

SUFFOLK COUNTY LEGISLATURE

SPECIAL MEETING

July 22, 2013

NINTH DAY

***Public Hearing on IR 1567-13 - A Charter Law to Create a Unified County Department of
Financial Management and Audit (County Executive)***

Special Meeting held in the Rose Y. Caracappa Legislative Auditorium

Of the William H. Rogers Legislature Building

725 Veterans Memorial Highway, Smithtown, New York

Verbatim Minutes Taken By:

Alison Mahoney & Lucia Braaten - Court Reporters

*(*The following testimony was taken & transcribed by
Alison Mahoney - Court Reporter*)*

*(*The meeting was called to order at 10:06 A.M. *)*

D.P.O. HORSLEY:

Good morning, everybody, and welcome to the Special Meeting of the County Legislature.
Roll call vote, Mr. Clerk.

MR. LAUBE:

Good morning.

*(*Roll Called by Mr. Laube - Clerk of the Legislature*)*

LEG. KRUPSKI:

Here.

LEG. SCHNEIDERMAN:

Present.

LEG. BROWNING:

(Not Present).

LEG. MURATORE:

(Absent).

LEG. HAHN:

Present.

LEG. ANKER:

Here.

LEG. CALARCO:

Present.

LEG. MONTANO:

(Not Present).

LEG. CILMI:

Here.

LEG. BARRAGA:

Here.

LEG. KENNEDY:

Here.

LEG. NOWICK:

Here.

LEG. GREGORY:

Here.

LEG. STERN:

Here.

LEG. D'AMARO:

Here.

LEG. SPENCER:

Here.

D.P.O. HORSLEY:

Here.

P.O. LINDSAY:

(Absent).

MR. LAUBE:

Fourteen (Not Present: Legislators Browning & Montano - Absent: Presiding Officer Lindsay & Legislator Muratore).

D.P.O. HORSLEY:

All righty, it's duly noted that we have a quorum.

May we all stand for the Pledge of Allegiance.

Salutation

May we all stand for a moment of silence for those men and women who protect our freedoms, both home and abroad.

Moment of Silence Observed

All righty. Again, welcome, everybody, to the Special Meeting of June -- of July 22nd. We have two pieces of business to handle today; we have a one hour -- we have a spot reserved for a one-hour public portion; and at the conclusion of our cards for the public portion, we will have -- present Public Hearing on IR 1567, a Charter Law to create a Unified County Department of Financial Management & Audit. And again, we will have presentations. And I'm hearing that the requests are that the presentations be made by the Comptroller and as well as Treasurer, Angie Carpenter, will be at the conclusion of the public portion -- hearing; public hearing, rather.

All righty. I have no cards for the public portion. Would anyone like to speak on the public portion? That is speak your mind, the Legislature is here, we're ready to listen to you. Everybody is good?

MS. DUMETZ:

I'll speak

D.P.O. HORSLEY:

Okay. Then you'll fill out a card?

MS. DUMETZ:

I already filled out a card. There's a stack for 16.

D.P.O. HORSLEY:

Well, that's for the Public Hearing. Green card?

MS. DUMETZ:

Yes.

D.P.O. HORSLEY:

Okay. No, this is the public portion where you can come and talk what's on your mind. We're good? Okay.

MR. NOLAN:

Motion to close.

D.P.O. HORSLEY:

I'll take -- entertain a motion to close by Legislator Hahn.

LEG. CILMI:

Second.

D.P.O. HORSLEY:

Second by Legislator Cilmi. All those in favor? Opposed? So moved. The public portion has been closed.

MR. LAUBE:

Fourteen (Not Present: Legislators Browning & Montano - Absent: Presiding Officer Lindsay & Legislator Muratore).

D.P.O. HORSLEY:

Okay. We have several elected officials and it is our policy that we allow elected officials to speak first before the general public, and the first card that I have is Esther Bivona. Esther, would you like to come up? You have three minutes. Of course, with all respect, try to keep within that three minute range. Welcome, by the way.

MS. BIVONA:

Thank you. My name is Esther Bivona, I'm the Tax Receiver for the Town of Huntington, as well as the President of the Suffolk County Receivers and Collectors Association. I am speaking today on behalf of the Association and myself.

I am known as a woman of few words; unless, of course, you ask my husband.

*(*Laughter*)*

Many others will speak today about this important issue. I will limit my remarks to those that relate to the relationship between the elected Receivers and the elected Comptroller and elected Treasurer.

As Receivers, we are against the consolidation of the elected offices of Treasurer and Comptroller. As a Receiver, I have no direct contact with the Comptroller's Office, but a direct and nearly daily relationship with the County Treasurer. The Receiver has the responsibility to collect taxes for all levels of government. We report that collection to the Treasurer and there is a strong level of checks and balances between the offices. The Tax Receiver has total and complete personal liability for the monies collected; that means our figures, if they are off, our money if it is off, we personally pay. There is no protection. We have liens against everything that we own while we are in collection.

The protection we have is our own working environment, how we handle our office and how the County Treasurer works with us. Every tenth day we turn money over to first the Supervisor, and once that money is completely collected, we turn over the balance, again, on a ten-day cycle to the

Treasurer's Office. My collection this year was 600 -- I'm sorry, \$961 million, to the penny. To the penny, that money has to be accounted for. I handle that within my office and I rely on the backup of the Treasurer's Office to protect me if there is some kind of error in my work, which fortunately there hasn't been.

You can only open the paper on a daily basis these days and find embezzlement at the school district level, at the private sector level, and at local government level. It happens. It does not happen within my level of government where the Treasurer and the Receiver work closely together to make sure that our funds are protected.

The Performance Management Team report neither mentioned nor addressed this important issue. What I found in the report were many might's, maybes and very few facts and specifics. There is no specific explanation as to why removing the elected component saves money and specifically the amount of money projected. Elected officials give the individual the independence to do the job that has to be done. It places all elected officials on equal playing field.

D.P.O. HORSLEY:

Esther, you're going to have to start to wrap it up, if you would.

MS. BIVONA:

Okay. It gives the individual direct responsibility to the voting public who determines whether they are doing their job in a satisfactory manner.

Finally, the argument that the people should have the right to make the decision is correct. However, they make that choice through you. You are the individuals they elect to represent them in matters relating to County business. Thank you for your time.

D.P.O. HORSLEY:

Thank you, Madam Receiver. It's always a pleasure and we appreciate you coming down here today.

MS. BIVONA:

Thank you.

LEG. KENNEDY:

Wayne, can I ask Esther a question?

D.P.O. HORSLEY:

Yes.

LEG. KENNEDY:

First of all, thank you for being here, Esther. It's nice to see you again.

MS. BIVONA:

It's my pleasure; there's no air-conditioning at Town Hall today.

*(*Laughter*)*

LEG. KENNEDY:

Well, there you go. So we know how Supervisor Petrone is working out the budget issues, huh?

You and I have known each other for probably all my time in County government, and I've always known you to really be almost like the bedrock of the tax receiving aspect of Suffolk County. Tax Receivers hold a special kind of a role in the way we do collect taxes here in Suffolk County, as does

the Treasurer. Now, it's unique for us here in Suffolk County, isn't it, as compared to the rest of the State with the way that taxes are -- taxes are levied, remitted and then turned over?

MS. BIVONA:

We have our own special Tax Act. But within the confines of the State of New York, we do things very similar to other towns within the State, just at a different time. But the liability is the same, all ten Tax Receivers in the State of New York have absolute personal liability. All Receivers turn over their funds to their Supervisor and then to their County except for Westchester and a couple of other towns.

LEG. KENNEDY:

The 961 million that you spoke about that you collected on behalf of the parcels in the Town of Huntington, that was collected over a --

MS. BIVONA:

Six-month period.

LEG. KENNEDY:

Right. Just out of curiosity, how many opens did you turn over, approximately?

MS. BIVONA:

About 98% is collected.

LEG. KENNEDY:

Okay.

MS. BIVONA:

So there's maybe a little less than 3,000 that are uncollected.

LEG. KENNEDY:

And that -- and just walk me through again what happens if, for whatever reason, someone's not paid, let's say the '12/'13 tax bill by, it would have been May 30th or May 31st?

MS. BIVONA:

May 30th, right. Remember that we do accept partial payment.

LEG. KENNEDY:

Yes.

MS. BIVONA:

So you can have a partially paid parcel, so that --

LEG. KENNEDY:

Partial payment with the Tax Receiver and with the Treasurer?

MS. BIVONA:

Yes.

LEG. KENNEDY:

Okay.

MS. BIVONA:

Yes. When something is not collected at the local Tax Receiver's level, that return is made to the County. It then becomes the County Treasurer's responsibility to collect that balance of the tax,

with interest and penalty.

LEG. KENNEDY:

Okay. Thank you. I appreciate it. It's nice to see you again.

D.P.O. HORSLEY:

Thank you very much, Legislator Kennedy. Legislator Nowick.

LEG. NOWICK:

Good morning, Esther.

D.P.O. HORSLEY:

Esther, we have more questions. Thank you for your patience.

LEG. NOWICK:

Don't go away, Esther.

MS. BIVONA:

I'm not going anywhere.

LEG. NOWICK:

And for those of you who don't know, Esther would not be here unless she believes in what she's saying. We've worked together for several years when I was a Tax Receiver and you are, by far, the expert in the field.

MS. BIVONA:

Thank you.

LEG. NOWICK:

Esther, I'm just going to ask you a few questions. With your interaction with the Treasurer's Office, is it so -- Tax Receivers often request advice on various laws from the Treasurer's Office? If you have a dilemma, would you call the Treasurer's Office, perhaps Angie Carpenter or someone in her office, for guidance?

MS. BIVONA:

Absolutely. Absolutely.

LEG. NOWICK:

You would call the administrators in the office.

MS. BIVONA:

Yes.

LEG. NOWICK:

And how does that you usually go for you; do you get the answers you want, are they timely, are they helpful?

MS. BIVONA:

Absolutely. Absolutely.

LEG. NOWICK:

I wanted to ask you, who sends the resolutions to the Tax Receivers after they're approved by the Legislature? Is that the County -- is that the Treasurer's Office?

MS. BIVONA:

No, it's the Clerk of the Legislature.

LEG. NOWICK:

Okay. The Clerk of the Legislature sends resolutions to you. Does it go to the County first?

MS. BIVONA:

I don't think it goes to the Treasurer's Office first. It goes through the Legislature and then to us and then we return to the Treasurer.

LEG. NOWICK:

Then you return to the Treasurer. So your interaction with the Treasurer is continuous.

MS. BIVONA:

Ongoing on almost a daily basis, yes.

LEG. NOWICK:

And if you were to change payor information, you then also go to the County Treasurer's Office, so if somebody sells a house and you have to change something, do you let the Treasurer's Office know about that, or is that just in the Tax Receiver's Office?

MS. BIVONA:

That works through the Clerk's Office, County Clerk's Office. We make the change when we receive it. Many times, if delinquent taxes are paid to the Treasurer, they may receive new information about ownership and they will share that with us. But otherwise, it's part of the process.

LEG. NOWICK:

Okay. And as a Tax Receiver -- as I recall, as a Tax Receiver, interaction with the Treasurer, it could almost be on a daily basis, particularly during tax collection season?

MS. BIVONA:

Yes.

LEG. NOWICK:

And you interact with both the Administration and various department heads; is that how it works?

MS. BIVONA:

Yes.

LEG. NOWICK:

Okay. And you do not feel as though this would be quite as efficient if this department was to be moved?

MS. BIVONA:

No.

LEG. NOWICK:

Okay. Thank you.

MS. BIVONA:

Absolutely not.

LEG. NOWICK:

Thank you, Esther.

D.P.O. HORSLEY:

Thank you very much, Legislator Nowick. Legislator Gregory, you don't --

LEG. GREGORY:

(Shook head no.)

D.P.O. HORSLEY:

We're good? Esther, thank you very much for coming down. We appreciate you being here today.

MS. BIVONA:

Thank you.

D.P.O. HORSLEY:

I also have a second elected official who would like to speak, Steve Slotteron -- Flotteron, rather, Islip Town Councilman, and we'd like to call him up. Steve, welcome.

COUNCILMAN FLOTTERON:

Thank you. Good morning. Again, yes, I'm Steve Flotteron, Councilman for the Town of Islip. This proposed consolidation of the Department of Treasurer and Comptroller is a bad idea and is counterproductive to good, sensible government functions. They should remain separate so that its independent assessment does not rest in the hands of one elected official, not to rest in the hands of one elected official. This goes against general accepted accounting principles. That's really the main term here, it goes against the general accepted accounting principles, who's watching who, and should not be adopted. Thank you.

D.P.O. HORSLEY:

Thank you very much, Councilman. And it's a pleasure that you are here today.

Okay. I just wanted to note that there were some late amendments to the IR 1567. So they are available, I understand, Mr. Clerk, so that the audience could see them.

MR. LAUBE:

Yes.

D.P.O. HORSLEY:

They are. Thank you. Very good.

LEG. CILMI:

Mr. Chair?

D.P.O. HORSLEY:

Yes.

LEG. CILMI:

If I could just ask you to clarify, those amendments were made when and when, just so that we know where the amendments, when the amendments came.

D.P.O. HORSLEY:

Counsel?

LEG. CILMI:

Because I received an e-mail at, I don't know, six o'clock or so on Friday night, and now I'm being told at ten o'clock this morning that there are additional amendments; is that correct?

MR. NOLAN:
That's correct.

LEG. CILMI:
Thank you.

LEG. MONTANO:
Whoa, whoa, wait.

D.P.O. HORSLEY:
Yes, Legislator Montano.

LEG. MONTANO:
When did you receive the additional -- when were the additional amendments filed?

LEG. CILMI:
Through the Chair?

LEG. MONTANO:
Through the Chair.

LEG. CILMI:
Legislator Montano, I received my first e-mail from the Clerk at 6 PM Friday evening.

LEG. MONTANO:
That was the first --

LEG. CILMI:
The first set --

LEG. MONTANO:
The first set of modifications.

LEG. CILMI:
-- of modifications.

LEG. MONTANO:
And when were those filed?

LEG. CILMI:
I couldn't tell you; you'd have to ask the Clerk.

LEG. MONTANO:
I'll ask the Counsel.

LEG. CILMI:
And then I understand, having sat down here this morning, that there were additional amendments filed this morning.

LEG. MONTANO:
All right. If I may, Mr. Chair, I'll ask our Counsel. When were these --

D.P.O. HORSLEY:
You may.

LEG. MONTANO:

Thank you. When were these amendments filed and would you put on the record the nature of the amendments? I know we have them in front of us, but I don't know that the -- with your permission, I'd like to get an explanation of what the amendments are.

D.P.O. HORSLEY:

Sure. Counsel?

MR. NOLAN:

(Inaudible).

D.P.O. HORSLEY:

Okay, yeah. Recognizing that this is a public hearing and we will be -- but just generally.

LEG. MONTANO:

Yeah, just generally. We have them.

MR. NOLAN:

I don't know what time they were filed on Friday afternoon, the Clerk's Office would have to say when those first set of changes were filed. And I think it was about twenty to ten or a quarter to ten this morning a new version or an amended version was filed.

LEG. MONTANO:

Well --

LEG. CILMI:

Mr. Chair?

LEG. MONTANO:

No, I still have the floor, if you would, Legislator Cilmi.

D.P.O. HORSLEY:

Thank you.

LEG. MONTANO:

I'd like to get an explanation of the changes. Are they substantive changes, are they -- or are they, you know, a scrivener's error?

MR. NOLAN:

Some of them were minor technical corrections and changes and some were more substantial than that. For example, in the ballot proposition question, there had been language that the proposition or the consolidation of the departments would save \$1 million; that language was stricken from the proposed ballot question. The changes that were made today more had to do with positions in the -- I believe the Treasurer's Office, those that would be abolished if the law was approved by the voters and those that would not be.

LEG. MONTANO:

All right, I don't want to interrupt the public meeting. I'll just ask the Clerk, what time did these amendments come in? Just to reiterate that.

MR. LAUBE:

On Friday they were filed at 3:15 and today at nine --

LEG. MONTANO:

The first one at 3:15 Friday?

MR. LAUBE:

And then today at 9:25 this morning.

LEG. MONTANO:

Thank you very much.

LEG. KENNEDY:

Mr. Chair?

D.P.O. HORSLEY:

Okay, hang on one sec. Legislator Cilmi, just quickly for point of a question.

LEG. CILMI:

Sure. The point here is that Legislator Montano has a point. And I don't think -- I don't think it's interrupting the public hearing to ask our Counsel to describe specifically what the amendments were that came in at 6 PM on Friday evening and 9:45 AM this morning on a Public Hearing that we're having at 10 AM this morning. The people who are here to speak to this issue deserve to know what those changes were.

D.P.O. HORSLEY:

Okay, duly noted. Legislator Gregory, did you have a -- was it you that was asking for a question?

LEG. GREGORY:

No.

D.P.O. HORSLEY:

Legislator Kennedy.

LEG. KENNEDY:

Yeah, on this same theme, to Counsel. I would go to a little bit more of a fundamental question with our rules and public hearings. George, this has to mean that this public hearing has to continue. With substantive changes that literally have been put before us 15 minutes before a hearing commences, it's inconceivable that we would actually contemplate closing this when this bill had been out there in a substantially different form for the better part of three and a half weeks. That's deceiving the public; that's not notice to the public, that's deceiving the public. There must be a way to close it.

Applause

D.P.O. HORSLEY:

Your point is taken. Thank you very much.

LEG. KENNEDY:

Well, I'm asking -- we're prohibited from closing today, right?

MR. NOLAN:

No, no.

LEG. KENNEDY:

Well, then we need to. I will be giving you a bill to modify that, because that's clearly a hole in our rules.

D.P.O. HORSLEY:

Okay. Thank you very much.

All righty. We're going to be moving on in the public portion. The next speaker will be Joel Schleifer, CPA. Oh, I'm sorry, Legislator Krupski, one more.

LEG. KRUPSKI:

Just a brief request, and in the same theme. I think it's fair -- I think it would be fair to the public or anyone who wants to comment on it to know what the changes are, because otherwise their comments are not going to be based on what's currently --

D.P.O. HORSLEY:

Okay. Well, then that was --

LEG. KRUPSKI:

Currently proposed.

D.P.O. HORSLEY:

That was the point of the original reference, is that they are available to them.

LEG. KRUPSKI:

But I think if we could get Mr. Nolan just to explain it just briefly, everybody would have a better understanding before they make their comments. That they're not making comments on something that's changed.

LEG. MONTANO:

If I may, Mr. Chair?

D.P.O. HORSLEY:

Hang on one second. Counsel?

MR. NOLAN:

I would only say to Legislator Krupski that, although I was brief, I think I hit the high points of the changes. Many, many of the changes that were to the bill on Friday were technical because there were errors, mistakes in the bill originally, those were cleaned up.

The biggest change was -- in my opinion, was to the ballot question language. It originally had that -- had language saying that the consolidation would save a million dollars; that language was removed. The rest of the changes on Friday were really technical in nature.

In terms of the changes that were made today, it really just clarified what positions were going to be abolished in the departments, the affected departments, and which would not be affected.

LEG. KRUPSKI:

But I think it's just important if you just clarify that verbally now so that people here have -- just quickly, just have a better understanding before they comment.

MR. NOLAN:

I think those are the --

D.P.O. HORSLEY:

That's it.

MR. NOLAN:

I think I've done it. Those are the changes I think the public needs to be aware of.

*(*Laughter From Audience*)*

-- as they speak to this bill. The rest of it is clean-up.

D.P.O. HORSLEY:

Okay. Legislator Montano, real quick.

LEG. MONTANO:

Yeah, I'm gonna -- I guess I started this, let me, hopefully, end it.

Number one, we could debate whether or not these changes are minor or substantive; they sound substantive to me. And number two, I don't understand how the public can come here and speak on a bill that wasn't even before them until ten -- until 9:30 or 9:45 this morning. Their prepared remarks are probably geared towards a bill that no longer is before us, and I think that's unfair to the public, it's unfair to us.

Applause

D.P.O. HORSLEY:

Thank you very much for your comments.

All right, we're going to move along. Joel Schleifer is the next speaker.

MR. SCHLEIFER:

Good morning. Thank you for --

D.P.O. HORSLEY:

Welcome Joe.

MR. SCHLEIFER:

-- allowing me to speak. My name is Joel Schleifer, I'm a resident of Commack, New York. I am in the firm of -- a partner in the Certified Public Accounting Firm of Perlman, Schleifer & Perrone, we are located in North Babylon, New York. I am a member of the Executive Board of the Suffolk Chapter of the New York State Society of Certified Public Accountants. I Co-Chair the Chapter's not-for-profit Government Accounting & Auditing Committee. I am a former member of the Suffolk County Financial Advisory Board, I served in 1992 through 1994. And in the interest of full disclosure and openness, I will state that I was a candidate for Suffolk County Comptroller on the Democratic line in 1994 and that the opinions and conclusions I am stating today are strictly my own and they are not to be construed in any way, shape or manner as those of the New York State Society of Certified public Accountants.

I am in favor of the proposal to create an Office of Chief Fiscal Officer. I have been in favor of eliminating the Treasurer's Office for years, and apparently I'm not the only one that thinks that way due to the fact that there are 61 Counties out of 62 Counties in the State that do not have elected Treasurers, but I have certain reservations in the areas of internal control, specifically the areas of segregation of duties and the internal audit function. These recommendations, however, can be overcome, in my opinion. There are a number of suggestions I'm going to lay on the table here. I understand it's an up or down vote, but perhaps through regulation they might be adopted.

For example, one can consider appointing a Treasurer rather than electing a Treasurer to a five-year term; this may or may not be practical, but it's a possibility. In terms of the internal audit function as regards to the revenues of the County, one may be able to use an independent auditing firm to do the internal audit function in that area, with the report of the internal auditor going directly to the Legislature. Again, I refer to the fact that there are 61 counties in the State that do not have elected Treasurers, and obviously their governments seem to be functioning okay and obviously they have solved the internal control problem that I just addressed.

Again, I would like to state that I'm in favor of this proposal and would also recommend, possibly, that the CFO and/or its first Deputy be a Certified Public Accountant. That is not an unusual request if one considers the fact that in the Department of Public Works you have a PE. Also, I believe in the Department of Health you have a medical doctor. And in fact, this County is already in that paradigm due to the fact that Ms. Capobianco at the Comptroller's Office is a highly regarded and very talented CPA. Again, I would like to thank you for your time.

LEG. MONTANO:

Question.

D.P.O. HORSLEY:

Thank you very much, Joe. Just hang on one sec, we've got a question from Legislator Montano.

LEG. MONTANO:

Hi, Joe. How are you?

MR. SCHLEIFER:

Very good.

LEG. MONTANO:

Good. So, are you in favor of this bill?

MR. SCHLEIFER:

Yes.

LEG. MONTANO:

You are, okay. Now, I don't mean to embarrass you. You and I are friends and, you know, you went through your credentials as an accountant, they're very impressive, you've disclosed that you were a candidate for Comptroller a while back. But my question is are you or were you the campaign treasurer or accountant for any of the Democratic party or the --

MR. SCHLEIFER:

I'm sorry, I didn't hear that.

LEG. MONTANO:

Were you or are you the treasurer of -- for the committee either for the Democratic candidate or for the Democratic party?

MR. SCHLEIFER:

I serve as Treasurer for a number of campaign committees.

LEG. MONTANO:

Which ones?

MR. SCHLEIFER:

As an unpaid treasurer for the Smithtown Democratic Committee, I serve as a paid Treasurer for the Friends of Frank Petrone and the Friends of Susan Berlap.

LEG. MONTANO:

Okay. Thanks, Joe. I just wanted to clarify that, because in the interest of full disclosure, we ought to disclose exactly what our associations are. Thank you.

D.P.O. HORSLEY:

Thank you very much, Legislator Montano. And Joel, thank you very much for being here today.

MR. SCHLEIFER:

Thank you.

D.P.O. HORSLEY:

All right, the next speaker is Joseph Poerio, and on deck is Kenneth Williamson.

MR. POERIO:

Good morning. My name is Joe Poerio, Joseph Poerio, former Chief Deputy Comptroller for twenty some-odd years for Suffolk County in the Joseph Caputo Administration. The legendary and greatly respected Comptroller was vehemently opposed to the consolidation of these two departments. And this has been introduced many times, several times over the past 20 years by then Legislator Steve Levy and County Executive Levy. He always professed saving money, as they're doing now, elimination of duplication of duties as reasons for the consolidation. He never submitted evidence or numbers to prove that a savings would be achieved through the consolidation, and the Legislature saw that and they saw fit to never go forward with the proposal.

We're now, once again, involved in these same discussions to save money by consolidating these two departments. This time it comes with a twist. The Comptroller Sawicki is term-limited and cannot run for another term, so isn't it convenient for him to support a consolidation, change the title and run for another 12 years? This is contrary to the will of the Suffolk voters who place term limits on these elected officials. It is a selfish and self-absorbed position to benefit himself.

Both Joe Caputo and myself were members and Officers of the State Government Finance Officers Association. I spent several years as the State Vice-President for Education for the GFOA. And in detriment to the gentleman that just stood before me, I know firsthand of being State Vice-President of the GFOA that in all 62 Counties in the State of New York and my recollection that were either elected or appointed County auditors and Treasurers, and believe me, there are many, many more than one elected Treasurer in the State of New York. There's many elected County Treasurers. None that I know of has one consolidated finance person in charge of everything. Generally accepted accounting principles state that basic tenants of auditing that there should be a separation of financial duties. No one should collect the funds and then spend or audit them. This makes it easy for fraud and mismanagement to occur without checks and balances.

Angie Carpenter has been an outstanding Treasurer that I've had the privilege of working with before my retirement. I would not like to see her career end because of the selfish, zealous attitude of an individual looking to extend his career. Thank you.

Applause

D.P.O. HORSLEY:

Thank you very much, Mr. Poerio. Mr. Poerio? Mr. Poerio? Mr. Poerio, we have a quick question. Legislator Nowick.

LEG. NOWICK:

Good morning, Joe.

MR. POERIO:

Good morning.

LEG. NOWICK:

Joe, just to make it clear, you were in the Comptroller's Office.

MR. POERIO:

Yes.

LEG. NOWICK:

How many years were you there?

MR. POERIO:

Twenty years.

LEG. NOWICK:

So as a Comptroller, and I want to make it clear as to what I just heard you say, do you feel that the duties of the Treasurer are completely different than the duties of the Comptroller?

MR. POERIO:

Absolutely. And as many times as Legislator or County Executive Levy proposed these consolidations, he was never able to submit any facts or numbers. And you were -- you guys, some of you were here, never -- just making a statement doesn't make it so. Never was there any substance to the information that he gave that consolidation would save money.

LEG. NOWICK:

So again, just to make it clear, because we have pages and pages of legislation. And sometimes, you know, to be honest with you, they're difficult to understand, and legal papers are often are. Let's do it really in layman terms. The first step, the money that's collected, goes where? Tax money goes --

MR. POERIO:

When you're talking about tax money?

LEG. NOWICK:

Yes.

MR. POERIO:

I guess it goes to the town.

LEG. NOWICK:

To the town, then to the Treasurer's Office.

MR. POERIO:

Then to the Treasurer.

LEG. NOWICK:

So the Treasurer -- quickly, the Treasurer's duties are, just quickly; the Treasurer collects the money?

MR. POERIO:

Collects the money, collects the delinquent taxes and has a variety of other duties that I don't recall off hand, but many other financial duties that the Comptroller does not duplicate in any way.

LEG. NOWICK:

That's what I wanted to know, but the Comptroller does -- has a different set of duties.

MR. POERIO:

Correct.

LEG. NOWICK:

So in your opinion, both offices are necessary?

MR. POERIO:

Absolutely.

LEG. NOWICK:

Well, let me reword that. What I think I understand from this legislation is that all the duties will continue, whether it be in the Treasurer's Office or the Comptroller's Office. But my question maybe to you is, having been in the Comptroller's Office, if these duties are combined, is it necessary, in your opinion, to maintain a separate administrative staff to oversee the -- continue to oversee the duties of Treasurer?

MR. POERIO:

Absolutely.

LEG. NOWICK:

Thank you.

MR. POERIO:

You have to keep those responsibilities separate.

LEG. NOWICK:

Thank you.

D.P.O. HORSLEY:

Thank you very much, Mr. Poerio. We appreciate you coming down here today.

MR. POERIO:

Thank you.

D.P.O. HORSLEY:

Kenneth Williamson, and on deck is Michael Iasilli.

MR. WILLIAMSON:

My name is Ken Williamson, I'm speaking for myself as a resident of Hauppauge since 1965. I was trained as electrical and served as an electrical engineer and retired as an airline pilot after 35 years.

Anyone who has served as a Treasurer in a local church, lodge, small business, or even his own household, discovers that his role is a very narrow one of accurately accounting for what was received, where it went and what is left on hand. When a Treasurer gives a report, the focus is on who, what, where and when. There's little to communicate beyond doom or joy. In contrast, the Comptroller looks at why. Among many things, the Comptroller is the overseer, the auditor of the treasury and of internal controls. But a Treasurer is accounts accurate and complete; is the

Legislature's spending plan wise, is the income stream sound and adequate? Are the assets and resources being managed properly and efficiently?

Treasurers face many conflicts of interest when trying to report on such larger issues. Consider the District Attorney and the defense attorney. Both are attorneys, both are admitted to the Bar, both examine the law. Both present evidence, both urge a verdict, both represent the best interest of society, but would you combine their functions in one person? Would that result in an economy that is equitable and acceptable to society? That person would become the de facto judge as well.

Similar disciplines do not necessarily make for compatibility of viewpoints, functions or purpose. Compatibility is not always the comfort that we can afford. If the position of Treasurer and Comptroller are combined into one, their essential separate functions would become muddled and lost. That will soon be discovered when damage and loss occurs. It will become necessary to reinvent one or the other position to avoid further damage. This proposal to combine Treasurer and Comptroller and is ill-advised. This proponent should go back and study their history more and strictly reject it. Thank you.

D.P.O. HORSLEY:

Thank you very much, Mr. Williamson.

Applause

The next speaker is Michael Iasilli, and on deck is Matthew McDonough.

MR. IASILLI:

Good morning, Legislators, everybody else. How are you? I'm Michael Anthony Iasilli, I am a Port Jefferson -- I live in Port Jefferson Station, New York, Suffolk County. I go to St. Joseph's College. I would personally like to voice my support for the combined merger. First, paying down our debt is an extraordinarily important thing to do. As a full-time college student with a couple of more years to go, I, like many other students, will graduate with a heavy load of student debt. This means that every dollar counts. Our County is already an expensive place to live, which focuses on forces students like myself to relocate off of Long Island. This is another step in decreasing our deficit without increasing taxes. Since the people of our County can't afford to keep on paying extra in tax dollars, this consolidation blazes a path towards our other future moves that can help right our country's fiscal ship.

Number two, I would like to also note that this legislation has bipartisan support from Democrats and Republicans alike. This bill doesn't even create policy, it just gives voters the opportunity to choose which path they prefer. The people deserve a referendum when it comes to choosing how our taxpayer dollars are allocated, and if we choose that an elected Treasurer is an unnecessary use of funds, it is in our right.

But lastly, this is simply a way to conserve money and enhance the way government, especially our local government, works in Suffolk County. Cutting down wasted areas of government is necessary in alleviating the high tax burden for most of our residents and in regenerating Suffolk County's budget. I do support this bill. Thank you.

D.P.O. HORSLEY:

Thank you very much, Mr. Iasilli.

MR. IASILLI:

Thank you.

D.P.O. HORSLEY:

The next speaker is Matthew McDonough, and on deck is Paul Borowski.

MR. McDONOUGH:

Good morning. My name is Matthew McDonough and I appreciate the opportunity to speak before you today. I rise today in strong support of the resolution to allow a referendum to merge the offices of Comptroller and Treasurer. Today I serve as the Chief Investment Officer of Artifacts Annuities, but between January and May of 2012 I worked for Suffolk County. During that short period, I remember numerous members of the body constantly seeking synergies between business and government to streamline processes, improve performance and save taxpayer money. This resolution provides that opportunity.

Whether publicly traded or privately controlled, companies have long combined the positions of Comptroller and Treasurer. The dual role of Audit & Control and Treasury operations is often within the purview of the company's Chief Financial Officer. For example, a company like Apple, with almost \$150 billion of cash on hand, moved its treasury, comptroller, tax and audit functions under one position. If Apple, with a cash position alone more than 50 times the size of this County's budget, can manage to merge, so can Suffolk.

In an age where a company can find itself financially ruined in an instant, it is vital that all fiscal indicators be under the control of one office. Yet, in some cases the Treasurer and treasury operations remain independent. For example, Kraft Food still maintains a treasury department that is responsible for managing risk. They hedge liquidity, credit, currency, interest rate, commodity, market and operational risk. However, Kraft is the largest commodity speculator in the world, buying hundreds of derivative products a day to stabilize the price of their products on supermarket shelves. That sort of volume requires a separate office with hundreds of employees.

Although I don't want to simplify what our County Treasurer does -- managing interest rate risk on operating, payroll and other accounts -- there is no need for a separate office. Within interest rate information readily available on-line or through financial software, what years argue was a laborious process is now a mouse click away. And as we all know from our own personal accounts, since the onset of the financial crisis five years ago, rates on interest-bearing accounts have not moved.

But in the final analysis, beyond what I've said today, beyond the estimated dollars in savings and beyond the fact that we may be the last County in New York with an elected Treasurer, this is a vote to place a referendum on the ballot this November. This is a vote to allow the people of Suffolk the chance to decide how they should be governed. I just ask that you vote affirmatively to let each side present its facts and figures and let the people of this County have the final say in November. Thank you.

D.P.O. HORSLEY:

Mr. McDonough, thank you very much. And I see you're from Lindenhurst, that's a good thing. Mr. McDonough? Mr. McDonough? Just one second, we have a quick question from Legislator Cilmi.

LEG. CILMI:

I have two questions for you, sir. Thanks for being here to testify. It sounds like you've done quite a bit of research in preparing your remarks today.

MR. McDONOUGH:

I did a little, yes.

LEG. CILMI:

Do you know exactly what it is the Treasurer does?

MR. McDONOUGH:

I found out more today, obviously, listening to the speakers.

LEG. CILMI:

So wait. So in your research you found out listening to the speakers what the Treasurer's Office does.

MR. McDONOUGH:

No. I agree with you, I did not have entirely the job description of the Treasurer, but I thought it was just finding interest rates and now I found out that it also collects. But that's not to say --

LEG. CILMI:

Oh, an office that used to have 80 people and now has 40 people, roughly --

MR. McDONOUGH:

Right.

LEG. CILMI:

-- collects interest rates. That's your --

MR. McDONOUGH:

Not just collects interest rates, but use interest rates to see if we're losing money on our operating accounts, payroll accounts and other accounts.

LEG. CILMI:

And that's the full breadth --

MR. McDONOUGH:

And then to move it and to see -- I was wrong, but that's not to say that that function and the other functions of the Treasurer can't be moved within the Comptroller's Office.

LEG. CILMI:

You also mentioned in your testimony, as did Mr. Schleifer before you, that there's only one elected Treasurer in New York State.

MR. McDONOUGH:

That is correct.

LEG. CILMI:

Where did you have that -- where did you get that information?

MR. McDONOUGH:

That was from Newsday.

LEG. CILMI:

From Newsday.

*(*Laughter*)*

So you're relying on Newsday for your information.

*(*Laughter & Applause From Audience*)*

MR. McDONOUGH:

I think it's --

LEG. CILMI:

Certainly, regardless of whatever party you're from, we can all agree that relying on Newsday for complete and accurate information may not be the best grounds to make a -- to make a statement like that on the record. Would you agree?

MR. McDONOUGH:

No, but I would rely -- yeah, but I would rely on the integrity of the reporters of Newsday to make a fair gesture.

LEG. CILMI:

Okay.

*(*Laughter*)*

MR. McDONOUGH:

I think despite what you might think of Newsday, and I may have those same feelings, I wouldn't impugn them in front of the Legislature or the people that are assembled here.

LEG. CILMI:

Let me just clarify for you and those others in the audience who believe that there's only one elected Treasurer in New York State.

The fact of the matter is that most counties in New York State have Treasurers, and most counties that have Treasurers have elected Treasurers. So you might want to just check your facts. If you've gotten that impression from Newsday, then I suggest you speak to the reporter who wrote that story, because that's just blatantly false.

MR. McDONOUGH:

But that doesn't --

LEG. CILMI:

Thank you for your testimony. I appreciate it.

D.P.O. HORSLEY:

Thank you very much, Mr. McDonough. I appreciate you coming down here today. Paul Borowski is the next speaker, and on deck is Thomas St. Pierre.

MR. BOROWSKI:

Hi. Good morning. As an active Hauppauge and Suffolk County community member, I clearly understand the need to fill the Suffolk County budget deficit. I, however, strongly disagree and urge you all to vote no to the proposed legislation to create a Unified County Department of Financial Management & Audit. And also to keep the hearing open, since many could not attend, I was able to get some time off, and also have an evening hearing so that those that work during the day can attend at night.

During these difficult times, we should not eliminate the checks and balances process. This process should be nonpartisan and nonpolitical. As a banker and manager for over 30 years with my MBA in Banking and Finance, I have held position from credit examiner auditor, collections workout officer to recover revenue for the bank, and early in my career in bank operations, handling and managing the cash function. Being very basic, and similar to the whole gap process, it's clear that if I'm approving a bill, like a branch manager or something like that would, does it make sense for me to give myself the cash? It would not happen in a financial institution and I strongly suggest that it

shouldn't happen in Suffolk County government.

I strongly believe that checks and balances are vital and that they should remain a separate Comptroller's and Treasurer's Office in Suffolk County. There needs to be independent oversight of its finances, one public official for a chief investment officer, chief tax enforcing officer in managing the cash and collecting and recovering Suffolk County revenue, and one public official as a chief fiscal officer in auditing the records and preparing the fiscal reports. These functions need to remain independent of each other.

Now, talking to Legislator Nowick regarding some of the functions of Treasurer and Comptroller, I did do my homework; it was at 4:30 in the morning this morning, but I did my homework. Some of the functions for a County Treasurer are as such: Custody of all public funds belonging to the County as chief investment officer serving 1.5 million Suffolk County residents; managing the cash and reconciling all County bank accounts, with the exception of Social Services; managing County property tax assessments; collecting delinquent real estate taxes, as chief tax enforcing officer which is vital in managing real estate tax revenue for the County -- again, giving us money -- enforcing due diligence process of contacting every property owner to advise him, her or the business that their property is in jeopardy of foreclosure, vital in managing the real estate tax revenue again for the County. I'll be one second.

D.P.O. HORSLEY:

Thank you.

MR. BOROWSKI:

Administer and collect all Motel/Hotel Tax due throughout the County, again, another vital function in revenue for the County; dealing with the Comptroller's Office; examine, audit, verify all the books, records and accounts as chief fiscal officer; approve and process County's payroll; full responsibility of compliance --

D.P.O. HORSLEY:

Mr. Borowski, start to wrap it up, please.

MR. BOROWSKI:

Okay.

D.P.O. HORSLEY:

We have a lot of speakers.

MR. BOROWSKI:

You got it, okay. Lastly, I understand that there's the budget gap, but cutting and consolidating these two independent functions at the taxpayers' loss of integrity and fiscal controls is not good business and not the approach we want to take. Please vote no.

LEG. KENNEDY:

Mr. Chair, a quick question? Paul?

Applause

D.P.O. HORSLEY:

Mr. Borowski, hang on one second. We have a quick question from Legislator Kennedy.

LEG. KENNEDY:

Sure. Nice to see you again. Thank you for coming down, Paul. As you mentioned, you've done many different types of functions over the last 30 years in banking, and one of the things I recall

we've spoken about before is from time to time you have occasion to deal with non-performing loans or properties that are distressed properties?

Do you deal with your clients sometimes to try to assist in the property tax aspect of it? And I would imagine is that something you do at the Treasurer's Office?

MR. BOROWSKI:

I do. I do verify, actually, at the city, town and County level.

And every time I have a question at the County level, they're right on point, they're very helpful, and that assists me to determine what the liability or potential liability that the bank, you know, potentially could lose.

LEG. KENNEDY:

And the Treasurer's Office on occasion will try to assist through the partial payment programs or things like that to keep distressed properties intact and functional.

MR. BOROWSKI:

Yes. And I've actually gotten information regarding if they have had several years delinquency, if they bring the current year current that it won't go to a tax lien sale, et cetera. So they've been very helpful in that part, as a banker, you know, a very good working relationship.

LEG. KENNEDY:

Great. Thank you. Thank you for being here, Paul.

D.P.O. HORSLEY:

Thank you very much, Legislator. Legislator Cilmi, you have a quick question.

LEG. CILMI:

Yes. Not so much for Paul, but just in clarification to something I said with the last speaker. I just received an e-mail from Newsday and --

*(*Laughter*)*

D.P.O. HORSLEY:

And you deserve it.

LEG. CILMI:

It's important, because if I misspoke then I apologize, but certainly -- it says, *"I never reported what that guy said."*

*(*Laughter From Audience*)*

"As we've always said, it was the only" -- "It was that the only one County has both positions elected, regardless of whose position was elected and what wasn't. Don't put the onus on us. Rather, expose how that guy misstated what we reported." That's all.

D.P.O. HORSLEY:

There you go.

Applause

(Laughter) Good for you, Newsday. Legislator Nowick.

LEG. NOWICK:

Yeah, just quick, and thank -- quickly. Thank you for coming down here.

MR. BOROWSKI:

Sure.

LEG. NOWICK:

As a banker, do bankers routinely establish relationships with Treasurers and do banker establish relationships with Comptrollers as well; is that how that works? In other words, where the administrator himself has to understand the viability of a bank where he or she is going to invest funds; who does that now?

MR. BOROWSKI:

You know, I'm frankly -- I've been on the lending side for most of my 30-year career. So clearly, any municipality would be dealing with various banks regarding for investments, from a point of view of tax collections, if we're escrowing or other areas like that, that's where I would be dealing with them. And I do rely on what they say and there are times that if I need to get up-to-date information, they'll fax me over information so that I can collect that from my customer. So -- and then ultimately, by me collecting from my customer is giving money to Suffolk County for their tax revenue.

LEG. NOWICK:

Okay. Thank you.

D.P.O. HORSLEY:

Thank you very much, Legislator Nowick. And thank you very much, Mr. Borowski. Thomas St. Pierre, and on deck is John Cochrane.

MR. ST. PIERRE:

Good morning, Honorable Legislators. Thank you much -- thank you very much for letting me speak this morning.

One of the beauties of our Federal Constitution is the division of powers, the checks and balances that are in place, the things that are concretized to maybe not ensure that there is honesty and efficiency, but at least to move us many, many steps in that direction. And smart states and local governments will learn from that and mirror that. Okay? Now we've got that now. You've got that in place already. And so the proposed changes that are coming forward seem to steamroll the checks and balances, seem to steamroll the honesty and efficiency that already is in place. I say if it ain't broke don't fix it, and believe me, it ain't broke. Thank you.

Applause

D.P.O. HORSLEY:

Thank you very much, Mr. St. Pierre. John Cochrane, and on deck is Thomas Breeden.

MR. COCHRANE:

Good morning, Deputy Presiding Officer Horsley and Ladies and Gentlemen of the Suffolk County Legislature. My name is John Cochrane. I was formerly Suffolk County Treasurer and President of the New York State Government Finance Officers' Association. In view of the fact I don't have the technicality of the most recent changes and amendments, I'll speak somewhat generally on what I believe is at stake here.

First, I mentioned Suffolk County specifically because Suffolk County is, outside of New York City, the largest population-wise County in the State of New York, and we're talking about compacting it. The two offices that act in the check and balance situation are so important in a County of this size. With responsibilities that the two offices have, it's imperative that we have an elected official, in my judgment, in each position.

Now, the Treasurer's Office maintains the tax history record, not only collects Mortgage Tax and the Hotel/Motel Tax and so forth. We used to have, thanks to Mr. Poerio reminding me, a Sales Tax Enforcement Unit that used to collect a couple of million dollars a year; that doesn't exist anymore. But going back to the County and its parcels, we're talking about a County the size of which geographically you can put Nassau County in Brookhaven Town and still have some land left over. So we're dealing with your responsibilities in a major, major environment, a major environment in size, in finances and other activities, one time the largest farming community in the State to have New York.

So I would emphasize that these operations that are conducted by the Treasurer's Office, you can't downsize them. You have 585,000 parcels of land. You can't say, "*Well, we're only going to manage 300,000.*" Where did the others go? When you have a department that's been brought down in size from 80 to 40, round numbers, that you've got it squeezed down about as tight as you're going to get it, and you just need to have those departments and they operate through computerization, they're up to speed on all the electronic information that's mentioned in this report. So I would urge you to keep those departments under the responsibility of an elected official who is responsible to the people and can act independently. So thank you for your time and I'd be happy to answer any questions.

D.P.O. HORSLEY:

Thank you very much, Mr. Cochrane. And it's always good to see you, and glad to see you back home.

LEG. KENNEDY:

Wayne.

MR. COCHRANE:

Thank you. And congratulations --

D.P.O. HORSLEY:

Legislator Kennedy?

MR. COCHRANE:

Congratulations on your new assignment.

D.P.O. HORSLEY:

Oh, thank you. I appreciate that. Legislator Kennedy has a quick question.

LEG. KENNEDY:

John, thank you. Thank you for being here. And not only did you serve us as Treasurer, but you represented us in the State Assembly for many years, a long distinguished career of public service.

A lot of what I've heard in supposed support of this concept is cash flow. What did the Treasurer do or what was the role the Treasurer plays when it came to the County of Suffolk, the corporate entity regarding cash flow?

MR. COCHRANE:

Well, to start at the beginning, at the beginning of each year, the Legislature enacts an investment policy that is guidance for the Treasurer. Under that investment policy, there are designated depositories, banks that we do business with in the County. And then you evaluate on a daily basis what the interest rates may be being paid for certain municipal deposits by the various banks that bid on them. So you're constantly monitoring the interest rate situation in the State of New York, in the country and the world in general. So it's not something that happens automatically, it requires management talent on a daily basis.

LEG. KENNEDY:

Then when you were in, I guess Bob Gaffney was our County Executive; would he ever pick up the phone to you and say, "*John, what does the balance sheet look like today?*" You know, "*Where are we at, pluses and minuses?*"

MR. COCHRANE:

No, we did not discuss that.

LEG. KENNEDY:

No, okay (*Laughter*). But nevertheless, the Treasurer plays a pretty critical role when it comes to how the actual monies that come into us as far as revenues go are kept and maximized.

MR. COCHRANE:

Absolutely.

LEG. KENNEDY:

Okay. Thank you.

MR. COCHRANE:

Thank you, Ladies and Gentlemen.

D.P.O. HORSLEY:

Thank you very much, Mr. Kennedy. And thank you, Mr. Cochrane.

Applause

D.P.O. HORSLEY:

Okay. I have just been handed a card that I have --

MR. NOLAN:

Wayne.

D.P.O. HORSLEY:

Oh, I'm sorry.

LEG. SCHNEIDERMAN:

A record correction.

D.P.O. HORSLEY:

Mr. Cochrane? May I call you back?

LEG. KRUPSKI:

No, I just -- I'm sorry, I just had a question for you. And I thought I made that clear that I had a question.

D.P.O. HORSLEY:

You did and I --

LEG. KRUPSKI:

Okay.

D.P.O. HORSLEY:

I got distracted. You want to question, Mr. Cochrane.

LEG. KRUPSKI:

Just a brief question.

D.P.O. HORSLEY:

Yeah, surely.

MR. COCHRANE:

Sure.

LEG. KRUPSKI:

I wanted to ask Mr. Cochrane because he's got all this experience and everything. But coming from a small town government, at what point do you think that the County should look at consolidating different departments and make -- trying to make government smaller? Because when you look at the size of government -- and I'm not talking about the County in particular, but you look at the size of government, you look at State government, you look at Washington and you look at how they relate to all the different layers going down to the towns and down into the villages. And to me, a lot of the problem is that there's a lack of communication, and if you're at one layer of government, you can't get to another layer of government, you can't get to straight answer. You can't get someone who could either make a decision or give you a straight answer on certain things. So at what point in time should the County start to look at consolidating or making the government smaller to try to achieve those efficiencies? And I'm not saying through technology because I'm not an expert on technology, but just kind of what John Kennedy said about picking up the phone and saying what's our balance sheet type of thing.

MR. COCHRANE:

Well, it's complicated, but I'd be happy to try to respond to it.

I would, from my years of experience, suggest -- and your County Legislature already has the mechanics in place -- you have certain assignments through committees or chairmanship of committees, and those committees could take the units that are under their purview. If it's -- and in an area where it's surrounded by water, if it has to do with safety on the water, waterways, particularly on the East End, safety on the waterways, get together local government people and County people, State people and try to evaluate. Not only focus on what you're trying to do here today on the financial aspects of government, but the operations of government, where we can. We have so many overlapping units of government in various areas of responsibility, whether it's farming or seafood or what have you. But I think that if you start at that level and confine it to a unit and bring it out like you're doing today, that's how you've got to go about it; you've got to start at the bottom and work your way up.

LEG. KRUPSKI:

Thank you. I really agree with that answer, I really appreciate that. And also, Suffolk County still leads New York State in agricultural production.

MR. COCHRANE:

I was hoping that was true. I'm a frustrated farmer myself.

D.P.O. HORSLEY:

Thank you very much. And Mr. Krupski, I'm sorry about that.

Applause

The next speaker is an elected official. If I may bring her up, because that is part of our rules, to entertain elected officials first. Jodi Giglio, the Councilwoman from the Town of Riverhead. Here's Jodi. You have friends in high places.

COUNCILWOMAN GIGLIO:

(Laughter) Good morning, and thank you for the opportunity to speak here before you today.

One, I would like to speak before you first as a Council person from the Town of Riverhead in expressing the importance of leaving the Tax Receiver's (sic) Office and the Comptroller's Office as separate entities. The Receiver's Office is currently responsible for collecting the CPF tax and the Mortgage Tax and accounting for it and making sure that the local municipalities receive those funds on time. If there should be a problem and we don't receive those funds on time, it will affect the budget and it will affect the tax rate that we're going to be putting on our local residents. So I feel that that's important. I feel that checks and balances are extremely important when it comes to the Receiver's Office and the Comptroller's Office. Where the Receiver's Office takes the money in and the Comptroller's Office reviews what has to be spent, makes sure the money is there. I feel like when you have one agency that's taking the money in and spending the money, that there's a lot of room for error, which the County cannot afford.

I appreciate your efforts in cutting back on and trying to consolidate departments to make it more efficient and maybe not have as many personnel. However, the savings that are estimated to take place of a million dollars, how much is it going to cost to merge these two departments together and to relocate them, if necessary? Is -- are they going to be relocating the offices or the office would remain in Riverhead, or has that been given any thought.

D.P.O. HORSLEY:

We're here to listen to you, Council.

COUNCILWOMAN GIGLIO:

Okay. So that's a concern of mine, is if the savings is a million dollars and it's going to cost two or \$3 million in order to consolidate the departments and move them to another location, I think that's something important for this Legislative body to consider.

I also know personally, and in speaking to a lot of our residents in Riverhead, that when they do have a problem paying their taxes, which is, you know, not an uncommon thing these days, that they're told, *"You have to go over and you have to speak to the Receiver's Office and you have to speak to them, talk to them, find out when they're going to foreclose on your home, find out when they're going to shut down your commercial establishment and the County's going to put it up for auction."* In these trying times, it's very emotional for a person that may be losing their house or may be losing their business to not be able to afford the taxes, to have to go in and talk to a personal -- a person that is compassionate, that is understanding, that will try and work with that person and try and come to a resolution, come to you for your advice on how to handle this situation. I just -- I think that it's a very personal thing in paying your taxes and whether or not you can afford to or not to.

The accountability. When it comes to accountability and receiving the money, I think that the Treasurer's Office has done an excellent job in being accountable for the funds and accountable to you in --

D.P.O. HORSLEY:

Councilwoman, you're going to have to start to wrap it up.

COUNCILWOMAN GIGLIO:

As to why things happen. So I just hope, as a resident of Riverhead and as a Councilwoman for the Town of Riverhead, that you take all of these things into consideration and really look at what the cost savings will be and weigh it against what the efficiencies will be and make sure that the checks and balances are all in place.

D.P.O. HORSLEY:

Thank you very much.

Applause

We have another elected official who apparently just walked into the room, Councilwoman Trish Bergin from Islip. And on deck is Jodi Giglio. Oh, I'm sorry, we just did her. Tom Breeden.

COUNCILWOMAN BERGIN:

I'm sorry for my tardiness, it was --

D.P.O. HORSLEY:

Councilwoman?

COUNCILWOMAN BERGIN:

-- impossible to get a parking spot, which is good to know this room is packed with concerned citizens. I just wanted to ask all of you to please consider the idea that this is not a good idea. In the Town of Islip, we work very hard to consolidate government. And while I support consolidation at every point possible, the lack of oversight is what makes me think that this is a terrible idea. So please consider that when you're making your vote. Thank you.

D.P.O. HORSLEY:

Thank you very much, Councilwoman.

Applause

Okay. Tom Breeden, and on deck is George Stanton.

MR. BREEDEN:

Good morning, my friends of the Suffolk County Legislature. It's always a pleasure to speak with you. You're so supportive of my community college and I consider each of you a friend of mine. I also would like to thank the County Executive for many good ideas, for working with the unions in extending the health plan for employees and saving many millions of dollars in so doing. But I think the County Executive is wrong this time.

Before anyone wants to question me with hard questions as to my expertise, I have very few. I am the longest serving municipal President in Suffolk County and I can teach freshman and sophomore Physics, those are my real expertises (sic), and I'm happy to answer any questions on those topics.

But what I would like to suggest is this idea begins to look more like it's personality-based than anything else. I think we all know the elephant in the room and the problems that Suffolk County has is because that the sales tax revenues aren't large enough because of the world collapse of the economy by groups like AIG and others who took reckless gambles with our money. And sales tax revenues have to either go up through the economy rising or perhaps we should match the sales tax, Nassau and Suffolk both should match the sales tax levy that New York City currently has; that's got to be done. I think nibbling around the edge of saving a dollar here or a dollar there is not going to solve financial problems.

And finally, I would just like to suggest, I've got another four or five years I think I'll serve as president of my union. I think there are changes that need to be done. The union president gets screwed financially, but I dare not propose such things while I am the president. Such things should be proposed by me for the next president. If perhaps the Legislature wanted to consider changes like this after term limits have done what they do, which I don't think I like term limits either, that allows me to unelect your Legislator. But in any event, it looks too much like it's personality-driven, and it's not -- there's not enough savings to make it a good idea, so I'm opposed to it and I'm

hoping you vote it down.

Applause

D.P.O. HORSLEY:

Thank you, Mr. Breeden. George Stanton, and on deck is Peter Bee.

MR. STANTON:

Good morning, everybody. My name is George Stanton. I'm here, and most everybody that knows me knows that I don't do public speaking; it's probably very much against my upbringing, you might say. But to give you a little background on myself, I've lived in West Islip for over 70 years; 72 to be exact. The family lived in West Islip since 1907.

I've been a banker for 34 years. Of those 34 years, about 12 years of it were in data processing. I actually set up a major computer system when they had big mainframes. Another 12 years were basically as comptrollers; I was a comptroller for two banks; and I also headed up the Cash Management Division for Fleet North Star for the New York metropolitan area. So I'm very familiar about handling cash and everything else. And I personally agree that the banks are responsible for the financial problems we're in right now; but anyway, that's neither here nor there. A .2% interest rate is terrible. It's not healthy for the economy, and hopefully, hopefully we'll see 6% again. I think that's a very healthy -- I know I based my retirement on 6% many, many years ago.

So Angie Carpenter in the Treasurer's Department I know, I know her personally. And I actually know she's working -- I know she works very hard. I know it's very difficult to make money right now when you're talking about .2 and .3%, unless you lock it up for years, it's ridiculous. But I'll tell you one thing. I didn't like the amendment because I really strongly believe there should be separation of powers here, separation of duties. It's like putting the chicken in -- you know, fox in the chicken coop. I think everybody here has heard of the Shawshank Redemption, everybody talks about that anyway, I do, and I say, "*Hey, do you want that? Go ahead.*" And if you don't know what it means, it means they run off to Mexico with the money.

But basically -- let's see. Savings of millions of dollars; I know we're talking about that, but realistically we don't know, because what was said before, how much money is really going to be involved here; that's number one. And number two, Joe Poerio, who I really don't know that well, he said it very nicely, he really did. I agree with almost everything Joe Poerio said. And Mr. Cochrane, he was also right on the money, right on the mark.

So really I don't have a lot to say about that except that really, I really think this is a mistake. I really think you want to have that separation. You know, you could ask me all the questions you want about a Comptroller and everything else. That's about it. That's all I really have to say. Any questions?

D.P.O. HORSLEY:

We're good. Thank you very much, George.

MR. STANTON:

Thank you.

Applause

D.P.O. HORSLEY:

Peter Bee, and on deck is Sal Algeri.

MR. BEE:

Good morning. My name is Peter Bee and I'm with the Long Island Law Firm of Bee, Ready, Fishbein, Hatter & Donovan. I'm a practicing attorney since 1976. I'm a former Nassau County Deputy County Attorney and a former elected official myself, having been both a Legislator and a Chief Executive. Our firm practices extensively in the area of municipal law, and as some of you may be aware, our office was recently consulted by Treasurer Carpenter regarding the subject matter of this public hearing.

We were made aware that when the Local Law was first proposed, Treasurer Carpenter immediately questioned both its legality and its propriety, setting up an inherent and immediate conflict between the County Executive and Comptroller Offices on the one hand and the Treasurer's Office on the other. We further learned that on June 24th, believing that Local Law to be legally defective and unfair to Suffolk taxpayers, Treasurer Carpenter wrote to the County Attorney seeking authorization to retain outside Counsel; presumably our firm. Except to acknowledge receipt of that request, I am advised that to date the County Attorney's Office has not responded to that request.

We also learned that on June 24th, the County Attorney's Office issued an opinion expressing its views on the County's ability to override the Suffolk County Tax Act, an opinion whose reasoning and conclusions are not entirely shared by Treasurer or Comptroller.

So now you all find yourselves, I think, in an awkward position. You are asked to consider a Local Law whose legality and propriety is questioned by Treasurer Carpenter, and perhaps by some of you, and suggested by opinions of the State Comptroller and Attorney General as potentially being an incompatibility of office. But Treasurer Carpenter, at least for the moment, is denied the ability to retain Counsel to pursue her point of view by a, thus far, unresponsive County Attorney's Office. For that reason, as well as others you have heard and will hear today, Treasurer Carpenter urges you to keep this hearing open until she has been given an opportunity to retain her own Counsel, research and flesh out her views, potentially obtain specific opinions on this specific proposed Local Law from the State Comptroller and/or Attorney General, and present reviews to you at an appropriate point in time. Thank you very much.

LEG. NOWICK:

Wayne?

D.P.O. HORSLEY:

Hang on one sec, Mr. Bee. Legislator Kennedy?

LEG. KENNEDY:

Thank you for being here, Mr. Bee, and your reputation certainly precedes you.

You had a chance to read the County Attorney's opinion regarding the Suffolk County Tax Act? And do you concur, do you disagree? What's your sense with it?

MR. BEE:

Well, not knowing whether that confidential, legal opinion has or has not been made public, I have carefully refrained from commenting on what it said. I've merely indicated that I've become aware that it was issued and that I believe that Treasurer Carpenter disagrees with its reasoning and conclusion.

LEG. KENNEDY:

Okay, hold the moment, please. Because I received it by virtue of e-mail. I'm going to go to Counsel; I don't recall seeing anything associated with that --

D.P.O. HORSLEY:

Through the Chair.

LEG. KENNEDY:

-- that restricted it or limited it. George, was that opinion of Dennis Brown something that was confidential to me as a Legislator, or is that an opinion that's out there for the world?

MR. NOLAN:

If you waive the privilege, if you --

LEG. KENNEDY:

No, no, no, no. Whoa, whoa, whoa, whoa.

MR. NOLAN:

If there's something in your --

LEG. KENNEDY:

No, no. When I get something from the County Attorney's Office that's generally transmitted, that's not confidential in nature. If they indicate in the first instance, "*This is intended to be a confidential communication*" --

LEG. D'AMARO:

John? John? Right here. It says right on the top of the memo, "*Privileged and confidential*".

LEG. KENNEDY:

But he stamps everything he sends and I did not solicit that. He sent that to me notwithstanding the fact --

LEG. D'AMARO:

I'm not getting involved in the debate --

LEG. KENNEDY:

Okay.

LEG. D'AMARO:

-- I'm just letting you know. It says, "*Privileged and confidential attorney/client communication, work product, interoffice agency communication, not subject to FOIL disclosure, not for distribution.*"

LEG. KENNEDY:

Okay. All right. Well, thank you. I appreciate that.

LEG. MONTANO:

It's not on --

D.P.O. HORSLEY:

Okay.

LEG. KENNEDY:

Well, wait a minute, wait a minute. I'm not finished yet because I still didn't hear from George yet what his take on it is.

D.P.O. HORSLEY:

Fair enough. Question to you, Counsel.

MR. NOLAN:

I think -- well, first of all, I'm being told by a Legislator that they believe it was filed with the Clerk's Office, that opinion; I don't know if that's true. But you're -- if they're -- if you're the client, the attorney shared something with you and you have some questions about it, you can waive the privilege and you can ask this fellow, this attorney about that opinion, you can do that. Do you have a specific question you want to ask?

LEG. KENNEDY:

Well, yeah, as a matter of fact I do and I did, as to whether or not he concurs with the findings of Dennis Brown regarding the opinion. I don't want to put you in a position, sir, where --

D.P.O. HORSLEY:

Was that asked and answered?

LEG. KENNEDY:

-- you've got to opine. No, no, it's not asked and answered. It's asked, but as a matter of fact, he's rightfully indicated he doesn't don't want to violate something that's deemed a confidentiality.

D.P.O. HORSLEY:

Well, there's the answer.

LEG. KENNEDY:

I will send this to you, sir. But I need to understand, what's the relationship between you and the Treasurer at this point?

MR. BEE:

The Treasurer has consulted my office and I have indicated to her that we are prepared to be retained, but that she needs to ask the County Attorney's Office for authorization to do that and that response has not yet been forth coming. In the context of that consultation, obviously since she's consulting me, in part, with respect to the views of the County Attorney, in that context I have consulted with her about that Tax Act opinion, and I will tell you that, in part at least, I disagree and have shared my views with the Treasurer. But as to the particulars of that disagreement, I think I respect the privilege that exists between the County Attorney and the Legislature and would suggest that perhaps this public forum is not the appropriate forum in which to address that.

LEG. KENNEDY:

I understand and I appreciate your candor and your sensitivity to that. I do want to find out from the County Attorney as to what the response to the Treasurer's query is, though. I do see Mr. Brown in the back of the room.

D.P.O. HORSLEY:

It's not part of the public hearing. I'm not sure this is --

MR. NOLAN:

Let's get to him later.

D.P.O. HORSLEY:

Mr. Brown, would you like to answer that later on?

LEG. KENNEDY:

He asked three weeks ago, George.

D.P.O. HORSLEY:

All right. Mr. Brown, would you like to answer that question at this point?

MR. BROWN:

As to that question only --

D.P.O. HORSLEY:

Okay.

MR. BROWN:

-- she's been responded to. So I'll just answer that question, she has been responded to.

D.P.O. HORSLEY:

Thank you very much.

LEG. KENNEDY:

Your office provided an answer to the Treasurer with her request to secure outside Counsel because of the conflict with your office drawing the reso in the first instance?

MR. BROWN:

She has been responded to, yes.

LEG. KENNEDY:

Dennis, I --

LEG. CILMI:

In writing.

MR. BROWN:

In writing, yes.

LEG. KENNEDY:

I have to be honest with you, she and I had a conversation as recently as yesterday and she was unaware of what your response was.

MR. BROWN:

Well, I'll go back and I'll check, but she's been responded to because I did it.

D.P.O. HORSLEY:

Okay.

LEG. BROWNING:

What was the answer?

LEG. KENNEDY:

Well, so what's the answer then, Dennis?

MR. BROWN:

I said yes, she's been responded to.

D.P.O. HORSLEY:

And that's what he --

LEG. KENNEDY:

No, no, no, no, no. Yes, she's been responded to, but what is the response; she can have outside counsel or not?

MR. BROWN:

That's really communication between her and I, but yes, she's been responded to.

*(*Laughter From Audience*)*

LEG. KENNEDY:

All right. When she comes up I'll ask her to respond, Dennis, because as of yesterday she was unaware.

D.P.O. HORSLEY:

Okay.

LEG. KENNEDY:

All right, thank you.

D.P.O. HORSLEY:

Thank you very much Brown. Legislator Nowick. Hang on, Mr. Montano.

LEG. NOWICK:

And just quickly. Mr. Bee is it?

MR. BEE:

Yes.

LEG. NOWICK:

And I don't even know if I'm --

MR. BEE:

B-E-E.

LEG. NOWICK:

What is it?

MR. BEE:

B-E-E.

LEG. NOWICK:

B-E-E. I don't even know if I'm asking the right person this, and maybe you don't have the answer, but are you an election attorney as well? Is that where your expertise is?

MR. BEE:

Our firm does practice seasonally (*laughter*) in election law.

LEG. NOWICK:

No, I just had a question nagging at me and maybe this is a good time to get a quick answer from you. If a position is put on the ballot in November and the electorate votes in favor of that position, the electorate says yes to a position, then can the Legislature, us, by virtue of this legislation we're talking about, can that null and void what the electorate did in November? Is that something that can be done? And it just nags at me and I'm not sure how that works.

MR. BEE:

If I understand the question, I think I understand the question to mean that if the electorate were to vote for a public official for an office in November, could this Legislative body unwrite the will of the people in electing that individual by then abolishing the office on the date that the official would

otherwise have taken office.

LEG. NOWICK:

That's the question.

MR. BEE:

And while there are some subtleties to that question and it may depend on the office and the location and a number of other factors, we're answering this question in the hypothetical, and we're further assuming that I'm not billing the Legislature for my answer (*laughter*).

D.P.O. HORSLEY:

We appreciate that.

LEG. NOWICK:

I was looking for free advice (*laughter*).

MR. BEE:

It would be at least unwise, in my view, and potentially illegal.

LEG. NOWICK:

Thank you.

D.P.O. HORSLEY:

Okay. Thank you very much, Legislator Nowick.

Applause

Legislator Montano, did you have a question of Mr. Bee.

LEG. MONTANO:

No, I've actually been involved in litigation with Mr. Lee.

D.P.O. HORSLEY:

Bee.

LEG. MONTANO:

Mr. Bee. He's a very well-known attorney. I did want to get into that question of the opinion, but I don't think we're -- you know, this is the right place. Although I will say that the County Attorney works for us. This communication was not in the context of an existing case. This was in the context of providing counsel for us to make a decision in a political arena, in a Legislative arena, and I can't imagine how that is privileged, whether he puts it on the letter or not. So my position is if you need a copy of that analysis, I would be more than happy to provide it, because I don't think it violates any privilege whatsoever.

D.P.O. HORSLEY:

Okay. Thank you very much. Legislator Calarco.

LEG. CALARCO:

Thank you. Mr. Bee -- over here, over here. The memo in question that we keep talking about has been filed with the Clerk with the bill as backup information, so it's as public as the bill itself. So have you actually had an opportunity to review that memo?

MR. BEE:

In consultation with Treasurer Carpenter, yes.

LEG. CALARCO:

Do you care to provide us with your opinion? Because I'd be interested to hear it.

MR. BEE:

Respectfully, that's obviously legal advice I've given to Treasurer Carpenter, and there's an attorney/client privilege between herself and myself. I will tell you that, at least in part, I disagree with some of the reasoning and conclusions in that opinion and have shared my views in more specificity with the Treasurer.

LEG. CALARCO:

Okay. Thank you.

D.P.O. HORSLEY:

Thank you very much, Mr. Bee. We appreciate you coming down here today.

MR. BEE:

Thank you.

Applause

D.P.O. HORSLEY:

All right. We have another elected official that has come into the room who would like to speak, Alexis Weik, the Receiver of Taxes for Islip.

MS. WEIK:

Good morning, everyone. My name is Alexis Weik, I'm the Receiver of Taxes for Islip Town and I'm here to support the Treasurer's Office in that on -- I've been listening and I'm here, I fully support all of the statements that were made on behalf of the President of the Receivers of Taxes made by Esther Bivona. She crafted it quite well and stated everything we were hoping to state, however, I've been listening and there were things I think that need to be addressed.

For one thing, I heard some people mentioning and comparing Suffolk County to other counties in New York State, which you really just can't do. Suffolk County is its own unique County. In fact, we have something called the Suffolk County Tax Act which helps the ten town Tax Receivers, in conjunction with the Real Property Tax Laws, we also have to follow the Suffolk County Tax Act which distinctly dictates that we are to turn things over to the Suffolk County Treasurer's Office. If you were to combine these two offices, first of all, the Treasurer's Office is already over burdened. I know as the Islip Receiver, I collect more than a billion dollars this year, and out of over a hundred thousand parcels, we turned over only about 5,000, a little more than 5,000 unpaid parcels. That, then, is left in the care of the Suffolk County Treasurer, and this is just part of her task and responsibility.

If you were to consolidate, you're not going to get the small attention that you actually need for taxpayers. Taxpayers have gotten to the point where the cuts are enough and they're not getting their money's worth. You need to manage money properly, not make unnecessary cuts that are going to make the offices less effective. And when you have a homeowner whose unpaid taxes who's now looking to talk to the Treasurer's Office and receive personalized attention in order to keep their home, in these times where we're laying off people and people have lost their jobs, they're not going to get that attention when you combine two offices. One office, of course, not knowing the infrastructure of the Real Property Tax Laws and the Suffolk County Tax Act, which will cost money to train people so that they are up to speed on that. It's not a small task.

When you then have that homeowner who calls and is talking to this new consolidated office, they run the risk if there's an oversight or if there's a miscommunication, you run the risk of people losing their homes to a problem, a small oversight. And that might be small to the County, it's not small to the homeowner, and I am not in favor of this consolidation.

Applause

D.P.O. HORSLEY:

Thank you very much, Ms. Weik. I am having trouble reading this person's -- but I believe it's Nanette Lindstrom? And on deck, Alexa Duetz (sic).

MS. LINDSTROM:

Good morning. Thank you for allowing me to voice my opinion. I'm a lifelong resident of West Islip and a recently retired Registered Nurse for 46 years.

I don't want this consolidation of these two offices because I feel that we need --

UNKNOWN AUDIENCE MEMBER:

Use the mic.

MS. LINDSTROM:

I'm sorry. I don't want the consolidation of these two offices or an CFO to take the place of our two elected officials. I feel this will diminish the internal controls of our County and the financial structure, and it will limit my vote and other people's votes as to who these elected officials are. Please do not vote for this. Thank you.

Applause

D.P.O. HORSLEY:

Thank you very much. Sal Algeri, is that correct? You're next, I'm sorry. Please, your name?

MS. DUNETZ:

Alexa Dunetz.

D.P.O. HORSLEY:

Ah.

MS. DUNETZ:

I live in Dix Hills. I've lived on Long Island all my life. And let me start by saying that I think it's really unfortunate that the only hearing where the public can come and voice is on at 10 -- is at 10 AM on a weekday when 95% of the people are at work, assuming they're not unemployed like 35% of Long Island is. But to move on, I'll address the elephant in the room.

It's been claimed that this action is to reduce the deficit, the budget, and to lessen the government. If this was true, why can't I find a specific number as to how much this will reduce the government by or eliminate the budget by? There was a \$1 million number mentioned earlier today, but given the fact that it was removed at 9:45 before a 10 am hearing, we're going to assume that that was a lie.

Applause

It's quite clear to me that this is an effort to, one, eliminate voter oversight, because that's what having two separate offices is, it's voter oversight. It's the ability for me to go to my Treasurer and

to my Comptroller separately and say, *"What's going on in your office? What's going on in your office and how does it affect me?"*

It is also clear to me that this is -- that this going to cause a loss of jobs, okay. Angie is going layoff people, our Comptroller will lay off people and that's going to affect your budget. So by saying this will save us all this money, what happens when all those people who were laid off stop spending? Our sales tax goes down and our budget ultimately suffers. This is why we really need a full financial disclosure of what this act will cause before there's a vote. And that doesn't mean at 9:45 on the day of the vote, on the day of the hearing, someone comes out with this nice little piece of paper that says, "It's going to save this much and here's how." That means something that's readable by the people who are here, because that's who it affects, two to three days before.

It seems to myself -- it seems to me that Mr. Bellone wants to be able to spend what he wants, when he wants, where he wants on however he chooses. Okay? That's not government. We have checks, we have balances. I'll conclude by saying this; if you vote for this act -- Mr. Stern, as you are my Legislator, I'll refer to you -- I will remember in November.

Applause

D.P.O. HORSLEY:

All right. Thank you very much. Sal Algeri, and on deck, Alexa Dunetz.

MS. DUNETZ:

That was me.

D.P.O. HORSLEY:

Oh, I'm sorry.

MR. ALGERI:

Thank you very much. I wanted to talk a bit today, I guess one of the reasons that this was put forward as a bill was to save a million dollars a year. It appears that the Legislative Budget Office withdrew that, or didn't withdraw it but said that it could not be quantified, and that's a big problem because that's your economist. And I'm just wondering why there hasn't been a motion already to say, *"We have to stop this and we have talk about it."* Because I would imagine if you got it at 9:45 this morning or Friday afternoon and then there are more changes, I would think you would want to study it, just as a group of people. I'm a little confused.

Anyway, in any event, there are three issues I think that generally come up in situations like this when you look at a reorganization. One is the credibility, the accuracy of the information and how it's going to be executed. I think that as far as accuracy is concerned and policy is concerned, there certainly are a lot of bigger fish to fry. I mean, you have a twice bankrupt Suffolk County OTB; perhaps if you looked at that, maybe the nursing home would still be around. I don't know. And I don't know whether the closing of the nursing home should have been or not should have been. But I think that rather than somebody drinking and gambling, we might want to take care of the 240 people that are involved and being transferred and moved in the most -- I don't know, the most important people we have is to take care of people and we're not doing it. So I'm a little confused on that, too. I mean, there's just so many places you can go. You have overtime in departments of one-third, you've got a \$6 million budget, you've got \$2 million; it's a lot of money to have in overtime. It's not controlled. So do the simple first.

I think that the report that I originally got talked about Audit & Control. And unless there's something that I don't know about, I don't think there's been an internal audit of Suffolk County since 2009, and even then it wasn't the whole County-wide situation. So if we're not auditing, why are we doing it? Why are we doing something to say we're going to audit when we're just not doing

it? Now, maybe that's a matter of money, maybe it's a matter of time, I have no idea. All I know is that we have a couple of things that happened today that were disconcerting. We have last minute changes. When I look at something that the County or any government entity is going to do, the first thing I do is I go to financial statements. Your financial statements are 200 pages for 2012. It's fund accounting, it's a difficult read for anybody, even the most articulate of readers. It's a difficult concept. And then you want to compare what's going on. You really, really need to keep these hearings open to understand what's going on here.

D.P.O. HORSLEY:

Mr. Algeri, you're going to have to start to wrap it up.

MR. ALGERI:

I think in the end, you know, when we can't even agree on how many elected Treasurers there are in the County, I think that says a lot about the expertise of the people who prepared that first report. It's got to be looked at. I mean, you know, if you trust that report, well, you know, I just really don't know what to say.

But, you know, the IT platform, I don't know how much that's going to cost, but you did not deduct it from what your savings was supposed to be which now appear to be gone. So you've got to think about that you're not really saving any money, because that was the true purpose of this in the first place. So you really need to let it go.

D.P.O. HORSLEY:

Thank you very much. We appreciate you coming down, Mr. Algeri.

Applause

All right. The next speaker is Lisa Scott, and on deck is Susan Schlomann.

MS. SCOTT:

Thank you very much. I've got copies of the longer version of what I'm about to say; in order to comply with the time, I've edited down quite a bit.

I'm Lisa Scott, President of the League of Women Voters of Suffolk County, which is a nonpartisan organization. We do support the efficient and effective operation of government, including consolidation, if there is a cooperative and transparent process in which our citizens have sufficient and timely information with which to make informed decisions. This new department might be considered fiscally prudent, but an awful lot needs to be clarified.

The more we researched, particularly the last few days, the more questions were raised, especially in light of this morning's last minute changes and comments. Here are some questions:

Number one, has there been any public report regarding past consolidations which track the old department's expenses and income and compare those of new departments?

Number two, if passed by this Legislature, there would be a referendum on ballot in November. This timing appears politicized and politics and finance are very poor bed fellows. Why announce the elimination of an office that's up for election this year which forces the Board of Elections and the candidate to spend money to elect someone to a position which may be eliminated? And how much will be spent on this referendum itself in November?

Thirdly, what assurances do we have that a full accounting of the new department's management and Civil Service positions would actually result in a cost savings in that consolidated department? And again, the \$1 million savings seem to have been removed.

Four, is there an independent County Audit Committee? If so, has there been a report on both these existing departments, and will the new department be themselves subject to regular, independent, outside audits? And as many have said today, where are these controls, particularly with these last minute changes?

Finally, scheduling this Special Meeting of the Legislature without committee deliberation, in mid-summer, with last minute changes, does not provide the full discussion and transparency that such a major administrative change should require. All of this takes time.

Thus, we feel that the responsible and prudent decision of this Legislature would be to table IR 1567 and to modify it to spell out a timeline, requirements and details for accountability and transparency that is not rushed, secret or politicized. Thank you.

Applause

D.P.O. HORSLEY:

Thank you very much, Ms. Scott. Susan Schlomann, and on deck is Kenneth Lewis.

MS. SCHLOMANN:

Hi. Thank you for letting me speak today. I oppose IR 1567, the consolidation of financial offices in the County. Unfortunately, Suffolk County government is not a free market business working to produce a profit. Suffolk County is far, far from any similarity to Apple.

I'd like to remind you that here in Long Island, we've had our cases referred to our District attorneys for investigation due to a lack of financial oversight. This has occurred in various government offices, from an infamous school district or two to village and town offices. On any level of government, accountability with the people's resources is vital. When you move, when you consolidate and move that accountability one step further from the people you are here to serve, you're not serving them, you're doing a disservice. I urge you to please consider another hearing to consider the resolution as written currently. Valid language is important. You are accountable to the people.

I'm kind of curious as to -- I'm not asking, I'm just saying I'm curious to know what are you going to consolidate next year to save some money and the next year? It might be Legislative offices. Thank you.

Applause

D.P.O. HORSLEY:

Thank you very much, Ms. Schlomann. Kenneth Lewis, and on deck is Charles Spencer.

MR. LEWIS:

Hello, everyone. My name is Kenneth Lewis and I'm here to voice my opinion on the merging of the Suffolk County Comptroller and Treasurer positions. Suffolk County is the only County in New York that has not merged these two positions. The consolidation of the positions would allow a more efficient and more effective management of the County's cash flow. Not only would this improve money management, but it would also decrease expenditures by approximately \$1 million. Residents of Suffolk County know how heavy the tax burden is here, and consolidating redundancies in the government is one of the ways we can help lessen this burden.

Combining these two positions will save money, but that is not the only reason the merger is important. The County has multiple databases that serve the same function but don't interact with each other properly. The merging of Comptroller and Treasurer would allow the County to have a coordinated system that would simplify and streamline the process of land record information and

they would provide more insight into tax revenue collections.

In conclusion, the merging of the positions will reduce redundancies in the County government, will save County resources and money and will streamline money management. Allow the people the opportunity to speak on this legislation by giving the ability -- giving them the ability to vote for this referendum in November. Thank you very much for your time.

D.P.O. HORSLEY:

Thank you very much, Mr. Lewis. Charles Spencer, and Rick Schlomann.

MR. SPENCER:

Good morning. I'm Charlie Spencer. And I wish the rest of our County government worked as swiftly as they did on the modifications on the action at hand this morning, late Friday night and early today. But our great country is revered by people all over the world for our democracy, and what I'm seeing here, we need checks and balances. And I agree with the young lady from Dix Hills that this meeting should be held at night so more people could attend and see what's going on. But I appreciate the time to speak and thank you very much.

D.P.O. HORSLEY:

Thank you, Charlie. It's always good to see you.

Applause

D.P.O. HORSLEY:

Rick Schlomann, and Betty Schmitt on deck.

MR. SCHLOMANN:

Good morning. My name is Rick Scholmann, I'm a resident of Smithtown and I'm here speaking about IR 1567.

I am against this proposal and recommend that the Legislature not pass it. Based on over 35 years in banking -- yes, I'm another banker -- ten of which, at least ten of which have been spent with distressed companies. I have looked at and seen the effect of consolidation of power and that -- that occurs in distressed companies, and that often the consolidation of power leads to corruption because there are no checks and balances, because there's no accountability, and that has led to misuse of funds, ultimately failure of the company, as well as disservice to creditors and the community.

Among the steps that we often took, as in workout which one of the other speakers also was involved with, was that we would engage independent auditors to review the situation. I have not heard that that is the case in this proposal. An independent auditor would review the process, would see what's going on and would make sure that from an accounting standpoint, that it would meet reasonable standards. And in the case -- and we would be able to have seen the failures and have that actually reviewed and revealed. And if an independent audit or independent accounting analysis is not done in this particular situation, it begs the question about what the ultimate motivation is.

The second thing that we would often do is engage independent counsel to review the matter. Because frequently there was a conflict of interest between what the prior counsel would recommend and would say was legal compared to what in the end we might need to do.

So the situation here, again, is that I would recommend that if the Legislature were to consider this further, that independent counsel and independent auditors and/or accountants would be engaged in order to review the ethicacy and legitimacy of the consolidation. And I ask this because you're

looking here at reducing the oversight and the independence of various elements of Suffolk County government, in particular dealing with the collection of funds, and in my opinion that should be separate from the engagement of debt that is taken on by the Comptroller's Office. So I would urge you to not approve this proposal. Thank you.

D.P.O. HORSLEY:

Thank you very much, Mr. Schlomann. We appreciate you being here today. Betty Schmitt, and on deck is Charles Roberts.

MS. SCHMITT:

Good morning, everyone. My name is Betty Schmitt. I've lived in Suffolk County for a little over 49 years, in Bay Shore for 35 years, same house. I worked for the County for 28 and a half years in the Division of Real Estate. While working there, I was Supervisor of the Redemption Unit, therefore redemption being redemption of properties that had been lost for nonpayment of taxes. And in doing that, I learned the basics of the tax system.

In any event, some of the things -- and I just wrote out notes as I was sitting there -- I was going to say have been said so many times, that I'm not going to repeat everything. I agree with what Esther Bivona said. I agree with what Alexis Weiks said. And the young lady named Alexa, I didn't catch her last name, I agreed with all her comments and she had some delivery. And I just want to say that it just won't work for the reasons that Treasurer collects the money, Comptroller audits everything. You need the checks and balances.

Next month I'll be 78 years old. I've been around a long time. Ever since I was a kid, we learned government of every level has checks and balances. In my job at the County, we always had checks and balances. I cannot see why anyone could possibly want to take this away from Suffolk County.

And in addition, two of the young people that spoke, who probably are not property owners as yet, mentioned the high taxes. Well, for those who do have property in Suffolk County, we know that all of the municipalities, taxes are relatively low. The high taxes, unfortunately, come from the school systems and it's all built in to the real estate tax package. So there's a lot of things to think about here.

And I really don't think that doing away with -- assures us of fairness where monies are concerned in our government. And especially in these economic times, we cannot do away with that. We need to keep the two offices. Thank you.

Applause

D.P.O. HORSLEY:

Thank you, Ms. Schmitt. And happy birthday, by the way. All right, the next speaker is Charles Roberts, and on deck is Michael Finland.

MR. ROBERTS:

Good afternoon. It is now afternoon. You've been at this for a very, very long time, and we've heard a preponderance of testimony that I agree with.

This proposal to consolidate these offices I believe is fiscally imprudent. I am a Suffolk County resident, I'm a resident of Coram, New York. I serve on non-profit boards. I've audited accounting 101 and I am very clear that the separation of fiscal powers is a very vital check for the safety and integrity of the monies that are given as a sacred trust to an institution. Separating those powers gives you the fiscal safety that you need. When you combine these powers, you lose that fiscal safety. This is not Apple, surely this is not Newsday. This is the hard-earned blood and sweat and tears money from the people of Suffolk County. And if we have even a cursory reading of the

Gettysburg Address, that government is of the people, by the people and for the people, the people's voice needs to be heard. At the top of your org chart is the people of Suffolk County.

Applause

And when we forget that and we become an oligarchy of any kind, everybody's freedom is violated. Everybody's freedom is violated.

UNKNOWN AUDIENCE MEMBER:

That's right.

MR. ROBERTS:

You know, money is very serious to people. You can't play with people's money. Ninety plus percent of the small businesses in Suffolk County are Mom and Pop business. And I can guarantee you, not having visited any single one of them, I can tell you that Pop deposits the money, Mom cuts the checks. That's all I've got to say.

(*Laughter & Applause*)

D.P.O. HORSLEY:

Thank you very much, Mr. Roberts. Michael Finland, and on deck is Bill Raab.

MR. FINLAND:

Good afternoon, everyone. For the record, my name is Michael Finland and I'm from AME. Our Union President, Dan Farrell, had wanted to attend today's public hearing, but he was unable to do so. Joan Travan, our 1st Vice-President lost her husband last week and Dan is attending Luis Travan's funeral today.

I want to take this opportunity to put forth my thoughts and observations regarding the proposed merger between the Suffolk County Comptroller's Office and the Suffolk County Treasurer's Office. In the long haul, I perceive this to be problematic for a plethora of reasons. We have read, in recent times, the idea that we should have continuity of a checks and balance system for our governmental operations. There is a vast complexity to the overall operations and machinations of the Treasurer's Office. It was unsettling and disturbing for me when I learned that this merger was being contemplated without a thorough assessment put forth by the Performance Management Team. I have been advised that they did not visit the Treasurer's Office.

I understand that this team has been working out in the field to make a determination as far as discovering any situation by which duplicative duties are being performed. But for any large scale operation, whether it be government, or even a labor union for that matter, you need to have a backup team which works in tandem; this ultimately helps with the overall maintaining of operations. At AME we have a Treasurer and we also have an accountant. In order to appropriately oversee union operations, it is incumbent upon us to have our own checks and balance system, thus enabling us to make our operation run more efficiently.

But separate and apart from all of this, I am concerned in the long haul what affect this merger could potentially have on our AME workforce. I have been advised that IR 1567 has been modified and that it put forth a caveat, there would be no layoffs for AME workers. While I'm pleased to hear that, I'm also worried about what awaits us down the road. Between 2012 and 2013, our members have sustained about 500 layoffs.

I understand the bottom line goal is to save money and I'm fully aware that we have a long way to go in order to ensure solid ground and a fiscal sense. However, we have had this methodology of administering County financial services for quite some time and it has not created an impediment in

any fashion. All I'm asking for is that the Legislature take a step back and fully assess the situation.

I also want to point out, as it has been previously stated, that every County in New York State has a Treasurer and that 72% of those officials are elected to office. To use an old maxim, if it ain't broke don't fix it.

Beeper Sounded

I'll wrap it up. We want to maintain and/or improve our credit standing as a governmental entity. By expedite this merger process, we could be opening up the door to potentially deleterious repercussions. I urge you to use caution and to review the changes that were made on Friday and Monday with regard to this resolution and fully have comprehensive knowledge and assessment of the changes and what this resolution represents. I thank you for your time.

Applause.

D.P.O. HORSLEY:

Thank you very much, Mr. Finland. Bill Raab, and on deck, Nanci Dallaire.

MR. RAAB:

Good morning, everyone. Many of you know me, some of you may not; I'm the guy who doesn't usually use the microphone, for obvious reasons. I'm a resident of Suffolk County for almost 30 years, a homeowner in Suffolk County. I've worked as a Treasurer for non-profits that take in large amounts of cash. I've also worked in businesses that took in large amendments of cash. And in those two places, I've worked with people who, through various life experiences, they've held my life in their hands and I've held theirs. And you know what? We both count the money. So it doesn't matter, you need separation here.

I firmly believe that government is a necessary evil, but we need it. And the least government is the best. And I'm looking to eliminate redundancy if it can be done. You certainly do not want to do it in this area. I've heard all kinds of testimony about this and that and the other thing, and the gentleman was talking about large companies. Well, a friend of mine couldn't make it here tonight. I spoke with him last night. He's a CFO of a nationwide company, he's actually testifying before Congress today, in Washington. When I proposed this idea -- he's also a Suffolk resident and homeowner. I can't tell you because of decorum what his response was. It was something along the lines of, *"Are they crazy?"* You don't want to do this.

The manner that this was brought about seems very suspicious to me.

I don't really agree with the way this was done. I've seen this type of thing done in Albany where legislation was brought out 15 minutes before people were commanded to vote on it, and that hasn't worked out very well either. So watching -- *"Oh, it's going to be a savings,"* and then suddenly, *"Well, you know, we don't really have the savings, but we're going to do it anyway."* *"Oh, it's going to do this."* *"Well, you know what? It's not really going to do that, but we need to do it anyway."* Yeah, no, I'm sorry. This just, to me, absolutely, absolutely something that should not be done. It shouldn't even be tabled, it should be just eliminated. Because if you have to bring this up to a referendum, that's going to cost even more money that we don't have to bring this referendum to a vote in November. So thank you.

Applause

D.P.O. HORSLEY:

Nanci Dallaire, and Charles Howlett.

***(The following was taken and transcribed by
Lucia Braaten - Court Reporter)***

MS. DALLAIRE:

Thank you. As I listened last month as the Treasurer addressed this Legislature with her concerns, I was reminded that our elected officials take an oath to represent the public's best interest. Unfortunately, I have not felt as though my best interests have been served by the decisions of my elected officials.

The Treasurer has reported the many reasons why combining these two offices would be a dangerous road, so why would you choose to take that road? Have the concerns been addressed? Have all the questions been answered? Will the County save? How will all of that work get done with less? Are they following the Suffolk County Tax Act? Who will oversee that one office? How will their actions be monitored?

Since June 18th, you have done your due diligence. Have all the answers -- having all the answers is not too much to ask. Too often I believe that decisions are being made and actions are being taken before we have all the information. And I'm not comfortable with fill-in-the-blanks transactions. We should know the consequences that we will suffer before making these sacrifices, and there must be accountability.

Believe me, I know now, as an unemployed struggling taxpayer, if I thought these actions would save, I'm all for consolidating. I do not want to see hard-earned tax dollars wasted on duplicated services. But what I see are sacrifices that are weakening this County, and I'm watching as vital resources are being reduced, not my taxes. These decisions have resulted in a reduction of my trust in my elected officials who were supposed to represent the public's best interest.

(*Applause*)

D.P.O. HORSLEY:

Thank you very much, Ms. Dallaire. Charles Howlett, and Peter Wright on deck. Professor?

MR. HOWLETT:

Good afternoon. My name is Chuck Howlett. I've been a resident of this County for nearly 67 years. I am a Professor of Graduate Programs. I teach a course called The Politics of Choice. I am also the 2009 United States Airforce Academy Admissions Liaison Officer of the Year.

I am thoroughly opposed to this, primarily on the grounds that it disrupts, interferes with, and certainly castigates the Constitution of the United States. I really wonder if we've had a chance to look at Federalist Papers 10 and 51, the lifeblood of the whole concept of separation of powers, of checks and balances. I'm thoroughly concerned about that issue.

Some 44 years ago, I had to make a difficult choice. I received my draft notice. It did not go to my uncle's house in Hope, Arkansas. I served. I drew upon the inspiration of a play by Thomas Bolt, *A Man for all Seasons*. In that play, there was a very telling and compelling comment. Shortly before Sir Thomas More was about to be executed for opposing Henry the VIII's desire to separate from the Roman Church, he looked at his accusers and said, "When you go to heaven for following your conscience and I go to hell for not following mine, will you join me for fellowship's sake?"

I took the Oath of Office to uphold the Constitution of the United States against all enemies, foreign and domestic. I have two sons that are highly decorated military academy graduates, highly decorated officers that serve this country. They are defending that Constitution. That's the lifeblood of how we govern ourselves. I certainly hope you will take that into consideration. One of the great Generals of the Twentieth Century, the class of 1915 from West Point, Omar

Bradley once said, Our conscience should be guided by the stars and not the past -- the lights of passing of each ship. Please be a star and don't let those ships pass you by. Turn this thing down. Thank you.

*(*Applause*)*

D.P.O. HORSLEY:

Thank you, Professor. Peter Wright, and on deck is Coni Lorenzen. Peter Wright? Peter Wright? Okay. What I'll do is I'll hold that off to the side and we'll ask again at a later point. Coni Lorenzen, and on deck is George Rehn.

MS. LORENZEN:

Good morning, everyone. My name is Coni Lorenzen and I'm the Treasurer for the Suffolk County Association of Municipal Employees.

I have been in accounting for over 35 years. I wanted to speak today before the Legislative body so I could be fully -- so you could be fully aware of my feelings pertaining to the proposed merger between the Comptroller's Office and the Treasurer's Office.

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

In performing my role at AME, I coordinate my efforts with my Assistant and our Accountant, Diane. Thus, we have our own checks and balances systems in place. We do this to safeguard -- as a safeguard to make sure that we are providing optimal services to the membership we serve. Further fiscal accountability is secured through our independent outside auditing firm, our Controller. Reviewing records and reporting findings to both our Board of Directors, as well as our general membership. Thus, our own checks and balances maintain clear and professional fiscal transparency. Our County government must maintain these same standards to continue through these difficult economic times.

Please, do not do your constituents a disservice by merging these two departments. Thank you.

D.P.O. HORSLEY:

Thank you very much, Coni.

*(*Applause*)*

George Rehn, and Dan Chefetz.

MR. REHN:

Good afternoon. My name is George Rehn. I'm a CPA from East Setauket, and have been in public accounting practice for 40 years. My practice derives a substantial amount of its income from audits of local governments and not-for-profit organizations.

The proposed consolidation of the Comptroller's Office and Treasurer's Office eliminates the segregation of duties that presently exists. The proposed new department would not be independent to do audits of the Treasurer function that it presently performs. This would be like checking your own work and declaring it proper.

On Page 16 of the Performance Management Report, it states the County has audit completed by an outside CPA firm which tests internal controls. This is performed so that an auditor's report can be rendered. In the audit report issued by the CPA firm, it states that it's management's responsibility,

the County, to maintain internal control. Basic auditing principle states you cannot surrender your responsibility to the CPA firm for internal control monitoring.

Several years ago I served for a two-year term as a volunteer chairman of a not-for-profit organization that had a contract with Suffolk County. Over the years, the Comptroller's Office did audits of the nonprofit that were more extensive than the outside CPA firm. The independence of the Comptroller's Office would be compromised with a merger regarding treasury functions. Maintaining two separate departments is vitally important for a strong internal control system and the protection of public funds. Our local government clients usually do not have the proper internal controls unless the elected officials intervene.

Every county in New York State outside of New York City has a Treasurer. The majority of counties elect their Treasurer. The Comptroller and Treasurer are accountable to the public through elections. We should not try to fix something that's not broken. Let's maintain the independence of each department. Thank you.

*(*Applause*)*

D.P.O. HORSLEY:

Thank you, Mr. Rehn. Dan Chefetz, and on deck, Nancy Donohue. Dan Chefetz? All right. We'll put that one aside and call him again.

Nancy Donohue, and on deck, Andrew Berger.

MS. DONOHUE:

Hi. My name is Nancy Donohue and I'm quite active in the community. I just have a couple of short sentences.

I believe in checks and balances, and I believe this resolution should not be put forth to the general public.

I also very firmly believe that if we elect someone come November, that we cannot abolish that elected position. I think this would be totally unheard of. And, as the Attorney said before, it might be illegal.

That's all I have to say. Thank you very much for your time.

*(*Applause*)*

D.P.O. HORSLEY:

Thank you, Ms. Donohue. Andrew Berger, and on deck, Mary Ravasio.

MR. BERGER:

Good afternoon, Members of the Legislature. Thank you for this opportunity. I am here today to speak in favor of allowing a referendum on merging these two positions. With the County facing a staggering deficit, I think it's time for creative solutions, such as this one, to be considered.

As a college graduate who has lived in Suffolk County for most of my life, and as someone who would like to continue to call this region home, I am troubled by the financial state that the County has been left in. We need to address areas where savings can be made. I believe that these offices are aware those savings can be made.

It has been said that this merger of these two offices would save one million dollars, although I do understand that that has been stricken from the referendum. While some may say that that's a drop in the ocean compared to the size of the general deficit, I would like to say that as a young resident facing student loans, high interest rates, and the cost of living increases that we all do, that every bit helps.

One must also look at this issue from the angle of government efficiency. I believe that merging these two offices will streamline the County's financial process, which will make sure that this -- that the left hand knows what the right hand is doing when it comes to our County's finances and tax dollars.

I strongly encourage the Legislature to allow this referendum so that us residents may use the democratic process to show our support for cost-cutting measures so that young residents, such as myself, may continue to call this County home.

I understand the reservations that a lot of people have on this issue. Even with the disagreements, I think it is healthy to put it to a public vote, allow the debate to continue and let the public decide. Thank you for your time.

*(*Applause*)*

D.P.O. HORSLEY:

Thank you very much, Mr. Berger. Mary Ravasio, and Raffaella Martino on deck.

MS. RAVASIO:

I'm Mary Ravasio, and I didn't know I was going to speak, but I just oppose this merger. I just want to say that. Okay? Thank you.

D.P.O. HORSLEY:

Thank you, Mary. We appreciate your short comments.

*(*Laughter*)*

Raffaella Martino, and on deck is Michael Knox.

MS. MARTINO:

It's Raffaella Martino, and I oppose this because I've known -- I've lived in Suffolk County for over 60 years and I've known Angie a long time, and I oppose this whole thing.

D.P.O. HORSLEY:

Thank you, Ms. Martino.

*(*Applause*)*

Michael Knox, and on deck, Carrie Vasiluth. Michael Knox?

MR. STRAUSS:

He's coming.

D.P.O. HORSLEY:

Oh, I'm sorry. I didn't see him, I don't know why.

MR. KNOX:

My name is Michael Knox. I've been a resident here for 44 years. Two gentlemen before me -- I was talking to my wife this morning in the car what I was going to say, and it was not -- this whole thing is not about the money. This whole thing is about if it ain't broke, don't fix it, and that's the thing. And everything was going fine for years, I don't know how many years this County has been like this, but this is the way it should be. And if they want to save money, there's other ways to save money, if they look at it deep down. And thanks for having me.

*(*Applause*)*

D.P.O. HORSLEY:

You're welcome, Mr. Knox, and thank you for being here. Carrie Vasiluth, and on deck is Anthony Pecorale.

MS. VASILUTH:

Good afternoon, and thank you for giving me and everyone else the opportunity to speak here today.

I grew up in Suffolk County, I'm a lifelong resident here and I own my own home. And I also work in Suffolk County, and I work with a lot of people who are poor, low income, middle income people. And based on my own circumstances and those of my family, and my extended family, and the people that I see every day in my work, taxes and being able to save their homes from foreclosure is very important to them.

I don't envy your position and all of you having to, you know, deal with a budget deficit and to deal with this very important issue. I believe that it's -- these positions are duplicative, whether it's a million dollars or half a million dollars. I'm not quite sure of the savings, but I think we need to take a look at our high taxes and try to reduce them so people can live here. A lot of the young people are leaving, as you know.

I would ask that you allow the voters to decide. I can't imagine that they would vote otherwise, but perhaps they will, but I really think you should leave it in the voters' hands in November. Politics being what they are, and I know there's politics going on on both sides, I really believe and I hope you'll allow the voters to make the decision in November. Thank you.

D.P.O. HORSLEY:

Thank you very much, Ms. Vasiluth. Anthony Pecorale, and on deck is Richard Macellaro.

MR. PECORALE:

Good afternoon. My name is Anthony Pecorale. I'm a retired School Superintendent for more than 20 years in Suffolk County.

I'm opposed to the -- to the process that's even being used without a complete discussion and study of the impact of the Suffolk County Tax Act. I'm not talking about just the portion dealing with the County, I'm talking about the portion dealing with the school districts. The Suffolk County Tax Act is in grave need of a modification and serious consideration, and at least a study of all of the impacts of the Suffolk County Tax Act.

I believe that if you're really serious about wanting to do something about taxes, you're going to have to deal with the school taxes, and school taxes are a major portion of every single school district budget, as well as the individual communities. It needs more study.

I was appointed by the State to be the interim appointment in Wyandanch, and Wyandanch didn't have the ability to raise all of the sums of money that were necessary. The Suffolk County Tax Treasurer helped us be able to put together a proposal after the fire that occurred at the Wyandanch Elementary School in Wyandanch.

School districts also can borrow money and borrow a great deal of it. The problem is, is that the interest rates are crucifying the districts. I believe that if you really want to deal with this issue, you should deal with it in its entirety. Take a good luck at all of the parts.

I am opposed to the proposal that's being presented here today, and hope that you will involve the school districts in your decisions before you make any further considerations of this matter, and I personally am opposed to changing the process that you now have.
Thank you.

D.P.O. HORSLEY:

Thank you, Mr. Pecorale.

*(*Applause*)*

Richard Macellaro, and on deck is Patrick O'Farrell.

MR. MACELLARO:

Good afternoon, Suffolk County Legislators. My name is Richard Macellaro and I'm a resident of Kings Park in Smithtown, and have been for the last 22 years. I'm here today in support of County Executive Bellone's resolution that asks Suffolk County Legislature to allow County voters, your constituents, to decide on a November referendum whether we should marriage the offices of the Treasurer and Comptroller under the leadership of an elected Chief Fiscal Officer. This resolution, if enacted, is yet another example of the County Executive's initiatives to further reduce the cost of government, control spending, and eliminate duplication of services and unnecessary government offices while providing common-sense solutions and considerations that save taxpayer dollars by delivering more effective services.

Newsday's June 14th article -- editorial wrote the job of the Treasurer shouldn't be elective. The clerical and administrative work of the Treasurer is not political. A Comptroller or a Chief Financial Officer, though, should be elected. That person is a watchdog to the -- for the people and deserve to be picked by them as they would if the roles were combined. I agree.

The question is simple. Put the referendum on the ballot; that's democracy. Between now and then, both sides will have ample opportunity to explain their points of view. That's political.
Thank you.

*(*Applause*)*

D.P.O. HORSLEY:

Thank you very much, Mr. Macellaro. Patrick O'Farrell, and on deck is Natalie Allegato.

MR. O'FARRELL:

Good morning.

D.P.O. HORSLEY:

It's good to see you, Patrick. It's been a while.

MR. O'FARRELL:

I'm here to -- first, my name is Patrick O'Farrell. I'm a lifelong resident of Suffolk County. I live in West Islip. The main reason I came here was to get your support to vote this resolution down.

I came to challenge the cost savings that was presented by the County Executive, which I found constantly changing, and I'm glad to hear that's completely off the table. So we're not voting for cost savings.

Over the years that I've been a resident, I've never heard that the County Comptroller or the County Treasurer have been embroiled in any conflict or not working properly. No one has ever said that, they work fine. So here we are, we're talking about duplication of service. I've heard no one testify that there was a duplication of service. So why are we here? What's the substance (phonetic) part of this vote? Take away checks and balances, and something that affects all of you, potentially pierce term limits, which you're taking away something I voted for. So the real issue is checks and balances and the piercing of the term limits based on your vote today. And I will remember how you vote.

I'm opposed to this legislation. Thank you very much.

D.P.O. HORSLEY:

Thank you, Patrick. It's good to see you.

*(*Applause*)*

Natalie Allegato, and Loren Houghton. Natalie Allegato? Natalie Allegato. All right. What I'll do is I'll put that aside. Loren Houghton.

MR. HOUGHTON:

Houghton.

D.P.O. HORSLEY:

Houghton. I'm sorry.

MR. HOUGHTON:

Hello, everyone. My name is Loren Houghton. Before retiring from the County, I worked in the Department of Finance and Taxation for about 11 years. And before that, I worked in the County Exec's Office, the Budget Office, the real Budget Office, for 26 years. I could say that I've seen both sides of this controversy, consolidation idea.

Now I'm going to tell you -- I'm going to tell you a little secret that few people know. Deep in the bowels of the Dennison Building, there's a room, it's a little room, and in the room are file cabinets filled with reports and studies, some going back 40 years, ideas and proposals on how to improve County operations, how to save money, new programs, you name it. Some of these ideas range from the unrealistic and improbable, like the County Zoo. Others, like the consolidation proposal before you today, look promising, more promising. Every so often, a file is dusted off, removed from this room, updated and presented. You have one of those files in front of you today.

You, as County Legislators, have been presented with some strong and tempting arguments for consolidation of the two departments. Many of these arguments, however, are based on false or misleading information and ancient biases that have been factually refuted over the years, but are dredged up again and again from those files I just mentioned.

Let's see. I would like to briefly offer several arguments against the resolution to consolidate the two departments for you to think about. Consolidation of financial functions into one department will lead to a concentration of more power. The Comptroller already exercises a lot of control over the expenditures of the County in the review of all payment vouchers, for example, and in the power to audit everything. No one is questioning the importance of financial controls here, but it is wise to add -- but is it wise to add more functions like daily cash management, investment of cash,

enforcement of the Suffolk County Tax Act into a super-finance department? Even in the days of the Roman Republic and the Greek City State, public officials understood the need to limit power. They knew that power could be abused. So did the framers of the Constitution. So my question is, is consolidation really a good idea?

Secondly, there are ways for -- there are needs -- there is always a need for unfettered information. As Legislators, you need the facts and access to the information and advice on problems in order to investigate and resolve budgetary and financial problems and issues. The same goes for BRO and the Legislative staff that work for you. Today's hearing shows how important it is for a proposal to be fully vetted and examined.

There's another reason to question consolidation. Now you have three departments led by three elected officials who are in the financial area, obviously, the County Exec, County Treasurer and County Comptroller. They can advise you on important financial issues of the day. They can agree, disagree and offer alternatives. But under consolidation, there'll only be two. It kind of narrows down your access to information, doesn't it?

The next reason for shelving consolidation is what I call "Beware of the law of unintended consequences." During one budget cycle, departments were requested/ordered to cut back. I know, every year this happens. One department had submitted --

D.P.O. HORSLEY:

Loren, you're going to have to start wrapping up, please.

MR. HOUGHTON:

Okay. One department request submitted a -- to abolish someone. Her name was -- let's call her Molly. She -- saving \$42,000 a year. I believe she retired. The following year we noticed a shortfall of upwards of a million dollars in Federal Aid. That was -- and we called the different departments, Social Services, aided departments, to find out why. Well, Molly prepared the indirect cost allocation report, which was used to claim Federal and State Aid. So we lost -- we potentially lost a million dollars. We had to hustle around and hire a consultant to do the --

D.P.O. HORSLEY:

With due respect, Mr. Houghton --

MR. HOUGHTON:

Okay.

D.P.O. HORSLEY:

-- I've got to have you wrap it up. Are we ready?

MR. HOUGHTON:

Yes.

D.P.O. HORSLEY:

Okay.

MR. HOUGHTON:

I respectfully hope upon reconsideration that you will tell the County Exec to return the consolidation proposal to that secret room, wherever it is now, and file it behind the County Zoo folder.

D.P.O. HORSLEY:

Okay. Thank you very much.

*(*Applause*)*

D.P.O. HORSLEY:

Ernie Fazio, and on deck is Daniel Grotr, it looks like. Hello, Ernie. How are you?

MR. FAZIO:

Hi. How are you? Good morning. I'm the Chairman of Long Island Metro Business Action and I didn't consult my Board to come here to make these comments, so anything I say is completely on my own.

I'm not a financial person, so I'm not really sure what to do in terms of this proposal, so I consulted somebody who did. Marguerite Moore was -- well, she was an analyst and vice president of the now defunct Lehman Brothers, and she predicted it would go under, and brought it to Dick Fuld and she told him that it was going to not succeed. And he says, "Don't worry about it." And she says, "Well, here's my resignation."

So I went to her and I told her and she winced. And she says, "These are two diametrically opposed positions and they shouldn't be consolidated." She says, "This is part of my problem at Lehman Brothers." And so I'm using that as guidance, but I'm a little simpler than that. I liken it to an automobile that has a brake and an accelerator. And you really don't want to have a car that runs with just an accelerator, maybe you need a break once in a while. You may be able to make the car a little bit cheaper, but I think you'll pay a lot more in the end if you don't have a braking system.

So that's my, you know, down-to-earth, uneducated appraisal of what's going on. Thank you.

*(*Applause*)*

D.P.O. HORSLEY:

Thank you, Ernie. We appreciate you coming down here today.

Daniel Grotr, and deck is Christopher Albert. Daniel? Let me just make sure I'm saying this right, because that's what it looks like. It might be Grot, G-R-O-T, from Station -- boy, we definitely need some writing -- Setauket. We're good? No good? Okay. We'll hold that one off to the side.

Christopher Albert, and on deck is Peter Quinn. Christopher, are we here? Christopher Albert? Christopher Albert. Okay. I'll put that one off to the side. Peter Quinn. Oh, we got Peter. Okay. Bryan Lilly on deck.

MR. QUINN:

Good afternoon, my name is Peter Quinn. I'm a resident of West Islip. And I oppose the consolidation proposal, first of all, because I've been a longtime friend of Angie Carpenter, and I think she's a woman of integrity and has performed excellently as the County Treasurer.

Second, since you raised the issue of an initiative and referendum, I would submit that it would have been better had -- if you were really looking to save money, rather than the pittance of a million dollars or a little more, that you have -- you would have considered initiative and referendum to change the LIPA deal.

When you consider -- when you consider that the navigant consultants, who have been in the paper considerably lately, haven't resolved their stealing, potential stealing of fees. If you considered, secondly, the Neptune Cable, which has been underground for -- collapsed and went underground, where we get our electricity, hasn't been resolved on how that's going to affect ratepayers.

Third, PILOT payments. Huntington Town is in consultant with LIPA over PILOTs. The new Caithness II haven't been decided about payments, PILOT payments, but I would urge this Legislature, except for the people -- representatives from Yaphank, to oppose it, no kind of payments of that sort.

Fourth, if I can read it, the FDIC is currently engaging the big banks as to how they're going to resolve their capital investments, and they want to increase them from five to possibly seven or 10%. That's going to be resolved in the Fall, but we don't know how that's going to impact the investment banks who float the bonds to LIPA.

Then there's the National Grid, which has inefficient and costly generating plants, and none of those have been fixed. So how's that going to impact LIPA's cost to ratepayers; that is, the residents, the businesses, the school districts, and the municipal governments? That hasn't been resolved.

So I would urge -- let's see. National Grid, that's five. The PILOTs, okay. There hasn't been any resolution of -- under the LIPA bill, Cuomo's bill, on renewable energy. So it would seem to me prudent for you to put together rapidly, because you've got to meet the July 30th deadline to have an initiative referendum, to put together a resolution for November to revise the LIPA bill. And I would be willing to work with any of your Aides to help them write the WHEREAS clauses and the RESOLVED.

D.P.O. HORSLEY:

Peter, you're going to have to start to wrap it up.

MR. QUINN:

And the RESOLVED clause, so that you could get it together in the next 48 hours. Anybody who wants to call me, have your Aides give me a buzz, 587-3396.

D.P.O. HORSLEY:

Thank you, Peter. We appreciate you.

*(*Applause*)*

Bryan Lilly, and on deck is Ronald Devine, Jr.

LEG. CILMI:

Bryan Lilly? Is Bryan Lilly in the audience? We'll put him aside. Next up is Ronald Devine. On deck is Paul Sabatino.

MR. DEVINE:

Good afternoon, Ladies and Gentlemen. My name is Ronnie Devine, Jr. I am the current Assessor of the Town of Islip for the past 14 years. I also serve as President of the Suffolk County Assessors Association, and also was a member of the last Charter Revision Commission of Suffolk County. And also for the Industrial Development Agency, former Chairman of the Suffolk County Industrial Development Agency, so I know meeting with you, Ladies and Gentlemen, was a privilege over the years.

I'm here speaking as the Assessor of the Town of Islip, is that we've worked with the County Treasurer's Office for many years, we work with them on a daily basis. We work with chargebacks, we work with court orders, we work with small claims matters. The system works very well, there is checks and balances. This is no slight on the Comptroller's Office, but as far as assessing jurisdictions, the Treasurer's Office is a vital office that is an accountable office every day. Our constituents, we direct them to the Treasurer's Office, they send people back to us.

It's been said, if it's not broke, don't fix it. I agree with that. There's been a lot of pros and cons mentioned today. The cons of it I think outweigh the pros. There's not more I can add as far as what everyone has said. However, I am personally against it. I think the system is working well, and I look forward to working with the Treasurer's Office with my staff as we go forward into the years that follow. Thank you very much.

*(*Applause*)*

LEG. CILMI:

Thank you, Mr. Devine. Paul Sabatino. Paul Sabatino. Okay. Next up, then, would be Peter Mastando. Is Peter in the room? Okay, Pete.

MR. MASTANDO:

How are you? Would you like to speak first?

MR SABATINO:

Yes.

LEG. CILMI:

All right. So we have Paul Sabatino.

MR. SABATINO:

Thank you, Deputy Presiding Officer Horsley. And I want to begin by congratulating you on your recent elevation to the State Parks Department.

D.P.O. HORSLEY:

Thank you, Paul, appreciate that.

MR. SABATINO:

Joining Brian Foley there I think will once again reaffirm that the Suffolk County Legislature is a great training ground for individuals to move up in government. And I think it also reinforces the notion that the long-arm jurisdiction of this Legislature remains unlimited, which is a good thing. Thank you for the opportunity to address the legislation. County Comptroller Sawicki has retained me and Anton Borovina as Co-Counsel to engage in a due-diligence review of the legislation. For the record, he will be paying for our services through his campaign account, not, not through taxpayer dollars. So we will not be receiving compensation through the County Attorney's Office or through the individual line item that he has in his budget that would have allowed that. He chose not to use taxpayer funds.

To put this whole issue in perspective, I think you have to start by saying, number one, it's not about personalities. Contrary to what other speakers said, it's not about personalities. I personally think that Angie Carpenter is the finest County Treasurer we've had in the 36 years I've been involved in County government. This initiative, however, predates her arrival in the office. This goes back to the late 1970s. There's been a concern over all of the last 30 years with respect to that office, and there's a couple of individuals and entities that you can cite as evidence as to this issue being separate and apart from the current year, 2013.

For example, after repeated presentations to the Suffolk County Charter Revision Commission, which is an entity that you created as a Legislative body, and which consists of membership that is jointly appointed by the County Executive, the Presiding Officer and the County Legislature, they ultimately arrived at a conclusion in 1999 that consolidating the two offices made sense, was a recommendation, and didn't pose any of these problems that you've heard today. I think that Commission's independent judgment, again, based on its composition, the way the 15 members are appointed, is pretty clear evidence that it's not about politics and it's not about personalities.

In addition, in 1996, Donald Gruen, who served as the Director of Budget Review of this Legislature for 14 years, was then from the private sector, he had left the County at that point, he issued a report that concluded that he thought the most sensible way to deliver the services of these two departments was through a consolidated office. Aside from the fact that he was the individual who really gave birth to the independent nature of the Suffolk County Budget Review Office and turned it into a nationally acclaimed entity, he also -- he also served as a Chief Auditor for the State of New York. So he looked at it from the perspective of all the issues you've been looking at, and he thought that was the best way to go.

The next point I think that should be addressed is this idea of checks and balances. I know a lot's been said about it today, and I know that all of you know this, but I think it bears repetition, which is that --

D.P.O. HORSLEY:

Paul, you're going to have to start to wrap up.

MR. SABATINO:

The checks and the balances --

D.P.O. HORSLEY:

I know it's hard.

MR. SABATINO:

Okay. Well, the checks -- 30 seconds. Well, I should get bonus time for --

D.P.O. HORSLEY:

Just go. Don't say anymore, just hurry up.

*(*Laughter*)*

MR. SABATINO:

The checks and the balances are between the two branches of government, Executive versus Legislature, and it's the Legislature that exercised that oversight way back in the 1980s, when the two departments weren't working. And if you look at some of the language in the bill you see today with respect to bank accounts and how bank accounts should be handled, that language didn't come from the existence of two independent offices, it came because the Legislature found out that unauthorized wiring of funds in the millions of dollars was taking place, despite the existence of these two independent offices. And that's why you wrote into the statute, which are going to be carried over today, extensive language about how to keep track of the accounts.

D.P.O. HORSLEY:

Paul, why don't you say this in the question form, because I've got Tom Cilmi that wants to ask you a question. So why don't we --

MR. SABATINO:

Fine.

D.P.O. HORSLEY:

I'll let Mr. Cilmi ask a question.

MR. SABATINO:

Thank you.

LEG. CILMI:

Thanks, Paul, for your testimony. You brought up in your remarks the -- I believe it was -- did you say 1999 Charter Revision?

MR. SABATINO:

They met in 1997 --

LEG. CILMI:

1997.

MR. SABATINO:

-- and they issued their report in 1999.

LEG. CILMI:

Okay. Was there a subsequent Charter Revision Commission report or recommendation?

MR. SABATINO:

I don't know if -- I know every 10 years they have to meet. I don't know if they addressed the issue 10 years later. I left the County in 2007. The answer is I don't -- I know they had a meeting, because they had to by law, but --

LEG. CILMI:

Did you hear. Maybe you've heard. I respect you for having a lot of knowledge of County government.

MR. SABATINO:

All I heard was --

LEG. CILMI:

You haven't heard any --

MR. SABATINO:

All I heard was that questions came up in the context of other topics, but I did not see the report, no.

LEG. CILMI:

Because somebody told me that they recommended against it in that later Charter Revision Commission report.

MR. SABATINO:

Well, if they did, A, I didn't see the report; and B, then you've got two competing -- you've got two competing reports to look at.

LEG. CILMI:

Right.

MR. SABATINO:

I would say that you should read the two and compare them.

LEG. CILMI:

Sure.

MR. SABATINO:

I do believe, though, if that had happened, I think it would achieve some degree of publicity. I didn't find it. I mean, I looked, but I didn't find it.

LEG. CILMI:

Okay. Thank you very much.

D.P.O. HORSLEY:

Legislator Stern.

LEG. STERN:

Thank you, and hello, Paul. In some of the documentation that we've been provided, we have had the opportunity to hear from the outside auditors on the present proposal. My question for you, Paul, is going back all of these years and all of these cited reports, and all of the analysis that's been done, what has your experience, going back all those years, been with all of the outside auditors? And can you comment on what the commentary has been through the years from our outside auditors in particular?

MR. SABATINO:

An excellent point. I think two things should be addressed. Number one, you've got to understand what the -- what the notion of auditing deals with. Okay? The County Comptroller, in terms of conducting audits pursuant to County Charter, is auditing departments that have programmatic functions in which they deliver services, whether it's the Health Department delivering services or it's the Parks Department, but the County Comptroller is auditing how those functions are being carried out in terms of programmatic delivery of services. The Treasurer's Office, because it's basically a bookkeeping, you know, entity, is not engaging in the delivery of services. So, at the first level of whether the County Comptroller is going to have a conflict or not, the answer is no, because he's not auditing programmatic functions in that department.

Secondly, in 2006, when the question came up, our outside auditor was asked would there be a conflict for the two departments to be consolidated. At that time, it was Ernst and Young. I don't know if you still have them at this point, but back then it was Ernst and Young. And they indicated that as long as the same internal controls remained in place, which means the people in the departments, you know, were going to be transferred over to the Comptroller's Department, into this new consolidated department, are using the same controls, they saw that there was no potential for conflict.

And thirdly, the ultimate auditing entity, the one you really have to worry about is the outside auditor, which is then going to be looking from the outside in, in terms of everything that's going on, including what the County Comptroller's Office does. So the auditing issue, about that being some kind of a conflict, I think is a red herring, only -- if you understand the difference between the Comptroller auditing the functions of departments versus the outside auditor auditing the books and records, which is the money coming in and the money going out.

LEG. STERN:

Thank you.

D.P.O. HORSLEY:

All right. Thank you very much. Legislator Montano.

LEG. MONTANO:

Paul. Paul. How are you, Paul? Paul, I just wanted to ask you a different question than what we've been hearing.

One of the things that is -- well, one of the provisions of the bill deals with term limits. And you wrote the term limit law, did you not?

MR. SABATINO:

That's correct.

LEG. MONTANO:

And when was that passed?

MR. SABATINO:

Term limits was passed in a referendum in the 1990 -- 1993, and it became a Local Law in 1994.

LEG. MONTANO:

All right. And I wasn't here then, but my understanding is that it passed overwhelmingly; am I correct in that?

MR. SABATINO:

Fourteen to four.

LEG. MONTANO:

And, also, the referendum.

MR. SABATINO:

Oh, the referendum passed two to one, so two to one.

LEG. MONTANO:

Okay. Now this particular bill has a provision that -- because, currently, the Comptroller is term limited. His term, when it expires in two years, he will not be able to run for the position of Comptroller; am I correct?

MR. SABATINO:

That's correct, under the current law.

LEG. MONTANO:

Okay. Now, if this bill is passed and the referendum passes, then he's not -- he's able to maintain his current functions beyond the 12-year period that the public supported back in '93 or '94; am I correct?

MR. SABATINO:

Anybody who runs for the new office will be subject to a new 12-year, consecutive year term limit limitation, irrespective of where they come from. However --

LEG. MONTANO:

Right. But my point is that even though the title is new, my perception is that the functions that he performs today -- excuse me. Okay.

MR. SABATINO:

I'm sorry.

LEG. MONTANO:

That's all right, Paul. My perception is that the functions that he performs will remain, and he will simply -- or that position will add on new functions; am I correct?

MR. SABATINO:

That's true, but here's the key --

LEG. MONTANO:

No, I don't need the -- I don't need the key, because I'm not --

MR. SABATINO:

I want to explain it, because --

LEG. MONTANO:

No, you don't have to explain it. I'm asking the question. I don't need the -- I don't want to be here all day.

It's very clear that the intent of the term limit law was to restrict certain public officials, including members of the Legislature, from maintaining the position beyond a certain period of time. And you wrote that law, right?

MR. SABATINO:

Right.

LEG. MONTANO:

And you support term limits, do you not?

MR. SABATINO:

Absolutely.

LEG. MONTANO:

Okay. Let me ask you this.

MR. SABATINO:

I need to expand to answer the question properly, because in that -- in that Local Law, to make it ironclad, as requested by the sponsors of the bill who wrote --

LEG. MONTANO:

Which law are you talking about?

MR. SABATINO:

Well, it was Herb Davis and a whole bunch of people.

LEG. MONTANO:

Oh, you're talking about the term limit law that passed back in '94.

MR. SABATINO:

Right, right, '94. We wrote in, we wrote -- this is really important. We wrote in an equivalency clause.

LEG. MONTANO:

Paul, I got that. I don't want to hear that.

MR. SABATINO:

I don't think the rest of the membership does, because that answers the question.

LEG. MONTANO:

No, that's not --

MR. SABATINO:

What's happening here is that there's full compliance with that equivalency clause --

LEG. MONTANO:

I didn't say that there wasn't. I'm not talking about whether or not there's an ability to pass this bill. I'm not the County Attorney, I didn't issue a legal opinion on that. I'm talking to you as a Legislator, not as an attorney.

But that term limit bill that -- or that you wrote, applied to the Comptroller. I guess it applied to the Treasurer, too, did it not; yes or no?

MR. SABATINO:

It applied to all six county-wides and the 18 Legislators.

LEG. MONTANO:

All right. And today, because of the pending lawsuit, the D.A. has been exempted from that law, the Sheriff has been exempted from that law, the County Clerk has been exempted from that law, and now you want to exempt the Comptroller from that law. So the only applicable bodies or individuals or politicians that are subject to this law that passed overwhelmingly, and that you wrote, would be the Legislature and the County Executive. So we have effectively -- excuse me -- we have effectively -- and I'm not arguing the point, I'm just bringing this out, because it is a consideration. We have effectively taken the public's vote and thrown it in the garbage can, as far as I'm concerned. What is your -- what is your feeling on that?

*(*Applause*)*

MR. SABATINO:

No. Okay. The -- you raise an important point, but it has nuances and subtleties which I need to address.

LEG. MONTANO:

But they're not going to take long to explain, right?

MR. SABATINO:

Yeah. And the nuance and the subtlety is that there was an equivalency clause written into the original statute.

LEG. MONTANO:

I got that.

MR. SABATINO:

With respect to this legislation, okay -- and, by the way, the equivalency clause says that this law, meaning the Term Limits Law, can only be changed, modified, amended, repealed, or whatever, via an equivalent Charter Law and public referendum.

LEG. MONTANO:

Right, I get that. That's what's before us.

MR. SABATINO:

So the voters will be voting exactly pursuant to the Local Law from 1994, consistent with a public referendum --

LEG. MONTANO:

What you're saying to me --

MR. SABATINO:

-- to either decide to make that change or not. That's different than what happened with the County --

LEG. MONTANO:

What you're saying to me, Paul, is that procedurally there's no defect in the bill. Is that essentially your argument, that the bill is not procedurally defective, and if we pass it, it doesn't violate any -- it doesn't violate any term limit law. But it -- but you got to admit, it does violate the spirit and the intent of the Term Limit Law that you wrote, that you support, and that we just expunged from our County Charter, and we're going to do again, and I have a problem with that.

*(*Applause*)*

MR. SABATINO:

Well, first of all, I'm not here to advocate a law. But, secondly, yeah --

LEG. MONTANO:

Paul, you're a paid -- you're a hired gun for the Comptroller, you just said it.

MR. SABATINO:

I'm a hired gun, but I still support the law --

LEG. MONTANO:

Oh, you are here to advocate.

MR. SABATINO:

Okay. And the law -- the law of term limits, if followed, is that special equivalency clause, you can only change the Term Limits Law by virtue of another Charter Law and a public referendum. To the extent that this law is doing that --

LEG. MONTANO:

I understand that. Paul. Paul, you and I have had many discussions, and I respect you tremendously, but you keep going back to the same point. Trust me, that I do get your point, I do understand it. I understand your argument, I'm just not interested in that, because I'm talking about something different. I'm talking about the term limits and the intent of the voters back in '93. And the fact is that by passing this bill, it looks to me that we are now circumventing, you know, again.

MR. SABATINO:

No. Circumventing is when you don't follow the procedure.

LEG. MONTANO:

All right. I'll take back that word.

MR. SABATINO:

The public referendum is voted the electorate.

LEG. MONTANO:

But no matter how you -- no matter how you skin this horse, the bottom line is that four of the six elected officials who were intended to be term limited by the public seem to have escaped, and I do have some concerns about that. I'll leave it at that. Thank you very much, Paul.

D.P.O. HORSLEY:

Thank you very much. Let's not -- let's not reargue this again.

*(*Applause*)*

Mr. Krupski, because we are -- I'm going to make a motion and a second. Mr. Krupski.

LEG. KRUPSKI:

What did you say, long and drawn out?

D.P.O. HORSLEY:

Please, short.

LEG. KRUPSKI:

Thank you. I have a question for you, yes, sir. It's about the -- it's a legal question about your opinion on -- can you elect an official and abolish the position at the same -- in the same election?

MR. SABATINO:

What was the question? The question is that an elected official what?

LEG. KRUPSKI:

Can you elect a public official and abolish that position in the same election?

MR. SABATINO:

Oh, absolutely. Court of Appeals has ruled on that. You can take somebody who's got a four-year term of office, and in the middle of its four-year term of office, cut it down to two years and not even give it a second thought. Unless the Court of Appeals was going to change its position, which could happen, the law of the land is that, yes, as long as you do it by a public referendum. You can't do it without a public referendum.

LEG. KRUPSKI:

Thank you.

D.P.O. HORSLEY:

Okay. Thank you very much. All right. I've got one more card, Mr. Peter Mastando.

MR. MASTANDO:

Good afternoon. Peter Mastando, ex-employee of John J. Foley Skilled Nursing Facility, proud to say it, for 18 years. And I'm sorry to hear in the newspaper that they talk bad about Ms. Kate Browning, Mr. Kennedy. To me, they'll always be my hero, and I'm sure they'll always be the hero of John J. Foley. I have to applaud you.

*(*Applause*)*

Thank you very much for what you've done, and, unfortunately, what was not done, and which leads me to talk about -- first of all, to reject 1567.

You got to go by character, you got to go by a track record. I don't know -- I don't know the legalities of this, what do you call it, memorandum, but here we are again to do the right thing, like we did with John J. Foley, which you didn't follow it. You followed a man who's dismantling Suffolk County financially, job-wise, business-wise. I don't know where this is going after this vote here. It's terrible. I'm a taxpayer, I'm out of a job now. I still got to pay my taxes.

I'm not sorry for what happened at John J. Foley. I followed the truth and the true way that I believed in. I did without 18 months of payment because of the law. The law says he shouldn't have did what he did. We wanted him to keep it open. We voted not to sell it, but we didn't say don't -- we didn't say close it. Everybody, I don't know, got the wrong idea. We even got scolded

by Mr. -- what's his name over here? Barraga?

LEG. BARRAGA:

Right here.

MR. MASTANDO:

Mr. Barraga, yes, sir. You blamed us for that. It's terrible. You didn't have the facts before you spoke, I have to say, and I'm very sorry, but you did not have the facts. I'm sorry.

LEG. BARRAGA:

We did differ, certainly differ in opinion.

D.P.O. HORSLEY:

Mr. Mastando, please. This is a public hearing on the Treasurer's consolidation.

MR. MASTANDO:

Okay. Yes, sir. I just had to make that statement, that we voted the way we thought we should have.

And just to say one more thing, is, like I said, you followed a track record of a person that hasn't done the right thing legally. He did everything incorrectly, he still got his way, and the same thing's going to happen with this.

Each of those departments are unique to itself, just like John J. Foley was, that was a unique place. And I don't think I want the wolf to watch my chickens. Thank you.

D.P.O. HORSLEY:

Thank you very much, Mr. Mastando.

*(*Applause*)*

Okay. I had several cards of people that put cards in and weren't here when I called them. Mr. Peter Wright? Anybody? Mr. Peter Wright? Mr. Dan Chefetz? Ms. Natalie Allegato? Mr. Daniel Groth? Mr. Christopher Albert? And Bryan Lilly. Anybody? All right. That concludes the cards that I have. Anyone else like to speak? Sir, you haven't spoken before, correct?

MR. WILLIAMS:

Yes.

D.P.O. HORSLEY:

And then you'll fill out a card?

MR. WILLIAMS:

I didn't fill out a card, but I'll be brief.

D.P.O. HORSLEY:

That's okay, I understand. Just give your name and address and then fill one out. Thank you.

MR. WILLIAMS:

Thank you, Legislators, for keeping me on this preemption here of speaking. My name is Jan Williams. I'm a resident of Nesconset, Suffolk County, New York.

I was here a few months ago, and me and my wife, and we killed two birds with one stone. I had to pay my Consumer Affairs licensing and we walked across the street to do that. I find it very ironic that we're here today debating a creation of a law that would obfuscate and subjugate good constitutional checks and balances that were set in place by our Founding Fathers, states, etcetera, etcetera.

When I was here three months ago, we're trying to save money and we can't even fix a water fountain outside that's not working three, four months ago. I walk across the street and the water fountain in the Consumer Affairs Department is not working. And I had to walk down the hallways with an Aide, you know, "What are you doing?" "I'm looking for water." I find it very ironic here that we can't fix water fountains, yet we're trying to obfuscate and subjugate good checks and balances law. I am for checks and balances law.

I want to thank my -- John Kennedy, my Legislator, for being so attentive, and Mr. Cilmi, Mr. Barraga, and the rest of the Legislators here that are open for a good discussion and a debate, and good constitutional morality about the issue. Thank you.

*(*Applause*)*

D.P.O. HORSLEY:

Thank you very much. And be sure that you also fill in a card. Okay. We have about 15 minutes before the rule -- the rule allowing public hearings to go for three hours. I'd like to make a motion to -- because we want to give Ms. Carpenter enough time to explain her case and not have to hold her to any three-minute -- three-minute time period. I'll make a motion to extend 9(D), which is --

MR. NOLAN:

Waive the rule.

D.P.O. HORSLEY:

Waive the rule to -- of 9(D), and extend time of the public hearing for over three hours. May I have a second on the motion?

LEG. BARRAGA:

Second.

D.P.O. HORSLEY:

Second by Legislator Barraga.

LEG. CILMI:

On the motion.

D.P.O. HORSLEY:

On the motion.

LEG. CILMI:

Just -- I want to be careful here.

D.P.O. HORSLEY:

Sure.

LEG. CILMI:

Are there implications to this motion beyond what meets the eye? George, if you could -- by waiving the rules and accepting this motion, in addition to extending this public hearing today, what else does it do?

MR. NOLAN:

This would allow us to go past the three hours. When Ms. Carpenter is done with her testimony, we're still going to have to take a vote whether to close or recess the public hearing.

LEG. CILMI:

Okay. Thank you.

LEG. KENNEDY:

Mr. Chair, on the motion.

D.P.O. HORSLEY:

Yes, on the motion.

LEG. KENNEDY:

I'm going to object to this, Mr. Chair, not because I want to limit the Treasurer. It's my understanding that the Comptroller is going to speak and present as well. And, quite frankly --

D.P.O. HORSLEY:

It's my understanding that he is not.

LEG. KENNEDY:

My conversation with him earlier was that, in fact, he intended to.

D.P.O. HORSLEY:

He may have intended to, but he's -- the note that I had just received was that he was not going to be speaking today. It was late in the hearing --

LEG. KENNEDY:

I have a commitment in 15 minutes that involves a 1.5 million dollar grant application. I cannot be here, but, nevertheless, this was a Special Meeting set and there's a three-hour hard limit. The vote to take is, is to extend it or recess it.

D.P.O. HORSLEY:

Well, we'll see if we can do this within 15 minutes, but we're -- the motion stands.

LEG. KENNEDY:

That's unfair to the -- that's unfair to the Treasurer.

D.P.O. HORSLEY:

No. I want to make sure that she has enough time as possible.

MS. CARPENTER:

It's not going to be 15 minutes.

D.P.O. HORSLEY:

Okay?

LEG. KENNEDY:

So then what is the vote that's being put forward?

D.P.O. HORSLEY:

To extend the three-hour 9(D).

LEG. KENNEDY:

To extend it what? Then how about we extend it a week?

D.P.O. HORSLEY:

No. For as long as time as Ms. Carpenter needs -- we have all these people here, John. We're not going to allow them -- are we going to bring them back for five minutes another day? Does that make any sense? We'll give her time, and we want to make sure that she has all the ample time that she needs.

*(*Applause*)*

LEG. KENNEDY:

We had the bill changed 15 minutes before it was presented, though.

D.P.O. HORSLEY:

John, that's a whole different issue. This is an issue of giving Ms. Carpenter her due.

LEG. KENNEDY:

Okay, fine.

D.P.O. HORSLEY:

All right? I have a motion and second on the floor. All those in favor? Opposed?

LEG. KENNEDY:

Opposed.

D.P.O. HORSLEY:

So moved, it has been approved.

MR. LAUBE:

Fifteen. (Absent: P.O. Lindsay and Legislator Muratore)

D.P.O. HORSLEY:

We have extended the period of the three-hour rule. Ms. Carpenter?

MS. CARPENTER:

I will.

D.P.O. HORSLEY:

You'll have as long as you want.

MS. CARPENTER:

I'm going to beg your indulgence and ask for a two-minute recess to use the restroom. But I see --

D.P.O. HORSLEY:

What? You might not be alone.

MS. CARPENTER:

I see the PowerPoint ready to go, and I was told that the County Comptroller was making a presentation. I had gotten information last Thursday that he had a Power Point presentation and an organizational chart to present, which certainly is going to impact whatever testimony I am going to give. So when I heard about the fact that there was a Power Point presentation, I sent a request -- oh, I'll wait.

D.P.O. HORSLEY:

Well, my -- certainly, I think that Mr. Sawicki will be presenting to the Legislature his position here, but apparently not today. I'm just telling you what --

MS. CARPENTER:

Well, I stopped speaking --

D.P.O. HORSLEY:

I'm receiving -- I'm receiving a note that he is not going to be speaking today.

MS. CARPENTER:

Okay.

D.P.O. HORSLEY:

And he's going to maybe wait for Public Hearing.

MS. CARPENTER:

Well, I made a request. I made a request --

D.P.O. HORSLEY:

And for the committee hearing.

LEG. MONTANO:

Give her the two minutes.

MS. CARPENTER:

I made a request. I made a request to have a copy of the Power Point presentation and the organizational chart last Thursday, have not received it.

D.P.O. HORSLEY:

Angie, you'd be welcome to, if you'd just speak to Mr. Sawicki and deal with that in the hearing that we'll have at our committee meeting. I mean, we'll -- certainly, you'll be able to do that.

MS. CARPENTER:

Well, may we --

D.P.O. HORSLEY:

I can't force him -- I can't force him to come here.

MS. CARPENTER:

No. It's just incredible to me. I guess the fact that so many people came up and were speaking against it kind of scared him away, and that's --

D.P.O. HORSLEY:

I don't know what -- I can't -- I can't --

LEG. NOWICK:

Wayne.

D.P.O. HORSLEY:

Yes.

MS. CARPENTER:

In any event --

D.P.O. HORSLEY:

We do have two minutes. Would you like the two minutes?

MS. CARPENTER:

I do have two minutes?

D.P.O. HORSLEY:

I've extended it beyond --

MS. CARPENTER:

I'm sure everyone sitting there, most of you have sat still and listened to everyone.

D.P.O. HORSLEY:

Legislator Gregory has a quick statement or question.

LEG. GREGORY:

I think, and I hope I'm not speaking out of turn, I think the Comptroller will be coming now. I believe, not 100% certain.

D.P.O. HORSLEY:

All right. Why don't we take that two-minute recess and we'll find out who's going to be here.

MS. CARPENTER:

Okay. Thank you.

D.P.O. HORSLEY:

Okay? Thanks.

(The meeting was recessed at 1:02 p.m. and resumed at 1:10 p.m.)

D.P.O. HORSLEY:

Mr. Clerk, would you please call the roll.

(Roll Called by Mr. Laube, Clerk of the Legislature)

LEG. KRUPSKI:

Yo.

LEG. SCHNEIDERMAN:

(Not Present)

LEG. BROWNING:

Here.

LEG. MURATORE:

(Not Present)

LEG. HAHN:

Present.

LEG. ANKER:

Here.

LEG. CALARCO:

Present.

LEG. MONTANO:

Here.

LEG. CILMI:

Here.

LEG. BARRAGA:

Here.

LEG. KENNEDY:

(Not Present)

LEG. NOWICK:

Here.

LEG. GREGORY:

(Not Present)

LEG. STERN:

Here.

LEG. D'AMARO:

Here.

LEG. SPENCER:

Here.

P.O. LINDSAY:

(Not Present)

MR. LAUBE:

Twelve. (Not Present: Legislators Schneiderman, Muratore, Kennedy, Gregory and Presiding Officer Lindsay)

D.P.O. HORSLEY:

Very good. We have a quorum. And over our two-minute recess, I have conferred with the -- both the Comptroller and the Treasurer, and they -- we have made a decision, an agreement between them as amicably as can be, that the Comptroller will go first, and I believe he has a presentation to make. Very pleased and honored to have the Comptroller address the Legislature. Mr. Sawicki.

LEG. MONTANO:

Mr. -- how long is this going to take? They can go on indefinitely? Can we set a time limit, I mean, like you get 10 minutes, you get 10 minutes? We'll be here all day.

D.P.O. HORSLEY:

Again, Mr. Comptroller, it's a pleasure, and thank you for being here today to give your side of the argument.

MR. SAWICKI:

Are we ready, Mr. --

D.P.O. HORSLEY:

Apparently we are.

MR. SAWICKI:

Thank you. I have to tell you, I was just confused as you were whether -- who was speaking, whether we were speaking. We were back there since 10 o'clock waiting.

D.P.O. HORSLEY:

Legislators are never confused, we're just --

MR. SAWICKI:

So, anyway --

D.P.O. HORSLEY:

-- something.

MR. SAWICKI:

At the request of Presiding Officer Bill Lindsay, I was asked, I and my staff were asked to prepare an analysis to examine the proposal as set forth by the County Executive and by Mr. Lindsay. The analysis we did or -- and the review we did was performed by my staff. Let me introduce them to you. Christina Capobianco, to my right, my Chief Deputy, a CPA; Frank Bayer, Executive Director of Auditing, a CPA. And I have two other staff members in my office who really put a lot of time over the last four or five weeks into taking a look at how this can work and if it can work, and if it's good for Suffolk County.

We wanted to look purely objectively in terms of what's good for the County and what's good for its taxpayers. As the Comptroller, as your Comptroller for the last 11 years, I need absolute and unquestionable assurance that none of our internal controls will ever be weakened or jeopardized by this proposal, and that this proposal guarantees protection of all County assets.

In reviewing the measure, we reached out to what we consider, what I consider experts in the field. We reached out to the County's independent auditors, Ernst and Young. Randy Nelson is here, the partner of Ernst and Young. They've been the County's auditors for the last 11 years, I believe. Per invitation of Legislator -- Presiding Officer Lindsay, Randy is here as well to address any questions you may have, and to speak on it in terms of E and Y, Ernst and Young's perception and outlook on this and how it affects with Suffolk County, in our internal controls and our accounting policies. We also have a letter in your packet from Randy Nelson, as well as you may -- some of you may have seen by now.

We also reached out to the County financial advisor, Capital Markets Advisors, Rich Tortora, and specifically I asked Mr. Tortora to reach out to the County's credit rating agencies, Moody's, Fitch and Standard and Poor's, to kind of gauge how they would feel if a proposal like this passes you, the Legislature, and ultimately the voters of this -- the County.

Objectively, before I go on into some of the details -- I know you've been here for a long time today and I'll try to make it as short as possible, but I -- it's an important issue and I want you to, you know, have -- you know, know what we came up with, so please bear with me.

We came to the conclusion that this proposal, if approved by the voters of the County, will, one, streamline the County's financial operation, will make more efficient compilation and recording of financial data for the use of the Executive and financial -- Executive and Legislative Budget Offices; three, reduce the size of our government by providing recurring, recurring savings, and while -- all this while still maintaining strong internal controls.

If I may now refer you to the handout that we -- not the handout, but to the booklet. The first -- the first page would be the page you'd see with the circles. What we tried to do is to examine the two offices, and you basically know from all the testimony, from hearing me for the last 11 years, what the difference is of the two, responsibilities of the two offices are, and that's in the black. On the left side and the right side, you'll see what the Comptroller and the Treasurer currently do. But in the middle, under the red, we tried to -- we wanted to outline and delve into what we consider as duplicative and overlapping functions.

First off, administration of two separate offices. Any kind of newly consolidated department would obviously not need two administrations, but only one, and the department would be under 100 people.

Number two, under the cash flow projections, as you know, because I've been here many times over the last 11 years, we do, the Comptroller's Office prepares long-range cash flow projections for our borrowing purposes, to report to the Legislature when we're getting short on cash, and we just want to make sure that for the year ahead, if there's any bumps in the road, that there'll be enough cash to cover the County. The Treasurer also performs similar cash flow projections. They must do it on a daily basis and a weekly basis. They do it for cash management purposes, obviously, to make sure there's enough money in the account to pay the County's bills. Having one -- having cash flow performed by one department would facilitate and streamline the entire cash needs of the County. Again, it would be now performed by one unit and not two.

The General Ledger, recording of revenues and expenses. The Treasurer records the revenues; the Comptroller records the expenses of the County. But we also have the responsibility of maintaining the General Ledger because we're the Chief Fiscal Officer of the County, the Comptroller is, and we maintain the General Ledger, which includes making year-end adjustments, making year-end accruals, and for the annual preparation of the County's financial statements. Having one accounting department instead of two would facilitate recording transactions in the General Ledger, making them more accurate as well.

For debt service schedules, it's the Comptroller, through our Municipal Finance Administration, we generate and maintain the debt of the County in its related database. The Treasurer now makes the debt service payments using our info and making their own debt service schedules. There is no need to have two separate units, if you will, performing debt service transactions. Again, consolidating them under one unit in one sense -- in one area makes a lot of sense, and it makes for a streamlined and more efficient reporting.

Now that we've looked at the overlapping functions, I'd like to go to the next slide and talk about segregation of duties and internal controls. The internal controls, as I indicated earlier, will definitely be preserved. Internal controls are defined as, quote, "Systems and procedures in place to safeguard assets against unauthorized use or abuse." And with the segregation of duties, you will see that one of the most single important internal control of any financial operation, municipal, private or otherwise, segregation of duties is key. By segregation of duties, when you look at custody, when you look at approval, and you look at reporting, or in accounting and auditing school, you call it ARC, Approval Reporting Custody, this means that no employee of any one area, whether it's custody approval or reporting, will have overlapping duty in another area, that cannot happen. Employees performing functions in one area will not be performing functions in another area. Cross-training or otherwise, it just can't happen and it will not happen, and it doesn't happen under proper internal controls of any organization.

As you can see, the custody refers to basically employees in the Cash Management Division would have custody of all bank deposits.

Approval, on the approval side of segregation of duties, employees in the Revenue Unit would approve revenue transactions, and employees in the Appropriations Unit, which we have now, would approve expenditures.

And on the reporting side, which is critical to whether the outside world, people who borrow and lend us the money, and for our financial reports, professional staff under the Financial Reporting Unit of the Accounting Services Division prepare, all by them separately, independently, the financial statements and reports.

We've provided you with a copy of an organization chart in your packet which shows how a new department could work. And I know over the past week I've had some questions from some Legislators that how it would work specifically unit by unit, supervisor by supervisor. And we just put together over the weekend a separate handout to you, which is a rather large one with a -- on the larger sheet of paper, it's a big -- it's the big foldout. I hope you all have a copy of that. That is our best determination at this point of how a proposed department could work, unit by unit, and reporting to, and to see who would report to who.

This is the organization chart that we presented to Ernst and Young and Randy Nelson, and this is what he opined on, for lack of a better word, as he evaluated. And, actually, along the way, he made a couple of suggestions that we incorporated into that, because we wanted to present to you the strongest -- the absolutely strongest internal controls system as possible. And, again, Randy will be here -- Randy's here for any type of questions you may have.

In terms of the next slide, moving right along, I wanted to share with you how internal controls will work through our advanced computer technology. Back in '06 and '07, a new IFMS system and new upgrades to IFMS System was implemented in the County that allows user access to be restricted, and allows for added levels of approval. You can see, rather than me repeat it and read, the custody approval and reporting areas are also now more limited through advanced computer technology. And it's our understanding that in six months, IFMS, the Integrated Financial Accounting System -- Management System will also be upgraded again. And, of course, this is done with the -- with only the strictest in safeguards of internal controls to be part of.

The internal controls are also -- I must add, every year Ernst and Young audit the internal controls through their -- of the computer technology to make sure that they're properly in place, so that there's no -- you know, no room for error throughout the year.

Additional safeguards in the next slide, please, Frank. Additional safeguards that I'd like to stress is that every year the independent audit of the County, the external audit includes an audit of cash and security logs to determine who has access, what employees have access to the County's computer system. And also the external auditor, please know that the auditor does not report to the Comptroller, does not report to the Treasurer, does not report to any one person. The -- Ernst and Young is hired by the Suffolk County Joint Audit Committee, which was formed by this Legislature back in the mid-1990s, and it consists of the County Executive, consists of the Presiding Officer, or their designee, the Comptroller and the Treasurer. So the internal auditor is not reporting directly to the Comptroller. I want to make that very clear, because I think that's very important. We have direct oversight by the County's Joint Independent Audit Committee, which is important.

In terms of other independent review, we're reviewed annually. Our comprehensive annual financial statement report is reviewed by the Government Finance Officers Association, the GFOA, each year. And in terms internally, please know that our Division Head, which happens to be Frank in audit, is -- are all civil service employees. All the accountants, all the auditors we have are all civil service employees. We have 11 CPAs, 20 in the Department. They are subject annually to AICPA independent standards and they meet them. And they also have to meet and continue their education per New York State requirements, especially regarding professional ethics. The entire

Audit staff is also subject to continuing education requirements in accordance with GAS, Government Auditing Standards.

Of course, in terms of spending money and signing off on vouchers, the Budget Office of the County Exec is another safeguard in the system. And, I mean, if it ever has to be -- because this whole process this year, this whole proposal is not about Joe, it's not about Angie, it's not about Treasurer, Comptroller, what's more important, it's about a good government. It's about a -- it's not even a Republican or Democrat thing, it's what's good for the County's financial structure down the road. And you have to know that the whistle-blower protection, which is part of Section 71 of the County Code, you know, reinforces that, and is there to protect anyone that would weed out any kind of irregularity these days. And, also, the process was reinforced by SOP, by SOP 10.

In terms of the new -- of a new consolidated department, if this comes to pass, if it's the will of this Legislature and the will of the voters, the new organization chart that I gave you a little while ago, we would have -- the changes we would make is the reconciliation of bank accounts, now being done in the Treasurer's Office, would be performed by the Audit Division independent of Cash Management Division. We think that's a stronger control. Submission of other departmental bank account reconciliations to the Audit Division will be mandatory, again, spreading and segregating, having auditors have daily and weekly input into the process and oversight, which is not there now.

And, also, the Hotel/Motel tax compliant would be enhanced, as it would now be performed by trained auditors under the Executive Director of Audit.

In closing, I believe that this is an idea whose time has come. I mean, sooner or later -- you've heard this has been floating around for 20, 25 years. Sooner or later, with taxpayers wanting leaner and meaner and less burdensome government, this is -- it's going to happen.

The last time this was introduced back in 2006, I believe, we enjoyed as a County. We enjoyed more cash than we knew what to do with it. We had a 155 million dollar surplus in '06 and again in '07. As you know, I just sent you financial systems about a month-and-a-half, two months ago which shows the end of '12, not with a 155 million dollar surplus, but, ironically, 155 million dollar deficit. And it's all our Budget Office projections that if things aren't done in the future, by the end of '14, we will be looking at a 250 million dollar deficit at the end of '14.

So times of -- the time has come. Times have changed since '06 and '07. We experienced, you know, the worst economic down-cline since the Great Depression. And it's all of our jobs to look for ways to consolidate and to make government leaner and meaner and run more efficiently and be streamlined. Consolidating improves efficiency. It improves streamlining government, and it also induces recurring savings, and this consolidation, I believe, will accomplish that.

We can effectively -- the bottom line is -- accountants like to talk about bottom lines. We can effectively oversee a new consolidated department, if that's what's the will of this Legislature. And we will oversee the transition January 1st, if that's your will again, and we will make sure that whoever the CFO is, taking in -- running for the election in November of '14, and taking this thing over in '15, that it's in place and that the new department will be up and running for that person.

And I thank you for the opportunity to be here before you, and if anyone has any questions, I or my staff will be happy to do our best to try to answer them.

D.P.O. HORSLEY:

Thank you very much, Mr. Comptroller. I just have a quick one first, and then I'm going to turn it over to my colleagues.

I have heard conflicting reports from the rating agencies or their response to the elimination of the Treasurer's Office over the years. Sometimes they seem to be for it, sometimes I'm hearing they're against it. Has that -- has that been brought forth to the rating agencies on their opinion on where we are with this elimination?

MR. SAWICKI:

It is my understanding that Richard Tortora of Capital Markets Advisors, our financial advisor, reached out to each of the -- of Suffolk County's analysts, in Moody's, Standard and Poor's and Fitch, and that's what gave him the information and the documentation to put in his memo to the County Executive, which you have a copy of.

D.P.O. HORSLEY:

Right. So what you're saying is that the rating agencies are, at this point in time, looking at this issue and have said that they feel it is a positive move for the County?

MR. SAWICKI:

I believe. It's pretty -- it should be right in that memo. Wayne, I don't have it right in front of me; excuse me, Legislator Horsley.

D.P.O. HORSLEY:

I'm just looking to put this on the record.

MR. SAWICKI:

Yeah. Based -- for instance, Lindsay Wilhelm of Standard and Poor's noted that, quote, "Anything that can save the County money on a recurring basis will be looked upon favorably."

Karen Wagner at Fitch stated that her firm is fairly neutral on the issue, but added that anything that helps efficiency in government is good. She further stated that anything that saves the County money would also be good.

These aren't my words, these are words, again, repeated and documented by Rich Tortora.

D.P.O. HORSLEY:

Okay. So, certainly, what you're saying is that according to the rating agencies, we're not going to get hit over the head by -- if this move moves forward.

MR. SAWICKI:

The -- oh, I left out -- I'm sorry, I left out Moody's. In Moody's, Rob Weber commented that if consolidation of the two offices by Suffolk County will result in Suffolk's governing structure more closely resembling that of other counties in the state, the move would be credit neutral at worst. Mr. Weber added that as long as the ability of the County to produce a timely audit and provide other government services in a competent and timely manner is not adversely affected, the move will likely be well received by the agency.

D.P.O. HORSLEY:

I think that's the on-point question that I was asking about. Okay. Legislator D'Amaro, I believe you're first up.

LEG. D'AMARO:

Comptroller Sawicki, good morning -- good afternoon, rather. Nice to see you. Thank you for coming down. I had a few questions.

What we're, in effect, doing is we're taking an existing department of County government, which you head, the Comptroller's Office, and we're taking another existing department and we're putting it under your jurisdiction and control. And I'm looking at your presentation here, and you've provided us this morning with some overlap, where the two offices perhaps have duplicative or overlapping functions, and I want to ask you a little bit about the administration of the two separate offices, and I want to focus specifically on the Budget Review Office report that I received over the weekend, and that's dated June 19th, 2013 from Dr. Lipp, and it's directed to the Presiding Officer.

There's a couple of conclusions or statements in there that I'd like for you to address this afternoon, if you wouldn't mind. The first -- I don't know if you have a copy of that report in front of you, but if not, I'll read you what I'm concerned about, is on Page 5. The report says, "On the surface, eliminating the Treasurer, two Deputies an Assistant and Secretary could be accomplished, as these functions would be absorbed by the consolidated departments. However, this conclusion is predicated on the assumption that the positions being eliminated are entirely duplicative." And I think that's a valid point. In other words, it's one thing to say I have no doubt that you will be managing a new department, and I have no doubt that there is some duplication between these two departments presently. However, if some of the positions that are being eliminated are doing functions that your office is not currently doing, how are you going to be able to handle that in your office?

MR. SAWICKI:

Legislator D'Amaro, I was hoping that the proposed organization chart will help -- you know, will help kind of explain that and put that up, but we would -- we would envision having one of my Deputies, my Second Deputy basically have an office, which there already is a satellite office of ours in Riverhead, who would oversee the Riverhead functions, which would be Cash Management and Real Property Tax Collections.

LEG. D'AMARO:

Right, and that's indicated on the chart in the red. So that's -- those are two new divisions, if you will, that are being brought over to -- under the Chief Financial Officer, headed by a Deputy, an existing Deputy CFO. Okay.

MR. SAWICKI:

Correct.

LEG. D'AMARO:

But those are functions that were not previously part of your office.

MR. SAWICKI:

Correct.

LEG. D'AMARO:

And what I'm concerned about is how much -- you know, can you spread the oversight so thin that it's not effective? And that's my concern.

The Budget Review Office report, and I don't want to take a lot of time on this, but it does say -- it says, "Our concern is that current low staffing levels could make it challenging to avoid a reduction in service." It said, "It's unclear whether two Deputies and one Department Head can provide sufficient oversight for their expanded roles without compromising operations." I know you would share the same concern. After all, at the end of the day, we need to deliver services efficiently to the public, that's what we're here to do. It gives me a little bit of concern, though, when I see my Budget Office saying to me that it's unclear whether or not there's sufficient oversight without compromising operations, and I was wondering if you could speak to that. If you will, project -- you know, it's now January 1, you're running these offices, both functions, both departments. How are

we going to provide the oversight necessary that's presently being provided in the Treasurer's Office and not compromise at the end of the day delivery of services?

MR. SAWICKI:

We feel, Legislator D'Amaro, that the -- in the Accounting Services Division, who would be -- which would be run by Brenda Sloan, she's been with the County 20 years. She's responsible for our financial statements, overseeing all of the financial end and the appropriations. We feel as though a person like her as a professional would literally need very little, if not -- if not no supervision. That would free up the Second Deputy that I have to really focus on Real Property Tax Division and the Cash Management Division. Cash Management, if at all -- if everything works out, we would move to consolidate and streamline. We would move some of Cash Management -- of course, you don't know this exactly until you walk in the office and the office is consolidated come January. And, as you and I spoke of last week, you know, through that -- the budget deliberations, we could iron out as to what would be -- at least in the beginning, what would be the appropriate personnel to have in charge. But a lot of -- I believe that Cash Management would be best served in the County if it was consolidated and streamlined and moved to Hauppauge to form -- to be under actually one unit, if you will.

LEG. D'AMARO:

Okay. So then going to the next area, which was the safeguards that are being put in place, I mean, I think a general concern, we heard it from the public here all morning as well, and a concern that I have, is you have someone presently who is responsible for revenue, and I think you stated it in your comments as well, and then yourself, you're more responsible for the expenditures and auditing function. Are you comfortable with combining those functions into one office?

MR. SAWICKI:

Absolutely.

LEG. D'AMARO:

Okay.

MR. SAWICKI:

Absolutely.

LEG. D'AMARO:

Can you tell me why?

MR. SAWICKI:

We didn't -- you know, we didn't make this in a vacuum, if you will. We think we did all the due diligence that we had to by consulting with Ernst and Young, by consulting with the credit rating agencies, by consulting with several other accounting firms. And Legislator D'Amaro, we feel, though -- we feel that the line supervisors, like in Cash Management, the Chief Financial Analyst, in Real Property, the Tax History Supervisor, the Executive Director, each of the line supervisors are very proficient, whether they're in the Treasurer's Office or my office, they're very proficient, very professional, and they need very little supervision because they are professionals.

LEG. D'AMARO:

So you feel, based on your --

MR. SAWICKI:

They'll continue to do -- I'm sorry. They'll continue to do those very same functions.

LEG. D'AMARO:

Okay. So based on that and how you've now set up the new department, or how you see it or

envision it after January, if it's approved, you feel that there is sufficient separation? And I think that goes to the segregation of duties. You've presented custody, approval and reporting, where there will be sufficient safeguards in this new office to make sure that there's no conflict between the different -- the very sensitive, you know, handling-the-cash kind of operations between -- there's no conflict between those operations within one office?

MR. SAWICKI:

Exactly. And that's why we were more interested in Ernst and Young's analysis and evaluation of our proposal, and we wanted them -- and we bounced -- you know, worst case scenario, give us -- what do we need to make this thing work, if it can work.

So we approached this at the very beginning with a lot of scepticism. And we thought, you know, if this is going to work, if it's going, you know be -- you know, be good for Suffolk County, show me -- and I challenged my staff, show me how, and this is the -- this is the end result of that study.

LEG. D'AMARO:

Okay. The County's financial advisor, Capital Markets Advisors, who I believe you referred to, said that consolidation should not have an impact on the County's credit rating, as long as there are no negative consequences such as a reduction in services or an inability to meet important deadlines. And that goes to my first point again, that, yeah, we're not going to affect our bond rating or our credit rating, provided we do not spread ourselves so thin that we're somehow not providing the level of supervision that's needed to keep the office running efficiently and to deliver services, because if we hit that point, then it can affect our bond rating.

MR. SAWICKI:

I agree, Legislator D'Amaro. But, again, we studied this as extensively as possible. And, you know, we -- whether it's the Treasurer's Office or my office, it's like we have great line item supervisors, and they take their jobs very seriously, they have a lot of responsibility, and I do not believe at all that services will be impaired in any way, shape, form or manner.

LEG. D'AMARO:

Now I appreciate that. And now I know it's difficult to project, you know, the personnel that you ultimately need, but, after all, we are making a decision today based on the assumption that you're going to be -- we are going to be eliminating five positions. And it would make no sense to me going forward that if we go ahead and do this, eliminate five positions, and it turns out six months into next year we need four positions back, well, you know, that's a different debate. I'm not saying it shouldn't happen or it should happen, but that's a different debate. Are you confident with the personnel that are supposed to be transferred to you, that that is sufficient personnel to perform all the functions at the same level that the Treasurer is performing them today?

MR. SAWICKI:

Yes, we are, sir.

LEG. D'AMARO:

Okay.

MR. SAWICKI:

Because the Administration would be -- would not be there, but the same line item individual units doing the work would now be answerable to different supervisors in the Comptroller's Office, and the same structure and hierarchy would still remain in place for those individual units and the work will get done.

LEG. D'AMARO:

Okay. I don't want to take up any more time. I appreciate your answers to my questions. I have many more, but we have committees, we have debates still coming up. This is really just the public hearing today. I thank you and I thank Comptroller Sawicki.

MR. SAWICKI:

Legislator D'Amaro, all -- you know, for -- whenever this ultimately comes for a vote, please feel free to give me -- or anyone, please feel free to give us a call, or whatever, any questions, because you're right, we'd be --

LEG. D'AMARO:

Okay.

MR. SAWICKI:

Could be here a long time.

LEG. D'AMARO:

I appreciate that.

D.P.O. HORSLEY:

Okay. Thank you, Legislator D'Amaro. Legislator Anker.

LEG. ANKER:

Again, thank you for being here. This is a lot to take in. You know, it almost borders on micromanaging in trying to really understand what the functions are, and we just want to know that this is going to work. And I think in the report, this has been done in other counties. What were those counties and how does that compare in population to Suffolk County?

MR. SAWICKI:

Rather than go county by county, Ms. Anker --

LEG. ANKER:

Just a few examples.

MR. SAWICKI:

Yeah. The attachment of which Capital Markets provided, which would be in your packet also, the back page gives -- lists 21 charter counties from Albany, and it shows the population. It doesn't show the budget of each one, but from Albany through Westchester. I don't know if you have it. Again, it's attached to Capital Markets Advisors' memo to the County Executive. And they did the research, and you'll see that the breakout of which counties have an appointed versus elected. Some have an elected and an appointed, some have just one. And so I think this will be -- you know, this will be -- and, also, if you notice the footnotes in the bottom, which is not Rich Tortora's -- Rich Tortora's quotes, they are attributed to the different sources. One would be the New York State Local Government Handbook about many charter counties have dropped the Office of the Treasurer and incorporated its functions with those of a Director of Finance. They also -- they also quoted another source adopting and amending county charters. New York State Department of State Revised 2009, quote, the Office of the Treasurer may be abolished by Charter, and many counties have done so, assigning duties to a Department of Finance and Administration or to an elected Comptroller.

LEG. ANKER:

So this wouldn't be recreating the wheel. It's been done, you're following a similar format.

MR. SAWICKI:

Yes.

LEG. ANKER:

Again, there's a lot of questions here. I just want to -- also wanted to let you know, I appreciate you breaking down the department functions and staff allocations. I know that was a long weekend for you. But, again, this is -- it's important for us to know to make sure that moving forward, it will work, it will function, and that's what -- you know, that's important.

As far as -- just one last question -- technology, how will technology affect this consolidation? And you mentioned streamlining. You know, every year that goes by, it seems like technology creates a way to move things faster, better, more efficient. Just briefly, how will that affect this consolidation?

MR. SAWICKI:

Well, as we move -- as the County moves forward, as I mentioned earlier, with our IFMS System, Integrated Financial Management System, there'll be another upgrade to come in. And whatever upgrades are made for internal controls and internal checkpoints, if you will, for lack of a better term, those computer safeguards or those computer internal controls are literally audited annually by Ernst and Young, and for when we -- when we bring in the new IFMS upgrade, which is about six or eight months from now, that, too, will undergo the same kind of scrutiny, because the entire financial structures of ours and anywhere else in the world right now relies so much, so heavily on computers and controls.

LEG. ANKER:

Thank you.

*(*The following testimony was taken & transcribed by
Alison Mahoney - Court Reporter*)*

D.P.O. HORSLEY:

Thank you very much, Legislator Anker. Legislator Spencer.

LEG. SPENCER:

Thank you. Thanks, Joe, for being here. I had a couple of questions with regards to -- I understand the looking at a potential or current savings. Has there been any estimates in terms of the actual one-time cost of the consolidation?

MR. SAWICKI:

Not to my knowledge. You mean for like moving and everything in 2014 if this comes to pass?

LEG. SPENCER:

Yes.

MR. SAWICKI:

I would imagine they will be minimal, Doctor, because -- unless it's just simply moving expenses, you know, from Riverhead for office staff and computers, that kind of thing, you know, from Riverhead to Hauppauge.

LEG. SPENCER:

And my second question relates -- I appreciate the analysis that -- and definitely, you're very well respected. I think from the standpoint of hearing and seeing the operation in the Treasurer's Office where it used to be a much larger department and now seeing it working with 40 employees and using a lot of interns. I think in terms of making the analysis, it seems that because of the fact that it is running almost at a bare bones level of staff, that a lot of the administrators are involved in the

day-to-day. So I guess looking at it from the outside and then having -- you know, for instance, the person that you mentioned that would maybe have a satellite office over there. One, they currently have responsibilities, and I'm assuming that you have a very efficient office and they're very busy, and then they're going to be walking in and picking up the jobs of managers that are doing a lot of day-to-day. And I just wanted your thoughts on that.

MR. SAWICKI:

We don't -- you know, in this structure, in this organization chart, Doctor, we don't envision a lot of new -- a lot of new responsibility to the on-line supervisors. We feel as though that can stay the same. I mean, that's kind of like the -- that's kind of like the real benefit of consolidation. Because in each one of these units, I don't mean to be redundant, but for each one of these units, in the Treasurer's Office or our office, the people are professional. Alone we have 40, we have 40 accountants in our office, 20 of them are CPA's; they take their work seriously and they do a great job for us. I mean, I'd be lying to you if I told you I did all this stuff myself; it's impossible, we all know it's impossible for us to do stuff yourself. You have to have a great staff behind you. But what's key here is that it's the administrative costs that are saved in the consolidation of the two departments. I envision that everything else would stay basically the same. And the key for us is to make sure it's segregated properly, to ensure that the internal controls are strengthened.

LEG. SPENCER:

I appreciate that answer. And when you look at the -- besides the physical act of moving, but -- and I can only speak to this from the standpoint of switching up my office a few years ago to an electronic medical record and how to plan in terms of how I would do it. And I said, "*Well, my patients won't suffer any loss. I'll be able to continue to keep up that volume.*" And boy, it was just one of the most painful things I ever did in terms of just seeing my production decrease over several weeks or months. And I think that just as you look at the actual act of consolidation, if there's any backlog -- has any thought been given to would there be a slow-down of services, would there be a backlog of services? And then also could that be looked at unfavorably by -- because that was also alluded in our BRO report, that if there was a slow-down or a backlog, that that could also have a negative impact on our bond.

MR. SAWICKI:

I don't believe the -- I don't believe any of the services would be delayed, and I think it would only -- in the financial reporting area, in the cash management area, I think that would be strengthened. Cash flow area certainly would be strengthened, you know, the work involving debt service schedule would be strengthened. When I say strengthened, I mean streamlined. And in terms of the tax collections out in Riverhead, I believe they would stay the same.

LEG. SPENCER:

Thank you very much. I appreciate your answers. Thank you.

MR. SAWICKI:

Thanks, Doctor.

D.P.O. HORSLEY:

Thank you very much, Legislator Spencer. Just a note to those who are in the audience. If you happen to be here for the committee meetings that are scheduled this afternoon, whether it be Vets & Seniors or the Environmental Committee, they will be held immediately after this public hearing concludes. Okay? So hang in there, and our apologies for the delays. Legislator Cilmi.

LEG. CILMI:

Thanks very much, Mr. Chairman. Joe, thanks for being here and for your presentation. Let me say, first of all, that in the relatively short time that you and I have known each other, I've had the utmost respect for you. And let me apologize in advance if any of my questions seem at all

disrespectful, they're not meant to be. But this is a very significant proposal that's being made by the County Executive and, quite frankly, I think it stinks of politics.

Some years ago, and you alluded to that time, you came out and said that this was not a good idea. So I guess my first question to you is, is this a good idea or is it not a good idea? And furthermore, is it an idea that may not be a good idea but it's necessitated by our budget challenges.

MR. SAWICKI:

I believe both, Legislator Cilmi. And don't worry about me being offended. You and I have been around the circle here for quite a while.

LEG. CILMI:

I appreciate that. Thank you.

MR. SAWICKI:

The political arena you and I are in all lends itself to no apology, but thank you, I appreciate that.

I do think it's a good idea, Tom, and that's, you know, why we put so much effort into this analysis. And I didn't do this myself, that's why I wanted my top staff in each of my areas to do this for me. But -- and I know I opposed this in the past; I mean, you know, the minutes are clear, my public testimony is clear. But the world -- I'm not an economist by any stretch of the imagination, but we all know the world has economically changed greatly in the last five or six years. The last five years we've seen the worst economic decline since The Great Depression. What was unthinkable five years ago or undesirable, that's all changed. I think we have to rethink everything. And in this day and age, when we're looking at a \$150 million deficit at the end of '12, and possibly \$250 million, I mean, some unfathomable number for the end of '14, I think we have to look at it -- you know, leave no stone unturned in terms of resolving a situation.

I'm still sensitive about the remarks I made. And I still -- right upfront I want to be with you, Tom, that when I said in the past that I couldn't audit myself, and that's what I feared six years ago or eight years ago, that's still true today. But I feel confident that with Ernst & Young overlooking our shoulder on an annual basis, or whatever audit firm it is, and the fact that they report to the joint Audit Committee, not to me, I think that's a huge control right there.

Also one of my reasons for opposing it in the past, Tom, is the last time this was floated, it was floated by County Executive Steve Levy. And you knew -- we all knew that we had our problems and issues with the County Executive in terms of filling vacancies. One of the -- one of the statements I made in my testimony was that I was concerned about not having the proper staff to do the job of a consolidated department, especially in the beginning when you oversaw a transition. And we all knew how County Executive Levy was stingy, for lack of a better word, in signing the SCIN forms. You assisted, you and the Legislature assisted myself, Tom Spota, Judy Pascale, Angie and Sheriff DeMarco in the new County-wide hiring law. So therefore, I know that we can fill with any budget limitations the Legislature gives us, we -- I can fill the positions as needed.

LEG. CILMI:

So while --

MR. SAWICKI:

So that's kind of disappeared as well.

LEG. CILMI:

So while you didn't think it was a good idea back then, you think that your judgment may have been clouded by our -- by the abundance of money back then, or by the fact that it was Steve Levy that was proposing it, or what exactly? Why was it a bad idea then but it's a good idea now? I'm just a

little confused.

MR. SAWICKI:

As I just answered you, Legislator Cilmi, I think times have changed and we have to rethink everything now.

LEG. CILMI:

Okay, fair enough.

You talked about having some concern about staffing in your department and having necessary resources to accomplish the variety of things that the Comptroller's Office needs to accomplish. And by the way, by the way, I would suggest that your chart on page two of your presentation does a gross injustice to the full breadth of functions that not only your office performs but the Treasurer's Office performs as well. I think it really shortchanges each of you, because I think you do quite a bit more than what you have sort of outlined here.

But be that as it may, you suggested you were concerned about staffing. I want to call your attention -- I did a quick search, while you were talking, in my computer here to find audits that I received from your department, from your office this year. And I just found three very quickly; one of which is an audit of the Police Department's Property Section, another is an audit of the Department of Public Works, Direct Cost Report; another is the audit of Capital Project No. 3008 for the New Replacement Correctional Facility in Yaphank. And while these audit reports all came to us in June of this year, one of them was for an audit period of 2009 through May of 2010, another was for an audit period ending on November 8th of 2011, and another was for an audit period from project inspection through December 31st, 2010. So we're now three years or so hence and we're just receiving these audits now. Do you maintain that you have proper staffing now in order to accomplish the jobs that you've been -- the functions that you're charged with performing now?

MR. SAWICKI:

If the Legislature and the budget would like to give me another ten auditors or 20 auditors, I would love to have more auditors to do more audits. A lot of the audits that we do come out older because of other pressing issues and we prioritize them. I mean, quite honestly, Tom, as you know, when I have a request from any Legislator, I try to put that right on top of the pile and get that done, and that often involves taking staff from an ongoing audit and moving it into the top of the pile.

LEG. CILMI:

So how long would you expect that we would have to wait for audits once this consolidation takes place?

MR. SAWICKI:

It would all depend on each individual audit, Tom.

LEG. CILMI:

Okay, fair enough.

You talked about elected Treasurers and elected Comptrollers and things of that nature. How many counties in New York State actually have Comptrollers; do you know?

MR. SAWICKI:

I believe it's eight.

LEG. CILMI:

Eight. What do the other counties do?

MR. SAWICKI:

Eight elected Comptrollers.

LEG. CILMI:

Eight elected Comptrollers. And what do the other counties do?

MS. CAPOBIANCO:

Nine.

MR. SAWICKI:

Is it nine?

LEG. CILMI:

Nine?

MR. SAWICKI:

I'm corrected, it's nine.

LEG. CILMI:

What do the other 50 plus counties do?

MR. SAWICKI:

It's my understanding that there's a combination of a Comptroller and a Treasurer -- rather an appointed Treasurer, it may be just an appointed Treasurer, it may be just an elected Treasurer or maybe just an elected Comptroller. I do not have a break down --

LEG. CILMI:

But there are nine that have Comptrollers.

MR. SAWICKI:

I do not -- elected Comptrollers. And the only reason I know that number is because there's a County -- there's a Statewide Elected Comptrollers Association.

LEG. CILMI:

Okay. I'm wondering how many have Comptrollers that aren't elected. And I'm sure there are some of them that are so small that they have outside firms do their audits.

MR. SAWICKI:

I do not know, but I have that information, I'd be more than happy to provide it to you if you'd like. We did some research a long time ago.

LEG. CILMI:

Okay.

MR. SAWICKI:

Amongst the 62 counties.

LEG. CILMI:

There seemed to have been some misinformation out there about the number of Treasurers and the number of elected Treasurers that are in Suffolk -- throughout New York State.

MR. SAWICKI:

I think the key is, Legislator Cilmi, that how -- the question was how many counties just have one financial officer, whether you call it a Treasurer, a Comptroller, it really doesn't matter, just the one

financial officer or the chief financial officer of that County.

LEG. CILMI:

I'm just curious as to whether or not you've had any conversations with the County Executive's Office as to why the Comptroller? Why would he choose the Comptroller's Office? Or it's actually not just the Comptroller's Office. Why would he choose you specifically as opposed to Treasurer Carpenter to run this newly created department?

MR. SAWICKI:

Actually, you know, Legislator Cilmi, you'd have to ask the County Executive that.

LEG. CILMI:

Okay.

MR. SAWICKI:

But keep in mind that it was Presiding Officer Lindsay that stepped in and amended the original version; I don't know if there was ever an original version filed. But when the original proposal came out by the County Executive, as you probably are aware, he wanted to appoint, he wanted the Legislature to confirm an appointee for '14, for 2014.

LEG. CILMI:

Uh-huh.

MR. SAWICKI:

I made it abundantly clear to the County Executive that that would go against the will of the people, that having an independent fiscal watchdog elected by the people is critical and that I -- and that no one could be an appointee of the County Executive, confirmed by the Legislature, to do the proper job as the fiscal watchdog. So we had that conversation and then Legislator Lindsay made the change in the legislation, so that's the extent that I know it.

LEG. CILMI:

Okay. Paul Sabatino, earlier in his remarks, talked about your role as Comptroller being largely departmentally focused or programmatically focused; do you agree with that?

MR. SAWICKI:

I do not know how he defines programmatically.

LEG. CILMI:

He seemed to insinuate that, you know, the fact that you may not have audited the Treasurer's Office, for example, you know, may not -- may not, you know, mean anything. Or the fact that now you have -- that we have a proposal that would combine your office and the Treasurer's functions in the context of losing some oversight, that there would be no difference, because you don't typically audit the Treasurer's Office per se, you audit the departments within the County; do you agree with that?

MR. SAWICKI:

Somewhat.

LEG. CILMI:

Do you feel like your department has any responsibility to audit the Treasurer's Office or the Sheriff's Department or the District Attorney's Office in terms of their expenditures and the operations of their offices?

MR. SAWICKI:

The -- that was a whole bunch of questions in one, Legislator Cilmi. But in terms of auditing the Treasurer's Office, we rely annually on Ernst & Young because it's a cash type of audit. With resources stretched as they are in auditing, if I can rely on Ernst & Young or another outside firm to look at one area, why should we go in and duplicate our resources and audit the Treasurer when every year our independent auditor looks at the Treasurer? So that's a policy call that I make because why duplicate or triplicate resources?

In terms of auditing the Sheriff, we conduct -- as you know, we've conducted -- which the report should be out very -- within weeks. The military reserve, military reserve buy-back program of the County, which involved the Police Department, the Sheriff's Office, you mentioned the Sheriff's. And in terms of the Sheriff's, we audit their -- what's that's called?

MS. COPABIANCO:

Commissary.

MR. SAWICKI:

Commissary account. So we do the best we can with the resources that we have.

LEG. CILMI:

Okay. I have one last question. This whole proposal was born from a Performance Management report. Apparently Performance Management, in all of their rhetoric about data-driven decision making, took no time to actually engage with the Treasurer's Office in terms of their functions and how they perform those functions. My question is did Performance Management spend any time in your office?

MR. SAWICKI:

They spent time with my staff, yes.

LEG. CILMI:

They did. Okay. Thank you very much. I appreciate it.

MR. SAWICKI:

And for the record, Presiding Officer Horsley?

D.P.O. HORSLEY:

Yes?

MR. SAWICKI:

Twenty -- my staff just handed me a note that of the 57 counties in the State, 29 of 57 have one financial officer. But I have no breakdown of size or budget or any population, but 29 out of 57 have only one financial officer.

D.P.O. HORSLEY:

So are we concluding that the remaining ones have two?

LEG. CILMI:

And I would, if I may --

MR. SAWICKI:

Yes, either an elected and an appointed or -- we're the only County out of 57 or 62 that have two electeds.

D.P.O. HORSLEY:

I see. Okay.

MR. SAWICKI:

But the remaining, out of 57, so about half.

LEG. CILMI:

So 29 you said?

MR. SAWICKI:

Twenty-nine out of 57, that's what my staff tells me.

LEG. CILMI:

So I would be curious as to know of those 29, how many of them rely on outside firms to audit their County, you know, their government?

MR. SAWICKI:

Keep in mind -- that I can't answer. But keep in mind, Legislator Cilmi, that under this scenario, my Audit Division remains wholly intact, operating like they currently do. This would not impair or impact their --

LEG. CILMI:

We would all hope. Thanks.

D.P.O. HORSLEY:

Okay. All righty. Thank you very much, Legislator Cilmi. Legislator Stern.

LEG. STERN:

My questions were asked and answered. Thank you.

D.P.O. HORSLEY:

Thank you very much, Legislator Stern. Legislator Nowick.

LEG. NOWICK:

Hello, Joe. Let me -- I just have two questions, but let me just say something right at the beginning. Certainly your department has an excellent reputation with you at the helm, and Christina Capobianco as well. And I know all you do and I don't want -- as Legislator Cilmi said, I don't want this in any way to reflect how your department is and how I feel about it.

But my two questions. I was a little confused. Are there seven positions or five positions being done away with by this resolution? Or is it three? I don't know, did it change today? I wasn't sure and I'm trying to find it in the legislation. And if anybody knows that, maybe, Joe, you know that.

LEG. KENNEDY:

Robert.

LEG. NOWICK:

Robert, maybe you can tell me that.

MR. LIPP:

We looked at -- during this public hearing, we looked briefly at the amended copy and it appears that there will be five positions eliminated.

LEG. NOWICK:

Five positions. Now --

MR. LIPP:

That's my understanding from reading the resolution.

LEG. NOWICK:

Okay. That changed just recently, just in the past few days, or how did that work?

MR. LIPP:

I believe the original resolution didn't speak to eliminating specific positions, but the fiscal impact implied -- well, it stated that there would be seven positions.

LEG. NOWICK:

But --

MR. LIPP:

The original, when the original --

LEG. NOWICK:

Seven. But Robert -- but now is it five?

MR. LIPP:

Well, that's my understanding. The County Executive staff could better speak to it, but from reviewing it myself, the first resolution didn't speak to it but the fiscal impact did say seven. This resolution appears to be eliminating five positions.

LEG. NOWICK:

Well, then maybe I should ask you, Robert, or maybe if the Comptroller knows the answer; what then would this consolidation save per year?

MR. LIPP:

Well, since it's the County Executive's resolution, I mean, I could speak to it, but I think that they would -- they should be doing the fiscal impact and then we would be reviewing it.

D.P.O. HORSLEY:

Right. They're -- frankly, they're in the building, we could ask them later on once we're done with the Comptroller.

LEG. NOWICK:

Yeah, I think that's very important. How much are we saving? Is it yearly?

D.P.O. HORSLEY:

Yeah, I think it's a fair question. I know that they're here, so.

LEG. NOWICK:

Right, right, exactly.

D.P.O. HORSLEY:

We could ask them that question after the conclusion of Ms. Carpenter.

LEG. NOWICK:

Okay, that would be fine. And Budget Review will be there as well.

MR. LIPP:

I think another way to look at it, too, is, as Legislator D'Amaro spoke earlier, that this will be vetted out in committee also, this is just a public hearing.

LEG. NOWICK:

Okay. And just one question to the Comptroller. Joe, I know you say it's the rule of the Legislature whether to consolidate or not, but I guess what you really mean, it's the will of the people because you're talking about referendum.

MR. SAWICKI:

Correct.

LEG. NOWICK:

I don't know how to gently put this. Do you think that when people are going into the voting booth and voting on a referendum, do you think that this would be easy for them to understand? What I mean is the Comptroller's Office does one thing, the Treasurer's Office, and I think we've all gotten educated here today because we're listening to both sides. Do you feel it would be clear enough to people to vote? I will -- I'm going to say intelligently, but I don't mean to say that people don't vote intelligently. I know sometimes I read these referendums and I say, "*What are they talking about?*" Do you think this is clear enough for them to understand?

MR. SAWICKI:

I think, Legislator Nowick, that -- yes, I do, I do, because I have faith in our voters.

LEG. NOWICK:

That's good. Okay.

MR. SAWICKI:

I really do. And hopefully, if they had any questions, they could call their Legislator who would be able to explain both sides of the issue to them.

LEG. NOWICK:

No, because sometimes I know people go into the voting booths and have no idea this referendum is going on and they're about to pull the lever and nobody is understanding, and I just wanted to know your take on that. I am going to yield because I know that there's a meeting coming and I know that Treasurer Carpenter wants to come up, so thank you.

MR. SAWICKI:

Legislator Horsley, also part of my presentation, I don't know when you want to hear him in order, would be Randy Nelson from Ernst & Young, because I would imagine there would be questions and we would want to hear from our -- the County's independent firm. So whenever --

D.P.O. HORSLEY:

It's going to be --

MR. SAWICKI:

Whenever you deem it necessary for Mr. Nelson.

D.P.O. HORSLEY:

Okay. Yeah, it might be -- that might be more germane to the committee. What do you think?

LEG. CALARCO:

If I may, Mr. Chair?

D.P.O. HORSLEY:

Yes.

LEG. CALARCO:

As the Chair of the Government Operations Committee, which this will be coming through, should this public hearing be closed today, I'm certainly going to invite both Comptroller Sawicki, Treasurer Carpenter --

D.P.O. HORSLEY:

And Earnst & Young.

LEG. CALARCO:

-- and anybody else, Ernst & Young to be there to provide us comments at that time as well as answer any questions we may have.

D.P.O. HORSLEY:

Do the rest of you feel the same way, you're good with that? Ernst & Young? You feel that it's going to help your decision later? Okay, we'll do that. Is that all right?

MR. SAWICKI:

Except I know that Mr. Nelson made a -- I asked him to be available for any questions. Don't forget, he's attending today at the request of Legislator Lindsay. So maybe a two minute statement from him might be --

D.P.O. HORSLEY:

A two minute statement without questions? But I still have several people that would like to ask you questions as well, Joe.

MR. SAWICKI:

Okay. I just don't want to ignore him.

D.P.O. HORSLEY:

Thank you. I appreciate that. Legislator Browning.

LEG. BROWNING:

I think Tom pretty much asked most of the questions. But, you know, we sat here and listened to a lot of testimony about checks and balances. And when I look at the chart here with the Chief Financial Officer and, you know, the assistant and the Deputies; they all answer to the Chief Financial Officer, and I think that's one of the concerns and questions. And I want to go back to the resolution that we passed here to allow you to hire staff as needed. But as you know, there is a clause in there that says if there's a fiscal emergency, that you will not be able to hire. And I think that has prevented you from doing any hiring, I believe under the past administration and this one. We've been talking about it for quite some time. So don't be looking to hire anybody any time soon.

But I want to take Joe Sawicki out of this, I want to take Angie Carpenter out of this, because I know you and I respect both of you very much. I have no doubt, with you being the Chief Financial Officer, that you will do a tremendous job and I can trust you a hundred percent. But I want to talk about moving forward when there's no Joe Sawicki and no Angie Carpenter; that's one of my biggest concerns, is are we sure that this is the right move? We have to make a decision based on the policy. Is this good policy? Is this the right decision, or are we just making a decision here today because it's pure politics? And I don't know that I'd necessarily have a level of confidence that when Joe Sawicki is not around and Angie Carpenter is not around, that someday we're going to read about some scandal in Suffolk County because there was no checks and balances. Can you tell me how I should be comfortable with that?

MR. SAWICKI:

First off, Legislator Browning, and thank you for the accolades; I hope I live up to those.

LEG. BROWNING:

Well, and again, I'm not going to be a Legislator for much longer, I'm going to be a taxpayer, though, forever.

MR. SAWICKI:

That's good.

*(*Laughter*)*

LEG. BROWNING:

Until I die.

*(*Laughter*)*

MR. SAWICKI:

The framework of this will survive all of us. And the fact that the safeguards are built in that I delineated earlier, the outside auditor on an annual basis, I mean, these are things that will continue to be done. And when you look at the other counties that have done it across the State, it's -- I just think it's -- it's inevitable. I mean, when other County Executives have tried to do it over the last 20 years, things were a whole lot better for us. But now that we're trying to save every penny we can and still have an efficient operation, I have no fear that this will remain in place and be strong and all the internal controls safeguarded.

LEG. BROWNING:

Okay. I'm not sure I'm convinced yet, though. However, there supposedly was five (*sic*) titles that were being eliminated and now it's been reduced to five. Do you have a list of those titles? Have you been provided with a list? Because I know I haven't and I don't know if anybody else here has.

MR. SAWICKI:

I do not, Legislator Browning. But it's our understanding, when we initially looked at this, that the savings would come -- would be as a result -- the bulk of the savings would be administrative costs, and that's where -- so it wasn't a political -- let me assure you, it was not a political analysis by us. I never really viewed this as a political issue. It's like it's been around for, you know, so long, okay, now this is going to get serious. And when Bill Lindsay asked me to take a look at it, that's why we did what we did.

LEG. BROWNING:

Because the amendment in the bill, and maybe Angie can answer it because obviously it's her department, because the bill does say non -- you know, bargaining unit employees will not be included in the elimination, and since Friday I've learned that four of them are bargaining unit employees. So maybe Angie -- the Performance Management Team, I don't know if any of them are here right now, but again, they have yet to give us -- and I think it would be nice to have had that in the bill, what those titles are that are being eliminated. You know, again, I thought on Friday only two were AME members, now I'm hearing that four of them are. So again, we don't have all the information to make a decision today either.

D.P.O. HORSLEY:

Okay.

LEG. BROWNING:

So maybe we can get some help from Angie.

D.P.O. HORSLEY:

Yeah, and we'll also be able to get that during the hearing as well.

Okay. Joe, I'm going to make a ruling here on Ernst & Young. I'm going to ask that you push them off until the committee hearing. And I appreciate it, we've got to move along here. Legislator Barraga, real quickly.

LEG. BARRAGA:

Just a very quick question before I ask Mr. Sawicki. Dr. Lipp, over the weekend when I had a chance to read your analysis of this consolidation, I think I am quoting it correctly, that you felt that there would be a monetary savings, but you had concern about the reduction in personnel as to whether or not the services would be continued that the Treasurer's Office currently provides; is that correct?

MR. LIPP:

Correct.

LEG. BARRAGA:

Thank you. Mr. Sawicki, if this referendum passes in November and you take over in January, is there any doubt in your mind that you can continue to provide the services that the current Treasurer's Office provides to the constituents of Suffolk County?

MR. SAWICKI:

No, sir.

LEG. BARRAGA:

Thank you.

D.P.O. HORSLEY:

Thank you, Mr. Barraga. Mr. Kennedy, fairly quickly, please, so we can get Ms. Carpenter up here.

LEG. KENNEDY:

All right, Mr. Deputy Presiding Officer. Let me see what I can do to try to look at it from a -- what type of a perspective? Twelve years you've been doing this, Joe, right?

MR. SAWICKI:

Eleven.

LEG. KENNEDY:

Eleven years, okay. So it's going to be 12. I had a chance to read the BRO audit report or recommendations from '06 and I look at what the BRO recommendations are that we're at here now, and I don't know what's changed so much in the two different -- in the offices' functions. BRO came to a very clear conclusion in '06, that they felt that the consolidation and the savings of the four or five positions, which then in that report I think came up to a \$470,000 savings; not a million dollar savings at all. It was an expense that really put the separation and the overall control at great risk. Now we're looking at something where, you know, we're talking about the fact that I guess three, four, five years ago the hard look has changed. What is so different today from where we were then? Anything? It didn't seem to make sense in '06; why in '06, if it didn't make sense, does it seem to make sense today?

LEG. CALARCO:

Tom asked this already.

LEG. KENNEDY:

Or maybe I'm asking you, you're here with the office that's affected; can you articulate the logic, or is it really the Exec that's got to do that?

MR. SAWICKI:

Are you asking me, John?

LEG. KENNEDY:

I am.

MR. SAWICKI:

Oh, I'm sorry. I thought that was a BRO report, I thought it was directed at Robert Lipp.

LEG. KENNEDY:

It was, but you've seen both. I have to assume that you're familiar with both reports.

MR. SAWICKI:

Not intimately.

LEG. KENNEDY:

Okay, you didn't get a chance to see them.

MR. SAWICKI:

Robert -- I'd rather have you ask the questions of Dr. Lipp since he was the author of -- him and his staff were the author of the report.

LEG. KENNEDY:

He wrote them, yes, and he was involved in both and I know that. But I guess what I'm asking you is do you concur or you disagree? Today where you sit here now, do you think that things have changed so much in six years that what didn't seem to be warranted then, now all of a sudden makes a tremendous amount of sense?

MR. SAWICKI:

As I pointed out in my earlier statements, yes.

LEG. KENNEDY:

And why?

MR. SAWICKI:

For the sake of redundancy, as I answered Legislator Cilmi.

LEG. KENNEDY:

I apologize, I did have to step out, as I announced to everybody, so I did not get to hear all of the back and forth with Tom, with Legislator Cilmi.

MR. SAWICKI:

Do you want me to go into it again?

LEG. KENNEDY:

Don't give me the whole -- you know, give me the back of the napkin, in a nutshell. What, in your opinion, seems to make sense for this now when it didn't make sense in '06?

MR. SAWICKI:

In '06 and '07 we ran consecutive surpluses of \$155 million each year. As you know, we issued a report several months ago showing that '12 ended in a \$155 million deficit; '14 is going to -- under all projections, '14 is going to end at a \$250 million surplus --

MS. CAPOBIANCO:

Deficit.

D.P.O. HORSLEY:

Deficit.

MR. SAWICKI:

Right, deficit; I wish it was a \$250 million surplus. I think you all do, too. We could go home, right? And every -- I cannot, as the Comptroller, leave any stone unturned, especially as one who's promulgated and suggested ways to this Legislature --

LEG. KENNEDY:

Yes, you have.

MR. SAWICKI:

-- and other levels of government over the years on how to save money.

LEG. KENNEDY:

Uh-huh.

MR. SAWICKI:

I think this fits in as one of them. And one of the concerns I had back in '06 why this couldn't work was because of the former County Executive's policy and practices on hiring, and that's why the Legislature and you helped us adopt the County-wide hiring law. I know the budget constraints and the fiscal declarations are still a part of that and we're still constrained by that, but what may have been unthinkable, six years ago, before we entered into almost another Great Depression, we have to reconsider and rethink these days.

LEG. KENNEDY:

I appreciate that perspective. And as a matter of fact, yes, that is a stark contrast. But taxpayer money is taxpayer money, be it surplus or deficit, we're all stewards of it and we're all supposed to watch it, whether we have pluses or minuses. And to date, with the new Administration, the purported consolidations have not resulted in any reduction in personnel no matter what department you look at, be it across the street where I sit or be it over in the 12th -- the Dennison Building, Economic Development. So this -- it's almost like, you know, what's at the end of the rainbow. Gee, we're going to see some savings there and it never materializes. The functions for you, the functions for the Treasurer, very ongoing, important, necessary and compelling functions, and without the bodies the functions don't get done.

I just -- I admire you for looking at this with a hard look to attempt to try to articulate a way that it would work. From a policy perspective, I remain unconvinced. And especially with the fact that we saw significant changes only four or five hours ago. You did your PowerPoint and you did your due diligence, as did everybody else, and yet we have a whole new set of circumstances before us. It's -- I find it somewhat surreal that we're having this public hearing on a new set of information, facts put before us just at this point. But nevertheless, I think I am done.

D.P.O. HORSLEY:

Okay. I think we're speechifying at this point.

LEG. KENNEDY:

No, no, no, but I'll yield.

D.P.O. HORSLEY:

Okay. We've got plenty of time to speechify. Legislator Gregory, real quickly and then we're going to ask the Comptroller to step off the platform.

LEG. GREGORY:

Real quickly. And I only want to ask because my question is really towards Ernst & Young since they won't be here, and I'm not sure I'll be able to make the committee meeting on Thursday should this hearing be closed.

One of my major concerns, I stated it publicly I think in Newsday, I stated it to the County Executive and his people, is the separation and the checks and balances with this whole consolidation. So I'm just going to ask you straight; from your professional opinion, because I'm not an accountant, I'm not a financial professional, do you feel comfortable with keeping the safeguards of the public trust with this internal controls? From being a separate elected Treasurer to pretty much an external auditor, whether it be Ernst & Young and whoever. Do you feel is it equivalent, similar, are those safeguards there?

MR. SAWICKI:

Legislator Gregory, if I may, if it's okay with the Presiding Officer or the Chair, could Randy Nelson, Mr. Nelson come up and address that question? Because you've -- I'd be just redundant again. If he could just hear it from his voice, his words?

D.P.O. HORSLEY:

Mr. Gregory, are you asking for that?

LEG. GREGORY:

No, I thought you could answer it.

MR. SAWICKI:

I mean, he's our independent auditor that looks at us and looks at our operation and --

D.P.O. HORSLEY:

We're going to find out in-depth what our outside auditors are going to be doing during the week.

MR. SAWICKI:

Let me --

D.P.O. HORSLEY:

Legislator Gregory --

LEG. GREGORY:

Do you feel comfortable --

D.P.O. HORSLEY:

Mr. Cilmi now wants to have -- ask a question, too, so.

LEG. GREGORY:

Do you feel comfortable --

D.P.O. HORSLEY:

And I'm trying to wrap this up.

MR. SAWICKI:

Yes, I do.

LEG. GREGORY:

Well, you'll be on the hook. Instead of having two separate people, you'll be responsible, so you'll have to be, you know, accountable, held accountable by the public, and you're up for election next year, for this consolidation that the public feel comfortable that there are safeguards in place to protect the public's money. Do you feel -- do you feel that you have the wherewithal within your department to handle that responsibility with the adequate safeguards in place?

MR. SAWICKI:

Yes, absolutely.

LEG. GREGORY:

Okay.

MR. SAWICKI:

And if I just may, I don't know if you want me to read Ernst & Young's couple of paragraphs here about the assurances they have with the system? And I'm not up for reelection next year.

LEG. GREGORY:

Well, whoever.

MR. SAWICKI:

Yeah, whoever, exactly.

LEG. GREGORY:

Okay.

D.P.O. HORSLEY:

Okay? Thank you. I'm sorry to push --

LEG. GREGORY:

I'll read the letter. It's in the letter, in the packet.

MR. SAWICKI:

The last two paragraphs.

D.P.O. HORSLEY:

Legislator Cilmi's got a real last question and then --

LEG. CILMI:

Joe, could you just reiterate for me. You started off your presentation by listing, I think it was three different reasons why you think that we should move forward with this. One of them I think was streamlining; you had them written down somewhere there. Do you --

MR. SAWICKI:

Streamlining, make more efficient and --

LEG. CILMI:

Okay.

MR. SAWICKI:

Streamline and make more efficient and realize recurring savings.

LEG. CILMI:

Okay. So you talked about consolidation as important and tough fiscal times. The -- I'm curious to know, is all consolidation good?

MR. SAWICKI:

That's too global a question, Tom.

LEG. CILMI:

Too broad?

MR. SAWICKI:

Yeah.

LEG. CILMI:

What would you say, then, let's say we were going to consolidate our Health Department and Department of Social Services, or let's say we wanted to consolidate our Sheriff's Department and our Police Department. Would you think that's a good idea?

MR. SAWICKI:

Tom, I cannot and I will not speak in the abstract.

LEG. CILMI:

Okay.

MR. SAWICKI:

I mean, I have to study any serious proposal that was out there.

LEG. CILMI:

Okay. Fair enough.

D.P.O. HORSLEY:

All right. Thank you very much, Legislator Cilmi.

Gang, I really appreciate you coming down here and spending this time with us. There's going to be a myriad of questions that are going to come up over the next week. We have the committee hearing as well as the meeting next Tuesday, of course if it's closed today. Alrighty? Thank you very much, and we appreciate it.

MR. SAWICKI:

Thank you, Ladies and Gentlemen.

D.P.O. HORSLEY:

Ms. Carpenter? Madam Treasurer, would you please come on up and address the Legislature? Angie, again, thank you for your patience.

MS. CARPENTER:

No problem. You will forgive me if I don't have a PowerPoint presentation. Unfortunately --

D.P.O. HORSLEY:

You're forgiven.

MS. CARPENTER:

Pardon me? Yeah. Well, it was sort of rhetorical. But we really didn't have the time, with my staff, to present a sophisticated PowerPoint, nor did I feel it appropriate to come down with a team of five

people. They're back there working. My Deputy has been back and forth on the phone with things that have come up at the office. And Christina Cooke, who heads up our Cash Management Unit, I asked her if she felt comfortable coming with me today in case there were any questions I didn't feel confident in asking, and I told her it was totally up to her and she agreed to be up here; as long as you don't make her talk (*laughter*).

But I'm going to -- I've been -- and bear with me because I've been -- you know, this is the first time I'm seeing a lot of this and scribbling notes all over the place, and only typed up some remarks early this morning. And one thing I would like to -- this doesn't stay down, right? You have to hold it?

MS. ORTIZ:

No, we're going to switch you up.

MS. CARPENTER:

Oh, okay. Thank you.

I want to just begin with a little quote: *"To tinker with the financial system that's in place that's already earned us high distinction in the nation and on Wall Street just makes no sense to me whatever, particularly when there is no documentation, no evidence that we could gain anything, any efficiencies by doing this. The separation of duties, of powers is extremely important in any corporate or public entity when you're talking finances. If the two offices were together and the Comptroller, one person, were to oversee both functions, how would you audit yourself? Right now I have the power and authority to audit the Treasurer. It's a dangerous situation when one has to audit themselves. Just imagine what that could lead to if the wrong person is in that position."* Very eloquent words, right? Suffolk County Comptroller Joe Sawicki, June, 2008. And there's a whole page of them and you can read them; 2006, 2008, he was adamantly against this, adamantly. And this Legislature asked some very tough questions and it really begs why the about-face.

And part of the reason was times have changed. We have to look at things differently now. Times have changed. They are a little bit worse, and that's precisely why we cannot do something as potentially catastrophic of putting the responsibility of the money in the hands of one person. And it's not about Joe Sawicki, it's not about Angie Carpenter, it almost isn't about Steve Bellone, almost. But it's about the future and setting the stage for the future and making sure that we protect, that we protect what's right for the residents of this County. And you, as elected officials, as I have that responsibility. You raised your hand -- and I said this last time -- you took an oath and you swore to do the right thing.

And I want to thank -- and I'm going to just go through some things that I wrote up -- the Legislators who took the time to visit the office and see what it is that we do. It is a difficult decision, understanding the vast scope of duties of both the Treasurer and the Comptroller and making an informed decision, difficult at best, absolutely impossible at the ballot box when a person would be faced with a proposition, which is why each and every one of you sitting there, collectively, representing the same residents of this County that I do, you need to make this decision. You need to make the decision based on the merits and not push it off to the residents, because you're elected to represent them.

If we stick to the merits, there's no other conclusion to render than to ascertain that this is wrong for Suffolk County, despite all the rhetoric, the buzz words and tell me that Performance Management Team was like an exercise in someone doing a college paper, told they had to fill 20 pages, big margins, double space and lots of words, lots of words. But at the end of day, this idea will not save taxpayers money but will actually end up costing due to more failed oversight and the very risky prospect of having the financial control and/or the power under one person. And you know what? That person would not be elected or chosen by the public to hold that super

department or to head that super department until January of 2015, then that person would have been elected. But right now, the way this resolution is drafted, that person, to be the head for one year, is the chosen head of that department, having been selected by the County Executive.

And purported savings, as was clearly stated in the Budget Review's report, full savings would not, not be realized until 2016. And how much are those savings? Nobody seems to know. How many positions? There were seven, there were five, there were three. Well, I hear now it's five.

And Legislator Browning, to your question, there are only three employees in the entire Department of Finance and Taxation that are not members of AME. So of those five positions, two are AME positions. Originally when it was seven positions, four would have been AME positions.

So now the Executive Branch would be hand-picking the very individual charged with oversight to audit; certainly a recipe for disaster. Despite claims to the contrary, checks and balances would be comprised.

And again, in the words of BRO who did their homework, they came to the Office of the finance -- Finance and Taxation, they came there and saw. They reviewed the workings of the department and their quote in their report was it would not be as thorough as the daily checks and balances that two separate departments would be able to perform on each other.

And yes, Audit & Control, some reference was thrown out there about the Hotel/Motel Tax. And if we had this new, combined super uber department, that now they can audit Hotel/Motel Tax. Well, you know what? They can do it now and they should have been doing it now. And the last time they did it? 2002, and that was only because this Legislative body, and I sat here when we were questioning the expenditures of the LICVB, we made that a side agreement to the resolution that they audit the Hotel/Motel Tax Program in the Treasurer's Office. So they can do that audit already. So we're going to turn the financial structure of this County upside down so maybe they'll do another audit eleven years later? It doesn't sound right, does it?

Fiscal mismanagement is a very real risk. And we've included some very real scenarios in your packet. One only has to read the papers. And you know, I just got the text message earlier, someone showed me, that the City of Miami, the SEC has come down on the City of Miami for mismanagement by their budget director. This is happening every day. In fact, I threw in. I made some photocopies, the Village of Old Field and their problems, fire departments, school districts, Enron, everybody left and right.

We are constantly being bombarded with tales of fiscal mismanagement. In addition to what I said with the school districts and the fire districts, LIPA, MTA. And in a recent audit by DiNapoli, he uncovered wrongdoings that were able to take place, and his quote was "*because of lax oversight,*" and we would have lax oversight. You can't have -- help but have it when you've got five less employees. Although I heard the Comptroller say that, well, he has the authority to hire, so if need be he would just hire. Well, then where are the savings if he's going to be hiring people? I hope he's not talking out of both sides of his mouth. And DiNapoli's quote when he issued his audit about this particular municipality; "*They learned a powerful lesson about what can happen when no one minds the store.*"

We certainly don't want to see this very type of lax oversight in Suffolk County. It's inevitable in this type of scenario, when you have diminished personnel, for this proposal calls for the elimination -- I have to change that because the bill was changed at quarter of ten this morning of seven positions, so now it's five, all who work and are dedicated to the fiscal integrity of Suffolk County and its taxpayers. BRO clearly summed it up by stating that they are concerned that "*The proposal to eliminate five positions*" -- I guess you're going to have to change that, Robert -- "*will have deleterious effects on service provision and, more importantly, financial management.*"

You know, the Administration and the Performance Management Team and many Legislators have been rightfully appalled that this group, not even one of them, did their due diligence and came to the department. You know something? If they had done that, we wouldn't be sitting here having this discussion today. We wouldn't be having this public hearing today because they could have never, ever arrived at that conclusion that obviously they were predetermined to render. They want us to believe that the rating agencies state that this would have no effect on our bond rating, but what they carefully say, and if you look at that letter carefully, is that they would look favorably on sustainable six-figure savings, okay, as long as there are no negative consequences such as reduction in services or an inability to meet important deadlines.

You know, the Comptroller talked about having a deputy, could slip the deputy into Riverhead and they would oversee cash management and they would oversee tax collections. I never heard anything about Hotel/Motel Tax, I never heard anything about the tax certioraris. Oh, by the way, last year, 16,861 I think is the exact number of challenges. And our department, the Department of Taxation and Finance, with supervisors in place -- yes, we have supervisors, we have deputies and a Treasurer that, guess what, we all work and we work carefully and closely. And sometimes it's down to opening up the envelope so that we get the checks out and processed and make sure we get them to the bank, or when the County was really on the balls of its you know what, the Deputy was running every hour on the hour down to the Cashier's Unit to see if any money had come in, because Christina had alerted us that we were in a dangerously close situation.

In fact, it was in 2009 that Christina -- and sometimes I shudder when she walks in because I know that maybe things aren't so good, because she watches. She and her team watch the bank accounts, over a hundred accounts every single day, every single penny, okay, and making sure the collateral agreements are in place. And no, we don't want letters of credit, which, you know what? That slipped into the bill. You don't want letters of credit, they're not as safe and secure. And there are other things that I haven't seen the new version, but beware of what's there. And it was Christina who raised the flag and said, *"You know, we're going to wind up really being in a tight situation in the Spring,"* based on when we do our borrowings and how much we had to pay back. And I convened a meeting, which I have done a number of times. The Treasurer convened the meeting, not the Chief Deputy in charge of budget for the County Executive, not the Budget Office, not the Comptroller, but it -- with all of their fancy cash flow projections that they do every month, it was the Treasurer's Office. And we called that meeting and I brought everybody together, and as I said, we've done it a number of times and I alerted them; Christina showed them, we laid it all out there. And one of their -- and I wouldn't embarrass anybody, but one of the members of the staff of the Comptroller's Office said, *"Yeah, maybe we might have to borrow 20 million next Spring."* Well, I thought Christina was going to like just fall over and she said, *"Twenty million? Maybe 220 million."* And they kind of mocked her and mocked us. Well, guess what? That Spring we borrowed 268 million. So who's really watching what's going on here? We are. And does that have something to do -- who asked that question about why did they pick the Comptroller to head this new super department instead of the Treasurer? You have to wonder.

When they talk about sustainable savings, and *"as long as there's no negative consequences, such a reduction in services or an inability to meet important deadlines"*, one of those examples would be the importance of timely payments being made on Capital Project borrowing. And it's the Treasurer's Office that developed the database and monitors the cash on over a thousand Capital Projects. And again, it's the cash that we monitor.

And BRO expressed some very real concerns in this area. They've rightfully concluded that the deputies are involved in more than supervising staff, because they came to see. *"A full range of duties being performed may be incompatible with this proposed merger. Individuals that are proposed to be laid off currently fulfill"*, and this is BRO's words, *"valuable functions"*. Okay? *"A Unified department in two locations, eliminating a Treasurer and Deputies, may not provide sufficient managerial oversight"*; again, BRO's words. *"The lack of hands-on oversight could lead to*

problems. The County could realize some monetary savings, but those savings may be at the expense of service provision," that if you remember, in the letter from Capital Market Advisors, they clearly say that would be the thing they would be concerned with.

And I called and spoke with two of the analysts from the rating agencies. I had met them when we traveled to Albany to the GFOA and they basically said the same thing, they're going to look favorably at anything that saves money, any sustainable savings. And we can, we can come up with sustainable savings. But I say to you, let us sit together. Let us work together.

I want to tell you, as God as my judge, when this County Executive was elected -- and yes, I ran against County Executive Steve Bellone and we were friends before and I felt we were friends after. The election is the election, you've all been through elections. I said to him, *"You won, I lost, but let me help you."* I care about this County. I sat behind that horseshoe for almost 13 years. I love this County and I want it to survive and succeed and be the County I know it can be. But we don't -- they talk about silos, they're creating the silos. Many, many times we find out around backdoor that a contract has been settled and we're going to have to come up with how many million, 20 million, 30 million, without bothering to say that this has happened. And they say, well, if we bring it together, we're going to be able to see the revenues better. Well, does part of the resolution include a crystal ball? Because that's the only way you're going to know some of this stuff that they're saying they're going to know if they combine the departments.

The rating agencies, in discussions with the financial advisor and myself, did state that the chief concern is that financial management not be comprised. Well, how can you not compromise financial management if you're taking three of the administration out of there? And the Comptroller made some statement about that, and hopefully when I get to my notes I'll find it. But by reducing staff below the level needed to sustain operations, we're now a dangerously low level. And to exacerbate the situation with the potential of maybe saving money that is considerably less than spent on Performance Management Team? That's risky venture. We never had a Performance Management Team up until a year and a half ago. And there would be some savings, because to me a team that makes a report like this that doesn't come out, even send one person to see what we're doing.

I know that we're witnessing, too, a long and sustained debate on the Island about bringing gambling to Long Island, but I don't think this is a bet that anybody wants to take. The rating agencies do look with favorite sustainable savings, and one very real recommendation would be to cut back on the inordinate amount of consultants and political appointees, like the Performance Management Team. The names of the team reported in one of the papers, and I think I included that, too, not one of them came to the department, and how very sad but their salaries total over a million dollars.

We could also capture real sustainable savings if the number of audits performed by the Comptroller's Office would be increased to ferret out abuses. I mean, an incredible amount of County vendors that are receiving hundreds and hundreds of millions of taxpayers dollars. But then that department is short-staffed, yet they feel confident that they can assume the duties of the Department of Taxation and Finance? And you know what? I hope I'm not sounding insulting, but I just can't resist; they need to count better. Maybe this false sense of security comes from the fact that in their recent financial report issued about a week ago, they show that as of year-end, December, 2012, that we had 54 employees in our department. Well, last year -- and if you look at the budget, which I think is a more accurate document -- we had 44. And as I sit here today, we have 42 on the books, two are out long-term, I'm not sure what's happening with those two. But if they count the money the way they count the number of employees, this County would be doomed if this Legislature allows this ill-conceived plan to go forward.

There was some reference about payroll, that IT will be able to leverage resources and print payroll. Well, we're printing the payroll at the request of IT, and we've been doing it about a year without assuming any new employees. I guess we were able to leverage our resources.

As far as Munis is concerned, they're talking about that we're going to be able to shift 200,000 or 250 or 225, that's another moving target, back to -- save that money because they want to host it in IT. Well, let me tell you how we got there, for those of you who didn't come to the office. After two years of study and discussions, and there were many meetings with IT and also the Steering Committee, the decision was made to go forward because IT could not support Munis. Munis maintains the integrity of the 585,000 taxable parcels in this County. When Tax Receivers like Receiver Bivona close their books on the 31st of May and they send their records to the County, we have to load all of those files and we have to make sure that everything she talked about to the penny. Last week we spent two days literally finding a penny. It has to be accurate.

We are tax history. We maintain the accuracy of all of these records for the County back to the beginning of the County. So they made the decision to go forward with this because they couldn't sustain us. When we loaded the files, they asked us to please do it on the weekends and at night. Well, the ten town Tax Receivers don't want to work nights and weekends so that they could be there if questions arise when something happens when you're loading the system. So it kind of did make sense, but eventually they agreed. In fact, then Commissioner Gary Quinn worked with the vendor, because it was altering the contract that we had in place, and he really beat them up and got a really good deal for us. And they took that \$225,000, moved it from their budget to our budget, because that was the amount. And they're saying that, you know what? We can shift it back because of the current enterprise technology. Now, is that the \$5 million that this Legislature was asked to approve to spend? So we're going to spend five million to maybe, maybe push back a couple of hundred thousand? It sounds like a shell game, or maybe smoke and mirrors at best. And I think something in today's Newsday reports there may have been something amiss in that process. That's the very kind of thing that should be uncovered by the Comptroller's Office. Something is definitely amiss.

You know, with the report, there were -- facts were ignored, mistruths, you know, whether it was Hotel/Motel, whether they were saying that there was no State Treasurer. Well, there is a State Treasurer. I spoke with the State Treasurer, she's been the State Treasurer for the last 12 years. The reports said that they had -- in 1926 the Governor reorganized State government and eliminated the Treasurer and shifted those duties to the Office of Audit and Control headed by the Comptroller. And when I spoke to Tom DiNapoli and I asked him about it, he said, "Of course we have a Treasurer." I said, "Really?" He said, "Yes, she's in our building." I said, "Oh. Well, then she's part of your staff?" He said, "Absolutely not. She has her own suite of offices, she answers to the Commissioner of Taxation and Finance." They have that separation. And I called and spoke with her. Lovely woman and she went over her duties very, very much like what we do in our Department of Treasurer -- you know, of Finance and Taxation.

But you know something? At the end of the day, the decision is in your hands. The elected representatives of our taxpaying Suffolk County residents. And you know, they have enough on their plates fighting to stay here, as we heard some young people come forward. Basically they were reading off some of the things that we heard in the Performance Management Team Report, I found that interesting, but some of the things they were saying about being able to afford to stay here. I am so committed to that. I have a family and a grandchild and another one on the way, and I would die if they told me they couldn't afford to stay here anymore, and that's what we're all fighting for.

But does this Legislature really want the County Executive, whether it's this County Executive or any other County Executive, to have unfeathered -- unfettered access to all of the cash in Suffolk County? If this goes forward, whomever that County Executive is, whoever he or she may be, that's

exactly what's going to happen and with no oversight.

And when -- I want to touch on some of the points that Comptroller Sawicki made and some of the other speakers did. But when we talk about the referendum, you know, someone asked a question, can you really explain it and so forth? But I would say, in the interest of full disclosure, that that referendum should state that this is going to be an end around term limits for the Office of the Comptroller. And if the Comptroller doesn't feel that way, maybe he should step aside and not accept the opportunity to run for 12 more years. Because they're not, they're not eliminating the Comptroller's Office and eliminating the Treasurer's Office. Yes, they're bringing it into this new title, but you heard, they went to the Comptroller's Office, they didn't come to the Treasurer's Office. This is not a merger, this is a hostile takeover. This is nothing more than collapsing the Office of the Treasurer into that of the Comptroller, so clearly this new title will continue to be the Comptroller. And then instead of the 12 years that the voters of this County wanted for their elected officials in one position, this individual could have the potential of being there 24.

You know, the Comptroller talked about doing this analysis, and you wonder if they're able to move someone over to head up, you know, the cash management and the tax history, are they operating at full capacity? You know, do they have staff that is able to be slipped into additional duties? And these additional duties are going to come with five less employees.

And then we talked about IFMS. There's going to be an upgrade to the IFMS system. I mean, Budget Review can probably confirm this, but every time there's an upgrade to IFMS it's never an easy process. And now the IFMS upgrade would be coinciding with when we're going to collapse the Treasurer's Office, move people to Hauppauge and come on to a new Integrated Financial Management System; if that isn't a recipe for disaster, I don't know what is. And we should have comfort in the fact that the Audit Committee is there. They'll answer to the Audit Committee. Well, Audit Committee, you heard who's on the Audit Committee. Budget Review, when was the last time the Audit Committee met? Did we meet this year?

MR. LIPP:

No.

MS. CARPENTER:

Okay. Here we are July, the middle of July, almost August. The Audit Committee this year -- and the Legislature, when they developed the scenario of having an Audit Committee, wisely said, "We'll rotate Chairs. You don't want someone in one position too long." So every year there's a new Chair of the Audit Committee; this year the Chair is Comptroller Sawicki. And yet with this important, important venture facing us, did he convene a meeting of the Audit Committee and have the Audit Committee weigh in on this? Because nobody by the Performance Management Team, in consult with the County Comptroller, had any input into this.

D.P.O. HORSLEY:

Angie?

MS. CARPENTER:

And again, I say that if we had, we wouldn't be here having this discussion.

D.P.O. HORSLEY:

Angie, I don't mean to interrupt, but we've got a number of --

MS. CARPENTER:

But you interrupted.

D.P.O. HORSLEY:

I know, I'm sorry.

MS. CARPENTER:

Oh, okay.

D.P.O. HORSLEY:

But I'm being pressured as well. We have a number of people that may have to leave fairly soon and we want to make sure that they have their ability to get their questions in.

MS. CARPENTER:

Well, let me just touch on one or two things, and I'll really try to be quick.

D.P.O. HORSLEY:

Thank you.

MS. CARPENTER:

Counties across the State, the Comptroller said; Albany, Westchester. Well, he didn't mention Monroe. That was mentioned by the Performance Management Team, and there is something in your packet that shows the financially stressed counties in the State of New York, Monroe being at the top of the list. Westchester's not, though he talked about Westchester. Albany is; Albany is on one of those financially stressed lists. But Westchester, interestingly enough, delinquent taxes, and that's a big portion of what we do, are not collected by the County. Delinquent taxes in Westchester are collected by the towns, so there's a lesser duty there. So again, you have to compare apples to apples, and that's not what's been done here.

Again, you know, the times are changing and that's precisely why this is not a good thing to do, not in this short timeframe. And then when we talk about the money we're going to save, what do you think happens when these County employees, rightfully so, are going to have these expanded -- God bless you -- it's true, expanded duties. Are they not going to be asking for desk audits? Are they not going to be getting upgrades? Are they not going to be getting increases in their salaries because they're doing all of these extra duties? They absolutely will and they absolutely should. So you know what? There is no savings.

This is crisis management at its best. And I would say to you act in haste, repent in leisure. When you don't have those savings and then you have to explain to the voters why you turned the financial structure of this County upside down, for what? Two hundred thousand dollars? Three hundred thousand dollars, maybe? Until the Comptroller, or the Chief Financial Manager, starts filling new positions.

There was one of the speakers that came up, and I'm going to leave you with this. You're saying, "*Oh, thank God she's done,*" but I have to say that --

D.P.O. HORSLEY:

(Laughter) I'm sorry, I don't mean to --

MS. CARPENTER:

You laughed, I knew you would. You couldn't resist, Wayne. You're leaving, what do you care.

*(*Laughter*)*

D.P.O. HORSLEY:

(Laughter) Five minutes from now, maybe.

MS. CARPENTER:

But there was a gentleman that came up, and I don't remember who it was and I did take some notes, but he said that when you talk -- one of the speakers talked about, you know, well, Apple and Kraft and all these big corporations do this. Well, they have separate, independent audit committees that answer to the board only. There's a whole different structure in corporate America, but this is not corporate. We are dealing with the public's money, with taxpayer's dollars. And you know how that gentleman said, and don't forget this, "It's blood, sweat and tears money." People, the biggest purchase in their lives, their homes, and the biggest expense, probably, is their taxes and they're fighting to keep it. It's blood, sweat and tears money and that's what you're being asked to compromise. And I'm going to ask this Legislature to do the right thing and to recess this hearing. There are many speakers cards that were called, had to leave, this is Monday in July. Monday in July. Normally hearings, when are they held, Tuesdays at the Legislative meetings, not a special meeting in July. And yet this room was filled with people. And I think all would have to agree, even if you are totally opposite my opinion, that the vast majority of speakers were in favor of leaving well enough alone. If it ain't broke, don't fix it. I venture to guess there aren't any questions, but I would be happy to answer any.

D.P.O. HORSLEY:

Yes, there are questions, but we'll do them as quickly as we can.
Mr. D'Amaro.

LEG. D'AMARO:

Oh, sure. Thank you. Good afternoon.

MS. CARPENTER:

Hi.

LEG. D'AMARO:

Hello. And Angie, or I'm sorry, Madam Treasurer.

MS. CARPENTER:

No, Angie is fine.

LEG. D'AMARO:

As you know, I did take the time to visit your office. And I want to start off by commending you on what a remarkable job that you and the people that work in the Treasurer's Office do, and I know it's not easy with the staffing situation that we have these days in the County, nor is it for any other department.

I find it very interesting, though, that you initially were focusing on the same language that I was focusing on in the BRO report with -- when Comptroller Sawicki was up here just a few moments ago, and I'm a little distressed by what I'm reading in this report as well. It seems to me that I think your conclusion is right on, that what we're doing is we're taking an entire department, which happens to be yours, and folding it into the Comptroller's department, I agree with you on that. This is -- we're not eliminating any functions in the Comptroller's Department, we're just merely taking the Treasurer function and putting it under the auspices of a new manager, but those functions will now be combined. And the question I've been asking since the beginning is, you know, we can debate about checks and balances and the Comptroller can tell you about internal controls and independent audits and we can have all of that discussion, but as a practical matter, at the end of the day, are we going to be impacting the delivery of services.

MS. CARPENTER:

Absolutely.

LEG. D'AMARO:

That's what I'm concerned about.

MS. CARPENTER:

Absolutely, there's no question. And, you know, we didn't even talk about the land bank that this Legislature was involved in passing legislation, but we're administering that right now out of the office. All of the letters had to go out to all the property owners and anyone that had an interest in the property, they went out the beginning of July and now the phones are ringing off the hook. People want to talk to someone because of that letter.

LEG. D'AMARO:

Well, let me finish my thought.

MS. CARPENTER:

I'm sorry.

LEG. D'AMARO:

We're not saying that the staff will not be doing these functions anymore. What the proposal is stating is that you don't need two sets of administration because you're combining the two offices.

MS. CARPENTER:

No, no, that's not true. Because when I said the staff is, the staff that's going to be eliminated is, because the Deputies do work. They're not just supervising.

LEG. D'AMARO:

Right.

MS. CARPENTER:

The land bank letters, the Deputy worked on getting those letters out. And the calls that are coming in are going to the Deputy and the Chief Deputy and myself.

LEG. D'AMARO:

So what you're saying is the staff that is proposed to be eliminated is not just duplicative of, let's say, the management or supervisory, but it's also nuts and bolts.

MS. CARPENTER:

Absolutely.

LEG. D'AMARO:

In the trenches, working, processing in the various areas that you work to get things done for taxpayers and for residents.

MS. CARPENTER:

Down to the minutia of opening envelopes to pull out the checks, I swear to you.

LEG. D'AMARO:

So when the BRO report talks about even spreading too thin the supervision of the department, which could impact services, what you're saying is a step even further, that the positions and the individuals proposed to be eliminated, by virtue of elimination, when you move this department to the Comptroller's Office, you're going to have an immediate shortage of people power, if you will, in that office --

MS. CARPENTER:

Ten hands.

LEG. D'AMARO:

-- and you're not going to be able to do the same functions at the same rate that you're presently doing now.

MS. CARPENTER:

You said it very well, better than I. But I will give you one more concrete example. One of the positions is my secretary. Now, what does she do, send out press releases, do letters? No. She -- she does that, too, but she approves the paperwork that comes from -- and I know we took you down there where the tax grievance is, where that unit is and where there were the 16,000 plus grievances; before that goes to accounting for the final final check, there has to be one more check off to make sure that the figures are right. And Todd VanScoy who is in our Accounting Department, an accountant -- we do have professional people in the department. In fact, Christina did a presentation at New York State GFOA in Albany for 150 finance officers from across the State and guess what she talked about? Our cash flow, that we do, our cash flow system that we do that all of a sudden they think they can do better. But to answer your question, about the approvals, she does those approvals before they go to accounting. So that's another position, an AME member who will be eliminated.

LEG. D'AMARO:

Just in fairness to the Comptroller, he seemed to indicate that his office could absorb these functions and that he's familiar with these functions?

MS. CARPENTER:

In fairness to the Comptroller, I could understand where he might be able to feel comfortable saying that. But had he been there, had he seen -- you know, he might be liking it to when he was hanging out in the Comptroller's Office as a Deputy; times were very different then. Times were very different then. It was many, many years ago that he was in the Treasurer's Office, and maybe he's thinking it's like that. It's not like that anymore. The Deputies do work and they work very, very hard.

LEG. D'AMARO:

Do you agree that your office is less pol -- it's no policy making, it's more administrative; do you agree with that?

MS. CARPENTER:

No, I disagree.

LEG. D'AMARO:

Tell me why.

MS. CARPENTER:

I disagree. Because -- and that's a debate that, you know, I've had with Newsday. We do make decisions on, you know, working with the taxpayers who want to set up payment plans and making decisions all of the time. You know, sometimes it's a gut decision on whether or not to enter into a payment agreement with a particular taxpayer. Even with the Hotel/Motel Tax, I felt that it was the Treasurer's Office that pushed very, very hard to push to have that Motel Tax increased and I would push you guys again to take it from 3% to 5%, because that is a real, genuine revenue generator. And another policy that I am really going to work very hard to pushing is to see that we take the redemption and inventory units from Real Estate into the Treasurer's Office, because that would help facilitate some of the parcels that go to redemption, before they go to redemption, enabling us to collect those taxpayer dollars sooner if they were working with us on the front end. And I've had this discussion with some of the people in Real Estate, it is a real, viable, practical solution and something that would generate, conservatively, up to a half of million dollars a year, and that's sustainable.

LEG. D'AMARO:

And then finally I just want to ask you, the functions of the Treasurer's Office are vital. They're important. It's managing hard-earned taxpayer dollars, making sure they're all accounted for. This proposal would, similar to some other counties, merge the function of what we have as the Treasurer and the Comptroller and merge them together. We heard a lot of discussion today, even from the public, about checks and balances, concern about -- I think you read a statement even from the Comptroller --

MS. CARPENTER:

Uh-huh.

LEG. D'AMARO:

-- from a few years back that said how can you audit yourself. He's answered that by saying, well, times have changed, we need to think about -- things we wouldn't think about five years ago we would think about doing today. I don't necessarily disagree with that, but I'd like for you to just explain to me what you feel is the biggest risk with putting these two functions together from an oversight perspective or a checks and balances perspective.

MS. CARPENTER:

Well, first of all, the delivery of service is definitely going to be compromised. There is no way you can get around that when you have five less positions. And then the very, very basic, and I think you heard that the vast majority of speakers said, you can't have the fox guarding the hen house. You cannot have one person in charge of the money. Because I don't care how segregated you make those functions, who you give access to, who you don't give access to. At the end of the day, they all come and answer to that one Chief Financial Officer.

LEG. D'AMARO:

Uh-huh. Okay. Thank you for answering my questions.

D.P.O. HORSLEY:

Thank you very much, Mr. D'Amaro. Legislator Kennedy, it's got to be real quick, though, we're about -- we're winding this thing down. We've been here five, six hours now.

LEG. KENNEDY:

Thank you for that urgency there, Mr. Deputy Presiding Officer, but you know, I'm not going to rush something of this magnitude. And with the Treasurer here, I just wanted to bring out a couple of points, things that I don't know if it was even grasped. In addition to the many other things we've talked about, Madam Treasurer, there is a Trust & Agency function that your office performs. What's that about and what's the relevance, in the grand scheme of things here?

MS. CARPENTER:

Well, I'm going to ask Christina, because she's the one that deals directly with the accounts. But I know it is an account that is kind of sacrosanct or sacrosanct or what the word is. If you don't mind, Christina? I know we said we weren't going to put you on the spot, but if you wouldn't mind.

LEG. KENNEDY:

Just give me a quick summary, Christina. I -- you know, when I was out there I dealt with them, I know they come to you in many different forms. But nevertheless, it's an important function in the umbrella of County Governance, I believe; correct?

MS. COOKE:

Yes, that's correct. Trust & Agency monies, they're monies that we're the custodian of that's not County money, it's money that belongs to somebody else as an external party. For example, we collect all the bail money that's collected throughout all the precincts and the courts and we're the

custodian of that money until a case has resolved. We probably receive and distribute a couple of hundred tickets every week. It's a huge volume. It's a huge responsibility to keep track of all those records very accurately, whether there's a fee deducted, whether not. We get an enormous number of phone calls relating to the bail tickets that we have the custody of.

A couple of other areas of Trust & Agency that we're responsible for are, of course, mortgage tax monies that we receive from the County Clerk's Office, we're responsible for that; and determining the allocations and distributions to the towns and villages on a quarterly basis. Community Preservation Funds also come to us, we're responsible for allocating the interest earned on that account and as well as distributing it to the five East End towns. Those are probably the three biggest areas of Trust & Agency, we have some lesser accounts.

LEG. KENNEDY:

Court deposits from time to time?

MS. COOKE:

We have court actions, court and trust actions that we get from the County Clerk's Office on actions that we're responsible for keeping detailed records on, we have a database that does that. We also have some other lesser Trust & Agency accounts, but nonetheless it's monies that we're responsible for on behalf of someone else. They're off-budget items, obviously, but we have a responsibility for taking care of them.

LEG. KENNEDY:

So you have a fiduciary obligation when it comes to that, because as you stated, this is not money that's the proceeds of the County of Suffolk. But nevertheless, the Treasurer is charged with holding, collecting, holding, and distributing in the case of Mortgage Tax, after we authorize.

MS. COOKE:

Yes, that's correct.

LEG. KENNEDY:

Quite a bit different than some type of an audit function or Comptroller function which is something that's an external review.

The fiduciary aspect is significantly different.

MS. COOKE:

Yes.

LEG. KENNEDY:

Go back, if you will, for a second, Madam Treasurer, to the SCARPs.

It was a couple of years ago that you came to us when you were very concerned associated with the statutory interest?

MS. CARPENTER:

Actually, there's a chart in your folders that shows where the interest has gone and shows the amount of increase that we've, you know, experienced over the past couple of years particularly. And you know, when Legislator D'Amaro asked about policy, I remember, when I first got to the office, learning about the fact of -- that we were paying interest after 30-days, and on condos after 90-days. And the sheer volume of that, there's no way you're going to turn it around in 30-days or 90-days on a condo, not when you've got something like Leisure Village with 1400 units and five years back, so you're talking 7,000, 7,000 individual calculations. So I'm like, *"All right, so who decided it's 30-days or 90-days?"* And they said, *"Well, the Judge."* And I called the Judge and I said, *"Is this your unilateral decision that you could make this,"* and basically it was, and I pled the case and we had it increased. So our timeframes is increased to help diminish the amount of money

that we're having to pay out in interest.

And right now we're negotiating on the amount of time that we have to turn around condos, because it's 90-days and I told him I wanted 18-months, because I figure we'll bargain, you know. And if I can get it down to 12 or even nine months, it will be better than 90-days. So to that policy and to the SCARPs, you'll see it in the folder.

LEG. KENNEDY:

You know, we -- just in summary, then, I guess, you looked at this merger and your sense is this merger would be something that in the end would put the best interest of our County citizens at risk.

MS. CARPENTER:

Absolutely. But understand that when I looked at this merger, I looked at the Performance Management Team report, okay, and listened to this presentation that the Comptroller made for the first time this morning. Maybe there was something that could be done of a consolidation/merger fashion that would produce sustainable savings and wouldn't jeopardize our financial structure. But you don't do that, you know, in a vacuum. You have to involve all the players, which is why the bill that Legislator Kennedy has to create a commission to look at the County County-wide and include Budget Review, include the Budget Office, the way we did in the past. When you have an issue and you want to look at -- and yes, include the Performance Management Team, but you can't do it in those silos they seem to talk about from the Performance Management Team.

D.P.O. HORSLEY:

Okay. Mr. Kennedy, we have one more speaker to --

LEG. KENNEDY:

Last point, Mr. Chair, before you cut me off, because I still have the floor. Isn't it true, Madam Chair, Suffolk County has the largest number of tax map parcels in the whole State of New York; 585,000 of them. So all the compare and contrast we heard earlier, Westchester a radically different model; Monroe and Erie, only a couple of hundred thousand more parcels. You ultimately deal with the liens, the taking of the tax deeds and, in essence, the keeping of our inventory.

MS. CARPENTER:

Absolutely.

D.P.O. HORSLEY:

Okay, that's --

LEG. KENNEDY:

Okay.

D.P.O. HORSLEY:

Thank you very much. And I'm sorry, Mr. Kennedy. Mr. Cilmi, real quick, you get one question and then we're going to wrap this up.

LEG. NOWICK:

I have a question.

LEG. CILMI:

Legislator Nowick also has a question; just making sure. So I just -- Angie, I just need you to reiterate for me because I find this so beyond belief. The Performance Management Team has not spent an ounce of time in your office.

MS. CARPENTER:

No. In fact, there was something someone said to me or I saw it in writing, and I have to scour through everything and find it. There was some really nasty, negative comment made about -- from IT, I think it was, basically saying that we were very uncooperative in not giving information. And, you know, I asked Christina, I asked Jean, you know, I can't remember. And then, you know, it dawned on me, and maybe Mr. Lipp can corroborate it. They had asked about information on sales tax collections, and we are not privy to that. That is the State, okay? Maybe the Performance Management Team didn't realize that, but it is the State of New York that collects the sales tax and then they remit to us. And I called them and said that they would give permission, but only to one person, or one or two people, and I know that Robert was working on that. Do you remember talking about --

D.P.O. HORSLEY:

Robert, I'm not going to get into the sales tax at this time

LEG. CILMI:

Let me just cut you off there for a second. I just want to make this point. I think that it's so totally disgraceful that a Performance Management Team has professed data-driven decision making has not spent any time in your office. And the whole function of a Performance Management Team is to get into the weeds, get into the nuts and bolts of an operation, figure out how it works. What is the mission of the department? How is it accomplished currently? I don't buy the argument that if it's not broke don't fix it, I think everything can be fixed. I think everything can be improved, but you have to actually make an effort. And the fact that they have made absolutely no effort, aside from putting out some ridiculous report citing all kinds of erroneous facts, the fact that they have made no effort to get into your department and work with you, work with your employees. Put your employees together with the Comptroller's employees if they think that that's the best way to do it. Put you all together with IT and come to an informed conclusion as to whether or not this is a good idea. The fact that they have abrogated that responsibility is disgusting.

Applause

D.P.O. HORSLEY:

Thank you very much, Mr. Cilmi. Legislator Nowick, you're it, this is the last question.

LEG. NOWICK:

Well, you know my questions are always short.

D.P.O. HORSLEY:

I know that, and I appreciate that.

LEG. NOWICK:

Except for now. No, I'm kidding (*laughter*).

*(*Laughter*)*

Treasurer Carpenter, let me ask you a question about the -- I don't know if I'm calling this right, tax certioraris? Is that --

MS. CARPENTER:

Uh-huh.

LEG. NOWICK:

-- when you go to a Mark Lewis or grievance; is that what that is?

MS. CARPENTER:

Right.

LEG. NOWICK:

You said that 16,000 -- what is it?

MS. CARPENTER:

It was like 16,681 or three or something, I forget that last digit. But that was last year's number. We still haven't hit this year's number. And that's why --

LEG. NOWICK:

I'll just wait till you're done.

MS. CARPENTER:

-- when constituents call your office and they get, you know, the word from the company that did the grievance for them that they were successful, they call us up and expect a check, and we have to explain that there are a few people ahead of you, and we are absolutely scrupulous. And they will tell you in my office, I don't care who calls and I don't care who they know or who they don't know, and I had a close, personal friend call about two weeks ago and I said, "I'm sorry." It's just so much easier to make a rule and stick by the rule, and the rule is first in/first out, and we don't deviate.

LEG. NOWICK:

Having said that, did you say, did I hear you say that your secretary actually has to go over a lot of these?

MS. CARPENTER:

Yeah. She actually double checks the calculations before we send them down to accounting, just to have that extra set of eyes. And the gentleman in accounting, in fact, he said it in front of a number of the Legislators, he wants to make sure that when we're sending those checks out, that when we're sending those checks out that we are not sending one penny more than someone's entitled to. Because if we make an error and we send them an extra \$500, \$2,000, whatever the heck it is, try to get it back; it would be pretty tough.

LEG. NOWICK:

So is that position --

MS. CARPENTER:

Yes.

LEG. NOWICK:

-- of the secretary one that is being --

MS. CARPENTER:

Eliminated, yes.

LEG. NOWICK:

Would be eliminated.

MS. CARPENTER:

Yes. Yes.

LEG. NOWICK:

Now, what you didn't mention is that people that do apply for these tax grievances, when they get their answer from the tax grievance company, am I right in saying that they have to pay the tax

grievance company, but yet wait for the check from the Treasurer.

MS. CARPENTER:
Sometimes.

LEG. NOWICK:
So very often they're out 50% of the money they saved until they get it back.

MS. CARPENTER:
Right.

LEG. NOWICK:
Is that right?

MS. CARPENTER:
Depending on the company. You know, we cut the check generally to, unless a person has grieved individually, we cut the check to the company that, you know, did the grievance.

LEG. NOWICK:
Okay, just one last --

D.P.O. HORSLEY:
Okay, because --

LEG. NOWICK:
I have just one last question, I'm sorry. Dr. Lipp, just quickly. If this saves the County, I'm just going to do -- let's say 700,000, but I believe it's less because there are less people now being laid off. If it's -- all right, let's say \$600,000; what would that cost a taxpayer.

MR. LIPP:
Six hundred thousand would probably be in the neighborhood of a dollar per homeowner.

LEG. NOWICK:
So that would be less than ten cents a month per homeowner --

MR. LIPP:
Yes. Uh-huh.

LEG. NOWICK:
-- to join these two departments.

MR. LIPP:
Yes.

LEG. NOWICK:
That's the savings we're talking about?

MR. LIPP:
Well, if the 600,000 is a good number, yes.

LEG. NOWICK:
Thank you.

D.P.O. HORSLEY:

Okay, asked and answered.

Angie, thank you very much for being here. And I realize I'm rushing at this point in time, but we're losing members and we do appreciate you coming down. So what we'll do right now is we will entertain motions.

LEG. GREGORY:

Mr. Chair, I'll make a motion to close the public hearing.

D.P.O. HORSLEY:

There's a motion to close by Legislator Gregory. Do I have a second on the motion?

LEG. ANKER:

(Raised hand).

LEG. CILMI:

Motion to recess.

LEG. KENNEDY:

Second.

D.P.O. HORSLEY:

Legislator Anker seconds the motion. Legislator Cilmi makes a motion to recess, seconded by Legislator Kennedy. We have motions to close and we have motions to recess, both first and seconded. Okay? Motion to recess comes first; roll call vote.

LEG. MONTANO:

Wait, wait, wait. Can't we have a discussion on the motion?

LEG. CILMI:

Sure.

LEG. MONTANO:

Well, let's discuss it. I mean, I've been sitting here for so many hours listening.

D.P.O. HORSLEY:

Again, this is not -- this is just to close the public hearing.

LEG. MONTANO:

I understand.

D.P.O. HORSLEY:

We have other votes that we'll be taking up, we also have committees that we're --

LEG. CILMI:

On my motion to recess.

LEG. MONTANO:

I understand that, but there's a motion to recess. I'd like to --

LEG. CILMI:

I'll explain my reasoning for my motion to recess.

LEG. MONTANO:

Thank you.

LEG. CILMI:

First of all, the fact that we've gotten amendments to this resolution on Friday night at six o'clock and again this morning is extremely troubling to me. I think that the public and departments and everybody impacted by this resolution should have an opportunity to fully digest what the scope of those changes were, first of all.

Second of all, I'd like to speak with the Performance Management Team and ask them why they haven't come to the Treasurer's Office and done a review of their department and of their --

D.P.O. HORSLEY:

I'm sure Legislator Calarco will be glad to bring them to the hearing.

LEG. CALARCO:

We will.

LEG. CILMI:

But I think it's important in terms of the public hearing process. I think people need to hear why they've totally ignored the department and come forward with this grandiose proposal that they say is going to save so much money and make things more efficient.

Applause

LEG. MONTANO:

May I?

D.P.O. HORSLEY:

Well put, but they will have an opportunity to speak on Thursday. Yes, Legislator Montano.

LEG. MONTANO:

May I, to Legislator Cilmi, or actually to anyone. When -- just for my information, because we've been busy. I happen to agree with you in terms of the way this resolution and the amendments came forward, I expressed that earlier this morning. Do you know when this management team actually came out with their recommendation: Who knows that?

LEG. CILMI:

I don't have the date in front of me.

LEG. MONTANO:

How long; Angie?

MS. CARPENTER:

I do, because it's etched in my heart; June 13th.

LEG. MONTANO:

Of this year?

MS. CARPENTER:

Yes, a couple of weeks ago.

D.P.O. HORSLEY:

Okay?

LEG. MONTANO:

Have we not -- if I may, Angie.

MR. LIPP:

(Inaudible).

MS. CARPENTER:

But that's when they issued the report, June 13th. I'm sorry.

LEG. MONTANO:

No, I'm just -- you know what? I would just like to address you. We've been here all day and I'm very tired and I have some things to do, Angie. But, you know, I'm not necessarily against talking and having a conversation about consolidation. However, to make a decision in the timespan that I've had to consider it, with the schedule that I've been under is extremely disconcerting.

This has been talked about since 1993, I think. I've been here for ten years, it's been talked about for ten years. Even if this were a good idea, the best of ideas need to be vetted. I don't feel --

Applause

LEG. MONTANO:

No, don't clap, please, please. I'm tired and I want to go home. I don't feel that we've -- I've had a chance to fully vet the issues that come up as a result of this consolidation, the timetable in which we've been asked to consider it. This meeting -- what's gone on today to me is -- you know, I don't want to use too strong of words, but this has been a really bad day in terms of what this Legislature used to be. And I know that you were on the Legislature. As a woman, as a woman in the forefront of being involved in politics, I think -- you know, I don't want to insult anyone, but you were out there many years ago in a man's world, as a politician, people in my community have a lot of respect for you. You are a Republican, I am a Democrat, we disagree philosophically on a lot of issues, but we don't disagree with the amount of respect I have for you and the amount of respect that people in my community have for you. As a female office holder from the Town of Islip that I live in and that I represent, I think that this is not what we need to do at this point in time. Had it been properly put before us, I would probably have considered it much stronger than I have now, because I really don't have all the details.

You were here when I spoke to Paul Sabatino, and we always get into a row because it's just our nature, but the term limits aspect of what has gone on, you know that I've taken a strong, vocal position on that. I think that is something that concerns me. I don't like what's going on. You know, I could go on and on, Angie. But I think I know which way this vote is going to go. This was decided way before you got here. You've been talking to the wall, essentially. However, I just want you to know that I, in good conscience, am really -- I think someone used the word disgusted; was that you, Legislator Cilmi?

LEG. CILMI:

(Nodded head yes).

LEG. MONTANO:

I share that. This is not what I signed on for. You and I served together when I first got elected. To be put in a position to make a monumental decision under these circumstances, as a Legislator -- and you can see I'm losing my voice -- is really appalling. I would like to get my teeth into what these issues are, what the real savings are. Mr. Lipp, how much are the savings here?

MR. LIPP:

Well, understand that the fiscal impact is from the Executive; it was \$1.07 million, but that was based on seven positions.

LEG. MONTANO:

That's been changed as of --

MR. LIPP:

Right. So as I've said earlier, my preference would be to review their revised fiscal.

D.P.O. HORSLEY:

Which will be out before Thursday.

LEG. MONTANO:

Yeah, but we're not out of here yet. You know, if you would have let me out of here at a respectable hour, I wouldn't be speaking now.

Let me ask you this, Mr. Lipp. You mentioned earlier a figure of about \$600,000?

MR. LIPP:

That was Legislator Nowick's figure, she asked me what the property tax impact would be for 600,000.

LEG. MONTANO:

Okay. So let's assume that the --

D.P.O. HORSLEY:

We're debating -- we're debating a motion.

LEG. MONTANO:

Yeah and I'm speaking -- and I'm asking Mr. Lipp a question, on the motion, which we're entitled to do.

D.P.O. HORSLEY:

On the motion.

LEG. MONTANO:

Thank you. Mr. Lipp, let's assume, for argument's sake, that the figure is 600,000. I heard the Comptroller speak -- who, by the way, Joe and I go back 30 something years, so he is a friend and a colleague. But I heard him say that our deficit was somewhere in the nature of 150 projected now and possibly 250 projected in the next year; is that accurate?

MR. LIPP:

The 250 is based upon the presentation that my office did, along with the Executive's Budget Office, in March.

LEG. MONTANO:

All right. So if we took the 600,000 figure and divided it by the \$250 million projected budget, what percentage of savings are we talking about? I mean, I don't think my computer goes that low in terms of being de minimus. Maybe yours is a little more advanced than mine.

MR. LIPP:

I could do that. That would be zero point -- point zero, zero, zero two four percent (.00024%).

LEG. MONTANO:

Thank you.

*(*Laughter*)*

D.P.O. HORSLEY:

Thank you very much. Legislator D'Amaro, you're the last question before the call.

LEG. KENNEDY:

No, I'm on the second, Mr. DPO.

D.P.O. HORSLEY:

On the motion.

LEG. D'AMARO:

John, did you want to go?

LEG. KENNEDY:

Yes.

LEG. D'AMARO:

Go ahead.

LEG. KENNEDY:

Thank you. On the second to the motion to recess.

D.P.O. HORSLEY:

We already have that.

LEG. KENNEDY:

Why, yes, I did. As a matter of fact, I did second it, and let me explain why I did do that. Because I'll restate what I said this morning; the fact that we got an amended bill 15 minutes before this public hearing process started is offensive. It absolutely makes a mockery out of notice, and basic Constitutional due process rights.

It presumes that the world had an opportunity to come and address us, which is a sham. And as a matter of fact, as we've sat here and heard how this thing evolved and was cooked up in some -- anything other than basic, normal, governmental processes. It stinks. It's got nothing to do with giving the public to speak, it's about what we put before the public. And make no mistake about it, the vote to close this is the vote to get behind something that will diminish, undermine and leave Suffolk County in more fiscal chaos.

Applause

Now, Alan Schneider has just e-mailed me back, two AME positions will be eliminated by supporting this resolution. So don't let anybody around this horseshoe think that we're keeping AME members protected; we're not, we're doing in more of them. A vote to support that is a vote to layoff AME members. I think the only thing that we can do is recess this and let us at least get an opportunity to fully understand the implications.

Applause

D.P.O. HORSLEY:

Thank you very much, Mr. Kennedy. Legislator D'Amaro, last one.

LEG. D'AMARO:

Yeah, thank you. I just want to make the point that, you know, again, we're talking about recessing the public hearing or closing the public hearing. In my seven years, or over seven years of being here, we do not use this vote as a method to obtain an objective, whether you're for this bill or against this bill. We've heard the public out. In fact, this is probably the longest public hearing we've ever had on any single piece of legislation.

Look, bottom line is I am going to close. I am going to vote to close this public hearing, but it is not an indication of how I feel on the merits of that bill. We are supposed to still have that debate. It's going to take place in Legislator Calarco's committee. It's going to -- if it gets out of that committee, it's going to the full floor. There will be more opportunity to debate the merits of this proposal. But I am not going to say that we have not given the public an opportunity to speak. I think the amendments that took place this morning were simply changing the number of affected employees; that may even change once again, I don't know. That may change again. But as far as I'm concerned, the concept of what this bill speaks to, which is this proposed consolidation, has not changed by those amendments. And we've now had the public hearing, we've had the longest public hearing probably in the history of this Legislature.

LEG. MONTANO:

No, we haven't.

LEG. D'AMARO:

And voting to close this public hearing is not an indication of how any Legislator feels on the merits of this proposal. Thank you.

D.P.O. HORSLEY:

Except in chem trails. Legislator Krupski, that's it.

LEG. KRUPSKI:

On the motion, I just wanted to say that it has been a good debate. Unfortunately, a lot of it has taken a turn towards personalities. You know, and if you like the Treasurer then, you know, you think it's a bad idea; if you like the Comptroller, you think it's a good idea. I think we really have to get away from the personalities, look at the merits of this. You look at the size of government, you look at how government functions, that should be the debate. Not on who's doing a good job today, because it's not really about today.

D.P.O. HORSLEY:

Well put, and we do like both the Comptroller and the Treasurer.

LEG. MONTANO:

Could I respond to that, please? Yeah, shake your head all you want, but I want to respond.

Mr. Krupski, don't -- don't misinterpret the comments. You're right, it's not about personality. It is about the function of government. But my point, and I don't know if you -- I don't know if I expressed it to your satisfaction. But the point is that our function as a Legislature is to fully vet and understand what we are voting on. And to be given things at the last minute -- you know I feel the same way about the C of N's --

LEG. KRUPSKI:

Uh-huh.

LEG. MONTANO:

-- that we've talked about; this is the same thing in a different fashion. I don't like it, it's not what I signed on for. I like to make decisions not based on -- I know Angie and Joe, respect them both.

So I don't know if that comment was directed at me, I felt it was, but even if it's not --

LEG. KRUPSKI:

No, it wasn't.

LEG. MONTANO:

Understand, it has to do with the intellectual discourse. And we've had, Mr. D'Amaro, longer public hearings. We've had public hearings that have gone on for 20 hours.

LEG. D'AMARO:

Well, this certainly feels like 20 hours.

*(*Laughter*)*

LEG. MONTANO:

Well, I agree with you on that. And that's only done, in my opinion, to really take our eye off the ball. The ball here is -- it is process and it is procedure. And it is our role as Legislators, in my opinion, to make sure that we have sufficient time to study. And Legislator D'Amaro is right, you don't recess a public hearing as a way of blocking it, but you do recess the hearing when you want to hear more from the public. This is not a meeting that was ever on our calendar. We set our public hearings in January, the public had an opportunity to know when we were in session. Angie hit it on the head when she said, "Listen, if I didn't get the e-mail that we had to be here, I wouldn't be here." All right? And we saw a lot of people, but I don't think we saw the public here. The public doesn't even know we're here, they're out doing other things. And that's why I resent the fact that this is the timetable under which we have been asked to vote on this. And we know that if we don't close it, it doesn't get on the ballot, committee or no committee, and that's the real issue here. So let's not lose sight of that. And if those comments were directed at me, I just wanted to clarify them. I don't do things on personality, strictly business. Thank you.

D.P.O. HORSLEY:

Okay. Thank you very much, Mr. Montano. Roll call vote on motion to recess.

*(*Roll Called by Mr. Laube - Clerk of the Legislature*)*

LEG. CILMI:

Yes.

LEG. KENNEDY:

Yes.

LEG. KRUPSKI:

No.

LEG. SCHNEIDERMAN:

(Not Present).

LEG. BROWNING:

Yes.

LEG. MURATORE:

(Absent).

LEG. HAHN:

No.

LEG. ANKER:

No.

LEG. CALARCO:

No.

LEG. MONTANO:

Yes.

LEG. BARRAGA:

No.

LEG. NOWICK:

Yes.

LEG. GREGORY:

No.

LEG. STERN:

Nope.

LEG. D'AMARO:

No.

LEG. SPENCER:

No.

D.P.O. HORSLEY:

No.

P.O. LINDSAY:

(Absent).

MR. LAUBE:

Five.

D.P.O. HORSLEY:

Okay. Motion to close. Roll call.

*(*Roll Called by Mr. Laube - Clerk of the Legislature*)*

LEG. GREGORY:

Yes.

LEG. ANKER:

Yes.

LEG. KRUPSKI:

Yes.

LEG. SCHNEIDERMAN:

(Not Present).

LEG. BROWNING:
No.

LEG. MURATORE:
(Absent).

LEG. HAHN:
Yes.

LEG. CALARCO:
Yes.

LEG. MONTANO:
No.

LEG. CILMI:
No.

LEG. BARRAGA:
Yes.

LEG. KENNEDY:
No.

LEG. NOWICK:
No.

LEG. STERN:
Yes.

LEG. D'AMARO:
Yes.

LEG. SPENCER:
Yes.

D.P.O. HORSLEY:
Yes.

P.O. LINDSAY:
(Absent).

MR. LAUBE:
Ten.

D.P.O. HORSLEY:
All right, the motion passes to close.

And with no further business, we're adjourned. And now we do our committee meetings.

*(*The Public hearing was adjourned at 3:49 PM*)*