(inaudible)

**MR. MORGO:**

But it's really very difficult and if anything I think the background of the Housing Partnership should speak for something and the homes that we've already developed and the fact that we've that we have been, truly been beyond reproach. I don't know if that's self-serving, but so be it. It happens to be the fact.

**SPEAKER:**

(inaudible)

**MR. MORGO:**

Yeah. And the fact that with and I know I embarrassed a little bit when I mentioned Susan's attitude toward the town and the community of Bay Shore, the Town of Islip. Plus the Town of Islip's record is we could say something about that. As far as the County program this is the County program.

**LEGISLATOR FIELDS:**

Could I ask a question?

**CHAIRMAN GULDI:**

The point I want to make Legislator Towle, before you ask the next question I want to point out that my question, my last question to you and his last two questions are not answered.

**MR. MORGO:**

Right.

**CHAIRMAN GULDI:**

We've had a lot of discussion, but you haven't answered the three questions.

**MR. MORGO:**

Let me answer the three questions really quick.

**CHAIRMAN GULDI:**

Okay. Let's answer the marketing question. What are these budget items for; why are they so

high?

**MR. MORGO:**

The marketing involves and I agree with Legislator Towle, it's a misnomer to call it marketing. It is really mortgage qualification, client qualification; all of the mortgage counseling. We have full time mortgage counselors at the Housing Partnership and is reams of paperwork, that's the answer on the marketing.

**CHAIRMAN GULDI:**

And the legal is 38,000 on a 1.2 million. Yeah. The legal could be -- I mean, you could see --

**MR. MORGO:**

Go ahead, Susan.

**MS. BARBASH:**

Well, there was also a rezoning so you have a legal fee involved in rezoning the property. There is acquisition of --

**LEGISLATOR TOWLE:**

-- excuse me one second. Rezoning for once they took possession of the property?

**MS. BARBASH:**

Yes.

**LEGISLATOR TOWLE:**

So the -- when they took the property from you it wasn't properly zoned for affordable housing?

**CHAIRMAN GULDI:**

It's three lots.

**MR. MORGO:**

It was three lots; there were two structures on the property.

**MS. BARBASH:**

It was three lots that was being assembled with two other vacant lots and the property required a rezoning. So they were contract vendee when I believe when we applied for the zoning, but we came to you with zoning in place because we couldn't come to the County with a property that wasn't --

**LEGISLATOR TOWLE:**

-- thank God, Islip approved the zoning. Okay.

**MS. BARBASH:**

Well, we wouldn't be here if it didn't obviously we couldn't come to you without an approved plan.

**MR. MORGO:**

Islip has been very cooperative with all our developers.

**CHAIRMAN GULDI:**

Well, all right so you did the zoning application change and a couple of deeds, but we're looking at --

**LEGISLATOR TOWLE:**

-- who's the attorney for the 38,000?

**MR. MORGO:**

It's more than one attorney.

**LEGISLATOR TOWLE:**

More than one?

**MS. BARBASH:**

Right. And it also will include legal cost for closing on the individual units. There's ten units that we have to convey.

**LEGISLATOR TOWLE:**

Okay. And then the 159.

**MS. BARBASH:**

And then if there's any legal representation in securing a building loan there will be a fee there.

**CHAIRMAN GULDI:**

Bank fees. All right. Yeah, I know, but I also know that market on this, you're talking one or two points. Well, this priced out at three points, it's a little high that's why I'm asking the questions.

**LEGISLATOR TOWLE:**

On the 15950 the contingency, what's that for?

**MR. MORGO:**

Just that, it's a contingency, if there are cost overruns. If something happens during the development we use as much as all of our contingency and over in some developments and sometimes the exception we use very little of the contingency.

**LEGISLATOR TOWLE:**

In the event that you go over that becomes then your problem I guess, right? And then you attempt to -- in the event that you don't go over then what happens?

**MR. MORGO:**

Then we reduce the price of the homes from what's left in the contingency or we place the contingency in a future development budget.

**LEGISLATOR TOWLE:**

Okay.

**CHAIRMAN GULDI:**

Legislator Fields, go ahead.

**LEGISLATOR FIELDS:**

Susan, if you were going to build ten houses in Bay Shore in any other place other than affordable housing how much do you think this whole thing would've cost for the land acquisition and the homes?

**MS. BARBASH:**

I'm going to be very honest that obviously the land price will vary drastically in Bay Shore. Bay Shore you have a rather wide range of property values depending on whether you're south of Montauk, south of Union, north of Sunrise. We cover the whole ballpark and so your land cost can be anywhere from \$40,000 a buildable lot up to over a million. It's almost impossible to say how much something would cost depending on where it is.

**LEGISLATOR FIELDS:**

If you're going to build ten houses somewhere in Bay Shore, what do you think the total amount would be just a guess?

**MS. BARBASH:**

Well, I think you're talking about at least 75 to \$100,000 land cost per lot, per buildable lot. It's also difficult to compare this to individual houses because this is going to be a condominium so you have a higher density, but if I was just building for ten houses and I was lucky enough to find property that was vacant. Again, we're also talking about blight removal here so we did have demolishing cost that adds to the cost of the development. But if I had vacant land I could spend \$100,000 a lot depending on the size of the house. If it was in a good neighborhood obviously I would be building it out at more than \$50 a square foot. It would probably be up around \$75 a square foot building cost.

**LEGISLATOR FIELDS:**

So when all was said and done and you have ten --

**MS. BARBASH:**

-- you're talking about over 200,000, easily over \$200,000 a unit.

**LEGISLATOR FIELDS:**

So we actually have a lot we have ten houses that are a lot less expensive. Have cleaned up a blight and we are answering the call for affordable housing.

**MS. BARBASH:**

Homeownership. Yes. In an area that desperately needs it not only for people who need housing, but for a neighborhood that needs ownership to come back.

**LEGISLATOR FIELDS:**

So I'm going to make a motion to approve.

**CHAIRMAN GULDI:**

Legislator Binder.

**LEGISLATOR BINDER:**

We who -- I know you say we do a lottery, but who is opened to the lottery? Is it preferential to an area? How is this going to work?

**MR. MORGO:**

The lottery, you can do a weighted preference, Allan. The municipality usually asks for that. The -- in this case it's going to be and again if the funder's allow it, there's a preference for people who live or work in the Town of Islip.

**LEGISLATOR BINDER:**

Let me ask you a question. How much is the town putting into this?

**MR. MORGO:**

The town has worked with us I don't --

**LEGISLATOR BINDER:**

-- I understand, but they gave you a sub-division. Did the town put any money into this?

**MR. MORGO:**

(inaudible)

**MS. ZUCKER:**

The town is not putting money into this particular site. The town is contributing several hundred thousand dollars of community development block grant money to help stabilize the surrounding area and has contributed one of its parcels to the development.

**LEGISLATOR BINDER:**

Right, but CDBG money they got -- they get and they have to pay -- they get and they have to spend somewhere. Now you're asking Suffolk County taxpayers to subsidize to the tune of \$300,000 plus and you're saying they can't come from places where the taxpayers might have been paying those taxes. Or they may, but probably if there's only ten in all likelihood they won't come from, let say, Huntington or Babylon where my taxpayers are, that's what you're telling me.

**MR. MORGO:**

Gene Murphy just tells me that the town in this case is putting in money for the sidewalks and curbs in this development. And the as Marion said this parcel is the beginning of a revitalization effort for a blighted area and they are putting in money for that. And you remember also with Highview at Huntington where there was a preference for Huntington residents and not to be overly dramatic here, it's not easy doing affordable homes on Long Island. It's one of the things that makes it somewhat more, somewhat easier is having a local preference. I don't think the local preference if the County did not want to see a local preference and I can't speak for the town obviously or would want a countywide preference for these ten homes. I don't think that would be a major stumbling block. The bigger issue, two big issues, #1 the big issue the need for affordable homes and #2 the issue to revitalize this blighted area through homeownership is much more important than the preference, Allan.

**LEGISLATOR BINDER:**

Well, I think what Islip gets out of this is \$300,000 to fix a blighted area, which is a very important plus. I agree with you, that's the major upside for the municipality. And maybe in Huntington we shouldn't have had a local preference. I wasn't looking at it then; they didn't have this kind of discussion. And I wouldn't have been upset to be honest in Highview or anywhere if -- see my concern, you know, there are two levels as someone who sat on this side of the horseshoe, you know, I represent my constituents and also on the other level I represent the people of Suffolk County. Where for as spending the people's money from across as a subsidy to about \$30,000 a unit my concern is that not everybody can participate from all the areas of the County and probably won't if there's only ten. Most likely a weighted system will bring it towards those people in that area. So I have to tell you I'm concerned and now that I think of about it I probably would've been concerned in Huntington also. It shouldn't have been. Well, we didn't

have this discussion and if we had the discussion I would've had the same concern even in my own town. Is that someone from Islip or someone from Smithtown or someone from Riverhead who pays taxes to the County who has contributed to this \$300,000 which we're paying into wouldn't have the same ability to get into that place. I mean, someone from Riverhead should be able to get -- doesn't matter where they're from as long as they're from Suffolk County --

**MR. MORGO:**

-- they can.

**LEGISLATOR BINDER:**

All right I understand, but the chances are when we weight the system with limited amount and a high demand -- a limited a number and a high demand once you weight the system for ten people or ten buyers my guess is that they're going to be almost all from that area.

**MR. MORGO:**

I don't think the weighted system something that either makes or breaks it. If you're going to look for a perfect way to do affordable homes you're not going to do any.

**LEGISLATOR BINDER:**

Do you know how many of the Huntington at Highview how many from Huntington that came from Huntington did they are -- were they all from Huntington? I think they were all from -- yeah, they were all from Huntington.

**MR. MORGO:**

No. I don't know. I know --

**LEGISLATOR BINDER:**

-- actually, behind you someone does. Brenda Rosenberg knows cause she was involved with it back then and so she's giving me the --

**MR. MORGO:**

-- they were a high number were from the Town of Huntington.

**LEGISLATOR BINDER:**

I think also most all and so that's what's going to happen and that's from my town so --

**CHAIRMAN GULDI:**

(inaudible)

**LEGISLATOR BINDER:**

Well, but maybe I should know. The fact is we'll redo that one. We probably shouldn't have and I think that is something we should be thinking about.

**MS. ZUCKER:**

Legislator Binder we also had a preference; there was a preference in the Millennium Hills at Huntington.

**LEGISLATOR BINDER:**

Sure and (inaudible)

**MS. ZUCKER:**

The first it was either 50 or 70% I'm sorry I don't remember the statistic of people were polled from the area and I think it's just our responsibility to make sure that we can provide housing in all of the towns. So when there comes a local preference everybody has a chance to participate.

**LEGISLATOR BINDER:**

We're providing housing in all of the towns; it's not providing housing for all the town residents meaning the demand is countywide, the money is countywide.

**MR. MORGO:**

Yeah. You're not demanding unfortunately, you're not providing homes in all of the towns, but the local preference the Millennium Hills lottery had been held yet and that's --

**LEGISLATOR BINDER:**

-- maybe we should. I agree we --

**MR. MORGO:**

-- the preference is almost certainly in this development immaterial in this development. So, you know, I would have to talk to the folks in Islip, but they're here now and I don't know if the preference is frankly with the demand and the need from Long Islanders. The geographic boundaries I don't know how important that is.

**LEGISLATOR BINDER:**

That's kind of the point and I mean that even from Millennium Hills that I would look at that maybe we shouldn't have --

**MR. MORGO:**

-- I'm not talking about -- I'm just talking about this though.

**LEGISLATOR BINDER:**

But I'm saying even then if it hasn't happened maybe should look at that. I think when we as stewards of the County money we should be looking for all County taxpayers to be covered by this. Everyone should have an equal opportunity to try to get in; the demand is across the board and everyone should have an opportunity.

**MR. MORGO:**

You know what happens though Allan and this is key, it's not that important in this one, but when you try to do a development it has to be somewhere. And then that somewhere is in a school district and then you'll have the school district say well, you're going to bring more kids. You don't as a matter of fact, but they say you're going to bring more kids and they you say well, the people are already living here. These are people who are paying taxes in this town so it makes it easier to site it because it's so tough to get a place to have affordable homes. So it's one more thing that you're doing it in a locality.

**LEGISLATOR BINDER:**

Even if they're from the town they might not be from the school district.

**MR. MORGO:**

I know.

**LEGISLATOR BINDER:**

So what's the difference it might come, you know, Huntington alone we have --

**MR. MORGO:**

-- what's one of the biggest reasons that people don't want affordable homes cause we don't want people from Brooklyn and Queens. So you say well they're not going to be from Brooklyn and Queens they're going to be from whatever town it is.

**MS. ZUCKER:**

I think Legislator Binder, that this is just a very important policy issue and I'd hate to see it us make a decision on it in this forum. If you want to revisit it I'd be happy to sit down with you and talk to you about my experience in each of the towns who have frankly, as I've talked to them about affordable developments shown a strong desire to have there be a local preference which doesn't have to be 100% of the units. It can be just some weighted amount that people get first crack at half the units and then you open it up to a wider audience. But as Jim said it's building affordable housing, getting the zoning required for affordable housing it's very difficult lift.

**CHAIRMAN GULDI:**

I was going to ask exactly how many times in your career have you said these words to Morgo? It's not easy to do affordable housing on Long Island. I think we should change that to your middle name. Jim, it's not easy to do affordable housing on Long Island Morgo.

**MS. ZUCKER:**

The other thing that I want to address was some of the concerns that Legislator Towle brought up and I know you're not saying that this transaction looks bad, but that there could be an appearance of it. And as part of my responsibility I certainly do do diligence on the people who the County is going to be participating in. This project came to us with a lot of support at the town level with a lot of support at the local level and I would like Nikki Thompson to say a few words. I think all of you are as familiar as I am with the Long Island Housing Partnerships reputation and Susan Barbash in my opinion is a pristine builder. She has done excellent work throughout Long Island. She has a commitment to the community and I think that she stepped up to the plate to make this transaction happen.

**CHAIRMAN GULDI:**

I think she's probably going to get hurt trying to do this at \$50 a square foot.

**LEGISLATOR TOWLE:**

Why don't you come up to the table, it's just easier to sit down.

**MS. THOMPSON:**

You know you ask some pretty tough questions of this group up here. My name is Nikki Thompson and as someone said before I am a local resident. This particular project will be directly across street from my house and that's probably how we found out about it so quickly. I'll go back a couple of years. I've been involved in my civic association; I helped organize by civic association back in May of 1975, which is how long I've been involved in my community. I've lived in the same house since 1969. We have worked very hard, very diligently as a community, but over the years we have seen the urban sprawl, urban decay begin to sink in. As the elderly people would grow older, their children moved away, the houses would fall into disrepair. Investors would come in scoop them up, buy them, rent them out. Boarding houses, any kind of rooming houses anything would happen like that. We saw that we were dying community. Our children didn't want to come back. We couldn't give houses away because

things had gotten so bad with drugs, prostitution, different crimes in that area like that. And I began with my -- with the rest of my civic association a couple of years back saying what can we do as a community. See we don't want to ask you or our town government or anyone else to come and do it for us. We're doers, you give me a hammer and nails I'll go out and build it myself if that's what I have to do, but there are some things that we need for other people to equip us with. We go together, we met with Jim Morgo. We called in Paul Fink, Gene Murphy. We go together with the school district, Summit Council in Bay Shore and we sat down and we began talking about how we could do something to stop the decline of this particular community to begin to provide some decent housing because it wasn't a matter of people not being able to afford housing, but they were paying 100 I mean, 1000, 1100, \$1300 for the most rundown dilapidated shack. There was no decent quality housing. We felt that this is not right; no person, no child going to school in our district should live that far beneath the standard that everyone else in the community lives in.

We decided that we wanted to do something as a local community we reached out. I use to walk around with a sheet of paper with 33 houses that were either abandoned, half burnt out and guttered just totally in disrepair. I walk around asking I need help with these houses, what can we do with these houses, how can we make this a decent place for our children that they would want to come back to our community and not just grown up move out and never look back. A couple of years ago I believe it was about three years ago in 1998, 1999 we sat down as a group and we decided that you know, we've got a lot of good ideas, but we need to get a planner. So we did begin to look for some funding for a planner; Fannie Mae issued us a matching fund grant for \$25,000 to say that they would if we could find somebody to match their offer they would give us the \$23,000 to help pay for a planner. We did hire a planner and when I say we I mean a local community group, we spearheaded this. We brought in a planner to come in to sit down with us to hear what our concerns were to do a research and study in our community to see what exactly we had, where we came from and where we wanted to be going. We didn't want to just go along with the tide and we didn't want someone else to come in and tell us where we should be going. We wanted to have some say so, it's our future. It's where we live, it's where we hope to bring our children back to or young people at least, you know, young family's back to. We have the plan we had the plan in hand; I wish I had brought a copy today.

In addition to doing the comprehensive planning for the redevelopment of the community we also had to undertake hiring a consultant to come up with a crime reduction strategy because crime has been so bad. If you speak to the police, we're in the third precinct there they can tell you this is one of the busiest areas in the precinct. In fact, in the whole County the crime element has been so high so we're also working on crime reduction strategies at the same time there are things that are going on. When we first started talking about we looked at the plan, the planner came there were things everyone liked and of course there was things that none of us liked, but still we looked at it because it was a starting line. It was a base line for us to know okay here is something that we can begin to sink our teeth in. Let's fine something that we can work on and lets begin and once we find the first thing to begin with then we can hope to begin to build some momentum. We're going to have to look to the government to help us out because with the area the way it is we're not going to get private developers to come in. I hope you don't scare Susan off because she's been like a lifeline to me. I found out because I live across street from these properties that was going for sale I happen to look out one day and see the owner of those properties showing them to an investor. And I went over and inquired, what are you doing; you're showing the properties, are they for sale? He had no sign out or anything and he said, yeah, my wife's health is not well and I'm unloading some of my properties so I'm going to be selling these here. So I asked I said, well, what do you think you're asking for them and he was

ahh, I don't know maybe this or that maybe -- he really wasn't giving me hard figures or anything, but I told him I said, well, listen let me see, you know, let me see what I can find out if I know if anyone who's interested. And right away I got on the phone and I called Susan, I called Jim. I said look, you know, right in the plan that the planner we paid \$35,000 for this planning study and this is what he tells us. Let's start on the perimeter and work our way into the core of this community revitalizing it because this piece of property is right on the gateway to this community. It will impact because people will come across the railroad tracks there at Third Avenue and they will see new housing, something's happening. This community is on a turnaround and hopefully that is going to spur some interest by other private developers so that we don't have to keep coming back to you asking you to, you know, give us more money for affordable housing cause we can't find anyone else who's willing to invest in our community. But at this particular point we saw that the property was there, he was showing the property and we wanted to make sure that it wasn't something that was just going to fall through the cracks because it could be such a vital part of what we wanted to do with the revitalization of this area. So I went ahead I called Susan I called Jim and Susan spoke to the owner of the property and he did say, yes, he had an investor who was looking at it and who was offering a cash deal or something and so it's like things had to go quick, quick, quick. There was no time to wait for this committee or contact this one; so they had to make a move on this particular property. This is only the beginning. There's a whole street there that's going to have to be done other things that have to be done.

**LEGISLATOR FIELDS:**

Can I interrupt?

**MS. THOMPSON:**

Yes.

**LEGISLATOR BINDER:**

I'd like to make a motion to take this out of order for -- to approve.

**CHAIRMAN GULDI:**

I'll second it. All those in favor? Opposed? It's now before us.

**LEGISLATOR FIELDS:**

Motion to approve.

**CHAIRMAN GULDI:**

Motion to approve by Legislator Fields second by myself. Further discussion? All those in favor? Opposed? Abstentions? Approved. **(Vote: 4-0)**

**MS. THOMPSON:**

Thank you.

**LEGISLATOR FIELDS:**

Thank you.

**CHAIRMAN GULDI:**

The only thing you can do if you keep talking now is talk us out of it.

**MR. MORGO:**

Point of personal privilege folks --

**CHAIRMAN GULDI:**

-- no, you don't have any you gave that up a long time ago.

**MR. MORGO:**

Come and visit some of the Housing Partnership developments if you haven't already.

**CHAIRMAN GULDI:**

Okay. Now Mr. Armentano, all bets are off cause I thought this was going to be short and simple. So and I promised we wouldn't hold you up an hour and a half ago when you arrived. So and just for the record everybody else who's here in the room are all in trouble because of the way this committee is going, but Mr. Armentano, could you please join us. Last meeting Legislator Towle was not present and since you appeared before us and we sent your resolution on to the Legislature additional lines of questioning have been suggested and I wrote you a letter asking if you wanted to come to Riverhead in a blizzard or here today. I see you took the wise choice and came here today instead.

**MR. ARMENTANO:**

I was in Albany on the other day.

**CHAIRMAN GULDI:**

Albany must have been fun on that particular day.

**MR. ARMENTANO:**

They didn't even have an inch of snow that day. It was very, very light.

**CHAIRMAN GULDI:**

Well, actually in Albany they don't consider it snow unless they have a foot.

**MR. ARMENTANO:**

That's true.

**CHAIRMAN GULDI:**

In any event, the question really came up with respect to your whole role and experience and actually the operation of the Ethics Commission or Ethics Committee. It's a commission is the proper title. I'm I correct you're the current chair of the three members of the panel?

**MR. ARMENTANO:**

No, I am not. I'm a member, the chair is David Besso.

**CHAIRMAN GULDI:**

David Besso is the chair. Okay. And how long have you been, you know, on the committee now?

**MR. ARMENTANO:**

I'm not sure, about two year I would say.

**CHAIRMAN GULDI:**

Then two years, all right. During that two year period approximately how many decisions have you personally been involved in?

**MR. ARMENTANO:**

I've been involved all of them.

**CHAIRMAN GULDI:**

How many is that though, is it a dozen, is it a couple of thousand, or is it some number in between?

**MR. ARMENTANO:**

I'd say it's in between.

**CHAIRMAN GULDI:**

Give me a quesstimate? 25, 50 a 100?

**MR. ARMENTANO:**

I really don't know.

**CHAIRMAN GULDI:**

Is it in that order of magnitude or is it more like 500?

**MR. ARMENTANO:**

No. It's in that order of magnitude.

**CHAIRMAN GULDI:**

Okay. So, but it's a number of decisions.

**MR. ARMENTANO:**

Yes.

**CHAIRMAN GULDI:**

Okay. Without going into the particulars of any particular decision could you tell me how the committee operates? You mentioned last time that, you know, the staff brings you a inquiry, you come into a meeting, do you get material before the meeting?

**MR. ARMENTANO:**

Yes.

**CHAIRMAN GULDI:**

What material do you get?

**MR. ARMENTANO:**

We usually get a -- packages during a period of time of items that are going to be on the next meeting.

**CHAIRMAN GULDI:**

What's in the package?

**MR. ARMENTANO:**

Usually, a -- if it's a request for an opinion the request will be in there. If it's letters that are

going to be sent out on a fairly pro-forma basis in terms of financial statements that have to be filed those come in and then we attend the meeting, we have one this afternoon. We attend the meeting and these items come up, the chairman calls them up and then we discuss them and move along.

**CHAIRMAN GULDI:**

All right. So before the meeting you have an opportunity to review the request for opinions and any pro-forma correspondence which is distributed to you on a per meeting basis, generally?

**MR. ARMENTANO:**

Usually. Yes, generally.

**CHAIRMAN GULDI:**

You then have a meeting and discuss the issues before you?

**MR. ARMENTANO:**

Yes.

**CHAIRMAN GULDI:**

Is that what happens at the meetings?

**MR. ARMENTANO:**

Yes.

**CHAIRMAN GULDI:**

How -- and in your discussions you deliberate, debate, discuss the issues with each other?

**MR. ARMENTANO:**

Oh, sure. I mean, if there is something that is not fairly obvious and there's a difference of opinion we go on and discuss it at length.

**CHAIRMAN GULDI:**

All right. The -- other than the discussion or in connection with the discussions of issues, does anyone -- do you personally every conduct any research?

**MR. ARMENTANO:**

I may have once or twice I'm not sure.

**CHAIRMAN GULDI:**

What research would you do or did you do in one or two occasions?

**MR. ARMENTANO:**

Well, I would try to find out what the committee had done in the past in situations. I would ask the Counsel if he could get the things for us on that.

**CHAIRMAN GULDI:**

Past decisions.

**MR. ARMENTANO:**

Yeah.

**CHAIRMAN GULDI:**

You would ask Counsel, who's Counsel for the Commission?

**MR. ARMENTANO:**

Counsel is a John Holownia with the County Attorney's Office.

**CHAIRMAN GULDI:**

Okay. And he will provide you with past decisions or whatever material would you --

**MR. ARMENTANO:**

-- he would provide us with anything that we asked for. He's very cooperative.

**CHAIRMAN GULDI:**

After you have deliberated it's a three-member committee, so obviously the majority is two or are your decisions always unanimous?

**MR. ARMENTANO:**

I would say that if the discussion they're generally unanimous.

**CHAIRMAN GULDI:**

Okay. After a decision is reached, how is that decision -- after a decision is reached how is that decision communicated?

**MR. ARMENTANO:**

I believe it's communicated through Counsel to the committee, to the commission.

**CHAIRMAN GULDI:**

So Counsel then communicates the decisions to whoever the inquiring party was?

**MR. ARMENTANO:**

I believe so, yes.

**CHAIRMAN GULDI:**

Have you ever reviewed the decision, the written past decisions that Counsel is sending out?

**MR. ARMENTANO:**

Yes.

**CHAIRMAN GULDI:**

When is the first time you see those draft decisions?

**MR. ARMENTANO:**

Well, he sends them to us in one of these packages.

**CHAIRMAN GULDI:**

Okay. Cause you didn't mention them as part of the packets when you describe the packets before. You said, requests for opinions and pro-forma letters.

**MR. ARMENTANO:**

Well, I think that's the way they come. Some probably come that way and then if something has

to go out before the next meeting for some reason or other, then he would send it to us either in the mail or by fax.

**CHAIRMAN GULDI:**

Are the decisions you receive in the packets, are they decisions reached after review and deliberation by the committee or are they prepared before you meet?

**MR. ARMENTANO:**

Afterwards.

**CHAIRMAN GULDI:**

Okay. It's not like many law clerks do where the law clerk will review the (inaudible) papers and draft the proposed decision?

**MR. ARMENTANO:**

No. I don't think so. By and large the decisions are sent around and we take a look at them.

**CHAIRMAN GULDI:**

The decisions are sent around?

**MR. ARMENTANO:**

Well, to us, to the three of us.

**CHAIRMAN GULDI:**

I'm confused.

**MR. ARMENTANO:**

My recollection is and we don't have that many.

**CHAIRMAN GULDI:**

Right.

**MR. ARMENTANO:**

They either come in the packet if the decision is not something of an urgent nature that can wait for the next meeting and approve it. Or if it is something that is time sensitive for one reason or another he would send it to us --

**CHAIRMAN GULDI:**

-- could you take the microphone a little closer to your mouth.

**MR. ARMENTANO:**

He would send it to us personally either by fax or by mail.

**CHAIRMAN GULDI:**

So the -- as far as you know the decisions themselves are prepared and typed by Counsel in the County Attorney's Office? No member of the committee ever does that?

**MR. ARMENTANO:**

Not that I know of, but if a member has a suggestion we just call Mr. Holownia up and give him our suggestion.

**CHAIRMAN GULDI:**

Did you ever take testimony in the Ethics Commission?

**MR. ARMENTANO:**

Testimony?

**CHAIRMAN GULDI:**

Yeah. Did you ever do any factual inquiry? Any background?

**MR. ARMENTANO:**

Not testimony that I know of during my two year and so on.

**CHAIRMAN GULDI:**

In your two years you never had someone come in to talk about an issue that was before you?

**MR. ARMENTANO:**

I don't recall anybody, but I think one is coming in this afternoon as the case may be.

**CHAIRMAN GULDI:**

Funny I should mention I don't know -- actually I have no knowledge at all that you had a meeting or had anything before you.

**MR. ARMENTANO:**

We're having a meeting later today and I think someone has asked to appear.

**CHAIRMAN GULDI:**

So some asked to come in and talk to the commission?

**MR. ARMENTANO:**

Well, I'm not sure, but they're going to appear.

**CHAIRMAN GULDI:**

Okay. I'm troubled by one thing and that is that the research, writing draftsmanship, the correspondence and agenda seem to all be controlled by the staff to the committee.

**MR. ARMENTANO:**

Well, I'm not sure how much the chairman controls in terms of those things. Don't forget I'm the junior man.

**CHAIRMAN GULDI:**

All right. As the junior man let me ask you this question, doesn't seem like there's an egregious and direct conflict of interest to have the independent Ethics Commission's staff consist of a discretionary employee who works solely at the behest of the County Executive as part of the County Attorney's Office? I mean, smacks of a total lack of independence and a huge conflict of interest, doesn't it?

**MR. ARMENTANO:**

No.

**CHAIRMAN GULDI:**

Tell me why not.

**MR. ARMENTANO:**

Well, the County Attorney represents as and us far as I know and as far as I can tell he certainly represents the commission impartially. He's very solicitous of that.

**CHAIRMAN GULDI:**

Does he have any other duties in the County Attorney's Office besides counseling the Ethics Commission?

**MR. ARMENTANO:**

That I don't know for sure. I think he probably does.

**CHAIRMAN GULDI:**

I don't see how you can wear that many hats. If counsel was appointed for a term or had Civil Service protection or any of those kinds of features, but you got a totally discretionary employee who serves at the will of the County Executive and presumably at the will of the County Attorney. I mean, he's a political appointee as counsel to an independent commission. I mean, our counsel is clearly not independent. He works for the Legislature, but that's his job. He doesn't work for the County Executive, in fact, could he work for the County Executive and be our counsel? I don't think so.

**MR. ARMENTANO:**

But that hadn't occurred to me, but I'll certainly raise it this afternoon.

**CHAIRMAN GULDI:**

Okay.

**MR. ARMENTANO:**

It had not occurred to me at all.

**CHAIRMAN GULDI:**

Yeah. So my primary concern was the nature of the research that's being done by the commission and members and the scope of it and the extent to which there is true independence and not dependence, if you will, on counsel and staff.

**MR. ARMENTANO:**

Well, when counsel and staff write something although I wouldn't say staff particularly, but when counsel supplies us with information we review it very carefully ourselves.

**CHAIRMAN GULDI:**

Have you ever asked for a draft decision to be amended, altered, corrected or changed you yourself?

**MR. ARMENTANO:**

I believe I have, yes.

**CHAIRMAN GULDI:**

Now what was the nature of the change you asked for? Was it scribblers or was it substantive?

**MR. ARMENTANO:**

I don't recall what the change was. I review them very carefully and if I think something --

**CHAIRMAN GULDI:**

-- have you made substantive changes in the decision?

**MR. ARMENTANO:**

I can't say at this time that I have or haven't. I believe I probably have knowing the way I work.

**CHAIRMAN GULDI:**

Okay. All right. Well, that really is the line of questioning that I was asked to pursue and you've given me some insight into the way the committee works. Obviously, I'd like you to get back to us one way or the another at your convenience as to the question I raised and I'll turn the microphone over to my colleagues.

**LEGISLATOR TOWLE:**

I have a question, Mr. Chairman.

**CHAIRMAN GULDI:**

Legislator Towle.

**LEGISLATOR TOWLE:**

Thank you. I appreciate you stopping in today and obviously as Legislator Guldi --

**CHAIRMAN GULDI:**

-- second round.

**LEGISLATOR TOWLE:**

-- as Legislator Guldi mentioned we obviously didn't know you were meeting today, but that's works out I guess perfect. I've been here now as a Legislator seven years and in one time in the last four or five months I've gotten unsolicited letter from the Ethics Committee --

**MR. ARMENTANO:**

(inaudible)

**LEGISLATOR TOWLE:**

-- yeah, apparently you got into the last time, so I just I want to get into it again, having been the sponsor of the bill, an opinion by the Ethics Committee on a resolution that I had sponsored regarding expanding categories within the ethics law.

**MR. ARMENTANO:**

Categories of exceptions?

**LEGISLATOR TOWLE:**

Correct, yes. And I found it odd to get a opinion from the Ethics Committee, a) since I didn't ask for one being the sponsor of the bill nor did the Legislature as a whole and there have been plenty of resolutions before us. I can think of one that was recently defeated that was sponsored by the Presiding Officer in reference to making changes regarding the ethics forms that obviously falls under your jurisdiction clearly that one would've thought the Ethics Committee would have commented on if its going to be your policy to comment publicly obviously in writing to resolutions. And it struck me as odd that as I said in seven years and I only think of

the one resolution that we just did. I'm sure that if I research it there's been other resolutions that have been before the Legislature that the Ethics Committee maybe should have, you know, given a written opinion on. And I'm curious, a) has there been a change in policy, b) did someone ask for that and if so who? And c) should we expect more written opinions in that regard about resolutions that are before the Legislature?

**MR. ARMENTANO:**

Well, I think the last one is the easiest one to answer off hand if you don't mind. Should you expect more I would think if matter are within the jurisdiction and they come to the attention of the Ethics Committee that there might be some expression if it's within the jurisdiction of the committee I would think there might be. How this situation occurred as I said last time was we went to a meeting and it was brought up by counsel --

**LEGISLATOR TOWLE:**

-- can we stop at that point for a second?

**MR. ARMENTANO:**

Sure.

**LEGISLATOR TOWLE:**

I think that lends extreme credence to Legislator Guldi's argument. And I have nothing against Mr. Holownia he's a very nice guy, maybe the worlds best attorney next to our counsel, of course, but clearly the point I make is why not submit all the bills that pertain to the ethics law forms or issues that are under your purview. Why not submit the bill that was introduced by the Presiding Officer and ask for an opinion of the Ethics Committee. He chose not to do that; he chose to give you another bill that I introduced regarding a category, all right, which you guys clearly commented on at a special meeting so the letter said to me.

**MR. ARMENTANO:**

Well, I don't know whether all the -- well, I don't know whether all the bills come before him or not. From what I understood this bill was brought to his attention in someway and he brought it to our attention.

**LEGISLATOR TOWLE:**

I'd like to know how the bill was brought to his attention and obviously you can't answer that question, but as a member I'd ask you to ask him and I'd ask you to let my office know. Because I just think it's inappropriate that we pick and choose what resolutions we want to respond to and I'm not suggesting that you've done that, but somebody clearly has. If the Ethics Committee would like a copy of our resolution packet as the County Attorney's Office does and gets I'm sure that our offices would be prepared to provide them to you. And the Ethics Committee could sit every time you meet and go through the packets of resolutions that we filed and determine whether or not anyone of them are warranting of you guys making a written or verbal response to and I think that would be more than appropriate. I just don't think it's appropriate to pick and choose an issue to respond to particularly when not asked.

**MR. ARMENTANO:**

Well, I'll discuss it with the committee today and I think that we'll try to establish some sort of a policy with the Legislature on that.

**LEGISLATOR TOWLE:**

And I'd ask Counsel if he could make a note to his file because I may not be on this committee the next time the committee meets cause in fact none of us may be in on this committee. But I'd be curious that we get an answer to that question because I really think that that is an extremely bad precedent that the Ethics Committee is going to pick and choose which resolutions they want to respond to or take an opinion on. Because clearly the one had to do exactly with the preview of the committee and that's the forms that we all fill out and it was in reference to changing categories and changing the structure of the forms. I don't ever remember there being a special meeting in the Ethics Committee and receiving any response on that resolution.

**LEGISLATOR BINDER:**

That was another resolution on ethics that we had on changing conflicts of interest rule. I don't remember see that either. So it's two actually.

**MR. ARMENTANO:**

Well, I think there is one point I'd like to make. I think you've categorized that Legislator Towle has an opinion. I don't think the letter was an opinion. I don't think it was intended as an opinion; it was just a statement. It wasn't an advisory opinion or anything like that.

**LEGISLATOR TOWLE:**

Actually, the letter actually said from my recollection the three of you signed it say you thought it was a bad idea to add the category. I mean, that's what the letter implied.

**MR. ARMENTANO:**

Well, I think what it was, was that any time you add exemptions you weaken the law. I think that was the thrust of the letter, if I recall it.

**LEGISLATOR TOWLE:**

Well, for that matter we went through the exemptions the other night when we discussed the law. I mean, there would be Legislators who would not be able to adopt children because of the fact that, you know, we oversee adoptions through Social Services and Child Protective Services. I mean, that ludicrous; no more ludicrous than I think it would be that a County Legislator or a County employee could not get a Parks permit because I vote on the Parks budget. Or I couldn't get an outer beach permit or I couldn't a dock slip or I couldn't rent space from the County, I mean that's ridiculous. I mean, cause you're a member of the Ethics Committee we shouldn't allow you a golf course or a park pass, I mean that's ludicrous. I mean, it's beyond ludicrous and it's no different than the issue of, not because he's sitting to my right or because I sponsored the bill, then Legislator Guldi to be able to lease space at Gabreski Airport that, that without question. I mean, the old story when it looks like a duck and it quacks like a duck it usually is a duck. And the fact that the Ethics Committee has not responded to any other resolutions and chose and picked to do this one to me doesn't seem right. Doesn't seem right there seems to be something wrong. And I'm not suggesting that you were involved in that, but clearly somebody was and I'd like to get to the bottom of that because I think that's inappropriate. I think it lends credence to Legislator Guldi's argument that the Ethics Committee is influenced and it should not be influenced and it should if it's going to comment on resolutions comment on all of them that pertain to the subjects that are before you or that possibly make effect the operations of your independent committee.

**LEGISLATOR BINDER:**

Mr. Chairman.

**CHAIRMAN GULDI:**

Yes. Legislator Binder.

**LEGISLATOR BINDER:**

I don't have any questions for Mr. Armentano I just first would say that I've known him for a long time and know him to be a great lawyer and always fair in anything I've known him to -- there's no question as to his ability, his integrity and whether he should be part of the Ethics Commission so --

**CHAIRMAN GULDI:**

-- there hasn't been any questions to that effect.

**LEGISLATOR BINDER:**

Right. And there hasn't been and I noted that and that's important so that though he's come back here it wasn't about a question of Mr. Armentano. A comment on where you were going with Counsel, Legislators may remember that I had attempted to reformulate the whole Ethics Commission, the whole board. Mr. Armentano is the only one who will come before us and take this questioning. There are three, but the only one who has to go through this is the junior member is having to come here a couple of times or go to one in a blizzard. There's no question for the others because it doesn't work that way. They're appointments without review. That was my concern when I tried to change it and added to it is the questions that the Chair has apply brought out as to who does the research, who puts everything before the body. So who controls, I mean, the controller of the information flow. You could have the brightest and the best on a commissioner committee, but if they don't get the information from someone who they can be absolutely sure has no bias and no reason for bias then how do you know what you're getting. There are a number of levels of problems I wanted to address them. We didn't address them and maybe the Legislature wants to rethink that and start addressing them again. And I would be very willing to start those discussions cause I think that we should look at that.

**CHAIRMAN GULDI:**

(inaudible)

**LEGISLATOR FIELDS:**

I don't know if you'll bring the message, but it's come up a couple of times about how a particular subject comes before your committee. And I don't know whether you officially asked for a written statement, but I would like a written statement from the board or whom ever puts together your agenda for the day or the month or the whatever it is to say how -- what's the criteria for something coming before the Ethics Committee? Is it from the public? Is it from the administration? Is it from Legislature, where ever? And, you know, the process and maybe directed to the Chairman with copies to the rest of the committee and at least we'd have an answer before the end of the year. Thank you.

**CHAIRMAN GULDI:**

The -- I want to thank you for coming back and giving us another shot at you. I do want to observe that for being the junior associate at the firm you seem a little long in the tooth for the role. I'm sure you feel that way, but the one thing my colleagues just ran through is a litany of County services and contracts such as a round of golf, as a contract for a round of golf isn't it? The use of a marina's boat slip even for an over night accommodation. Use of the County campground for an overnight accommodation. All of those are contracts, are they not for services?

**MR. ARMENTANO:**

To some extent.

**CHAIRMAN GULDI:**

To some extent. The County law prohibits contracts of every nature and description except those listed. There is no listed exemption for golf courses, parks, marinas, boat slips. There are -- the 19 exemptions that exist cover none of those services. Does that render all of those activities a conflict with the ethics law? And if that whole panoply of services is, is every county employee prohibited from all parks, campgrounds, marinas and golf courses?

**LEGISLATOR BINDER:**

And what if you get an early tee time, the Presiding Officer, well, let's not go there.

**CHAIRMAN GULDI:**

Even presuming the Presiding Officer pays the greens fee.

**SPEAKER:**

(inaudible)

**CHAIRMAN GULDI:**

But you do understand I think that if we're going to talk about those exemptions I think we should look at them in a much broader view. I mean, we have exemptions for ownership of newspapers and ownership of public companies --

**MR. ARMENTANO:**

-- before you get into exemptions I think what you're saying is you want to take a broader view of the law. Generally --

**CHAIRMAN GULDI:**

-- well, none of the law generally. Also the independence of the commission is the one thing that the line of questioning I raised that you addressed for us; that's the one area, but the other thing is, you know, it struck me when I looked at this section of law it's a bit like topsy. It sort of grewed (sic) with exemptions being added as they're required obviously, the 18th exemption, the foster parent exemption being the last one added. We don't really want to prohibit County employees and elected officials from being foster parent, although perhaps there's some exceptions to that rule particularly among the elected officials, but we had one and given our broad prohibition we don't foster transparency and fairness and equal treatment by the prohibition. Instead we prohibit the normal and equal functioning of a whole broad class and category of County employees. Do we want to do that? Does that foster ethics? I don't think so. Okay. thank you very much, sir. Your resolution is already been discharged before the Legislature. It will be in the December -- it will be considered at the December 17th meeting where we consider the December 4th agenda.

**MR. ARMENTANO:**

Thank you. Can I ask a question?

**CHAIRMAN GULDI:**

Certainly.

**MR. ARMENTANO:**

Can I be in touch with Mr. Sabatino on exactly what the subcommittee wants because trying to --

**CHAIRMAN GULDI:**

-- you think the oral presentation and that perhaps we should -- Mr. Sabatino, would you feel comfortable distilling itemization of our request from the transcript and sporting it to the commission?

**MR. SABATINO:**

Not a problem.

**MR. ARMENTANO:**

Do you want to send it to me or to everybody?

**CHAIRMAN GULDI:**

Which ever -

**MR. SABATINO:**

-- I'll defer to the committee.

**CHAIRMAN GULDI:**

I'll defer to you. Do you want it to you or do you want it to everyone on the commission?

**MR. ARMENTANO:**

Everyone on the commission.

**CHAIRMAN GULDI:**

Fine.

**MR. ARMENTANO:**

That way we'll be truly answer want you want to know.

**CHAIRMAN GULDI:**

Thank you very much.

**MR. ARMENTANO:**

Thank you. Have a nice day.

**CHAIRMAN GULDI:**

Moving right along. Now we can go to the beginning of our agenda unless -- will all Legislators come to the horseshoe, we are going to take up the agenda and Legislator Towle the first item you want to be here for.

**TABLED RESOLUTIONS**

**1800. Authorizing the sales of surplus property sold at the May 15 and May 16, 2002 Auction pursuant to Local Law 13-1976 (Toussie Parcels). ASSIGNED TO WAYS & MEANS (Guldi)** Mr. Towle at the last meeting I noted for the record that no members of the Toussie family or representatives of the buyers under this corporation's had appeared despite my request to Mr. Hamburger their attorney that they do so. However knowing and there is no one here today again. Knowing however that you wanted to be recorded on the ultimate disposition of this bill I tabled it at that meeting solely so you could be here.

**LEGISLATOR TOWLE:**

Thank you, I appreciate that.

**CHAIRMAN GULDI:**

Do I hear any motions?

**LEGISLATOR TOWLE:**

(inaudible)

**CHAIRMAN GULDI:**

Motion to approve for the purpose of defeating by Legislator Towle second by myself. Do we have any discussion on this beauty? All those in favor? All those opposed?

**LEGISLATOR TOWLE:**

Opposed.

**LEGISLATOR FIELDS:**

Opposed.

**CHAIRMAN GULDI:**

Abstentions?

**LEGISLATOR BINDER:**

Abstain.

**CHAIRMAN GULDI:**

Three opposed one abstention. Defeated. **(Vote: 0-3-1-0 Opposed: Guldi, Fields, Towle Abstentions: Binder)**

**1960. 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. ASSIGNED TO WAYS & MEANS (Co. Exec.)** Legislator Towle, what's your pleasure?

**LEGISLATOR TOWLE:**

Mr. Chairman, I had received a letter from the supervisor and I'm in the process of setting up a meeting to go over their affordable housing request. So I'd make a motion to table this.

**CHAIRMAN GULDI:**

Second your motion. Discussion? All those in favor? Opposed? Tabled to our next meeting. **(Vote: 4-0)**

**2101. Direct Budget Review to prepare leases database. ASSIGNED TO WAYS & MEANS (Fields)** Legislator Fields.

**LEGISLATOR FIELDS:**

I'm going to table this one more time.

**CHAIRMAN GULDI:**

Motion to table by Legislator Fields second by myself. Discussion? All those in favor? Opposed?  
Tabled. **(Vote: 4-0)**

**2102. Authorizing conveyance of parcel to the Town of Brookhaven, Town of Brookhaven (Section 72-h, General Municipal Law). ASSIGNED TO WAYS & MEANS (Haley)** Legislator Towle, same motion.

**LEGISLATOR TOWLE:**

This was the question that Legislator Haley's property it was in his district. Apparently, appraisal came back at much more if you remember that.

**CHAIRMAN GULDI:**

Yeah, yeah. Do we have anyone -- is there anyone to discuss the matter with Legislator Haley since our last meeting?

**MS. COSTIGAN:**

Yes. I have discussed the matter with Legislator Haley and advised him that we were going to get an updated appraisal.

**CHAIRMAN GULDI:**

And we don't have that appraisal yet, do we?

**MS. COSTIGAN:**

No, it's only just been (inaudible).

**CHAIRMAN GULDI:**

Motion to table by myself.

**LEGISLATOR TOWLE:**

Second.

**CHAIRMAN GULDI:**

Second by Legislator Towle. Discussion? All those in favor? Opposed? **(Vote: 4-0)**

-  
**2105. Adopting Local Law No. -2002, A Charter Law to expand prior written notice of defective condition requirements. ASSIGNED TO WAYS & MEANS (Co. Exec.)** Motion to table for public hearing by myself.

**LEGISLATOR TOWLE:**

Second by Legislator Towle.

**CHAIRMAN GULDI:**

Second by Legislator Towle. Discussion? All those in favor? Opposed? Tabled. **(Vote: 4-0)**

**2154. Adopting Local Law No. -2002, A Local Law to transfer Administration of Living Wage Law to County Department of Audit and Control. ASSIGNED TO WAYS & MEANS (Bishop)** This also has to be tabled for public hearing or is that public hearing closed?

**MR. SABATINO:**

Public hearing was closed, Mr. Chairman.

**SPEAKER:**

(inaudible)

**CHAIRMAN GULDI:**

You want to ask Brenda to come up? Come on down. This could take a couple of minutes.

**LEGISLATOR TOWLE:**

Is Mr. Poerio here from the Comptroller's Office?

**LEGISLATOR TOWLE:**

Mr. Poerio is here from the Comptroller's Office too. Joe, I just thought you were here for the show.

**MR. POERIO:**

I was here because I was asked to be here.

**CHAIRMAN GULDI:**

Thank you, sir.

**MS. ROSENBERG:**

As was I.

**LEGISLATOR TOWLE:**

Oh, who asked you?

**MS. ROSENBERG:**

The Chairman.

**LEGISLATOR TOWLE:**

Oh.

**MR. POERIO:**

The Chairman asked us to be present.

**LEGISLATOR TOWLE:**

What a guy.

**MS. ROSENBERG:**

What a guy.

**MR. POERIO:**

Also with us is Deputy Comptroller Janet Ioli. Good afternoon.

**CHAIRMAN GULDI:**

Good afternoon. Explanation, Counsel.

**MR. SABATINO:**

This legislation is necessary to conform the illegal authority for the carrying out of the Living Wage Law with the action that was taken in the County Charter whereby the unit that was established last year was transferred from the Labor Department in the budget for 2003 to the

County Department of Audit and Control.

**MR. POERIO:**

I'd just like to make an opening statement if I may.

**LEGISLATOR TOWLE:**

Joe, would you just hold off for one second? Paul, just to follow up on the explanation. If we choose not to do this, if the bill doesn't happen then what in fact happens?

**MR. SABATINO:**

What'll happen is it'll be impossible to carry out the Living Wage Law in the year 2003 because the people who have the authority to do it will not have -- the people that have the authority -- the people who are placed in the budget and have the resources to carry it out will not have the legal authority to do it.

**LEGISLATOR TOWLE:**

Okay. Sorry George, I just wanted to clearly state where we are.

**MR. POERIO:**

All right. This came as a complete surprise to us and you might well imagine.

**CHAIRMAN GULDI:**

I thought you were going to use the word, shock.

**MR. POERIO:**

No. But, you know, if the Legislature feels in its infinite wisdom that we're the right department to do this we don't have an objection. At the moment we'd like to take a look at it. We try to take a positive attitude with the new Comptroller coming in and I've discussed it with him and he's willing to undertake this project. The only thing that we see at the moment is that there seems to be, you know a tremendous amount of work involved. The staff is only three, two of which are onboard now and there's one vacant position which I'm sure is going to be frozen or is in the process of being frozen out. And there are other responsibilities that are coming into the -- as we study this such as the hearing officer and having hearings for those individuals who feel that they don't comply and so forth and none of that is set up at the moment. And I'm not sure going forward what kind of staff is going to be needed to do that and a hearing officer and those types of people. So I think that we're going to ask for help down the road if we want to set this thing up, you know, the proper way.

**CHAIRMAN GULDI:**

Would the staff needs be any different if the department were left outside of the office of the Comptroller than it would be in the office of the Comptroller?

**MR. POERIO:**

I don't know. Brenda would have to answer that because they do have hearing officers over in the Department of Labor so I don't know if the plan was to use their own hearing officers, we don't. So I would defer to Brenda.

**CHAIRMAN GULDI:**

The Department of Labor they don't have auditors and the like and --

**MR. POERIO:**

-- no, they don't.

**CHAIRMAN GULDI:**

-- a substantial portion of this function is going to require auditing of the contractors operations, isn't it?

**MR. POERIO:**

It is, but you know we've been severely restricted in hiring practices over the last year and going forward that's going to happen too and to ask us to use our depleted number of auditors to go out and then, you know, beef up this department is going to be very difficult.

**CHAIRMAN GULDI:**

You mean you have auditors left?

**MR. POERIO:**

Well, we have some left, yes.

**CHAIRMAN GULDI:**

We didn't get them all yet, huh?

**MR. POERIO:**

No.

**CHAIRMAN GULDI:**

Okay.

**MS. ROSENBERG:**

Do you want me to comment on the bill? I knew you would.

**CHAIRMAN GULDI:**

You got anything you want to say about the bill?

**MS. ROSENBERG:**

It would have been nice to have been asked for our input in the bill because right now if we do move in January we're going to have a major problem as far as moving our computer program which we can't take with us. It was Oracle -- it was used to base a computer program for us and there's no support staff for that program so we're going to have to redo the whole database. I mean, it can be done, but it's going to put us in a very awkward position come January where all of our contracts are coming due now. We're getting paperwork we're getting 50 in a week. It's just a very inopportune time. Can we do it in Audit and Control eventually, yes. It's just that it's a bad time and our response time will take longer because we're not going to have our database. And if we're moving, obviously we're not going to have our facilities up and running at the same time. It's just bad timing.

**CHAIRMAN GULDI:**

Other than the timing issue, do you have anything you'd like to say?

**MS. ROSENBERG:**

The hearing officers also we were going to use internally as Joe had mentioned. We haven't had very many complaints because most of the contracts that are coming up now are the ones that

we will be dealing with the complaints from.

**CHAIRMAN GULDI:**

Do you have any auditors?

**MS. ROSENBERG:**

No. As a matter of fact we started with four people in my department, one was taken away when there was no funding. My secretary left now for a different position in Social Services. She got a raise so she left. So we're down to two people.

**CHAIRMAN GULDI:**

You and?

**MS. ROSENBERG:**

A senior neighborhood aide as this point Maureen Earle.

**CHAIRMAN GULDI:**

How are you going to perform the audit function?

**MS. ROSENBERG:**

Well, we're suppose to monitor not audit per the law. And she was suppose to be the monitor, but I'm not letting her go out right now because we don't have enough people in the office right now.

**CHAIRMAN GULDI:**

So she's essentially performing a secretarial clerical function.

**MS. ROSENBERG:**

We're both doing everything.

**LEGISLATOR BINDER:**

Mr. Chairman.

**CHAIRMAN GULDI:**

Mr. Binder.

**LEGISLATOR BINDER:**

So we have a law that says monitor it doesn't say audit. We suppose to monitor the agencies. We put in the budget in an omnibus I'm sure it wasn't in the County Exec's, right that wasn't the County Exec's that was in the omnibus?

**MS. ROSENBERG:**

County Exec's had a administration cost.

**LEGISLATOR BINDER:**

Yeah. I kind of figured somebody slipped that in the omnibus. So now in the omnibus somebody decides that we're going to move it to Audit and Control.

**MR. POERIO:**

Legislator Bishop.

**LEGISLATOR BINDER:**

Okay. Let's assume that was Legislator Bishop, but it's a omnibus, a lot of things are in there. You never know who does those things.

**MR. POERIO:**

He's the bills sponsor.

**LEGISLATOR BINDER:**

No. I know, but someone did it in the budget.

**MR. POERIO:**

You're right.

**LEGISLATOR BINDER:**

You never know. So lets say whoever it was it probably wasn't me; so now we're -- so now we've made the decision to move it. We haven't had hearings on it; we're now having the hearings on it and we're finding out that there's a problem because if you're not suppose to audit it anyway. But if we use auditors inappropriately we don't have them to use because then we would have to take the resources away from the job that we need to do in an audit function. We had them where we needed them at least internally in the Labor Department to the hearing officers. We're one short on the three that we're supposed to have in the group anyway. So it's probably a bad idea also in terms of getting up and running functioning computer programs, getting the database; do all we have to do -- so it's a bad idea in that sense too, but we're told by Counsel that if we don't do we don't have any money because we put it in the omnibus budget. And so unless we do something that's totally detrimental to the program, detrimental to the department, Comptroller's Office that we don't even have a program at all or at least until February because February I would assume is the first Davis opportunity. Is that the --

**MS. ROSENBERG:**

-- amend the budget.

**LEGISLATOR BINDER:**

We can't amend the budget though; we can't put it back to the Labor Department until February. If we did it by C/N and did it immediately and quickly so we have at least January where we wouldn't even have the program funded --

**LEGISLATOR FIELDS:**

(inaudible)

**LEGISLATOR BINDER:**

-- well, we could have funded it in the omnibus in the correct place.

**SPEAKER:**

(inaudible)

**LEGISLATOR BINDER:**

No. No. Right. It wasn't funded in the County Exec's budget, but we chose where to fund it. In other words we could have chosen to fund it in the same place, but instead we know better without any hearings, without any discussions this didn't come up. So now where we are is while the hearings in the budget didn't include this obviously because no one knew -- it was on the

budget it wasn't on the omnibus. So this was done last minute. No hearing done -- so now that's where we are and I think that this is a very poor way to go about building a railroad or just budgeting or doing County business. And there's not a good answer to this except for the fact that the Living Wage Law stinks anyway and so --

**CHAIRMAN GULDI:**

-- don't hold back tell us everything.

**LEGISLATOR BINDER:**

I'm trying not to. And so it was bad in it's inception and now it can't work because we can either put it in the wrong place we're not funded. Wonderful, wonderful, wonderful, again we do a wonderful thing here.

**CHAIRMAN GULDI:**

Motion to approve by Legislator Fields.

**LEGISLATOR TOWLE:**

I'll second for the purpose of discussion.

**CHAIRMAN GULDI:**

Second for the purpose of discussion by Legislator Towle.

**LEGISLATOR TOWLE:**

I just have a question.

**CHAIRMAN GULDI:**

Legislator Towle.

**LEGISLATOR TOWLE:**

I clearly got the impression from Mr. Poerio and I just want to recover this ground to make sure I'm on the same page with what he said. You've obviously discussed this with Mr. Sawicki, but he's obviously not had opportunity to look at any of this or the responsibilities. So he's not opposed or for, but was obviously looking the opportunity to, you know, he's not closed the option of doing this.

**MR. POERIO:**

No. Only because he doesn't want to start off with the wrong foot with the Legislature by, you know, if the Legislature in there infinite wisdom decided to put it with our department and that's what their pleasure is, he doesn't want to start off by, you know, having a fight with the Legislature over not wanting the thing.

**LEGISLATOR TOWLE:**

Has anybody from the Legislature particularly the sponsor spoke to Mr. Sawicki?

**MR. POERIO:**

No.

**LEGISLATOR TOWLE:**

Or yourself?

**MR. POERIO:**

Not to my knowledge.

**LEGISLATOR TOWLE:**

Okay. I'm not going to support this bill today without the sponsor and the Comptroller's Office speaking on this issue so that they're on the same page. So I would make a motion to table the bill today.

**CHAIRMAN GULDI:**

Second.

**LEGISLATOR TOWLE:**

Just on the premise of I will support the bill, but --

**LEGISLATOR FIELDS:**

What about discharging without recommendation?

**LEGISLATOR TOWLE:**

No, for two reasons.

**CHAIRMAN GULDI:**

Let me ask a question though and that is, this is the last meeting in December. If this isn't done January 1, is it legal to pay the people who are in the staff positions in the Labor Department in the budget that has transferred them to the Comptroller's Office?

**LEGISLATOR TOWLE:**

County Executive can veto this too. You know there can be a lot of things that can happen.

**CHAIRMAN GULDI:**

He already did that once.

**LEGISLATOR TOWLE:**

There could be a lot of things that happen between this point and that point. We've had the problem happen before. We did this with Real Estate, in fact, if I'm not mistaken. We move Real Estate in the omnibus and then we had to do the staff after the fact.

**CHAIRMAN GULDI:**

All right. Your concern as the sponsor as to talk to (inaudible) --

**LEGISLATOR TOWLE:**

-- I'm concern with two things, we're about to give the Comptroller's Office a division or a department that a) is under staffed immediately so we've been told by the Director. And b) no conversations been had with that agency in taking the department. I mean, it's no different with all due respect to my argument of the day, earlier in the day, with Legislator Binder wanting to, you know, you brought it up to refresh my memory thank you. You know trying to set a policy place (inaudible) as to how they should be doing advertising. You know you gotta have conversations with people.

**CHAIRMAN GULDI:**

On the motion to table. Legislator Towle motion to table. Legislator Binder doesn't seem particularly disposed to support this I would then to conclude from his remarks although I did have to reflect on them in order to be certain I was hearing him correctly. Legislator Towle said he will not support it today in part because the sponsor has not spoken to the Comptroller. If that event occurs between now and Tuesday of next week I as Chair will not resist a motion to discharge the bill at that the regular meeting on Tuesday, but I ask staff to make sure the sponsor is aware that that's the reason it is not coming out of the committee and therefore support the tabling motion.

**LEGISLATOR BINDER:**

I guess one more question. Brenda, what happens when -- if this were pass, what do you do with the data, I mean, the whole program computers -- what happens?

**MS. ROSENBERG:**

They could download it into an Excel program. I'm going to have to it transferred over and they're to have to create and other program for us and I not quite -- I haven't spoken to their computer people yet. I know they don't have Oracle. We have Oracle and it's only supported by Labor Department. They have their own computer people and that's what I have been told. We won't lose the data, we'll have it, but a new program will have to be, you know, done for us.

**LEGISLATOR BINDER:**

Okay.

**CHAIRMAN GULDI:**

Discussion? All those in favor? Opposed? Tabled. **(Vote: 4-0)**

**2187. Authorizing public hearings pursuant to Article 2 of the Eminent Domain Procedure Law of the State of New York in connection with the acquisition of properties to be acquired for improvements on C.R. 80, Montauk Highway, between NYS Route 112 and CR 101, Sills Road, Town of Brookhaven, Suffolk County, New York (C.P. 5534). ASSIGNED TO WAYS & MEANS (Co. Exec.)**

**LEGISLATOR TOWLE:**

Is there anybody from DPW on this?

**CHAIRMAN GULDI:**

Anyone from DPW on this condemnation or Real Estate want to address it? Joe, I think we need the table and those microphones.

**LEGISLATOR TOWLE:**

See you guys, have a nice day.

**CHAIRMAN GULDI:**

There were two other bills, but we'll get to those. I'm sorry. I'm calling the agenda in order it will be a minute.

**LEGISLATOR TOWLE:**

Joe, what were the other two bills, we'll call them out of order?

**MR. POERIO:**

Legislator Binder's bill --

**LEGISLATOR TOWLE:**

Just grab a sit up there. As soon as we get done with this one we'll pull those out of order.

**CHAIRMAN GULDI:**

It's got to be tabled for public hearing anyway. Condemnation on this -- there's no one here from DPW here, what's the story on this? Is this a condemnation of Legislator Towle's district office so he can put a road through it? We could get him a good deal.

**LEGISLATOR TOWLE:**

I'm a little further east. Oh, we have to return that trailer on the lease program?

**MS. COSTIGAN:**

This is to allow us to hold a public hearing.

**LEGISLATOR TOWLE:**

Right.

**CHAIRMAN GULDI:**

Right.

**LEGISLATOR TOWLE:**

To condemn some property for the purposed of a roadway.

**MR. BURKE:**

Road work at Montauk Highway between 112 and 101, East Patchogue area.

**MS. COSTIGAN:**

Around Swan Lake.

**LEGISLATOR TOWLE:**

As I said I want to speak to DPW on this before I do it so I'm going to table.

**CHAIRMAN GULDI:**

Do I hear a motion?

**LEGISLATOR TOWLE:**

Table here.

**CHAIRMAN GULDI:**

Motion to table by Legislator Towle second by Legislator Binder. Discussion? All those in favor? Opposed? Table. **(Vote: 4-0)**

**2210. Appropriating Start-Up Funds in connection with the reconstruction of C.R. 80, Montauk Highway, Shirley/Mastic, Town of Brookhaven (CP 5516). ASSIGNED TO WAYS & MEANS AND FINANCE & FINANCIAL SERVICES (Co. Exec.)**

**LEGISLATOR TOWLE:**

Same deal.

**CHAIRMAN GULDI:**

Motion by Legislator Towle second by Legislator Binder. Discussion? All those in favor? Opposed? Tabled. **(Vote: 4-0)**

**INTRODUCTRY RESOLUTIONS**

**2242. Authorizing the sale of County-owned real estate pursuant to Section 215, New York State County Law to Robin Bennett. ASSIGNED TO WAYS & MEANS (Bishop)** This is a redemption?

**MS. COSTIGAN:**

Yes. It's a 215; it's a hardship redemption.

**CHAIRMAN GULDI:**

Counsel.

**MR. SABATINO:**

42 does because it's based on a Social Security Disability award.

**CHAIRMAN GULDI:**

Motion to approve and placed on the consent calendar by myself second by Legislator Towle. Discussion? All those in favor? Opposed? Approved. **(Vote: 4-0)**

**2244. Authorizing the sale of three surplus County cars to the United North Amityville Youth Organization. ASSIGNED TO WAYS & MEANS (Postal)** Motion by Legislator Towle approved and placed on the consent calendar second by myself. Discussion? All those in favor? Opposed? Approved and placed on the consent calendar. **(Vote: 4-0)**

**2260. To convey title to County-owned real property pursuant to Section 215, New York State County Law (Adam Bierer and Antonietta Bierber, his wife) (0500-021.00-03.00-084.000). ASSIGNED TO WAYS & MEANS (Co. Exec.)** Does it meet the criteria, Counsel? Why are the names different? I suspect this is a typo.

**MR. SABATINO:**

This is not a Chapter 27-215. This is a different 215, which is when property had been acquired for roadway purposes, which in this case occurred many years ago. The Section 215 paragraph 8, allows a direct sale to a property owner without going to public auction, but it takes a 2/3 -- it just takes a majority vote not a 2/3 vote. This particular case the property was appraised at 3500 and the property owners are basically bidding at \$3500.

**CHAIRMAN GULDI:**

Motion to approve and place on the consent calendar by myself second by Legislator Towle. All those in favor? Opposed? Approved. **(Vote: 4-0)**

**2262. Sale of County-owned real estate pursuant to Local Law 13-1976 (Macleod-Couch Realty, LLC) (0900-139.00-02.00-083.000). ASSIGNED TO WAYS & MEANS (Co. Exec.)**

**MS. COSTIGAN:**

Appraisal was at \$9,000 and the bid was at \$9500.

**CHAIRMAN GULDI:**

We only had one bid on this or we had multiples?

**MS. COSTIGAN:**

We had four potential bidders, one bid.

**CHAIRMAN GULDI:**

I'm looking at the wrong one. Okay. And we got 500 above appraisal?

**MS. COSTIGAN:**

That's correct

**CHAIRMAN GULDI:**

Motion to approve and place on the consent calendar by myself. All those in favor? Opposed? Approved and place on the consent calendar. **(Vote: 4-0)**

**2263. Sale of County-owned real estate pursuant to Local Law 13-1976 (Emmanuel Caravanos and Barbara Caravanos, his wife) (1000-022.00-02.00-023.000). ASSIGNED TO WAYS & MEANS (Co. Exec.)** That's Babylon?

**MR. SABATINO:**

Southold.

**CHAIRMAN GULDI:**

Southold.

**MS. COSTIGAN:**

Appraisal was at 6000 and the bid was at 6000.

**CHAIRMAN GULDI:**

Up in East Marion, one bid. Motion to approve and place on the consent calendar by myself.

**LEGISLATOR TOWLE:**

How large is the property?

**MS. COSTIGAN:**

I'm sorry.

**LEGISLATOR TOWLE:**

How large is the property?

**MS. COSTIGAN:**

50 by 120.

**LEGISLATOR TOWLE:**

(inaudible)

**CHAIRMAN GULDI:**

Yes.

**MS. COSTIGAN:**

But it has a prohibition against improving it.

**CHAIRMAN GULDI:**

It's up in East Marion. Did I call a vote on 2263?

**2264. Sale of County-owned real estate pursuant to Local Law 13-1976 (Edward Trentini and Tina Sheppard Trentini) (0200-865.00-02.00-029.000). ASSIGNED TO WAYS & MEANS (Co. Exec.)**

**MS. COSTIGAN:**

Appraisal was at 4000 and the bid was at 4000 and the property is 4- by 100.

**CHAIRMAN GULDI:**

And with one bid?

**MS. COSTIGAN:**

That's right.

**CHAIRMAN GULDI:**

Okay. Motion to approve and place on the consent calendar by myself.

**LEGISLATOR TOWLE:**

Second.

**CHAIRMAN GULDI:**

Second by Legislator Towle. Discussion? All those in favor? Opposed? Approved. **(Vote: 4-0)**

**2265. Sale of County-owned real estate pursuant to Local Law 13-1976 (John S. Romonski and Mary Patricia Romonoski, his wife) (0200-072.00-01.00-034.000). ASSIGNED TO WAYS & MEANS (Co. Exec.) Brookhaven.**

**MS. COSTIGAN:**

The property is 40 by 100. The appraisal was 9400 and the bid was 9400.

**CHAIRMAN GULDI:**

And one bid.

**MS. COSTIGAN:**

Three potential bidders, one bid.

**LEGISLATOR TOWLE:**

Whereabouts in Brookhaven?

**MS. COSTIGAN:**

Milburn Road, Sound Beach.

**LEGISLATOR TOWLE:**

Thank you.

**CHAIRMAN GULDI:**

Motion by Legislator Towle to approve and place on the consent calendar second by myself. All those in favor? Opposed? Approved. **(Vote: 4-0)**

**2266. Sale of County-owned real estate pursuant to Local Law 13-1976 (Grace Clarke Ravines) (0200-982.00-07.00-002.000). ASSIGNED TO WAYS & MEANS (Co. Exec.)**

Brookhaven.

**LEGISLATOR TOWLE:**

Whereabouts in Brookhaven?

**CHAIRMAN GULDI:**

Montauk Drive and Forest Road.

**LEGISLATOR TOWLE:**

Okay. How large of a piece of property?

**MS. COSTIGAN:**

Again, the property is 40 by 100; the appraisal was 9000, the bid was 13,100.

**LEGISLATOR TOWLE:**

Is that in addition to a property or are they going to look to build on a 40 by 100?

**CHAIRMAN GULDI:**

No.

**MS. COSTIGAN:**

No. It's -- all of these have the same restriction, they can't be built on.

**LEGISLATOR TOWLE:**

So do they own an adjoining piece of property here?

**MS. COSTIGAN:**

Yes, they do. All three bidders are adjoining owners. Only bidders are adjoining owners.

**LEGISLATOR TOWLE:**

And as you pointed out earlier just for the record because I have been receiving an enormous number of complaints from people purchasing, you know, substandard lots of late and developing them apparently over a period of time. So I just want to be clear on this that they're obviously not capable of expanding their home because of this property or they're just adding it for yard space basically.

**MS. COSTIGAN:**

The deed will have a restriction that says that it may not be independently improved by the

erection of any structure. That will be in the deed.

**LEGISLATOR TOWLE:**

Does it allow them because they acquire that adjoining property now to expand the house itself, like add a second story to it now because they have more yardage, I guess?

**MS. COSTIGAN:**

That could be possible, yes.

**LEGISLATOR TOWLE:**

And we can't prevent them from that obviously?

**MS. COSTIGAN:**

That's right.

**LEGISLATOR TOWLE:**

Okay. Thank you.

**CHAIRMAN GULDI:**

The next one is confusing to me. It's a Local Law 13 to Seven Seas Unlimited Inc.

**MS. COSTIGAN:**

You didn't vote on 2266.

**CHAIRMAN GULDI:**

Oh. Motion to approve and place on the consent calendar 2266 by Legislator Towle second by myself. All those in favor? Opposed? **(Vote: 4-0)**

**2267. Sale of County-owned real estate pursuant to Local Law 13-1976 (Seven Seas Unlimited Inc.) (0500-237.00-02.00-025.000). ASSIGNED TO WAYS & MEANS (Co. Exec.)** We only have one qualified bidder on a Local Law 13, isn't that a little unusual? Makes it kind of shall we call it a limited auction?

**MS. COSTIGAN:**

When you look at the map it's a limited piece of property.

**CHAIRMAN GULDI:**

Yeah. I can see the piece of property, but I'm concerned about the piece of property it's along the literally it's the shoulder of the Sunrise Highway. Just in case if any road on Long Island is going to grow it's probably going to be our major east-west arteries. How much are we going to be paying for it when we have to condemn it in the future?

**MS. COSTIGAN:**

The -- it qualifies in every way as a direct sale. The property is 1485 square feet.

**CHAIRMAN GULDI:**

Which owner is buying, the owner to the directly to the south or the one to the west if you look at the -- the one to the east if you look at the tax map. The parcel seems to map it into the eastern parcel?

**MS. COSTIGAN:**

The one to the east.

**CHAIRMAN GULDI:**

Why is the -- looking at the qualification list, why is the land owner to the south not a qualified bidder? You're bid list lists only one proposed bidder, the lot to the south --

**MS. COSTIGAN:**

-- this is not a great copy of the tax map, but I think there's a little space between this and Lot 8, which is --

**CHAIRMAN GULDI:**

-- who owns that?

**MS. COSTIGAN:**

Who owns the space?

**SPEAKER:**

(inaudible)

**MS. COSTIGAN:**

The appraised value was 15 and the bid was 15.

**LEGISLATOR TOWLE:**

What is the property that the person owns now? It's not developed obviously, right? The property, the adjoining property owners, his property or her property is not developed? It's vacant?

**MS. COSTIGAN:**

The buyers property?

**LEGISLATOR TOWLE:**

The buyers adjoining property, is it developed or vacant?

**MS. COSTIGAN:**

I don't know.

**LEGISLATOR TOWLE:**

Do we know how large the property is?

**MS. COSTIGAN:**

It's over an acre.

**LEGISLATOR TOWLE:**

Okay.

**CHAIRMAN GULDI:**

I have a motion to table.

**LEGISLATOR TOWLE:**

I'll second it.

**CHAIRMAN GULDI:**

(inaudible) I don't know what the gore strip or that strip between the two parcels is and what the chain of title is on it. I'm not comfortable with a single bidder Local Law 13.

**MS. COSTIGAN:**

Okay.

**LEGISLATOR TOWLE:**

And the other thing is I'd like to know who is the Seven Seas Unlimited, Inc.

**MS. COSTIGAN:**

We have no way to know that.

**CHAIRMAN GULDI:**

We could ask.

**LEGISLATOR TOWLE:**

Who are the owners of the company? They don't have to give you the name of the company owners?

**MS. COSTIGAN:**

No.

**LEGISLATOR TOWLE:**

When they bid on a piece of property?

**MS. COSTIGAN:**

No.

**LEGISLATOR TOWLE:**

They can come in just under a company and we wouldn't know who the people were acquiring the property.

**CHAIRMAN GULDI:**

Just as long as they're adjacent land owners, but we can ask.

**MS. COSTIGAN:**

That's right.

**CHAIRMAN GULDI:**

We can ask and you can tell them we like to know. We'd like someone to come down and talk to us about it because we're not comfortable with a single bidder auction.

**MS. COSTIGAN:**

Yeah. We can ask I'm just saying it not a matter of record.

**CHAIRMAN GULDI:**

If they don't show up we can do what we want to do. Okay. Motion to table by Legislator Fields second by Legislator Towle. All those in favor? Opposed? Tabled. **(Vote: 4-0)**

**2268. Sale of County-owned real estate pursuant to Local Law 13-1976 (John M. Modica and Lisa Modica, his wife) (0800-081.00-01.00-055.001). ASSIGNED TO WAYS & MEANS (Co. Exec.)** This is now something completely the same. Again, one bidder.

**MS. COSTIGAN:**

Appraised at 8,000 and the bid is at 8,000.

**CHAIRMAN GULDI:**

And only one of five eligible bidders bid.

**MS. COSTIGAN:**

That's right.

**CHAIRMAN GULDI:**

The parcel is odd shaped?

**MS. COSTIGAN:**

The parcel is, yes, it is. 50 by 25 by 100 by 25 by 150 by 50.

**CHAIRMAN GULDI:**

And what parcel does the adjacent owner have?

**MS. COSTIGAN:**

The adjacent owner is lot 21002 which is --

**CHAIRMAN GULDI:**

-- just marked 21?

**MS. COSTIGAN:**

They're the piece to the west -- front on Aron Street.

**CHAIRMAN GULDI:**

Aron Street?

**MS. COSTIGAN:**

A-R-O-N.

**CHAIRMAN GULDI:**

215, 212, what is the lot number?

**MS. COSTIGAN:**

21.2 is the buyer.

**CHAIRMAN GULDI:**

21.2 is the buyer --

**MS. COSTIGAN:**

And the sale lot is the odd little L shape thing behind it.

**CHAIRMAN GULDI:**

I understand. Okay.

**MS. COSTIGAN:**

They've expanded their rear yard in other words.

**CHAIRMAN GULDI:**

Motion to approve and place on the consent calendar by myself second by Legislator Fields. Discussion? All those in favor? Opposed? Approved. **(Vote: 4-0)**

**2269. Sale of County-owned real estate pursuant to Local Law 13-1976 (Davoud Khazrae) (0100-063.00-04.00-031.000). ASSIGNED TO WAYS & MEANS (Co. Exec.)**

Davoud Khazrea -- how close? How bad did I do with it? Have fun with this transcript, right?

**MS. COSTIGAN:**

Appraised value is \$1000; the parcel is 25 by 100. The bid was \$1000.

**CHAIRMAN GULDI:**

Motion to approve and place on the consent calendar by myself second by Legislator Towle. All those in favor? Opposed? Approved. **(Vote: 4-0)**

**2270. Authorizing the sale, pursuant to Local Law 16-1976, of real property acquired under Section 46 of the Suffolk County Tax Act (Andrew L. Edmonds and Edith V. Edmonds, his wife) (0100-106.00-01.00-046.000). ASSIGNED TO WAYS & MEANS (Co. Exec.)**

**MS. COSTIGAN:**

Normally timely filed redemption.

**CHAIRMAN GULDI:**

Motion to approve and place on the consent calendar by myself second by Legislator Towle All those in favor? Opposed? Approved. **(Vote: 4-0)**

**2277. Amending the 2002 Capital Program and Budget and appropriating funds for the acquisition of land for the reconstruction of Deer Park Avenue East, C.R. 66, Town of Huntington (CP 5508.210). ASSIGNED TO WAYS & MEANS AND FINANCE & FINANCIAL SERVICES (Co. Exec.)**

**MR. SABATINO:**

This is the land acquisition component. This is to buy the land you need to do the actually work.

**MS. COSTIGAN:**

The construction has already been completed.

**CHAIRMAN GULDI:**

We've already completed the construction and it's time to condemn the land that we built them on?

**MS. COSTIGAN:**

There are outstanding compensation claims by the property owners. This is a completed project.

**LEGISLATOR BINDER:**

My concern was that we were done, so I wanted to know what new construction we were doing because it's all been done.

**MS. COSTIGAN:**

It's been done.

**CHAIRMAN GULDI:**

How did we come to build it on land we didn't previously condemn?

**MS. COSTIGAN:**

No. This is an offset reso --

**MR. SABATINO:**

We acquired the land before the project goes forward and the project goes forward then sometimes people contest their appraisal expenses, the actual acquisition. This is to pay for the acquisition, but we never go on the land without taking title.

**CHAIRMAN GULDI:**

Okay. Fine. That's what I was concerned about and now I understand. Motion by Legislator Binder second by myself that's to approve and place on the consent calendar, Mr. Binder.

**LEGISLATOR BINDER:**

There's bonds.

**CHAIRMAN GULDI:**

Oh, there's a bond to approve by Mr. Binder. You're really not going to let me slide on a roll call on a bond are you?

**MR. SABATINO:**

I don't want you to violate the law and have the bond go down because --

**CHAIRMAN GULDI:**

Oh. Picky, picky, picky. That's not on the consent calendar, he won't let me. Maybe we could just do a roll call on the consent calendar and do all the bonds on the consent calendar. Now there's an idea for a rule change. 2277, discussion? All those in favor? Opposed? Approved. **(Vote: 4-0)**

**2279. Amending the 2002 Capital Program and Budget and appropriating funds for the acquisition of land for the County Share for the Westhampton Interim Storm Damage Protection Project, Town of Southampton (CP 5374). ASSIGNED TO WAYS & MEANS AND FINANCE & FINANCIAL SERVICES (Co. Exec.)**

**MS. COSTIGAN:**

This is the same situation.

**CHAIRMAN GULDI:**

Motion to approve by myself second by Legislator Towle. All those in favor? Opposed? Approved. **(Vote: 4-0)** That also has a bond, correct? 2287 thank God we already did it, we don't have to face that at this hour.

**2288. Apportioning mortgage tax by: County Treasurer. ASSIGNED TO WAYS & MEANS (Co. Exec.)** How much money is involved in this, Counsel?

**MR. SABATINO:**

The villages are going to get 3.3 million and the towns are going to get 42.9 million for a total of 46, but the actual breakout village by village and town by town is set forth in the resolution. It's based on the volume of activity obviously in a particular municipality.

**CHAIRMAN GULDI:**

Yeah. So we're looking at \$50 million of revenue we're going to spread around. The villages, I love this. The Village of Southampton is getting \$410,000. The Village of Westhampton Dunes is getting \$14,000. The Town of Southampton is getting \$4 million, that's about 10% of its budget, isn't it? I'll make a motion to approve. It's there money.

**LEGISLATOR BINDER:**

(inaudible)

**CHAIRMAN GULDI:**

And if we did get any interest on it then it would be theirs. Legislator Binder do I hear your second.

**LEGISLATOR BINDER:**

Thank you.

**CHAIRMAN GULDI:**

Discussion? All those in favor? Opposed? **(Vote: 4-0)** Now lets leave that on the general calendar just so everybody knows we're doing it.

**2294. Authorizing the sale of ten (10) surplus County cars to Sachem School District. ASSIGNED TO WAYS & MEANS (Lindsay)** Second by Legislator Binder motion by Legislator Fields placed on the consent calendar was that motion. All those in favor? Opposed? Place on the consent calendar. **(Vote: 4-0)**

**2298. Adopting Local Law No. –2002, A Local Law to expand exemptions to the Living Wage Policy for the County of Suffolk. ASSIGNED TO WAYS & MEANS (Binder)**

**MR. SABATINO:**

Public hearing on 98 and 01.

**2301. Adopting Local Law No. 2002, a Local Law to grant temporary exemption to the Living Wage policy for child care agencies. ASSIGNED TO WAYS & MEANS (Bishop)**

**CHAIRMAN GULDI:**

Motion to table both by Legislator Binder 2298 and 2301 second by myself. All those in favor? Opposed? Abstentions? Tabled. **(Vote: 4-0)** What do you got for -- I see the vultures from the County Attorney's Office are here.

**LEGISLATOR BINDER:**

Vultures, that's so rude.

**CHAIRMAN GULDI:**

Do we have a motion for dessert? A motion to adjourn to executive session by myself including the presence's of Legislative Staff, Counsel to the Legislature, Budget Review, just so you can't go to your office and get any work done and the buzzards from the County Attorney's Office and Insurance and Risk Management. And directing my aide to inform the stenographer the time at which the executive session terminates. All those in favor? Opposed?

-  
**Executive Session began at 4:00 P.M. and ended at 4:40 P.M.**

**(Having no further business the Ways and Means Committee was adjourned at 4:40 P.M.)**

**{ } denotes spelled phonetically.**