

**BUDGET & FINANCE COMMITTEE  
OF THE  
SUFFOLK COUNTY LEGISLATURE**

**Minutes**

A regular meeting of the Budget & Finance Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on **August 2, 2005**.

**MEMBERS PRESENT:**

Leg. Michael Caracciolo, Chairman

Leg. Angie Carpenter, Vice•Chairman

Leg. Daniel P. Losquadro

Leg. Cameron Alden

Leg. William J. Lindsay

Leg. Peter O'Leary

Leg. Ricardo Montano

**ALSO IN ATTENDANCE:**

Mea Knapp, Counsel to the Legislature

Ian Barry, Assistant Counsel to the Legislature

Ilona Julius, Deputy Clerk

Gail Vizzini, Director of Budget Review

Lance Reinheimer, Assistant Director of Budget Review

Robert Lipp, Budget Review

Marie Ammirati, Aide to Leg. O'Leary

Carl Yellon, Aide to Leg. Kennedy

Doug Sutherland, Aide to Leg. Carpenter

Ben Zwirn, Assistant Deputy County Executive

Allen Kovesdy, Budget Office, County Executive

Jeanine Dillon, County Executive's Office

Jacqueline Caputi, Assistant County Attorney

Frank Tassone, Aide to Majority Leader

Linda Burkhardt, Chief of Staff, PO's Office  
Kevin LaValle, Aide to Leg. Losquadro  
Lynne Bizzarro, Chief Deputy County Attorney  
Paul Perillie, Aide to Minority Caucus

MINUTES TAKEN BY:

Diana Kraus, Court Stenographer

**(THE MEETING CONVENED AT 9:49 AM)**

**CHAIRMAN CARACCILO:**

Good morning once again. Are we ready? Okay. Would everyone please rise for the Pledge of Allegiance to be led by Legislator Montano?

**(SALUTATION)**

**CHAIRMAN CARACCILO:**

Kim, has everyone received the BRO hand•out? Okay. Does Counsel have a copy? Okay.

Before we get to the agenda, is there anyone in the audience that would like to address the Committee? Okay. Hearing none, what I'll do at this point is just request the Budget Review Office to provide us with a synopsis of a memorandum that has just been handed out to the Committee, subject matter being "Filled and Vacant Positions." And I'd Like Allen Kovesdy to come up. Kovesdy. I'm sorry, Allen. Do you have a copy of this memorandum?

**MR. KOVESDY:**

Yeah.

**CHAIRMAN CARACCIOLO:**

You do. I should have said "way up there Kovesdy." Okay. You'll never live that down. Okay. Gail, if you would.

**MS. VIZZINI:**

You all received copies of our August 2nd memo regarding the filled and vacant positions. At the request of the Chair, the Budget Review Office continues to monitor filled and vacant positions across all funds. The last time we gave this information to you was April 24th and the memoranda simply summarizes the numbers of filled positions and vacant positions at the time the April 24th versus the current position control authorized position run July 17th.

The number of vacant positions has increased by a total of 53 positions across all funds. Of particular interest in the General Fund there are 34 more vacancies than there were April 24th. Police, there are an additional 13.

The number of filled positions correspondingly has gone down. Attached to the memo are the graphs that show the trends. The number of police officer filled positions has also gone down somewhat. We attribute that to retirement.

Civilianization remains flat in terms of the number of filled positions; although I did recent just this morning receive a memo that the department continues to try to move aggressively and has identified additional areas for civilianization. When we do our operating budget review, we will, once again, take a look at the progress that the department has been able to make.

**CHAIRMAN CARACCIOLO:**

Okay. So, in summary, the total number of vacant positions as of today is what number?

**MS. VIZZINI:**

The total number of vacancies across all funds is 1,075 positions.

**CHAIRMAN CARACCIOLO:**

And you estimate that if there are no changes before the end of the year, there would be an \$18 million savings attributable to turnover savings?

**MS. VIZZINI:**

That would be just in the General Fund.

**CHAIRMAN CARACCILOLO:**

Okay.

**MS. VIZZINI:**

Across all funds it's in excess of \$30 million.

**CHAIRMAN CARACCILOLO:**

Okay. Which is actually a little bit more than BRO had been projecting back in March and April when we last had this discussion.

**MS. VIZZINI:**

Yes, there are more vacancies. That's the difference.

**CHAIRMAN CARACCILOLO:**

Okay. So, Allen, number one, like the rest of us, you just received this document. But I'm sure you have computer data and information that you monitor all the time. Do you disagree at all with these numbers?

**MR. KOVESDY:**

I just think •• good morning. The only thing that I would suggest with Gail's analysis, which I don't have a problem with, is there's one column missing.

**CHAIRMAN CARACCILOLO:**

And that is?

**MR. KOVESDY:**

That is the number of positions that have been released by the County Executive and are currently being filled. I think this gives a true picture, but it doesn't give a complete picture.

**CHAIRMAN CARACCILOLO:**

What would be that number?

**MR. KOVESDY:**

I could get that number for you for your next meeting.

**CHAIRMAN CARACCIOLO:**

I'd like to have it before the next meeting because, you know, all along, it's been my suspicion that •• and this is not a criticism, but it's an observation •• that the County Executive has intentionally and continually understated turnover savings.

**MR. KOVESDY:**

And I will have the number for you for tomorrow.

**CHAIRMAN CARACCIOLO:**

Okay.

**MR. KOVESDY:**

I'll give it to Ben to give to you tomorrow. But when you just add that column, I think it gives it a truer picture as the number of positions that have been released and are in the process of being filled.

**CHAIRMAN CARACCIOLO:**

All right. I can think back in regard to my last comment to the meeting that took place before a legislative meeting in Riverhead. It was either March or April. Legislator Lindsay and myself and Budget Review Office. And at that time I was focussed as I've been all year on this number. And Mr. Lindsay who can speak for himself, you know, like myself was concerned about whether or not, you know, the BRO projections were inflated or not. And all, I think, today's presentation demonstrates is that, if anything, BRO also understated the turnover savings. If we're going into a budget, which the County Executive has to present next month with \$25 million or something in close proximity to that, and grant what you say there are new hires in the pipeline, we all know that they could be hired in December. So, I'm not impressed that there may be a high number of people in the pipeline simply because by the time they get on board, most of the savings will have still been realized. Which is a good thing, I guess. Okay? Because that will certainly help with next year's operating budget.

But I think it speaks to credibility from my perspective. You know, last year the County

Executive touted that we were going to have this huge \$240 million budget deficit. And our Budget Review Office on their worst day said it might be a \$190 million. That's a \$50 million difference. It's credibility. You know, we have year in and year out, we have these huge fund balances. I think the current or last year's was 114 million. What is the number for 2004? When I say last year, I'm referring to '03. Now the books are closed. What was the number •• you know, we've been waiting since April for this number of what the fund balance would be for '04.

**MR. LIPP:**

The fund balance surplus for the General Fund was 116 million and changed as opposed to what we estimated and adopted the '05 budget that we would end '04 with 103 million. So, actually we have a \$13 million additional surplus coming into the 2006 budget, which is good news and bad news in a certain sense. It's great news that we have that surplus and that it's higher. The difficulty is, although we've been saying it for three years, is that it becomes difficult to generate those size fund balances. It's only been a few years that we've had these \$100 million surpluses in General Fund. And, you know, it can't last forever.

**CHAIRMAN CARACCILOLO:**

And what about the police district?

**MR. LIPP:**

The police district I don't have the exact numbers. Hold on one second.

**MS. VIZZINI:**

I'll get that for you.

**CHAIRMAN CARACCILOLO:**

Okay. Do you recall what the number was projected for all funds?

**MR. LIPP:**

The police district we adopted the budget at a 9% to end '04 •• \$9 million deficit. We were projecting at Budget Review back in March a \$35 million deficit. It came in almost 43 million.

**CHAIRMAN CARACCILOLO:**

Why is that?

**MR. LIPP:**

Well, the deficit is higher for one reason. We knew it would be higher because of the retirement issue; that is we paid off after the '05 budget was adopted, we a paid off the retirement bill in December instead of letting it lag to February.

**CHAIRMAN CARACCIOLO:**

February. Okay. Was that •• in hindsight was that the right ••

**MR. LIPP:**

That was a great idea. In hindsight it was a great idea. I think everybody was on the same page; Executive, Legislature.

**CHAIRMAN CARACCIOLO:**

Okay. But with respect to the General Fund you're saying now the books closed and we have \$116 million positive fund balance. So, when you put the two together, what is the actual fund balance? 116 or is it 116 less the 43?

**MR. LIPP:**

Well, each fund is separate obviously. You know, and you're going to wind up with a General Fund property tax and a police district property tax. If you want to blend them, you know, when you look at the property tax, then you will combine them. But there's so many other factors in just the fund balance. In other words, we know •• and there's so many other things that'll go into each fund, like, you know, what's going on, for instance, with health insurance, with the salaries, turnover savings, and sales tax; all that stuff. Probably the most important thing that you'll consider today also is the renewal of the 1% sales tax. Without that, then, the budget will have severe, severe problems. You're talking maybe \$260 million for 1%.

**CHAIRMAN CARACCIOLO:**

The health insurance savings, as we all read in the newspaper during the recess was projected to be at somewhere around 12, \$14 million annually. When will we start to •• when will that start materializing? This year, next year? Allen, if you could ••

**MR. KOVESDY:**

Yeah. My thought on it, you'll see it in the budget presentation in 45 days. It'll break that out in detail.

**CHAIRMAN CARACCILOLO:**

But we don't want to wait 45 days. You're Assistant Budget Director. Tell us now. And your high up there, exactly, as I was just reminded.

**MR. KOVESDY:**

You'll see it with the presentation third week in September. You'll have accurate numbers.

**CHAIRMAN CARACCILOLO:**

No, no, no. I want to see it before that.

**MR. KOVESDY:**

I don't have that information.

**CHAIRMAN CARACCILOLO:**

Why not? In other words, you tell the press that we're going to save ••

**MR. KOVESDY:**

I didn't tell the press anything.

**CHAIRMAN CARACCILOLO:**

•• taxpayers money. But we have to wait 'til the middle of September to get the information. That's absurd. Gail.

**MS. VIZZINI:**

Price Waterhouse's preliminary estimates are \$15 million for the current year in health insurance savings. The transition, I think, is kicking in ••

**CHAIRMAN CARACCILOLO:**

November.

**MS. VIZZINI:**

End of October, early November. Plus they estimate an additional \$10 million savings in 2006.

**CHAIRMAN CARACCILOLO:**

All right. So, if we start to add up these numbers, help me out here. 116, 15, 10. I'm beginning to see a very positive outlook for the '06 budget. Again, contrary to some forecast earlier this year that we were going to have some more deficits to deal with. Ben, do you want to •• I'm going to have Budget Review answer my question. But you could at this point make a comment.

**MR. ZWIRN:**

No. I think everybody would say thing that things are working out well for this year. I mean, but it's not •• not everything is working out well across the board, but there are certainly some real bright spots.

**CHAIRMAN CARACCILOLO:**

Well, one of the bright spots is and continues to be turnover savings because the Executive likes to inflate, you know, the number and not be honest and accurate about it. And that's great, you know. When you're the Budget Officer and you have to prepare a budget, if you overstate expenses and you understate revenues, boy, I'd like to be in a position to present budgets like that, too.

**MR. ZWIRN:**

All I can say is I served in a County where we didn't do that.

**CHAIRMAN CARACCILOLO:**

I'm not interested about Nassau county.

**MR. ZWIRN:**

I'm just saying where the County had thousands of people working in the County who weren't in the budget. And ultimately the County came tumbling down. But •• so, I think to take a much more conservative approach is much healthier for the taxpayers. And as you can see, we're having •• it's having it's impact this year and ••

**CHAIRMAN CARACCIOLO:**

Well, I think that's a nice way to spin it but ••

**MR. ZWIRN:**

I'm not trying to spin it.

**LEG. ALDEN:**

Mr. Chair?

**CHAIRMAN CARACCIOLO:**

The way I would respond to that is we're overtaxing people unnecessarily. But we can have that debate.

**LEG. ALDEN:**

Mr. Chairman?

**MR. ZWIRN:**

There's nobody here to spin for.

**CHAIRMAN CARACCIOLO:**

Legislator Alden.

**MR. ZWIRN:**

I need at least three or four people before I'm spinning.

**LEG. ALDEN:**

Actually I have a couple of questions but I have a couple comments. I think that in this next budget cycle we should look at possibly getting down that surplus because I think that's a little bit more honest way to present it to the taxpayer rather than overtaxing this year, have a surplus going forward next year and use that to balance the budget. Because, like you said, we can't count on \$100 million plus surpluses to keep going forward.

The second thing is, who has jurisdiction? What Committee would have jurisdiction for staffing

in the County? Because we get a lot of complaints from people that feel they're overworked and also from constituents that feel they have wait on lines for •• like, for things or wait for permits or wait for applications and things of that nature for an inordinate amount of time. So, I think that it would behoove us to, like, get together with the County Executive's office prior to even the budget being submitted to us and let's get some work done on where we need staffing, where we don't need staffing. Because I hear this word, you know, like, the positions were released. Well, there still like 15 different stages of release, you know. It's when the County Executive makes up his mind that we're going to fill them, but then, you know, when do the department heads, when do commissioners actually get the permission to go out and higher somebody and put them on staff to relieve what I would say is backups and problems in government?

So, I think that somewhere between government deciding or the County Executive deciding we're going to fill these positions and the positions being filled, there's a whole bunch of gray area in there as far as, you know, like when you say positions were released. So, I really •• I don't know where jurisdiction would lie. Would it be in this committee? And I'll ask ••

**CHAIRMAN CARACCILO:**

Counsel.

**LEG. ALDEN:**

•• Counsel.

**MS. KNAPP:**

Generally the Ways and Means Committee has jurisdiction over County employees.

**LEG. ALDEN:**

That would be Legislator O'Leary. Good.

**MS. KNAPP:**

However •• however, the individual committees, such as Health and Human Services, have always dealt with the issue of staffing in the Health Department or in Social Services.

**LEG. ALDEN:**

But there's a little bit of a problem there because, you know, you're not getting an overview of

all of County government. And I think it's up to us to determine where the major problems are and where we really want to focus. If there's going to be 50 positions released, should they all be in one area that's got major backups or should they be spread amongst, you know, different area that we're getting complaints on.

**MS. KNAPP:**

Actually this Legislature addressed a similar problem in dealing with the 477 expenditures in that the resolutions were scattered between Public Works and EPA. And maybe even Parks on a few of them. And the Chairman of the Budget Committee at that point when he realized that there were so many resolutions dealing with the expenditure of 477 money, he requested that all those resolutions be brought into Budget so that the Legislators could have a total view of what was being spent.

**LEG. ALDEN:**

And that was a good move. Otherwise I was going to suggest they go to Consumer Protection where one •• one Committee could have actually just overseen the 477 account and maybe a little bit more tight•fisted on it, too, but ••

**CHAIRMAN CARACCILOLO:**

Gail, you wanted to ••

**LEG. ALDEN:**

I really think that, you know, we have work to do before we even get to the budget process. I know that's like 45 days away or whatever it is that you're going to make the presentation to you us, but I think there's some work to do before that that might end up being incorporated in a budget and we can get through that in a smooth manner rather than, you know, maybe leave some things undone.

**CHAIRMAN CARACCILOLO:**

One minute. I know Gail wanted to respond to some previous questions.

**MS. VIZZINI:**

Just two points. If I could draw your attention to the graph second to last page in the memo, the one that's titled Filled Positions General Fund, it shows you the trend from 2004, the previous year. And we're somewhat in a mirror image for 2005. At the peak of January 2005 there were 6,749 filled positions. Similar to the trend in 2004, the number of filled positions continues to decline until on or about August. And that's the direction we're heading towards.

**LEG. ALDEN:**

Can I interrupt you for a minute?

**MS. VIZZINI:**

Sure.

**LEG. ALDEN:**

Is there a historical significance? Like this is just two years under this administration. Does this look like this going back eight years or five years or whatever?

**MS. VIZZINI:**

Yes.

**LEG. ALDEN:**

So, traditionally we have more retirements, I guess, as the year goes by, a couple people get fired; that kind of thing?

**MS. VIZZINI:**

The next page gives the •• from 2000.

**LEG. ALDEN:**

I don't have a 2000. Do I? You mean the page before?

**MS. VIZZINI:**

The chart titled General Fund filled positions. It's in big, bold block.

**LEG. ALDEN:**

Mine goes back to '04.

**MS. VIZZINI:**

Yeah. Go to the next one.

**LEG. ALDEN:**

Then it says Filled Officer Positions.

**CHAIRMAN CARACCIOLO:**

Page two.

**MS. VIZZINI:**

If you look at the General Fund Filled Positions on the graph, it shows in 2000 the General Fund was about 6100 positions. And the history there was that there was what appears to be somewhat of a more constant filling of positions 'til on or about 2002 where the opposite ••

**LEG. ALDEN:**

But that was early retirement, wasn't it?

**MS. VIZZINI:**

Yep.

**LEG. ALDEN:**

So, I mean that's an explanation for what happened there.

**MS. VIZZINI:**

Right.

**LEG. ALDEN:**

We don't have any choice.

**CHAIRMAN CARACCIOLO:**

Well, you do have a choice.

**LEG. ALDEN:**

Well, no, not when early retirement •• you can't fill all those positions.

**CHAIRMAN CARACCIOLO:**

No, no, no. I'm saying in terms of ••

**LEG. ALDEN:**

That was part of the deal.

**CHAIRMAN CARACCIOLO:**

•• of offering the incentive you have a choice. But that's another story.

**MS. VIZZINI:**

The other comment I wanted to make in response to Mr. Kovesdy's ••

**MR. KOVESDY:**

Please, Gail.

**MS. VIZZINI:**

The reason there's no column for approve 167's is that the Budget Office has continually refused to provide us with the information in any logical or useful form. I'm hoping that that could be recommended before the operating budget.

**LEG. ALDEN:**

See, Allen, all you had to do was give them the information. They could have included it in the chart.

**CHAIRMAN CARACCIOLO:**

Well, on that point, Gail ••

**MR. KOVESDY:**

On that point I'll have the information tomorrow. They never asked me personally.

**CHAIRMAN CARACCIOLO:**

Is that •• Gail ••

**LEG. ALDEN:**

In 45 days you get it, Gail.

**CHAIRMAN CARACCIOLO:**

Gail, is that practice something new? That lack of corporation?

**MS. VIZZINI:**

I would have to say yes because in the past we have at least gotten a spread sheet or file that we can work with that identified titles and what have you.

**MR. ZWIRN:**

But Gail means since she's become Director of the Budget.

**CHAIRMAN CARACCIOLO:**

No, I think she's saying all year.

**MS. VIZZINI:**

The previous Director had the same problem. And the Director before that asked for the same information and was able to get it.

**CHAIRMAN CARACCIOLO:**

Yeah. And that would be Mr. Pollert who's now in a position to provide the information. Very interesting. Call it, I guess, an accident or coincidence or something, yeah. Okay. Legislator Montano.

**LEG. MONTANO:**

Good morning. Gail, I just wanted to bring you back to this chart so that I understand it. I'm not sure I got it. I'm just trying to find out how many positions are actually in the County? In other words, you have here the General Fund vacancies at 773. That's on July 17th. And you have the filled positions. Two columns or two places under. If I add those two, I'm going to find out how many positions are available in the General Fund in the County; is that accurate?

**MS. VIZZINI:**

I'm sorry, Rick.

**LEG. MONTANO:**

If I take the second column ••

**CHAIRMAN CARACCILOLO:**

He's on the cover sheet.

**LEG. MONTANO:**

I'm on the cover sheet.

**MS. VIZZINI:**

No, don't add the cover sheet.

**LEG. MONTANO:**

Excuse me? Let's take the ••

**MS. VIZZINI:**

There are a total of about 10,000 positions in the •• authorized positions in the County in a number of funds.

**LEG. MONTANO:**

So, we're only dealing with two funds here?

**MS. VIZZINI:**

Usually our concern is with the General Fund wherein would be determined any property tax impact or the police district fund.

**LEG. MONTANO:**

How many positions are available in the General Fund? Is it the 650 figure plus the 773? Or are there additional positions that aren't included in the chart? Am I reading this wrong?

**MS. VIZZINI:**

Basically the General Fund would be the filled plus the vacants.

**LEG. MONTANO:**

Okay.

**MS. VIZZINI:**

The 6650 plus the 773.

**LEG. MONTANO:**

So that's 7423?

**MS. VIZZINI:**

That's about right.

**LEG. MONTANO:**

All right. And then we can get the percentage of the filled positions or unfilled positions by doing the math. And the same thing with the police officers. You just add those two columns and that tells you how many positions are available.

**MS. VIZZINI:**

No.

**LEG. MONTANO:**

No.

**MS. VIZZINI:**

Because the police on this memo just deals with the number of vacancies in the fund and the police officer titles. I can get that information for you.

**LEG. MONTANO:**

So, would it be broken down even finer is what you're saying?

**MS. VIZZINI:**

Yes.

**LEG. MONTANO:**

Okay. Not for now, but for next time if you could break it down, you know, along those lines. This way you get a percentage of how many positions remain unfilled. We can track the percentage over a period of time.

**MS. VIZZINI:**

Sure.

**LEG. MONTANO:**

Basically what you did in the chart, I gather. Or in the graph here. All right. That's really all I wanted to know.

**CHAIRMAN CARACCIOLO:**

Thank you. Legislator Lindsay. I didn't forget about you, pal.

**LEG. LINDSAY:**

The Chairman said before that we could really speak for ourself, but we've been relatively quiet this morning the democratic side of this committee because of the neck wear. It's restrictive. You know, it has limited our conversation this morning.

**LEG. ALDEN:**

You didn't ge the memo? No neck tie.

**LEG. LINDSAY:**

No, I didn't get the memo. You forget to send it to me.

**CHAIRMAN CARACCIOLO:**

Very good. Legislator O'Leary.

**LEG. O'LEARY:**

I just wanted to verify ••

**CHAIRMAN CARACCIOLO:**

I sense some jealousy in those remarks, but that's okay.

**LEG. O'LEARY:**

The 171 number, Gail, vacant police officer positions, that's from January of '04 to present with a number of 1796 and the current number 1625, that's 171 vacant positions compared to January of '04's number; correct? That's a 171 number. It's here on the report. I think. It's on page •• you know, the final graph.

**MS. VIZZINI:**

What was your question?

**LEG. O'LEARY:**

I was questioning the total number of vacancies at 171. That only is applicable to the rank of police officer, not other ranks within the department; correct?

**MS. VIZZINI:**

The front of the memo is police officer filled positions. It only deals with the police officer titles.

**LEG. O'LEARY:**

But that doesn't account for the amount of vacancies that have occurred in ranks higher than police officer? Or does it? Gail, when you •• I mean the report ••

**MS. VIZZINI:**

Right.

**LEG. O'LEARY:**

•• is focussed strictly on the rank of police officer. There's other vacancies in other ranks.

**MS. VIZZINI:**

Yes, that is correct.

**LEG. O'LEARY:**

So, is that number 171 higher within the Police Department?

**MS. VIZZINI:**

This •• the police fund vacancies or all vacancies in the fund 115; not in the Police Department.

**LEG. O'LEARY:**

There's also an 01.

**MS. VIZZINI:**

The memo does target specific areas of interest which we have reported on in the past. We can certainly broaden any future monitoring or correspondence.

**LEG. O'LEARY:**

Well, there's two funds in the PD. There's the 01 and the 15.

**MS. VIZZINI:**

Correct.

**LEG. O'LEARY:**

And I know of number of detectives, for example, are in the 01 fund.

**MS. VIZZINI:**

Correct.

**LEG. O'LEARY:**

And there's vacancies there. There's vacancies in the sergeant ranks as well.

**MS. VIZZINI:**

That would be incorporated in the General Fund vacancies.

**LEG. O'LEARY:**

That would be. So, when you say police officer in the General Fund, you're talking all ranks; not just police officer? Not just the rank of a police officer?

**MS. VIZZINI:**

Yes.

**LEG. O'LEARY:**

All right. That's the 15 fund. What about the 01 fund, how many vacancies are in the 01 fund?

**MS. VIZZINI:**

Of police related titles?

**LEG. O'LEARY:**

Yes.

**MS. VIZZINI:**

I don't have it broken out that way, but we can do that in the future.

**LEG. O'LEARY:**

But is it save to assume that it's more than 171?

**MS. VIZZINI:**

The total number of vacancies in the police department?

**LEG. O'LEARY:**

Yes.

**MS. VIZZINI:**

As far as we can determine there's over 60 vacancies right now in the Police Department in the General Fund. We don't have it broken out by title.

**CHAIRMAN CARACCILO:**

Okay. So the remainder ••

**LEG. O'LEARY:**

So the remainder is in the 01 fund?

**MS. VIZZINI:**

Yeah.

**CHAIRMAN CARACCILO:**

Fund 15. Fund 15. If she's saying 60 plus are in 01 ••

**MR. ZWIRN:**

Police district fund.

**MS. VIZZINI:**

60 plus in the General Fund.

**LEG. O'LEARY:**

Right.

**MS. VIZZINI:**

The remainder would be in the police district fund.

**LEG. O'LEARY:**

All right. So, that 171 accounts for the vacant positions, authorized position within ranks above the rank of police officer. That 171's a total number for the 1 and 15 funds.

**MR. ZWIRN:**

Is that the total in the two funds?

**MS. VIZZINI:**

That's the total between the two funds.

**LEG. O'LEARY:**

Well, you know, I mean, what's confusing me, Gail, is that the number of 1796 in January of '04, that sounds like the rank of police officer number.

**CHAIRMAN CARACCIOLO:**

It is.

**LEG. O'LEARY:**

I mean ••

**CHAIRMAN CARACCIOLO:**

It is.

**LEG. O'LEARY:**

In total •• I mean sworn positions of the department's around maybe ••

**CHAIRMAN CARACCIOLO:**

23.

**LEG. O'LEARY:**

Well, maybe about 4, 800. About 25, 2600 maybe perhaps.

**CHAIRMAN CARACCIOLO:**

No, it's below that, Pete.

**LEG. O'LEARY:**

It is?

**CHAIRMAN CARACCIOLO:**

Yep.

**MS. VIZZINI:**

I think I understand what you're asking.

**LEG. O'LEARY:**

You do?

**MS. VIZZINI:**

I'm sorry. The last chart only pertains to police officer positions regardless of fund. So, this is filled positions. The 171 number is in the box on that table? Yes, so ••

**LEG. O'LEARY:**

Right. Yes.

**MS. VIZZINI:**

Yes. So ••

**LEG. O'LEARY:**

But see the total sworn personnel within the department is not 1625.

**CHAIRMAN CARACCIOLO:**

Would you suffer an interruption, Pete?

**LEG. O'LEARY:**

And that's what •• yes, sure.

**CHAIRMAN CARACCIOLO:**

Okay. Gail, what did we budget in the '05 budget for the Police Department?

**MS. VIZZINI:**

In terms of dollars?

**CHAIRMAN CARACCIOLO:**

Personnel. In other words, you pulled up on the computer there, what was budgeted in the 01 and 15 accounts? The total table of organization for the department. What was budgeted and what do we have? I mean that's really what we're trying to determine here.

**MS. VIZZINI:**

We have to go get the staffing. One second.

**CHAIRMAN CARACCIOLO:**

Okay.

**LEG. O'LEARY:**

And do you understand what I'm •• I mean the point I'm trying to raise, Gail, is that the total number of sworn personnel within the Police Department in January of '04 was not 1796. It was more like 23, 2500.

**MS. VIZZINI:**

All sworn.

**CHAIRMAN CARACCIOLO:**

Yes.

**MS. VIZZINI:**

This is only police officer.

**CHAIRMAN CARACCIOLO:**

Right. Right.

**MS. VIZZINI:**

I will •• if you would like to have us do a vacancy report on all sworn, we could do that. This is not what this is.

**LEG. O'LEARY:**

Yeah. That would be more clear in my mind ••

**MS. VIZZINI:**

Fine.

**LEG. O'LEARY:**

To understand the total vacancy picture within the PD.

**MS. VIZZINI:**

Sure.

**LEG. O'LEARY:**

Because this •• this appears to be just the rank of police officer. It doesn't explain the other ranks. But you just did. You said this is a combine of the two funds.

**MS. VIZZINI:**

Yes.

**LEG. O'LEARY:**

So ••

**CHAIRMAN CARACCILOLO:**

For police officer rank only. Okay?

**LEG. O'LEARY:**

That's not the total picture, though.

**CHAIRMAN CARACCILOLO:**

No, it's not. It's not.

**LEG. ALDEN:**

Mr. Chairman.

**CHAIRMAN CARACCILOLO:**

Yeah, one minute. That's why Budget Review Office has to go back and look at budgeted positions in the 01 and 15 account because the way I read this chart, and I think you just acknowledged, is that this is just the police officer rank. We're down 171 positions.

**MS. VIZZINI:**

That's correct. This is consistent with the type of data that we have reported to you in the past. And this an update to that.

**LEG. O'LEARY:**

For example, Gail, in my past experience as a union leader, I knew a phrase called TO, table of organization. And that's the authorized budgeted •• that the authorized number. Not necessarily budgeted positions. And it was •• and it was always •• we always had a lot less than what was budgeted, if you follow my drift.

**MS. VIZZINI:**

Yes, I do.

**LEG. O'LEARY:**

So, would that not be included in the list of vacant positions? I mean should they not be included in the list of vacant positions?

**MS. VIZZINI:**

Yes. All vacancies.

**LEG. O'LEARY:**

Yes.

**MS. VIZZINI:**

Yes.

**LEG. O'LEARY:**

All right.

**LEG. ALDEN:**

Mr. Chairman.

**CHAIRMAN CARACCILOLO:**

Yes, Legislator Alden.

**LEG. ALDEN:**

Also, just to make this a little bit more clearer, and Legislator O'Leary should correct me if I'm

wrong, but some of this decline on the P.O. side might be that these people were raised in rank to detective or sergeant; and then it would show a decrease on the P.O. And then if we had another chart that showed, you know, how many filled positions and basically the same type of thing for each of the categories, which would be detective and sergeant and, you know, rank above sergeant, then, it would give us a clearer picture of what's going on in the Police Department. In other words, ratio. Are we becoming top heavy, less cops on the street, you know, or is it some guys retire and then we just, you know, fill it out in pretty much the same ratio as far as how many vacant positions exist in management, how many positions exist on the lower level here. And I don't refer to a lower level, but •• what would you just call them? P.O.'s; right.

**CHAIRMAN CARACCILOLO:**

Entry level.

**LEG. ALDEN:**

Yeah, entry level rank. So, for us to see really what's going on here, I think, we need those other graphs that would either sit side by side with this or along with this to show if there was movement from this •• these positions into management positions.

**CHAIRMAN CARACCILOLO:**

Yeah. I think the chart, the presentation is very helpful but somewhat incomplete. If you have it there on your computer screens, can you tell the Committee what was budgeted in '05. All funds, all personnel? Was it 10,000, was it 11,000? Do we have that information available?

**MS. VIZZINI:**

One of us is going to have to leave the table to get the budget. It's summarized in the front of the budget, but not on the computer files. And then we'll have that information for you. And certainly if it is at the request of the Committee to provide more detail in particular areas, especially in light of your concern about staffing and filled positions and departments, we can do something of that nature.

**CHAIRMAN CARACCILOLO:**

Okay. I want to come back to something that you mentioned, Gail. And that appears to be a new trend or trend line as I would refer to it in County employment under this administration as opposed to the previous administration. It seems that when we look at the chart titled Filled

Positions General Fund, that we have peaks and valleys which are not uncommon; however, it's interesting to note when those peaks and valleys take place. Because clearly if your valleys begin in January and continue through August, September and then you kind of give a little shot in the arm, if you will, to County employment and it increases, there is a significant amount of cost savings associated with trend lines like that. So, first, are the trend lines we're looking at since January '04 something •• is that a new trend line in terms of County employment, Gail?

**MS. VIZZINI:**

What was the last part of the your question?

**CHAIRMAN CARACCILOLO:**

I said •• what we're looking at here on the chart beginning with January '04 where we kind of had peaks; then valleys that continue well past mid•year; and then we see a shot in the arm of new hires and the number goes backup •• I mean, for example, if you look at January '04, we had 6734 in the General Fund. Those are actual personnel on the payroll; correct?

**MS. VIZZINI:**

Correct.

**CHAIRMAN CARACCILOLO:**

Okay. It kind of goes down into the valley, the 6602 in August and then it makes its way back up. So, there's a tremendous amount of cost savings as these people leave payroll between January and August. Is that a new trend line? Because this year we seem to have something that's similar or not too dis•similar.

**MS. VIZZINI:**

Yes, I agree. There are many factors that contribute to the trend line. The further you are into the fiscal year, the better you have an idea of what your expenses are, will be or may not be. And revenue. Our memorandum regarding sales tax which was released in mid•July was a cautionary statement. We have some optimistic expectations in terms of savings from health insurance and what have you, but I think what the •• I think what the 2005 trend lines

somewhat mirrors 2004. I think what it says is that it's a rather guarded approach to personnel expenditures. And once we are more than halfway into the year, there seems to be a re-evaluation in terms of it doesn't cost that much more money to fill a position for the remaining five, four months of the year. And as Legislator Alden pointed out, once 167 is approved, there's still a civil service list that has to be dealt with; letters that have to go out, interviews that have to be conducted. So, you still have another month or so.

**CHAIRMAN CARACCILOLO:**

We understand all that. Okay. Now, my next question to Allen is back in February, Mr. Bortzfield sat before this committee and talked about 130, 35 SCIN forms that were going to be released. And since then and until now we have been requesting where. What departments, what positions. How many SCIN forms have been released since January? And as the Assistant Budget Director, please don't insult our intelligence and tell us you don't know.

**MR. KOVESDY:**

I can get the information for you.

**CHAIRMAN CARACCILOLO:**

Okay. Okay. We have an hour and ten minutes before this committee goes to the next committee. I'd like to have an answer before that. So, I'm sure with a phone call, we can readily obtain that information. Gail, Now, that we have the document, how many budgeted positions in the '05 budget were budgeted for the General Fund? Robert.

**MR. LIPP:**

Okay. While Gail is looking for that, we have a couple of figures. There is a little under in terms of just all police functions general fund and Police Department, there is a little under 3800 positions. Okay?

**CHAIRMAN CARACCILOLO:**

3800?

**MR. LIPP:**

Total.

**CHAIRMAN CARACCILOLO:**

That's civilians?

**MR. LIPP:**

No, that includes civilians.

**CHAIRMAN CARACCILOLO:**

Yes. We want to know sworn personnel.

**MR. LIPP:**

Okay. And the next step is that the budgeted sworn positions is a little over 3,000.

**CHAIRMAN CARACCILOLO:**

Budgeted?

**MR. LIPP:**

Yes.

**CHAIRMAN CARACCILOLO:**

What do we have?

**MR. LIPP:**

And we have •• of the 3,038, we have 2611 that are filled and 427 that are vacant.

**CHAIRMAN CARACCILOLO:**

Okay.

**MR. LIPP:**

That includes general and police funds.

**CHAIRMAN CARACCILOLO:**

Okay.

**LEG. MONTANO:**

Can you repeat those numbers?

**MR. LIPP:**

Okay, sure. Of the sworn officers, so you're taking out the civilians, there are budgeted positions 3,038. Of that 2611 are filled. And 427 are vacant; both funds.

**CHAIRMAN CARACCILOLO:**

Okay. All right. Can you provide the Committee with a breakdown all ranks of filled and vacant positions in the Police Department? Not right now, but if you can get that memo out to us, we'd appreciate that.

**MR. LIPP:**

Yes.

**MS. VIZZINI:**

In terms of the total authorized positions, there are 11,882 authorized positions in the 2005.

**CHAIRMAN CARACCILOLO:**

So taxpayers ••

**MS. VIZZINI:**

Adopted budget.

**CHAIRMAN CARACCILOLO:**

•• were taxed for 11,882 positions. How many positions do we currently have?

**MS. VIZZINI:**

Well, this is across all funds.

**CHAIRMAN CARACCILOLO:**

I understand.

**MS. VIZZINI:**

Okay.

**MR. LIPP:**

We could probably have that number before the meeting's over by the way. We'll try at least.

**CHAIRMAN CARACCILOLO:**

Okay.

**MR. LIPP:**

And also you need to take into consideration turnover savings are in the budgeted numbers so that we're not necessarily taxed on the full amount.

**CHAIRMAN CARACCILOLO:**

Well, there's different ways to look at that. If you're a taxpayer and your funding a County work force that you never have intentions to fill, then you're overtaxing me. I don't care how you want to look at it.

**MR. LIPP:**

All I'm saying is that if we don't budget the full dollars ••

**CHAIRMAN CARACCILOLO:**

You're a budget guy. And I respect you for that. But as a taxpayer, you can't make the argument that you are going to tax me because the County needs to employ 11,882 employees to carry out the functions of government and then never have an intention of filling maybe more than something seven or 800 positions short of that. You are overtaxing me. Gail.

**MS. VIZZINI:**

There are 1,075 vacancies.

**CHAIRMAN CARACCILOLO:**

1,075 vacancies?

**MS. VIZZINI:**

Across all funds.

**CHAIRMAN CARACCILOLO:**

Okay.

**MS. VIZZINI:**

Now many of these positions are in their own taxing fund.

**CHAIRMAN CARACCILO:**

Right.

**MS. VIZZINI:**

Differentiating the General Fund from the Police District.

**CHAIRMAN CARACCILO:**

Right.

**MS. VIZZINI:**

477 is included here; the sales tax.

**CHAIRMAN CARACCILO:**

Okay. I want to be back to Allen and see if we have an answer on the SCIN forms.

**MR. KOVESDY:**

I relayed your request. And if they give me the information, I'll be more than happy to share it with you.

**CHAIRMAN CARACCILO:**

Okay.

**MR. KOVESDY:**

That's the best I can tell you honestly.

**CHAIRMAN CARACCILO:**

Okay.

**MR. KOVESDY:**

But I did relay your request.

**LEG. O'LEARY:**

Through the Chair, please?

**CHAIRMAN CARACCILOLO:**

Yes. Legislator O'Leary.

**LEG. O'LEARY:**

I just want to clarify something in my mind, Gail. And it's •• you just made a statement that the budgeted positions for '05 all personnel is 11,882? That's '05.

**MS. VIZZINI:**

Correct.

**CHAIRMAN CARACCILOLO:**

Right.

**LEG. O'LEARY:**

And the report you just gave to us about the filled General Fund and police officer positions total 8275 if you add those two numbers together. And if you subtract that number from 11,882, that's a vacancy of 3,607.

**CHAIRMAN CARACCILOLO:**

What's absent in the number that's in the memorandum? You don't have positions for the college and other county funds.

**MS. VIZZINI:**

That's true.

**CHAIRMAN CARACCILOLO:**

That's in part what's in play here. But reconcile the numbers for the Committee because I think Legislator O'Leary makes a good point. These numbers don't seem to add up. And I know they do add up, but not in the context of the today's presentation. So, give us a report that shows the 11,882 budgeted; and then which departments •• by department have vacancies, filled

positions so that the total will come to the ten thousand •• what was that figure again of actual filled positions county•wide? Ten thousand ••

**MS. VIZZINI:**

Well, filled?

**CHAIRMAN CARACCIOLO:**

Filled right now. You said there was a 1,075 vacant positions; right?

**MS. VIZZINI:**

Right.

**CHAIRMAN CARACCIOLO:**

So we need to see something that adds up all departments. And in the Police Department we'd like to see a separate report by rank of budgeted positions from police officer up to commissioner and vacancies within the Police Department. I'd also like to see something like that for the Sheriff's Department.

**MS. VIZZINI:**

We'll put that together for you.

**CHAIRMAN CARACCIOLO:**

Okay. Mr. Zwirn.

**MR. ZWIRN:**

I mean, I think this is •• I have to tell you coming from a County where this kind of inter•play never happened, I think this is great. And it's very healthy. And I like the demeanor. It's a wonderful, you know, exercise in good government. The only thing that I would add is that you have to take into account there is a turnover savings that is built in. And as the County Executive fills positions over the year, he also has to take into account revenue coming in. It's not just property tax that's paying for these positions. It's sales tax. And if sale tax numbers are a little bit short in the first quarter, it's a warning signal that maybe we don't hire as quickly. And you also have a very frugal County Executive. There's no question about that. Which is not necessarily, you know, as a taxpayer •• it's a good thing. You know, if you look at taxes between one county and the next, this county is a lot healthier than its neighbor and for

good reason. Because of committee meetings like this and because you have very good open process. And any money that's saved, I might add, it gets turned back to the taxpayers in the form of, you know, either lower taxes or reduced taxes.

**LEG. ALDEN:**

One observation.

**CHAIRMAN CARACCILOLO:**

Well, I'm not so sure I'd agree with the last part of that; it's turned back to taxpayers. Because my thesis still is we're overtaxing people so that we create artificial fund balances which then may result in lower or smaller property tax increases. There was a property tax increase in '05 in both funds. And I was the only County Legislator who voted against this budget this year for a variety of reasons including that. Because I think it's a disservice to the residents of this County that we continue to accumulate these very large fund balances under the guise of when it comes time to present the budget, that we're going to minimize those increases in the three, 4% range or keep it under the cap limits which require a super majority vote. Legislator Alden.

**LEG. ALDEN:**

Well, first just to pick up on one thing that you said as far as having a fund balance, and I've run businesses in a private sector and I'd rather have a surplus at the end of the year than deficit at the end of the year where you turn around and hand people a bill. So, it's a fine art to try to balance that out as far as how much your income's going to be and how much your expenses are going to be because everything is a projection that changes every second. So, I agree that I'd like to get the fund balances done at the end of the year so we're being a little bit more transparent, a little bit more honest with the •• the way we're taxing people for government, but I don't want to get it down to the point where, you know, at the end of the year instead of having a slight surplus, we end up with a deficit. So, that shouldn't be one of our goals.

And just to pick up on one thing that Ben said, yeah, this County Executive is frugal and seems to do things •• well, I'm not even going to comment on that, but I'm going to say that the fiscal health of this County goes back to even before I was a Legislator. So, you know, the Legislature has seemed over my eight years, anyway, to have been providing the taxpayers

with good solid government and I think at a reasonable cost. And all along that I could think of for those eight years, you know, we've been •• I'm going to say fairly honest with what we've been doing. Aside from the fund balance that comes in, that I think that is a little bit deceptive as far as, you know, not being up front with the people. I think that fund balance can come down. But I actually don't want to see it become a fund deficit balance.

**CHAIRMAN CARACCILOLO:**

Yeah. The only thing I would respond to with regard to that •• those remarks and take issue with is I would not dignify a slight surplus of \$116 million in fund balance '05, a 114 million in '04 as slight surplusses. To me those are very significant surplusses and clearly demonstrates •• I'll repeat •• this is my opinion, that we are overtaxing the residents of Suffolk County to create these significant surplusses under the guise of good financial management. We can debate that that's a philosophical difference. I'm not opposed to having the goal of maintaining surplusses. But I think it's more smoke and mirrors than anything else. That's a philosophical difference.

**MR. ZWIRN:**

Yeah, and I think it's a healthy debate. It also •• you know, it helps the bond rating. The bond rating agencies look at that and that gives Suffolk County ••

**CHAIRMAN CARACCILOLO:**

Well, Wall Street is not Main Street. The people in Suffolk County are hurting with property taxes. We know the reason they're hurting is because of school property taxes. And that's another whole debate. Okay? But the reality is, you know, in the western towns of this county, county property taxes are not insignificant.

Okay. So, we look forward from the Budget Review Office for some supplemental data and information that'll help us moving forward as we get to the Operating Budget next month. Understand what's really at play here.

And with that, I'll provide an invitation, if there's anyone that would like to address the Committee before we go to the agenda to do so. Hearing none, we'll go to the today's agenda.

And I would like that information before we leave, Allen. I'll be here 'til about one o'clock so ••

**MR. KOVESDY:**

As soon as I get that information, I'll give it to Ben to relate to you.

**CHAIRMAN CARACCIOLO:**

Okay.

### **TABLED RESOLUTIONS**

Tabled resolutions. We have •• is this Mr. Alden's resolution, **1140? (Establishing a pilot program to repeal an unfair home heating fuel nuisance tax on Suffolk County homeowners)**

**MS. JULIUS:**

Yes.

**LEG. ALDEN:**

We're getting to the point in time where I'm going to be trying to move it, but in deference to Legislator Lindsay, I'm holding off until the •• until we start discussing the Operating Budget for next year. So, I'm going to make a motion to table.

**LEG. O'LEARY:**

Second.

**CHAIRMAN CARACCIOLO:**

Okay. Motion to table. Second. All in favor? Opposed? Abstentions? Unanimous. **(Tabled. Vote: 7•0)**

Before I go to the next one, then, Cameron, on your resolution 1140, has that been modified in any manner since it was originally introduced? Because it seemed to me that it was.

**LEG. ALDEN:**

Yeah, there's a whole bunch of different changes, but I'm going back towards the thinking that I'd like to get rid of the whole tax and maybe at one shot rather than phase it out over a period

of time. But like I said, we're going to look at the Operating Budget and we're going to look at, you know, whether we can afford to do that or not.

**CHAIRMAN CARACCIOLO:**

Okay. Thank you. **1437 (amending the 2005 Operating Budget and transferring funds for project MOST)** Is there a motion?

**LEG. O'LEARY:**

Motion to table.

**CHAIRMAN CARACCIOLO:**

Motion to table by Legislator O'Leary, second by Legislator Montano. All in favor? Opposed? Abstentions? Tabled. Unanimous.

**1564 (amending the 2005 Operating Budget to transfer funds from the Department of Economic Development and Workforce Housing to the Department of Environment and Energy)**

**LEG. O'LEARY:**

Motion to table.

**CHAIRMAN CARACCIOLO:**

Same motion, same second. All in favor? Opposed? Abstentions?  
Tabled unanimously. **(Tabled. Vote: (Vote: 7•0)**

**1565 (amending the 2005 Operating Budget to transfer funds from Cornell Cooperative Extension to the Department of Environment and Energy)**

**LEG. O'LEARY:**

Motion to table.

**CHAIRMAN CARACCIOLO:**

Same motion, same second. All in favor? Opposed? Abstentions? Same vote. **(Tabled. Vote: 7•0)**

**CHAIRMAN CARACCIOLO:**

Have a tabled sense resolution. **(Sense 036, Sense of the Legislature resolution requesting the New York State Legislature to enact restaurant tax-free weeks)** Is there a motion?

**LEG. ALDEN:**

Motion to table.

**CHAIRMAN CARACCIOLO:**

Motion to table by Legislator Alden, second by Legislator O'Leary. All in favor? Opposed? Abstentions? Unanimous. **Tabled. (Vote: 7•0)**

Tabled Home Rule Message. This should be stricken from the agenda as it expired under our six-month month rule. So kindly make note.

**IR 1757. (To readjust, compromise and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature #218.)** I'll make a motion to approve.

**LEG. LOSQUADRO:**

Second.

**CHAIRMAN CARACCIOLO:**

Second by Legislator Losquadro. All in favor? Opposed? Abstentions? Unanimous. **(Vote: 7•0)**

**CHAIRMAN CARACCIOLO:**

**1761 (extending existing one percent sales and compensating use tax for the period beginning December 1, 2005 an ending November 30, 2007, pursuant to authority of Section 1210 of Article 29 of the Tax Law of the State of New York)**

**LEG. LINDSAY:**

Motion.

**CHAIRMAN CARACCIOLO:**

Motion by Legislator Lindsay. Is there a second?

**LEG. MONTANO:**

Second.

**CHAIRMAN CARACCIOLO:**

Second by ••

**LEG. O'LEARY:**

Motion to table.

**CHAIRMAN CARACCIOLO:**

Motion to table by Legislator O'Leary, second by the Chair.

**LEG. LINDSAY:**

On the issue.

**CHAIRMAN CARACCIOLO:**

On the motion to table, Legislator Lindsay.

**LEG. LINDSAY:**

What are we doing with this? I mean you're facing serious consequences if we don't extend this. Am I right or wrong? What is the financial impact of this?

**MS. VIZZINI:**

The resolution authorizes the continuation of one penny on sales tax, which is valued at about \$250 million. The penny sunsets December 1st of this year.

**LEG. LINDSAY:**

And is the intention to do this at a later date in the year?

**LEG. ALDEN:**

I can make a comment as far as ••

**CHAIRMAN CARACCIOLO:**

Well, Legislator Lindsay •• I'm sorry. Legislator O'Leary made the motion. Would Legislator O'Leary like to respond? And then I'll recognize Legislator Alden.

**LEG. O'LEARY:**

Yeah, in response to Legislator Lindsay's question is there intent to move this at a later date, there's been some discussion. And it may very well go in that direction at a later date.

**CHAIRMAN CARACCIOLO:**

Legislator Alden.

**LEG. ALDEN:**

Well, specifically I can say that this ties in with 1140 and a whole bunch of other things. This should be taken up at operating budget time. That's 45 days from now. And I think we still have time to •• if we can do something in the operating budget and also give the people relief, then, I wouldn't support extending this. If we can •• if it's not doable in the operating budget, then I'm going to take a serious look at extending this tax.

**LEG. LINDSAY:**

But the point here is without this piece in the budget, it blows any budget talks out of whack.

**LEG. ALDEN:**

I'm not sure of that.

**LEG. LINDSAY:**

Well, I am. There's no way that we can make up \$230 million. And keep in mind ••

**LEG. O'LEARY:**

250.

**LEG. LINDSAY:**

What?

**LEG. O'LEARY:**

250.

**LEG. LINDSAY:**

Oh, 250, excuse me. Keep in mind that much of your sales tax revenue comes from people that shop in Suffolk County that aren't residents here. So, you know, if you're looking for tax relief, I don't believe this is the way to go. When you start talking about energy tax relief, I certainly have a tendency to agree with you because it affects our citizens directly. But this is a very dangerous road. And I hope that we can come to some consensus on it because it would be a very, very difficult budget if we didn't have this extension.

**CHAIRMAN CARACCILOLO:**

Legislator Montano.

**LEG. MONTANO:**

Yeah, I just have a question. Are there any time constraints in terms of passing this before the end of the year? To make it effective •• I mean do we have until the December 31st, 2004 to pass this bill? What are our time constraints?

**MS. VIZZINI:**

I would have to defer to Counsel.

**MR. LIPP:**

There is a 90 day recurrent, but Counsel could speak better to that.

**MS. KNAPP:**

They're exactly right. There is a 90 day requirement; however, the law makes it possible to waive the 90•day requirement. And we have ••

**CHAIRMAN CARACCILOLO:**

Done that in the past.

**MS. KNAPP:**

•• historically done that in the past in this County.

**CHAIRMAN CARACCIOLO:**

Exactly.

**MS. KNAPP:**

When you get down to very, very close to the time, then, you need to be concerned.

**CHAIRMAN CARACCIOLO:**

Yes.

**LEG. MONTANO:**

In 2001 was the first time we implemented this additional sales tax? Or did it precede that? Because the resolution says beginning June 1st ••

**CHAIRMAN CARACCIOLO:**

That is correct. Sales tax was increased in 2001 to the current level. Allen?

**MR. KOVESDY:**

There's also a \$20 million dollar piece of this in this year for the month of December. So, besides the \$250 million you're talking about, next year you're talking about \$20 million in revenue for 2005, which is already included in the budget that would be affected.

**LEG. ALDEN:**

Mr. Chairman.

**CHAIRMAN CARACCIOLO:**

Yes. Legislator Alden.

**LEG. ALDEN:**

Just as a reminder, years ago •• and we did give relief to the people in Suffolk County, we did away with the tax on clothing and shoes in Suffolk County. And there was •• I'm not going to say a riot when it happened, but there was a number of red flags and people said we couldn't do it, we couldn't afford it, the county government would have to be shut down and things like that. We did that for a number of years, though. We provided that kind of relief to the people

in Suffolk County. And it caused a lot of economic activity to flow to Suffolk County because we did not have the additional sales tax. So, there's pros and cons to it. And I think we have to look at the historical significance of our actions, how it happened that we could afford it in the past, what's going on right now that would be different and has government shrunk, gone sideways or gotten bigger. And where were those big increases. So, I think there's a lot of things that have to be answered before we go and make a, you know, a final determination on whether we want to extend this or whether we want to give the people a break.

**CHAIRMAN CARACCILOLO:**

Yes, Mr. Zwirn.

**MR. ZWIRN:**

I would just say that with Legislator Alden's bill to eliminate the fuel surcharge, and this you're talking about \$300 million in revenue. And, you know, I'm sure the County Executive's prepared to do a draconian budget, if necessary, but I don't think that, you know, I don't think any of the taxpayers would benefit from that. I think it would eliminate everything except mandatory expenses. There would be no discretionary spending, I expect pretty much, in the General fund.

**CHAIRMAN CARACCILOLO:**

Well, let me just, you know, again, speaking for myself, when I look at turnover savings •• you know, I just did some quick arithmetic as part of the presentation made earlier. And right now not including the tax stabilization fund, we're looking at \$141 million to the good or the black by going forward as the County Executive prepares his 2006 operating budget. We're talking about \$110 million or something in close proximity to that in the tax stabilization fund. That's a quarter of a billion dollars that he's got to play with as I would put it. Okay? I'd love to be in that position. Love to be in that position.

So, when I hear you and the •• cry that you can't do this or you can't do that with sales tax, I think it's the beginning of opening a dialogue that I hope will take place in the next 45 days and not shut out the Legislature as we have in the past been shut out by this Executive and his predecessors because they're the budget offices. You know what? You don't have a County budget unless the Legislature approves it. And you can get one approved with •• veto approved. So, let's keep that in mind. Let's work together. I look forward to getting SCIN

form information. I look forward to getting information about, you know, snapshot of what the County Executive is considering. Because maybe at the end of the day you can provide some tax relief either in the operating budget vis•à•vis property taxes or by reducing the dependency on a full additional penny of sales tax.

You know, Ben, you talked about Nassau County. Nassau County's been criticized for many years, and rightfully so, for its budgetary practices. But so, too, has this County for its heavy dependence on sale tax receipts. So, again, I would submit it's a smoke and mirror game. We want to tell the public we're not increasing your property taxes, but we are over•taxing them with respect to sales taxes. We are among one of the highest municipalities in this country, over three thousand counties, we are right up there in the top ten in terms of taxation and the amount of taxation on the sales tax.

So, let's open that dialogue. Maybe it's not a penny. Maybe it's a quarter of a penny. Maybe it's a half a penny. I'd love to take part in those negotiations. You don't want to have participatory government here, then, good luck in getting the support you're going to need to get this approved.

Mr. O'Leary. I'd like to recognize Mr. O'Leary.

**LEG. O'LEARY:**

Not to echo the Chair's comments, but I have to agree there's •• in my opinion there's been a lack of forthrightness on the part of the Executive's Office to the Legislature and the Budget Office in particular. And there's been talks today about surpluses and a fair amount of surpluses. And I think what we want to do as a body is to evaluate those surpluses as stated and look at the possibility of going forward, either a combination of a sales tax and the surplus, etcetera. So, it's not that we're looking to •• I mean I for one certainly have to agree that there's some need to extend the sales tax. But the question is to what extent based on the surpluses that have been stated today and that's forthcoming •• hopefully forthcoming from the Executive's Budget Office as to the exact amount of fund balances throughout the County.

**MR. ZWIRN:**

If I might, Mr. Chair?

**CHAIRMAN CARACCILOLO:**

Yes.

**MR. ZWIRN:**

I don't think we have any problem with that. And there's a dialogue which is healthy. But the only thing I would point out is that the Suffolk County General Fund property tax is \$50 million. I mean, you're talking •• there's not a lot of room. 52. I stand corrected. But there's not a lot of room. There's such a reliance on sales tax today. And that has kept property taxes quite stable and quite low. So, I think when you start talking about eliminating sales tax, I mean, there's not many places you can go to get this money back and run county government.

**LEG. O'LEARY:**

I don't think you're hearing us. At least not me.

**MR. ZWIRN:**

No, I hear you.

**LEG. O'LEARY:**

You know, we certainly know the import and impact of eliminating the sales tax. It's a question of whether or not the amount is necessary based on the fund balances stated.

**CHAIRMAN CARACCILOLO:**

Again, it's a question of, you know, participatory government, Ben. Yes. Legislator Carpenter has the floor.

**LEG. CARPENTER:**

Thank you. As we're discussing sales tax, I think it's •• I'm going to use that opportunity to invite anyone who might like to co•sponsor a resolution that I've drafted for us to buy into the sales tax exemption on solar equipment. With the emphasis being placed on renewable energy and all, this body passed a resolution back in November, a Sense resolution, asking the state to exempt solar power producing equipment from sales tax. And the Governor, as I'm sure everyone is aware, signed the legislation yesterday. In fact, signed on Long Island. So, I just also, too, would want to get a sense of what the impact might be so that when we are considering sales tax legislation, we're doing it with full knowledge and not in a vacuum.

And the Chairman had to step out of the room, but I want to thank him for the discussion that we had this morning. It is very enlightening. And at a time when we are going to be contemplating the Community College budget, I think that with all the information that we've garnered, especially the fact that we're sitting with a \$13 million surplus, that for us to consider increasing the County contribution instead of staying flat, as has been recommended, will be the prudent thing to do; that we continue to invest in the Community College. And a 4% increase in the county share would just represent \$1.4 million. So, I would just ask Legislators to keep that in mind.

**LEG. ALDEN,**

Madam Chair.

**LEG. CARPENTER:**

Legislator Alden.

**LEG. ALDEN:**

One other comment and I'm not sure where to go up for updates on some of the investigation and reports that I've looked at, sales tax hits certain segments of our population a little •• not a little •• a lot harder than other segments of the population. So, I think that's something that we should look at as we contemplate either keeping the sales tax or adjusting it downward or whichever way we're going to go with it. But the poorer people in society, they pay sales tax on everything because none of their •• most or •• none of their spending is discretionary. Whereas if you take somebody that's in the upper echelon or upper levels of society, they can adjust their spending patterns. So, if they can't afford the sales tax on the extra boat or the extra Jag or Mercedes or whatever, they just don't go and buy it. Where as other people with the smaller amounts of income, they're stuck on a daily basis with whatever number we throw out there.

Plus, if it's 8% or whatever the number is, that proportion to their total income becomes way out of line with the proportion to the total income of somebody that's making above 50, 60, \$70,000 a year. So, those are things that we have to look at. And even, I think, as minute as looking at, you know, our median income in Suffolk County. And how many people fall below and above that line and what the tax impact on those people is. Because there might be a fairer way of doing something. Or there might be some other way the county government can

generate some money to make up for some of the decreases that might occur.

**CHAIRMAN CARACCILOLO:**

Allen and Gail, as people involved with county budgets for many years, could you respond to the notion that •• or the critics, I should say, that have argued for many year that the County has intentionally kept its general property taxes, particularly the General Fund, artificially low at the expense of relying on sales taxes. And that is a practice that should be reversed. Do you agree or disagree with that position?

**MR. KOVESDY:**

The County Executives and the County Legislature over the last ••

**CHAIRMAN CARACCILOLO:**

No, no, no. I know what's transpired. I'm asking you as a budget officer what is the preferable way to budget for county operations and expenses?

**MR. KOVESDY:**

The preferable way is to have revenues match expenditures from various sources ••

**CHAIRMAN CARACCILOLO:**

We know that.

**MR. KOVESDY:**

•• depending upon whether it's state aid, federal aid ••

**CHAIRMAN CARACCILOLO:**

Well, state aid and federal aid have been going up.

**MR. KOVESDY:**

Well, it depends. At one in time the federal government gave all the counties a big pot of money and let them spend it how they wanted. So, the question •• it's a multifaceted question. It depends. Mandatory programs ••

**CHAIRMAN CARACCILOLO:**

You're ducking the question.

**MR. KOVESDY:**

Am I doing a good job?

**CHAIRMAN CARACCIOLO:**

You know, I can recall your predecessors in the Budget Office coming here •• you see, that's one of the great things about being here so long. I have an institutional memory like some other people.

**MR. KOVESDY:**

But serious ••

**CHAIRMAN CARACCIOLO:**

And I really get upset when I see this waffling, this vacillation. Just be honest and forthright; okay?

**MR. KOVESDY:**

It's been a political decision ••

**CHAIRMAN CARACCIOLO:**

You're a civil servant. You don't work for the County Executive. You work for the people of Suffolk County. And they want to know how should we budget? Should we budget and rely •• what is the ratio of sales taxes to property taxes? What is the ratio?

**MR. KOVESDY:**

There is no ratio, sir. It's whatever the Legislature and the ••

**CHAIRMAN CARACCIOLO:**

Well, a billion dollars comes in sales tax; right?

**MR. KOVESDY:**

We're very fortunate to have a billion dollars in sales tax even though sales tax is regressive to people on the lower end, we have the •• we are fortunate enough to have people who frequent the east end on the summer, spend a lot of money there and help our sales tax. So, sales tax

isn't just for the •• coming in from people who live in Suffolk County. It's people who live in Nassau County, who live in New York City; people who vacation here and spend their money here and they help build up our sales tax. It's been a decision since •• I've been here since John Klein, that money •• that the sales tax surplanted the property tax. Each year the Legislature and the ••

**CHAIRMAN CARACCIOLO:**

We know what the practice has been. The question was very simple. As a budget official ••

**MR. KOVESDY:**

It doesn't matter if there's a budget official. As long as we ••

**CHAIRMAN CARACCIOLO:**

So, it doesn't matter to you which way we do it?

**MR. KOVESDY:**

No, as long as the revenue comes in to match the expenses, sir.

**CHAIRMAN CARACCIOLO:**

What have the rating agencies said with respect to this practice? What have the rating agencies said? Mr. Zwirn, you know what they've said because I've read the audit reports.

**MR. ZWIRN:**

Rating agencies historically will tell you the higher the taxes, better your ratings.

**CHAIRMAN CARACCIOLO:**

Yeah. And the higher your property taxes to reflect true expenses ••

**MR. ZWIRN:**

That's why you said Wall Street •• Wall Street's not Main Street. And as a government official, if you want to have a high bond rating, double taxes. And your bond rating will go through the roof. But you have to balance your bond rating as you've suggested before. And there's a balance that you have to reach. Suffolk County relies so heavily on sales tax, that it is •• and it's volatile. So far it's been great. But if it reverses, it can reverse dramatically and it could have, you know, dire impact. But I don't think there's anybody who really wants to go out

there •• and because the General Fund property tax is so low, if you have a \$5 million increase in the General Fund property tax, you got a 10% tax increase in Suffolk County. And that's •• you know, when people see those kind of percentages on top of what they've seen particularly in school taxes, it's going to be very detrimental to ••

**CHAIRMAN CARACCILOLO:**

Yeah, if you talk in terms •• if you speak to the public in terms of percentages, you have to educate them what 10% relates to. Gail, what does 10% in the General Fund property tax relate to? To the average taxpayer, what would •• while you're doing that, I'd like Gail to respond to my question. Gail?

**MS. VIZZINI:**

Well, Budget Review has been fairly consistent in saying and will continue to say that the property taxes are incredibly low. And this is again from a budgetary perspective. We are totally dependent on sales tax to be able to run our County. And we always caution the Legislators and the County Executive that any slight variation in the economy starts our knees rattling because we are so dependent on sales tax.

**CHAIRMAN CARACCILOLO:**

And we're seeing that already with a 7.7% shortfall projection currently. We were seeing people throw up the red flag, oh, what are we going to do? Well, we got \$250 million in surpluses to deal with a \$7.7 million problem right now. So, am I right that the rating agencies, Gail, have repeatedly advised and recommended to this county government to shift their reliance from sales taxes to property taxes? Robert, do you have an answer? Because we want to know what 10% means so taxpayers get, you know, a straight forward honest answer.

**MR. LIPP:**

Okay. The \$5.3 million equates to about \$9.60 to the average homeowner.

**CHAIRMAN CARACCILOLO:**

Yeah. And consider that when the average school district tax increase this past year was in the realm of four to \$600. That's •• I mean let's put things in perspective and get real. Legislator Lindsay.

**LEG. LINDSAY:**

Along that same train of thought, let's talk about real. If we do not renew this one cent and expenses stay the same, you're talking about a 500% real estate increase. 500%. Now, you're talking about four or \$500 to the average homeowner. Am I correct in that?

**MR. LIPP:**

I'm sorry?

**LEG. LINDSAY:**

If we don't renew the one cent, it's a \$250 million shortfall. If that falls on real estate taxes alone, and providing expenses are the same ••

**MR. LIPP:**

Yeah, the answer is •• first of all, if you look at the adopted budget, it comes to about 256 million. And then if you assume, say, 4% growth, it would be about 265 million. So, let's say 260 million even, \$470 ••

**LEG. LINDSAY:**

Okay. So, I'm not that far off.

**MR. LIPP:**

•• increase in property taxes, other things being equal.

**LEG. LINDSAY:**

I just don't know where we're going with this whole conversation. First we talk about SCIN forms not being filled. And that there seems to be a wish that we want to fill all the vacant positions in the County, bring them up to par. Then, there's •• we're talking about energy tax relief. Then we're talking about sales tax relief and regressive taxes. You know, maybe we should have a discussion about restructuring our entire tax system here. Let's eliminate the sales tax. Maybe we should go to an income tax in this County. Replace the real estate tax as well. Replace the school tax as well. I mean, that's a progressive tax system. You know, if you really want to turn everything upside down, let's ask the state if we could do that.

**CHAIRMAN CARACCILOLO:**

I'd like to respond to your premise. Because it's a wonderful sound bite to say if •• my

hypothesis is you're going to repeal 1% of the sales tax. It's going to result in a \$470 property tax increase. That is a real, real stretch. Not going to happen. Okay? It's not going to happen because you have \$250 million in surplus funds going into next year. So, you can almost pay for the repeal right now.

But that said, what I think my perspective is, is to repeal a portion of that 1% sales tax. Not the entire amount. And as Legislator Alden made reference to earlier, not only did the County Legislature propose and succeed against the wishes of the former County Executive in a sales tax exemption for footwear and clothing against his wishes, against his dire forecast, again the Allen Kovesdys and others from the Budget Office came here and said, oh, you can't do that, it's going to cause mayhem, tax increases. Didn't happen; okay? They love to constantly, you know, paint a much darker picture than really exists.

Also, I'd remind my colleagues, and most if you weren't here, but in 1994 the County Legislature again against the wishes of Mr. Gaffney and his administration and his budget office repealed one cent of the sales tax. So, there is precedence for repealing a portion or an entire 1% of sales taxes. It has happened before. We've survived and we've survived very well. In fact, today we're probably in the best financial position we've been in in many, many, many years. And I think what I and some of my colleagues are saying let's sit down and talk about •• see where we can provide some tax relief. We're not focusing on any one particular thing right now. We have a budget coming up in 45 days. Don't send it over here without input. Mistake. Don't do it. You're being advised not to do it. If you do it, you may be doing it at your own peril because the Legislature will probably rework that budget significantly. So, extending the olive branch for bipartisan cooperation. That's what we'd like to see happen. That's that this Legislature's here to do. That's what this Committee is here to do. Not rubber stamp any County Executive.

Anyone else? Yes.

**LEG. MONTANO:**

I just want to get back to the 250. It's 260 that this tax is worth to the County in terms of revenue?

**MR. KOVESDY:**

We're not •• we estimate approximately ••

**LEG. MONTANO:**

250; so, 260 million?

**MR. KOVESDY:**

•• 260 for a full calendar year and approximately \$20 million for this December.

**LEG. MONTANO:**

So, just so I'm clear, the numbers that I heard earlier were that we might wind up with a surplus of 140 million? Was that accurate, Legislator Caracciolo?

**CHAIRMAN CARACCIOLO:**

Yes. We heard that the fund balance from '04 ••

**MR. LIPP:**

•• was 116.

**CHAIRMAN CARACCIOLO:**

Right. And you're projecting for '05.

**MR. LIPP:**

Okay. That wasn't asked yet. But we could give you a number. We've •• basically we have a budget model that we update. Okay. And admittedly the problem with that is if we get into too much detail, we'd be talking about what the recommended budget is. And we don't put the recommended budget together. Okay? So, there's caveats.

**LEG. MONTANO:**

Whatever figure you're going to arrive at, it's really just a guesstimate or based on projections. And as we found last year, it changed.

**MR. LIPP:**

Yeah. To make a long story short, we come into •• the actual ending for '04 was 116 million; 13 million more than we thought would be budgeted for. And we suspect at this point that we'll end this year •• that is end 2005 •• in the General Fund with a 110 million.

**CHAIRMAN CARACCILOLO:**

Okay. And last year you were off by 13 million. So, if nothing changes, it's at least 110.

**MR. LIPP:**

Well, I wouldn't say at least. Because if there's an error, it could be on either side.

**CHAIRMAN CARACCILOLO:**

Okay.

**MR. LIPP:**

And we don't know what the recommended budget's going to come in as the 2005 estimate will possibly be different. But what we're looking at with our assumptions right now is 110.

**LEG. MONTANO:**

If we come in with a surplus of 110 million or the fund balance, whatever term you use, and we •• and if the same thing happened next year, we eliminate this tax this year, we would wind up with 150 million shortage next year all things being equal; is that more or less the same? Is that accurate?

**MR. LIPP:**

All things being equal.

**LEG. MONTANO:**

And if we wipe out •• there's a 110 million in tax stabilization, we have to wipe that out and still wind up with a \$40 million deficit if we don't pass this or if we don't increase taxes somewhere else.

**MR. LIPP:**

Or reduce expenditures, of course.

**LEG. MONTANO:**

So, it's really that simple; right?

**MR. LIPP:**

I guess it's one way to look at it.

**LEG. MONTANO:**

Thank you.

**CHAIRMAN CARACCILOLO:**

Legislator Carpenter.

**LEG. CARPENTER:**

Robert, could you tell me what point 125% would translate to?

**MR. LIPP:**

The 8th of a cent is approximately 32 million. Well, budgeted right now, we have •• a quarter cent is 64 million in the police district. An extra 8th or half of that would be 32 million. And that's without growth.

**LEG. CARPENTER:**

So, if we considered since the sales tax now is 8.625%, that might be a direction that we might want to head towards. It would not be a tremendous financial impact; something that I think we could surely shoulder. But it would be a cleaner kind of sales tax that we were charging, 8 and a half percent instead of this 8.625, that I would venture to say most people don't even know what it is. People on the street.

**MR. LIPP:**

Right.

**LEG. CARPENTER:**

How much is sales tax today in Suffolk County?

**CHAIRMAN CARACCILOLO:**

I think it's healthy that we're having this discussion. And we're starting it now. I think it's helpful to the Executive to understand where some Legislators are coming from. Look, if he can rally ten people to support his budget of overtaxing the people of Suffolk County, that's his prerogative. Okay, we'll move on the agenda.

**LEG. LINDSAY:**

We're in the agenda.

**CHAIRMAN CARACCILOLO:**

1761, is there a motion?

**LEG. CARPENTER:**

There was a motion and a second to table.

**CHAIRMAN CARACCILOLO:**

I seconded that motion.

**LEG. MONTANO:**

Right.

**CHAIRMAN CARACCILOLO:**

Okay. So, we will now have a vote. All in favor of tabling? Opposed?

**LEG. LINDSAY:**

Opposed.

**LEG. MONTANO:**

Opposed.

**CHAIRMAN CARACCILOLO:**

Two opposed. We have five in favor. Carries. Tabled. **(Vote: 5•2. Legislators Lindsay and Montano opposed.)** Gail?

**MS. VIZZINI:**

Just one comment in your future deliberations regarding this resolution. Not only does it extend the penny, but it also addresses what portion of that penny would go to public safety. So, it increases what we currently have to •• the ability for us to give 3/8ths to public safety.

**CHAIRMAN CARACCIOLO:**

Which is \$96 million a year. Okay.

**1773 (amending the 2005 County Operating Budget to transfer funds from the Department of Social Services Medical Assistance/MMIS Program to cover the deficiency of appropriation in prisoner maintenance to house inmates in out of county facilities.)** Is there a motion?

**LEG. O'LEARY:**

Motion to approve.

**CHAIRMAN CARACCIOLO:**

Motion to approve by Legislator O'Leary, second by Legislator Lindsay. All in favor? Opposed? Abstentions?

**LEG. ALDEN:**

On the motion.

**CHAIRMAN CARACCIOLO:**

On the motion.

**LEG. ALDEN:**

Can we just have a brief explanation because I thought that we were doing updates like almost on a weekly basis because of the building of the jail. And how much is this for?

**LEG. O'LEARY:**

4.5 million.

**LEG. ALDEN:**

Why did it get to be such a deficit?

**MS. VIZZINI:**

This transfers •• it's a transfer from mandated expenses to mandated expenses. The 2005 operating budget only included a million dollars for prisoner transportation.

**LEG. ALDEN:**

Well, that was deceptive. But go ahead.

**MS. VIZZINI:**

There is an anticipated •• there's a current shortfall of about a million dollars. And there is an anticipated shortfall in terms of what we will need for the remainder of the year to house our prisoners. Somewhere between the neighborhood of •• we will probably need an additional \$2.5 million.

**LEG. ALDEN:**

Above this.

**MS. VIZZINI:**

In total. Okay. At the time this resolution was prepared, I believe, the projections were •• that we were going to need 4.5 million. What this resolution does it takes what's anticipated to be surplus monies in Medicaid, because we will have a surplus in Medicaid based on the changes in the state's treatment of that and moves it over to the shortfall.

**LEG. ALDEN:**

You know, I take exception to some of this stuff. And I've been listening to some rhetoric the past couple of weeks about budget and things that the Legislature has done that was deceptive and things like that. Now, as far as this goes, we didn't know it was going to cost us this much money to house prisoners and move them around. That's a lot of crap. So, what did we do? We parked money? Is that what happened? The County Executive parked money somewhere that they knew they would use for this in the future? Because that's what we were accused of doing, parking money and being deceptive. So, if it applies to the goose, it applies to the gander. Where all of a sudden did he come up with a surplus? Who put that money in there and why was that surplus identified at this point? And why weren't the people of Suffolk County told the truth about housing prisoners and transporting prisoners? I take great exception to that; that practice.

**CHAIRMAN CARACCILO:**

Gail, one minute. I just want to pick up on something you said, Gail. Something about there

being a surplus in the Medicaid account. How much?

**MS. VIZZINI:**

We're still working those numbers, but ••

**LEG. ALDEN:**

Does that tie into Social Security?

**MS. VIZZINI:**

Not directly.

**LEG. ALDEN:**

We heard all this crap about Social Security, parking money and all this other deceptive practices. This is truly deception.

**CHAIRMAN CARACCILOLO:**

While Robert's looking for the number ••

**MS. VIZZINI:**

It's between nine and 14 million.

**CHAIRMAN CARACCILOLO:**

All right. Can you just recap real quickly so before we leave today we know exactly what, you know, we have a better picture, I should say, of what the surplus numbers are looking like as we prepare for the '06 budget?

**MS. VIZZINI:**

Yes. Well, unfortunately in Medicaid some of the current year surplus is going to be offset by a 3% increase in the base •• the '05 base for '06.

**CHAIRMAN CARACCILOLO:**

There's still a surplus.

**MR. LIPP:**

Right now we're looking at a net surplus for Medicaid, net that is revenues that we receive of

almost 14 million.

**CHAIRMAN CARACCILOLO:**

Okay.

**MR. LIPP:**

That's a projection. But next year it's going to go up.

**CHAIRMAN CARACCILOLO:**

All right. Fund balance you said earlier right now subject to change up or down 110 million. Health insurance beginning in November, what was the figure? 14 million?

**MS. VIZZINI:**

Correct.

**MR. LIPP:**

Well, there is a problem with the health insurance. The problem is it's expected •• basically there is a need to increase the fund balance in the health insurance.

**CHAIRMAN CARACCILOLO:**

What's the number, Robert? Is it 14, is it less?

**MR. LIPP:**

I believe it's closer to 15 all funds.

**CHAIRMAN CARACCILOLO:**

Okay. So, it's 15 instead of 14. I just want to finish this line of thought. The tax stabilization fund currently has how much money?

**MR. LIPP:**

110.5 million.

**CHAIRMAN CARACCILOLO:**

The Pay•As•You•Go fund has how much money?

**MS. VIZZINI:**

Ten million.

**CHAIRMAN CARACCILOLO:**

Ten million. What am I leaving out?

**MR. LIPP:**

Well, what you're •• I guess what you're leaving out is what is the overall budget projection for the General Fund for ••

**CHAIRMAN CARACCILOLO:**

No, no, no. I just want to know where the surplus are in the budget. Turnover savings, how can we forget that?

**LEG. O'LEARY:**

Projected turnover savings.

**CHAIRMAN CARACCILOLO:**

Projected turnover savings.

**MR. LIPP:**

Probably about 17 million in the General Fund.

**CHAIRMAN CARACCILOLO:**

All funds, Robert. 25?

**MR. LIPP:**

Something like that. But •• okay. All right.

**CHAIRMAN CARACCILOLO:**

Quick calculation. As the County Executive prepares his '06 budget, I'm looking at here is 220, 238, 248, about \$272 million. Okay. Thank you, Robert.

Legislator Montano, you have a question? I'm sorry. Legislator Lindsay.

**LEG. LINDSAY:**

We're talking about the health insurance and, you know, maybe I misread something. But my understanding, the savings isn't in true dollars but the escalation rate. I mean, we're still going to be paying more for health insurance next year. We're not •• the new plan is going to save on the escalation rate. Instead of it tracking it at 15 or 20% a year, it's only going to track at five or something like that. Am I crazy about this or what? Does somebody want to answer that?

**MR. LIPP:**

You're a very sane man.

**LEG. LINDSAY:**

Okay, thank you.

**MR. LIPP:**

What we're looking at is from, as Gail had said before, the Price Waterhouse figures. And there are actually going to be •• the dollars are going to be substantially higher next year. Like for instance what's adopted in the General Fund, we're under 115 million. For next year the projection would be close to 122 million. However, there is likely to be a surplus this year in the health insurance fund. The policy issue and the budget issue is whether or not because of that increase, you should be having that as a fund balance or instead spending the entire amount, spending the health insurance fund so that you have a little cushion so you don't have the big jump in 2006. Rather in 2007, really. So, you could make the argument that there shouldn't be a surplus at all. But that's a policy issue.

**CHAIRMAN CARACCILOLO:**

Okay. Anything else for the Committee? On the resolution, all in favor? Opposed?

**LEG. ALDEN:**

Opposed.

**CHAIRMAN CARACCILOLO:**

Opposed right here. And Legislator Alden, you're opposed? Anyone else? Okay. **(1773)**  
**approved. (Vote: 5•2. Legislators Caracciolo and Alden opposed.)**

That's it. Committee stands in recess.

**(THE MEETING CONCLUDED AT 11:12 AM)**

**[DENOTES SPELLED PHONETICALLY\\_]**