

COUNTY OF SUFFOLK



OFFICE OF THE COUNTY EXECUTIVE

Steve Levy
COUNTY EXECUTIVE

State of the County Address

*Southampton College of Long Island University
Avram Theatre, February 9, 2004*

Good evening ladies and gentlemen, county employees, members of the Legislature, the audience here in this beautiful auditorium at Southampton College, and the public, which for the first time is seeing a Suffolk State of the County address in the evening on live television thanks to News 12.

Just over a month ago I gave my inauguration speech at Suffolk County Community College in Selden. In the tradition of such an address, it was for the most part an uplifting speech that referred to my experiences growing up as a child in Suffolk County and the hope and promise that existed then and still exists today. Tonight, I am delivering an address that will be more blunt and analytical about the issues that confront us. This address is given early in the year to help guide us in our policy decisions for the months to follow.

First of all, I want to say that we have many reasons to be proud of this county. Our Legislature has been perhaps the most innovative in the entire nation. I know you all personally. Some of you are friends whom I've had the good fortune to serve with for more than twelve years. A few of you are new to this legislative body, but I know you

have embraced the job with great enthusiasm and will be working diligently to serve the people you represent.

As we move forward to address the many challenges before us, I hope that party affiliation will be irrelevant and we will all work together. Ideas should drive our policies, not party labels.

COUNTY FINANCIAL CONDITION

We will need that cooperation because we face a very difficult financial climate. I knew it would be difficult, but I didn't realize how difficult until Fred Pollert, our Deputy County Executive for Finance, echoed the comments of a budget colleague in Erie County in calling this the worst budget situation he has seen in thirty years. We've heard doomsday scenarios before and have come out of them intact, but this time it really *is* different. All of the factors that can break our budget are converging in one single year. Worse, many of these debilitating factors are totally out of our control.

The state is requiring local governments to make up in one year the losses they sustained when the sluggish stock market caused huge revenue shortfalls in the state employee pension fund. We were supposed to bite the bullet last year, but we were given a reprieve by the state comptroller. He allowed us to float a sixty-five million dollar bond, enabling us to pay much of our 2004 pension increase over the course of several years.

Unfortunately, the state comptroller does not plan to allow us or any other counties across the state to do the same next year. As a result, we're going to take a hit of an astonishing eighty-five million dollar increase next year alone for pension costs. To put this figure in the proper perspective, our entire general fund property tax levy is a mere fifty-four 54 million. We can wipe out all of the aid our general fund property tax levy provides to contract agencies, healthcare services, senior centers and veterans services, and we would still need to raise revenue substantially to pay back the state for the pension debt alone.

Then there is the growth in the other great behemoth from the state: Medicaid. Last month, I joined fellow county executives in Albany to address the problem. Every county executive from around the state expressed his or her concerns about how devastating the growth in Medicaid costs are to their counties. None of their stories, however, are as compelling as Suffolk's. Jaws dropped when I told them that our county collects an average one million dollars a week from property taxpayers for our general fund while simultaneously sending *to the state more than one million dollars* a week just to pay for the *growth* in Medicaid costs this year. That's *not* the total Medicaid bill – just the growth, which totaled more than fifty-seven million dollars. Next year, we *conservatively* estimate that Medicaid costs will increase by yet another thirty-four million.

Having spent time in Albany as a state assemblyman, I know that getting an item on the legislative agenda is a competitive sport, sometimes full contact. Getting mandate relief from Albany is not only the number one priority on my State Legislative Agenda; it is number one on my county agenda as well. For if we don't get mandate relief from the state, the magnitude of this Medicaid and pension increase is so great it could wipe out the rest of our budget and the rest of our programs. I have worked with Nassau County Executive Tom Suozzi on this issue, and I have joined the county executives of Erie, Chautauqua and Rensselaer Counties in forming a committee that has met with Governor Pataki, Senate Majority Leader Bruno and Assembly Speaker Silver to press our case.

But it won't be easy. I recall the words of Albany colleagues when local officials would come up with hat in hand. They'd say, "Why don't you get your own house in order before looking for a handout?" It's a fair request. To ask for relief from the state, we must be on the "fiscal" high ground. I have informed state leaders that I am prepared to commit an appropriate portion of our county sales tax revenue to the state in exchange for the state assuming 100% of the responsibility for funding the Medicaid programs, as is the case in the vast majority of other states.

It is also imperative that here in Suffolk we pass the Comprehensive Government Restructuring Plan that I will present to you shortly. We need to pass these reforms for numerous reasons. First, we must show the state that we are capable of doing our own part before we ask for their help; second, we must accumulate the savings we'll need to create the cushion necessary to offset potentially large tax increases or cuts to services; third, and, just as importantly, we need to heed the will of the people, who have said emphatically that they want reform. They have said time and time again that they want an Executive and a Legislature that works cooperatively to eliminate perks and weed out the waste, duplication of services and inefficiencies of county government.

The taxpaying residents who pay our salaries cannot identify with some appointed employees making astronomical salaries. We have therefore begun the trend of lowering these excessive salaries for incoming commissioners. Some will earn a comfortable salary, but one that is generally five to thirty percent less than that of their predecessors.

It is important to set the right tone and to take actions that say to residents, we recognize the fact that "we work for you" and we will not abuse the trust you have placed in us.

There will be pressure on all of us not to make these changes. Those assistants to deputies in various departments who have had county cars for twenty years will want to keep them. They will lobby us to relent. *We must stay strong.* There will be some who will lose the ability to cash out tens of thousands of dollars in unused sick time. They will ask us to relent. *We must stay strong.* There will be some who are used to going to five conventions a year with three other colleagues and will lobby against us streamlining this travel and conference policy. *We must stay strong.* There will be company presidents who will complain about efforts to put our bus contracts out to bid. *We must stay strong.* Others will complain about our policy of requiring double sign offs to control overtime costs. *We must stay strong.* Our various proposals will seek to reduce that portion of the shortfall we have the ability to control. We cannot afford to sit back and hope this

shortfall magically disappears by itself. It will not. If we are not proactive, the taxpayers of this county will take it on the chin next year.

I do not profess to have all the answers or to say that my way is the only way. It has to be *our* way. We *must* work together. And that is why I have asked for the formation of a bi-partisan working group with members of the Legislature to formulate a plan to deal with our enormous fiscal challenges. You can agree with my proposals or make suggestions of your own. But merely rejecting my reform package without approving legislation with comparable solutions is *not* an answer. Action is needed—it's what we're paid for. If we are going to say no to large tax increases, which I hope we will, we had better be willing to enact the efficiencies, the restructuring, and even the cuts necessary to avoid those tax hikes. We have to choose. The only reasonable approach is to cut out as many inefficient aspects of government as we can early in the process to avoid having to cut back on the core services that people have come to rely on from their county government. We can't wait until May to enact the budget plan. If you want to see savings in December, we have to enact the cuts now.

WORKFORCE HOUSING

While we are tackling our fiscal woes, we must also address the many other problems that are plaguing our constituents. Chief among them is the need to create more affordable housing for our young people. It is simply not fair that they are being denied the opportunity to experience the same American dream that others experienced here on Long Island.

This crisis is having a negative impact on those families that have to relocate elsewhere. It affects grandparents who are denied the pleasure of seeing their grandchildren grow up close by. It affects businesses that are finding it harder and harder to attract or retain a talented young workforce. That, of course, affects our County economy and the money we are able to generate through tax revenues to support our needed services and to stabilize our property tax rates.

The issue of affordable housing has usually been the domain of the local municipalities. The County's role was tangential at best. But this crisis is so severe that it is imperative that this county government moves forward with an aggressive plan to increase the stock of affordable housing to meet the needs of Long Island's workforce.

What we want to do is find a way to get our children, many of whom are approaching thirty years of age, out of the basement and attic apartments to which they have been relegated. I will therefore be establishing the Suffolk County Commission on Workforce Housing comprised of representatives from local government, builders, environmentalists, and community leaders to map out our county to distinguish those lands that should be preserved from those that should be the source of our housing needs.

I am delighted to report that Jim Morgo, the hard-working, successful and highly respected President of the Long Island Housing Partnership, has agreed to Chair this important commission. The Commission will, among other things, identify previously developed sites for re-development. We will bring the towns in on the front end to obtain needed zoning changes, get commitments from builders who will have proper incentives, and buy or even condemn dilapidated pre-existing structures, guided by "Smart Growth" principles. Eventually, the builders will buy these properties back from the county once they have their permits.

Our affordable houses will be the nicest on the block and pay taxes into our economy. Our county government will be far more proactive in seeking to provide necessary incentives to spark the construction of workforce housing. I am eager to implement legislation passed by the Legislature in December that will allow Suffolk County to lower or waive sewer permit fees for those builders who agree to reserve a portion of their developments for affordable housing. Likewise, we will expedite the review of various health permits for those developers who agree to build this housing.

We will ask banks that work with us in county government to lend a hand with down payment assistance programs and low- interest loans. We will also seek to provide

incentives for builders to construct more two-family housing in appropriate sites. Two-family homes that are owner-occupied in appropriate locations can provide young applicants with the rental income that will finally allow them to obtain higher mortgages, which are necessary for even the simplest starter homes. Finally, the Commission will also be encouraged to examine other roles the county can address in this crisis.

HOMELESS HOUSING

We also need to address housing for our homeless population that continues to grow. The increasing number of homeless, aside from the more obvious impacts, is having an enormous drain on our budget. There has to be a better way to provide shelter than paying \$6,000 per month to house a single family in run-down motels.

That is why I thank this Legislature for passing legislation last week that will provide funding for the eventual construction of our second Tier II homeless shelter here in Suffolk County. This shelter will provide housing that is both more habitable and far less costly for the taxpayer.

ENVIRONMENTAL PROTECTION

Thanks to smart growth concepts, addressing our affordable housing needs does not have to be mutually exclusive to continuing our efforts to preserve our environment. We are at a crossroads in our County history. The decisions we make over the next few years will have a profound effect on the type of Suffolk County that our grandchildren will see. Sixty four percent of our county is now developed. Compare this to the more than ninety percent of Nassau County that has been paved over. We still have a small window, a golden opportunity to ensure that we preserve this County's suburban, and in some cases, rural character.

As of this date, only twenty-five percent of our original farmland still remains. Pressures continue to mount on our farmers to sell off their land to be developed. The programs are in place to preserve these farms and open spaces. The money is there as

well, thanks to dedicated funds reserved for these purposes. Unfortunately, problems with the County's open space program have prevented this county from maximizing its ability to win the race against over-development.

That is why I will ask the Legislature to work with me to revamp our Real Estate Division and place it under the supervision of a renowned environmentalist, my Director of Environmental Affairs, Michael Deering. Michael is a founding member of the Pine Barrens Society. He helped draft the Brownfields Legislation recently approved by the New York State Legislature and the original Pine Barrens Act. It is my intention to place this program under the leadership of an environmentalist who wakes up every morning and goes to work with only the environment on his mind. Mike will be assisted in this endeavor through the hiring of Patricia Zielenski, who will be coming to work for the County after serving as a Regional Supervisor of the Real Property Bureau of the New York State Department of Environmental Conservation for ten years. Let's make every effort to acquire as much land as we can and close these deals as fast as possible.

Presently, there are positions related to the environment scattered throughout various departments in the county ranging from Planning to Public Works to the Health Department. I ask the Legislature to work with me in consolidating our environmental programs and energy functions under a single Department of Environment that will cost not a dollar more for bureaucracy but will ensure that matters related to open space, recycling, energy planning, groundwater protection and awareness of the links of environment to cancer development will be under the auspices of our dedicated environmental expert.

It is our goal to have this Department of Environment provide leadership for the purposes of increasing recycling within the Long Island region. We in the county should provide leadership by first enforcing our own recycling laws and providing the conduit to encourage greater recycling in the business sector.

It is also time for our County government to pay greater attention to a fear that so many of our residents continue to harbor regarding the link between our environment and cancer development. Several years ago, after a great deal of pressure from local activists, including the group One in Nine, the State of New York finally relented and conducted a far reaching study to see if there are links between environmental factors ranging from pesticides to electromagnetic fields to high-iron content on abnormally high cancer clusters in particular areas. The data was collected, but advocates expressed their disappointment that little was done to evaluate the data.

We will ask our Health Commissioner to appoint an individual within the Department to assess how we can connect these links. We will also be establishing a committee of advocates and interested health officials throughout the County to provide input as to how this data should be evaluated.

Here in Southampton, you never forget that Suffolk is a coastal county. We have at least a thousand miles of saltwater coastline that we need to take care of. It is our defining natural resource and a critically important economic asset. Our beaches must be managed intelligently. We can't do it alone. That is why our planning department is working closely with the U.S. Army Corps. of Engineers on their reformulation of the Fire Island Inlet to Montauk Point project. The federal government has spent over thirty million dollars to define the environmental and engineering needs of this project and should complete their work by the end of this year. But the President wants to cut funding for this when we are almost at the goal line. The federal government can't walk away from its responsibilities in this area. We will work vigorously to ensure that our vulnerable shoreline, which means so much to our local economy, is not placed on the back burner of federal priorities.

NEW DEPARTMENT HEADS

I wish to extend a request to the Legislature to work with me in a bi-partisan fashion in allowing my nominations for commissioners to be approved so that they can get to work for the taxpayers of this county. I am certain that those already confirmed,

including Richard Dormer our new Police Commissioner and Christine Malafi, our first woman County Attorney, will make this county proud.

Later this week, you will have before you nominees for various positions who were designated due to their experience, expertise and professionalism rather than party enrollment or political persuasion. Ron Foley, my nominee for Parks has a vast amount of experience as the Regional Director for the New York State Parks Department. John Desmond, the nominee for the Probation Department is a 31-year member of the Department. And Robert Dow, who will take the reins of the Labor Department, is a highly educated labor leader.

ECONOMIC DEVELOPMENT

The revitalization of our downtowns is an essential element of a sound economic development plan. The condition of our downtowns is a reflection on our perception of local neighborhoods. A vibrant downtown increases both surrounding property values and our sense of pride in our communities.

Years ago, this County government instituted a program that invested funding in beautifying those business corridors. Thanks to this program and the hard work of local officials and chambers of commerce, downtowns in hamlets such as Bay Shore, Holbrook and many others have experienced a renaissance. We are committed to continuing these investments and to rebuilding our downtown areas.

While we are improving our downtowns, we will start redeveloping our Brownfield sites. Nothing is more debilitating to a community than having to live with an abandoned gas station, industrial site, or vacant storefront in the neighborhood year after year after year. We will be aggressive in identifying these sites and tapping into state and federal grants to remove these eyesores from our neighborhoods and get these sites back on the tax rolls.

PUBLIC SAFETY

For our downtowns to prosper, we must maintain a strong police presence there. We are fortunate to have one of the best police departments in the nation. We say thank you to the men and women of this force who have made Suffolk County one of the safest places to live in the state. Our Community Oriented Police Enforcement or COPE units started years ago under a reform-oriented commissioner, Dan Guido. My Commissioner, Richard Dormer, is a protégé of Dan Guido and both Rich and I, and I'm sure the Legislature as well, favor retaining these patrols.

Our COPE units deal with quality of life issues that range from teenagers congregating outside your home at One AM to gang members soliciting our children at our schoolyards. Our civic associations and downtown communities rely on these units and we will not let them down. But we will not be able to continue to afford these important patrols unless we take common sense measures to control the fast-rising costs of the police district. Arbitration awards have brought salaries to rather high levels. It is imperative, therefore, that we deploy our officers as efficiently as possible. We need fewer able-bodied officers in desk positions and more in our COPE units. Civilianization works. Whether it's officers being redeployed from the audiovisual unit or the officers I redeployed who were formerly drivers for the Executive, the savings that materialize will be real. Once redeployed, there are that many fewer new officers we will have to hire to perform these police duties now covered by the redeployed officers.

In today's new world, our quest for public safety stretches beyond a local patrol in our neighborhoods. It now requires an aggressive approach to homeland security. To that end, I will be announcing in the near future a Suffolk County Director of Homeland Security who will coordinate with various levels of government and local hospitals to ensure that we are prepared with adequate communication capabilities and emergency response planning for any contingency.

It is also my intention to work side by side with our Congressional Delegation to help make Suffolk County a future incubator for the development and manufacturing of cutting edge homeland security technology for the entire country.

ETHICS

Earlier, I asked for your help in approving my nominees to lead the new administration. There is one appointment I recently made of which I am quite proud – that of Rich Johannesen as the Chairman of the Suffolk County Ethics Commission. Rich is a registered Conservative. But as I said earlier, we are not at all concerned about registration; we simply wanted an individual who is passionate about raising ethical standards in the County. Rich is a respected attorney and is committed to government reform.

Now that our Chairman is in place, it is time for us to finally fulfill the mission of the ethics legislation passed 16 years ago, which calls for the hiring of a full time Ethics Director. Our ethics overhaul will include:

- 1) calling on all exempt employees to report outside businesses they are conducting so that we may better weed out potential conflicts;
- 2) the passing of Legislation that will bar party officials and elected officials from serving on our Ethics Board;
- 3) support for a legislative bill which requires those buying from and selling land to the County to disclose their campaign contributions; and
- 4) expanding our financial disclosure laws to ensure that information on the forms is no longer “whited out”, thereby defeating the whole purpose of disclosure.

MANAGEMENT INITIATIVES

We will also be looking to approve the appointment of a former federal prosecutor who will examine several County functions, in particular Workers Compensation abuses, and operations to uncover problems and make recommendations by which we could become a more efficient and well-managed county, thereby erasing the “F” grade for management that this county previously received from the Maxwell School.

One of our first efforts in this regard will involve streamlining government and working on cost containment measures for certain big ticket items. I have asked the Long Island Regional Planning Board, under the leadership of Dr. Lee Koppelman, to conduct a study of the Employees Medical Health Plan and to make recommendations on ways to control the skyrocketing costs of providing quality health insurance benefits to the county’s employees and retirees – a 190 million dollar program.

CONSTITUENT RESPONSIVENESS

Our county must be managed better while also becoming more constituent friendly. This is the people’s government and we are just the temporary caretakers. Our government should act accordingly. Our constituents should no longer be frustrated by an impersonal voice mail message when seeking contact with officials of this government. An inventory of all departments will be conducted to ensure that our constituents have access to a human being when seeking services.

We will also expand our seminars for incoming employees to learn the latest techniques in enhancing sensitivity to our constituents in order to make the services we provide as courteous as possible. I said it at my inauguration and earlier this evening, and it’s worth saying again, to the people of Suffolk, “We work for you.” And we will pursue our time in office with that motto as our guide.

SENIOR CITIZENS MEDICAID DISCOUNT CARD PROGRAM

We will get to work immediately in helping our senior population navigate through the complex Suffolk County senior citizen Medicaid discount card program that began in May. I am directing the Office of Aging to implement an outreach program, to assist seniors with filling out the paperwork necessary to secure the cards and understand the various options. In addition, I am forming a joint federal-county task force along with Congressman Steve Israel to analyze the possibility securing discounted prescription drugs from Canada, as other municipalities, such as Springfield, Massachusetts have done, saving millions.

IMMIGRATION TASK FORCE

One issue where residents have become increasingly frustrated with their government is immigration. They believe federal and local government have ignored the issue. It is my belief that most Suffolk County citizens believe, as I do, that immigration is healthy for our local economy, but only when it is done legally and through proper channels.

This county government will not sit by idly while immigration and labor laws are being violated right before our very eyes. We will address the problem head on. I will be creating an Immigration Task Force to bring together our brightest economists, labor leaders, and community representatives, and discuss whether we have a void within our work force and what pool of labor is desirable.

From there, it will be our intention to work with the federal government to ensure that this labor pool is working within the context of the law. We will thereafter have our sales tax enforcement unit and our police department work to ensure that those businesses that follow the law by paying their sales taxes, and their unemployment and workers compensation benefits are not put at a competitive disadvantage by those companies that would refuse to pay proper wages or benefits.

By enforcing the law, we will develop a healthier economy, prevent exploitation of workers in an otherwise illegal underground economy, and preserve the integrity of our neighborhoods.

And while we are enforcing our labor and immigration laws, we will be equally vigilant in enforcing our anti-bias laws. Those who commit violent crimes against our fellow Suffolk residents because of their race, gender, creed, sexual orientation or resident status will be prosecuted to the fullest extent of the law.

CONCLUSION

I want to end tonight by thanking my colleagues in the Legislature who came out to this unique venue for our State of the County. I want to thank Presiding Officer Joseph Caracappa for being here tonight as I know he was forced to reschedule a well-deserved award he was due to receive.

I chose this location for my State of the County message to offer assurances to East End residents, even those who think they live in Peconic County, that we are here to serve them. The East End is a piece of this earth that is unique. The quaint small towns and the farms and vineyards of the North Fork coupled with the charm and excitement of the South Fork make our East End a destination for tourists from around the world. The preservation of this way of life is crucial not only for our souls, but for our pocketbooks as well. If we allow the East End to be paved over, then why would anyone want to visit? Our tourist industry would suffer greatly, and so would our county coffers. We will be sensitive to the concerns of East Enders as symbolized by the fact that I chose my first State of the County address to be at an East End venue.

By working together, we can deliver some very basic things that the people of this County are asking us for. One, to make this County government as efficient as possible; two, to make this County government as ethical as possible; three, to keep this County as pristine as possible; four, to make this County as affordable as possible, and five, to put partisanship aside and get to work in a cooperative fashion to make these goals a reality.

In conclusion, let us dedicate this upcoming year to our veterans and all the men and women serving in our Armed Forces both here and abroad.

Thank you, Mr. Presiding Officer, members of the Legislature and the people of this great county. God bless America, and God Bless Suffolk County.