

BUDGET & FINANCE COMMITTEE
OF THE
SUFFOLK COUNTY LEGISLATURE

MINUTES

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 Tuesday, January, 30, 2007.

Members Present:

Legislator Ricardo Montano - Chairman
Legislator Jon Cooper - Vice-Chair
Legislator Cameron Alden
Legislator Jay Schneiderman
Legislator Steve Stern

Also In Attendance:

George Nolan - Counsel to the Legislature
Bob Martinez - Aide to Legislator Montano
Linda Burkhardt - Aide to Presiding Officer Lindsay
Renee Ortiz - Chief Deputy Clerk of the Legislature
Gail Vizzini - Director/Budget Review Office
Linda Bay - Aide to Minority Caucus
Ben Zwirn - Assistant County Executive
Brian Beedenbender - County Executive Assistant
Allen Kovesdy - Deputy Director/County Executive's Budget Office
All Other Interested Parties

Minutes Taken By:

Donna Catalano - Court Stenographer

(*THE MEETING WAS CALLED TO ORDER AT 9:33 A.M.*)

CHAIRMAN MONTANO:

Good morning. We're going to start the meeting of the Budget and Finance Committee with the Pledge of Allegiance led by Legislator Schneiderman.

SALUTATION

CHAIRMAN MONTANO:

Thank you. Good morning, everyone. This is our first meeting this year. And we have no cards. Is there anyone who would like to address the Legislature? All right. Hearing none, I have no correspondence. Gail, is there anything you would like to address this year with respect to the Budget and Finance Committee?

MS. VIZZINI:

Actually, not as yet, Mr. Chairman. It's too early for us to do any of usual projections on positions because the early part of the year, the position control and the biweekly are not quite up to date in terms of any of the changes that we made in the '07 Budget.

I will acquaint you with the fact that we have reached out the Executive Budget Office. Both offices, as priorities permit, will be working on their budget model. And as required by the Charter, we will brief you in terms our quarterly report on the budget model, but that will probably be not until late February, early March.

CHAIRMAN MONTANO:

Legislator Schneiderman.

LEG. SCHNEIDERMAN:

As you know, I often ask this question about sales tax revenues, because so much of our budget, 1.2 or so billion dollars is from sales tax revenues. And we were working on some assumptions at the end of last year going into this year as to what the growth on the sales tax revenues would be. We didn't obviously have the benefit of that fourth quarter. Do we have those numbers now? Did last year come in around where we projected it or below where we projected or above? And how will that change our model.

MR. LIPP:

Actually, as a prelude, the year is not actually over for the budget. There are February accruals, so we get portions of two more checks next month. That being said, as a caveat, we expect to be ahead of the game for 2006.

LEG. SCHNEIDERMAN:

Ahead of our dire forecast or ahead of our original forecast? The actual -- when we collected taxes last year, we collected it based on sales tax revenue growth of I think 2.65 in that range?

MR. LIPP:

Very close, 2.75%. And actually what I'm referring to is the only thing that really matters in life is what the budget adopts, okay?

LEG. SCHNEIDERMAN:

Right. But we had made some adjustments during the course of the year anticipating that it wouldn't come in at 2.75, right? And we didn't spend some budgeted money or transferred --

MR. LIPP:

I'm referring to the 2007 Adopted Budget. There's a 2006 estimated number in there, which we expect to exceed once the February accruals come in.

LEG. SCHNEIDERMAN:

For '06, what was the growth in the sales tax revenue. Do you have that figure approximately?

MR. LIPP:

I could look it up.

LEG. SCHNEIDERMAN:

Approximately. Was it three?

MR. LIPP:

We're talking in the high twos in all likelihood. So We expect to exceed the budget by perhaps in excess of \$4 million, but that remains to be seen when we get next month's checks.

LEG. SCHNEIDERMAN:

So on one hand, it's good news, it's higher than we anticipated, but it's still -- in terms of the economy, it's still pretty low numbers in terms of the growth keeping pace with inflation or some of the other costs.

MR. LIPP:

Our forecast adjust for how we feel the economy is going. And we felt that we had a conservative number to begin with. And it's coming in slightly above that, so that's good. The good news is we expect a few million more. Let's wait and see next year -- rather next month.

In addition to that, that's only a small piece of overall budget among other things. We have a large fund balance surplus that helped to adopt the '07 Budget. And that's, you know, a large nut that we have to look at coming into to next year or '08's Budget.

LEG. SCHNEIDERMAN:

One last question. When we did the '07 Budget, the number we used for growth was 2.5 or was it a little higher?

MR. LIPP:

It was 2.75.

LEG. SCHNEIDERMAN:

2.75. Okay. So that was conservative basically knowing what we know now that we could have potentially gone a little higher.

MR. LIPP:

A little bit higher. But, of course, it always makes sense to try, if possible, to be on the conservative side, it's good -- better budgeting. So if we have a few million dollar surplus, it's very, very close to the pin. You're talking just in the General Fund alone we adopted \$1.1 billion in sales tax revenue.

LEG. SCHNEIDERMAN:

Thank you.

CHAIRMAN MONTANO:

Legislator Alden.

LEG. ALDEN:

I apologize for not doing this at the beginning of the meeting. This is our first committee meeting of '07, and I would offer a suggestion that we observe a moment of silence for those that have put their lives in harm's way, those that have actually given the ultimate sacrifice. And also for our Legislative Counsel's father who was a long time political -- politically involved in the Islip area, Mr. Nolan, recently passed away. So I would ask, if you could --

CHAIRMAN MONTANO:

Absolutely.

MOMENT OF SILENCE

CHAIRMAN MONTANO:

Thank you Legislator Alden.

CHAIRMAN MONTANO:

Anyone ask any questions to Budget Review? Let's move into the resolutions. First resolution, Tabled Resolution.

1985, Of the Suffolk County Legislature 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, with a \$3.00 cap, pursuant to the authority of Article 29 of the Tax Law of the State of New York.

LEG. SCHNEIDERMAN:

Motion to table.

CHAIRMAN MONTANO:

Motion to table.

LEG. COOPER:

Second.

CHAIRMAN MONTANO:

Motion to tabled, seconded by Legislator Cooper. Any discussion? All in favor? Opposed? Abstentions? Motion to table carries **TABLED (VOTE:5-0-0-0)**.

2024, Adopting offsets in connection with cap on gasoline sales tax.

LEG. SCHNEIDERMAN:

Same motion.

CHAIRMAN MONTANO:

Same motion, same second, same vote. Any discussion. All in favor? Opposed? Abstention? Motion carried. **TABLED (VOTE:5-0-0-0)**.

2045, Adopting a Local Law, a Charter Law to provide for fair and equitable distribution of public safety sales and compensating use tax revenues.

CHAIRMAN MONTANO:

My understanding is that the public hearing on this resolution was recessed until 2/6, so I'm going to make a motion to table for public hearing.

LEG. COOPER:

Second.

CHAIRMAN MONTANO:

Any discussion, Legislator Alden?

LEG. ALDEN:

No. This is an important issue, but I think we're developing the history and everything else in the public hearing.

CHAIRMAN MONTANO:

All in favor? Opposed? Abstentions? Motion to table carries. **TABLED (VOTE:5-0-0-0).**

2557, To readjust, compromise and grant refunds and charge-backs on real property correction of errors by: County Legislature.

I'm going to make a motion to approve and place on the Consent Calendar, seconded by Legislator Cooper. Any discussion? All in favor? Opposed? Abstentions? Motion carries. **APPROVED (VOTE:5-0-0-0).**

2558. To readjust, compromise and grant refunds and charge-backs on correction of errors/County Treasurer No. 263.

CHAIRMAN MONTANO:

Same motion, same second, same vote. All those in favor? Opposed? Abstentions? **APPROVED (VOTE:5-0-0-0).**

2598. Adopting a Local Law to amend section C4-35 of the Suffolk County Charter.

CHAIRMAN MONTANO:

Let me counsel for an explanation. It needs to be tabled for a public hearing.

LEG. ALDEN:

I'll make a motion to table for a public hearing.

CHAIRMAN MONTANO:

I'll second it. All in favor? Opposed? Abstentions? **TABLED** for a public hearing **(VOTE:5-0-0-0).**

1013, Repealing home energy nuisance taxes on Suffolk County residents.

LEG. ALDEN:

Motion to table.

CHAIRMAN MONTANO:

I'll second that. Any discussion? All in favor? Opposed? Abstentions? **TABLED (VOTE:5-0-0-0).**

1014, Establishing a program to reduce unfair home energy nuisance taxes on Suffolk county residents.

LEG ALDEN.

Motion to table.

CHAIRMAN MONTANO:

Motion to table by Legislator Alden. I'll second that. Any discussion? All in favor? Opposed? Abstentions? Motion carries. **TABLED (VOTE:5-0-0-0).**

There being no further business of the committee, it's adjourned.

(*THE MEETING WAS ADJOURNED AT 9:43 A.M. *)

{ } DENOTES BEING SPELLED PHONETICALLY