

1 BUDGET & FINANCE COMMITTEE
2
3 OF THE
4
5 SUFFOLK COUNTY LEGISLATURE
6
7 MINUTES
8

9 A meeting of the Budget & Finance Committee of the Suffolk County
10 Legislature was held via video conference in the Rose Y. Caracappa
11 Legislative Auditorium of the William H. Rogers Legislature
12 Building, 725 Veterans Memorial Highway, Smithtown, New York on
13 January March 28, 2023, at 9:30 a.m.
14

15 **MEMBERS PRESENT:**

16 Leg. Steve Flotteron, Chairman
17 Leg. Leslie Kennedy, Vice Chair
18 Leg. Nicholas Caracappa
19 Leg. Samuel Gonzalez
20 Leg. Jason Richberg
21 Leg. Dominick Thorne
22

23 **ALSO IN ATTENDANCE:**

24 Frank Tassone, Clerk of the Legislature
25 Brett Robinson, Deputy Clerk of the Legislature
26 William Duffy, Counsel to the Legislature
27 Lance Reinheimer, Director/Budget Review Office
28 TJ Corcoran, Budget Review Office.
29 Ali Nazir, Aide to the Presiding Officer
30 Chris DeLuca, Aide to the Presiding Officer
31 And all other interested parties
32

33 **MINUTES TAKEN BY:**

34 Gabrielle Severs, Court Stenographer
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(The meeting was called to order at 9:40 a.m.)

CHAIRMAN FLOTTERON:

Good morning. I call the meeting of the Budget and Finance Committee to order. Ask all to please stand. Legislator Thorne will lead us in the Pledge of Allegiance.

(Pledge of Allegiance)

Please remain standing for a moment of silence for the families and victims out west, terrible shooting, first responders involved -- and the first responders in yesterday's shooting.

(Moment of Silence Observed)

MR. RICHBERG:

Mr. Chairman, can we also add to that the young man who was stabbed yesterday in Lindenhurst.

CHAIRMAN FLOTTERON:

Yes. Thank you. And the young man who was stabbed in Lindenhurst yesterday, our prayers for him and his family.

Please be seated. Clerk, roll call vote.

(The roll was called by Chief Deputy Clerk Clark)

CHAIRMAN FLOTTERON:

Here.

LEG. KENNEDY:

Here.

LEG. CARACAPPA:

Here.

LEG. GONZALEZ:

(No response.)

LEG. RICHBERG:

Present.

LEG. THORNE:

Present.

LEG. GONZALEZ:

(No response.)

CHIEF DEPUTY CLERK CLARK:

Five.

CHAIRMAN FLOTTERON:

Oh, he has an excused absence. Thank you. Clerk, is there any correspondence?

CHIEF DEPUTY CLERK CLARK:

1 All correspondence have been distributed.

2
3 Okay. We have public portion.

4
5 **CHAIRMAN FLOTTERON:**

6 Our first speaker is Douglas Quattroch. Please state your name for
7 the record, and we have three minutes, please. Thank you.

8
9 **MR. QUATTROCK:**

10 Thank you. My name is Douglas Quattroch. I'm from Theatre Three
11 Productions, and I appreciate the Budget and Finance Committee for
12 the opportunity to speak. Just very briefly, over 54 years Theatre
13 Three annually hires or contracts over 200 artists to perform a
14 multitude of programs. Last year, throughout our main stage,
15 children's theater, touring productions, and educational touring
16 productions, we presented over 300 performances annually. It is
17 not within our usual realm to have such high administrative
18 expenses as we experienced in 2021. What happened is that year
19 when we got the word that we could reopen, we did so with gusto.
20 We brought back everybody we could to put them back on payroll and
21 take them off unemployment, and in doing so, our administrative
22 expenses went right back to where they normally were. However, our
23 programming costs, because we were only able to open partially to
24 to public and for a small portion of the year, our programming
25 costs were way down so that year, our administrative costs were
26 much higher. In an e-mail from February 2 with state -- County
27 Comptroller James Pecorella, he quoted, I say I looked at the year
28 before and you were only 9.47 percent. That's because your admin
29 costs were one nineteen twenty seven, and your total expenses were
30 a million two five nine. That is our normal realm, and I looked at
31 next year's numbers, and while my final audit report is not yet
32 completed, I know that we'll be back at 10 percent. We have been
33 doing this for over 50 years, and we have never experienced
34 something like that before. So I hope that in this time of
35 uncertainty, there is room for reason and explanation. I do
36 completely support the resolution of section one eight nine four
37 one of the Suffolk County administrative code, but we do -- and I
38 understand the reason for it's existence, but, like I said, in
39 these uncertain times, we do hope that there is room for reason an
40 acceptance. Thank you so much for the time.

41
42 **CHAIRMAN FLOTTERON:**

43 One question by Legislator Kennedy.

44
45 **MR. QUATTROCK:**

46 Yes.

47
48 **LEG. KENNEDY:**

49 Good morning. Thank you for coming down. So you say you spoke
50 with Mr. Pecorella from the county comptrollers's office.

51
52 **MR. QUATTROCK:**

53 Yes.

54
55 **LEG. KENNEDY:**

56 Did you ask him to review with you if anything was inappropriately

1 put into administrative costs.

2
3 **MR. QUATTROCK:**

4 There were a few items I did, and it still would not -- it would
5 not have gotten us under the 20 percent; it would have gotten us a
6 lot closer, so we decided to go forward since I had already
7 submitted all my materials for this year's audit to our auditor.

8
9 **LEG. KENNEDY:**

10 Oh. Okay. So you didn't go back to your accountant.

11
12 **MR. QUATTROCK:**

13 We didn't go back because he -- if we -- I wasn't going to try to
14 manipulate what was not there. We would have gotten closer because
15 we did have a new auditor that year. It just so happened our
16 auditor retired during Covid, so we had a new auditor take over our
17 expenses, and there were some things that he did put where he
18 shouldn't have just because he didn't understand our programming.

19
20 **LEG. KENNEDY:**

21 Okay.

22
23 **MR. QUATTROCK:**

24 A lot of our expenses go towards program support, and it has been
25 consistent like that for over 50 years.

26
27 **LEG. KENNEDY:**

28 And you didn't go back to your accountant after Pecorella said that
29 there was something --

30
31 **MR. QUATTROCK;**

32 Oh, I did, and we discussed what would happen going forward.

33
34 **LEG. KENNEDY:**

35 All right. You decided to leave it that way. Okay. Thank you.

36
37 **CHAIRMAN FLOTTERON:**

38 Any other questions? Legislator Richberg.

39
40 **LEG. RICHBERG:**

41 Just a quick question. So in 2021, you're saying that you just
42 rushed back in, so what was the difference in your administrative
43 costs from 2020 to 2021?

44
45 **MR. QUATTROCK:**

46 The year before, 2020, it was 119,000, and in 2021, it went up to
47 131 because we added -- we decide to -- the people -- a lot of the
48 people that were on 1099, we decided to put on payroll for their
49 benefit as well, so a sound engineer became a payroll person and
50 our stage manager, resident stage manager became a full-time
51 payroll person.

52
53 **LEG. RICHBERG:**

54 And I'm guessing you did that and -- you did that so they could get
55 some sort of benefits because they were off -- they were all
56 unemployed for that -- at least a year and a half?

1
2 **MR. QUATTROCK:**

3 That is absolutely correct. We thought we were doing the right
4 thing, and I didn't anticipate the problem.

5
6 **LEG. RICHBERG:**

7 Understood.

8
9 **MR. QUATTROCK:**

10 And I take responsibility for that as director.

11
12 **LEG. RICHBERG:**

13 No, sir. In my opinion, you did the right thing.

14
15 **MR. QUATTROCK:**

16 Thank you.

17
18 **CHAIRMAN FLOTTERON:**

19 So I guess during that time, because of requirements, there was
20 less people in the seats?

21
22 **MR. QUATTROCK:**

23 Oh, we were only allowed to open up to 25 capacity -- 25 percent
24 capacity for the first three months, and after that it went to 50
25 percent capacity, and our audience numbers were down. People were
26 hesitant to come out, and they were socially distancing in a
27 400-seat theater that only left me room for 80 seats.

28
29 **CHAIRMAN FLOTTERON:**

30 So, say, rules at that time which were maybe were needed or not, it
31 forced your revenue to be way down but your expenses were the same
32 or a little extra because you were trying to do more performances,
33 to bring excitement back.

34
35 **MR. QUATTROCK:**

36 We did, and we had -- we tried smaller casts even. We did smaller
37 shows. We did the Fantastiks, which is six people, as opposed to a
38 cast of 30 people cramped in close quarters with masks, so we tried
39 to do everything we could to socially distance on both sides, and
40 so our programming expenses weren't there what they normally are.

41
42 **CHAIRMAN FLOTTERON:**

43 Your revenue wasn't there, you meant to say.

44
45 **MR. QUATTROCK:**

46 Exactly, the revenue.

47
48 **CHAIRMAN FLOTTERON:**

49 But your expenses were slightly up because you were trying to do so
50 much more on top of it for that short period of time.

51
52 **MR. QUATTROCK:**

53 Exactly.

54
55 **CHAIRMAN FLOTTERON:**

56 Okay. Any other questions? Okay. I think we're all complete.

1 Thank you so much.

2

3 **MR. QUATTROCK:**

4 Thank you for the time.

5

6 **CHAIRMAN FLOTTERON:**

7 Okay. Public portion, is there anyone else? Okay. Public portion
8 is closed. Clerk, Appointment Resolutions? None. And
9 presentations, there's none today. Tabled resolutions, none.

10

11 Introductory resolutions.

12

13 The first one is **IR 1117, Approving County funding for a contract**
14 **agency (East Northport Chamber of Commerce). (Esteban)** Do I have a
15 motion?

16

17 **LEG. KENNEDY:**

18 Motion by Legislator Kennedy. Second by Legislator Thorne. Any
19 discussion.

20

21 **LEG. RICHBERG:**

22 So all these approving resolutions are ones that we have to --
23 they're over the 20 percent threshold? They are working with the
24 comptroller's office; am I correct?

25

26 **MR. DUFFY:**

27 This one is a late filing.

28

29 **LEG. RICHBERG:**

30 This one is just a late filing? Thank you.

31

32 **CHAIRMAN FLOTTERON:**

33 Okay. We have a first and second. Any discussion? All in favor?
34 Opposed? Abstentions?

35

36 **CHIEF DEPUTY CLERK CLARK:**

37 Five.

38

39 **CHAIRMAN FLOTTERON:**

40 IR 1117 approved.

41

42 **IR 1118, Approving 2023 funding for a contract agency (East**
43 **Northport Chamber of Commerce). (Esteban)** Motion by Legislator
44 Richberg. Second by Legislator Kennedy. Any discussion? All in
45 favor? Opposed? Abstentions?

46

47 **CHIEF DEPUTY CLERK CLARK:**

48 Five.

49

50 **CHAIRMAN FLOTTERON:**

51 IR 1118 passed. IR 1172, To readjust, compromise, and grant
52 refunds and charge-backs on real property correction of errors
53 (Control No. 1142-2023). (Co. Exec.) We have a motion by
54 Legislator Thorne. Second by Legislator Richberg.

55

56 **LEG. RICHBERG:**

1 And place on the consent calendar.

2

3 **CHAIRMAN FLOTTERON:**

4 And place on the consent calendar. All in favor? Opposed?
5 Abstentions?

6

7 **CHIEF DEPUTY CLERK CLARK:**

8 Five.

9

10 **CHAIRMAN FLOTTERON:**

11 IR 1172 approved and put on the consent calendar.

12

13 **IR 1203, Approving funding for a contract agency (Long Island
14 Council on Alcoholism & Drug Dependence, Inc.). (Co. Exec.).**

15

16 **LEG. KENNEDY:**

17 Motion.

18

19 **LEG. RICHBERG:**

20 Motion.

21

22 **LEG. KENNEDY:**

23 Motion by Legislator Kennedy. Second by Legislator Richberg. Any
24 discussion? All in favor? Opposed? Abstentions?

25

26 **CHIEF DEPUTY CLERK CLARK:**

27 Five.

28

29 **CHAIRMAN FLOTTERON:**

30 IR 1203 approved.

31

32 **IR 1213, Approving 2022 funding for a contract agency (Community
33 Action Southold Town, Inc.). (Co. Exec.) Do I have a motion?**

34

35 **LEG. RICHBERG:**

36 Motion.

37

38 **CHAIRMAN FLOTTERON:**

39 Motion to approve by Legislator Richberg. Second? Do I have a
40 second? I'll second it just so we have conversation. On the
41 discussion, Legislator Kennedy first.

42

43 **LEG. KENNEDY:**

44 Is there somebody that can come up and speak on this? Oh there's a
45 bunch of you. That's okay.

46

47 **MS. DORATO:**

48 Hi. I'm Kathy Dorato (ph), executive director, and we have our
49 treasurer, Steve Hannan (ph), and our accounting firm, outside
50 accounting firm, April Vitale.

51

52 **LEG. KENNEDY:**

53 Okay. Thank you very much for coming in. I will tell you that
54 when I read this and I saw that you are 38 almost percent over in
55 administrative costs, I was worried because we'll usually do an
56 overage of maybe 23 percent, but this is substantial. I have been

1 glancing at what you handed in. I did not have time while voting
2 to thoroughly go through everything, but I'll just ask my same two
3 questions. Did you call the comptroller's office, Mr. Pecorella?
4

5 **MS. DORATO:**

6 I don't think we're 38 percent over. I think we were at 17 or 18
7 percent over.
8

9 **LEG. KENNEDY:**

10 Oh, no, 37 total -- 36.84.
11

12 **MS. DORATO:**

13 We did provide revised financials to our contact Amanda Pahn (ph)
14 with DSS who was going to get it to the comptroller, so I can have
15 the treasurer speak on that and April.
16

17 **MR. HANNAN:**

18 Sure. Good morning. We've recalculated our numbers, and they are
19 more in the 17 percent range. The numbers that were picked up to
20 come to your -- call it 37 percent includes general and
21 administrative costs. We are a simple agency. We hired a new
22 accountant now. Now we have activity-based accounting, so for
23 example, the biggest item in there was rent, and instead of
24 allocating rent to all of our programs, it all went into "general."
25 So if we -- which we did submit, and I don't know if they have hit
26 your desk yet, but if you've looked at the recut or the correct
27 format, our percentages are more like 17 percent. Let me pause
28 there, and I can get into more detail.
29

30 **LEG. KENNEDY:**

31 Did anybody get the revised?
32

33 **LEG. THORNE:**

34 I didn't get the revised. 17 percent over?
35

36 **MR. HANNAN:**

37 No so 17 percent -- so it's three percent under. Seventeen percent
38 is our admin. Let me let the staff support it. We did it on
39 Friday. I apologize. Very recent.
40

41 **LEG. KENNEDY:**

42 This is not it.
43

44 **CHAIRMAN FLOTTERON:**

45 So it's not on the statement of activity report we have here.
46

47 **MS. VITALE:**

48 You probably have the old one.
49

50 **MR. HANNAN:**

51 Would you like a current one? Because we do compare -- I think
52 you're receiving it now.
53

54 **MS. DORATO:**

55 I just gave --
56

1 **MR. HANNAN:**

2 Would you like to look at 2021? Is that the easiest? If you go
3 to the third page of 2021, we have two columns here. As reported
4 to you originally, which to help you walk through, if you take
5 356,000 divided by 968, that is the 37 percent we all referenced.

6
7 The correct column to the right is 167 over 689 is more like a 17
8 percent, and I'm glad to go through that items with you, but
9 essentially the changes in the two columns are -- we've correctly
10 allocated are rent and the cost of occupancy as well as some of our
11 people's time. This line item says "general and administrative."
12 It's just not an administrative line, so going forward for the
13 purpose of all our activity, we will have a better allocation.
14 Even though the line will say "general and admin," it will only
15 really be admin. Again, let me pause because I went through that
16 quick.

17
18 **CHAIRMAN FLOTTERON:**

19 We'll come back to Legislator Kennedy. She's still studying the
20 accounting just like we all are. Legislator Thorne.

21
22 **LEG. THORNE:**

23 Mr. Chairman, if I may suggest, the folks from this organization
24 said that they have re-filed paperwork to bring them into
25 compliance, so my suggestion is to make a motion to table this
26 until we get the compliance back, and once they are in compliance,
27 none of this is an issue. So we should table it for a cycle until
28 they get all the paperwork to us. You know, to look through all
29 this -- and thank you for it, but to look through all this at the
30 last minute would be silly, and we certainly don't want to just say
31 "no," but if you're in compliance now, why don't we just table it
32 until we get the right numbers back.

33
34 **LEG. RICHBERG:**

35 Well, we could discharge without recommendation to give us the
36 time, and we could either approve or not approve it at the general
37 meeting.

38
39 **LEG. KENNEDY:**

40 Could you have the information to us before Tuesday.

41
42 **MS. PIERRE:**

43 Yes.

44
45 **CHAIRMAN FLOTTERON:**

46 It looks like from the department she's shaking her head "yes,"
47 from Social Services.

48
49 **LEG. THORNE:**

50 All right. So I'll amend my tabling motion to discharge without
51 recommendation until we get the numbers, right?

52
53 **LEG. KENNEDY:**

54 Yes.

55
56 **CHAIRMAN FLOTTERON:**

1 Okay. Motion by Legislator Thorne. Second by Legislator Kennedy.
2 Before actually going further, is there any questions from anyone
3 else at this moment?
4

5 **LEG. RICHBERG:**

6 I guess just to the department, so to -- and I apologize for
7 putting you all on the spot here, but I guess normally the timeline
8 to get this would be before Friday? Okay. So I would just say in
9 the future, we are trying to help you all out here, but we as a
10 governmental agency and as a department are sort of putting
11 everybody under distress to help you guys out, so just in the
12 future if you can get the stuff in to them a little bit sooner.
13

14 **MR. HANNAN:**

15 Thank you.
16

17 **CHAIRMAN FLOTTERON:**

18 Okay. Sorry. Was there a question? Legislator Caracappa.
19

20 **LEG. CARACAPPA:**

21 How are you doing, guys? So I'm just going through what was handed
22 out to me today. I just have some questions for you.
23

24 **MR. HANNAN:**

25 Certainly.
26

27 **LEG. CARACAPPA:**

28 And I will amend some of those questions based on the new material
29 we just received, but I haven't looked over it yet. Just by going
30 over this, I see three lines on salaries: One for 224,827; then you
31 have under "fundraising" 24,216; and then under "general
32 administrative" 92,821, so that's -- how many employees do you
33 have?
34

35 **MR. HANNAN:**

36 We have approximately 30 total employees.
37

38 **MS. DORATO:**

39 Many are part-time.
40

41 **MR. HANNAN:**

42 I'm sure as you all know, we are a service agency where we are
43 providing food and handling a lot of our clients on a day-to-day
44 basis. That's why we have so many people.
45

46 **LEG. CARACAPPA:**

47 I get it. I get it. That's appreciated. I'm not knocking what
48 you do.
49

50 **MR. HANNAN:**

51 To that question, sir, I believe we have about one-and-a-half
52 full-time admin people.
53

54 **LEG. CARACAPPA:**

55 We'll do the breakdown on the math, then, and we'll see what it
56 equates to. Rent, as I see, is 28,290 on the one side, and then

1 you have the other side at seven thousand -- almost \$8,000 on the
2 general and administration, so you have rent twice. Expenditures
3 and then "general administrative," right?
4

5 **MR. HANNAN:**

6 So I'm sorry, sir. Again, we have a large facility. We do a
7 number of activities in that facility and with the help of our
8 accountants, we have allocated our occupancy costs across all those
9 activities. The original numbers we've submitted did not have that
10 allocation, and that's what the significant change is. Again, our
11 whole building isn't dedicated to admin. Our whole building is
12 mostly dedicated to food pantry, and that's, with the help of our
13 accountants, what we're trying to show you.
14

15 **LEG. CARACAPPA:**

16 Again, I'm not questioning what you do.
17

18 **MR. HANNAN:**

19 I'm just trying to answer your question.
20

21 **LEG. CARACAPPA:**

22 No, no. You're trying to like -- I feel like you're trying to
23 guilt me into not asking these questions, and I'm going to ask you
24 every question I have, sir.
25

26 **MR. HANNAN:**

27 Please go ahead, sir.
28

29 **LEG. CARACAPPA:**

30 If you're looking for county allocation funding, I want to question
31 your budgeting it is a business, and you're responsible for that.
32 You're well aware of the 20 percent rule, yet you went far above
33 and exceeded it, so I have every right to ask you these questions.
34 You will answer every single one of those questions, or I'll just
35 simply cast my vote now. Are we understood? Do we have an
36 understanding?
37

38 **MR. HANNAN:**

39 Yes, sir. Is there a question?
40

41 **LEG. CARACAPPA:**

42 Maybe you got off on the wrong foot. Maybe we'll start again. So
43 your accounting fees, 72,599. Doesn't sound like it was worth it.
44

45 **MR. HANNAN:**

46 I'm sorry. I disagree with that. That's bookkeeping and
47 accounting, sir.
48

49 **LEG. CARACAPPA:**

50 Yeah, well, it says "accounting." That's what it says. I'm
51 reading off what it says, sir, "accounting fees." So if you want
52 to be accurate, put down "bookkeeping and accounting," then, sir,
53 and so I'm just reading off the material you provided, sir. So I'm
54 sorry you are getting upset and annoyed over questions that you're
55 responsible for.
56

1 **MR. HANNAN:**

2 I apologize if you felt I was annoyed.

3
4 **LEG. CARACAPPA:**

5 Oh, I don't feel it. I could sense it, so I'll just give it right
6 back to you because I'm upset that you're in front of us with such
7 a blatant violation of code. And again, I admire the work you do,
8 but it doesn't mean you take it for granted, you take advantage of
9 it. So I'll leave it there for now, and I'll look at what you got,
10 what you just brought in, and I'll ask more questions next time you
11 come in. Next time, be better prepared.

12
13 **MR. HANNAN:**

14 See you next time, sir.

15
16 **MS. VITALE:**

17 May I say something, please, as one of the outside accountants.

18
19 **LEG. CARACAPPA:**

20 I don't have a question for you. Thank you.

21
22 **MS. VITALE:**

23 All right. You're welcome. Thank you.

24
25 **CHAIRMAN FLOTTERON:**

26 Any other questions?

27
28 **LEG. RICHBERG:**

29 So just for the record, there's two lines here; am I correct? It's
30 5,000 and 5,100?

31
32 **MS. DORATO:**

33 Correct.

34
35 **LEG. RICHBERG:**

36 Okay. That's it. Thank you very much.

37
38 **CHAIRMAN FLOTTERON:**

39 We have a motion from Legislator Thorne and Kennedy to discharge
40 without recommendation. Any discussion? No.

41
42 **LEG. CARACAPPA:**

43 I vote no.

44
45 **CHAIRMAN FLOTTERON:**

46 All in favor? Opposed? Abstentions?

47
48 **CHIEF DEPUTY CLERK CLARK:**

49 Four.

50
51 **CHAIRMAN FLOTTERON:**

52 IR 1213 has been discharged without recommendation.

53
54 **IR 1214, Approving 2023 funding for a contract agency (Community
55 Action Southold Town, Inc.). (Co. Exec.) Do we have a motion?**

56 **Motion by Legislator Richberg to discharge without recommendation.**

1 Same motion, same second, same vote.

2

3 **CHAIRMAN FLOTTERON:**

4 IR 1214 --

5

6 **CHIEF DEPUTY CLERK CLARK:**

7 Excuse me. We have a different motion for 1213.

8

9 **CHAIRMAN FLOTTERON:**

10 Okay. We're correcting. We're doing same motion, same second.

11 Discharge without recommendation, and I believe the vote would be
12 four-one. IR 1214 was approved without recommendation.

13

14 **IR 1240, Approving 2023 funding for a contract agency (Theatre
15 Three). (Hahn) Motion by Legislator Thorne. Second by Legislator
16 Richberg. Any discussion? All in favor? Opposed? Abstentions?**

17

18 **CHIEF DEPUTY CLERK CLARK:**

19 Five.

20

21 **CHAIRMAN FLOTTERON:**

22 IR 1240 has passed. Nothing else I see in front of us. No
23 procedural motions. No home rule, tabled subject to call. I call
24 this meeting adjourned.

25

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