

**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 **September 20, 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

Bob Bortzfield, Budget Office, 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

Sondra Randall, AME

Michelle Isabelle Stark, Economic Development

Martin Haley, Deputy Treasurer

MINUTES TAKEN BY:

Diana Kraus, Court Stenographer

(THE MEETING CONVENED AT 9:35 AM)

CHAIRMAN CARACCIOLO:

Would everyone please rise for the pledge of allegiance to be led by Legislator O'Leary.

(SALUTATION)

CHAIRMAN CARACCIOLO:

We need Budget Review. Kim, if you would.

We have two public hearings on today's agenda. Is there anyone present that would like to address the Committee? Yes, ma'am. Would you come forward, please. Did you fill out a yellow card?

MS. STARK:

Green.

CHAIRMAN CARACCIOLO:

I'm sorry.

MS. STARK:

Green.

CHAIRMAN CARACCIOLO:

Okay. Green card, that's fine. Green, yellow.

MS. JULIUS:

Mr. Chairman.

CHAIRMAN CARACCIOLO:

Yes.

MS. JULIUS:

The affidavits are duly filed and are in proper order.

CHAIRMAN CARACCIOLO:

Okay. Thank you very much.

MS. JULIUS:

Okay. And that's for 1957 and for 1970.

CHAIRMAN CARACCIOLO:

Very good. Ms. Stark, you're here to speak on 1970?

MS. STARK:

Yes. My name is Michelle Isabelle Stark. I'm with the Department of Economic Development and Workforce Housing. And I'm here on behalf of Commissioner Jim Morgo. We do not believe that 1970 has the merits that resolution 1791 does, which also extends the hotel•motel tax; but in addition to extending the tax, it also includes enforcement provisions. And as a national trend across all municipalities, the federal government from the IR down to city governments and county governments, the problem of revenue collection and enforcement is, you know, it's something that all municipalities are having difficulty with, particularly the hotel •motel tax.

A Ms. Noel _Hentshell_ , a Chairwoman and CEO of American Tourist International

Incorporated, went from the Senate Committee on Commerce, Signs and Transportation to encourage congress to increase its enforcement of hotel•motel tax to strengthen the ability of municipalities and organizations to collect it citing the importance of tourism in this country.

In addition to that, the International City County Management Association in their Revenue Collection Guide also encourages enforcement provisions in hotel revenue collection. And, in fact, they have three phases of effective tax administration. One is notification. Two, collection. And, three, enforcement.

And finally, the Association •• the International Association of CPA's as one of their ten principles for, you know, fair tax policy is equity. And we do not want to have a tax where some people are shouldering the burden •• or some organizations or businesses are shouldering the burden of other businesses that are not paying the tax.

So, we believe by having enforcement, it will encourage compliance so that we get all the taxes that the County deserves. Thank you.

CHAIRMAN CARACCIOLO:

Are there any questions?

LEG. MONTANO:

Yes, I have some.

CHAIRMAN CARACCIOLO:

Legislator Montano.

LEG. MONTANO:

Good morning. Just so we're clear 1970 •• 1791 deals with two issues. One it deals with the extension of the hotel•motel tax. And then it has an enforcement mechanism.

1970, which is my bill, simply deals with the extension, which I don't think anyone is in disagreement with.

MS. STARK:

Right.

LEG. MONTANO:

And the purpose of that was just to ensure that while we debate what kind of enforcement and what language we use in the enforcement process, we don't delay in the process of extending the tax. But from what I understand there were some amendments that were made or submitted yesterday to 1791; is that correct? Yes? No?

MS. STARK:

I don't know.

MR. HALEY:

I have an amended copy.

LEG. MONTANO:

Excuse me.

MR. HALEY:

I have one. I don't know if they filed it, though.

LEG. MONTANO:

Well, you're not aware of any, are you?

MS. STARK:

I'm not aware of any.

LEG. MONTANO:

Okay. Then I won't address the question to you.

MS. STARK:

Okay.

LEG. LINDSAY:

Mr. Chair?

CHAIRMAN CARACCILOLO:

Yes. Legislator Lindsay.

LEG. LINDSAY:

First we should identify that anonymous voice in the audience for the record.

CHAIRMAN CARACCILOLO:

Yes. Deputy Treasurer Martin Haley. Are you here to speak on this?

MR. HALEY:

Yes.

CHAIRMAN CARACCILOLO:

Okay. Any other questions for Ms. Stark?

LEG. MONTANO:

No.

MS. STARK:

Okay. Thank you.

CHAIRMAN CARACCILOLO:

Okay. Mr. Hailey, would you come forward? This is on 1791?

MR. HALEY:

Yes, sir. Good morning.

CHAIRMAN CARACCILOLO:

Good morning.

LEG. MONTANO:

1970.

CHAIRMAN CARACCILOLO:

Oh, I'm sorry. 1970 public hearing.

MR. HALEY:

1970 or 1791?

LEG. MONTANO:

1970 is before us.

MR. HALEY:

1970. I also want to speak on 1791. I think I can cover both if you don't mind. Thank you.

CHAIRMAN CARACCILOLO:

Okay.

MR. HALEY:

Yesterday we faxed to each one of your offices a letter from Mr. Cochran. Does anyone need a copy of that?

CHAIRMAN CARACCILOLO:

I just received a copy.

MR. HALEY:

Does anyone else need a copy?

Attached to that letter of support for 1791 is a synopsis for tax comparison; a tax comparison of remedies used by a couple of other counties including New York State. What I found interesting as we went through it is that there's an awful lot of language that's used throughout the state that there's a •• I imagine there's a lot of plagiarism that goes one. Because I find of lot of the comments through a lot of different counties.

If you note, looking at the attachment that IR 1791 not only provides enforcement, it provides enforcement that's typical in New York State, Sullivan County and Ulster County. And I

understand George Nolan of the County Attorney's Office has done some research as well.

As noted on the second page New York City and the Agri counties laws relating to collection of hotel•motel tax all include a provision making violations a misdemeanor. Typically violations are misdemeanors. We just happened to make note of it in this particular legislation as does Sullivan, Ulster, New York State because, for lack of a better expression, it provides an incentive for lack of anything else for people to pay the hotel•motel tax.

I know there's an interest in simply extending the hotel•motel tax without the enforcement component, but I think the enforcement component here is quite common. It's appropriate. It'll provide the tools only if, as and when they might be necessary for us. I know sometimes people get nervous about the word subpoena, but the subpoena opportunities only are used when people fail to provide their books for audit. Typically talking to other counties, that doesn't seem to be a problem. People most times will provide books if you need them. And if they refuse to, you could subpoena those books. The reason being is that at some juncture you need to ascertain what tax •• sales tax might be due. And the only way you can do that basically is to look at their books.

The Suffolk County Treasurer's Office does a pretty good job of collecting property taxes. We bend over backwards to make sure at the end of the day that we're not taking homes away from people. We have an effort that's above and beyond the statutory requirements for notifying people. We'll knock on people's doors. I suspect that with the hotel•motel tax enforcement, it will be pretty much the same thing. We'll bend over backwards to communicate. And at this particular junction, I'm unaware of any major •• with the exception of, I think you said maybe we have one that we have a problem with because we have •• we lack enforcement or any enforcement at all.

CHAIRMAN CARACCILO:

Okay. Legislator Alden has a question; followed by Legislator Montano.

LEG. ALDEN:

Good morning, Marty, how are you doing? Who do you envision enforcing this? You, the Comptroller, the County Attorney's Office, combination?

MR. HALEY:

We don't have a problem dealing with it because most of it's just communications. Violation •• they'd have to be •• the violation part of it is willful. So, we would have to communicate with the County Attorney and the DA if we attempt to do the misdemeanor. No different than if someone who had a violation in the town on zoning codes, you know, you'd go through a normal process.

LEG. ALDEN:

So, you maintain a list of those people that would have to collect this tax. And that's because of the tax rolls and the delineation there would be a motel or a hotel ••

MR. HALEY:

Yeah, we have •• we have a list of hotel•motels. They call them combination units in Suffolk County.

LEG. ALDEN:

And worst case scenario, do you have enough help? Do you have enough live bodies to ••

MR. HALEY:

Yeah, at this juncture, we don't have a problem with it. I imagine •• because it's only three quarters of one percent. I don't think it's •• you know, their passing it through. They're collecting sales tax now. So, it's just a matter of filling out a form and providing us some monies.

LEG. ALDEN:

Well, as we know, and I'll call it whatever, the underground economy, you know, black market, whatever, there's a lot of cash transactions in this business as are, you know, a few other types of business that I can think of. Is that a problem? That these people would, you know, collect and run it through as just a cash sale and not report it at all?

MR. HALEY:

I imagine that's a problem in any kind of business where there might be cash. But we're primarily interested •• from an actuarial perspective, I'm sure, you know, every business you can go and you can say, okay, you've got ten units. And ten units down the street similar to yours is paying us, you know, \$2000 a year and you're only paying us 500. Something's

amiss. So, you can look at books and you can just do it from an audit perspective. You can do a comparison. If we really found it necessary to get into it, a heavy duty audit situation, other than a cursory that we can do ourselves, we probably would request assistance from the Comptroller.

LEG. ALDEN:

Okay. But you do plan on •• if this passes, you would do that •• that comparison to make sure people are, you know, just like even a rule of thumb that they're paying up what their fair share might be or ••

MR. HALEY:

I would imagine, yes. I don't see a problem with that at all. That's something we do in the normal course of business now. And what's interesting is we've requested this enforcement because we have run across an operator, for lack of a better expression, who's been resistant. And we just can't do anything about it.

LEG. ALDEN:

Okay. Thanks.

CHAIRMAN CARACCILO:

Legislator Montano.

LEG. MONTANO:

Good morning. How are you?

MR. HALEY:

Good morning.

LEG. MONTANO:

Just •• my understanding was we have a time limit in terms of passing the extension to the hotel•motel tax so that we don't have an interruption of collection; is that accurate?

MR. HALEY:

I believe that's accurate, sure, because it expires at the end of this year.

LEG. MONTANO:

Okay. So, we really need to pass something now. Just to be clear, I did get your letter. It came into my office •• or the Treasurer's Office. Came into my office yesterday. I got a copy of it this morning. I'm looking at the comparisons here. I had also requested earlier from Mr. George Nolan a, you know, basis of what it was that he had used for purposes of drafting •• what is it? 1791? Just so that we're clear, there seems to be maybe a misconception. And my bill •• I think we're all in agreement that enforcement mechanism should accompany anything that we collect. It goes more to •• my concern went more to the language of the particular bill and the fact that we were rushed to extend the tax. So, my bill simply deals with the extension. Is there a problem? I mean, would you have a concern about passing an extension while we discuss the language of the enforcement aspect? Or do you feel it is something that needs to be done immediately on both steps?

MR. HALEY:

No.

LEG. MONTANO:

I mean because ••

MR. HALEY:

No. I think no. It's obviously easier to do it now. And I think with a cursory overview of what ••

LEG. MONTANO:

Which one?

MR. HALEY:

•• we've provided, what I've tried to do is provide enough information so that you can come to a conclusion that it's typical, normal enforcement. And I know there was some language changes because, as I had discussions with George Nolan over the last week and a half and discussions with other counties and stuff like that, we think it actually is fine. And I'll be quite frank with you. At first blush when I first saw the language, you know, I was like •• you know, I was taken aback a little bit, too, saying, wow, oh, geez, we're going to take these people out and, you know, and horsewhip them. But when I did the research and talked to some other

counties and stuff like that, found out that it's all very typical. It's all normal. And a lot of them don't really have to go to that extent. Most times it's not a problem for them, but it's a •• tools, you know.

The only county that seemed to be •• that didn't seem to fit the mold a little bit was Nassau County. But then, again, I don't know that Nassau fits any mold. I think Nassau actually copied our original legislation. And in my conversation with my counterpart there, the best he could give me was that they turn it over to a collection agency. So •• which doesn't make sense to me at all.

LEG. MONTANO:

One last question. I understand that there some amendments that were filed to the original bill, which I understand were filed yesterday. Can you just give me an overview of what those amendments entail?

MR. HALEY:

I think it's primarily just change in the •• redefining or defining what an owner or an operator is. They decided •• George has decided to use the word operator. And I think that's really, I think, the only real change that he made. He just changed the operator language. So, that an operator is any person operating a hotel in the County of Suffolk including but not limited to the owner or proprietor of such premises, lessee, sub•lessee, mortgagee in possession, licensee or any other person otherwise operating such hotel. So, in our additional research, he felt that, you know, that would be a more appropriate definition.

LEG. MONTANO:

Yeah, I just haven't had a chance to read that. Hold on one second. If I may, I'm going to direct the same question to Counsel. I think there may be one or two other changes that were included in this. And I'm just trying to get an idea of what the changes are.

MS. KNAPP:

In reviewing the bill, it appears that •• that we've changed the word owner throughout the existing law in this new bill to operator to be a broader term. In addition •• and we've

obviously put that definition in so we've changed a section to do that.

The only other substantive change that I could find was the addition of all the confidentiality, the secrecy requirement.

MR. HALEY:

All right. Because I don't the copy with the confidentiality. I had suggested the confidentiality requirement because New York State has it •• they actually call it secrecy. I know some other counties have it and some don't. But I believe it appropriate that •• I don't want •• you know, we have someone's business and their gross •• records of their gross receipts and amounts. I don't see a reason that that should be foible. And that's consistent with the State. So, your amended copy has that addition to it. I don't have that copy.

LEG. MONTANO:

All right. Thank you.

MR. HALEY:

Thank you.

CHAIRMAN CARACCILOLO:

Legislator O'Leary.

LEG. O'LEARY:

Thank you, Mr. Chair. Good morning, Marty.

MR. HALEY:

Good morning.

LEG. O'LEARY:

In looking at the two bills, the base difference in my opinion is the enforcement provision placed into 1791 because both •• both •• to request to extend the dead line, the imposition of the tax to 12•31 of 2010. So, is it your assessment that that is the base difference between the two?

MR. HALEY:

Yes.

LEG. O'LEARY:

It's the enforcement provision.

MR. HALEY:

Yes.

LEG. O'LEARY:

Legislator Montano's bill does the extension, but has no enforcement provision in it whereas 1791, the County Executive's bill, has the extension in it as well as the enforcement provision. So, is that the base difference between the two?

MR. HALEY:

Yes, I believe.

LEG. O'LEARY:

Okay. Has any analysis been done with respect to the other municipalities that they do have enforcement provisions in their tax collection methods on the estimated revenue that would be generated as a result of this?

MR. HALEY:

I didn't •• anecdotal type of information, I think most •• most of the people I've talked to are relatively successful. There isn't that much because it's such a small amount. Because most of these hotels•motels in all these areas are collecting sales tax. So, it's just a small component that they add. I don't see a major problem throughout the area.

LEG. O'LEARY:

Well, having an enforcement provision in it certainly would incent the owner to pay taxes.

MR. HALEY:

I would hope •• you know what? It would be a guess on my part to be honest with you if •• because what we plan to do with the incentive is we plan to communicate with everybody, you know, before it becomes effective. So, send letters out and everything like that. I'm even going to •• we're going to go to the State and we're going to ask them •• and it's very sensitive

because of this secrecy thing •• to share with us their combination lists, all right, which we did originally, right? When we first enacted a hotel•motel tax. So, we're going to re•do that, re•communicate with everybody. And who knows? We could wind up •• we collect about a million and a half in revenues now. And that could go up but it would be a guess at this point.

LEG. O'LEARY:

But there's been no analysis or request of the other municipalities when they implemented an enforcement provisions what the increase was?

MR. HALEY:

No, because I think what happens •• and most of them had the •• when they originally wrote their legislation, the enforcement was already there. It was very unique. Our original legislation had no enforcement at all. And we went back •• Ulster County actually enacted it in 1991 with all of that language. They chose a couple of years later to do away with it. And then they just do away with the collection. And they started up again this year. So, they don't •• but most everybody had that particular language, you know. Nassau •• the only •• my counterpart in Nassau mentioned that, you know, they go to a collection agency. But anecdotally he had nothing else to provide me. He said, well, I can't really talk to you right now and hung up. So, I don't •• I don't know what, if anything, Nassau's having a problem with enforcement. But everybody else already has the language.

LEG. O'LEARY:

Thank you.

CHAIRMAN CARACCILOLO:

Okay. Anyone else?

LEG. LINDSAY:

Yes.

CHAIRMAN CARACCILOLO:

Legislator Lindsay.

LEG. LINDSAY:

Just a question for the Deputy Treasurer or Counsel. Are the two bills mutually exclusive?

What would happen if we pass both? Does one contradict the other in any way or does one just add to the other?

MR. HALEY:

I'm not sure. It's probably better off answered by Counsel. The way I see it, you know, when Mr. Montano generated legislation, I don't know if he used the same verbiage out of 1791 and just excluded the enforcement. And I think I understand why he did that because initially there was some questions about enforcement and whether it was consistent and stuff like that. And I think we've answered that. But I'm not really sure whether that's the case.

MS. KNAPP:

Pass both of them in the form that they're in right now? Is that the question? Only one of them could be sent up to New York State to extend the tax. I think the decision is, you know, whether or not you want to pass it simultaneously with the enforcement provision.

LEG. MONTANO:

Well, let me say this since I'm the sponsor of 1970. The reason that I introduced it was with respect to the initial extension. I did have some questions about the language of the enforcement. There was no attempt to stop the enforcement. It just had to do with, you know, lawyers looking at •• and Legislators looking at something, being asked to vote on something that I really, you know, wasn't clear on. That's why I asked George Nolan to send me the statutes from other jurisdictions, which he did. But the real intent was to ensure that if we had an extensive debate, which obviously we're having now, on the enforcement aspect, we would not tie up the extension of the motel tax because theoretically we could pass 1970 today and next week and still pass the enforcement next month. We could still make further changes if we deemed them necessary. But I agree, if 1791 passes, there really is no need for 1970, you know. And with the changes •• again, I'm looking at the changes, I'm looking at the chart, I do have some questions, but, you know, I'm sure that those could be resolved between now and next week when we vote on it.

MR. HALEY:

Very good.

CHAIRMAN CARACCILOLO:

Legislator Carpenter.

LEG. CARPENTER:

Thank you. I know someone made the comment, and I'm not sure who it was, that we seem to be rushing it. And I just wanted to note that Mr. Haley did appear at the Legislature a number of times about this particular resolution. And I guess the letter that we received from Mr. Cochran yesterday with the spread sheet showing the various jurisdictions, what we're doing now, what we're proposing and how we would compare with the rest, I think, is very telling and compelling for why we should go forward with 1791. So, thank you, Marty and the rest of the office for the work on this.

MR. HALEY:

Thank you.

CHAIRMAN CARACCIOLO:

Okay. Any other questions? Any other speakers on these public hearings? Hearing none, the Chair will entertain a motion.

LEG. ALDEN:

Motion to close.

CHAIRMAN CARACCIOLO:

Which one?

LEG. ALDEN:

Both of them.

CHAIRMAN CARACCIOLO:

Okay.

LEG. ALDEN:

We can't do them at the same time? No?

CHAIRMAN CARACCIOLO:

No. One at a time, right? Okay. Motion by Legislator Alden to close the public hearing on

1970, second by ••

LEG. MONTANO:

I'll second it.

LEG. CARPENTER:

Second.

CHAIRMAN CARACCIOLO:

•• by Legislator Carpenter. All in favor? Opposed? Abstentions? Closed. **(Public Hearing 1970 closed. Vote: 7•0)**

LEG. MONTANO:

On 1970, I'm going to make a motion to close but ••

LEG. LINDSAY:

Isn't that the one we just did?

LEG. MONTANO:

No, we did 1957; right?

CHAIRMAN CARACCIOLO:

No, no, 1970.

LEG. MONTANO:

Oh, I'm sorry. Okay. That was my bill. Okay.

CHAIRMAN CARACCIOLO:

Okay. Is there anyone here to speak on 1957? Okay. The Chair will make a motion. You want to speak on it, Ben?

MR. ZWIRN:

Yes. Good morning, Mr. Chair.

CHAIRMAN CARACCIOLO:

Good morning.

MR. ZWIRN:

It's interesting. I was looking at my old clips. And I proposed this in Nassau County back in 1991. But there was one argument that the County Executive is concerned about. And it's the •• when preparing the budget, the longer the time you have to get actual numbers, the better it is that the Budget Office can prepare a document that will have a, you know, better reflection on what may happen in the future.

So, the County Executive has no problem with the Legislature's end of this passing the budget before Election Day. But he would like to have the same amount of time to be able to prepare the budget and present it to the Legislature and not change that portion of it, which is now •• is now prepared and presented before Election Day. The Legislature has the option of voting on it before Election Day if they so choose. But the County Executive doesn't want that window closed any shorter than it would be because, as I say, the longer the time they have to get actual numbers with respect to sales tax and receipts that are coming in and expenses, they have a better chance of making a projection for the following year.

CHAIRMAN CARACCIOLO:

Okay. Thank you, Ben. Budget Review, on that same issue do you have any comments on 1957?

MS. VIZZINI:

In the general sense it curtails the amount of time that Budget Review and the Legislature has to review and update any of the expenditure or revenue information. In particular we rely on the last quarterly check for sales tax, one of our largest sources of revenue. As it is, Budget Review does work a rather arduous schedule seven days a week, extended hours in order to accommodate the time frame. The good news is that there would be less pain, but it would be more intense during a shorter period of time for us to get you the information you might need.

CHAIRMAN CARACCIOLO:

How many working days would this change your ••

MS. VIZZINI:

I believe we addressed it in the fiscal impact. I think it •• one second.

CHAIRMAN CARACCIOLO:

Mr. Zwirn, could you come back up, please?

MR. ZWIRN:

Sure.

CHAIRMAN CARACCIOLO:

Refresh my memory. It's my recollection that Nassau County is required to adopt their budget before Election Day.

MR. ZWIRN:

I believe they are. And, again, I don't think that the County Executive has any quarrel with the Legislature doing that. It's the earlier part, preparing the budget. And Gail can tell me. I think one of the sales tax checks comes in the 10th. This is going to just sort of come ••

CHAIRMAN CARACCIOLO:

Okay.

MR. ZWIRN:

•• it's going to compress •• it's going to make a little more ••

CHAIRMAN CARACCIOLO:

But the •• but the initial timetable of the County Executive presenting his budget on the third Friday in September is not affected by the resolution. Is it, Counsel?

MS. KNAPP:

No.

CHAIRMAN CARACCIOLO:

No.

MS. VIZZINI:

It's 13 days for us.

CHAIRMAN CARACCIOLO:

It makes 13 days difference?

MS. VIZZINI:

It's 13 days before the current deadline.

CHAIRMAN CARACCIOLO:

No. The deadline is the 10th of November.

MS. VIZZINI:

Correct.

CHAIRMAN CARACCIOLO:

And this would require passage before, I believe, it was ••

MS. VIZZINI:

October 28th if it was to take place ••

LEG. LOSQUADRO:

Because of a weekend.

CHAIRMAN CARACCIOLO:

Well, I think what Legislators have to square is the public's right to know what their County budget's going to be for the following year before Election Day. And otherwise I think I know what the response is going to be. But as you pointed out, Ben, in Nassau County and many other jurisdictions, there is a requirement. So, the voters do know what their elected officials are going to hand them in the way of potential tax increases.

Legislator O'Leary.

LEG. O'LEARY:

I'm a little bit concerned with the time constraints that are being placed on the Legislators and BRO with respect to this proposal. I think an alternative proposal should be the consideration of perhaps changing the fiscal year if you're going to be concerned about putting out a budget before Election Day so the general populus knows what sort of numbers the County will be dealing with going into the upcoming fiscal year. My understanding of the fiscal year right now is January 1st through December 31st; correct?

CHAIRMAN CARACCILOLO:

It's no different than our neighboring counties. Look, we all know what this issue's about. It's about disclosure. You either support it because you believe the public has a right to know or you don't.

LEG. O'LEARY:

I wasn't ••

CHAIRMAN CARACCILOLO:

Then you hide behind the fact ••

LEG. O'LEARY:

I wasn't finished with my ••

CHAIRMAN CARACCILOLO:

Go ahead.

LEG. O'LEARY:

Respectfully, Mr. Chair.

CHAIRMAN CARACCILOLO:

Go ahead.

LEG. O'LEARY:

If we're going to be placing time constraints on the Legislature and BRO, we should consider placing those same time constraints on the County Executive in his proposed budget as well.

CHAIRMAN CARACCIOLO:

Okay. My response would be to those who would not be inclined to full disclosure and public notice before Election Day is that you're really trying to hide from the public what your intentions are. And we have been •• this is not the first time this has been proposed. This is not the first year it's been proposed. And in the past it has not met with success for, I think, obvious reasons. But each of has our own conscience and our own vote. And I'm willing to make a motion to close the public hearing. I'd like to do that.

LEG. ALDEN:

Second the motion to close.

CHAIRMAN CARACCIOLO:

Second by Legislator Alden. All in favor? Opposed? All right. Public hearing is closed. Thank you. **(Public Hearing closed on IR 1957. Vote: 7•0)**

LEG. ALDEN:

Now we can debate it later.

CHAIRMAN CARACCIOLO:

Allen, would you come forward, please? I'd like to talk a little bit about the County Executive's proposed budget. Everyone has just received their copies. If you could just maybe in 10, 15 minutes give us a highlight summary of the essential parts of the budget and its potential tax impacts, we'd appreciate that.

MR. KOVESDY:

Good morning. As you know, the County Exec's budget was released last Friday. Also to help you out, the budget is on the intranet and the internet in case any of your constituents would like to see the budget without going to a public library. It's on both places. And they can readily look at any particular part. It's bookmarked and so forth. So, it's available to any citizens of Suffolk County who would like to see it.

The County Executive is very proud to offer a budget with a tax decrease in the General Fund. And in the budget on pages •• rather than me reiterate it, on pages 18, 19, 20, 21, 22 and 23, the County Executive lists in detail all of his proposals. I can speak to specific areas if you'd like, but basically we held the line. We were fortunate that through the actions of the County

Executive with your help that we have a cap on Medicaid which should reduce the amount of Medicaid expenses in the future. Instead of going to double digit increases, we're able to control that a little more. Sales tax revenues for this year are down from the budget amount approximately •• we were estimating they're going to be down eight •• approximately 8 and a half million dollars.

Next year we're budgeting sales tax with •• at a net basis of 3 1/2%. With all this the County Executive was able to propose a 40% reduction in the amount of the energy tax for a six-month period in the winter. That reduces revenues for 2005 by \$2.5 million in the General Fund. And it reduces revenues in the General Fund for next year by \$10.5 million.

We took a very conservative approach on all revenues based on the fact we have no control over the spiraling energy portion of the budget. You'll notice •• I think you're all aware that gas prices have doubled over the last four years. So, we budgeted more than enough money to cover the increase for gasoline for bus routes, our vehicles and so forth, you know.

As Gail did mention, the next round of sales tax information that comes in in October has the adjustments in it for the •• up-to-date. And that adjustment •• we're looking forward to some •• a little bit of help on that adjustment. The State told us we would get something. But we still budgeted rather conservatively. There's no abolished positions in the budget. We tried to provide turnover savings that are realistic so the departments have enough staff to do their jobs and to do it professionally. And there's a lot of areas where we hope that productivity that •• that the productivity will shine forth.

There's two new programs in the budget. There's the Pins and Athy which is •• are programs which, we hope, will reduce population in the jail. They coordinate activities in the Youth Bureau, Probation, the Sheriff. So, we're hoping that these programs will work. They'll be deterrents. And I think we gave you a fair •• as you had requested, Mr. Chairman, we gave you a fair budget, an honest budget. There's no one-shots, there's no gimmicks. And everything is represented and everything is documented. You'll find everything that's in this budget is documented in both words and in numbers. And, you know, the Budget Office looks forward to working with Budget Review and you in answering any specific questions that you have between now and the third week in October when you have your hearings.

But everything is laid out in specifics. Everything is documented. I'll be happy to answer any specific question. I mean this is a 1200 page document. I'm just trying to, you know, without reading •• insult you by reading what the County Executive wrote, give you what we consider are the highlights. We consider that the estimates are done prudently. They're based on the best information. Sales tax, which is the single largest revenue, is done on a conservative basis. We took into consideration the prices of gas going through the roof. And we tried to give you something to work with just like you had asked me many, many times.

And we also wrote in •• we also tried to specify, you know, the energy tax, you know, the benefits to our taxpayers in having that \$10.5 million reduced. But I'll be happy to answer specific questions best I can. I'll look up the answers.

CHAIRMAN CARACCILOLO:

Okay. We'll have a few for you in a moment. But first I'd like to •• and I know it's very preliminary, Gail, if you could share with us what you've been able to glean from this document so far. And if there's anything that's materially different than your budget models as compared to what's contained here.

MS. VIZZINI:

Well, first of all, just to comment in terms of Allen's description of the budget, you know, another way of saying that is sales tax is down. Sales tax is further reduced by accomodation for the \$13 million reduction in home energy.

Also, the General Fund property tax is down. So, revenues are down, down and down some more. The biggest saving grace ••

CHAIRMAN CARACCILOLO:

Before you go further, what concerns, if any, do you have about that?

MS. VIZZINI:

The biggest saving grace is that this budget is a budget of transition for Medicaid and health insurance. Expenditures for Medicaid alone are the reason that the presentation was able to be presented in a light that showed that expenditures were reduced. Medicaid alone constitutes \$75 million reduction in expenditures.

CHAIRMAN CARACCILO:

Because?

MS. VIZZINI:

Because we budgeted over 317 million in '05. I don't know if I have those numbers in front of me. And what we have to budget net of the revenue now is \$75 million less. The state take over of a significant portion of Medicaid expenses and setting a base in 2005 from which future growth will be only the three or three and a half percent as identified in the law. Our concern here is that the state will wake up and realize that this is a pretty good deal for the counties. And our historical perspective has been the state giveth; but somewhere along the line they will take it back.

In 2007, I believe, we will have to make a policy decision as to whether that will be a percentage of our sales tax or whether the state somewhere along the line will be taking something else. We just don't know. So, we're transitioning it to Medicaid.

CHAIRMAN CARACCILO:

On that point, why do you allude to the fact that something may change in '07?

MS. VIZZINI:

That's part of the legislation. We issued a previous memoranda about two months ago discussing the whole Medicaid scenario. And in it the State is giving us until the end of '07 to make a decision as to whether we're going to continue with this methodology or give them a particular percentage of our sales tax receipts.

CHAIRMAN CARACCILO:

Okay.

MS. VIZZINI:

The other area of transition is the health insurance. Fortunately •• I mean health insurance expenses have increased even though they have not increased at the rate we believe they would have had we not changed the providers.

In this budget there are several reserve funds cautiously and prudently set aside rather than taking just straight reductions in expenditures. That's a prudent thing. There are also some interesting contingency funds including the one for public safety. The accommodation for the police district, the east end towns and villages, they're actually budgeted for the same amount of money that they've received in 2005. However, there is a contingency fund in the amount of \$1.5 million, which the Legislature at a later date will be able to appropriate the monies unless, of course, the budget is amended in the process to determine the allocation of that contingency fund to the districts.

Very briefly, the County Executive's Operating Budget that was presented to you is not too different than your requested presentation of Budget Review and our model that we gave at the last committee meeting. As far as •• the total budget is \$3.1 billion, a reduction from the '05 adopted of 51.5 billion across all funds. Again ••

CHAIRMAN CARACCILOLO:

Million.

MS. VIZZINI:

Billion.

CHAIRMAN CARACCILOLO:

No, no. You said 51 million reduction.

MS. VIZZINI:

Yes, 51. 51.5. Did I say billion? Which is primarily Medicaid.

LEG. O'LEARY:

I'm sorry. Did you just state that the proposed budget is 3.1 billion?

MS. VIZZINI:

Across all funds.

LEG. O'LEARY:

And that's a reduction of 51 million?

MS. VIZZINI:

Correct. 75 of which is Medicaid in the General Fund. The General Fund in and of itself is 1.9 billion. It's actually a \$35.5 million decrease from '05. So, there were certainly other increases. If we saved 75 million in Medicaid, we increase other things along the way.

As we indicated in our budget model, we carried over \$116 million from 2004. If we did not have the substantive fund balance •• I mean there was a time not long ago, Legislator Caracciolo, you will remember that we thought forty and \$50 million in excess revenue was a large fund balance. Now we're over 100 million. We're at a 116 million. Our concern here is that although there are reasonable expenditures in the operating budget, we will have to conserve those expenditures in order to force a fund balance. And that's what leads to restrictive spending on restrictive approval of 167's, early projections of shortfalls and early slamming down the hammer on equipment, supplies, contracted services, etcetera. A familiar scenario.

The General Fund property tax levy is 51.4 million. It's decreased exactly the amount of money that the community college was increased, 854,000. The police district as the model indicated did have a \$43 million shortfall carry over fund balance. The police district expenditures in their entire are 502 million. The police district property tax levy is increased 2.5% or a total 10.3 million. The police district was allocated \$7 million less than the full quarter cent of sales tax. They're actually getting less. They're getting 58.6 million in sales tax as opposed to the full 64 million that they got in 2005.

As far as sales tax, the •• although the budget narrative talks about a 3.5% increase effectively with the reduction of the 13 million attributable to the home energy, it's a 3.3%. Very different from the •• what did we do last year •• 4.73 that we were discussing this time last year when we put together the 2005 budget.

Most of you received the memo the Budget review did on the tax structures as far as gasoline taxes and home energy fuels. As unpopular as it is, it's a very reliable source of revenue. And that's our concern, especially in light of these other revenues going down.

There are, as Allen said, accommodations were made for gasoline and heating; however, if you look at vehicles, you'll see that the number of vehicles had to be reduced in order to accommodate the potential increase in the cost of gasoline. The Department of Energy and Environment is no longer proposed as a separate department, but rather the function is proposed as a new office in the County Executive's Office. An Office of Environmental Affairs. The Operating Budget also contains extensive resolve clauses on page 29 through 40 detailing the extensive responsibilities for the three person office of Environmental Affairs that are commensurate with the response of what was presented last year as an entire department. Perhaps a little word processing, cut and paste problem but ••

And once again, there is no separate and distinct discretionary status of funds. It's presented, you know, it gives you the whole combined picture and the mandated. But the discretionary which is a requirement is missing. Budget Review did it last year. We can do it again.

CHAIRMAN CARACCILOLO:

Also missing, Gail, is the comparison with other counties.

MS. VIZZINI:

Oh, yes.

CHAIRMAN CARACCILOLO:

This is the second year in a row this administration •• why is that, Allen? I mean we don't •• we don't want us •• the Legislature and the public to know how we compare with the other large counties in the state? Is there something there we don't want people to see?

MR. KOVESDY:

No, that's not true. That's an over•generalization. There was a little bit of a problem. We have to get information from other counties. If they don't supply us the information to us, we can't do the charts and the comparison.

CHAIRMAN CARACCILOLO:

Is this the first two years that we can't get information from other counties? Come on, you can get it through the State.

MR. KOVESDY:

We were going to get •• my understanding is you should have that by the middle of the next week at the latest.

CHAIRMAN CARACCILO:

So, when it's favorable we can see it. When it may not be so favorable, we withhold it.

MR. KOVESDY:

I can honestly tell you I haven't seen the results. But I know that it is being finished. And, you know, as Budget Review works every day, we •• the Budget Office from August 1st through the completion works seven days a week also to try to get this document to you in a form that everybody finds pleasing and as accurate as possible.

CHAIRMAN CARACCILO:

Where within the document •• I think I have the page here, but perhaps you can draw our attention to it so we're certain that we have the town by town break down.

MR. KOVESDY:

Page 26 and 27. That's the information.

CHAIRMAN CARACCILO:

Okay. And could you just summarize what the impacts in this proposed budget are?

MR. KOVESDY:

I gave you an overview •• I gave you an overview ••

CHAIRMAN CARACCILO:

I mean by town.

MR. KOVESDY:

Oh. Okay. I'll take my glasses off. Thank you. I'm getting old. Getting up there has its price.

Well, the •• on page 26 the summary shows that the difference in the warrant between 2005 and 2006 is reduction by town.

CHAIRMAN CARACCILOLO:

Let's go to page 27.

MR. KOVESDY:

Page 27. Page 27 is a break out by specific budgets. And it shows the plusses and the minuses to each town by each budget. I really don't have in front of me one that puts everything together.

CHAIRMAN CARACCILOLO:

Okay. We have a Melvin?

MS. VIZZINI:

Yeah. Well, this is kind of an example of ••

MR. LIPP:

We've added the numbers on those two pages. The presentation in the recommended budget shows each fund separately but they don't add them up. So, we added them up.

CHAIRMAN CARACCILOLO:

Okay. We have copies of that, Robert?

MR. LIPP:

Yes.

CHAIRMAN CARACCILOLO:

Before we leave today, can we get copies?

MS. VIZZINI:

With the understanding that these numbers will change based on any changes or corrections that the Legislature may make to the operating budget.

CHAIRMAN CARACCIOLO:

Okay. As I recall •• Allen?

MR. KOVESDY:

I'm sorry.

CHAIRMAN CARACCIOLO:

As I recall, there are five required documents to be included with the presentation of the following year's budget. The General Fund and the county funds, the full value tax rate, the annual value tax rate and the average tax bill for each of the ten towns. I only have two enclosures. I only have two documents. Am I missing three or we don't have them?

MR. KOVESDY:

You have what you have, sir.

CHAIRMAN CARACCIOLO:

So, we're missing three documents. When will we be receiving the remainder?

MR. KOVESDY:

I'll bring it back.

CHAIRMAN CARACCIOLO:

I'm sorry?

MR. KOVESDY:

I'll try to get you an answer. I don't have an answer for you. I'm not going to lie.

CHAIRMAN CARACCIOLO:

Okay.

MR. KOVESDY:

I don't have an answer at this point.

CHAIRMAN CARACCIOLO:

I want to talk a little bit about the whole issue of gasoline tax and energy tax because clearly you seem to focus a little bit on that. And I think appropriately. The increases that you point out are going to generate loss of revenue about eight to \$9 million this year. Sales tax.

MR. KOVESDY:

No, that's not what I said.

CHAIRMAN CARACCILOLO:

Decrease.

MR. KOVESDY:

No. Of as of today •• as of through the second check in September ••

CHAIRMAN CARACCILOLO:

We've not talking about sales taxes over •• I'm talking about sales taxes, not ••

MR. KOVESDY:

Okay, I'm sorry.

LEG. LINDSAY:

Energy tax reduction.

MR. KOVESDY:

Energy taxes •• the receipts for energy taxes this year are up because people are paying a percentage •• a high percentage of gas tax. We estimated approximately •• and Robert may correct me •• 40 or \$41 million as a portion of the sales tax revenues coming from the energy •
• from gasoline and energy tax. Right know it's running significantly higher than that. Through the first half of the year we're up over \$2 million. So, we'd probably get if things •• status quo we'd probably bring in 44, \$45 million compared to the 40 that we have gotten in the prior two years. So, that particular portion is up. Our concern with the energy tax was that people are paying more at the pump. They won't be able to spend that same dollar ••

CHAIRMAN CARACCILOLO:

It will affect discretionary spending.

MR. KOVESDY:

Right. Considerably. I tried to put that in detail. And at some point in time when they get hit with that on top of the home heating bills, they're going to feel a significant pinch. And when that pinch occurs, there will be a •• there will be a downturn in the economy. You won't see that until future checks.

CHAIRMAN CARACCIOLO:

Okay. But let's not completely focus on the negative because we have a lot of positives.

MR. KOVESDY:

Okay.

CHAIRMAN CARACCIOLO:

We have a very significant fund balance.

MR. KOVESDY:

Right.

CHAIRMAN CARACCIOLO:

We have a very significant tax stabilization fund. We have a very significant increase as noted in Medicaid relief. And when you add up all of those numbers, you go back to where we were last meeting and prior with the County sitting on about a quarter of a billion dollars in surplus funds. So, you know, we have to make sure that when we paint this picture, that it's complete with accurate information. I mean that's a, you know, huge significant change from where we were last March and April.

MR. KOVESDY:

And I failed to mention •• I'm sorry •• that we didn't take anything out of the tax stabilization reserve fund this year either. We left that money whole. We didn't take anything out like in prior years; sometimes money would come out of tax stabilization. We didn't touch that.

CHAIRMAN CARACCIOLO:

So, we still have about 110 million?

MR. KOVESDY:

I'm not sure of the total. We still have what we have. We have a lot of money in tax ••

CHAIRMAN CARACCILOLO:

Gail, what do we have in tax stabilization?

MR. KOVESDY:

I could look.

MS. VIZZINI:

At the end of this year we had a 110.5, but I think we put in excess of eight million in. You know, by law we have to put a portion of the discretionary fund balance in there. So, I'm sure we complied with that.

CHAIRMAN CARACCILOLO:

In terms of, you know, trying to identify county surplus funds like the tax stabilization fund, what would it be as we sit here today?

MS. VIZZINI:

You'd have to repeat that question, please.

CHAIRMAN CARACCILOLO:

Okay. Can you give us an idea of what the County surplus funds would total as you sit here today when you include tax stabilization, fund balances, savings from health insurance, Medicaid, SCIN forms that haven't been signed or will be signed, you know, turnover savings, 477?

MS. VIZZINI:

The only surplus that we really have is the tax stabilization reserve fund. That is our savings account where we can go. The way the budget is presented, some of the savings were clearly identified as expenditure reductions. Others were prudently •• health insurance has been placed in a reserve account. There's a debt stabilization reserve account established. It's really •• if you recall Budget Review and DSS worked very closely together to try to capture Medicaid

monies that were due us to the tune •• many millions of dollars. Those anticipated revenues are in a debt stabilization reserve account. The prudent aspect of that is if they don't come into that magnitude, they're not in a line that has to be expended to pay for people or something of that nature.

CHAIRMAN CARACCILO:

What about turnover savings?

MS. VIZZINI:

We look at the in the aggregate. And that's something that we have not had the opportunity to look at. Again, you know, that's an area regardless of what is budgeted, there still seems to be an exuberance to use that area to generate the necessary savings.

CHAIRMAN CARACCILO:

Okay. Any questions?

LEG. LINDSAY:

Yes, I do.

CHAIRMAN CARACCILO:

Legislator Lindsay.

MS. VIZZINI:

Mr. Chairman, I just want to put on the record that the Budget Office has been fairly open with us. We did have about a two•and•a•half meeting with Mr. Pollert during which time he gave Robert and myself and Lance a very candid overview of the budget, the thinking and what have you. And we'd like to continue that open discussion with •• he and I have come to an agreement that we certainly want to be open in terms of the dollars so that we can either agree or agree to disagree. And certainly the policy decisions we will present to you as the policy makers. We, of course, have a much more cautionary view than some of the positive spin that Mr. Kovesdy put on some things but that's understandable.

CHAIRMAN CARACCILO:

Okay. Legislator Lindsay.

LEG. LINDSAY:

Yes. My question is of Budget Review. Do you •• the Exec's budget assumes a 3.5% increase in revenue going into next year. How does Budget Review feel about that? Is that too conservative, too liberal? What do you think?

MR. LIPP:

We're •• we haven't finished doing our analysis. And basically what we want to do is wait until the third quarter to end because that would be the appropriate way to do the analysis.

LEG. LINDSAY:

What was the assumption rate this year?

MR. LIPP:

Coming in the adopted rate was, I believe, 4.73%. So, you know, there's a bit of a slow down. So, the decrease is somewhat understandable. We do believe that there will be somewhat •• and Mr. Kovesdy actually alluded to this •• that there's likely to be some sort of a pop or increase for the third quarter. But that's not clear until we see those •• that final check on the 10th, 12th. We'll get that information October 12th probably.

LEG. LINDSAY:

What was revenue running for the first two quarters?

MR. LIPP:

Well, revenue •• the cash was actually maybe 3%. I can actually give you the actual number if you'd bear with me for one second.

LEG. LINDSAY:

So we assumed •• was if 4.7, you said, 4.5?

CHAIRMAN CARACCILOLO:

4.7.

LEG. LINDSAY:

4.7. And we're running at three? Three and a half?

MR. LIPP:

Actually it's •• we're running at •• actually it's •• through the last check we received year to date is 2.99% exactly. But taking into •• what must be taken into the consideration there is we got hit pretty bad in the first quarter with some adjustments that had nothing to do with vendor sales or how the economy was doing. So, our cash is down. That 2.99% represents cash, not pure adjusted vendor sales. And when we do our forecasts, we forecast off not the cash but the adjusted data which takes out all of these anomalies affectively.

LEG. LINDSAY:

Thank you.

CHAIRMAN CARACCILOLO:

Would it be fair to say that in terms of sales tax pops, there was •• this summer •• national incentive programs by the major automobile manufacturers that helped sales tax revenues?

MR. KOVESDY:

We would hope but the last check didn't show it to any degree. The two checks we got in September really didn't show. We're hoping in October. I mean, in all fairness, you'll have a lot more information within with the next two checks than you have on the checks that we have up to date.

CHAIRMAN CARACCILOLO:

Okay. But when you look at that data, do you look ••

MR. KOVESDY:

We built it in that we expected a push from sales of automobiles this year.

CHAIRMAN CARACCILOLO:

It's built into your model.

MR. KOVESDY:

Yes. Our concern was whether that happens again next year. We didn't want people to just ••

CHAIRMAN CARACCILOLO:

Right, no, I agree with you there.

MR. KOVESDY:

That was our major concern.

CHAIRMAN CARACCILOLO:

Okay. All right. Any other questions?

MR. KOVESDY:

I just want to let you know that Nassau budgeted 3.3% on their sales tax. So, they were fairly close to what we did independently.

CHAIRMAN CARACCILOLO:

Very good. Okay.

MR. KOVESDY:

Whatever it's worth.

CHAIRMAN CARACCILOLO:

Thank you for your presentation. If there are no further questions about the budget as presented, we'll certainly have plenty of opportunity next month to get into more of the details; and look forward to that. Thank you all very much.

We'll go to today's agenda. Kim, would you try to locate Legislator Alden? We'll just take a couple minute recess, a stretch •• oh, here he is. You're back, Cameron? Okay. Disregard the last transmission as we used to say in the police department. All right.

Let's go to the public hearings. Both public hearings have been closed. I'm sorry. We'll go to tabled resolutions.

TABLED RESOLUTIONS

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. **(Vote: 7•0)**

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, same vote. **(1564 Tabled. Vote: 7•0)**

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

LEG. O'LEARY:

Motion to table.

CHAIRMAN CARACCIOLO:

Same motion, same second, same vote. **(Tabled. Vote: 7•0)**

1791 (Adopting local law, a local law to extend Hotel and Motel Tax revenue)

LEG. CARPENTER:

Motion.

CHAIRMAN CARACCIOLO:

Motion by Legislator Carpenter, second by Legislator Montano. All in favor? Opposed? Abstentions? Approved. **(Vote: 7•0)**

1909 (electing an exemption from sales and compensating use taxes for receipts from retail sales of and consideration given or contracted to be given for, solar energy systems equipment) Counsel just advises that we have an open public hearing on this. So, it has to be tabled.

LEG. CARPENTER:

Wait a minute. How is it open? We closed the public hearing at the last meeting.

LEG. MONTANO:

It was recessed.

MS. KNAPP:

It was recessed. You can't vote on it.

CHAIRMAN CARACCIOLO:

Counsel says it's not closed. It cannot be voted on. It's recessed.

MS. KNAPP:

County Executive has its public hearings usually at the General Meetings. And at the last General Meeting, it was not closed. It was recessed. It was obviously recessed to the next General Meeting.

LEG. LINDSAY:

Could I •• if I might, Mr. Chairman?

LEG. CARPENTER:

We can vote on it at the next meeting.

LEG. ALDEN:

We have to close and then discharge it.

LEG. LINDSAY:

Because of the timeliness of it, I think it's something we're going to have to do.

LEG. CARPENTER:

And also •• if I might, Mr. Chairman, also because we've had the discussion and the debate here in committee and we can note that on the record. I don't think there will be any problem with it.

CHAIRMAN CARACCIOLO:

1939 (adopting local law, a Charter Law to amend the Suffolk County Charter to provide for on•going public disclosure of operating budget status) is a similar situation.

MR. ZWIRN:

We're going to be withdrawing.

CHAIRMAN CARACCIOLO:

Okay. So, we have the motion to table instead of a motion to approve by Legislator Carpenter. So, the motion to approve is discounted here. Okay.

LEG. LINDSAY:

Is 1909 tabled or withdrawn?

CHAIRMAN CARACCIOLO:

We have a second by Legislator Montano to table.

LEG. MONTANO:

Just so I'm clear, we're tabling 1791?

CHAIRMAN CARACCIOLO:

Right now we're doing ••

LEG. MONTANO:

To Tuesday?

CHAIRMAN CARACCILOLO:

That's correct.

LEG. LINDSAY:

We're on 1909.

CHAIRMAN CARACCILOLO:

Okay?

LEG. MONTANO:

Did we call the vote on 1791?

CHAIRMAN CARACCILOLO:

Not yet. We're going to call that right now. All in favor? Opposed? Abstentions? 1791 to table. Yes. Unanimous. **(Vote: 7•1)**

MS. JULIUS:

Mr. Chairman, who was the motion and the second for the tabling, please?

CHAIRMAN CARACCILOLO:

Carpenter, Montano. Okay? Okay.

We have a motion on 1909.

LEG. CARPENTER:

It's being withdrawn.

MR. ZWIRN:

We're going to withdraw it. So, if you want to table it until we get a chance to ••

LEG. ALDEN:

Motion to table.

CHAIRMAN CARACCIOLO:

Motion to table, second by the Chair. All in favor? Opposed? Abstentions? Unanimous.

Table. (Vote: 7•0)

1939 (adopting local law, a Charter Law to amend the Suffolk County Charter to provide for on•going public disclosure of operating budget status) That has to be recessed •• tabled as well? Motion by the Chair, second by Legislator Carpenter to table. All in favor? Opposed? Abstentions? **Tabled. (Vote: 7•0)**

TABLED SENSE RESOLUTIONS

We have tabled sense resolutions. Is there any motion?

LEG. O'LEARY:

Motion to table.

CHAIRMAN CARACCIOLO:

Well, we don't need a motion if it's tabled.

LEG. O'LEARY:

Oh, it is tabled. All right. Continue to table. **(Tabled Sense Resolution S.036 continues to be tabled)**

INTRODUCTORY PRIME

CHAIRMAN CARACCIOLO:

Okay. We'll go to **IR 1957 (adopting local law 2005, a Charter Law to require action on the annual County Operating Budget before the general election)** That public hearing was closed.

LEG. O'LEARY:

Motion to table.

CHAIRMAN CARACCIOLO:

Motion to table by Legislator O'Leary.

LEG. MONTANO:

Second.

CHAIRMAN CARACCIOLO:

Second by Legislator Montano. All in favor? Opposed? Abstentions?

LEG. CARPENTER:

On the motion.

CHAIRMAN CARACCIOLO:

On the motion.

LEG. CARPENTER:

I just want to make a comment to the sponsor. I didn't get a chance to at the public hearing. But I think that the intent of this is •• is really quite admirable and something we ought to consider. I would suggest that perhaps we look at the time frame of •• or the required date that the County Executive has to submit his budget and move that up by the 13 or 14 days that Budget Review Office would be losing so that everyone has the same amount of time to really consider the budget in an appropriate time frame so we're not putting Budget Review Office at a disadvantage.

CHAIRMAN CARACCIOLO:

I appreciate that recommendation. However, I think we heard comment from Mr. Zwirn that they would not be able to submit an accurate presentation if their schedule were advanced any further than present. Am I correct?

LEG. CARPENTER:

Yeah, but they would just be starting •• you know, they'd have to start their process a week and a half earlier.

MR. KOVESDY:

We would have accurate revenues, Miss Carpenter.

CHAIRMAN CARACCIOLO:

Use the microphone, please.

MR. KOVESDY:

We would have accurate revenues. We would miss two sales tax checks in September. The Treasurer is reluctant to give us information until the last possible moment on everything from property taxes to interest in earnings. We would be woefully deficient in a lot of the information that we supply you now if we had to push it up.

CHAIRMAN CARACCIOLO:

Do either you or Gail know what the timetable in Nassau County is? I mean similar county, size, budgets about the same.

MR. KOVESDY:

Well, they released it on •• they released it three days before we did. They released it publicly on a Monday. And they got it to their Legislature on a Thursday. So, I think it was within one day of what we did.

CHAIRMAN CARACCIOLO:

Okay. So, the front end doesn't appear to be as much of a problem as the rear end with our Budget Review Office compared to their Budget Review Office.

MR. KOVESDY:

I'm sorry. I can't speak for them.

CHAIRMAN CARACCIOLO:

No, I know you can't. But I mean they do it. I don't understand why our Budget Review Office can't do it. But maybe we do a better job than they do.

LEG. CARPENTER:

Well, certainly more thorough.

LEG. ALDEN:

On the motion.

CHAIRMAN CARACCILOLO:

On the motion Legislator Alden.

LEG. ALDEN:

I don't have a problem with the concept here. As a matter of fact I'd even go further. Like, for instance, if the Legislature was going to give themselves like raises or something like that, that might be a good point to, you know, do that and call that vote before Election Day instead of after that day. But I don't have a problem with the concept here. And if we can work out the time frames where we're dealing with, you know, real time, money so that we're not just guessing at what's going to go on in the budget and cut down that end of it, I have no problem in voting on it before Election Day or whenever.

CHAIRMAN CARACCILOLO:

Okay. You have a built-in raise. You have a cost of living raise.

LEG. LINDSAY:

Do you have a bill in to give us a raise?

LEG. ALDEN:

I don't have a bill in to give us a raise. As a matter of fact, the last bill that gave us Legislators a raise, I actually voted against and was the only one here that didn't take the raise.

LEG. LINDSAY:

I know that. That's why I thought maybe you had a change of heart or something.

LEG. ALDEN:

No, same parameters.

LEG. CARPENTER:

I think his bill is going to be a merit based.

CHAIRMAN CARACCIOLO:

We have a motion to table. All in favor? I'm opposed.

LEG. ALDEN:

Opposed.

LEG. CARPENTER:

Opposed.

CHAIRMAN CARACCIOLO:

Any abstentions? Three opposed? Three opposed. So, we have one, two, three, four in favor?
Is that correct?

LEG. CARPENTER:

Yes.

CHAIRMAN CARACCIOLO:

Okay. Four in favor, three opposed. It carries. It's tabled. **(1957 Tabled. Vote: 4•3. Opposed Legislators Carpenter, Caracciolo and Alden)**

That brings us to Mr. Alden's resolutions **1958 (establishing a pilot program to repeal an unfair home heating fuel nuisance tax on Suffolk County homeowners) and 1964 (repealing home heating nuisance tax on Suffolk County residents)**. Motion to table by the sponsor, second by the Chair. All in favor? Opposed? Abstentions? Unanimous.

LEG. O'LEARY:

I abstain.

CHAIRMAN CARACCIOLO:

One abstention. Legislator O'Leary on that. **(1958 tabled. Vote: 6•0•1•0. Legislator O'Leary abstained)**

1964. Cameron?

LEG. ALDEN:

Motion to table.

CHAIRMAN CARACCIOLO:

Same motion, same second, same vote.

LEG. O'LEARY:

I abstain.

CHAIRMAN CARACCIOLO:

Yes. **(1964 Tabled. Vote: 6•0•1•0. Legislator O'Leary abstained)**

1970 (adopting local law 2005, a local law to extend the Hotel and Motel Tax for Suffolk County through December 31, 2010)

LEG. MONTANO:

I'm going to make a motion to approve. But, if, in fact, we pass as anticipated 1791, then I withdraw it because ••

LEG. ALDEN:

Second the motion.

LEG. MONTANO:

Really it's redundant at that point.

CHAIRMAN CARACCIOLO:

We have a motion and a second to approve. I would note that •• well, let me ask the question. Counsel, this extends the sales tax on hotel, motel to 2010. That seems to me to be a longer period than previous extenders. What was the previous extension? Was it for ••

MS. KNAPP:

I think it was •• was it four years? It was 2001, I believe.

CHAIRMAN CARACCIOLO:

Oh, it was four years. Okay.

MS. KNAPP:

I can double check.

CHAIRMAN CARACCIOLO:

This is for five years, then.

LEG. CARPENTER:

Mr. Chairman.

CHAIRMAN CARACCIOLO:

Yes, Legislator.

LEG. CARPENTER:

I'm a little reticent to pass this because I really believe that we need to have the enforcement mechanism in there. And if for some reason there's a problem with 1791, then, we can •• or whatever the number was •• yeah, it was 1791, that we then can always, you know, do the same thing and make a motion to discharge and lay on the table and let it age and so forth. But if you have that bill before us, it may take on a life of its own. And the more meritorious bill of the County Executive's would be •• county provisions in it may not even be addressed. So, I think we'd probably be safer to keep this one tabled.

CHAIRMAN CARACCIOLO:

Okay. Is that a motion?

LEG. CARPENTER:

I'll make a motion.

LEG. O'LEARY:

Second.

CHAIRMAN CARACCILOLO:

Motion by Legislator Carpenter, second by Legislator O'Leary.

LEG. ALDEN:

On the motion.

CHAIRMAN CARACCILOLO:

Yes.

LEG. ALDEN:

I think the sponsor of this bill has made clear that, you know, he's going to withdraw it. And I think that, you know, prudence would put this, you know, before the Legislative body. He's already indicated his support for the other one. And this is just in case the other one falls apart. We have something there. And I don't see a problem with that.

LEG. MONTANO:

If I may, as I said earlier, I'm just concerned about the time limit. Because if, in fact, we're going to do something, we should do it so we don't have an interruption of the tax. But there's no sinister plot to, you know, somehow sabotage. There were some issues on 1791. And I think that they've been addressed. We got a letter from the Treasurer. I received a letter from George Nolan with copies of other statutes. And I spoke with members of the Bar Association to see if they had any position on this bill. And they've indicated that they don't; that it doesn't affect the practice of law. So, you know, if you want to tabling it, fine. But I think the more prudent thing is to make sure that we have something that we can pass. We can always deal with an enforcement provision. We can put that in at any point in the process. We want to just make sure that the enforcement language that we use is an appropriate language for a bill of this magnitude. There's nothing sinister in this.

CHAIRMAN CARACCILOLO:

Okay. We have a motion.

LEG. CARPENTER:

Mr. Chair, if I could, I just want to respond. I certainly, certainly did not mean to intimate, if

that's how you took it, that I was suggesting there was anything sinister. I've been here twelve and a half years. And I just feel that if we all agree, which you seem to be saying that, that you agree with the enforcement provisions, that we should move forward on Tuesday, close that hearing and discharge the appropriate bill. To put this one out there just gives a possible opportunity for there to be confusion. And, again, if for some reason the will of the Legislature is to not include the enforcement provisions, then we can always discharge this bill.

LEG. MONTANO:

I don't want to belabor the issue, but I just got the amended changes. I just got the letter. I would like an opportunity to read it. I don't anticipate any problem whatsoever. But that's all that this would do. So, at your pleasure.

CHAIRMAN CARACCIOLO:

Okay. We have a motion and a second? All in favor?

LEG. LINDSAY:

To table?

CHAIRMAN CARACCIOLO:

To table. All in favor? Aye. Opposed?

LEG. LINDSAY:

Opposed.

LEG. MONTANO:

Opposed.

LEG. ALDEN:

Opposed.

CHAIRMAN CARACCIOLO:

Four, three. Carries. Tabled. (Vote: 4•3. Legislators Lindsay, Montano and Alden opposed)

That brings us to **1971 (to readjust, compromise and grant refunds and charge backs on**

correction of errors/County Treasurer By: County Legislature #220) Motion by the Chair, second by Legislator Carpenter. All in favor? Opposed? Abstentions? **Approved.**
(Vote: 7•0)

And Finally 1977 (resolution Number, 2005, apportioning mortgage tax by: County Treasurer)

LEG. CARPENTER:

Motion.

CHAIRMAN CARACCILOLO:

Motion by Legislator Carpenter, second by Legislator Losquardo. All in favor? Opposed? Abstentions? Carried unanimously. That concludes today's agenda.

(THE MEETING CONCLUDED AT 10:49 PM)

DENOTES SPELLED PHONETICALLY