

## ***BUDGET & FINANCE COMMITTEE***

***Of the***

### ***Suffolk County Legislature***

A 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 1, 2006.

#### **Members Present:**

Legislator Ricardo Montano • Chairman  
Legislator Louis D'Amaro • Vice•Chair  
Legislator Jon Cooper  
Legislator Viloría•Fisher  
Legislator Cameron Alden  
Legislator Daniel Losquadro  
Legislator Jay Schneiderman

#### **Also In Attendance:**

Presiding Officer William Lindsay • District \$8  
Legislator Jack Eddington • District #7  
Legislator John Kennedy • District #12  
George Nolan • Counsel to the Legislature  
Bob Martinez • Aide to Legislator Montano  
Linda Burkhardt • Aide to Presiding Officer Lindsay  
Paul Perillie • Aide to Majority Caucus  
Linda Bay • Aide to Minority Caucus  
Eric Brown • Aide to Legislator Schneiderman  
Justin Littel • Aide to Legislator D'Amaro  
Seth Squicciarino • Aide to Legislator Viloría•Fisher  
Renee Ortiz • Chief Deputy Clerk of the Legislature

Gail Vizzini • Director/Budget Review Office  
Robert Lipp • Deputy Director/Budget Review Office  
Paul Sabatino • Chief Deputy County Executive  
Ben Zwirn • Assistant County Executive  
Brendan Chamberlain • County Executive Assistant  
Tom Vaughn • Neighborhood Aide/County Executive's Office  
Lynne Bizzarro • Chief Deputy County Attorney  
Allen Kovesdy • Deputy Director/County Executive's Budget Office  
Peter Quinn • Resident of West Islip  
Sandy Sullivan • Legislative Liaison/AME  
Kevin Rooney • Oil Heat Institute  
Michael Sharkey • President/Deputy Sheriff Police Benevolent Assoc.  
Zabby • Government Access Television  
All Other Interested Parties

**Minutes Taken By:**

Alison Mahoney • Court Stenographer

***(\*The meeting was called to order at 9:59 AM\*)***

**CHAIRMAN MONTANO:**

I'm going to call the meeting to order and start with the Pledge of Allegiance from Legislator D'Amaro.

***Salutation***

Good morning, everyone. I want to apologize for running a little late. We don't have any correspondence this morning, but I have a card filled out from Pete Quinn; would you like to address the committee, Pete?

**MR. QUINN:**

Yes.

**CHAIRMAN MONTANO:**

Would you also put your address on this card when you finish your

presentation?

**MR. QUINN:**

Yes. Good morning, members of the Budget & Finance Committee. My name is Peter Quinn. I am reacting to •• I see three different RESOLVES on pennies for fossil fuel •• for gasoline and diesel tax reductions and I wonder aloud why •• I understand the political ramifications and why you're so late in doing this, but I'm wondering about the financial impact on the commuter. And I'm wondering aloud, next year will you introduce more RESOLVES in August to provide for the consumer?

**CHAIRMAN MONTANO:**

Pete?

**MR. QUINN:**

Yes?

**CHAIRMAN MONTANO:**

What bill are you referring to, do you have a bill number?

**MR. QUINN:**

There are three, one's Romaine, one's Losquadro and the other is Levy from your own ••

**LEG. ALDEN:**

Agenda.

**MR. QUINN:**

Agenda.

**CHAIRMAN MONTANO:**

Yeah, which one are you referring to?

**MR. QUINN:**

I'm referring to all three of them ••

**CHAIRMAN MONTANO:**

Okay.

**MR. QUINN:**

•• because they haven't been resolved and passed into law. And it just seems to me next year, are you planning to do something again in August when gas prices may be \$5? It just seems to me prudent that this should have been resolved back in May rather than still dealing with it in August.

And I wonder also why there's been no public outcry from officials about the \$152 million, which I call a bribe, that was given to Brookhaven Town and to Caithness in order to get approval for the generating plant in Yaphank. Particularly in light of the questions about the violations of SEQRA Law, the quitting of attorneys who were counseling Brookhaven Town, the suit before the Public Service Commission, it just seems to me that's ratepayers money, not LIPA's to give away. If you were trying to do it, you would put it up for a public referendum, not LIPA.

In addition to which there was a hedge fund by LIPA last year which saved LIPA, because they made investments in fossil fuels in the marketplace and saved \$200 million. I haven't heard anybody speak up to say, "Wait a minute, what are you doing with that money, LIPA?" Either reduce our bond indebtedness or arrange for a reduction in our rates; neither occurred and I'm surprised that public officials haven't spoke up on these issues. Thank you.

**CHAIRMAN MONTANO:**

Thank you, Mr. Quinn. Is there anyone else that would like to address the Budget & Finance Committee? Okay.

With that, Gail, is there anything you want to bring to the committee's attention before we get into the resolutions, or is there anything you would like to put on the record with respect to any of the resolutions before we start?

**MS. VIZZINI:**

Yes, thank you. We've prepared for the committee's information a memo regarding the fiscal impact on IR 1894 which caps gasoline at \$3. The

memo basically compares our own independent fiscal analysis to that provided on the County Executive's IR.

The third page of the memo compares Budget Review's estimate for the revenue loss to the County Executive's estimate for the revenue loss. There's a significant difference in the final column to the tune of about four million based on the price of 3.25 at the pump and the difference escalates as the price of gasoline goes up.

We also identify that the •• since the fiscal impact is overstated, so too may be the need for the offsets. The offsets in IR 1894, I just want to make sure the committee understands, are •• the majority of them are being taken from the purview of the Legislature in terms of their latitude for realigning monies in the 2007 Operating Budget for contract agencies, which we typically do not necessarily add money but realign which we did for the past several years. Most of the time the Legislature's priorities have been to realign funding for Health Services, Social Services Programs, prevention of domestic violence, youth programs, things of that nature.

And the last comment that we make in the memo is that the offsets used in 1894 are also referenced in IR 1885 which is also on your agenda which restores the three tax-free weeks. And the last paragraph talks about some good news in terms of Medicaid, which is that the base number, we've pretty much arrived at the base for 2005 upon which the '06 and '07 Medicaid expenditure numbers will be identified. And it's very good news, the number is lower that we could have even expected it to be and there will be some savings in our budget model as a result.

**CHAIRMAN MONTANO:**

Thank you, Gail. Any questions by any members of the committee?

**LEG. D'AMARO:**

I just have one quick question.

**CHAIRMAN MONTANO:**

Legislator D'Amaro.

**LEG. D'AMARO:**

Yeah, thank you.

**CHAIRMAN MONTANO:**

Legislator Alden next.

**LEG. D'AMARO:**

Yeah, I just wanted to ask you •• going back to the chart at the top of the third page of your memo, just explain the 875,792 figure at the bottom of the BRO column, 2007 estimate revenue loss.

**MS. VIZZINI:**

What we did there was take the average price and therefore the average revenue loss, you know, it's the average of the dollar figures for the three and a quarter, the 3.50, 3.75.

**LEG. D'AMARO:**

Oh, between the 3.25 to the \$4? In other words, that's the average revenue loss from all four lines?

**MS. VIZZINI:**

It's between the 3.50 and the 3.75, which I'm going to defer to the artist.

**MR. LIPP:**

Okay. What we presented was the four scenarios that are presented in the County Executive's fiscal impact and the one that we chose for our actual dollar number point estimate was the average of three and a quarter and 3.50, the first two.

**LEG. D'AMARO:**

All right, and the first column shows what you estimate the revenue loss to the County in sales tax to be, and of course the second column is the County Executive's estimate.

**MR. LIPP:**

Correct.

**LEG. D'AMARO:**

So the negative number is the difference between the two and you're projecting significantly less sales tax revenue loss if the \$3 cap is enacted.

**MR. LIPP:**

Correct.

**LEG. D'AMARO:**

All right, thank you.

**CHAIRMAN MONTANO:**

Legislator Alden?

**LEG. ALDEN:**

Thank you. On the page it starts at the top Fiscal Impact of IR 1894, Exhibit A Accompanying IR 1894•2006, you've got Legislative Grants, Consulting Services, Legislative Aides. So some of these don't really have to be actual revenue to be listed on here, and is that the way it came over from the County Executive's Office? Because I noticed this McArthur Airport, \$1 million; that's not revenue that we get from McArthur Airport now, is it?

**MS. VIZZINI:**

That's the anticipated revenue from an agreement that's referenced in the IR.

**LEG. ALDEN:**

What agreement is referenced in the IR? Is it an actual agreement, signed by both the parties? I'm just assuming ••

**MS. VIZZINI:**

Yeah. You know ••

**LEG. VILORIA•FISHER:**

•• the Town of Islip and the County Executive?

**MS. VIZZINI:**

I ••

**LEG. ALDEN:**

Because nothing came before the Suffolk County Legislature that was approved by the Legislature in regards to McArthur Airport revenue flowing from the Town of Islip to Suffolk County.

**MS. VIZZINI:**

Yeah, I would have to defer to the County Executive's Office. It's referenced in the IR.

**LEG. ALDEN:**

I'm making the assumption that this is just •• I guess it's a phantom type of •• you know, it would have to be phantom revenue because there's no agreement in place, there's nothing that's been approved by the Legislature on the contrary. When it's come over here it's either been tabled or it's been defeated, so I guess it's just a made•up number, so. All right, thank you. We'll look at it later.

**CHAIRMAN MONTANO:**

Any other questions? Legislator Schneiderman.

**LEG. SCHNEIDERMAN:**

Gail, just help me understand this. So in your opinion, on the \$3 cap, what is the amount that we would need to offset for?

**MS. VIZZINI:**

We would go with the average, the 875,792.

**LEG. SCHNEIDERMAN:**

So it's under a million dollars; 875,792?

**MS. VIZZINI:**

Correct.

**LEG. SCHNEIDERMAN:**

And the County Executive, in his bill, offsets with how much money?

**LEG. LOSQUADRO:**

Six point nine million.

**LEG. SCHNEIDERMAN:**

Six point nine million?

**MS. VIZZINI:**

Six point six nine would be the equivalent.

**LEG. SCHNEIDERMAN:**

Okay. All right, so we can offset •• and the price, right now I'm not sure what the price per gallon is, but the price per gallon of gasoline that we see at the pumps has the tax added and the \$3 cap is the pre•tax, is applied to the pre•tax number, is that correct?

**MR. LIPP:**

Correct.

**LEG. SCHNEIDERMAN:**

So the raw price of gasoline would have to go above \$3 before the cap, so it's actually possible that there will be no financial impact.

**MR. LIPP:**

Correct.

**LEG. SCHNEIDERMAN:**

Is that correct?

**MR. LIPP:**

That's possible.

**LEG. SCHNEIDERMAN:**

Have you looked at anything like a ten year trend line to determine •• because it seems like gasoline has spiked recently, and if you looked at it over a longer period of time, you might see that gasoline could actually go down? I'm not sure, but if you looked at the data on a ten year line, have you done anything like that?

**MR. LIPP:**

Well, it's clear that gas prices and energy prices in general are highly

volatile, so that if you look at it at any point in time you can't hang your hat on it and say that there is a trend because it's so volatile. The problem with looking at trend lines for gas prices now is the world is in such a different place that past trends probably wouldn't describe current behavior.

**LEG. SCHNEIDERMAN:**

Right. But in your professional opinion, so it's somewhere between zero and eight hundred or 900,000, roughly, would be the financial impact.

**MR. LIPP:**

What we try to do is size it as to where we best think prices will go and what we're saying is we think a conservative number is somewhere between the pump prices of three and a quarter and 3.50. Admittedly, in today's world with the geopolitical considerations and things like that, it's hard really to say with certainty, it's a moving target, but you do need to make your best projection and that's what we have here.

**LEG. SCHNEIDERMAN:**

Right. Because one of the problems obviously I'm having with the bill, with the five or \$6 million offset is that offset is all against Legislative budget items. A lot of it is discretionary funds but it goes to Omnibus funds that go towards things like food pantries and civic centers and cultural arts, groups that are •• not•for•profit groups that are providing needed social services within the community. You know, obviously I want to give relief to the motorists, but I don't want to empty out the pantries, you know, the cupboards of the food pantries.

So if we were to offset this with our Legislative funds at the numbers that you're projecting and we had to come up with \$800,000, we could •• I guess if we had to do that as a Legislature, we could work together and say, "Okay, we have to take 10% of those Omnibus funds and maybe some staff positions if we're going to go that route." But right now, as the bill is written, it's offsetting \$800,000 with five or \$6 million in cuts. So maybe it's something we need to talk about as a group to decide which direction to go and how, if we're going to do the \$3 cap, we would offset that.

**CHAIRMAN MONTANO:**

Legislator Losquadro, good morning. But before that we have Legislator Viloría•Fisher who wants to ask a couple of questions.

**LEG. VILORIA•FISHER:**

Gail, I'd like to go back to Exhibit A•D, the McArthur Airport \$1 million issue.

As I read this backup in Exhibit A in the actual resolution, it refers to legislation that was adopted on June 13th, 2006, and speaks to the share of the Homeland Security funding. Can you please go back to that and •• because I don't have that legislation in front of me, perhaps you could walk us through that and tell us how we arrived at that \$1 million.

**CHAIRMAN MONTANO:**

If I may, Legislator Viloría•Fisher. I understand that there has been an amended version of 1894; am I correct on that, Counsel?

**MR. NOLAN:**

There is an amended version.

**CHAIRMAN MONTANO:**

All right. I don't have a copy of the amended version and I don't think anyone on the committee has a copy, I believe that the copy is being made as we speak.

**LEG. D'AMARO:**

I have it.

**CHAIRMAN MONTANO:**

Can someone tell me when the amendment was filed.

**MR. NOLAN:**

Yesterday.

**LEG. D'AMARO:**

July 31; I have it here.

**MS. VIZZINI:**

7/31.

**CHAIRMAN MONTANO:**

What was that?

**MS. VIZZINI:**

It's amended as of July 31st.

**CHAIRMAN MONTANO:**

At 4:55. All right, Legislator Fisher, Vilorina•Fisher, go ahead.

**LEG. VILORIA•FISHER:**

I had just asked a question about that; could you just walk me through that, please?

**CHAIRMAN MONTANO:**

Who's the question to?

**LEG. VILORIA•FISHER:**

Gail.

**CHAIRMAN MONTANO:**

Gail, okay.

**LEG. VILORIA•FISHER:**

She was in the midst of responding before the interruption.

**CHAIRMAN MONTANO:**

Go ahead.

**MS. VIZZINI:**

I'm unfamiliar with the status of the agreement with the town, I'd like to defer to the County Executive's Office on that particular portion.

**LEG. VILORIA•FISHER:**

Thank you, Gail.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

What had happened was earlier in the year •• in fact, at this very committee •• we had a whole debate about the legislation that was going to attempt to collect the money from the town by using the ability to offset funds that were being paid to the County. As a result of the Legislature's considering that resolution, as you recall, we worked out a compromise. The Town of Islip showed up at the following meeting in Riverhead, which I think was at the end of May, and the agreement that we struck was that we would not adopt our resolution talking about doing the offsets and looking retroactively, but that they would, in fact, file the applications with the Federal government for the Homeland Security money on a forward•going basis. And we basically struck an agreement whereby the town adopted a resolution, I think it was the June 13th meeting, authorizing the filing of that paperwork and a Memorandum of Understanding was worked out between the town and the County.

So we now have a Memorandum of Understanding in place together with a commitment from the Town of Islip which, in my view, is a result of the fact that we put the legislation out here at the County level and basically generated a compromise. The projection on that on a forward•going basis •

**LEG. VILORIA•FISHER:**

Can we just back up a little bit? Because I recall that there were a number of debates and iterations of the entire issue with Homeland Security and the filing of the appropriate grant applications by McArthur Airport, etcetera. My question was there is a specific reference here to a June 13th adoption of legislation, and now you have also spoken about an MOU with Islip; which came first? Can you just walk me through that again because there were a number of iterations and I'm just trying to clarify that.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

The resolution that you're referring to on June 13th was a Town of Islip, that was the ••

**LEG. VILORIA•FISHER:**

That was not a Legislative resolution.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

No, because this Legislature opted, as you recall •• it was part of the strategy deliberations we had right at this very committee, in fact ••

**LEG. VILORIA • FISHER:**

Right.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

•• and it spilled over to the Legislative meeting in May. The outcome of that was that the Town of Islip agreed to adopt a resolution without the County passing a resolution talking about going for the offsets and the reimbursements and looking on a retro basis.

**LEG. VILORIA • FISHER:**

Okay, Paul. I just wanted to clarify that in my own mind because I didn't recall the passage of that legislation here.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

You're absolutely right.

**LEG. VILORIA • FISHER:**

So what you're saying is that indeed it was the Town of Islip, the Town Council passed a resolution on June 13th.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

That's correct.

**LEG. VILORIA • FISHER:**

Okay. And that incorporated the terms of the Memorandum of Understanding that you had with the Islip?

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

Well, what happened was that authorized the filing of the documentation,

the applications with the Federal Government by the town because the County can't do it. And as an outgrowth of that, there was simultaneously a Memorandum of Understanding laying out the respective parties, rights and obligations, that was executed shortly thereafter. So the resolution happened first.

**LEG. VILORIA • FISHER:**

And how does that get to \$1 million?

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

The \$1 million is a projection of the two year, 2006, 2007, expectation of what would be generated by the application. Again, it's not going back to 2001 as we had originally talked about doing.

**LEG. VILORIA • FISHER:**

Right.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

It's talking about from the period of time for 2006 and 2007.

**LEG. VILORIA • FISHER:**

And if the monies were not used as an offset here, they would be used for security at McArthur? I'm just reading what it says here, "The actual cost incurred by the County of Suffolk to provide 24/7 style security at McArthur Airport shall be used for the sole and exclusive purpose of offsetting the cost." So what •• if we were not offsetting the cost here, what would that money be used for, if it were not being used as an offset?

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

This is basically to account for the funds. Right now, right now this \$1 million has not been accounted for any place, anywhere, it was stricken from previous resolutions that talked about funding different programs.

**LEG. VILORIA • FISHER:**

These are anticipated revenues for which you had not already stated an expense, in other words.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

Exactly. So it would just •• if the revenues came in they would be •• depending on the timing of it, they would either flow to the fund balance and not be something you would control by virtue of expenditure, or they would become available to do something else.

**LEG. VILORIA • FISHER:**

Okay, so you're just capturing an anticipated revenue and using it here.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

Right, and trying to identify it as helping to ••

**LEG. VILORIA • FISHER:**

But you're not cutting any service ••

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

No, we're not, this would be the opposite of that.

**LEG. VILORIA • FISHER:**

•• by using this offset. That's what I wanted to clarify. Thank you.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

Correct, that's correct.

**CHAIRMAN MONTANO:**

Legislator Losquadro, did you have some questions?

**LEG. LOSQUADRO:**

In light of what's been put on the record by Budget Review, I guess at this point I'll save my comments for when we debate the bill.

**CHAIRMAN MONTANO:**

Legislator Alden?

**LEG. ALDEN:**

Thanks. I just want to clarify a couple of things. Security at McArthur is

provided by the Federal Government and the Town of Islip the last time I looked. Also the last time I looked, McArthur Airport was in the Suffolk County Police District, so taxes are paid by people in the Police District to have that type of service provided, Police services.

So to clarify a point, I don't think that our Suffolk County Police provide security at McArthur in the sense of like you go out and hire security officers; they're there doing the job that they do all over the five western towns. So unless I'm wrong, if they hired security officers then, you know, I'd like to be corrected on that then and find out, you know, what instruments we use to provide a special security for McArthur from the Suffolk County Police District, if that's the case; and I'll throw that out to anybody that can answer that question.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

I'm not sure I follow the point, but I can say that Commissioner Dormer, as a result of this, has cut back on the deployment of patrols that were taking place after eleven o'clock, number one.

Number two, there's 60 somewhat million dollars of sales tax revenue going in to the Police District, so to the extent that you generate a million dollars of revenue from the Homeland Security Grant, that's \$1 million less worth of sales tax revenue you take away from the General Fund. So that's the big picture answer.

**LEG. ALDEN:**

Well, that raises another question as far as my tax dollars in my Legislative District are going towards the Police District; am I getting less service in my Legislative District, cars are being tied up, is that what you're saying? Because we're paying for a certain amount of patrol that was represented to the people, there are patrols out there, there's sector cars and there's other type of special patrol. I hope that what is being said now is that we're not cutting back on patrol.

**MR. ZWIRN:**

If I ••

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

I can't even think of one word that I stated that was even close to a reference to ••

**LEG. VILORIA • FISHER:**

If I may, Paul?

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

•• a cutback for patrol.

**LEG. VILORIA • FISHER:**

Okay. If I may, Paul. I hope ••

**CHAIRMAN MONTANO:**

Wait, hold on. Legislator Alden has the floor.

**LEG. VILORIA • FISHER:**

Well, he asked him ••

**LEG. ALDEN:**

Well, he just mentioned that they cut back on the patrol after eleven o'clock at night. Now, I don't •• I'm very interested in hearing about a cutback in patrol, anywhere in my Legislative District. I'll make it a little bit more broad, if it's not at McArthur Airport then anywhere in my Legislative District, has there been a cutback in patrol?

**MR. ZWIRN:**

After eleven o'clock the airport is closed. So, I mean, why •• are you saying you do not want the Town of Islip to go after this million dollars for the County of Suffolk? You're saying the Town of Islip should just say ••

**LEG. ALDEN:**

It's nice to try to twist it around because I've been very clear.

**MR. ZWIRN:**

But I'm asking you, what seems to be the problem with asking the Town of Islip to file a letter with the department of Homeland Security to get a

million dollars in Federal funds to help offset Suffolk County taxpayers; are you against that or for that?

**LEG. ALDEN:**

Well, Ben, actually I was the one answering the question. You didn't answer my question but I'll answer yours, because I've been very clear in my testimony that the Town of Islip should have gone after that grant a long time ago. Now putting that aside ••

**MR. ZWIRN:**

Then we're all on the same page then.

**LEG. ALDEN:**

Right. Well, we're not on the same page because there was a representation just made that normal patrol has been cut back, something has been done differently over in the Town of Islip. That was the representation that was just made, Commissioner Dormer cut back on patrol after a certain time of night. I just want a clarification and I want a broader clarification, anywhere in the 10th Legislative District has patrol been cut back at any time?

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

As McArthur Airport after eleven o'clock, as Mr. Zwirn just stated.

**LEG. ALDEN:**

Why was the patrol ••

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

Unlike the previous administration that was assigning people to the airport after eleven o'clock when it was closed, we're redeploying and not doing that, there's no need to have it after eleven o'clock. And that's the only effect of the redeployment. The million dollars, as I stated before ••

**LEG. ALDEN:**

We did that for how many years? We did that since 1962, 63?

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

•• will be an additional million dollars that will come in to the County. To the extent that you generate an additional revenue of a million dollars, that's a good thing for the County because it alleviates pressure of a corresponding \$1 million in the General Fund with sales tax, so it's a net plus to the County.

**LEG. ALDEN:**

Well, let's get back to my original question which hasn't been answered. There was a patrol cut back. Now, it's been done for how many years, like since 1962? Now, all of a sudden in the past week or month, a couple of days, Commissioner Dormer has decided that now we don't need a patrol after eleven o'clock in one of the portions of the Town of Islip? I'm not understanding this.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

I'll just say it one more time. At McArthur Airport, in fact, this was described months ago when we talked about doing the retro, has absolutely no impact on the rest of the district except in a positive manner which is that police deployment that was being assigned to the airport after eleven o'clock will now be available to be in other parts of not just your Legislative district but I would imagine the entire Town of Islip.

**LEG. ALDEN:**

When was that decided to cut back on the patrol, a month ago?

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

No, it was earlier in the year, I don't remember the exact date. We were having the debate on this bill back in May, it was probably around that time.

**CHAIRMAN MONTANO:**

Maybe you want to take that up in Public Safety. Cameron, are you done?

**LEG. ALDEN:**

No, I'm going to take it up with the Commissioner.

**CHAIRMAN MONTANO:**

Rightfully so.

**LEG. ALDEN:**

Now I have the other •• the other part of my question is when we have Legislative grants •• not Legislative, I'm sorry, not Legislative grants but grants that are available to Suffolk County from other layers of government or even from private foundations, do we normally count those as income even before we've applied for them?

**MS. VIZZINI:**

Well, we wouldn't count them in the budget, but this is anticipated revenue, this is anticipated in the resolution.

**LEG. ALDEN:**

So it's okay to use that kind of stuff for offsets. I'm just getting the ground rules set here because, you know, I'll do things differently in the future, too. So even though we don't have them and nobody has made an application for them yet, we can still use those as offsets for legislation that we put in, because that's what's being done here. Just tell me it's okay here, yes; this was all right?

**MS. VIZZINI:**

Well ••

**LEG. ALDEN:**

Yes; I see it in the financial impact statement.

**MS. VIZZINI:**

Budget Review would encourage that we use reasonable expectations of revenue.

**LEG. ALDEN:**

I'll be reasonable. Okay, thank you.

**CHAIRMAN MONTANO:**

All right. We have Legislator Viloría•Fisher, then Legislator Kennedy.

**LEG. VILORIA•FISHER:**

Pass.

**CHAIRMAN MONTANO:**

Pass over to Legislator Kennedy who is not a member of the committee but we certainly will recognize you.

**LEG. KENNEDY:**

Thank you, Mr. Chair, I appreciate that. And I have questions and concerns and I figured that this is the appropriate place to be able to go ahead and hear some of the details associated with the bill. I guess what I'm going to do is I'm going to pose to BRO just a general procedural question about the amendments associated with Exhibit C as far as reducing the amount to be offset associated with Legislative Aides, and then to just ask for some type of a general explanation as to the mechanics of this provision. I am uncertain as to how this would operate and I would like to hear what your take is on the actual implementation of this item. It's the 350,000 associated with the, I guess, salary reduction associated with Legislative Aides and this pooling concept or redeployment/reassignment concept.

**MS. VIZZINI:**

It's actually addressed in the memo, although the dollars have been lowered. But the very •• I think it's page two of the memo, the next to last sentence, "The resolution calls for the 2007 Operating Budget to reduce permanent salaries in the Legislature by now \$350,000 less than we adopted in '06." So in 2006, we actually adopted in the Legislature's 1010 line where the Presiding Officer, the Clerk and Counsel are budgeted, \$7.1 million, so what this says is we would have to bring that down by \$350,000.

**LEG. KENNEDY:**

And how do we go ahead and achieve something like that?

**MS. VIZZINI:**

Well, when •• I mean, we have already submitted our budget request as approved by the Presiding Officer that took into consideration for the permanent salaries the fact that between the negotiated salary settlements as well as the extension of a 3% increase for 2007 and steps for aides as well as a 4% increase for elected officials, we're asking for that line to be at

least 7.2 million, not •• which our overall budget request is a zero percent increase. So bringing that particular line down would require that we keep a certain number of vacancies.

**LEG. KENNEDY:**

Is there a sufficient number of vacancies in the Legislative Aide structure? Do we have a sufficient number of positions at this point so that we would not be impacting live bodies, or does this actually •• will this translate to either exiting personnel sustaining salary reduction or termination?

**MS. VIZZINI:**

I don't believe that it will result in anything more than keeping at least 10 to 15 positions that are currently vacant vacant.

**LEG. KENNEDY:**

Then how will •• well, those vacancies, I would imagine, are spread in a variety of areas.

**MS. VIZZINI:**

Yes.

**LEG. KENNEDY:**

I myself have vacant positions in my own Legislative staff at this point, some of my colleagues, I guess, have larger compliments of staffing. There is no •• my question is what would be the ultimate impact to all of us as individual Legislators and/or to the staff that's here as far as a realignment or reassignment? And if these are questions you can't answer, perhaps maybe I have to wait until we debate the bill.

**MS. VIZZINI:**

I can't speak to the realignment because that would be at the prerogative of the appointing authority who is the Presiding Officer. But in terms of dollars, roughly, the average salary for the positions that •• the 16 vacancies that we have now, to take that \$350,000 figure, that alone is equal to about keeping seven positions vacant and then you're going to bring down the 7.1 million.

**LEG. D'AMARO:**

Can I go now?

**CHAIRMAN MONTANO:**

Yeah. We're going to hear •• Legislator Kennedy, are you ••

**LEG. KENNEDY:**

Well, I have another •• there's another aspect of this, Mr. Chair, and maybe this is something more appropriate to deliberate. But there is language apparently that says that this reassignment would be •• would take effect immediately upon enactment. So it seems to me that we have a twofold impact here, one is the actual fiscal reduction associated with the 350,000. But nevertheless, I'm again intrigued by how eleven either folks or vacancies wind up being reshuffled as we look at the latter part of this year. But I'll defer.

**CHAIRMAN MONTANO:**

Thank you. Legislator D'Amaro I think is going to have the last word on this.

**LEG. D'AMARO:**

That's a good point.

**LEG. SCHNEIDERMAN:**

I actually have one question, too.

**CHAIRMAN MONTANO:**

All right, I guess you won't have the last word.

**LEG. VILORIA • FISHER:**

Please put me on the list, I have a question also.

**LEG. D'AMARO:**

Just two quick points. It's a little off topic, but Mr. Sabatino, did I hear you correctly that •• I'm a little concerned about redeployment at the Islip Airport, but you only •• the department only redeployed after the airport closed; is that what you said?

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

That's correct.

**LEG. D'AMARO:**

All right, so the redeployment would free up officers to go into neighborhoods at night as opposed to a closed airport.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

Absolutely.

**LEG. D'AMARO:**

Okay. Just for the record, I don't have a problem with that.

Also, Ms. Vizzini, going back to your page three, you know, I think the debate really lies in this chart because I am having a hard time understanding how there could be such distance between the two sets of figures. I'm not saying who's right or who's wrong, I know both sides are making a good faith projection, but, you know, if we know that the offset has to be \$875,000 or if we know the offset has to be \$6.9 million in my mind makes a big difference. What I need to know is •• or can you confirm that because these are projections there is a chance that the projection may be higher up to \$6.9 million and then we would need the corresponding offsets.

My point is that if we're going to provide the relief and provide for the offset, I think we want to get this relatively right the first time. We want to know, we want to be voting on something and know what the real numbers are as close as possible. So I don't understand how we have such a disparity between the figures; can you take a shot at that?

**MR. LIPP:**

It would be admittedly somewhat presumptuous to say how the Executive estimated their numbers, because I don't claim •• we don't claim to do that, but we're very confident that these numbers, even though they are estimates, are fairly close. They use as a base the actual motor fuel sales tax revenue. The important part ••

**LEG. D'AMARO:**

Well, let me ask you this then. Did you look at the underlying assumptions of the Executive's figures and are there flaws in those assumptions?

**MR. LIPP:**

It's a different methodology that they use, I'm not familiar with the details of their methodology but I have some general recollections of what they are; I prefer not to speak to them but I could if you want. I would say, though, that probably the most important thing in terms of information as to what is the appropriate number is not whether or not our column of numbers is wrong, but rather which price you think is the most appropriate. As we stated earlier on, there's a lot of uncertainty as to where prices are going and we, with our best estimate, felt that the \$3.375 pump price would be an appropriate average price. If one felt that a higher price was more appropriate, than one would go with one of the higher estimates in the BRO column.

**LEG. D'AMARO:**

Yeah, Mr. Sabatino, any comment on the disparity between the two columns?

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

I might be able to help. I don't think it's a question of the methodologies being that far off. It's the old story from Harry Truman, you know, with economists, like I like to have a one-armed economist because economists tend to say, "On the one hand this, on the one hand that," that's what I'm about to say to you which is on the one hand this and the one hand that. But the key is, I think, that the retail price has to hit \$3.30 in order for the wholesale price of \$3, which is what the State Statute is based on, the wholesale price, to start to kick in. The problem is when you look at \$3.30, all of us, including myself, make the assumption that everybody is paying the \$3.30. But people buy high test, people pay •• you know, buy medium test and people buy regular. Regular right now is about \$3.30 on average. But the high test on average is maybe \$3.50 or \$3.60, so what you have to do is you're going to have to look at the distribution of purchases within the two categories.

Apparently it's about 50%, 50% of people who are being high test and people that are buying regular. So if you only look at the \$3.30 of retail and assume that everybody is buying at \$3.30, you get the lower figure. Our viewpoint internally was to be a little bit more conservative and to take into account the realities of the marketplace which are that at least 50%, if not more, of the consumers are purchasing high test which is substantially higher than the \$3.30, you're going to get a differential in the distribution of that revenue. That's how we came up with the higher figure. It doesn't mean that Budget Review is wrong and it doesn't mean that we're right, it just means that how you approach the issue gives you the range of values.

**LEG. D'AMARO:**

Thank you. I understand. And Ms. Vizzini, then if we are faced with two sets of assumptions and we go forward with this, the offsets could be adjusted later by the Legislature should one set of assumptions be more accurate than the other; is that correct, in the budget process?

**MS. VIZZINI:**

Absolutely. I mean, I would certainly caution you from using the Legislature as the offset, regardless of the magnitude. But once you go through the budget adopting process, you can have another bite at the apple, so to speak.

**LEG. D'AMARO:**

When we go through that budget process, will we have more firm information as to the sales tax loss should the bill be assigned into law?

**MS. VIZZINI:**

Well, you'll have some information. What you will have is how the County Executive treated the loss of revenue. I would hope that we would not be in the predicament where our budget was less than what we are comfortable with and we would have to add back to our own budget, but that's also within your purview at that time.

**LEG. D'AMARO:**

I don't understand what you said. In other words, what I'm saying at the

budget time, if it turns out that, well, you know, we passed this bill and we thought the loss of revenue was going to be 6.6 or \$6.9 million, it turns out it's only \$2 million; can we then adjust how we pay the two million? Can we address the offsets that are in this bill at that time?

**MS. VIZZINI:**

When you adopt the budget, you're certainly within your purview to realign and move monies or add to or reduce the Operating Budget that's presented to you, although this kind of sets the plan by what your intent is now.

**LEG. D'AMARO:**

And the last •• thank you for that answer. And the last comment I want to make, just in responding to Legislator Schneiderman about emptying the food pantries, certainly I don't think anyone wants to do that, but you show me a budget that doesn't have a little areas where it can be cut and I basically have a bridge I want to sell you. I mean, the bottom line here is I don't think anyone here wants to empty food pantries, but it's a matter of priorities. So I think that kind of overstates anyone's intention should this bill pass.

**CHAIRMAN MONTANO:**

Legislator Schneiderman?

**LEG. SCHNEIDERMAN:**

Yeah. I think before I even respond to Legislator D'Amaro on that issue, there was just some testimony by Mr. Sabatino and it just strikes me, from my own observations, that 50% of the people are not buying high octane gasoline, that by far the majority of people are buying the lowest. And I'd like to know, A, if you have any data that backs up your assumption. I'd like to also hear from BRO in their model whether they used any data to determine the ratio of people buying the lower priced gas versus the higher priced gas. Paul, if you can answer first.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

Two points. One, Budget Review made that estimate, but I can tell you the driving force on that, as I stated before, was to be conservative. The driving force was to be conservative ••

**LEG. LOSQUADRO:**

That's not what you said.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

•• and give you the range of value. So ours is based on the 50% which would put you at the upper range at the \$5 million as opposed to being •• as opposed to being, you know, 90% of the people are buying regular, which is contrary, it's counterintuitive, it's contrary to common experience. But more importantly, it's based on trying to be conservative with the estimation.

**LEG. SCHNEIDERMAN:**

For those of us who fill our tanks, we know that there are lines at the regular pumps and the other pumps are sitting there empty. And I think just by regular observation ••

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

If you want to get anecdotal, that's contrary to my own personal experience, but that doesn't make it the driving force.

**LEG. SCHNEIDERMAN:**

Well, no, but let's go •• I much prefer to look at data and statistics and I'm wondering if BRO has done that.

**MR. LIPP:**

Actually we did take into consideration premium gasoline, it is in our estimate, and the data that we used for that was we had some conversations with the New York State Department of Tax & Finance, Office of Tax Policy Analysis, in particular I spoke with the gentleman that will actually set the prices for capping gas on a quarterly basis. And based upon that conversation, he had told me that looking at the data that 10% of gasoline is premium and that 85% of all motor fuels or gasoline remainder being diesel. So we based our estimates on those actual point information numbers used by the actual person that's going to be setting the policy.

**LEG. SCHNEIDERMAN:**

Okay. And so 10% of the sales are premium?

**MR. LIPP:**

Ten percent of gasoline right now is actually down because of the higher prices, it used to be 15 to 20 perhaps a few years ago. Ten percent is premium and 85% overall of motor fuels is gasoline, the remainder being diesel basically. So we used that information in our estimates, that's implicit in our estimates. And it's also stated to some extent in our fiscal impact.

**LEG. SCHNEIDERMAN:**

Thank you. And then basically, just to respond to Legislator D'Amaro, the bill that's before us eliminates the Legislative grant money, and I know in my district where that money is going, it goes to several food pantries and many civic groups. You know, I would be willing to look at something that, you know, used BRO's projection and pay for it out of Legislative money, but I think it ought to be in balance and if we had to give up, you know, 10 or 20% of those grants, you know, I could accept that.

**LEG. D'AMARO:**

Right. I'm not trying to be antagonistic on the issue. That was my point before, that they're in the budget process, we do have the opportunity to revisit that. And you have my commitment that if ••

**LEG. SCHNEIDERMAN:**

But then you're putting the money back in, whether it's through Omnibus •• the money is going back in, so you're really not offsetting then if you're just basically taking away from our discretion ••

**LEG. D'AMARO:**

Well, no, no, no, it's based on looking at the projections at a later date to see if they hold true was my point. I'm not just going to restore the money for the sake of restoring it, but at least we'll have more •• a firmer grasp on closing the gap between the disparities and have real •• or hopefully more favorable numbers.

**LEG. SCHNEIDERMAN:**

But we heard testimony and we heard testimony ••

**CHAIRMAN MONTANO:**

Hold on, hold on, let's get some order. Legislator Schneiderman has the floor; go ahead, Legislator Schneiderman.

**LEG. SCHNEIDERMAN:**

We heard testimony from Mr. Sabatino that the Executive's numbers were based on 50/50 consumption of premium versus regular. We have testimony from BRO that their numbers are based on 10%, that data is out there. And I just suggest whatever we do, if we move forward, it's based on accurate information. And we can confirm it through another source if we need to do that, but there's no reason to over cut to pay for this. I'd rather use accurate data and if we have to make some cuts from Legislative grants or Legislative Aides, I will work with everybody to do that if that's what you feel the only way to provide this relief is through our own budget. I don't know that that's the case but I'm willing to work with you on that and I just would ask us to be able to sit down and determine something that's factually based in terms of a program where we could provide some relief or some protection from higher gas prices.

**CHAIRMAN MONTANO:**

Thank you. Before I recognize Legislator Vloria•Fisher, I think the Deputy County Executive wants to weigh in on this; is that correct, Paul?

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

Thank you, Mr. Chairman, just two points. One, I think I may have overlooked before which is that the offsets that are contained in the resolution are not just, are not just to pay for the offset of the loss of revenue. To the extent that there may be more offsets than there are projected losses of revenues, keep in mind that that becomes a down payment on the \$22 million anticipated shortfall that we have looking into 2007, because unfortunately, if you remember, the State Legislature, at the last minute, abandoned that last component of our overall deficit reduction package which was the uniform filing fee. So any •• to the extent that this may be \$1 more than what turns out to be the actual revenue loss, the County Executive has stated from day one that it becomes a down payment for next year to try to deal with the other \$22 million.

**CHAIRMAN MONTANO:**

Let me ask a question, and it may have been answered but I just want to be clear that I understand. The \$3 cap and the corresponding discussion about the lost revenue, I don't understand how we could have lost revenue. Did we factor in the anticipated receipts from gas sales over \$3 when we did our budget? Because I don't understand how we're talking about losing money that I don't think we anticipated getting in the first place. And what I understand, if I understand this correctly, these offsets go not necessarily to, quote, the lost revenue from the sales tax receipts on gasoline, but to plug another hole with respect to the mortgage tax that we passed and the State rejected. Am I phrasing that properly, do you understand my question, and is there an answer to that?

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

Well, part two of your statement is correct, that it was always contemplated in the context of this legislation that we need to deal with the \$22 million. We had hoped that the mortgage ••

**CHAIRMAN MONTANO:**

So this •• I'm sorry, Paul. This legislation combines the \$22 million shortfall on the mortgage tax issue, is that what you're saying?

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

No, what I'm saying is that the offsets take into account the reality that while you're voting on a \$3 tax cap on gas, you have a \$22 million issue to deal with. So to the extent that the \$6.6 million is \$1.6 million higher than our projection, that \$1.6 million would become a down payment on reducing the pressure for the \$22 million.

**CHAIRMAN MONTANO:**

Gail, do you want to weigh in on this, because I saw you nodding your head.

**MS. VIZZINI:**

Only that the uniform filing fee in that proposal came before the good news regarding the low number in Medicaid.

**LEG. LOSQUADRO:**

Right.

**MS. VIZZINI:**

And the Medicaid is almost equivalent to the \$22 million figure.

**CHAIRMAN MONTANO:**

So it basically offsets the 22 million is what you're saying.

**MS. VIZZINI:**

It's a policy decision in terms of what that savings would offset, but the budget is ••

**CHAIRMAN MONTANO:**

But using pure math, if we had 22 million that we're not getting and we just got 22 million, it should balance out, unless you make some changes somewhere else; am I correct?

**MS. VIZZINI:**

Correct.

**CHAIRMAN MONTANO:**

Okay. Go ahead, I'm sorry, Gail.

**MS. VIZZINI:**

The other response was no, we don't do the budget based on the price of gasoline. We •• it's something that we take into consideration ••

**CHAIRMAN MONTANO:**

Right.

**MS. VIZZINI:**

•• but when we •• Robert does his projections in terms of sales tax to check and balance what the County Executive proposes in terms of how much revenue are we going to get from sales tax, it's based on a growth factor in terms of the sales tax that we've gotten before and the components that go into that. So if gas is going up, it's one of the components but we're not

going to increase sales tax by that same percentage increase.

**CHAIRMAN MONTANO:**

Well, I would assume that you estimated a general increase in sales tax receipts factoring maybe a little bit of an increase in the price but not to the astronomical extent that we've experienced within the last year; is that accurate when you did your projections?

**MS. VIZZINI:**

Sales tax for 2006 was ••

**CHAIRMAN MONTANO:**

I'm talking about, yeah, the gasoline sales tax, not overall sales tax. When you factored in the component for the gasoline sales tax, what did you use as your basis and what projection did you •• I would assume that it went consistent with projection increases in other areas of the sales tax, or am I wrong on that?

**MR. LIPP:**

The answer is sales taxes in the budget is like one number, okay, there's not a separation for home energy or for motor fuels or for other items or for clothing. We do track those things individually, but when we run our forecast models we do the projection on the whole amount and the ••

**CHAIRMAN MONTANO:**

Hold on one second. Sorry, we thought it was a fire alarm. Go ahead.

**MR. LIPP:**

We do the projections on the whole amount simply because of the way the data is, it gives us the best projection. Then we judgmentally look at component pieces to see if perhaps an adjustment is needed. When we're looking at specific resolutions like this, then we look to the extent that we have the data such as our motor fuels or other bills for home energy.

**CHAIRMAN MONTANO:**

My point simply is that I don't think we factored in gas at this higher price in terms of factoring in how much we anticipated receiving in sales tax from

this particular item; am I correct in that?

**MR. LIPP:**

Yes, but it's a very dicey thing because then what happens is it feeds into the sales tax for other items ••

**CHAIRMAN MONTANO:**

Where you're losing money somewhere else?

**MR. LIPP:**

•• slowing of the economy; right, yes.

**CHAIRMAN MONTANO:**

Okay. I think Legislator Viloría•Fisher had some comments on this. By the way, we're not even at the bill yet.

**LEG. VILORIA•FISHER:**

Yes, I want to go back to Budget Review regarding the offsets and how actually this would be working.

Based on the questioning of Legislator D'Amaro, it seems that unlike some offsets which are not based on projections, and these seem to be very conservative projections on the part of the County Executive, but it gives us that cover if we do find that the revenues, the anticipated revenues are being lost at this higher number which is projected by this conservative methodology. However, if we don't reach those numbers, if we don't reach the almost \$7 million of loss of revenue, we are not compelled to make these cuts. We are still going to be looking at this and I believe, Gail, you used the expression we will have another bite at the apple. Because during our budget deliberations, when we look at the numbers that are real numbers, because we will know what kind of sales tax revenue we are working with, then at that point in time we can make •• have the deliberations necessary to decide how much we will be spending at all of these different •• and by the way, would we know by that time whether or not we have received the \$1 million from the Federal Government, or whatever amounts? What is the anticipated time that we would know whether those grants that have been filed by Islip would be receiving the

revenues?

**MS. VIZZINI:**

Well, the Budget Office is working on the recommended '07 budget now and it will come out mid September. So ••

**LEG. VILORIA • FISHER:**

We wouldn't know that soon.

**MS. VIZZINI:**

I don't think so, unless there is some speculation in terms of the revenue coming in.

**LEG. VILORIA • FISHER:**

Okay. Well, you know, that's not really the most critical point in my questioning. The point here is that although we have a very conservative look here at the loss of revenue, and it's looking at the high end of that loss in this resolution, it does not •• it does not require us to reflect this level of offsets if, in fact, we are not finding that we have that level of revenue loss. Am I making that too simplistic or is that basically the point here, that if we're not losing \$7 million in revenue we don't have to make \$7 million in cuts when we're laying out the budget.

**MS. VIZZINI:**

That's true. However, the concern I want to bring to your attention is that in Exhibit B in Resolution A, Legislative grants, the anticipated \$4.84 million savings, we don't know how the County Executive will put together, craft the 2007 Operating Budget. But that paragraph seeks to limit the Legislature's discretion to not •• not to exceed \$6.16 million in the aggregate as measured against what we did in 2006 adopted or the recommended budget as far as contract agencies.

**LEG. VILORIA • FISHER:**

Okay, I'm seeing Exhibit A, Gail, I'm not seeing Exhibit B.

**MS. VIZZINI:**

No, Exhibit A •• yeah, it's Exhibit A which is Legislative grants.

**LEG. VILORIA • FISHER:**

Yes, and you're talking about C under ••

**MS. VIZZINI:**

No, I'm talking about A; A of A. The next to the last sentence talks about not to exceed 6.16 million in the aggregate.

**LEG. VILORIA • FISHER:**

Okay, so that limitation is there with regard to how we approach the budget.

**MS. VIZZINI:**

So the question is to what extent does passing this •• if we don't need offsets of the magnitude indicated in the County Executive's fiscal impact statement, to what extent does this lock you in.

**LEG. VILORIA • FISHER:**

Okay, and that's part of my question to you.

**MS. VIZZINI:**

I can defer to Legislative Counsel. I firmly believe that you have absolute discretion in terms of what changes you're going to make to a recommended budget. But I do want to point out that in the previous year, what the Legislature did was there was a \$4 million contingency fund and we appropriated \$4 million from that contingency fund and aligned it for what the Legislature considered priorities and the County Executive did not identify, he had identified it as a contingency fund for health and human services or something of that nature.

In addition to that, we realigned additional monies, probably another \$6 million, again, realigning the priorities, restoring agencies who were not funded to the level that they got in 2005. And I just looked at what we did yesterday and the aggregate of the monies that were realigned were for Health Services, Social Services, youth, domestic violence programs and economic development.

**LEG. VILORIA • FISHER:**

So you're saying that in the aggregate, that realignment would have been included in that 6.16 cap that this is giving us?

**MS. VIZZINI:**

Yes. Well, I'm saying that instead of the \$10 million worth of discretion that you had last year, that's where the \$4.8 million savings is coming, that's how I read this; you know, what does this mean to the budgeteer. So this is looking to put parameters on you. How long those parameters will last would be a legal determination and probably Counsel would say, as I would say, when you amend the Operating Budget you regain your complete discretion. I just don't want the Legislature put in a position where the Legislature's budget is not adequately resourced and we have to add to it.

**LEG. VILORIA • FISHER:**

Okay, so then my question is to Counsel. How do you define the discretion that's •• that the Legislators have available to us at the time of the Operating Budget? Thank you, Gail, by the way.

**MR. NOLAN:**

My attitude is you have total discretion. This is a resolution that is stating that a reduction in the sales tax is going to be paid with certain offsets, but if the Legislature at a later date says otherwise, the later resolution will control, whether it be a budget resolution or another type of resolution.

**LEG. VILORIA • FISHER:**

Okay, thanks. Very good. Thank you very much, Counsel.

**CHAIRMAN MONTANO:**

Hopefully •• I'm going to move to the agenda and then we're going to •• we're going to come back to this.

**LEG. LOSQUADRO:**

Well, I really wanted to bring up something.

**CHAIRMAN MONTANO:**

Then go ahead, Legislator Losquadro.

## **LEG. LOSQUADRO:**

I really want to speak to the budget on this because to my mind this is a moving target and this argument keeps changing. First it was we have this •• there's going to be this tremendous impact and it's going to be based on a 50/50 split of the types of fuels that we're buying, and then, well, that turned out not to be the case. So then it was going to be a down payment on this huge \$22 million hole we didn't get, but then there was unanticipated revenue for Medicaid. So since we're talking about the budget and we have Budget Review here, in my recollection, in my time here, this is not how we budget. We don't put these down payments and create these slush funds in one bill and say, "Well, we can use that some other day on something else."

I think Budget Review brings up an interesting point about not using this Legislative money because there is an immediacy and I think that's something that's getting lost here. Yes, we can revisit this, but if we look at the difficulty that contract agencies have had in getting their contracts approved in the past, if we revisit this some time later in the year and they have to go through that process and get approved some time towards the end of the year, well, we've seen the problems that they've had at that point in submitting receipts, are we going to give them three weeks to get this done? Well, at the end of the year, nobody is going to get their money anyway. There is an immediacy to be had in using these contract agencies as an offset, because as far as I see it, if we do this now they're not going to get their money no matter what we do even if we revisit it later in the year based on the length of the process that I have seen as it takes place for these agencies.

We've heard the argument. Budget Review, you've heard this argument many times, that privatization saves this County money, we've heard that from the County Executive, we've talked about it many times. And we talk about the fact that private groups, not•for•profit organizations can provide services to residents of this County at a far lower rate than through the County and paying all the benefits associated with those things. Let's not fool ourselves. If these individuals are not receiving services from the organizations that we help provide funding for, they're going to come to County government for those services and it is going to cost us far more at

the end of the year in our budget model because these individuals are going to be coming back to government and we're going to have to pay for those services at a higher rate.

This is a totally inappropriate offset. It is penny•wise and pound•foolish and at the end of the year it's going to wind up costing us money. And even if we revisit it, based on the length of time I've seen for these contracts to be approved, these groups aren't going to get their money. If we approve this now their money is gone and they're going to wind up having to come back to government for the services that we are providing funding for at a far, far better cost than could be provided through government.

**CHAIRMAN MONTANO:**

I'm going to ask that we hold any further comments on this issue until we get to the respective bills. I'm going to move to the Tabled Resolutions first.

**Tabled Resolutions**

***1169•06 • Amending the 2006 Operating Budget transferring funds to provide for Emergency Medical Care Training and Equipment (Lindsay).***

**P.O. LINDSAY:**

Motion to table.

**LEG. COOPER:**

Second.

**CHAIRMAN MONTANO:**

Motion to table, second. All in favor? Opposed? Abstentions?  
Motion to table carries. ***Tabled (VOTE: 8•0•0•0).***

***1175•06 • Adopting Local Law No. 2006, a Charter Law to provide for fair and equitable distribution of public safety sales and compensating use tax revenues (Romaine).***

**LEG. ALDEN:**

Motion to approve.

**LEG. COOPER:**

Motion to table.

**LEG. D'AMARO:**

Second.

**CHAIRMAN MONTANO:**

Motion to table and a second.

**LEG. ALDEN:**

Who was the second?

**LEG. D'AMARO:**

Second.

**CHAIRMAN MONTANO:**

Legislator D'Amaro. All in favor? Opposed?

**LEG. ALDEN:**

Opposed.

**LEG. LOSQUADRO:**

Opposed.

**LEG. SCHNEIDERMAN:**

Opposed.

**CHAIRMAN MONTANO:**

Opposed is Legislator Alden, Losquadro and Schneiderman. ***Motion to table carries (VOTE: 5•3•0•0 Opposed: Legislators Alden, Losquadro & Schneiderman).***

**1523•06 • Amending the 2006 Operating Budget and transferring funds to Pederson•Krag Mental Health Clinic (Mystal).** I'm going to make a motion to table.

**LEG. D'AMARO:**

Second.

**LEG. COOPER:**

Second.

**CHAIRMAN MONTANO:**

Second by Legislator D'Amaro. All in favor? Opposed? Abstentions? Motion carries. ***Tabled (VOTE: 8•0•0•0).***

**IR 1646•06 • Adopting Local Law No. 2006, a Charter Law to establish a fiscally sound, flexible policy for managing budget surpluses (Lindsay).** Do I hear a motion?

**P.O. LINDSAY:**

I'm going to make a motion to table that for one more cycle, I'm working on a revision.

**CHAIRMAN MONTANO:**

I'll second that.

**LEG. LOSQUADRO:**

Second, or whatever.

**CHAIRMAN MONTANO:**

Okay, Legislator Losquadro is the second. All in favor? Opposed? Abstentions? ***Motion to table carries (VOTE: 8•0•0•0).***

**1658•06 • Electing a cents per gallon rate of sales and compensating use taxes on motor fuel and diesel fuel in lieu of the percentage rate of such taxes pursuant to the authority of Article 29 of the Tax Law of the State of New York (Romaine).**

**LEG. ALDEN:**

Motion to approve.

**LEG. COOPER:**

Motion to table.

**LEG. D'AMARO:**

Second.

**CHAIRMAN MONTANO:**

I have a motion to table and a second. Any discussion on the motion? All in favor of tabling? Opposed?

**LEG. ALDEN:**

Opposed.

**LEG. LOSQUADRO:**

Opposed.

**LEG. SCHNEIDERMAN:**

Opposed.

**CHAIRMAN MONTANO:**

Legislator Losquadro, Alden and Schneiderman are opposed. ***Motion to table carries (VOTE: 5•3•0•0 Opposed: Legislators Losquadro, Alden & Schneiderman).***

***IR 1685•06 • Adopting Local Law No. 2006, a Charter Law to clarify and strengthen provisions limiting amendments to the Capital Budget and Program (Lindsay).*** Do I hear a motion?

**LEG. LINDSAY:**

Same thing, I'd like to table that one more cycle, if you bear with me for some changes.

**LEG. LOSQUADRO:**

Second.

**CHAIRMAN MONTANO:**

Second by Legislator Losquadro. All in favor of tabling? Opposed? Abstentions? ***Motion to table carries (VOTE: 8•0•0•0).***

***IR 1786•06 • Repealing Resolution No. 992•2002 (County Executive).***

Do I hear a motion?

**LEG. COOPER:**

Motion to approve.

**CHAIRMAN MONTANO:**

Any second?

**LEG. D'AMARO:**

Second.

**LEG. LOSQUADRO:**

Explanation, please.

**CHAIRMAN MONTANO:**

Legislator D'Amaro is the second. Explanation, please.

**MR. NOLAN:**

This resolution repeals a prior resolution from 2002. That resolution from 2002 required a separate tax line on property tax bills for mandated and discretionary portions of the County budget, so it would eliminate that breakout on a tax bill, what comes from mandated, what comes from discretionary.

**CHAIRMAN MONTANO:**

Any further discussion?

**LEG. ALDEN:**

I have a question.

**CHAIRMAN MONTANO:**

Legislator Alden?

**LEG. ALDEN:**

You have Paul Sabatino here, what's the purpose of eliminating the line?

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

The rationale is to eliminate what actually has turned out to be a bill that started off with good intentions but has resulted in really, I think, the old doctrine of unintended consequences. When this legislation was proposed in 2002 by Legislator Crecca, the goal was to try to get two additional separate lines on the County portion of the tax bill to show mandated versus discretionary. The theory was that if you could identify those dollar amounts it would put pressure on the State to try to get some of the kinds of mandate relief reforms that everybody was looking for.

Unfortunately, what happened was the interplay of something that we have no control over, which is the State portion of the bill which is the column, if you look carefully at your bill, that talks about percentages is a separate column which we have no control over. And what does is that's pursuant to State law, it puts a percentage for each of the line items. So by way of example, what's happened the last two years is kind of the reverse of reality, so that in 2004, even though you collectively as a Legislative body with the County Executive held the line on property taxes, it showed in the first year this huge percentage increase on the mandated side. So you showed like a 30% cut or a substantial percentage cut on the discretionary side which really wasn't accurate because all you had done collectively was you had held the line on property taxes. By the same token, it showed this dramatic increase on the mandated portion percentage wise, okay; the aggregate figures were fine, but the percentages were distorted.

Then in the last tax cycle, which was for 2005, the opposite happened. When you looked at your tax bill a year ago, again, even though collectively the Legislature and the County Executive held the line on property taxes, you saw these 30 and 40% increases that were showing up in the State column that showed the percentage and the mandated column showed a

dramatic reduction.

So what's frankly happened as a result of the interplay of the percentages from the State is that it's distorted and really •• it's distorted and it's prevented the public from accurately seeing what you have done as a Legislative body and the County Executive. So I think it was an experiment that was well intentioned, we all thought collectively it was going to have a benefit, but I think it's actually backfired in some respects.

**LEG. ALDEN:**

I plan on ••

**CHAIRMAN MONTANO:**

Legislator Alden?

**LEG. ALDEN:**

I plan on supporting this, but is there some other way •• and, you know, I'll just throw it out there for the future, you don't have to answer today •• but some other way that we can get the word out to the taxpayers, you know, exactly what we're doing on it and what the mandated side is. It's just something that we should be thinking about.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

It's a good question. Thank you.

**P.O. LINDSAY:**

Mr. Chairman, I want to weigh in.

**CHAIRMAN MONTANO:**

Go ahead, Mr. Presiding Officer.

**P.O. LINDSAY:**

I'm not sure that it didn't work because I remember the days around here in 2001 and '02 of putting together the budget, and there was a period of time when we were being clobbered by pass•along costs from the State, primarily on Medicaid and, you know, as a result, not of this but of extensive lobbying, not only from Suffolk County but all over the State, we did get Medicaid

relief last year. So it was, you know, I think maybe part of the solution of getting some relief, and if it served its purpose, that's fine.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

It's a point well taken.

**CHAIRMAN MONTANO:**

Okay, I'm going to call the question. All in favor? Opposed? Abstentions? Motion to approve carries.

**LEG. SCHNEIDERMAN:**

I'm going to abstain on that one.

**CHAIRMAN MONTANO:**

Excuse me?

**LEG. SCHNEIDERMAN:**

I'm going to abstain on that.

**CHAIRMAN MONTANO:**

One abstention, Legislator Schneiderman. ***Approved***  
***(VOTE: 7•0•1•0 Opposed: Legislator Schneiderman)***.

***IR 1788•06 • A Common Sense Cost Mitigating Offset Plan for the cents•per•gallon sales tax (Losquadro).***

**LEG. ALDEN:**

Motion to approve.

**LEG. LOSQUADRO:**

Actually, seeing as the other bill was already tabled, I was going to make a motion to table.

**LEG. ALDEN:**

Which other bill? You can make a motion to table if you want.

**LEG. LOSQUADRO:**

I'll make a motion to table, but I was going to just offer some comments on the bill.

**LEG. D'AMARO:**

I'll second.

**CHAIRMAN MONTANO:**

I have a second by Legislator D'Amaro. Go ahead, Legislator Losquadro.

**LEG. LOSQUADRO:**

What I will say is that what is disappointing to me is I did a lot of work with Budget Review in identifying some real offsets that could be used for a prospective reduction plan, and as we look at other bills and other alternatives that have been put forward, and I know I didn't have the opportunity to address them until •• you know, the Legislature can only address the operating expenses at certain times, but these were not even considered by the Executive. We have a living wage contingency fund that sits at two•and•a•half million dollars a year and we have never extended more than \$375,000 annually out of that account. By simply reducing that by a million dollars to 1.5 million leaves us more than enough cushion to absorb any potential increase in our living wage contingency fund while still giving us a million dollars back a year. And based on Budget Review's analysis of a \$3 cap, well, that reduction right there could cover that in its entirety.

I also identified institutional health care costs, was it, Budget Review; was that 4.8 for this year?

**MS. VIZZINI:**

Institutional placement costs are ••

**LEG. LOSQUADRO:**

Institutional placement costs; could you refresh my memory as to what those dollar amounts were?

**MS. VIZZINI:**

I think it was \$5.4 million over the two year period.

**LEG. LOSQUADRO:**

Actually, I think it was a little more than that.

**MS. VIZZINI:**

A little less?

**LEG. LOSQUADRO:**

Yeah. But either way, even off the top of their head, that's \$5.4 million there, another million dollars annually from a reduction in the Living Wage Contingency Fund, that's \$7.4 million right there over the course of this year and next year that no one has talked about. I also raised the prospect in this bill of moving towards a best management plan of selling our tax liens which, incidentally, the County Executive talked about doing for a portion of the tax liens; I think it should be done for all commercial and vacant properties, not just for Brownfield. But this is something that is not being discussed. We're looking to take away from funding sources that provide a real cost savings to the County and we're looking to go after certain Legislative Aide positions which will not be an even distribution, and what message does that send to the public? That some districts are more important than others? Some districts require more staff and more assistance than others and other districts won't. If you happen to live there, I guess you won't get the level of service that you will if you happen to live in another district; I find that insulting. And I find it very insulting that putting real offsets and real opportunities for savings here have been overlooked and completely ignored.

So I think if we are going to move forward with a savings plan, it should incorporate some of these offsets that I worked with Budget Review to find. So being that Legislator Romaine's bill has already been tabled, I make the motion to table this, but I please put forward to my colleagues and to the County Executive Office, please, use these offsets that have been identified because they are real, they are there and they will not impact the type of services that people have to come back to County government and wind up costing us more in the end.

**CHAIRMAN MONTANO:**

All right, we have a motion to table and a second. All in favor? Opposed?

**LEG. ALDEN:**

Opposed.

**LEG. SCHNEIDERMAN:**

Opposed.

**CHAIRMAN MONTANO:**

Legislator Alden and Legislator Schneiderman are opposed.

***Motion to table carries (VOTE: 8•0•0•0).***

### **Introductory Resolutions**

***IR 1815•06 • Establishing a program to reduce unfair home energy nuisance taxes on Suffolk County residents (Alden).*** Is there a motion?

**LEG. ALDEN:**

Motion to table.

**LEG. VILORIA•FISHER:**

Second.

**CHAIRMAN MONTANO:**

Legislator Viloría•Fisher seconds. All in favor? Opposed? Abstentions?

Motion carries. ***Tabled (VOTE: 8•0•0•0).***

***IR 1816•06 • Repealing home energy nuisance taxes on Suffolk County residents (Alden).***

**LEG. ALDEN:**

Motion to table.

**CHAIRMAN MONTANO:**

I'll second that. All in favor? Opposed? Abstentions?

***Motion to table carries (VOTE: 8•0•0•0).***

**LEG. ALDEN:**

And just a brief explanation on those two; I was asked by the Chairman to wait until we're looking at the Operating budget, which I feel is a legitimate request, so.

**CHAIRMAN MONTANO:**

Okay, and I think that's the way to go.

***IR 1859•06 • Apportioning Mortgage Tax by: County Treasurer (County Executive).***

**LEG. COOPER:**

Motion to approve.

**CHAIRMAN MONTANO:**

Motion to approve, I'll second it. Brief explanation.

**MR. NOLAN:**

This resolution authorizes the apportioning of the mortgage tax by the County Treasurer. Counsel receives \$66 million in change and the villages will receive a total of \$5 million for a total of \$71 million. The breakdown of the distribution is attached to the resolution.

**CHAIRMAN MONTANO:**

Okay. Can we put this on the consent calendar?

**MR. NOLAN:**

No.

**CHAIRMAN MONTANO:**

Okay, then motion to approve. All in favor? Opposed? Abstentions? Motion carries. ***Approved (VOTE: 8•0•0•0).***

***IR 1866•06 • To readjust, compromise and grant refunds and chargebacks on real property correction of errors by: County***

**Legislature Control #754•2006 (County Executive).** Motion to approve? I'll make the motion.

**LEG. COOPER:**

Second.

**CHAIRMAN MONTANO:**

Second by Legislator Cooper. The motion is to approve and place on the consent calendar. Legislator Cooper is the second. Any discussion? All in favor? Opposed? Abstentions? Motion carries. **Approved and placed on the consent calendar (VOTE: 8•0•0•0).**

**IR 1885•06 • Implementing sales and compensating use tax exemption for clothing and footwear sales in 2007 to celebrate the Memorial Day Holiday, Thanksgiving Day Holiday and Labor Day Holiday (Presiding Officer Lindsay).** Do I hear a motion on that?

**P.O. LINDSAY:**

I'll make a motion.

**LEG. COOPER:**

Second.

**CHAIRMAN MONTANO:**

To approve?

**P.O. LINDSAY:**

Yes.

**LEG. COOPER:**

Second.

**LEG. SCHNEIDERMAN:**

On the motion.

**CHAIRMAN MONTANO:**

On the motion, Legislator Schneiderman.

**LEG. SCHNEIDERMAN:**

I have two questions. Well, the first question is a legal question, I was under the impression that it was all or nothing with the sales tax exemption on clothing, that either you could do it for the whole year or nothing, that you couldn't do individual days or weeks. Maybe Counsel could answer that.

**MR. NOLAN:**

That's correct. What this resolutions is doing is part of it is asking the State to change State law to allow tax-free, three tax-free weeks.

**LEG. SCHNEIDERMAN:**

Then why isn't it a Memorializing Resolution?

**LEG. LOSQUADRO:**

Because there's no State legislation.

**LEG. SCHNEIDERMAN:**

Then it's a Sense Resolution which is not permitted under our laws.

**P.O. LINDSAY:**

May I speak, please, Mr. Chairman?

**CHAIRMAN MONTANO:**

Mr. Presiding Officer?

**P.O. LINDSAY:**

This is strictly a Local Law, we've passed Local Laws in the past and then sought State permission in the past. We just did it with the •• with the bill to ask for an increase in fees on our thing that we failed to get State approval on, but we passed that resolution locally first and then sponsored a Home Rule Message when we had a bill number, and I intend to do the same thing here.

**LEG. SCHNEIDERMAN:**

Mr. Presiding Officer or BRO, how is it being offset; what are the offsets for

this?

**MR. LIPP:**

The offsets are, number one, it would cut town revenue sharing for '07 for the town and village police departments back to the '05 adopted level, that would be \$2 million there; it would cut Legislative contract agency initiatives by three million; it would reduce appropriations for Legislative positions and other Legislative expenses next year by a half of million; and it would increase General Fund sales tax revenue obtained by reducing the Police portion of sales tax by an amount equally expected, Police revenue from security at McArthur Airport of a million. So obviously, as the Director had mentioned earlier, there are conflicts with 1894.

**LEG. SCHNEIDERMAN:**

Thank you. Motion to table.

**LEG. LOSQUADRO:**

Second.

**CHAIRMAN MONTANO:**

We have a motion to table by Legislator Schneiderman. Seconded by Legislator Losquadro or Alden? Losquadro. Motion to table takes precedent; we'll call the vote. Any other discussion or further discussion before we vote? All right.

**LEG. SCHNEIDERMAN:**

Just on the tabling motion. And I think people could understand, I fought long and hard on this revenue sharing issue for the Police which I believe is a long-standing inequity. I would be inclined to support such a bill if it eliminated taking away money that has now been promised to those particularly east end Police Districts. I just ask the Presiding Officer to resubmit a bill that did not raid those funds.

**LEG. LOSQUADRO:**

And on the motion.

**CHAIRMAN MONTANO:**

Legislator Losquadro, on the motion.

**LEG. LOSQUADRO:**

And I will basically just reiterate all of my arguments that I made against the offsets that we were discussing when we were speaking with Budget Review before we went to the agenda and say again that these offsets are inappropriate and that there are other alternatives out there. And especially for a bill such as this that is date specific, that is not in perpetuity, does sunset, that we could provide real offsets that would cover this in its entirety without having to go after these types of offsets as proposed in this bill that are going to wind up costing the County money. Not to mention the fact that there is no State legislation and based on my conversations with the State is that they are completely unwilling to entertain this type of notion because it would create a domino effect and they would not want to deal with all the taxing agencies throughout New York State having the ability to create these tax-free times throughout the year. So I see no indication that this would ever take place in the first place, and secondly the offsets are completely inappropriate and there are other offsets available that would not hurt Legislative Districts or initiatives throughout the County that would wind up costing government more money in the end.

**CHAIRMAN MONTANO:**

All right, just for clarification, you stated conversation with the State; could you just elaborate in terms of who in the State or what entity or what department?

**LEG. LOSQUADRO:**

The New York State Senate, Central Council.

**CHAIRMAN MONTANO:**

Okay. I have Legislator •• who was first? I think Legislator Alden, go ahead.

**LEG. ALDEN:**

My first question would be to Counsel. George, the effect of this Local Law, in the sense that there is no enabling New York State Law, would be to accomplish what? And here's where I want to go to. We can't enact on our

own a sales tax reduction, so if that portion of the bill cannot be enacted, does it enact the offsets? Because as the bill is crafted, the offsets are included in the •• or are they not included in the language of the bill?

**MR. NOLAN:**

What the resolution does is directs the Presiding Officer to seek sponsors in the State Legislature to sponsor legislation to have the tax-free weeks. Further, that if such a resolution is •• such legislation is introduced in the State Legislature, it directs the Presiding Officer to prepare a Memorializing Resolution.

As far as the offsets go, further action is going to be required to do the offsets. This states that it's the intent of the Legislature to have •• to pay for the lost revenue with certain offsets, but this not •• this resolution by itself would not accomplish that, further action would be required later by the Legislature.

**LEG. ALDEN:**

We would be relying pretty much on the Presiding Officer's ability to persuade somebody update to follow our direction and allow us to do something like this, that's pretty much the gist of this Local Law.

**MR. NOLAN:**

Just what I said, it directs the Presiding Officer to do certain things to make it happen; so yes, in essence, that's what it does.

**LEG. ALDEN:**

Okay. Because, you know, then I don't even have to get to the merits of these proposed sources of funding because like some of them, like number four on here, "Three million from increasing General Fund sales tax revenue obtained by reducing the Police District portion of sales tax by an amount equal to the expected Police District revenue from providing security at McArthur Airport"; that's the double or the second proposed use of a speculative grant, as I read it, at best. It's not real money, they're talking about the speculative grant.

**MR. NOLAN:**

Well, they're referencing money that has not materialized yet, but there's an expectation that it will come.

**LEG. ALDEN:**

Okay. Just to be clear, if I vote for this, I'm not saying that I condone the activity by the Commissioner of Police in pulling patrols because, you know, as we all know that no criminal activity would ever occur at McArthur Airport after eleven o'clock at night, just like throughout the whole Police District no criminal activity would occur after things are closed. So we can rest assured that we're not hurting anybody by tying up cars or not putting patrol out there, so I don't want it to be interpreted that I'm condoning that or condoning any one of these proposed sources of funding. But I've got faith in the Presiding Officer, maybe he can convince people Upstate and then we can give the folks down here a little bit of relief. So thank you.

**LEG. SCHNEIDERMAN:**

Put me on the list.

**CHAIRMAN MONTANO:**

Legislator Cooper.

**LEG. COOPER:**

Just briefly. I have no idea what the State Legislature ultimately will do, but I did speak with a Republican State Senator from Long Island just a couple of weeks ago and he told me that he thought that the State would grant us authorization to do this; for what that's worth.

**LEG. ALDEN:**

Which one?

**LEG. COOPER:**

I don't think I should say since it was a private conversation with me, but you can •• I'll tell you after the committee meeting if you want.

**CHAIRMAN MONTANO:**

How come he knows and we don't? All right, we have a motion to approve.

Legislator Schneiderman.

**LEG. LOSQUADRO:**

We have a motion to table.

**CHAIRMAN MONTANO:**

I apologize, you're absolutely correct.

**LEG. SCHNEIDERMAN:**

I want to go back to Counsel because his testimony may change my opinion on this bill. The Counsel said a moment ago that these offsets are not actually part of the bill, in a sense, that the bill itself was just simply to make the request and that the offsets would be tackled later; is that correct? That we are not •• because I could support the concept of the tax •free days if we could discuss the offset separately.

**MR. NOLAN:**

The resolution states an intent to offset the lost revenue with the enumerated reductions that are in the resolution. But what I'm saying to you is this resolution does not accomplish those reductions, later action by this Legislature will be necessary to implement those reductions.

**LEG. SCHNEIDERMAN:**

Can I ask if the Presiding Officer would be willing to amend the bill to separate out the actual reductions until later?

**P.O. LINDSAY:**

No.

**CHAIRMAN MONTANO:**

All right, we have a motion to table. All in favor of tabling? Opposed?

**LEG. COOPER:**

Opposed.

**LEG. D'AMARO:**

Opposed.

**CHAIRMAN MONTANO:**

Okay. Those in favor, who's in favor of tabling? Schneiderman, Losquadro. Opposed? Alden, myself, everybody else on the committee, you got that?

**MS. ORTIZ:**

Yes.

**CHAIRMAN MONTANO:**

Okay. And now I guess we fall back on the motion to approve. We have a motion to approve and a second. All in favor of approving, say aye. Opposed?

**LEG. SCHNEIDERMAN:**

Abstention.

**CHAIRMAN MONTANO:**

One abstention. ***Motion to approve carries (VOTE: 7•0•1•0 Abstention: Legislator Schneiderman).***

Okay, final resolution. ***IR 1894•06 • Electing a cents per gallon rate of sales and compensating use taxes on motor fuel and diesel motor fuel in lieu of the percentage rate of such taxes, pursuant to the authority of Article 9 of the Tax Law of the State of New York in a fiscally responsible and prudent manner (County Executive).***

**LEG. COOPER:**

Mr. Chair, I would like •• if I could, I would like to call a two minute recess.

**CHAIRMAN MONTANO:**

We have a two minute •• make it a five minute recess.

**LEG. ALDEN:**

Jon wants to tell me the name of the Senator.

**CHAIRMAN MONTANO:**

All right, we're recessed for five minutes.

**(\* Brief Recess Taken: 11:29 AM • 11:58 AM\*)**

Okay, I'm going to call the meeting back to order. We were considering IR 11 •• I mean 1894, obviously we had a recess to discuss the implications of this bill. I'm going to ask Counsel for a brief status and an explanation so that we just put this out and then we'll decide which way to go. Counsel?

**MR. NOLAN:**

As with all these sales tax resolutions, I've been in contact with the State Department of Taxation & Finance and I just want to make the Legislature aware of a couple of issues with this particular resolution.

As I stated at the last General Meeting, the State likes to get sales tax resolutions clean; they provide us with a template and they like it to be passed in that form with not a lot of additional language or extraneous language. This particular State law that authorized localities to cap the gas tax, in fact, says that the Local Law and local resolution should be identical to the form that's provided by the State; this resolution is not identical to the template that's been provided by the State.

Also, this resolution would go into effect on September 1st; this law cannot go into effect on September 1st because we're too close. We have to pass • • we would have had to pass this resolution and had it up to Albany by August 2nd, so the earliest the resolution can go into effect is December 1st of this year.

The last thing I just point out is the latest amended copy states that the resolution will be sent up to Albany, but it also states that the Exhibit A should not be attached; I don't think we can direct the Clerk to do that.

**CHAIRMAN MONTANO:**

All right, there are several questions. We don't have anything in writing from the State at this time; is that correct?

**MR. NOLAN:**

I received •• they've made suggested changes to the County Executive resolution and those suggestions basically eliminate language that is not in

the State template. In terms of whether or not they'll accept this resolution, no, I don't have anything in writing.

**CHAIRMAN MONTANO:**

Okay. In light of that and in light of the fact that this issue I think is something that should be really discussed by the full Legislature, I'm going to make a motion to discharge without recommendation. Do I have a second on that?

**LEG. COOPER:**

Second.

**CHAIRMAN MONTANO:**

Legislator Cooper. Is there any discussion on this?

**LEG. ALDEN:**

Yeah, on the motion.

**CHAIRMAN MONTANO:**

On the motion, Legislator Alden.

**LEG. ALDEN:**

I find it real interesting that earlier today, it's only a few •• well, now it's a while ago •• but IR 1658 that would have provided real relief to the people in Suffolk County, that was pretty much tabled with not much debate. But when I think back to some of the debate that did occur, the people that seemed to be the proponents of this bill were adamantly opposed to any type of sales tax relief to be provided to the people in Suffolk County. They came up with one excuse after another; you can't enforce it, you can't do this, you can't make sure that the wholesaler doesn't up the price, the retailer up the price, everybody is going to get hurt, it's totally ridiculous, and yet now I don't hear those objections. I don't hear anything, so something must have changed within the past couple of weeks.

So I have to summarise, what did change? Well, the political fallout. When you vote against giving people a tax relief, there's fallout. So now what do you come up with? You come up with a bogus bill that would allow you to

have cover, so now you can vote for something that •• I mean, we heard the testimony before, doesn't provide any relief for anybody. Sales tax on gasoline has to go way up to provide any relief. This is nothing. Plus, now you start looking at where are the offsets.

**LEG. COOPER:**

Rick?

**LEG. ALDEN:**

Well, it's neat to look because the County Executive has now changed our rules, the rules of the Legislature. He's attempted to fill a possible budget shortfall with money, if it's not needed for this then we're going to need it for something else to fill a shortfall. So we're being a little bit less than honest with the public and very deceptive with the public as far as what we're going to use this savings for. Then you go into some of the •• like the portions that are used as offsets. And I like this one because I might craft bills in the future using this type of an offset, because there's a possibility of maybe applying to the Federal Government to get some kind of a grant for safety and security that came about after 9/11. So because there's a possibility of maybe applying and maybe getting that money, that we can use that as an offset.

So you talk about smoke and mirrors, that's really going above and beyond. And I'm looking at the rest of the offsets in here and it gets pretty sticky, pretty dicey. So I'm not real glad to see this type of behavior because it strictly is a political cover and it provides nothing for the people. In addition, it eliminates some of the power and the independence of the Legislature. So it will be interesting to see how people do vote on this and if there's any more discussion in general session about how come they changed their minds from providing the opportunity or taking the opportunity to provide real relief and going with some kind of bogus thing like this.

And in addition, let's just make it real clear, there are some provisions in here that will take away money from food pantries, will take away real money from people that are out there hurting. I mean, that's our prerogative to do that, but it will be real interesting to see what the

arguments are for and against taking that type of action.

**LEG. SCHNEIDERMAN:**

Rick, put me on the list.

**CHAIRMAN MONTANO:**

Legislator Cooper. And I want to remind the members of the committee that we're a half an hour over.

**LEG. SCHNEIDERMAN:**

Rick, put me on the list.

**CHAIRMAN MONTANO:**

You're on the list, Legislator D'Amaro I think is before you.

**LEG. COOPER:**

I would like to respond briefly to what Legislator Aldren said ••

**LEG. ALDEN:**

No, Alden.

**LEG. COOPER:**

Alden said was the motivation of myself and ••

**LEG. ALDEN:**

Oh, I didn't mention you.

**LEG. COOPER:**

•• other members of the Democratic caucus. Just for the record, since this issue first arose, and I have a couple of my Legislative Aides here that can confirm this, I have received no phone calls on this one way or another and one e•mail on this, and that gentleman was opposed to my opposition, off •stated opposition to the \$2 cap. When I called him back and explained my rationale, at the end of the conversation he understood completely and he agreed with me. So my position has nothing to do with concern over ramifications with the public. My conditions at least I believe are supportive of my position, and I can't speak for my colleagues but I think that most of

them would be able to say the same thing.

**CHAIRMAN MONTANO:**

Thank you. Legislator D'Amaro?

**LEG. D'AMARO:**

No, I'll pass, Mr. Chairman.

**CHAIRMAN MONTANO:**

All right, Legislator Schneiderman.

**LEG. SCHNEIDERMAN:**

We've heard from Counsel that this bill is defective in a number of ways, and one of those ways actually is when it goes into effect, which is December 1st of this year, we have a substantial amount of time. We heard testimony that the offsets in addition are well in excess of what would be needed in the worst case scenario, and I will make a motion to table so that we can work together so that we could fix the bill and develop offsets, even if they're Legislative offsets, I'd rather we as a body determine our own budget rather than the County Executive decide how much money we should take out of our budget; I'm certainly willing to do that with my colleagues. A \$3 cap, although it's not what I had originally hoped for, does provide some protection in the future and I just would urge you to table this so we can work together and not try to ram this down anybody's throat.

**CHAIRMAN MONTANO:**

I just want to •• what I understood from Counsel was that he had been engaged in conversations with the State or with some representatives of the State; I'm not going to rely on that for purposes of discharging a bill that I think should go before the Legislature. So we don't have anything definitive on that and we can resolve that later. I see that Mr. Sabatino would like to make a comment, I'm going to •• Go ahead, Mr. Sabatino.

**CHIEF DEPUTY COUNTY EXECUTIVE SABATINO:**

Thank you, Mr. Chairman, just to clarify the record. With respect to the September 1st date, we stated from day one, in fact, Legislator Kennedy had asked a question at the June 27th meeting, that to the extent that you

voted later in the process, it became increasingly difficult to get September 1st effective date. However, that's conditioned upon applying for a waiver from the State.

I said back then and I'll say it again, there's no guarantee that the State will issue the waiver because now you're down to a 22 day period instead of the 90 day period, back in June we were looking at a 53 or a 54 day period. However, it doesn't mean that it's automatically precluded, it means you've got to exercise discretion at the State level; that's point one.

Point two, real quickly, is that I know there's a concern about language in the bill dealing with the offsets at the same time.

Just to clarify for the record, in March of 2005, when we first started talking about energy taxes and adjustments and whatever, the State specifically in writing agreed to the very, very clause that we're talking about which is utilized in Exhibit A. Specifically said in that bill, we want pay for at that particular time the energy tax offsets with Exhibit A which listed •• Exhibit A was these many pages, they said okay to have an Exhibit A. So I just want you to understand, with respect to the core issue, you can, in fact, have simultaneously, based on what the State told us in March of 2005, the same thing happened later that year when we actually passed the bill.

Now, admittedly, dealing with people in the State Department of taxation and Finance is very frustrating, I've dealt with them over the years. They want you to change the title of a bill, for example. It's absurd; I used to dig in my heels with that, I would fight with them, they would back down. They want you to change WHEREAS clauses, I would fight with them and they would back down. The killer of yesterday's document is they want to take out the SEQRA clause; the SEQRA clause is incorporated in the resolution that was adopted last year, they want you to take the SEQRA clause out. So I think to the extent that one attorney in the State Department of Taxation and Finance who's got a different view than the other attorney in the same office is telling you to take a SEQRA clause out, you know, kind of speaks for itself.

And the close•out, the close•out point with respect to, you know, the offsets is that this •• if this is adopted in its current form, it's going to become a

blueprint, it's going to become a starting point for consideration of the budget as we move in to the deliberations in September of this year. You're not going to know at that particular juncture what the impact is of a \$3 price, but you might know the impact of what's been going on with the \$2 price.

Last point, real quickly, I checked with our Budget Office, they spoke to people in the State and they were told it's 50/50 on the breakout. So the statement I made to you before with respect to how the calculation was done was based on the State telling our people 50/50 is the benchmark. Thank you.

**CHAIRMAN MONTANO:**

Paul, I think you know I used to be an Assistant Attorney General in the State representing the various departments. I agree with you, talking to one attorney in one department in one division is not what I want to hear with respect to something as important as this, that's why I'm asking that we discharge it to the full floor. I'm going to ask to discharge it without recommendation. If there are no other motions, I'm going to ask for a vote and conclude the meeting.

**LEG. SCHNEIDERMAN:**

I made a motion to table.

**CHAIRMAN MONTANO:**

There was no second. Is there a second?

**LEG. LOSQUADRO:**

Second.

**CHAIRMAN MONTANO:**

Legislator Losquadro seconds the motion to table. Motion to table takes precedent. All in favor?

**LEG. SCHNEIDERMAN:**

Aye.

**CHAIRMAN MONTANO:**

Is that one or two?

**LEG. LOSQUADRO:**

Two.

**CHAIRMAN MONTANO:**

Two, Legislator Schneiderman, Legislator Losquadro. Opposed?  
Myself and ••

**LEG. COOPER:**

Opposed.

**LEG. D'AMARO:**

Opposed.

**LEG. VILORIA • FISHER:**

Opposed.

**CHAIRMAN MONTANO:**

Abstentions? All right, motion to table fails.

I have a motion to discharge without recommendation.

**LEG. KENNEDY:**

Mr. Chair, just on the motion.

**CHAIRMAN MONTANO:**

I'm going to recognize Legislator Kennedy.

**LEG. KENNEDY:**

Thank you very much. And again, I'll keep it brief, particularly since I'm not a member of the committee. But as I said before in my dialogue with BRO, I still have actual implementation questions associated with Exhibit A, Item C which is the savings that will be achieved vis•a•vis Legislative staff.

But more importantly, I think I'd like to point out that if, in fact, a gas cap does take effect in September, then this language would appear to put this redeployment of Legislative Aides in play at that time. Now I guess I'm going to defer to Legislative Counsel and ask him is that true.

**CHAIRMAN MONTANO:**

I'm sorry, I ••

**LEG. KENNEDY:**

Okay, yes, I'm sorry, too. I need to ask Legislative Counsel, I guess, if that scenario is actually certain. Mr. Sabatino has indicated that there is a possibility that September 1 could be the implementation date for the gas cap. Whether it's September 1 or December 1, the language in Exhibit A Item C seems to put this redeployment concept of Legislative Aides into effect at the same time that the gas cap takes effect. First of all, is that true; if we get implementation on September 1, then do we have the movement of these Legislative Aides at that same time?

**MR. NOLAN:**

It says the redeployment will take effect upon the effective date of the tax cap contained herein; if the effective date is September 1, that's when it would happen. What I'm telling you is I don't believe it can be implemented on September 1, the tax cut •• I mean the tax cap cannot be implemented on September 1, I don't believe there's any mechanism to get a waiver in the timeframe that we're in now.

**LEG. KENNEDY:**

Which I appreciate, but regardless of whether it's September 1 or December 1, my next question to you is how is it then that the Legislative Aides are apportioned or determined? Is this by •• subjective as to the determination of the PO or do we have allocation associated with the rules of the Legislature? How is it that we come to have the scheme that we presently enjoy as far as our Legislative Aides?

**MR. NOLAN:**

The rules do say that each Legislator will get three aides. Now, this

resolution is being •• there would be some conflict.

**LEG. KENNEDY:**

So how do we reconcile? In one case we have a set of rules that we operate under, in the next case here is a resolution that, in essence, is flying in the face of those set of the rules; which take precedence?

**MR. NOLAN:**

I would say the later resolution would take effect.

**LEG. KENNEDY:**

So in essence, then we would have been negating that whole concept associated with what we adopted in the first instance as far as the rules. And really assignment of Legislative Aides then would be, what, at somebody's whim?

**MR. NOLAN:**

The language says at the discretion of the Presiding Officer of the County Legislature, as determined in accordance with the rules of the County Legislature.

**LEG. KENNEDY:**

So by this resolution, we would we renouncing that aspect of the rules we adopted in January; is that correct?

**MR. NOLAN:**

To the extent this resolution means that there would be less than three Legislative Aides for any Legislator, which I don't know that to be the case, there would be a conflict. And I would have to say that the later resolution would take precedence, this being passed later. So yes.

**LEG. KENNEDY:**

Another point of that question, I guess, goes to BRO. I see that this speaks of a \$350,000 reduction in that budget code or 001•1010. There is a separate cost associated with the staff, isn't there, as far as softs, medical expenses and some of the other items. Where do we find that in our budget process?

**MS. VIZZINI:**

Well, it's not •• benefits are not in the Legislature's budget or any of the departmental budgets, generally speaking, they're in the benefit section of the budget.

**LEG. KENNEDY:**

And that's a unified lump sum that's applied across the board?

**MS. VIZZINI:**

Pretty much.

**LEG. KENNEDY:**

So there's no concomitant reduction that we're looking at here where we would have salary reduced or the possibility of •• or at the very least maintaining vacancies. In essence, what we're doing is in one respect we would be reducing salary line, but we're allowing that other line to remain as if there were these individuals that were on board.

**MS. VIZZINI:**

Well, it's not specifically mentioned in the offsets.

**CHAIRMAN MONTANO:**

Okay. Legislator Kennedy ••

**LEG. KENNEDY:**

Thank you.

**CHAIRMAN MONTANO:**

•• we're 45 minutes over our time. We are looking to bring this debate to the full Legislature. I would ask that if you could sump up so we can, you know, decide which way we're going to go.

**LEG. KENNEDY:**

Mr. Chair, I've got them, it's questions I have now and questions I'm going to have on Tuesday.

**CHAIRMAN MONTANO:**

We'll bring them up at the Tuesday meeting.

**LEG. ALDEN:**

Mr. Chairman?

**CHAIRMAN MONTANO:**

Go ahead, Legislator Alden.

**LEG. ALDEN:**

Whoever made the motion, would they consider ••

**CHAIRMAN MONTANO:**

I made the motion.

**LEG. ALDEN:**

Okay. Would you consider amending it, as long as it's just to get the out there to the full Legislative body, to also include a discharge of IR 1658 and 1788 so that we can have a full dialogue by the whole Legislative body on what we want to do with the sales tax for gasoline?

**CHAIRMAN MONTANO:**

No, I'm not, I'm not going to make a motion to reconsider on those. I'm just going to ask that we discharge this bill without recommendation.

Okay, can we call the question? All in favor of discharge without recommendation? Aye.

**LEG. COOPER:**

Aye.

**LEG. D'AMARO:**

Aye.

**LEG. VILORIA • FISHER:**

Aye.

**CHAIRMAN MONTANO:**

All opposed?

**LEG. SCHNEIDERMAN:**

I'm opposed.

**CHAIRMAN MONTANO:**

Legislator Schneiderman. Abstentions?

**LEG. LOSQUADRO:**

Abstain.

**LEG. ALDEN:**

Abstain.

**CHAIRMAN MONTANO:**

Legislator Losquadro and Alden. ***Discharged without recommendation (VOTE: 5 • 1 • 2 • 0 Opposed: Legislator Schneiderman • Abstentions: Legislators Losquadro & Alden).***

With that, I conclude the meeting of this committee.

Thank you very much.

***(\*The meeting was adjourned at 12:16 PM\*)***

***Legislator Ricardo Montano, Chairman  
Budget & Finance Committee***

***{ } • Denotes Spelled Phonetically***