

**JOINT CAPITAL BUDGET MEETING**  
**of the**  
**WAYS AND MEANS, BUDGET AND FINANCE**  
**and EDUCATION AND INFORMATION TECHNOLOGY COMMITTEES**

The joint Ways and Means, Budget and Finance, and Education and Information Technology Capital Budget Meeting was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Smithtown, New York, on Wednesday, May 20, 2015 at 9:30 a.m.

**MEMBERS PRESENT:**

Legislator Lou D'Amaro - Chairman  
Legislator Rob Calarco  
Legislator Sarah Anker  
Legislator Thomas Barraga  
Legislator Tom Cilmi  
Legislator Steve Stern  
Legislator Kate Browning  
Legislator John Kennedy  
Legislator Sarah Anker  
Legislator Robert Trotta  
Legislator Monica Martinez

**ALSO IN ATTENDANCE:**

Presiding Officer DuWayne Gregory - District No. 15  
George Nolan - Counsel to the Legislature  
Jason Richberg - Chief Deputy Clerk/Legislature  
Robert Lipp - Director/Budget Review Office  
Roz Gazes - Budget Review Office  
Benny Pernice - Budget Review Office  
Justin Littell - Aide to Legislator D'Amaro  
Christina Delisi - Aide to Legislator Schneiderman  
John Kennedy - Suffolk County Comptroller  
Louis Necroto - Chief Deputy Comptroller  
Brenda Sloan - Audit and Control  
Katie Horst - County Executive's Office  
Lisa Santeramo - County Executive's Office  
Vincent Mezzanotte - Commissioner/Department of Information Technology  
Ben Zwirn - Suffolk County Community College  
Jon DeMaio - Suffolk County Community College  
Other Interested Parties

**MINUTES TAKEN BY:**

Gabrielle Severs - Court Reporter

**MINUTES TRANSCRIBED BY:**

Kim Castiglione - Legislative Secretary

*(\*The meeting was called to order at 9:48 a.m. \*)*

**CHAIRMAN D'AMARO:**

Good morning. Welcome to the joint committee for the Capital Budget, 2016 Capital Budget and the 2016-2018 Capital Program. It's a joint committee meeting of the Budget and Finance, Ways and Means and Information and Education Technology Committees. We ask you to please rise and join the committee in the Pledge of Allegiance.

*(\*Salutation\*)*

Okay. We don't have any particular order this morning or agenda, so what I'd like to do is just invite anyone who is present to come up one at a time to address the committee and tell us what's on your mind. So who would like to go first?

**COMPTROLLER KENNEDY:**

Mr. Chair, if I could please.

**CHAIRMAN D'AMARO:**

Yes, Comptroller Kennedy. Welcome. Good morning. Come on up.

**COMPTROLLER KENNEDY:**

I have two of my staff here and I'm going to ask Mr. Mezzanotte if he can join us as well.

**CHAIRMAN D'AMARO:**

Okay, our IT Commissioner.

**COMPTROLLER KENNEDY:**

Good morning, Mr. Chair, and members of the committee. It's good to see you again today. Thank you for the opportunity to be before you to speak about the 2016-18 Capital Program and the 2016 Capital Budget. I have with me today my Chief Deputy, Mr. Necroto, my Director of Accounting Services, Brenda Sloan, and Commissioner Mezzanotte has been gracious enough to join us.

I'm here today to speak to you at length or in depth or with some specificity, if you will, about Capital Project 1782, and in particular our County's Integrated Financial Management System. It is a piece of software, a propriety piece of software. CGI is the software vendor. It ironically has been the primary method for servicing all of our County financial transactions since 1994, back in a time actually when I was working for then County Executive Gaffney. It is a 14, 15 year-old piece of software. It is approximately five versions out of date. We currently operate the version 3.5 and the vendor supports what is now 3.10 for its customers throughout the country.

The volume of transactions that run through IFMS are significant. As the committee has heard me mention before, approximately 225,000 vouchers. We have a universe of approximately 50,000 vendors. We have a Capital Budget and Program that we are presently implementing, and as a matter of fact, within the next two to three weeks we will be doing a spring borrowing for about 61 million, which in essence effectuates all the work that this body does in adopting Capital Budget items. And yet the actual ability to go ahead and navigate and transact with this piece of software, in my opinion, is just outright abysmal.

It is a nonworking, unreliable, highly susceptible piece of software. Our personnel throughout the departments, and even the bodies that you see sitting before you, rely upon it and oftentimes cannot access the system. It is an unworkable piece of software and we need to upgrade, become current and to be able to achieve a wide range of efficiencies that are out there that we can do from

electronic payment to vendor self-service to integration with some of our routine billing functions, through DPW sewer billing and things such of that nature. We absolutely, positively must address this and address it shortly.

So with that, I guess I'll turn to my colleagues so they can give you some of the specifics. Thank you.

**MS. SLOAN:**

Hi. How are you? I just want to give you, I guess, a brief overview of some of the issues that we encounter basically on a daily basis while we're trying to process documents through this version of IFMS. Pretty much every morning the database that we run any information that we need to extract from the system is down. Each morning it probably doesn't come up until about ten or eleven o'clock in the morning. So if you're waiting for information, you're not going to be getting it until later in the afternoon. And this is, again, because of the version that we're running. Every single night they're copying the entire database from the day before.

We have issues with check cancellations. We actually have one now where there was a mass check cancellation that had to be done and were not able to post those check cancellations. We have an issue pending with CGI, the company, but the problem is when they're trying to assist us, their helpdesk doesn't even have our version of the software anymore. So they're looking at a newer version and trying to help us with our older version, but they're not able to duplicate the errors that we have in the system because it's, you know, like I said, they're not using that version.

We have issues with tracking grants through the current system. Basically grant tracking in the system is nonexistent. Most of it's being done manually and is being done at department levels in most cases, so there's no central location where we can go and look at our grants. They've begun trying to use the system, but they're using the capital projects piece of the system to track the grants. It's not exactly what it was, you know, meant to be doing, but because of this old version that's the attempt that they're, you know, doing in order to, you know, try to centralize the grants.

We have issues -- we've wanted to go to EFT payments rather than making check payments. We have I think about 185,000 checks that we print and mail every year, and if we could go to EFT processing, obviously that would save us time on, you know, printing, save the time of people having to mail those checks out. But because of the version that we're on, if we were to go to EFT, we're not able to transmit a description to the banks so that it will appear on the vendor's bank statement, so we would be, I guess, switching out mailing in order to be answering phone calls from people that want to know what's in their bank account.

There's a number of work arounds that we also have to do because of the version that we're running off of. There's Capital Budgets, journal entries and other budget documents that we have to do additional documentation. We're processing more than one document in order to accomplish a task. We're having to put an override on to a document in order to get it through.

And in addition to all of that, the processing time is extremely slow with this system. The newer systems out there, and even the newer version of this system, have archiving functions that we currently don't have, so we have information in this system going all the way back to 2006, so it is definitely slowing down, you know, the processing, which in addition that's what I had mentioned earlier as far as the reporting database. All of that information is being copied every night and being brought forward into that reporting database because we don't have that archiving function.

Some of the other problems, and I'm sure IT could probably better speak to this, but I know that we have issues with our Internet Explorer. If we're on IFMS we have to use Internet Explorer 8, because IFMS isn't supported by the newer Explorers. So then, of course, we have the older

version so we're not able to access the County website because the County website runs off of the newer Explorer. I'm not an IT person.

**CHAIRMAN D'AMARO:**

So I think we get the general idea that the system is outmoded, outdated, inefficient, not reliable, and needs to be replaced, and we look at the proposed or the recommended capital project from the County Executive's Office and it seems to be supportive of all of that. I think the issue here is the timing more than the need to replace the system. I think you've made a good case that, and if you read the Budget Review Office's review of the project itself, they agree with you as well, that the system needs to go and, you know, don't let the door hit you on the way out. It needs to go as soon as possible. So why don't we talk a little bit about the funding and the timing of the project itself and where we're at.

**COMPTROLLER KENNEDY:**

I welcome that opportunity, Mr. Chair, and I'm going to ask Mr. Necroto to go ahead and speak just a little bit about some of the work that we've already done to date with the four months that we've been here in office so far, and that approach that we are looking to take in soliciting and bringing on a project manager, and then some of the high level conversations we've had with prospective vendors. Do you want to talk a little bit about that, Lou?

**MR. NECROTO:**

The existing IFMS system, or CGI's product, which is called Advantage, I think we're five versions behind. And the initial thought was we were going to march, we would spend about \$1.1 million and march through getting upgraded to version 3.10 at a cost of about \$1.1 million. Of that, I think 70,000 of it was actually software. So the balance was services. And so one of the thoughts was -- and that basically didn't really improve functionality. My concern was when I first sat down to go use this system, it's like staring at a DOS prompt. You have to know what to type into the system. There's nothing intuitive about it. It's not user friendly, and in an environment where you have 10,000 employees and there's only 500 users of the system, I would tell you that usership is very low and that's indicative of the difficulty of using a system like this.

So one of the thoughts was instead of taking the \$1.1 million and putting it into a system that's really not going to change functionality at all and basically leave us with a very difficult system to use, we thought we would take a step back and figure out whether or not it made sense to invest in revamping this system all together. In other words, getting it to be more user friendly, and then be on a path towards an enterprise system that was integrated and ultimately could accept more robust use in the accounting functions, but also other ancillary functions in term of things like asset management and personnel management and things of those nature, where a lot of our expenses lie.

So we realized very quickly that when we started putting groups of people together there was an awful lot of pain out there with regard to the existing system, and yet most people didn't know exactly what the next step would be. We attempted to try and facilitate that, and what we learned was there's a lot of products out there. We don't understand, again, my point was to illustrate before, my statement about the cost of the software versus the cost of the services, which would be not to customize so much, but configuration is always a part of these items. What I wanted to do was minimize the cost of implementing the system so we would buy -- it's not like buying a car where you just basically take it off the lot and it's working. We have to -- we would buy this software and then all of a sudden be saddled with costs to implement, which I found a neighboring county purchased software, I believe they purchased PeopleSoft. My understanding is the software cost may be between seven and eight million dollars, and they are in the tens of millions of dollars in implementation. I'm looking to avoid that.

So the next step for us was to take a step back and basically look at hiring an expert to assist using their knowledge of the industry and join that with our needs as a government entity where they've done this type of work before. And I'd turn it over to the Commissioner to speak more about the value that a consultant like that would add in actually keeping the overall cost of the project down to a minimum.

**CHAIRMAN D'AMARO:**

Let me just understand what you're saying, that we have this existing comprehensive, outdated, outmoded and inefficient system, but we're stuck with it right now. And in order to -- it hasn't been upgraded -- the last five upgrades have not been done. It was purchased back in the 90's. And so the thinking is to not so much buy the new software, because that would be about \$70,000 but a million dollars in services just to get it to work the way we want it to work. The thinking is to go in a different direction, hire a consultant to help us go in a different direction in order to determine to scrap this system and get a new system or continue working with the existing system to bring it up to, you know, the 21st century.

**COMPTROLLER KENNEDY:**

The logic, and then let me go to Mr. Mezzanotte to speak to the specifics. It's our assessment at this point, Mr. Chair, that no matter how much money we throw at IFMS, we will still be left with the same unrecognizable screens. What's BC30? BQ30? BQ30, right, is a simple budget report. Now unless, and we'll go to those 500 employees who in essence have been trained almost to be the equivalent of fluent in Latin or some outdated language that none of us around in common life will know anything about at all. BRO can speak to some of the specifics that they have to do when they go in for the queries. It is not a user friendly system.

So even at the end of another million dollars, we would be left with the same nonuser operable system. God help us when the one expert in the department isn't there because he or she may be sick or is on vacation or what have you. In essence, our ability to do simple financial transaction comes to a screaming halt. The whole system becomes frozen in some time in late October, simply so that we can wrack up the balance of all the economic activity for the prior year so that our staff can begin to do the certified financial gathering that we'll now produce some time in the next month or so that tells us for the first time what was the sum of all of our for economic activity for calendar 2014. It is at some point do you say, you know what, the Edsel, you got to let it go, and this thing is an Edsel.

**CHAIRMAN D'AMARO:**

All right. So how do we do that?

**COMPTROLLER KENNEDY:**

We engage the financial expert, and as a matter of fact, I'm sorry, the system expert, through the RFP that we're doing now, which will be out probably within the next, what, about week or two? Yeah. We'll get the consultant on board who will not only be the individual who assists us in drafting the RFP, but to define the requirements and, quite frankly, and Vincent, I'm going to turn it over to you, in big projects you typically look to bring on a project manager with expertise that guides you right from inception to actual system operation, right?

**CHAIRMAN D'AMARO:**

John, before you do that. The dollar amounts that we're looking at in the Capital Program, are those funds for simply retaining the consultant doing the RFP and finding out what system works best for the County, or is it the actual cost of a new system.

**COMPTROLLER KENNEDY:**

Both. The 200,000 basically would reflect what we would look at for the project manager. That is

an upper limit. I do not think that we would have to go that far. Again, I'm going defer to Mr. Mezzanotte for some knowledge there. The 1.5 million now spread over the two years from the Exec's recommendation would actually speak to acquisition. I would hazard or suggest that the 750 in '17 should be advanced to '16, because I believe from a timeline perspective by late fall we should be in a position to actually have undertaken the RFP and be ready to go ahead and commit. But I'll defer to Vincent.

**COMMISSIONER MEZZANOTTE:**

I would agree that what makes the most sense at this point would be to bring in an expert to help us develop the overall requirements and specification, ultimately select the right solution, develop the timeline that best fits into the County, and then assist us with the overall project management during implementation. So the 1.5 million from my perspective would be the monies that are allocated towards the actual solution and implementation with professional services through the selected vendor, but the RFP that we're talking about here would really be to help us develop the work breakdown structure, the roadmap, the risks, all of the details involved with managing the project through implementation. And more importantly, to help us select the right solution.

I also have to say that to defer implementation until 2017 would be a cause of concern for me given the fact that the current system is five versions behind. The technology platform that currently supports IFMS is not where it needs to be for something as critical as our financial management system. So I would be more in favor in trying to accelerate the implementation rather than delay, or we would need to invest some sort of money in the current system just to keep it operational.

**CHAIRMAN D'AMARO:**

All right. Legislator Stern had a quick question and then, Tom, I'll get to you.

**LEG. STERN:**

Thanks, everybody, for being here. I'm looking at the BRO review. The numbers here, as stated here in the review, is to overhaul the system or replace the system. So I understand that we're talking about the timing here, but the numbers here, is it anticipated that the proposed budget, regardless of the timing, and we'll get to that. But does it come out the same, that this is a number that we can work within whether it is an overhaul or a replacement? Because I go to the statement from before, a neighboring county were in the millions of dollars, and the \$10 million for implementation, we're talking about a very different number here. So, I mean, I can see this kind of a number if it is an overhaul, but a complete replacement with an entirely new system, are we anticipating that we're able to replace the system with something new and improved within these numbers as well?

**COMPTROLLER KENNEDY:**

Let me speak to that from the amount of work that we've done so far, Legislator Stern. And, again, I'll go back in history. Ironically back in 1994 we acquired this current version, the AMSP's, for approximately \$3 million. Now, in the almost what, 14, 15 years, obviously the world of computing and software has changed dramatically. We have had high level conversations with some comparative types of software systems providers.

We had a firm, Springbrook, that came in to talk to us. They actually flew in from the west coast, mindful of the fact that we would be in all likelihood approaching an RFP process. We kept the discussion at a very high level, generally generalistic. We talked in some broad terms about cost for a piece of software. Again, to what Mr. Necroto has talked about, our objective is to acquire a standardized proprietary piece of software that is somewhat uniform. We do not want something that is so customized down to Suffolk County in that it locks you into a very complex lifecycle then with a software provider. The subsequent versions of improvement then become that more difficult to load and implement for us with a customized application in the first instance. I think 1.5 should

be adequate to acquire that piece of software that would give us the core financial capabilities that we so very much need. In addition, we are framing it so that it is compatible or easily, what's the term, shakes hand?

**COMMISSIONER MEZZANOTTE:**

Integrated.

**COMPTROLLER KENNEDY:**

Right, with other types of software that would go to sewer billing, that would go to the payroll piece that we need to address next, because that's running on a COBOL system, which is older than me, and I'm old. So we think that the 1.5 will get us a resilient, stable, operational, user friendly core financial platform piece that will also be compatible to plug in's and hook in's that we need to address the balance of the computing issues that we have.

**LEG. STERN:**

Do you believe that based on what you were able to find out from the other municipality that's utilizing the system that you had alluded to, do you believe or were you able to find out the reason for the difference, the cost differential there was because of the level of customization and that's something that we are looking to avoid?

**MR. NECROTO:**

That would be very speculative to argue, you know, exactly what drove their costs up, but I do believe it was some level of customization. I also believe it was their software choice. Some of the more complex ERP systems, enterprise systems, which are designed for multinational corporations like GM and General Electric that have all sorts of, you know, raw material and production needs that we just don't share, that's functionality that's built into the software that a purchaser would pay for; we would never use. And so that's definitely going to be built into not only the cost of the software, but also the cost of the personnel coming out to help set it up and configure it.

So I guess the right way -- the best way I can think to phrase it is we would be looking for a solution that's right sized for us. You can easily go after the biggest and the best and know that it will work, the big question mark is at what cost. And I think it's proven to be very expensive. We have one of those companies here now in CGI. PeopleSoft, which is owned by Oracle, is another, I think, example of that. I think there are other companies that are out there that are more geared towards government as opposed to multinational type corporations that might be a better fit. There are issues of, you know, scalability, whether or not it will work in this environment and work with other systems that we have. That's yet to be determined, so.

**CHAIRMAN D'AMARO:**

Legislator Cilmi.

**LEG. CILMI:**

Thanks, Mr. Chairman. Thanks for being here again. It's good to hear a deeper presentation than yesterday. I don't know, John, if you were here yesterday when the presentation was being made to the group with respect to energy efficiency upgrades to our buildings. Although, you know, what was being proposed was quite expensive, they made the case that from a cash flow and from a net cost perspective it actually helped us to make those investments and it was --

**COMPTROLLER KENNEDY:**

Tremendously.

**LEG. CILMI:**

-- you know, generating sort of a positive cash flow or a reduced expense associated with that was

greater than the debt service. So I did a quick calculation. You were talking about just the one simple detail of what's involved here in terms of your electronic payments as opposed to sending out, you know, checks to people. You said it was roughly 185,000 checks a year I think. If you do the math, that's a little more than \$90,000 just in postage a year. That's forgetting about the cost of the envelopes, forgetting about the cost of the labor to insert the, you know, whatever it is into the -- the checks into the envelopes, the labor to print the checks, the maintenance of the equipment that does the printing of the checks and the insertion of the checks if there's equipment associated with that, etcetera, on down the line.

So I guess my question really, I'm not sure if you've looked at it, Mr. Comptroller, but to BRO, what are we talking about in terms of if we move this all up and did the purchase at once, what are we talking about in terms of an annual debt service cost.

**MR. LIPP:**

So if you look at the TV screen over here, you should see where the little hand is pointed.

**LEG. CILMI:**

Yes.

**MR. LIPP:**

The average debt service, annual debt service, would be 117,000 estimated per year over 18 years, for a total of 2.1 million being the difference between the 1.5 in serial bonds and interest would be from 1.5 to 2.1.

**LEGISLATOR CILMI:**

Okay. So --

**COMPTROLLER KENNEDY:**

Legislator Cilmi, let me just follow-up on what Robert's talking about, and I think you bring an excellent point to bear, and I'm going to ask the committee to all be mindful of this. A quick look at avoiding the hard cut checks that we've talked about, and they run the full range from our simple mileage reimbursement for our employees, meal vouchers, travel stays, things along those lines, vendor payments. We also have an opportunity, and we've been collaborating with Commissioner O'Neill, to look for a pilot project to avoid the roughly 20,000 checks we send out each month for Social Service vendors and recipients. Our cost avoidance for check stock, machine maintenance, which by the way, is a 20 year-old machine that sits now down on the third floor, and if, in fact, this body accelerates the merger, I will wind up owning and having next year, which is another element that we're looking to avoid. The SCAR checks that we are looking to be able to do electronic fund payment on, will far exceed that debt service each year and we'll probably approach cost avoidance that goes close to \$200,000.

**LEG. CILMI:**

And that's just really the point here is that that's just looking at this one component, the check cutting component of what you're talking about, which is probably just a very small portion of the efficiency to be gained from, you know, implementing a new system altogether.

**COMPTROLLER KENNEDY:**

No doubt.

**LEG. CILMI:**

So I think, you know, we all need to be mindful of that. It looks pretty obvious to me that this gets us into a situation where the operating cost savings is going to be greater than the debt service, and therefore it will be a net positive to the County in terms of, you know, the overall picture.

The other thing that I wanted to ask is, I was on a conference call/demonstration a couple of days ago with respect to a web platform, a company that has a product or a service that sort of consolidates financial information and presents it in a very easily understood, concise, graphical way, for -- not only for internal transparency purposes, but for external transparency purposes. The name of the company I think was OpenGov.

We talked about, you know, the alternatives of having an enterprise system where it's software based, where there's a physical installation of software, an updating of software on a regular basis etcetera, versus a web based platform where, you know, the cost associated with all of those upgrades and whatnot is borne by the company and certainly their clients pay for it in terms of their annual cost. But in this particular case it was relatively inexpensive. It was like -- he was guessing, it's a formula based on overall budget. He was guessing it was like 40, \$50,000 a year or something like that to do that. Contrast that with the cost of the enterprise systems that we here at this Legislature talked about for the past couple of years, and obviously it's a dwarf in comparison.

So my question is in your exploration of this new system, you know, is that something that you might take into consideration, or as I'm thinking about this, is the data that's involved so critical and sort of delicate that you would want to have an in-house system designed to deal with it.

**COMPTROLLER KENNEDY:**

I'm going to let Mr. Necroto speak to that, but I'll give you one absolute. If we're cloud computing or alternative web based applications, we would look at and contemplate. For the payroll system, which will stand as a separate piece to be addressed subsequent to this acquisition, absolutely not. That would wind up remaining hosted here, in-house and secure. But with that, Lou.

**MR. NECROTO:**

Good morning, Legislator. OpenGov is a business analytics system. It's not a production system.

**LEG. CILMI:**

No, I realize that. I was using that as an example, not as a --

**MR. NECROTO:**

Okay. I'm familiar with that. As a matter of fact, I came across it in lot of the exploration and my experience in Smithtown as well, and it is a very robust system out there. Many of the systems that we would look at have both a cloud version. Typically there's a service fee involved, and we would have to do, you know, a return on investment analysis to determine whether or not it makes more sense to move all of those services offsite and pay for them and compare that to what it would cost us to host it on premise.

**LEG. CILMI:**

Right, but it's something you would consider.

**MR. NECROTO:**

Absolutely.

**LEG. CILMI:**

Okay. Thanks.

**COMPTROLLER KENNEDY:**

Let me just, if I can, go one piece there. When you talked about the energy investment, and just as a side, as you know, I'm an intervenor on the PSE&G rate application, so I had an occasion to grab some of that information. It's been about 27 million, I think, in total over the last nine years

invested. However, there's a direct reduction in our current consumption of about four and a half million dollars that we're paying to the utility. So to your points very specifically, that investment is giving us the recurring savings even at the current rate structure and the increase, as you know, that's been contemplated is abysmal.

**LEG. CILMI:**

Yeah, we talked about the ROI being like four plus years with those investments. So it would be interesting to see a similar analysis when you take into consideration all components of this change, not just the check, you know, issuing component, but every component.

**COMPTROLLER KENNEDY:**

Sure, we will go through --

**LEG. CILMI:**

You look at that ROI analysis, I think we would be surprised at how quickly we recover our money here.

**COMPTROLLER KENNEDY:**

No doubt.

**CHAIRMAN D'AMARO:**

Okay. Thank you, Legislator Cilmi. Commissioner, I had a question for you. If the cost avoidance will far exceed the debt service per year, or maybe even the entire servicing of the debt, not just the interest component per year, why did the Executive recommend the splitting of the 1.5 between the two years?

**COMMISSIONER MEZZANOTTE:**

I think the cost -- the thought process behind that was it would require -- this type of a project generally from my experience is a 12 to 18 month implementation. It's a pretty large implementation. So the thought process could be that it could span a two year cycle in terms of funding. But, you know, again, without really having the details yet specifically on what the right selection is and what the overall work breakdown structure would be from the timeline, it's difficult to say if it's going to all be firmed up in one year or a span over two years.

**CHAIRMAN D'AMARO:**

Right. So, Dr. Lipp, if it turns out that the project is moving full steam ahead in 2016 and it's necessary to appropriate the funding that's put in for 2017, can that be done in 2016?

**MR. LIPP:**

You would need an offset.

**CHAIRMAN D'AMARO:**

At that point we would need an offset.

**MR. LIPP:**

You only have the adopted '16 is really all you'll have to work with, and at the end of the day, I think in part what the Commissioner is speaking to is if -- let's say for argument's sake that we put it all in 2016. We're not going to necessarily spend all of it or perhaps none of it depending upon the timing. You'll have it adopted, they'll have access to the money if they, you know, put it in the bond issue. But it could in theory the bonds actually could be issued over two, three years depending upon how quickly the whole thing goes. It just gives a little more flexibility to be able to do it all in 2016. But that doesn't mean that we would be issuing all the bonds in 2016.

**CHAIRMAN D'AMARO:**

All right. So is it more advantageous then to leave it split between the two years or to put it all into 2016? I'd like to get each of your opinion on that.

**COMPTROLLER KENNEDY:**

Okay. I will first say from a level of effort and an ability to go ahead and fairly represent with the range and the universe of vendors that we would be looking to go ahead and work with with the RFP, I would strongly advocate that we accelerate and put all funds in '16, and again, defer to Dr. Lipp. As all of us know, or all of you know around the horseshoe, that projects that are larger ticket items may subsequently be then paid for or broken into phases. This will not be phased, though, in that we are talking about essentially the core financial transacting capability, i.e. all of the Capital Budget implementation, all of the vendor work, those types of things. My ask to you would be that we accelerate into '16.

**COMMISSIONER MEZZANOTTE:**

Yeah, I mean, again, I would feel that we could structure the implementation with some specific milestone payments that could span over two years. But, again, without knowing the selected solution and specifically what the timeline project and work breakdown structure would be, it's difficult to say absolutely over two years. But at this point, I would be more comfortable with covering it over the next two years than putting it out into 2017.

**CHAIRMAN D'AMARO:**

Well, yeah. But it's difficult to say whether or not it all belongs in 2016 just because we just don't know the extent of what we're doing yet.

**COMMISSIONER MEZZANOTTE:**

Exactly.

**CHAIRMAN D'AMARO:**

Okay. Does anyone else have any other questions? Legislator Anker, yes.

**LEG. ANKER:**

So we're looking, again, to either create a new system. Again, the system we have now does not integrate with the payroll. Is that the biggest problem that we have?

**COMPTROLLER KENNEDY:**

Well, we have many, many problems with this current system, Legislator Anker. And, yes, to answer your first question. IFMS does not -- let me go a different way. Our payroll system is a separate system. The acronym is PPS. It is a system hosted in COBOL, which is a software system that goes back to the early 80's. When I was doing my MBA, as a matter of fact, we programmed them with punch cards. IFMS has to take data from PPS for various things, but by and large there's no collaboration or ability to transfer data simply. Secondly, IFMS itself is an unworkable, unmanageable, unreliable, dangerous, piece of software, to be candid with you.

**LEG. ANKER:**

Okay. So my question is to the Commissioner of IT. Can you explain IFMS and how we've been able to use it this long without getting into too much trouble.

**COMMISSIONER MEZZANOTTE:**

Yeah, I would address that, but I just want to add one thing to what the Comptroller said. I would expect that as we go out and evaluate solutions for IFMS, we would include within that payroll functionality. We may not implement that as this initial phase, but we would want a product, an integrated solution that addresses not just our financial management needs, but also down the road

could be the solution for our payroll system.

How do we currently maintain IFMS? I mean, I haven't been here long enough to really say how difficult it is, but I do get the feeling from talking to staff that it's a challenge. It's running on a much older version of Oracle, the database, which from my perspective is a cause of concern, not only because the application is outdated, but also the infrastructure that it runs on is outdated. So I think it's a difficult task and one that we really want to establish a game plan for to replace as soon as possible.

**LEG. ANKER:**

So, again, have we looked into -- I guess up until this point in time, do you have comparable software programs and companies. I know we've discussed some and Legislator Cilmi had mentioned one, and you had mentioned a county, is it Nassau County that you were comparing the systems with, because that was another question.

My concern is we don't want to get caught up in spending so much money to consultants. I think Comptroller Kennedy had mentioned that so much money is going towards the service much less the software. I would like to see Suffolk County's IT Department, you know, you guys are the professionals. Take training courses, you know, let's put our money into the County than sending it out into consultants. Is that possible, Commissioner?

**COMMISSIONER MEZZANOTTE:**

I would hope that whatever product we pick is a product that we would be in a better position to support from a configuration perspective, at least to be able to address basic, you know, functional requirements that the County has and possibly even eliminate some of the larger costs to upgrade in the future. But, you know, software products such as this, you know, typically require some significant vendor interaction and an overall maintenance plan or agreement to support the product moving forward.

**LEG. ANKER:**

We see, even our residents, and we individually see how much we have to invest when we upgrade our systems. It's not that we're upgrading a software. We're upgrading hardware, a laptop, our iPhone, our iPad, you know, and then the printer. And, you know, that's just on an individual basis. Now we have the entire County, and it's got to be incredibly complicated. But, again, my concern is, you know, let's not leap into something just because we hear it's a good thing. There's so much -- there could be a lot of additional expenses in the future if we go with a consultant, because I think we had that problem with the Microsoft Word. I think that was before you were here, of course, but again, we get caught up in the fees. There's so many fees associated with consulting.

**CHAIRMAN D'AMARO:**

Okay. Are there any other questions? Ladies and gentlemen, is there anything else you would like to add?

**COMPTROLLER KENNEDY:**

Nothing, just other than to thank you, Mr. Chair, for the opportunity to be before you, and good luck with your diligence as you go through the Capital Program, and we will go forward as you see fit. Thank you.

**CHAIRMAN D'AMARO:**

Okay. Thank you, Mr. Comptroller and all of you. Commissioner, thank you. And we will consider everything we've heard here today. Who would like to next address the joint committee this morning, if anyone?

**COMMISSIONER MEZZANOTTE:**

Since I'm up here, is it okay if I go next?

**CHAIRMAN D'AMARO:**

Yes, of course.

**COMMISSIONER MEZZANOTTE:**

There are three projects that are included in the 2016-2018 Capital Program that are critical towards maintaining the County's IT infrastructure in a state of good repair and to minimize the risk associated with service delivery. It's CP 1726, 1729 and 1807. These are all IT infrastructure related projects, and when I refer to IT infrastructure, I'm really referring to the core and edge network devices that route all traffic, both internally and externally, to the County's network, the servers and the storage devices that house our applications and our data for both internal and external consumption, and the network firewalls that monitor all network traffic to prevent both unintentional and malicious exploits from occurring.

One of my highest priorities as Commissioner is just to ensure that this network is able to perform and meet the demands of the County, both in terms of being highly reliable, highly available, and highly secure. To this end, over the last few weeks I have spent a significant amount of time working with IT staff to understand and assess the current IT infrastructure. And I'm pleased to say that it's not only in a very solid state, but that the staff has done an outstanding job of planning for the future in terms of how we need to maintain and grow this network to meet the demands of County. However, as with any computer network this size, the plan requires adequate funding, and what's included in the Capital Program proposal is that funding. That's to really maintain the network in a state of good repair.

As an example, we have over 213 critical network switches and devices that will become end of life over the next five years. That means that they will no longer be supported by their hardware manufacturers, we will no longer get updates and firmware or security patches, which are critical to keep these devices stable and secure. In addition, these projects address critical hardware that we need to replace over the next few years in order to meet capacity and resource requirements for the County that support every department within the County, including our public safety arena.

So at this point I really encourage the committee to approve the funding request that's included within the Capital Program and would entertain any questions that you might have regarding any of those three projects.

**CHAIRMAN D'AMARO:**

Okay. So you are asking for approval of what the Executive recommended; is that correct?

**COMMISSIONER MEZZANOTTE:**

Yes. Ultimately what we're doing is we're working closely with budgets to see if we can fund the difference between what the County Executive proposes and that BRO has included through our Operating Budget. I think there are some opportunities there and we will continue to pursue those opportunities.

**CHAIRMAN D'AMARO:**

So from a capital project perspective, however, then that you could stick with the numbers that were recommended and --

**COMMISSIONER MEZZANOTTE:**

Yes.

**CHAIRMAN D'AMARO:**

Okay. All right. Does anyone have any questions for the Commissioner? Okay. No questions. All right. Thank you for your presentation, Commissioner. Nice to see you. Okay. Who would like to next address the joint committees this morning? Ben, are you here for the college?

**MR. ZWIRN:**

Yes. Good morning, Mr. Chair.

**CHAIRMAN D'AMARO:**

Good morning. Welcome.

**MR. ZWIRN:**

To the Working Group and Legislators Cilmi and Trotta. Jon DeMaio is also here from the college. We appreciate your past support for the College's Capital Program and Operating Budget. We're here to say that we concur with Budget Review Office's review and the County Executive's proposal for the College's Capital Program. We can -- we are happy that we can -- we're good and not looking for any changes.

**CHAIRMAN D'AMARO:**

Okay. You're dismissed. Does anyone have any questions concerning College capital projects? Legislator Anker.

**LEG. ANKER:**

I just wanted to mention, again, looking at the Capital Budget, it's its own, you know, 500 page document, but it just goes to show how much the Legislature is supporting the Community College, literally invest in our education and we're showing -- we're putting our money where our mouth is. I think it's great that the Legislators are supporting the future of our students and of our residents. Thank you.

**MR. ZWIRN:**

I just would add that commencement was just this past weekend and they had -- a number of you were able to attend and we were grateful for your attendance, and also graduated over 4,000 of our residents moving forward. Some to higher education, some with nursing certificates and, I mean, it is a wonderful institution. One of the reasons that a lot of our projects are coming forward now is under a previous administration, even though the Legislature supported the Capital Program, the County Executive pretty much controls the pace of when projects move forward, and back in those days nothing was being advanced. That's why there's a lot before the body now. We opened the Lindsay Science Building recently. It's a fabulous facility and it's being well used on the campus. You are always welcome to come back and see how the students are making use of that. So, again, we thank you very much for your past support and hopefully this as well.

**CHAIRMAN D'AMARO:**

Okay. Legislator Calarco, you had a question?

**LEG. CALARCO:**

Ben, the County Executive got some money in the budget here for Start-Up New York type projects, and I'm wondering if you can maybe tell us if you have any -- if you know where the Community College is in obtaining that status or the College, are you looking to work with the County to identify other locations throughout the County either on other campuses than the one that's been applied for or satellite sites that would be appropriate for that kind of development.

**MR. ZWIRN:**

I think that there is a synergy between the County, especially economic development and the

College. The Start-Up New York money, we looked at that, and it's ten and a half million dollars. I think the County Executive is trying to spur using the Start-Up New York Program, which gives new businesses ten years of no State taxes, no State income taxes for personnel. I mean, it really is quite an ambitious program.

I know there's been a lot of criticism lately about the advertising budget statewide that the State Comptroller mentioned, but I think the County Executive sees this as a tool to help some of the areas that could use some economic development and is making County funds available for that, and the County and the College will work together in a very congenial way to move this forward. We think there are some opportunities to Start-Up New York that could be beneficial to the College and the County with regard to economic development.

It's a relatively new program. Our application -- we will submit a new application, which will include property at the Grant Campus, Wyandanch Rising, the downtown Wyandanch area where there is a building going up, and a portion of about ten acres that's adjacent to the Selden Campus that the County owns. There's about a 62 acre parcel adjacent to Suffolk Community College in Selden that is not in the Parkland Program, so it can be developed. The County Executive has identified ten acres there for economic development, which the college is in support of.

**LEG. CALARCO:**

I think this is a prime opportunity for us to work collaboratively together on this issue. To be honest, I had a conversation with Dr. Stanley at Stony Brook, several months back at this point in time, regarding their Start-Up, which they had already had in place at that point and his efforts. And he said that his biggest challenge in attracting businesses that come to that program is not actually getting people interested, it's having the space to put them. He doesn't have enough space compared to Buffalo, which has thousands and thousands and thousands of empty square feet of space to put people. So if we can work with the Community College to find spaces and get creative about where those spaces are, I think that's going to give us the advantage and the edge that we need to get new businesses to come to Suffolk.

**MR. ZWIRN:**

And the advantage, the proposal I think that the County Executive put forth for Start-Up New York is not on the College campus. The sites that they have selected are off campus sites, which can be included with a memorandum of understanding so that there is a tangential connection between the College and the program.

**LEG. CALARCO:**

Sure, we could set up a satellite site, similar to the College has a satellite in Sayville now or the satellite in Riverhead Downtown. We could set up satellites for the College and do a partnership that way.

**MR. ZWIRN:**

That's exactly how it would work.

**CHAIRMAN D'AMARO:**

Okay.

**MR. ZWIRN:**

Thank you.

**CHAIRMAN D'AMARO:**

Mr. Zwirn, thank you as always. Nice to see you. Is there anyone else who would like to address the joint committees this morning? For the record, there's no further response. No further

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business before these committees. We are adjourned. Thank you.

***(\*The meeting was adjourned at 10:45 a.m.\*)***