SUUFFOLK COUNTY LEGISLATURE

SPECIAL MEETING

THIRTEENTH DAY

November 4, 2015

MEETING HELD AT THE WILLIAM H. ROGERS LEGISLATURE BUILDING

IN THE ROSE Y. CARACAPPA LEGISLATIVE AUDITORIUM

725 VETERANS MEMORIAL HIGHWAY

SMITHTOWN, NEW YORK

Minutes Taken By:

Lucia Braaten & Alison Mahoney - Court Stenographers
P.O. GREGORY:
Okay. Good afternoon, Mr. Clerk. Please do the roll call.

MR. RICHBERG:
Good afternoon, Mr. Presiding Officer.

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

LEG. KRUPSKI:
Here.

LEG. BROWNING:
(Not Present)

LEG. MURATORE:
Here.

LEG. HAHN:
Present.

LEG. ANKER:
Here.

LEG. CALARCO:
Present.

LEG. LINDSAY:
Here.

LEG. MARTINEZ:
Here.

LEG. CILMI:
Here.

LEG. BARRAGA:
Here.

LEG. KENNEDY:
Here.

LEG. TROTTO:
Here.

LEG. MC CAFFREY:
Here.
LEG. STERN:
Here.

LEG. D’AMARO:
Still here.

LEG. SPENCER:
Here.

D.P.O. SCHNEIDERMAN:
Here.

P.O. GREGORY:
Here.

LEG. BROWNING:
(Raised hand).

MR. RICHBERG:
Seventeen -- Eighteen.

P.O. GREGORY:
Okay. Can everyone please rise and have the Pledge of Allegiance, led by Tom Barraga.

(*Salutation*)

Okay. Please remain standing, as we have an invocation which will be given by Pastor Reverend Dr. Davis Dixon-Clark of the First Baptist Church of Bay Shore, guest of Legislator Barraga.

LEG. BARRAGA:
It is a pleasure to have with us once again the Rev. Dr. Daris Dixon-Clark, the Pastor of the First Baptist Church of Bay Shore.

Dr. Dixon-Clark was born in North Carolina and educated in the Greensboro Public Schools. He graduated from the University of Pennsylvania with a degree in Political Science; received a Master’s Degree in Theology from Northeastern Theological Seminary in Rochester, and an Honorary Doctorate from Saint Thomas Christian College and Theological Seminary of Jacksonville, Florida. He was ordained on December 11th, 1988.

Before becoming Pastor of the First Baptist Church in Bay Shore on March 27th, 2012, Dr. Dixon-Clark held several pastorships, the last of which was Pastor of the Historical Friendship Baptist Church in Buffalo, New York. Since becoming Pastor, he has further energized the First Baptist Church with his personal mission to, and I quote, "Glorify God through effective preaching, and teaching God’s word and living a life that is a full expression of God’s gift to us."

Pastor Dixon-Clark’s spouse, Shunda Fussell-Clark, is also a Pastor, and they have three children, Samuel, Andrew and Genella.

I introduce Pastor Dixon-Clark.

(*Applause*)
PASTOR DIXON-CLARK:
Let us pray together. Eternal God, our Father, we thank you once again for the privilege that is ours to greet you this day in the beauty of your holiness and warmth of your sunshine. We invoke and invite your presence in these Legislative chambers, that you would provide direction and guidance and discernment to your lawmakers, that they might pass laws that will benefit your people and bring glory, honor and praise to you. We invite your presence, and we ask that you lead us and guide us, and we give you all the glory, all the honor, and all of the praise. It’s with these thanks that all the people of God declare, amen.

P.O. GREGORY:
Thank you, Pastor. Please remain standing for a moment of silence -- oh, yes, excuse me. I’m going out of order. Legislator Barraga.

LEG. BARRAGA:
I realize you had a tough night last night.

P.O. GREGORY:
I know.

(*Laughter*)

My apologies.

LEG. BARRAGA:
It is an honor to have with us this afternoon Jim DeCastro, who will sing the Star Spangled Banner.

Jim grew up in Garden City and has lived in West Islip for nearly 28 years. He and his wife Sue have two children. Jim works as a Customer Service Manager for Avaya, a technology company. He is President of the Babylon Chorale, and serves as Clerk of Session of the Westminster United Presbyterian Church in West Islip.

Jim recently entered the first ever, and I quote, "Star Spangled Banner" challenge, unquote, and won the opportunity to sing the National Anthem at the 12-day New York State Fair held in Syracuse, New York on September 6th of this year. Contestants had to tape and submit their version of the Star Spangled Banner. Jim submitted his a cappella version of the National Anthem. Over 263 entries were submitted from across the state and posted on Facebook. Jim received over 17,000 votes through social media, winning him and 12 others the opportunity to perform at the great New York State Fair. Please welcome Jim DeCastro.

(*Applause*)

(*Jim DeCastro Performed the Star Spangled Banner*)

(*Applause*)

P.O. GREGORY:
Okay. Please -- now, please remain standing for a moment of silence. Let us also remember all those men and women who put themselves in harm's way every day to protect our country.

And this year, on Veterans Day, let us recognize the service of our Veterans and renew our country’s national promise to fulfill our sacred obligation -- obligations, excuse me, to our Veterans and their families, who have sacrificed so much so that we can live here free.
(*Moment of Silence*)

Thank you. Please be seated. Okay. This special meeting is being held pursuant to Section 2-6(B) of the Suffolk County Administrative Code for the following purpose:

1. Public Hearing, Southwest Sewer District Assessment Roll.

2. One-hour Public Portion.

We'll also have to consider and vote on the budget amendments to the Mandated and Discretionary portions of the proposed 2016 County Operating Budget.

And, also, lay certain bills on the table and set public hearings.

I want to congratulate my colleagues who were victorious last night. Congratulations on your re-elections. And --

D.P.O. SCHNEIDERMAN:
You as well.

P.O. GREGORY:
Thank you. We'll say our good-byes at the appropriate time, but we have at least one member that is leaving us, and we'll do that at the appropriate time in December. And congratulations to him, as he will be the new Supervisor at the Town of Southampton. And I look forward to working with you at that level as well.

So we have one card. Oh, we don't have any cards for the public hearing.

LEG. KRUPSKI:
Do we get a beach sticker?

D.P.O. SCHNEIDERMAN:
You, no.

(*Laughter*)

P.O. GREGORY:
Okay. Now we will have -- the first order of business is the public hearing for the Southwest Sewer District Assessment Roll. I do not have any cards for the public hearing for the Southwest Sewer District Assessment Roll. If there's anyone here that would like to fill out a card and speak on that Public Hearing, please come forward. Okay. Seeing none, I will make a motion to close.

LEG. MURATORE:
(Raised hand).

P.O. GREGORY:
Second by Legislator Muratore. All in favor? Opposed? Abstentions?

MR. RICHBERG:
Eighteen.
P.O. GREGORY:
Okay. Next, we will go on the agenda. There will be a one-hour Public Portion. I do have one card for Mr. Stephen Ruth.

MR. RUTH:
Good afternoon, Ladies and Gentlemen. I wanted to start by congratulating everybody who won their elections, and Mr. Schneiderman on his new role over at Southampton, Supervisor. Congratulations.

I'm going to start by saying good day, Ladies and Gentlemen. My name is Stephen Ruth and I reside in Legislative District Number 4. As you all know, I rise in opposition of the Red Light Camera Program. As it stands right now, I have proven that the contract is based upon a quota, as well as a horrible business contract. This contract depicts the ramifications of each camera that does not perform to its 25-ticket-per-day quota, that the County is to pay Xerox $2,136 monthly per camera that doesn't meet the quota, as well as $17.25 per ticket that it falls short of the quota. So $2,136 wasn't good enough. Xerox also needed $17.25 per ticket that falls short of the quota per camera.

Another part of the contract that smells like fish is that the quota has to be met between 6 a.m. and 10 p.m., when, in my opinion, the sloppiest of driving happens after 10 p.m., again, allowing Xerox the upper hand in the business partnership.

After giving Xerox so much leverage via poor business negotiations, it's no wonder that you needed to add a $35 service charge. Just so you know, Xerox is suing Cleveland, Ohio for not meeting its quota.

I also exposed how the yellow turning arrows where cameras are located are two seconds shorter than lights without cameras in the same speed zones, tricking drivers into tickets and skyrocketing the number of accidents and deaths in these very same intersections.

We also proved how first responders are being ticketed on their way to the firehouse, responding to emergency calls, thus, affecting response time and demoralizing recruits. How would you guys feel if your family members needed immediate help and couldn't get it because first responders are taking different routes to the firehouse to avoid red light cameras?

Another thing that makes me embittered is the fact that we can go over video after video -- excuse me, please. Another thing that embitters me is that we can go over video after video of red light camera tickets of God only knows who's driving, but we can't reevaluate crash videos, nor can family members of the victims, which coincides with what I wanted to say regarding the crash data that AAA has been waiting for. AAA has still been waiting for crash data that nobody has given to them. It is outrageous and atrocious that this would happen upon your vote, and that you would ignore it, calling it a political stunt. You all eventually know that your constituents are going to find out and hold you accountable for serious crashes of friends and family members, or even deaths, as I have found many. So, please, don't play with them anymore. If you ignore the facts forever, you're better off doing what's right for the people. Launch an investigation into the true crash data, as well as the changing of the yellow light time. If nothing gets done and you continually ignore the facts, the public is going to ask or demand refunds on the money that was stolen from them via the trickery of shortened yellow lights. We really need to pay respect to the lives lost, so please help me uncover a list of names.

I wanted to thank you and I wanted to thank God for giving me the honor of representing the people of Suffolk County, as well as the spirits of the innocent lives lost. Thank you.
P.O. GREGORY: Thank you, Mr. Ruth. That's all the cards that we have. Is there anyone else that would like to speak, please come forward. Okay. Seeing none, I will make a motion to close, second by Legislator Hahn. All in favor? Opposed? Abstentions?

MR. RICHBERG: Eighteen.

P.O. GREGORY: Okay. Now we will go to the consideration of the budget amendments in the Mandated and Discretionary portions of the 2016 Operating Budget. I'm going to turn the floor over to Dr. Lipp and BRO to explain the omnibus.

MR. LIPP: Okay. I'm going to give a quick overview of not the specific omnicodes, but, rather, just a big-picture look, and you could ask questions if you want at any time.

Okay. So the overriding issue in the amendments was to reduce the sales tax forecast, and what we did is we reduced it by 30.25 million, and that is consistent with the Budget Review Office review of the Operating Budget, the optimistic forecast. And the discussions that went on related to reductions in the sales tax was that it wasn't really so much as should we reduce it by that amount or a larger amount, or what, but, rather, how much could we cobble together to reduce it, and we were able to cobble together money that amounted to that particular forecast, the reduction of 30.25 million, and that's over the two-year period estimated for this year, 2015, and recommended for next year, or what would be adopted if it is approved.

The other big ticket item that we were looking to reduce was the sale of the former nursing home, Foley Nursing Home; that based upon -- based upon information that came out after the recommended budget was issued. The original amount that was in the budget was 20 million, less 1.1 million for costs. And since then, that particular offer was withdrawn. And the offer that is being looked at now is from Brookhaven Memorial Hospital, and that's 3.9 million less in the budget. That is 15 million minus no cost, as opposed to 20 million minus $1.1 million cost. So we reduced sale of revenue from the nursing home by 3.9 million.

In addition, there were some recommended increases that BRO had brought out, which only amounted to 302,000, that were picked up on. Not all of the recommended-by-BRO changes were used, at least what the Working Group thought would be affordable. And there was a small increase in contract agencies of 209,000.

Of that -- so the big question is, okay, so we basically cut revenues or increased costs to the tune of the items that you see in red. And how did we pay for it? We paid for it by, number one, since the budget came out, was issued, the recommended budget, we had found out that there was a settlement for tobacco revenues of the tune of 14.7 million, of which we're utilizing 14.4 million as an increase in revenue to offset the decreases we just spoke about. Then, in addition to that, there were three changes to fees. Okay. So the recommended budget had a bunch of fee increases, and that is listed in our review, one of the up-front sections, we talk about those things, and there were three changes that the Working Group made to the recommended budget. Two of them, which are really the second and third here, is we are advancing the starting date of the fee increases from January 1 to December 1. So we get an extra month of revenue, in particular for two items, that is the motor vehicle registration surcharge, number one, and the tax map certification fee, number two.
In addition to that, we also increased the recommended fee for tax map certifications currently to $60. The recommended budget said 150, and we're upping it to $200. And the argument there was we need some recurring revenues to try to right -- better right-size the budget. I won't go into more specifics unless you ask.

Then there was a bunch of savings associated with some of the BRO recommendations, and the largest item was in power and -- light, power, and water, and gas, and motor oil; that is, we recognize that because of the lower prices these days, as we're all familiar with whenever we drive into the gas station, those are probably a bit high, and that was recommended in our review.

In addition, we also reduced the expenses for the Employee Medical Health Plan. We're a self-insured medical health plan. And if you looked in our review, we said we think that the number is a little too high, but we weren't recommending reducing it at all. That being said, we then sharpened our pencils, we were asked to -- what would be a plausible amount, and we came up with $3.1 million as a reduction.

The policy issue here relates to, number one, if we had our -- if we had our way in terms of not having to reduce revenues that were too high for sales tax and for the sale of the nursing home. If we had our way, we wouldn't have reduced it at all, but we think there's enough room there. And we point out that this is a significant policy issue in terms of the Administration, and the Labor Relations, and the unions or bargaining units, that they need to get together and recognize that there is an accounting that was made, a look-back of 2013-2014 expenditures, and the unions need to come up with 19 million and change in terms of additional cuts, or I should say cost savings. That being said, we think a combination of -- this is -- you know, it's doable the amount that we're reducing it by. It comes up -- the 3.1 million come out to 0.89%, less than 1%. But we feel if we are able to, that is the Administration is able to come to grips with the bargaining units or unions for those additional savings, then we should be able to meet that without a problem, but we need to keep up on -- we need to keep up on that.

In addition, $1.6 million we were able to cobble together in terms of Assessment Stabilization Reserve money. If you recall, the Assessment Stabilization Reserve provides funding for the different sewer districts to stabilize their taxes, okay? And the recommendation here is there are General Fund sewering that, since it's sewering, would qualify for the money. And in particular, we have the Yaphank and Riverhead sewering systems that are General Fund expenses, and associated costs with them through the sewer districts come to $1.6 million in the recommended budget. So we're funding that as if we were a -- the General Fund had some sewering and it does. Then there were some small net savings associated with eliminating some of the recommended new positions. And then, lastly, in terms of loans from the ASRF, we did not increase that at all. So that's the big picture look.

P.O. GREGORY:
Okay.

MR. LIPP:
Offer questions.

P.O. GREGORY:
All right. Thank you. I believe we do have a list. Legislator Kennedy.

We do have -- there's a request by some members who were, unfortunately, late for the Public Portion. So with the -- if I may beg your indulgence, we're going to -- I'm going to make a motion to reopen the Public Portion. We have three speakers.
LEG. KRUPSKI:
Second.

P.O. GREGORY:
Second by Legislator Krupski. All in favor? Opposed? Abstentions?

MR. RICHBERG:
Eighteen.

P.O. GREGORY:
Okay. Robert Carpota, Capata (phonetic).

MR. CARPENTER:
Thank you.

P.O. GREGORY:
Hi, Robert. How are you?

MR. CARPENTER:
Hi. Thank you very much. My name is Rob Carpenter from Long Island Farm Bureau. I'm here regarding the proposed budget, and I would like to talk just for a moment about the 477 funds.

It's been brought to our attention that Cornell Cooperative Extension, through the Ag Stewardship Program, has been cut by 10%, the only program in the 477 section of the budget that has absorbed a 10% cut. And I would very much like to request that the Legislature. In some, way shape or form, fix this issue.

The Agricultural Stewardship Plan that the farmers have been working on, we are at the forefront of developing a plan to deal with the water quality issues. We understand that the Legislature and County Executive Bellone has made the water issue priority number one, or public enemy number one, and the Ag Stewardship Program is the farmers' way of dealing with the water issue. With that being said, it is the only plan and the only agency that is helping farmers. There is no other contract agency, there is no other organization that is working to help the farmers. And it's vital that the farm community have this asset at its full strength to be able to help with the projects necessary and the research to be done to help us solve our water quality issues.

So, with that being said, thank you very much. I understand that you have a big struggle ahead, but we could really use your support, being that agriculture in New York State, and Suffolk County is the third leading agricultural county in the state. So we definitely have a number of farms here that bring in sales tax revenue, create jobs, and give the citizens of Suffolk a way to enjoy fresh food and fiber. So thank you very much.

P.O. GREGORY:
Thank you, Robert. Vito.

MR. MINEI:
Good afternoon. Thank you very much. I'm Vito Minei. I'm Executive Director at Cornell Cooperative Extension. And I want to speak on the same subject Mr. Carpenter did, but I don't want to repeat a lot of what he said.

It caught us by surprise, when reviewing the amendments, that this Ag Stewardship Project, which is shown on Page 16 of 22 of the exhibits to Resolution Number 2 in the amendments, seem to be the only one of the 477 projects that was singled out for a 10% cut. And the difference between 2%
and 10% on that project amounts to about $18,000. Now this may not seem significant in the context of a $3 billion budget, but it's a very powerful signal you're about to send to the agricultural community and to the residents of Suffolk County.

If I could just stray for a moment and go in an historical perspective, I was there at the Health Department, running the environmental programs for the Health Department, at the inception of the 477 Program. My staff and I created, crafted the list of projects that are available under that that get the 11.75%. And I can tell you for a fact, the Ag Stewardship Project is probably the poster child for the water quality improvement projects. It also provided the underpinnings and justification for why purchasing farmland under a clean water bill is justifiable, that and a handful of other projects.

So I ask you to, please, reconsider the fact that this is the only project being singled out in 477 for the 10% cut instead of the 2% cut. Two percent, obviously, we understand all about the shortfalls, but this is a priority, not just to Cornell Cooperative Extension, not just to the agricultural community, but to water quality improvement throughout the County. Thank you very much.

P.O. GREGORY:
Thank you, Vito. And then last card I have is Karen Rivara.

MS. RIVARA:
Good afternoon. My name is Karen Rivara. I am the President of the Long Island Farm Bureau, and a shellfish farmer out in Southold. I am also speaking for the restoration of the funding, the 477 funding for the Agricultural Stewardship Program. We've been working very hard on the Agricultural Stewardship Task Force to develop and update the stewardship plan for agriculture on Long Island. And, in fact, we'll probably be looking for more funding for the Agricultural Stewardship Program.

This program is incredibly important, and as a business person, I can tell you, I look at budgets all the time. I have to run a business. And when I look at things to cut, I look at things that are not productive when I make cuts. And this program is an incredible bang for the buck. You get a lot of benefit out of the money that's spent on this program. So it's important to the farmers. They need the support of Cornell Cooperative Extension to do the research and outreach, so that they can decrease their impact on the ground and surface waters of Long Island. And, in fact, they are the only sector out there that is actually actively doing anything to mitigate impacts. Farming is a major economic driver, and it's one of the few industries on Long Island that actually attracts young people.

And then I'd also like to talk a minute about the effect of nitrogen on the bay. I've been growing shellfish on Long Island for over 30 years, and since 2006, I have continually lost product every year because of harmful algae blooms in the Peconics. Last year I lost $120,000 worth of product, and this is what it looks like at the end of the season when it's exposed to harmful algae blooms. The oysters die, and that not only is an economic impact, it's an environmental impact, because 5600 oysters can reduce the amount of nitrogen produced by one person living on Long Island. So my loss last year represented the number of oysters it would take to remove nitrogen from about 900 people living on Long Island.

So, you know, we're -- our farming dovetails very nicely with the land-based farming, because we're out there removing nitrogen in the bay by growing shellfish. And I have Exhibit Number One if you want to see what dead baby oysters look like. And I would just say that as Farm Bureau President, I have the privilege of meeting with many of you at our meetings, and one to one, and I think every Legislator that we've met with have said that they love agriculture and farming on Long Island. And I would just ask you to put your money where your heart is and to support this program. It's vitally important to farmers, and is a great bang for the buck. It does a lot of good. Please restore the
funding to the Agricultural Stewardship Program. Thank you.

P.O. GREGORY:
Thank you. That's all the cards that I have. Oh, all right, Al.

MR. STRAUSS:
Oh, she forgot her --

P.O. GREGORY:
Forgot your baby oysters.

MR. STRAUSS:
Thank you for reopening. I didn't know that we started an hour earlier. I would have been here, because, normally, I'm like the first person here.

Alex Strauss, 184 Radio Avenue, Miller Place, New York. And, of course, I'm going to talk about the red light cameras, because, after all, the gentleman that was before, I heard him from outside, because they wouldn't let me in, because they didn't set up the -- going through the metal detector. But everybody else that was in here was here already, so I don't know.

First of all, it's always nice that you listen to somebody that's been arrested for tampering with red light cameras. It's always good that you listen to this person, because, after all, he is an expert, an absolute expert of how to disable cameras. I think that's very good, and I think you should listen to him and take every word that he has and make sure you understand every word he does. And he's so intelligent that he tapes it and puts it on YouTube, so he can prove how much of an idiot he is, but that's another subject.

Red light cameras, he was talking about how the change in the yellow clearance. If you notice, that the yellow is always different, depending on the intersection. If it's two lanes going two different -- two opposite directions, the yellow is going to be longer. If it's one with a turning late, it's going to be longer. That's how they determine it. The State determines that, Department of Transportation determines that, not the people on Long Island, not the people that install the red light cameras. Has nothing to do with the yellow at all. I hope somebody can actually check with the State, instead of listening to somebody that's -- whatever. It's just that it's very annoying, very annoying.

And, also, I'd like to say thank you. And I'm glad that everybody got reelected, including my own representative, "Landslide Anker".

LEG. ANKER:
Thank you very much.

(*Laughter*)

MR. STRAUSS:
And I think most of you do a very good job. Thank you very much. And that's it, I'm done.

(*Laughter*)

Uh-oh, I missed it. Come on now. Talk louder so I can hear.

P.O. GREGORY:
All right. Anyone else? That's all the cards that we have. Seeing no one, I'm going to make a motion to close, second by Legislator Anker. All in favor? Opposed? Abstentions?
MR. RICHBERG:
Eighteen.

P.O. GREGORY:
Okay.

MR. RICHBERG:
Seventeen. (Not Present: Legislator Hahn)

P.O. GREGORY:
Let’s get back to where we were. Robert finished his presentation. I was just about to call on Legislator Kennedy, and Legislator Spencer is waiting on deck. Or would you like vice versa, would you like to wait?

LEG. KENNEDY:
You know what, I’ll speak now. I am going to follow up on what Robert said. We worked three-and-a-half weeks on this budget. I am a sponsor of this budget. Yesterday, I got notification that we may not be getting the 14.5 million in tobacco securitization money, so that is one of the additional things that makes this budget not perfect. This was -- every decision this group made was Solomonesque. It saddens me with Cornell Cooperative, but we did protect 477 funds in other means.

The majority of people that the County supports privately have taken cuts. We tried to make the cuts the least painful they could possibly be. But it is our obligation as a Legislature to come up with a budget that is workable and as balanced as possible.

In February, when we can amend, between now and February, we will all be going through to see if there's any way we can find any offsets, if that tobacco money doesn't come in. But this -- I just want to let everyone know that this budget was worked on with heart. Everybody suffered; it's because the money is not coming in. We have to make some basic changes to the way we do government. Thank you.

P.O. GREGORY:
Okay. Doc, Legislator Spencer.

LEG. SPENCER:
I will be extremely brief. Dr. Lipp, I'm sure you saw the cover of Newsday where they were talking about pension costs being significantly less for the teachers. And I've heard rumors that, you know, just across the Board, as far as the reserve requirements that the State is having, they're relaxing them a little bit, and it seems that there may be some rays of sunshine. Have you taken a look at that from our perspective? And, you know, I know that those pension costs could be a significant windfall, if that's suggested, a very small amount one way or another. Is there any way that that can affect us?

MR. LIPP:
So our understanding is it probably wouldn't have much of an effect, if any at all, and the reason being that since we amortize or borrow a portion of the pension bill, our requirements are different, and we have to -- and we can't see the full amount of the decrease in the contribution rate, we can see a half a percent on decrease. And then we're supposed to make up the difference, then, by reserving money with the State to pay off our loan or amortization amount. So I would say, as a general rule, don't expect any savings from that.
LEG. SPENCER:
We were seeing a massive trajectory as far as from year to year, our pension costs. Can you just help me? As far as over the last two or three years, has that leveled off? And, you know, what are the assumptions when we're looking at that particular area?

MR. LIPP:
So the assumptions relate to, number one, how the stock market is doing in terms of the pension fund's portfolio. And, obviously, as you're speaking about that, that's going down -- well, the stock market has improved since the Great Recession, and, therefore, the contribution rate will go down. And it's filtered in or included over a five-year period, so it's smooth.

That being said, another factor that goes into the contribution rate relates to how much has to come out in terms of paying for people that are retiring, and that amount has, in general, been going up. So, if you ignore how the stock market's going, you would actually see, I believe, without looking at the numbers, some sort of a maybe small increase in our contribution rate. But because of the stock market, it's gone up a lot more and being phased in over five years.

LEG. SPENCER:
Okay.

MR. LIPP:
I could talk longer, but I better not.

LEG. SPENCER:
So, if there is a continued positive trend in the stock market, just as we have shortfalls, you know, with our assumptions on the sales tax, depending on where that comes in, an increasing stock market, although we can't rely on that, because it could decrease, but what -- that would have an impact on our budget, then. Would that be -- if there's a massive increase or decrease, does that impact our current budget, or that would be future budgets? How much of a correlation is that where, you know, we've seen just over the last month one of the best increases in the market in the last several years? Do we see that benefit?

MR. LIPP:
No.

LEG. SPENCER:
No, okay.

MR. LIPP:
I mean, we see a small benefit, because our contribution went -- rate went down, and, therefore, that would help us. But then, again, if you look at the table that -- oh, what happened to that, whoops, that I just had here? Here we go, here's the table. If you look at the table that's on the board, that's on page -- I'm not seeing the page now. It's 75, page 75 in our review or report that we published last month, and you could see how much is being amortized or borrowed from the State, and the amounts are here. This year -- well, I should say, I'm sorry, the recommended budget for next year, it would be 45.2 million of the bill is being amortized or -- and what that means is that there'll be debt service on that over the -- starting in 2017 over the next 12 years, and you'd see overall how much we've amortized or borrowed.

LEG. SPENCER:
Thank you very much. I'd also like to extend my thanks to the Working Group for, you know, the many hours of hard work and the tough decisions. And, you know, I support the work, and tried to, wherever I could, be involved. And, Dr. Lipp, thank you also to your office. I know it's a very
difficult time, and we're willing to make those hard choices. I'll yield.

**P.O. GREGORY:**
All right. Legislator Schneiderman.

**D.P.O. SCHNEIDERMAN:**
Okay. Let me start off, too, by thanking the Working Group and Dr. Lipp. This is one of the only years I did not serve on the Working Group, and I know it's a tremendous amount of work. And I would have to say, this is probably one of the toughest years I've seen since the Great Recession hit, where we lost, I think, 100 -- close to 90 to $100 million in one year in sales tax revenues. So this was, really, a challenging year.

I have a couple of questions that maybe Dr. Lipp can answer. First, on the hotel tax, I know the recommended budget had a couple of positions in there. Those have been taken out; is that correct? Or the hotel tax is not funding any new positions or one, one position in Economic Development, maybe?

**MR. LIPP:**
We didn't -- the omnibus does not take out any hotel/motel positions. What it did is it took out one Fund 477 position.

**D.P.O. SCHNEIDERMAN:**
Okay.

**MR. LIPP:**
Well, I shouldn't say take out, I should say the money was transferred from the General Fund -- the recommended budget recommends the money being in Fund 477 for one position in particular I'm talking about, that used to be through this year in the General Fund. And what the Working Group did is it reversed that decision. So that person, if you adopt the omnibus resolution, that person will stay in the General Fund.

**D.P.O. SCHNEIDERMAN:**
Okay.

**MR. LIPP:**
But not hotel/motel.

**D.P.O. SCHNEIDERMAN:**
But not hotel, okay. Now sales tax, Robert, based on the information, had you lowered the projection for this -- for this year, and for next year, you're slightly higher than the County Executive had projected; is that correct?

**MR. LIPP:**
Right. So, if you could --

**D.P.O. SCHNEIDERMAN:**
Where did you end up for this?

**MR. LIPP:**
If you could bear with me for one minute so I could show you exactly what we're talking about. Okay, here we -- sales tax, okay. I'm almost there. Here we go. It's a beautiful thing, okay. So, okay, we're talking about sales tax. I need to make this a little bit smaller. Sorry about that. Okay. So we have a table that's in the review. This is -- this is the table here. Okay. And it has two
forecasts in from Budget Review Office. One is Scenario One, a baseline forecast, and the other is Scenario Two, an optimistic forecast. The baseline forecast, as we projected .23 of 1% growth this year, compared to 2.35% that was in the recommended budget. And next year, even our baseline forecast is slightly higher than what was in the recommended budget. That being said, that baseline forecast was a $51 million shortfall anyhow, simply because you've lowered the base so much, or our forecast lowered the base so much.

The more optimistic forecast is instead of .23, it's .63% growth this year, and next year, 3.74%. That forecast is not our baseline, and, therefore, we weren't actually recommending it. But when we did our statistical analysis, we were able to see a scenario where that could happen. I mean, is it conservative budgeting? Absolutely not. But the big point that we were making in the Working Group when they made the changes is it wasn't necessarily whether or not you wanted to cut from the General Fund, for instance, 48 million to make it more realistic, I'll call it, or the 30 million that we chose to use. The problem was to come up with the offsets to be able to lower it. So in my heart of hearts, if I was going to be really conservative, I would say, "Okay, let's forget the forecast and do zero growth, flatten it out," because, you know, we've been bitten by adopting budgets that had, for the last couple of years, too much in it. But then we would have to come up with even more, and we didn't have the wherewithal.

D.P.O. SCHNEIDERMAN: But the problem is, you know, the Legislature, and I won't be here, may have to come up with it if those numbers don't hold out. So if the sales tax don't hit those higher targets and they do find themselves short, they're going to have to make mid-year corrections. What's left in Tax Stabilization?

MR. LIPP: Tax Stabilization? Okay. I haven't heard that one in a while, okay. So there is -- the General Fund has a Tax Stabilization Reserve Fund and that has almost $50 million in it.

D.P.O. SCHNEIDERMAN: Right, sometimes called our "rainy day fund".

MR. LIPP: Correct.

D.P.O. SCHNEIDERMAN: So about 50 million, you said?

MR. LIPP: Approximately.

D.P.O. SCHNEIDERMAN: Approximately 50 million. And ASRF?

MR. LIPP: ASRF has approximately a little over 80 million, close to 81, I believe.

D.P.O. SCHNEIDERMAN: But we're using some in this budget model. So what that --

MR. LIPP: Oh, no, no. So we -- it won't --
D.P.O. SCHNEIDERMAN:
There was also a concern raised by Legislator Kennedy, too, about the 14-plus million dollars in the tobacco settlement that may not materialize, so --

MR. LIPP:
So which one do we want to talk about now?

D.P.O. SCHNEIDERMAN:
No. I want to talk about ASRF and what is left over. Should there be a mid-year crisis next year, what alternatives --

MR. LIPP:
Right. So we used, I believe, about 1.6 million for not loans, though, for legitimate General Fund sewering. So that would lower the ASRF fund balance from, I guess, almost 81, minus the 1.6. So it would be 89 and change is what we would have in theory to potentially draw on.

D.P.O. SCHNEIDERMAN:
Okay. So that's significant. If we had a crisis because sales tax didn't recover, they could get through the year and make payroll and pay the bills, etcetera, but then, I think, more draconian measures would have to be taken.

Let me talk about another problem with the budget that I don't know how to resolve, and I'm sure the Working Group agonized over this issue, but there is not enough money to run Suffolk Transit through the year, only half a year.

MR. LIPP:
Correct. Well, no, not --

D.P.O. SCHNEIDERMAN:
Maybe more than half a year, right? It's --

MR. LIPP:
Right. Well, so --

D.P.O. SCHNEIDERMAN:
Three quarters of the year.

MR. LIPP:
Right. So the Administration came down and spoke about this, I guess, during the budget hearings when we had the committee for the budget, and they said, the Commissioner of DPW said that they were working on a list of, I guess, having less service provision for certain routes that they felt were inefficient. But we haven't seen yet any actual plan as to which routes would be affected, number one. Number two, the narrative in the budget says that they were going to -- that the Administration would go to the State and try to get more aid.

D.P.O. SCHNEIDERMAN:
So I'm sure there's going to be a concerted effort to get that additional -- I think it's $11 million between that and --

MR. LIPP:
It's about -- it's about $11 million short between requested and recommended.
D.P.O. SCHNEIDERMAN:
And that includes both the SCAT and the blue bus.

MR. LIPP:
Correct.

D.P.O. SCHNEIDERMAN:
Suffolk County Transit. So the State budget cycle, what, we would know by maybe June, is that right, whether they have come through with the additional money?

MR. LIPP:
April Fool’s Day.

D.P.O. SCHNEIDERMAN:
By April?

MR. LIPP:
Yeah. So the State budget year is April 1st to the end of March.

D.P.O. SCHNEIDERMAN:
Okay. And DPW is working on a contingency plan if -- that would mean in terms of cuts. So if those cuts were to happen in the second half of the year, it could be significant in terms of reduction. We only have half a year to make up that $10 dollars.

MR. LIPP:
Right. So if the cuts were going to be, they -- you know, the less hurtful, assuming that there was no additional monies coming through, would be to do it in the beginning of the year, obviously.

D.P.O. SCHNEIDERMAN:
That's not an enviable position that the County is in. And I'm sure that based on all the numbers you're saying, they were not able to find the $11 million to put it back.

MR. LIPP:
It was a lot of work to find the 30.25 million for the sales tax and the extra 3.9 for the sale of the nursing home, so there really wasn't anything left. And we benefitted from the tobacco settlement money. That information wasn't available when the recommended budget was issued.

D.P.O. SCHNEIDERMAN:
Robert, what -- and this really gets down to the structural deficit question, but what is the dollar amount, roughly, of one-shots in this budget?

MR. LIPP:
I'd have to do some quick finding to answer that question, so if you want to go on and talk about some other stuff --

D.P.O. SCHNEIDERMAN:
I mean, we know there's the tobacco money that's --

MR. LIPP:
Yeah.
D.P.O. SCHNEIDERMAN:
I know there's quite a bit of recurring revenue that you've got, the Working Group and the County Executive have put in as well, but --

MR. LIPP:
I'm sorry. Could you repeat that?

D.P.O. SCHNEIDERMAN:
I know there's quite a bit of recurring money with the tax map recertifications, motor vehicle. There are a number of new revenues coming in, but the amount of nonrecurring revenue in the model, roughly.

MR. LIPP:
Right.

D.P.O. SCHNEIDERMAN:
Because this is -- again, this is going to be a problem more for the following year, when -- if that structural deficit isn't resolved, you know, coming up with another equal amount of one-shots.

MR. LIPP:
Okay. So I have some information here on Page 2, if you'll bear with me for a second. Some of you may want to talk about that now. Here we go. So what we're talking about is in terms of -- in the review, we had 42 -- well, it adds up to 103 million what we had in the review, and the 103 was made up of 42-and-a-half million, which is what we were amortizing our pension costs, our borrowing from the State, taking effectively 32.8 million from the ASRF over and above what was adopted for 2015. And then the recommended budget also has 18.9 million in the sale of the nursing home, which is a one-shot, as you would refer to it as. And, also, supposedly, there's an extra 5 million in the budget related to the sale of five specific parcels that we're not aware of. And assuming that that happens, that would be a one-shot, because the parcel would be sold.

And then, lastly, there's the deferred pay, which we tried to size at 3.7 million. I'm not sure how accurate that number might be. But we're basically deferring some of, I guess, the three public safety unions in various amounts, mostly the PBA, in terms of a voluntary deferral.

D.P.O. SCHNEIDERMAN:
So -- and then we added to that, was it 103 million, the tobacco money too, right?

MR. LIPP:
The tobacco is 14.4 million that the Working Group used out of 14.7.

D.P.O. SCHNEIDERMAN:
Right. So we're talking about like 117 million in nonrecurring revenue?

MR. LIPP:
Yeah. I could add more to it, too, but this a good, you know, for-talking-purposes number.

D.P.O. SCHNEIDERMAN:
But that's a problem.

MR. LIPP:
No doubt. But unless there's a question, I can't say anything.
D.P.O. SCHNEIDERMAN:
No. I just wanted to know the extent, because it's going to recur next year unless, you know, there are significant changes in the County budget, or sales tax bounces back, or new revenues that don't currently exist.

MR. LIPP:
Well, in the limited sense, that we reduce the sales tax amount, that should prove helpful for the next year.

D.P.O. SCHNEIDERMAN:
Thank you, Robert.

P.O. GREGORY:
Legislator Krupski.

LEG. KRUPSKI:
Thank you. I'd like to thank, you know, Dr. Lipp and the Budget Review staff. I think --

MR. LIPP:
Thank them over there.

LEG. KRUPSKI:
I think they -- I think they worked hard, right? I'm sure.

(*Laughter*)

I'm sure they worked hard on this and I appreciate the effort. Every time we asked the questions, we got answers, and that goes a long way. I know the Working Group worked very hard on this, and spent a lot of time and agonized over a lot of different things that were -- made a lot of difficult decisions that we all didn't agree on, but I think that's part of the democracy and that's why it works that way.

I just -- my comment is, unfortunately, the bus -- you know, the bus service, with a budget -- and Legislator Schneiderman asked a question that I was going to ask, 117 million, roughly, in nonrecurring revenue. It's hard to restore $11 million in bus service when you have a budget with that much money in it from nonrecurring revenues, so it's -- that was a difficult part.

And we -- the cuts -- and you heard from the people at Cornell and you heard from the Director of Long Island Farm Bureau and the President of Long Island Farm Bureau this morning about the lack of funding for the Ag Stewardship Program. It is a program that works. This is a program that supports one of our biggest industries, one of our very successful industries in Suffolk County. And it also ties into water quality and this is -- we're only a few days into opening season on the scallops and we've got, you know, a beautiful scallop harvest. There's about 80 boats out on the bay working the water, and they should be working for quite a few months. It's not going to be a two-week season this year. So all that -- if all that ties together, I really hope I could work with my colleagues in February to restore that 18,000. It should have been cut 2%. It was -- that Ag Stewardship Program was cut 10%. And I hope I can get your support to work on restoring that 18,000 in the next year. Thank you.

P.O. GREGORY:
Yes, Legislator Calarco.
LEG. CALARCO:
Thank you. I just wanted to take a moment to thank all of my colleagues who served on the Working Group and those who came and sat in often, even though they were not in the Working Group, when they had the time and the room to come in. You know, this budget was a very difficult one, as we all know. It is not perfect, it certainly has its issues. And I'm sure that come January 1, we're going to be working on it some more to make sure that we continue to, you know, make the amendments and the changes that we need to do to put the County on the right track. But all in all, we took what was a very difficult situation and we made it better. We made it more realistic and something that's in line with something that we think is going to occur. And we can move forward from there with our priorities, well, you know, taking care of the things that we need to do. And, certainly, there are going to be big issues to tackle next year, but, you know, that is the situation we're in, and we made the best of a very bad situation.

But I would like to thank Budget Review for their help. They certainly put in a lot of hours, as did many of their colleagues in the room, pretty much for a whole week on end working on this thing and getting it done and making some difficult decisions. And there were certainly agencies and organizations that, you know, took it on the chin, but, unfortunately, that was what we had to do this time.

P.O. GREGORY:
Okay. Yes, Legislator Browning.

LEG. BROWNING:
I would like also to say thank you, Robert, and your team. I always sympathize with you having to deal with us, but you do it and you do it well, and we certainly appreciate your guidance and your help in it.

You know, this budget, I think, is probably the worst budget that I've been involved in in the past ten years, and I know we are going to have to revisit it next year, we are going to see some major problems come up. One of the worst things that I saw was taking the money out for the bussing, for transportation, which is going to be very painful for all of us, it's going to be very painful for the people who need to use those buses. The contract agencies that were zeroed, you know, they weren't zeroed the year before in the budget, but they were zeroed, many of them, and a lot of cuts made to them in this budget.

The County Executive gave us, I hate to say it, they gave us a terrible budget and we had to fix it. So we don't -- you know, we were not able to be able to put back what we wanted to put back. We did the best we could. I think the Work Group tried really hard. It was painful, and a great many of us sat there, we decided -- you know, we took that vote. We didn't agree on everything, and, you know, overall, there are things in this budget I don't like. I don't like the fees. I think that to me is just a regressive tax on our residents, but we have no money. We have zero money to try and fix this. So I'm hoping that someday we'll be able to go back and revisit some of those fees and possibly reduce them.

So, again, I think the Working Group, they worked hard at this. They were left with some -- with no choice but to do some of the things they had to do. And, again, our contract agencies, we know how important they were. Domestic violence, Kara, you know, we're -- that's something that we talk about all the time, the domestic violence organizations. Joe's Project, you know, mental health, substance abuse organizations, we have to continue to support them. So we've done our best to help them. And, again, I know that we're going to have to readdress this budget next year. So, again, thank you, Robert, your team. And I want to say thank you to my colleagues who worked on this, because I know we did our best.
P.O. GREGORY:
Okay. Thank you, Legislator Browning. Also, Legislator Cilmi.

LEG. CILMI:
Thanks, Mr. Presiding Officer. Just a couple of questions for Budget Review.

I wanted to dig in a little bit to your summary of some -- where some of the savings comes from. One of the things that you talked about was the savings relative to EMHP, and I want to just -- I wanted to see if you could sort of elaborate on that. I know that we have been promised certain savings from EMHP for the last, I don't know, two or so years, two or three years, and I'm not sure if any of that's materialized. Maybe you could elaborate on what the savings is relative to what's already been proposed, or promised, I should say.

MR. LIPP:
So the difficult thing about answering the question, which I'll be able to answer, but I'm not quite sure which direction we want to go in first, is the promised savings part, which is usually referred to as the 17 million pharmaceutical savings on an annual basis. But there's also another piece to that, and the other piece is overall, to look at the medical care inflation rate, which is -- which is produced or calculated by Kaiser. Kaiser is a big health market firm. And what we do with that one is we see are we -- is our inflation, of course, higher or lower than that, and if it's lower than that, then we have some savings.

So, to make a long story short, there was a look-back for the agreement for 2013 and 2014. This year, we had a -- there was a look-back and the EMHP's health care consultant, Lockton, calculated to the extent to which we met those savings and they found that we were short by over 19 million. And, actually, we were short by a lot more than the 19 million with the pharmaceutical portion, but then we did better overall in the nonpharmaceutical portion. So that dropped it from 17 plus 17, or 34 million if we got nothing, but we were worse than that, actually, to 19 million, because our overall stuff, like hospitalization, and doctor's visits, and equipment, or blood work, you know, stuff like that, X-rays, that was -- we spent a lot less than the Kaiser inflation rate. So we're looking at a hole of 19 million. What are they going to do about it? Well, the way it goes --

LEG. CILMI:
So can I just interrupt you for a second?

MR. LIPP:
Please do.

LEG. CILMI:
So I understand the picture correctly here. So we were promised, I believe, $17 million or so of savings annually beginning in two thousand and --

MR. LIPP:
Thirteen.

LEG. CILMI:
Thirteen. So we have '13, '14, '15.

MR. LIPP:
No. So the look-back is after the year is -- every two years after the year is over, so the look-back was for '13 and '14. That was done in, I don't know, July, or something like that.
LEG. CILMI:
Okay. Well, but -- so do we not have any look-back or any, you know, real-time look in the current year, or, no, we don't look at that at all?

MR. LIPP:
No. And the way the Memorandum of Agreement between the bargaining units or unions with the County is that they would do it this way, that they would look back every two years at the completed previous two years.

LEG. CILMI:
Okay. So when we look back at the results from '13 and '14, what you're saying is that the consultant that we hired, Lockton, to look at this, said to us that your savings, which I guess would have been, or should have been in the $34 million range, came in at $15 million or so, so $19 million short. And the reason that it came in $19 million short, as opposed to some larger number, is because there were savings in other parts of the health plan unrelated to the prescription benefits part, which they said they were going to find the savings in; is that correct?

MR. LIPP:
Basically, yes.

LEG. CILMI:
Yeah. So what are we going to do about that?

MR. LIPP:
Well, for starters, my understanding is that's a Labor Relations issue, that the County, through their department, through Labor Relations, will speak with the bargaining units. And they have this umbrella group of the union top officials that they have the -- the PBA President, I believe, is the -- was appointed by them to be the lead person, and that -- and so on the surface, we can't do anything about it, it's the County Executive's labor relations, and the union -- union's Oversight Committee, which is called SCOPE --

LEG. CILMI:
When do they have to get back to us on what steps they're going to take?

MR. LIPP:
Well, I'm not sure if they ever have to get back to us. I think that, as a Legislature, you may be interested in finding out what's going on here, because we have all of these budget problems, that maybe we wouldn't think it as urgent if we didn't have them.

LEG. CILMI:
So who would you suggest we ask? If they're not obligated to get back to us, who would you suggest that we ask the question of?

MR. LIPP:
I guess the top people in the County would be the County Executive or, you know, whoever he designates to look into this issue.

LEG. CILMI:
Okay. So we don't have any answers about that at the moment. Now what's this 3. -- did you say $3.1 million of savings that was included in the omnibus amendment?

MR. LIPP:
Correct. That's up on the board there now.
LEG. CILMI:
Yeah, I'm not going to be able to read that.

MR. LIPP:
Okay.

(*Laughter*)

LEG. KENNEDY:
Not even with glasses?

LEG. CILMI:
What -- not even with glasses.

MR. LIPP:
Okay. So do you want me --

LEG. CILMI:
A telescope and I wouldn't be able --

MR. LIPP:
You want me to speak to that?

LEG. CILMI:
Yes, please.

MR. LIPP:
Okay. So, basically, and I had mentioned something in our quick overview, is that we -- when we looked at what was recommended for 2016, we were kind of nervous trying to say, "Okay, let's recommend a cut," okay? So we said, "We think there's more than enough in there." So, conceptually, it could be cut, but we didn't offer it as a recommendation, because there's a lot of -- a lot going on in the health plan, and a lot of assumptions you have to make to come up with a number, so, in a perfect world, we would not have reduced it. That being said, we could see how they did their calculations, and, if you want, I can go into that, but we thought it could be less than that. And if you then -- and what was I saying earlier, if you then add on the fact that -- well, I shouldn't say fact. If you add on the possibility or probability that the bargaining units or unions would come up with a plan for the additional savings, then it would be pretty easy to shave off 3.1 million, and we'd probably shave off a lot more than that if it was fully implemented within 2016. But that -- that's speculation right now.

LEG. CILMI:
Right. I mean, because, you know, 2013 was the first year we were supposed to see savings, and, apparently --

MR. LIPP:
The problem with 2013 is it got off to a bad start. We had problems with the pharmaceutical benefits manager at the time and we were actually --

LEG. CILMI:
Right.

MR. LIPP:
There was actually an increase in cost.
**LEG. CILMI:**
Right.

**MR. LIPP:**
And, you know, the big ticket item was the mail order stuff.

**LEG. CILMI:**
Right. So let me switch gears a little bit to the increase in tax map certification fees.

**MR. LIPP:**
Okay.

**LEG. CILMI:**
If my memory from our conversation serves me correctly, or if my notes serve me correctly, we had talked about the current cost of tax map certifications, or I shouldn't say cost, but the price of tax map certifications to our applicants would be $60. It was proposed in the budget that that increase a little more than -- a little more than 100%, I guess, to $150, and then we're proposing in this amendment that it increases to $200.

**MR. LIPP:**
Right. You could see that on the board now.

**LEG. CILMI:**
Yeah. Now who does that exactly impact? Who's paying these fees?

**MR. LIPP:**
All right. So any document that's filed, for instance, if you're buying a house, whatever, a tax map certification has to be filed. So it's anyone and everyone, including you, if you're buying a house, I guess.

**LEG. CILMI:**
Okay. And motor vehicle registration --

**MR. LIPP:**
Yes, I believe --

**LEG. CILMI:**
-- surcharge?

**MR. LIPP:**
Yes. So I believe, when you have to reregister, I guess it's once every other year --

**LEG. CILMI:**
Right.

**MR. LIPP:**
-- then this fee would be tacked on with increase.

**LEG. CILMI:**
Okay. Do we add any value to that? I mean, is there anything that we do with motor vehicle registrations at all?
**MR. LIPP:**
No. I believe that's the State. We get our piece of the action, but there is, I guess, some administrative stuff.

**LEG. CILMI:**
Okay. And we're increasing --

**MR. LIPP:**
Actually, there's -- I mean, if you look at it as a user fee, and cars create also some problems, like we need to repair and create roads.

**LEG. CILMI:**
Right.

**MR. LIPP:**
That's an expensive proposition.

**LEG. CILMI:**
Sure.

**MR. LIPP:**
There's -- and, of course, there are negative externalities. That includes smog, people getting injured and people getting killed. So you could argue that --

**LEG. CILMI:**
And so the proposed budget increased the fee for small vehicles from $10 per registration to $30 per registration?

**MR. LIPP:**
Correct.

**LEG. CILMI:**
So a 200% increase, I guess. Let me just switch gears again and talk about the pension amortization, which I believe the chart indicated that inclusive of the 2016 budget, it will bring our total amortized portion of our pension obligation to $317.6 million?

**MR. LIPP:**
Yes.

**LEG. CILMI:**
And there's interest associated with that amortization --

**MR. LIPP:**
Yes.

**LEG. CILMI:**
-- process, right?

**MR. LIPP:**
Correct.

**LEG. CILMI:**
And what is our debt service in 2015 projected to be for -- to pay for that amortization?
MR. LIPP:
Okay. So we have -- we have on the screen, if you can see, I'm not sure. My eyes aren't the best either, but I could see it. So if you look in your review, if you have a hard copy of the Budget Review Office review, you could look at Page 77, and what you'll see here, I'll be your eyes, we are recommending to amortize the full amount, 45 million. The previous year, we actually opted for a little less than that, the full amount, about 21 million less than we could have, and that was 59.8 million we amortized. And you could see we're allowed to do this, given permission by the State to do this since 2011. And, overall, the principal amount that we've been borrowing is 317 million. And then what you could see over here is what the debt -- this item over here, this is the debt service, the second to last column, and you could see that in 2015, the pension bill or retirement bill implicitly has included in it 24.3 million of debt service, okay? The projected amount of debt service is a little over 30 million. And an estimate for the year after, just to give you a feel, will be 35 million, because as you're borrowing more and you get -- they're almost layered on top of each other.

LEG. CILMI:
Right. And at what sort of interest rate are we currently amortizing at?

MR. LIPP:
So, if you look at the second column of numbers -- it's like you're being the perfect straight man to me -- for next year, it will be 3.31%, and for the current year, it's 3.5%. You can see the rates in column two.

LEG. CILMI:
Right. You said something before about a half a percent. What did that relate to?

MR. LIPP:
Okay. So the State has a formula to help determine how much we are able to amortize, and what they're saying is if you borrowed from us for the enhanced amortization program, which we did, which started last year, then, A, you pay it over 12 years, and B, if there's a decrease in the contribution rate, you could only get a half a percent of that decrease, because we need to -- for you to put in with them, the same retirement system, money into a reserve to help pay down the debt service.

LEG. CILMI:
So we only get half a percent of a decrease in the savings attributable to an increase in the value, basically, of the pension fund, but we're paying the pension fund three-plus percent interest on the money that we've amortized?

MR. LIPP:
Correct. But, I mean, I guess the State's argument is that we're trying to make you pay off your loan sooner, quicker.

LEG. CILMI:
Right.

MR. LIPP:
So you have your mortgage, and if you put an extra couple of hundred in each month, you could lower the principal.

LEG. CILMI:
Talk to me about debt service beyond this amortization. My -- you and I had a conversation with respect to debt service. And in 2012, our annual debt service was like $107 million, I think, and
next year is proposed to be $191 million. So debt service has gone up in the last four years by 84 million dollars?

**MR. LIPP:**
I'm not sure. I have to look to see to answer that question. Let's see if I have anything in here.

**LEG. CILMI:**
Debt service being defined as the interest, plus principal, on our total debt that we pay annually.

**MR. LIPP:**
Correct. So, if we are talking -- if we're talking General Fund only, and we're talking TANs and RANs, as well as serial bonds, that is the TANs and RANs for cash flow and serial bonds for capital projects, it comes out to 142.9 million recommended for 2016 -- 143.9 million.

**LEG. CILMI:**
143.9. Now, when I looked at the status of funds number, though, that differed, it was 191 million in the status of funds.

**MR. LIPP:**
That's probably all funds.

**LEG. CILMI:**
Okay, that's conceivable.

**MR. LIPP:**
Right. I mean, I could look it up, but --

**LEG. CILMI:**
That's okay.

**MR. LIPP:**
-- people don't want me to fumble.

**LEG. CILMI:**
Yeah, that's all right.

**MR. LIPP:**
You know, we see 188 for all funds, but -- so that's probably --

**LEG. CILMI:**
Okay.

**MR. LIPP:**
-- what your number is, in that ballpark. It could be a different year you're looking at.

**LEG. CILMI:**
So, I understand this budget that's been prepared for us is balanced on paper, but it's not structurally balanced, correct?

**MR. LIPP:**
Correct.
LEG. CILMI:
What are we estimating at this point? What's your office estimating that the structural imbalance is?

MR. LIPP:
Well, the conversation we had before with Legislator Schneiderman, I believe we said like 117.

LEG. CILMI:
Annually?

MR. LIPP:
Well, it changes every year, because the budget has different one-shots, shall I say --

LEG. CILMI:
Right.

MR. LIPP:
-- every year, so it's a moving target.

LEG. CILMI:
Right. Okay. Thank you.

P.O. GREGORY:
Okay. Legislator Barraga.

LEG. BARRAGA:
Good morning, Bob. What happens if you put the $30 million back that you cut for sales tax?

MR. LIPP:
I'm not sure -- I'm not sure what you said, I'm sorry.

LEG. BARRAGA:
You have a $30 million reduction in sale tax --

MR. LIPP:
Correct.

LEG. BARRAGA:
-- for 2015-16. What happens if you put the 30 million back, you don't cut the 30 million?

MR. LIPP:
Okay. So, in other words, like let's say we don't pass the omnibus is one possibility, I guess, for that. What would happen is a high -- a high probability, it's a planning document, so there are probabilities associated with every line item, there's a high probability, I'll say, or a risk factor that we're not going to get that. That's what will likely be the case.

LEG. BARRAGA:
Okay. What is that predicated on? Let me -- let's go back a bit, let's go back a year, you know, when we were all sitting around here taking a look at the growth in sales tax. I think the County Executive at the time wanted 4.75%. Our budget people, including you, wanted 5%. You wanted 4.85%, and I think you had checked with Moody's, and S & P, all the credit houses and they were pretty much on board. But you know as well as I do, any budget is a guesstimate. This is a guesstimate. We've been sitting here year after year dealing with this budget, playing the shenanigans of one-shots, amortization, because we have a huge, huge revenue problem, which we
at times try to deal with, but we haven't been successful, because so much of our budget is dependent upon what? Sales tax. Sales tax. So when you come along and say, you know, "I'm going to cut 30 million and reduce sales tax," well, what happens if it doesn't go up in 2016 to 3.74%, but goes to 4 1/2 or 5%?

MR. LIPP:
Well, obviously, that would be a surplus, then, in terms of the 2016 adopted budget, if we pass the omnibus.

LEG. BARRAGA:
Because it seems to me, you know, I'm not so sure. When you really don't have any visibility in terms of the future of the sales tax, why put ourselves in a position where we're advocating any sort of a cut of $30 million? When you do that, you have to make up the 30 million someplace else. You're doing it with tobacco securitization, registration fees, all this other stuff, I mean, all because we have a revenue problem.

MR. LIPP:
Well, I think we all recognize that there will be a shortfall for this year, okay?

LEG. BARRAGA:
I grant that.

MR. LIPP:
Okay. So then, clearly, there is some -- some amount of likelihood that we will or will not get that amount, or more or less. And what we're saying is our baseline forecast is we'll get less, but it's possible that we could get this based upon our statistical analysis. That being said, our problem, as you're recognizing it, is sale tax, and, unfortunately, this last couple of years has been a larger -- a large swing in the wrong direction for us. So I'm not sure what else to say.

LEG. BARRAGA:
Because, you know, when we take a look at what we've done so far, you know, whether it's privatizing health clinics, or laying off 1100 people, or selling the nursing home, we're taking actions on the expense side and maybe trying to get some additional revenues. But we're still not dealing with something that we really have very little control over and that's the sales tax. And, you know, it seems to me that no matter what we do year after year, we will continue to have these nonrecurring revenues, it doesn't seem to ever dissipate. And how much more can you take off, you know, on the expense side? How much more can you really cut?

MR. LIPP:
Is that a question?

LEG. BARRAGA:
If you want to answer it.

(*Laughter*)

MR. LIPP:
We have tried inhouse to look at the expense side and to make cuts, but -- and we have some limited ideas, but we haven't been too successful in that area, because it's either stuff in the mandated --

LEG. BARRAGA:
No, and I don't think you're going to. I think, you know --
MR. LIPP:
There's a large constituency for stuff. A good example would be the buses.

LEG. BARRAGA:
Yeah. I mean, $10 million on the buses. But, you know, I'm just wondering if we -- when we've tried to do -- take actions that increase revenues, whether it be red light cameras, or casinos, or take a look at the speed cameras, there's always this uproar, and we -- you know, we have not really been successful in that area. And we continue to do these things because the sales tax is a major problem for us. Do you ever reach a point where one might say, "Well, look, you know, maybe we better take a look at the sales tax, maybe it's time to adjust it"? I remember a number of years ago you saying for every quarter percent increase in sales tax, I think you said we generate 70 million bucks.

MR. LIPP:
It's about 77 in today's dollars.

LEG. BARRAGA:
Okay. Now there are other counties that have sales tax higher than ours, but nobody wants to go there, so we continue to do this sort of stuff year after year after year. And, you know, the intentions are good, the Working Group is working very hard, but it doesn't really solve the issue, doesn't really solve the problem.

I mean, Doc Spencer was talking about the reduction in pension costs associated with the educational districts; 126 school districts in two counties and they've had a reduction. I can tell you exactly what they're going to do with the money. It's to float. They're going to spend the money on additional programs, because they have the 2% cap. And even if the cap didn't exist, they'd spend the money on programs.

We're not dealing with the issue here. We're dealing with all these sidebar issues, brings a lot of consternation, a lot of confusion, but we're not really getting to the fundamental issue that we just do not generate enough revenue through the sales tax. That's the way the system is set up. It has to change and we have to come to grips with it.

So next year, you know, you'll be sitting there, God willing, we'll all be sitting here, and we'll be discussing the same issues over and over again.

D.P.O. SCHNEIDERMAN:
I'm with you, Tom.

P.O. GREGORY:
Okay. And I, too, want to thank BRO and the staff for all your efforts every year, particularly this year, in helping us craft a budget, and those on the Budget Working Group. It's a difficult process, it's a difficult budget, but we try to make the best decisions that we can, keeping the taxpayers in mind, and having a budget that we can -- that we can live with. Hopefully, the numbers will come in as projected. But as I think Legislator Barraga just mentioned, at least one aspect of it with sales tax is a projection and you never know, you never know.

So I'm going to ask all our -- all the colleagues, all my -- all Legislators, please, to the horseshoe. Okay. I'm going to make a motion to approve Budget Amendment Number One.

LEG. CALARCO:
Second.
P.O. GREGORY:
Second by Legislator Calarco. Do we have everybody?

LEG. CALARCO:
Where's Doc?

LEG. KRUPSKI:
He's coming.

P.O. GREGORY:
Okay. All right? Anyone -- anymore discussion on Budget Amendment Number One? All in favor? Opposed? Abstentions?

LEG. CILMI:
Opposed.

LEG. TROTTA:
Opposed.

LEG. MC CAFFREY
Opposed.

MR. RICHBERG:
Fifteen.

P.O. GREGORY:
Okay. Same motion, same second on Budget Amendment Number Two. All in --

D.P.O. SCHNEIDERMAN:
Can I just say one thing, you know, because the Working Group worked really hard on that budget amendment. And it is not perfect, I understand. I would have loved to see that money for the buses, but a no vote would be a vote for the County Executive's budget, which also doesn't fund the buses. So either way I look at it, I don't get the buses funded. And if I would have -- could have done a stand-alone to fund the buses, I would have, but I couldn't find 11 million either.

So I just want to say that although I'm not happy that the buses aren't funded and that certain contract agencies aren't fully funded, I'm going to support the Working Group, because I think it's more realistic in that it adjusted the sales tax numbers downward based on, you know, the new numbers that were coming in. And you guys did a great job in my mind and I wanted to support it.

P.O. GREGORY:
Legislator Cilmi.

LEG. CILMI:
To me, to me a "no" vote is not a vote in favor of the County Executive's budget, I don't view it that way.

I would also like to add my thanks to the rest of you, to the Working Group, for the hard work that went into this effort. I wish that those meetings would be held publicly where we all could participate equally, but that doesn't take away from the effort made by each of the members of the group, nor does it take away from the effort or diminish the effort made by those of us who individually did not sit on the group, but spent days and hours upon hours looking through this budget. To me a "no" vote is a recognition that you cannot continue to kick the can down the road
in the profound way that this County is kicking the can down the road year after year after year after year.

You know, we're talking about hundreds of millions of dollars, potentially almost a half a billion dollars of debt just -- or sorry. Forget about the debt, debt's more than a billion dollars. But just in terms of the $317 million of pension amortization in and of itself, that's all got to be paid back eventually. The 1.4 or 5, or whatever it is, billion dollars of debt that we're in has to be paid back eventually. And the problem with that is that not only do you have to pay it back, but there's a -- there's a significant impact today to that debt.

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

LEG. CILMI: (Cont'd)
We talked about the debt service increasing. Now, depending on whether you're looking at all funds or just the General Fund or whatever, so $188 million in all funds of debt service. It's gone up $80 million from 2012; that $80 million increase, that saps our ability to provide services today.

And while I understand the desire to put something on paper that looks balanced, we are pretending by saying that it's balanced; it's just not balanced. And I recognize that we don't have all the answers here, certainly I don't have all of the answers here. Each one of us, in our own way, has proposed solutions. And it's not going to take one solution, it's probably going to take many solutions, none of which is easy, all of which are probably painful, but at some point we have to say we shouldn't do this anymore. And so to me, a no vote here is a statement that we shouldn't do this anymore.

D.P.O. SCHNEIDERMAN:
Well, certainly if this budget amendment was voted down, the County Executive's budget would be the budget, so I think it is fair to say that a no vote certainly would lead to the County Executive's proposed budget becoming the budget. But it's fine to say all that, Legislator Cilmi, buy you also have an opportunity to vote yes on an alternative that would have some other cuts or new revenues to address the situation. I don't see that being proposed; I know you do have some budget amendments here, but they don't do that. So there is not an opportunity, you have not brought forth an opportunity to rectify the budget situation. So the only two real proposals in front of us are either the County Executive's budget or the Working Group's budget; neither of them are perfect. And your colleague, Legislator Barraga, I think gave a very candid and honest picture of the County's finances. You know, equalizing our sales tax to be the same as New York City, I think Nassau should probably do the same thing, would provide an additional 70 plus million dollars in revenue and would fill, mostly fill that hole so that each year you weren't scrounging around for another, you know, large one-shot.

LEG. CILMI:
Well, my colleague, Legislator Barraga, and I have a fundamental difference of opinion. I believe we have a spending problem, not a revenue problem. Certainly we can enhance our revenue, and we have done that, and I've been party to some of that. But to me, you have to look at the cost drivers in County government and address those cost drivers, the significant cost drivers.

I have proposed different ideas to do that over the course of my tenure here; some of them have been adopted, some of them have been rejected. I will continue to do that. There's a proposal here among the standalones that adds some employees to the Department of Social Services, some Investigators for the Department of Social Services. I'm told by employees in that department that we are not doing everything we can to address fraud and abuse in those programs and I suspect that this amendment, if adopted, could be very cash positive for us. So hopefully that amendment
will be approved.

Hopefully we will continue to look at borrowing with the recognition that borrowing definitely has a substantial impact in our ability to balance budgets today, and we will start to cut back on some of the borrowing that we do. So I've made suggestions to this body, I'll continue to make suggestions. I will continue to fight with New York State for relief and some of the mandates that we're faced with, and I know my colleagues have done that as well, so.

**D.P.O. SCHNEIDERMAN:**
You also know we have reduced the County workforce by over a thousand employees. Spending, since the recession hit, has risen by I think on the average about 1% a year, below the rate of inflation. Much of what we do is mandated, so without that mandate relief we really don't have a choice. So I don't see this as a spending problem.

You know, inflation keeps going up and we keep reducing the size of government in an effort to try to just maintain a certain level of services and, you know, we see that that's becoming more and more difficult. So I don't -- you know, I don't see it as a spending issue. I do see it as, you know, a revenue issue with sales tax is major. If there's places to cut, show them, I probably will support them.

You know, I've been on this Legislature for a number of years, this is my 12th year, we've made major cuts in spending, major. One year I think it was about $100 million we reduced in spending, some people may remember that. So we're doing the best we can, but these are very challenging times. And when our main revenue source, sales tax, which is, you know, 1.3 billion of our revenue, is not growing, it's coming in flat for the year, it's creating enormous problems for us to deliver services that are -- you know, whether it's housing the homeless or transportation, these are desperately-needed services. So there's no right answer here. If you can cut your way out, you show me those cuts, but a lot of what we do is mandated and we won't be able to cut unless the State allows us to cut.

**LEG. CILMI:**
Just one quick follow-up and then I'll be done. I don't necessarily disagree with you, Jay, but the State has no incentive to help us with some of those mandates if we keep pretending our budget's balanced. You know? What incentive, what motivation does the State have to actually eliminate some of the mandates that we're faced with if we keep passing what we call a balanced budget every year? So I think we -- you know, I think we have to be honest with New York State and say We can't afford the mandates that you're passing down to us any longer.

**P.O. GREGORY:**
Okay, we have two of our colleagues; Legislator Spencer and then Legislator Stern.

**LEG. SPENCER:**
I would just like to briefly weigh in. We just came out of a political season and we know the talking points on both sides of the aisle, but I think that one of the issues is that we're living on the most expensive real estate on the planet. And the problem that I have with the approach of saying no is I still feel that we have an obligation when, you know, our cost index is what takes $155 here is an average of what people have to spend a hundred elsewhere on the planet.

We'll look at other municipalities that have lower taxes and they have garbage and street lights, they have garbage pick-up and street lights and they have paved roads. That on the one hand if we do those things and we cut some of the costs, we still have an obligation to keep up with the infrastructure. We have our employees that, on the one hand, you know, we're saying, All right, you've got to pay into your benefits, we're starting them out at $40,000 and saying, Okay, we're
*doing the hard work*, but we’re living in a County where if you have a family of four and you make $86,000, you are part of the working poor. And I still believe that when we show up here, we have an obligation to keep the lights on.

I think no one is under the illusion that this is not a balanced budget overall in terms of the debt that we have, but as far as taking into consideration the revenues that we have coming in, I think we are trying, to the best of our ability, to make that balance out. And it’s not that everyone is just over-taxed, the cost of housing and energy and everything is just really, really high, and we have a workforce and people that rely on that, but there are so many families that rely on all of our contract agencies in order to survive that I don’t think we can turn our backs on them.

And always go back to what I know; when I look at the critically ill patient, when you look at what we’ve done since we’ve come into office over the last four or five years, Tom, you know, we’ve been able to close out a lot of the old Capital Fund projects that we have. We have worked to make the workforce more efficient, you know, we’ve made some overall progress in the right direction. And you’ve been a big part of that; you know, our colleagues on the opposite side of the aisle, you’ve worked with us and it hasn’t been just, I think, one majority pushing the other around and I think, you know, it’s great that you’re that that counter balance that keeps pushing us in the right direction. But it’s a matter of doing what we have to do for the people that depend on us for our infrastructure that is crumbling. And if we made -- if we’re too draconian in our cuts and if we’re too draconian in terms of how we address this and we don’t -- we don’t do this in a surgical fashion -- so I do see where it is frustrating, but you don’t see any improvement? Because when I look overall, I do think that we are making progress and I think we have to continue to try to do that.

**LEG. CILMI:**
Just to address your question. I think you’re right about progress; I mean, I think we have done some things together, and that’s why -- and I have no problem saying that. You know, I commend this Legislature for the positive steps that we’ve taken and we have taken positive steps.

**LEG. SPENCER:**
We need to do more, from your point.

**LEG. CILMI:**
But I think we need to do more. And I think despite the positive steps, unfortunately, this snowball keeps getting bigger. And it would be even bigger had we not taken those positive steps, but it does keep growing. And I think at some point you have to come to the realization that you just can’t let it grow anymore. And while I agree with you about surgical steps and not making draconian cuts, you know, I think they have to be measured and I think they have to be planned multiple years in execution, but -- and I think we have to work with our State partners in making those cuts. But you have to look at the big cost drivers in the government and you have to make cost to those -- and small percentages in reductions in those large cost drivers could make the world of difference in terms of our ability to provide all of the other services that we provide. You know, we don’t spend a heck of a lot of money in our Health Department protecting our environment, we don’t spend a heck of a lot of money in Public Works making sure our roadways and our buildings are in as good condition as our residents wish they were; those are departments that have sacrificed, and to me, our residents have sacrificed as a result of that.

**LEG. SPENCER:**
That’s true.

**LEG. CILMI:**
I’m not suggesting that we cut there. But you look at the big cost drivers in the County government, and those big cost drivers are Public Assistance, Department of Social Services, and
Employee Benefits and the Police Department. And so while I certainly would not recommend reducing the size of our Police force, at least the ones on the street, I would suggest that maybe there are some efficiencies that we can find there, and if we save one or 2%, it's a significant amount of money.

LEG. SPENCER:
Thank you.

P.O. GREGORY:
All right, let's move on. Legislator Stern.

LEG. STERN:
Yeah, thank you. Dr. Lipp, the discussion, for at least a little bit, has centered around debt. We hear a lot of numbers thrown around about the state of our debt, the impact of our debt. We even hear a lot of different numbers about the number associated with our debt. Perhaps you can tell us what your number is at this point on our outstanding debt.

MR. LIPP:
One point three billion dollars.

LEG. STERN:
And of the $1.3 billion, what is the schedule that we look at in paying off the bonds on that debt?

MR. LIPP:
Well, each year potentially when we issue serial bonds, the term of the bonds could vary. We don't issue them for more than 20 years; I mean, it's possible we could, but typically that would be the ceiling, the most. And on average, it's been close to 18 million -- that being -- I mean 18 years, not 18 million years, but 18 years for the repayment schedule. But the actual bond issue that we did in the Spring was only like eleven years, and I guess the big ticket items there that reduced the term are the land and the sewer projects, we haven't been doing as much and those have greater lives in terms of the State law.

LEG. STERN:
Is there an approximate percentage of the bonds that we pay off within, say, ten years?

MR. LIPP:
Yes. I don't have that in front of me. If you look in the official statements, they have that. I don't -- I'm not aware if I included that in this file that we have. So I'll say I'd have to get back to you on that.

LEG. STERN:
Would you say that it's a substantial percentage that's paid off within ten years?

MR. LIPP:
Yes. And as a matter of fact, it's becoming more of a substantial payoff period because the last couple of bonds have been issued for shorter life times.

LEG. STERN:
And when we issue bonds, it's for what purpose; what are we purchasing for them?

MR. LIPP:
So each bond issue, let's say it's $60 million for talking purposes, we do that twice a year -- let's say 50 million, we do it twice a year and most of it is for -- well, there are like about 120 different
LEG. STERN:
What might be a couple of them?

MR. LIPP:
Well, for instance, that just went off, the schedule was the completion of the phase I of the new jail and we’re paying that back now, it's embedded in there even though, you know, we’ve completed and finished that particular thing, it's a good example. You know, there's everything from dredging to roads to buildings to courts, you know, there’s all sorts of stuff that we have. And then, you know, some of it could be as much from 20 years ago, perhaps a couple of years less, that we're still paying for that we would have to do some analysis to see which projects are still outstanding.

LEG. STERN:
But essentially it's our infrastructure that it's paying for.

MR. LIPP:
Yes.

LEG. STERN:
And these are items that we want to have, these are items that we need to have, some we are required to have. I'm sure all my colleagues would prefer to have the discretion to choose what we would like to make expenditures on, but nevertheless, these are infrastructure projects.

I ask the question because the comment or the idea that we are kicking a can and just putting it on the backs of our children and grandchildren isn't really necessarily accurate. If we pay off a substantial percentage of our debt in ten years, that's a more nearer term than far. Many of my colleagues that I have the privilege of serving with, we are in our tenth year. I don't have grandchildren.

LEG. D'AMARO:
Yet

LEG. STERN:
Yet, yeah (Laughter). So these are the -- I don't know if I necessarily agree with the characterization that decisions that we are making today, we are intentionally placing on the backs of future generations without having any consideration for being able to pay off that debt realistically because, as Dr. Lipp suggests, the majority of a substantial portion is paid off within ten years. And so what are we leaving our grandchildren? We're not leaving them with that debt associated with decisions that we're making today, we're leaving them with the infrastructure. We're leaving them with the buildings, we're leaving them with safer roads. These are our tangible items. Dr. Lipp, right now the debt service, as a percentage of our annual budget, is about how much?

MR. LIPP:
I would say about 7%.

LEG. STERN:
So about 7% of our annual Operating Budget is utilized for debt service, so it's a single digit. And the roads and the bridges and the dredging and all of the infrastructure projects that we do on an annual basis are performed by who?

MR. LIPP:
DPW oversees it and they typically hire outside firms to complete most projects.
LEG. STERN:
Which represents jobs.

MR. LIPP:
Yeah.

LEG. STERN:
Which represents jobs in Suffolk County. I don't recall what the actual number is, perhaps you know, but I do know that there is some general rule that you've referred to in the past that for a dollar of spending on infrastructure, that there is a multiplier, there is a benefit to our economy. The number is what; do you recall off the top of your head?

MR. LIPP:
I would say about two.

LEG. STERN:
So for every dollar in infrastructure, Suffolk County economy benefits by --

MR. LIPP:
Two.

LEG. STERN:
-- $2. Okay, jobs, job creation, and these are good-paying jobs as well.

I agree with my colleague, these are very difficult decisions. But when we're talking about these decisions and we're talking about building our infrastructure that we want, our infrastructure that we need, the jobs that created and the benefit to our overall economy, those are decisions that I'm uncomfortable making. And like you, I'm making sure that we're watching every penny and I know that our professionals at DPW are making sure to squeeze every dollar, but these are decisions that, although difficult, are important to make for today and for our future going forward. Thank you.

P.O. GREGORY:
Yes, Legislator Calarco.

LEG. CALARCO:
Thank you. And I just wanted to follow-up, and Legislator Stern made some very good points. But, you know, this comment that we are passing a budget that's telling the State that we don't have -- we don't need them to step up and help us is just not accurate. I mean, there are a lot of holes in this budget and a lot of things that we've done that's sending a clear message to the State that they've got to step up to the plate and, you know, do their part, and they're certainly flushed with cash these days and they can do that. You know, we cut $11 million out of the bus system. The reality is our bus system, just ten years ago, was over 50% funded by the State, and nowadays we only get about 30% of our funding from them. Nassau County is getting a large portion of their funding for their bus service from the State of New York and we're not. And this isn't a system that is not needed -- in fact, we need to expand the system and we've all recognized that -- yet we've made continual or new investments from the County with nothing from the State.

You know, we cut the amount of money going into the Safety Net Program, you talked about Social Services, that number is being brought down, partly to the good work of our Social Service Commissioner to, you know, root out any kind of fraud in any kind of places where there's money being spent that shouldn't be. But the reality is we're sending the message to the State, we can't afford this. We can't afford to shoulder, what's that -- Dr. Lipp, what's our on percentage on Safety Net, 70% that we have to pay?
MR. LIPP:
Seventy-one percent.

LEG. CALARCO:
Seventy-one percent; we can't shoulder 71% of that bill any longer, they need to step up and pay something into that. We are sending clear messages with this budget that we cannot continue to manage without the State of New York doing their fair share, helping the local municipalities to pay for the services, the programs that they are paying for in other locations, or telling us that we have to do.

We are doing a budget here that is being realistic with the numbers. And while we can talk about the need for new revenues, and certainly I think there is a need for new revenues, we're also realizing that we can't any more burden on our homeowners, that the taxpayers of this County are maxed out; while we're just a small portion of the overall bill, we're maxed out.

You know, we have a budget here, we have a workforce that's right -- you know, a skeleton crew of what they once were. They're running around trying to do what they can, the best they can, and that's in every single department. So to say we're not asking our workforce to help, they're certainly doing everything they possibly can, especially the AME employees haven't gotten the best contracts in the world lately either. You know, we've made improvements in the Police Department. Even the contract that everybody likes to criticize, the reality is three and four years down the road, it's going to set us up for savings. It's going to set us up in a place where our Police Department is going to become more affordable. And that's a good thing, but it's not going to happen overnight, we all know that. It's going to take a little time, it's going to take a little pain to get there, but we're getting there. And that's really setting ourselves up for the long-term so that my children, Legislator Stern's children, all of our children will have a better County in front of them and we'll be in a better position to move forward.

So I don't think that we are, by any means, you know, sitting here around this horseshoe saying that there's not issues that we have to deal with, that we don't have to control our spending; I think that's something that we've been doing. And quite honestly, sitting in that room for the three weeks that we were working on this budget, you know, there was a lot of times of us yelling back and forth at each other, We don't have any money, and we all recognize that. And we were all looking for any savings that we could come up with, or any kind of place to produce real, significant savings or real, significant, new revenue that isn't going to overburden our already burdened taxpayers. And I think that's what we're trying to do in this budget and we're sending a clear message to New York State, it's time for them to help us out.

P.O. GREGORY:
And if I may add, I think, you know, what you're discussing and what you're concerned about is not something that the rest of us aren't concerned about as well. I mean, there are things -- we sit on the land bank together, we have property owners that are contaminating properties in Suffolk County, haven't paid taxes, some of them, for almost a generation, and we're starting to collect that and we need to hold them more responsible.

I fully support what the Comptroller Kennedy is doing. There are unscrupulous businesses that are not collecting sales tax and they know they should be. We should be doing -- there's a lot of opportunity here to gain revenue, resources, and it's not necessarily on the backs of the poor. We're not going to get there. Yeah, there's fraud in the Department of Social Services, but there's not $100 million -- or I would be very surprised if there was $100 million in fraud coming out of the services that are provided in the Department of Social Services. But we need to look at all those things and ensure that we're getting the revenues that we are supposed to be getting and people act -- are being fair actors in this process. Yes, Legislator Anker.
LEG. ANKER:
I also want to thank the Working Group for the work that they did, and also remind the fact that it's, you know, the school tax. You know, it's the school tax that really creates the heaviest burden. And, you know, we here on Long Island do not get our fair share of the money coming back; we pay a lot into it, we don't get the money coming back.

Also, when the economy is bad, Suffolk County services are needed more. So we're having to pay more to help sustain those living here. So there's a lot of balancing to do, and I think the Working Group has done a good job. There's a lot more to do. I personally don't believe in borrowing, I wish we didn't have to do it. Hopefully in the future we will not have to do it; in fact, we can create a fund, and we have that fund, you know, the rainy day fund -- what's it called? Tax Stabilization Reserve Fund; right, Rob?

MR. LIPP:
Actually, there's also a Debt Service Reserve Fund, too.

LEG. ANKER:
Debt Service, right. And we can work on that, but we have to -- you know, another very important part of being here in Suffolk County is we have to invest in the economy. If we don't invest in the economy, we're not going to improve sales tax, therefore we won't have the sales tax that we need. This is a difficult job and I admire my colleagues working on this and trying to find answers and, you know, I ask that everyone be patient. But, you know, if you're going to criticize the plan, come up with a better plan, that's all I ask. Thank you.

P.O. GREGORY:
Okay. All right. So we have a motion and a second on Budget Amendment No. 2.

MR. RICHBERG:
No, we don't.

P.O. GREGORY:
I thought -- no, we did.

MR. NOLAN:
Same motion, same second.

P.O. GREGORY:
Yeah, same motion, same second. May I have all Legislators in the horseshoe? All right. All in favor? Opposed? Abstentions?

LEG. CILMI:
Opposed.

LEG. TROTTA:
Opposed.

LEG. McCAFFREY:
Opposed.

MR. RICHBERG:
Fifteen (Opposed: Legislators Cilmi, Trotta & McCaffrey).
Okay, *Budget Amendment No. 3-2015 - Specifies previously aggregated funding for the eight separate Hudson River Healthcare (HRHCare) contracts with Suffolk County and assigns activity codes to each contract*. Dr. Lipp, can you explain this? Actually, let me get -- I'll make -- same motion, same second. And Dr. Lipp, can you explain?

**LEG. D'AMARO:**
Just, excuse me, Mr. Presiding Officer.

**P.O. GREGORY:**
Oh, I'm sorry.

**LEG. D'AMARO:**
Please note my recusal for the record.

**P.O. GREGORY:**
Yes.

**LEG. D'AMARO:**
Thank you.

**MR. LIPP:**
So this is really sort of to make the budget more transparent, or breaking out the number from one line item to each of the centers so that it's budget neutral.

**P.O. GREGORY:**
Okay. All right. All in favor? Opposed? Abstentions?

**MR. RICHBERG:**
Seven -- sixteen. *Fifteen (Opposed: Legislators Trotta & McCaffrey - Recused: Legislator D'Amaro)*.

*Budget Amendment No. 4-2015 - Decreases funding for Community Action of Southold Town (HLLI) by $400 to $4,500, which is offset by a decrease in discretionary sales tax revenue of $400.*

**LEG. KRUPSKI:**
Mr. Presiding Officer, please note my recusal on this Budget Amendment and I will file the appropriate paper work with your office. Thank you.

**P.O. GREGORY:**
All right. I'll make the motion, second by Legislator Calarco. Can you explain this?

**MR. LIPP:**
Sure. So this was a conflict for Legislator Krupski who is on the Working Group, so we carved it out for a separate resolution so he would be able to vote with the Working Group on the Omnibus Resolutions.

**P.O. GREGORY:**
Okay. Anyone else? All right. All in favor? Opposed? Abstentions?

**LEG. CILMI:**
Four hundred dollars, right?
P.O. GREGORY:
Yes, $400. Opposition?

MR. RICHBERG:

P.O. GREGORY:
Okay. *Budget Amendment No. 5-2015 - Decreases program costs for Institutional Foster Care/Probation and is the mandated companion to DBA, Resolution No. 6-2015, which provides sufficient appropriations to fill one vacant and five new Investigator I (Grade 17) positions in DSS to be funded for half a year, as of July 1, 2016.* Legislator Cilmi?

LEG. CILMI:
Yeah, motion to approve.

P.O. GREGORY:
Okay.

LEG. McCAFFREY:
Second.

P.O. GREGORY:
Second by Legislator McCaffrey. On the motion?

LEG. CILMI:
Yeah, sure. So initially, when I asked Robert to draft this amendment, I asked him to use as an offset the savings that I believe will come from the additional Investigators in DSS. Not knowing exactly what those savings would be, and Budget Review's looking at the budget, they found another offset which they were able to use here which is not related to that savings; so if, in fact, there are savings associated with the additional positions, that would be gravy. And I would have to defer to Robert to explain in greater detail exactly what the offset is and why it's available to us.

MR. LIPP:
Okay. So if I have this right, and I would be corrected if not, Institutional Foster Care is the offset, and we believe there's some extra money in there because they were anticipating -- there's a new rule in place that -- there's a new rule that's being worked on for institutional youth, okay. And right now, the maximum age for youth is 16, according to State law, and it's going to go up to 18 and there's going to be a significant impact in the wrong direction, or an increase in expenditures as a result. We think there's extra money in there now, and hopefully the Investigators will not only look at that to see if they could whittle down the rolls, but more importantly, there'll be other Social Service programs that they'll be able to look into and hopefully we'll be able to get some savings there by recognizing people that are on the rolls that are -- that don't belong on the rolls.

P.O. GREGORY:
Okay. So the assumption is, or the thought process is that there are people that are under the Foster Care Program that shouldn't be?

MR. LIPP:
No, actually they're going to increase the age limit, so once you pass 16 you sort of age out --

P.O. GREGORY:
Right.
MR. LIPP:
-- and the new rule that's being put in place but hasn't been there yet is going to be 18, not 16.

LEG. CILMI:
Which will be another unfunded mandate, by the way.

MR. LIPP:
Exactly.

P.O. GREGORY:
Right, so I'm trying to find where is the savings coming from?

LEG. CILMI:
There's money in the budget, assuming that that change is going to be made, and Budget Review believes that there's some savings -- there's too much money in the budget, if you will, to account for that.

MR. LIPP:
So basically what we're saying is the start date in the budget we think is too optimistic in terms of it happening and that there'll be perhaps a few months --

LEG. D'AMARO:
Excuse me.

MR. LIPP:
One month at least that will -- I'm sorry, at least three months of additional monies under the old program or the current program of age 16 or under.

P.O. GREGORY:
So because of the change, isn't that -- is that a one-time thing?

LEG. D'AMARO:
Right.

P.O. GREGORY:
I mean, it's --

MR. LIPP:
No, no. So when the change comes down, as Legislator Cilmi said, there's going to be an increase in cost. We're looking at it and thinking that there's at least a three-month lag between what the budget's saying it will come into play and what we think it will be, so therefore we don't think that there'll be that many months during 2016 where you'll have the 18 and under because the group is 16 and under.

LEG. CILMI:
In addition to that -- I mean, that's the offset that's in the resolution. But in addition to that, I believe, and you all may disagree, but I believe that the additional Investigators will yield substantial enough savings that it'll pay for themselves.

P.O. GREGORY:
In the future.
LEG. CILMI:
As they work; you won't get the savings until they start working, but once they start working, then you'll see the savings.

P.O. GREGORY:
Right. But is the savings just strictly associated with this change, or is it just savings that you're assuming are going to be recurring because there's just a massive amount of fraud and you're going to always kind of find the savings to pay for the increased costs in payroll and benefits?

LEG. CILMI:
Well, as -- I mean, there's ongoing savings associated -- well, there's ongoing cost associated with fraud and abuse, and therefore savings associated with additional Investigators would be ongoing as well, in preventing fraud and abuse and finding fraud and abuse, reducing our costs on an ongoing basis.

P.O. GREGORY:
Okay. Legislator Spencer.

LEG. SPENCER:
I think that investigating DSS for ways to get rid of waste fraud and abuse and improve efficiencies is something we have to do. I don't know if -- you know, I've looked at the potential of having a case manager, an automated system, there's a lot of ways that we could do it. My concern, Tom, with this is that normally if we're looking at a department -- and maybe we can. It would be great to have the Commissioner here because it's -- you know, I'm the Chair of the Health Legislative Committee and a lot of times when we start to put ideas into effect and you start to speak with the Commissioners and the head of the department, I don't know if what you're doing here is too much, not enough, and maybe we can get the Commissioner here, he's pretty close. But for us to look at a particular department, I realize as Legislators we are -- it's our job to implement policy, but to have a better understanding of the process, I would prefer to kind of do it in a comprehensive manner where we could kind of look and see and see if there's another way that we could look at the whole program than to take like something like this, which is so specific. How did you get this knowledge; did you work with the Commissioner to come to this conclusion?

LEG. CILMI:
So when I spoke to the Commissioner about this, I mean, I hope I'm not speaking out of term, but he said thank you. And let's not forget that although we are -- by approving this resolution we would be authorizing these positions, we are certainly not the party responsible for signing SCINS for these positions. So to the extent that they can -- that the department can accommodate these additional positions, the County Executive has the ultimate say of whether or not they're hired, so.

LEG. SPENCER:
But the way that you came to this particular position, was it that you came to this, called him up and said, Is this a good idea, or did you have specific knowledge of the inner workings of that process that what was recommended that gave you kind of the foresight to be able to say, This is what we need to have that impact. Because it would be helpful if, you know -- you said there will probably be offsets, I believe that you're right and I think you're on to something and I want to support you a hundred percent. But we usually would bang out something like this through a committee process, and I realize this is a budgetary process. So how does this tie our hands? I realize we don't approve the SCINS, but I would like to have a little more precision on it to feel like, you know, maybe that half of position isn't enough to make a difference and it needs to be twice that much.
LEG. CILMI:
Well, we have the opportunity throughout the year to amend the budget further, the County Executive has the opportunity throughout the year to amend the budget further. I would suggest to you that we approve this resolution today, it gives them the authority, it doesn't -- we can't direct them to do the hiring, but it gives them the authority to hire and there's an appropriate offset in here for that. And, you know, the folks who crunch the numbers in the Department of Social Services and with the County Executive will make a decision as to whether or not it makes sense to hire these people.

By the way, the other interesting part about what we do in our Department of Social Services with respect to fraud is that we're not authorized -- in fact, we're prevented by the Federal Government from investigating provider fraud, so we can only investigate client fraud. And one of the things that I'm working with, working on is the potential of a pilot program that would allow for us to investigate provider fraud, which could actually yield us tremendous benefits.

LEG. SPENCER:
I can't tell you how excited I am to see you investing and spending money to kind of protect our bottom line.

LEG. CILMI:
You have a good, positive return on investment, I'm all for it.

LEG. SPENCER:
(Laughter).

P.O. GREGORY:
Legislator D'Amaro.

LEG. D'AMARO:
Thank you. So I just need to understand this a little bit further, especially given the fact that the sponsor believes that our budget isn't balanced. So I would assume that this is not adding to that lack of balance, at least that's what you believe.

LEG. CILMI:
Right.

LEG. D'AMARO:
So I want to look first at the offset. Institutional Foster Care; Dr. Lipp, was this particular offset or savings item addressed in the BRO Report?

MR. LIPP:
I believe we did not recommend anything on this.

LEG. D'AMARO:
Why not?

MR. LIPP:
Because it would be difficult for us to have determined what sort of, you know, start date there actually would be and, therefore, we didn't feel comfortable --

LEG. D'AMARO:
So the offset is premised on a start date that is going to be decided by the State of New York; is that correct?
MR. LIPP:
Yes.

LEG. D'AMARO:
And do we know -- we don't know what that start date is and, in fact, your office was not comfortable in predicting what that start date would be.

MR. LIPP:
Correct.

LEG. D'AMARO:
Okay. Did the BRO Report recommend the creation of these six new positions?

MR. LIPP:
No.

LEG. D'AMARO:
No; how come? I mean, if you have an answer for that.

MR. LIPP:
We just didn't -- based upon the limited knowledge that we had, we didn't want to venture a --

LEG. D'AMARO:
Well, but isn't the representation that these six positions, if filled, are going to uncover sufficient revenue, not only to pay for the positions but also to generate recurring revenue for the County?

MR. LIPP:
So the conversation we had with Legislator Cilmi was that there may be some slack. He asked us to look at all the different Social Service Program accounts and we felt that of all of them, there may be some slack here and that, therefore, it could be used as an offset to the extent that that worked out, number one. And number two, that the impact that the new Investigators, if they were hired, would have would probably be felt mostly in 2017.

LEG. D'AMARO:
Okay. But I think it's fair to say that given what you just stated, that the offset is somewhat speculative and, you know, you're not really sure about the start date of the savings, you're not really sure about whether or not you should have recommended these positions. I mean, we don't know how much is going to actually be generated in revenue. Did the Working Group consider the creation of these positions, do you recall?

MR. LIPP:
No, because it wasn't one of the BRO recommendations.

LEG. D'AMARO:
Okay.

MR. LIPP:
And basically other, you know, Working Group members have their own recommendations.

LEG. D'AMARO:
Now let's say the State of New York decides right on que that the program is going to change or the age is going to change and that the savings are materializing, all right? Is that a recurring savings to the County?
MR. LIPP:
No, no, no. There's a -- that's a cost. When they implement -- and you can see over here on the TV screen, the program is Raise the Age, and once the age is raised, then that would be an increased cost. What we're saying here is there's an argument that could be made that the increased age will not occur as early as was recommended in the budget.

LEG. D'AMARO:
Okay. So there's -- let's say there's $10 in the budget to cover at a certain age. What you're anticipating is eventually the age will go up, there'll be a higher cost, but if that happens midway through the year, you won't need the whole $10.

MR. LIPP:
Correct.

LEG. D'AMARO:
So what happens the following year; is that a recurring source of revenue for these positions?

MR. LIPP:
No, no, no, the costs that -- maybe I'm misunderstanding you.

LEG. D'AMARO:
No, I don't think you are.

MR. LIPP:
The costs of Raise the Age is that now we have 17 and 18-year-olds as part of -- in the mix and, therefore, it increases demand for the services.

LEG. D'AMARO:
Right, we're budgeting for the --

MR. LIPP:
The higher costs, right.

LEG. D'AMARO:
-- age increase. We're budgeting for the age increase, but because it may happen later in the year, there may be some surplus in that budget line.

MR. LIPP:
Correct. So basically it's a one-time offset. You know, we wouldn't have that offset if it does work out beyond this year. So the argument was, as my conversation went with Legislator Cilmi, and he can correct me if I'm wrong, is that you could -- you know, you can make a case for this as an offset and then the additional Investigators, they would be used by the department in perhaps completely different areas and enact savings probably at the earliest 2017, or for the most part.

LEG. D'AMARO:
So initially, let's say, if the five positions were -- or six positions were filled, the start-up cost, if you will, of those positions are based upon a non-recurring funding source.

MR. LIPP:
A non-recurring increase in cost to us.

LEG. D'AMARO:
Okay. So --
MR. LIPP:
A non-recurring reduction in the expenditure.

LEG. D’AMARO:
A non-recurring reduction.

MR. LIPP:
Right, yes.

LEG. D’AMARO:
Okay, fair enough.

MR. LIPP:
Sorry for the confusion.

LEG. D’AMARO:
Non-recurring is a good point that I’m trying to make.

MR. LIPP:
Yes, you’re right.

LEG. D’AMARO:
So then we go into the following year and we have these folks on the payroll and we’re paying their
salaries and benefits and they’re working very hard, as all our County employees do. So what type
-- what is the cost of these positions if they’re filled; roughly?

MR. LIPP:
Oh, yeah, I do remember. It's about 77,000 is the net cost when you look at it all, for half a year
that is. So there would be -- they would hire July 1st, based upon the resolution. It's a net cost.
There's also some revenue that we get for these people that we hired.

LEG. D’AMARO:
Right, but just focusing on the cost to the County for these six salaried employees is about 150,000
a year?

MR. LIPP:
Yeah, with benefits; I believe it's like 121,000 without the benefits.

LEG. D’AMARO:
All right, so 150.

MR. LIPP:
Yeah, in that ball park.

LEG. D’AMARO:
In that ball park, okay. So can you tell me that we will generate at least that in the work product
that they're targeted to perform?

MR. LIPP:
No, there's no way for me to tell that other than --

LEG. D’AMARO:
So it's speculative.
MR. LIPP:
Yes. But what I would say --

LEG. D'AMARO:
So if it's speculative in the initial funding source, it's speculative on the recurring funding source, is that a reason why your office perhaps didn't recommend it?

MR. LIPP:
We didn’t focus on this because there was too much uncertainty for us. You know, although we might be considered too optimistic on certain things --

LEG. D'AMARO:
I mean, I just don't want to put the County further in a hole. If the funds don't materialize, then we're just adding to our structural deficit lis that accurate?

MR. LIPP:
Yes with one exception, perhaps. And the one exception would be if I was the County Executive, I would have the conversation with the Commissioner and if he felt that it would work out for, let's say, one or two of them, or all six for that matter, then that would be a convincing argument.

LEG. D'AMARO:
Right, but I haven't had the opportunity to have a discussion with the Commissioner. Do you know off-hand if we have similar employees doing this particular investigative work?

MR. LIPP:
I believe that we have Investigators -- so we have Investigators now.

LEG. D'AMARO:
Do you know what revenue is generated by those Investigators?

MR. LIPP:
Yes, we have that in our -- in the resolution it says what revenue is there.

LEG. D'AMARO:
Because I would be curious to know what the Commissioner, when he said to you, you know, Thanks, if what he's really saying is, you know, they'll more than pay for themselves or they won't pay for themselves; I’d like to know the answer to that. Because I don't want to put in more recurring expenditures in the form of salary and benefits without the revenue, and I'm sure you wouldn't either.

LEG. CILMI:
No, I completely understand your point of view. The fact that this is a budget amendment and not a directive to the County Executive to hire these employees I think is part of the argument here. I think the second part of the argument is that with literally hundreds of millions of dollars in programmatic costs in the Department of Social Services, the likelihood that we could find another 170 whatever thousand dollars, or $121,000 I think is pretty good. But we're not directing the County Executive to hire these employees, we have many line items in the budget that are speculative to some extent. This would authorize the County Executive to hire these employees, he could hire -- Mr. Lipp, Dr. Lipp, correct me if I'm wrong, he can hire one at a time, see as savings -- you know, if the savings come in. In fact, I believe there's one position that's currently even open in the department that's budgeted but not filled.
MR. LIPP: 
Correct, and that was part of the resolution.

LEG. CILMI: 
Right. So I recognize that it's somewhat speculative. You know, I think that the potential for savings is significant, more significant than the cost, but it gives the County Executive the flexibility to be measured in his hiring.

LEG. D'AMARO: 
So let me ask, through the Chair, to Legislator Cilmi. I appreciate your comments and I appreciate your being candid about it, but what do you base this theory on that these positions would pay for themselves, other than because it's such a big department we're going to find a lot of money and a lot of fraud.

LEG. CILMI: 
Very, very simply --

LEG. D'AMARO: 
Did you speak to the Commissioner about it? You know, that kind of thing.

LEG. CILMI: 
The Commissioner and I have spoken about it, but frankly, speaking with employees in that unit, in that department who live it day-in and day-out.

LEG. D'AMARO: 
So their position was if we just had more Investigators, we could do what; like what are they saying to you?

LEG. CILMI: 
Find more savings in terms of fraud and abuse.

LEG. D'AMARO: 
Okay, I don't want to take up too much time.

LEG. CILMI: 
I can't -- I mean, no one said to me, If you hire one employee, you're going to find X amount of -- obviously, fraud is something that you go out and you find it and -- it's not -- you can't predict accurately what the savings are going to be.

LEG. D'AMARO: 
I'm just concerned about adding to a structural imbalance in our budget by adding positions. Let's assume that they're added and the County Executive fills them, which is what you would want to happen.

LEG. CILMI: 
Right.

LEG. D'AMARO: 
And it's based on a speculative funding source that's non-recurring and then it's based on a speculative funding source that should be recurring, but yet I don't have any empirical data or evidence of, let's say, similar positions that have operated in this field and have uncovered "X" amount, you know, per year or a percentage of -- you know, some expression of the savings that would be recurring. So, therefore, I'm not comfortable with this budget amendment --
LEG. CILMI:
I understand.

LEG. D'AMARO:
-- and I'm not going to support it.

LEG. CILMI:
I mean, I would say to you that there's ample evidence throughout society here in Suffolk County and, you know, beyond, that some of these programs, unfortunately, to the detriment of people who actually need them, some of these programs get taken advantage of. And I think that the amount of savings that would enure to Suffolk County as a result of these positions would exceed the cost, but certainly I appreciate your opinion.

LEG. D'AMARO:
Yeah, and you're absolutely entitled to have the opposite opinion. When the Comptroller comes to us and says, you know, *I've already uncovered "X" amount of dollars in Hotel/Motel Tax that have not been paid,* there's something then to base a decision on if you want to hire more employees. But other than you just telling me *I think there's some fraud going on out there,* I don't really see that type of data to backup this position. And given the fact that you're all concerned about the structural imbalance of our budget, which we certainly don't want to increase, I don't think that we should be relying on speculative budget amendments that may, in fact, wind up increasing that imbalance. So anyway, that's my point. I'm not going to support this.

P.O. GREGORY:
Okay.

LEG. CILMI:
I don't know -- Robert's pointing at the screen and looking at me, and I'm not sure what he wants to say.

MR. LIPP:
The only thing I would add, we did have some language in the review that basically referred to conversations that -- well, not conversations, but on the record in the budget meeting, budget hearing meetings that there were two areas that would be explored with decreased expenditures associated with Investigators, but there aren't any hard numbers.

P.O. GREGORY:
Okay. Legislator Calarco?

LEG. CALARCO:
Well, I guess my one concern with this and what I was going to bring up, and actually Legislator Cilmi mentioned it, is that, you know, it comes to where the bulk of the fraud lies in these programs. And while there's certainly client fraud, I'm sure there's always going to be somebody who's going to try to game the system. A lot of that gaming the system is happening on the other side; it's the provider fraud, it's, you know, the doctors that are double-billing Medicaid or it's the convenience stores that are cashing EBT cards and giving out cash and taking half of it as the payment. And unfortunately, it doesn't matter how many investigators we hire, we're not allowed to prosecute that fraud. You know, that lies on the other side of the aisle in terms of the State and Federal authorities to come in and do those investigations, they don't allow us to do it.

And then the other question is actually how much of the savings comes back to the County and isn't absorbed as savings by the State, in terms of exactly how much revenue would we see coming in through those savings.
LEG. CILMI:  
I can't address to you the second part of your question, but in terms of your first part of your question, where there's provider fraud there's client fraud. You can't have one without the other, really.

LEG. CALARCO:  
No, if someone gets -- if Medicaid gets double-billed by a medical provider, that has absolutely nothing to do with the person who --

LEG. CILMI:  
Well, that's true.

LEG. TROTTA:  
-- has a Medicaid payment.

LEG. CILMI:  
There are some circumstances.

LEG. CALARCO:  
And that's where the real money is. And you see every once in a while an investigation produces that, but -- and that's the tough one, because we need to rely on the State and the Feds to help us with that.

P.O. GREGORY:  
Legislator Krupski.

LEG. KRUPSKI:  
Thank you. Most of my questions have been answered. One for Legislator Cilmi. There's a -- the proposal is to fill one vacant and create five new positions. How did you arrive at that number; why not four, why not three, why not six?

LEG. CILMI:  
We looked at the offset that we believe to be appropriate and we looked at the number of positions that were in the department now and we came to a conclusion.

LEG. KRUPSKI:  
So if there's an unfilled position, why wouldn't we just start with that one and see how much progress they would make and then work with the Commissioner to say, you know, this person's overwhelmed by the amount of fraud they're finding, why don't we create another position and give them some help.

LEG. CILMI:  
Well, we don't have the authority, as you know, to fill that position. We set policy. And in my view, based on the discussions that I've had with residents of Suffolk County and based on discussions I had with employees in the Department of Social Services, there is ample room for improvement in terms of how much we invest in finding fraud and abuse in this system. So while, you know, your theory, let's add the one; okay, but we don't have the authority to add the one, we have the ability to set policy. And what I'm trying to do with this resolution is set a policy that we believe that this is important, and to the extent that we can fund these positions, we think it's a smart thing to do fiscally and the right thing to do.
LEG. KRUPSKI:
But we do have the ability to shed light on this problem if there is such a big problem there and if employees are reaching out to you. First of all, why aren't they reporting fraud to -- why would they report it to you? Why wouldn't they report it to the Commissioner or his people? And then why wouldn't we then, if there was a great deal of fraud, why wouldn't we then put pressure and appeal to the Administration to say, Fill this position, let's get started on this process of correcting the system.

LEG. CILMI:
Rest assured that regardless of whether or not this budget amendment passes, I will be putting new pressure on the County Executive to fill this position that currently exists in the budget.

LEG. KRUPSKI:
Thank you.

P.O. GREGORY:
Okay, Legislator Trotta.

LEG. TROTTA:
I have a firsthand knowledge on this, having done probably three or 400 search warrants in my career. I can honestly say I didn't ever go in one, when there was someone on Social Service, where there wasn't some type of fraud going on, whether it be someone renting a house and having three people renting rooms, or having a boyfriend who works go there. And when I went to Social Services earlier this year, I spoke to some of the Investigators and they just said they have no time to go anywhere. I mean, if you were to go sit on someone's house who's renting a house and she's supposed to rent it with two kids and their boyfriend's there and the boyfriend's brother is living there, I mean, it's like shooting fish in a barrel. There's not a doubt in my mind you couldn't make a case a day doing this. And I would support this a hundred percent because, you know, this is the kind of thing that goes on every single day.

And like I said, in terms of the Medicaid fraud, the food stamp thing, we would send people in to buy food stamps and, you know, with the card and say, Oh, give me $100 and you keep $100 and take $200 off, it was like shooting fish in a barrel every single time we went. So, and there's no one who did that. We had to bring a guy from the city from the Food and Agricultural thing to do it. We would use a guy on a sting operation, it was the easiest cases in the world to make, and I think it would be a disservice if we didn't do this. And I spoke to people there and they said, We just don't have the time. We have no one to go out and do this type of thing. So I would agree with this a hundred percent.

P.O. GREGORY:
I know there were -- there was a company that I spoke to a couple of years ago, I know they had -- I think Legislator Browning and myself may have sat with them. There's a company that does these types of investigations, I think they were involved with Nassau County. What they do is they take a percentage of what they claim, so I would prefer to do that. So if there are any savings that are found through fraud, they take 20, 30% of whatever that is. So we don't have to spend any more on personnel costs, you know, they do all the work and --

LEG. TROTTA:
That's the equivalent of having red light cameras, half our revenue sent out of State. Why not let us do it and get all of it?
P.O. GREGORY:  
Well, I think there's some concern here that, you know, how much -- this is a speculative offset for future costs or our budget that has been labeled as unbalanced. So, you know, I think that's the way to do it. And if we -- and if there's future costs you say, Well, wait a minute. This is like shooting fish in the barrel. Maybe we should hire three full-time people and go in and do it ourselves, and we can do that. We can make that determination once we kind of poke around a little bit, if you will, and see what's out there. Because you're right, I think we're not doing enough of that. All right. Legislator Browning?

LEG. BROWNING:  
When you mentioned that agency in Nassau, I believe there was an issue with Suffolk actually being able to use them. I can't remember whether it was a contractual issue. But again, Rob said it, this is -- it's the provider fraud. We don't get the return, we don't get that money. So even if we hire the people to do it, it goes to Ag & Markets, they get to keep the money, we don't, so now we have to pay the employees to start the process. So it's a limited amount of money that we would actually get back.

And I guess, Robert, I mean, I understand what you're are saying with the Institutional Foster Program and the Raise the Age, it hasn't happened. Lou, you're right, it's speculative to say it's going to -- you know, that that can happen. We've been waiting for a couple of years already for this to happen. And I think that -- you know, I've been one of the loudest people on this issue with the unfunded mandates; I'm continually talking about unfunded mandates. And, you know, whatever we can do to save on the County end with these mandates would be great, Safety Net being one of them; our numbers are going through the roof, I think towards 84 million for next year.

MR. LIPP:  
Eighty-one.

LEG. BROWNING:  
Eighty-one million. I believe it was about 70 and it's just going to continue to grow.

MR. LIPP:  
Budgeted 75.

LEG. BROWNING:  
Right. Do you know how much, if we do recover any of this fraud, how much -- I know that John O'Neil had talked about that and I'm not sure what he said, how much we actually recover from that.

MR. LIPP:  
So the best I could say, and I'm not going to put words in anybody's mouth, is if I could remember that the initial budget request was like, I want to say eighty -- it was 84 million, and then the August update of the budget request was like 81 million, so the difference being three million would be my educated guess.

LEG. BROWNING:  
No, but I'm talking about the fraud, a provider, with providers goes to Ag & Markets. I know he had mentioned at one time what we would actually -- what our return was.

MR. LIPP:  
I'm not sure, but I think his main point, but I'm not sure, was that a lot of it would be because of stuff like this, like the investigation. That being said, probably much of the investigators' work would be in Safety Net, not in Institutional Foster Care. The only reason why we're using Institutional Foster Care as the offset was there is a better argument that could be made; we know
that we're -- or we perceive that we're low in Safety Net, so we wouldn't dare go any lower than that for that item.

LEG. BROWNING:
So really, if we don't approve this, it's not saying that we can't address it if the Raise the Age does actually happen. So I'm really not comfortable with approving it. I'm a big supporter of us doing these investigations, uncovering the fraud, dealing with the unfunded mandates, but I don't know that this is the time to do this and I don't see that the County Executive, if Raise the Age does happen, that he can't work on this next year.

P.O. GREGORY:
Okay. All right, so we have a motion and a second.

MR. RICHBERG:
Yes, we do.

P.O. GREGORY:
All in favor? Opposed? Abstentions?

(*Opposed said in unison by various Legislators*)

All right. Let's do a roll call, Mr. Clerk.

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

LEG. CILMI:
Yes.

LEG. McCAFFREY:
Yes.

LEG. KRUPSKI:
No.

LEG. BROWNING:
No.

LEG. MURATORE:
Yes.

LEG. HAHN:
No.

LEG. ANKER:
No.

LEG. CALARCO:
No.

LEG. LINDSAY:
No.
LEG. MARTINEZ:
No.

LEG. BARRAGA:
No.

LEG. LINDSAY:
Yes.

LEG. TROTTA:
Yes.

LEG. STERN:
No.

LEG. D'AMARO:
No.

LEG. SPENCER:
No.

D.P.O. SCHNEIDERMAN:
Nope.

P.O. GREGORY:
No.

MR. RICHBERG:
Five.

P.O. GREGORY:
Okay. Robert, since that Budget Amendment 5 failed, can we vote on No. 6?

MR. LIPP:
No, it's a companion.

P.O. GREGORY:
Okay.

MR. LIPP:
One being mandated, the other being discretionary.

P.O. GREGORY:
All right. Budget Amendment No. 7; is that conflicted?

MR. LIPP:
Yes, so that's knocked out.

P.O. GREGORY:
So seven and eight?

MR. LIPP:
Same thing.
P.O. GREGORY:
Okay. All right, Budget Amendment No. 9-2015 - Revises the breakdown of property tax items between the per parcel benefit charge and property tax levy in the Southwest Sewer District to reflect updated information on the number of parcels and assessed valuations.

MR. LIPP:
So this was a Presiding Officer resolution that we stuck in. What happens is when the budget is put together, they don't have all the information and this bases the breakdown of the Southwest Sewer District charges between the benefit charge or the user fee and property tax portion, so it just adjusts it to fit the actual data. And it doesn't cost -- it's budget neutral, by the way.

P.O. GREGORY:
Okay. I'll make a motion.

LEG. CALARCO:
Second.

P.O. GREGORY:
Second by Legislator Calarco. All in favor? Opposed? Abstentions?

LEG. TROTTA:
On the motion. Can you explain that again, please?

MR. LIPP:
So in Southwest Sewer District there are property tax items. I can't call up the resolution here because my computer is freezing on me, but what it does is it bases -- the benefit charge or the user fee is based on the number of users. The recommended budget doesn't have the exact accurate number when the budget's issued, we get it a little bit later. And the same thing with the assessment rolls that will be part of the Tax Warrant; they don't have the exact number yet, we get it. So the distribution, it's like a big spread sheet, the distribution is based upon what the relative number of users are and the actual assessed value in each district. So we're able to fine-tune the amount of money that they're raising it.

LEG. TROTTA:
It has nothing to do with expenditures or spending.

MR. LIPP:
No, no, it's just a matter of how you're breaking up some of the revenue. The total revenue is going to stay the same, it's just a matter of distributing it more accurately.

P.O. GREGORY:
Okay. Anyone else? All right, we have a motion and a second. All in favor? Opposed? Abstentions.

MR. RICHBERG:
Eighteen.

P.O. GREGORY:
Okay, that's all that we have on the agenda. We stand adjourned. Thank you.

(*The meeting was adjourned at 2:52 PM*)

{ denotes Spelled Phonetically}