

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, June 19, 2007.

Members Present:

Legislator Ricardo Montano - Chairman
Legislator Cameron Alden
Legislator Jay Schneiderman
Legislator Steve Stern

Member Not Present:

Legislator Jon Cooper - Vice-Chair - Excused Absence

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
Debra Alloncius - AME
Karen Boorshtein - Family Service League
All Other Interested Parties

Minutes Taken By:

Donna Catalano - Court Stenographer

(*THE MEETING WAS CALLED TO ORDER AT 10:14 A.M.*)

CHAIRMAN MONTANO:

I'll call the meeting to order. We'll start the meeting with the Pledge of Allegiance led by Legislator Schneiderman.

SALUTATION

CHAIRMAN MONTANO:

Good morning, everyone. Would you just indicate that Legislator Cooper will not be attending, he has an excused absence. Okay. I'm going to skip the correspondence for a minute. There's no presentation. We're going to go -- we have two cards today. The first one is Karen Boorshtein from the Family Service League. Karen?

MS. BOORSZTEIN:

Good morning.

CHAIRMAN MONTANO:

Good morning.

MS. BOORSZTEIN:

I'm Karen Boorshtein, Executive Vice-President and Chief Operating Officer at Family Service League. And I'm here today to ask for your support of a resolution being sponsored by Legislator Stern, Number 1438, which will add funding to the 2007 Budget for Family Service League's Home Share Long Island Program. Home Share is an intergenerational project that links people who have extra room in their homes with adults who need an affordable place to live. Qualified homeowners are 60 and over and the home seeker is 18 and older and employed.

Family Service League began the program in October, 2005, with one part time employee, and since that time we have had made 40 successful matches throughout Suffolk County. Home Share is a model -- is modeled after a large home sharing program in suburban Atlanta. The Atlanta program has matches that last an average of two and a half years with many lasting even longer. The housing crisis on Long Island is so severe that we need to use all options available to us.

Home Share Long Island is a wonderful way to address housing needs of young workers and the financial strain of our seniors. A homeowner offers accommodations to a home sharer in exchange for an agreed level of help and rent. Rents typically range from 500 to 600 a month, clearly far below market rates. Home Share helps us to address two pressing issues in the County; first, the growing number of elderly homeowners are threatened with losing independence because of insufficient income, the need for assistance in maintaining their homes, isolation and the need for companionship; second, many Long Islanders cannot find affordable housing. They're living in unsafe or unsuitable housing, paying disproportionate amounts of their income to rent and are threatened with homelessness.

Home Share not only helps individuals and families to lead better lives, but it saves taxpayers dollars. For example, in the past year five elders would have been forced to move to adult homes or assisted-living facilities had they not been involved in the Home Share Program and match with younger renters who provide rent or did household chores. The savings realized was \$325,000 per year based on an average cost of adult homes at \$65,000 a year. Home Share presents a way to use existing housing stock more efficiently and equitably. The program works, and we need your help to ensure it continues. Thank you.

CHAIRMAN MONTANO:

Thank you, Karen. Any questions? Legislator Stern.

LEG. STERN:

Thank you, Mr. Chairman. Karen, good morning. Thanks much for being here. Can you share with us maybe some of the numbers; how many inquires have been made, how many matches have been made and how the program has been going?

MS. BOORSHEIN:

As I said, there have been 40 matches year to date. And before I left, I checked with our employee and she said there are three more pending. We literally get hundreds of calls. Sometimes, you know, some people are looking for things that are unrealistic, but typically not. And since the program began, I'd say we have about 300 calls total. And out of that so far, the 80 people, 40 matches, have been made throughout the County. These are working poor who are typically calling, there are college students who have graduated who don't want to live at home any longer with mom or dad, but can't afford 14, \$1500 for an apartment.

And it's been a wonderful way to utilize, you know, seniors who really want to stay here, as I said, who have raised their kinds in the homes for 30, 40 years, don't want to leave the Island, but are really being pressed. They can't afford to keep up the house, they, you know, need that extra money if they're living off of, you know, Social Security income. It really has been a God send to them to keep -- you know, with the program to find a match for them in the house.

So the program has been successful. And the matches had lasted. They're not just, you know, come in-come out, you know, over a month. I would say 95% of these matches have been long term for the -- you know, for the year and a half that we've been running the program have been successful.

LEG. STERN:

Thank you.

CHAIRMAN MONTANO:

Legislator Alden is next.

LEG. ALDEN:

Hi, Karen. We funded this in the past, right?

MS. BOORSHEIN:

Last year there was some money put in the Omnibus Budget through a number of Legislators, yes, 12,000.

LEG. ALDEN:

How much is this resolution for?

MS. BOORSHEIN:

Thirty, 30,000.

LEG. ALDEN:

And this allows you to do actual -- whatever it would be, advertising, background checks and things like that?

MS. BOORSHEIN:

It allows us to keep the employee with us, our part-time employee, doing all the leg work. I mean, this one part-time employee has coned the County. She does all the matches, the background checks, the assessments, meets with the perspective homeowner, perspective home seeker and does everything.

LEG. ALDEN:

We don't run afoul because -- if I remember correctly, we don't run afoul of any of the town

ordinances, because it's not a separate apartment, they live in the house and have free access to all of the house. Are we covered in the event that something goes drastically wrong here.

MS. BOORSHEIN:

Yes. We have checked with all of our attorneys on the board up and down that -- to protect us in terms of insurance. All background checks are done, criminal background checks with both the home seeker and homeowner. They're given the information exchange so they can make their own decision whether this is -- you know, they meet with the perspective candidate three or four times before they agree that this is going to be a fit for them. And we give them the information they exchange. So ultimately the decision rests with them. But, yes -- you know, the other piece -- the wonderful piece that this program offers -- we're not a real estate agency -- that when someone is -- if they experience a problem, they can call us back and say to our housing counselor, " You know, I'm having a little problem with Joe, maybe you can come in and help us work it through." We've done that. It's been the exception rather than the rule.

So that's the other backup that we offer as a not-for-profit Family Services Agency, that we can help the couple, the home sharer and homeowner with any problem that may arise, because we keep in touch with them. It's not just, "Hello, you match and goodbye." We talk to them monthly.

LEG. ALDEN:

We do have -- right in a row here we've got at least four attorneys. But what I could see happening, and I hope it never would happen, but you either have the person who owns the house go off a little bit or you have the person that you put in there, you can check and you can do all the backgrounds and hopefully everything works out all right, but there could be that rare occasion when something, you know, terrible could happen in that relationship. Maybe I'll just turn to Legislator Stern, have you looked at, you know, inadequacy of insurance? Because if something happens and we've funded the program, they're going to come back and look for deep pockets. Are we adequately -- maybe we will go with George.

MR. NOLAN:

I would just say, no doubt what we do is we enter into a contract with this group, and in that contract, I'm sure it makes clear they're an independent contractor, which gives us a level of protection. And then, of course, they agree to indemnify us and there's insurance. So the County, I'm sure, protects itself in that contract.

LEG. ALDEN:

The due diligence, you know, that's good. But, you know, even if something slips passed there --

MS. BOORSHEIN:

I agree with Counsel that we indemnify the County on any of our contracts that we have with you as an additional insured so -- that would protect the County correct, George?

MR. NOLAN:

That's correct.

CHAIRMAN MONTANO:

Legislator Schneiderman, you had a question.

LEG. SCHNEIDERMAN:

It seems like a great program. I would love to see them get this funding. The issue that's going to come up is the same issue that's come up over and over again, is the fact that this is money that's coming from the snow removal line. And we have tried to get this money from the snow removal line before in vain.

CHAIRMAN MONTANO:

I think it's been amended for a different offset, but I don't think that --

LEG. SCHNEIDERMAN:

Has it? What is the offset now.

CHAIRMAN MONTANO:

I don't know. Gail, what's the offset?

MS. VIZZINI:

Just so that you are all aware, there are three tabled resolutions that are budget amendments, which were pending with the directive that Budget Review should change the offset from snow removal to something more acceptable. The offset has been changed for all three of them, it's a line in Probation for contracted services.

LEG. SCHNEIDERMAN:

Is that more acceptable, do we know?

CHAIRMAN MONTANO:

That's the question.

LEG. SCHNEIDERMAN:

It seems like no matter what offset we pick, it's not acceptable.

LEG. ALDEN:

Well, to some people.

CHAIRMAN MONTANO:

To some people.

LEG. SCHNEIDERMAN:

Has the County Executive or his budgetary people said where they believe are some budgeted money that is not being spent?

MS. VIZZINI:

This money was included --

LEG. SCHNEIDERMAN:

So that we don't have to play this guessing game as to what offsets will or will not meet their approval? Here we go.

MR. KOVESDY:

Good morning. We just found about the change in offset about five minutes ago, so I really couldn't --

LEG. SCHNEIDERMAN:

That should be ample time to make a thoughtful comment.

MR. KOVESDY:

Thank you very much. I do have a question, but I would have to ask the question through the Chair about the contract. If it's okay to ask the young lady a question.

CHAIRMAN MONTANO:

I'm sorry, what was that?

MR. KOVESDY:

I did have a question that had to do with the contract, if I might ask it.

CHAIRMAN MONTANO:

Ask me the question, I'll ask her. So we don't have a dialog between the two of you.

MR. KOVESDY:

This appears to be \$30,000 for half a year. So the question that the Budget Office would naturally ask is if this becomes institutionalized, will this become \$60,000 for a whole year? And the second question is did you go through the Department of Economic Development, and what is their recommendation one way or the other on the program.

CHAIRMAN MONTANO:

Right. I actually was going to ask the first question for the same reason, because we are in mid year and it is a 30,000 allocation. Si I was going to ask, you know, would that cover us for half a year, or would you prorate it? Karen, if the program is approved let's say in mid year and you have an additional 30,000, is it anticipated that you will spend that within the fiscal year or the calendar year?

MS. BOORSHEIN:

Yeah. The balance of this year would be --

CHAIRMAN MONTANO:

And then next year, if you were to seek continuation of funding at this level, you would be looking for 60,000; is that correct?

MS. BOORSHEIN:

I don't know. It depends. We also have funding in place from other sources that we're looking to get. So it depends how much is realized from our grants that are out there, that we may be able to come back and not ask for 60,000, to ask for a continuation of 30,000. So that would depend on what's realized toward the end of the year with some grants that are out there.

CHAIRMAN MONTANO:

And if I understood the second question, I think it was whether or not you have requested of the County Executive's Office to include this appropriation in the recommended budget that going to be submitted to the Legislature, which would be the first part. I mean, if it's included in the recommended budget, then we can deal with it in the Omnibus Committee. If it's not, then the Omnibus Committee would have to consider it. So I guess that's where you were going, right, Allen?

MR. KOVESDY:

Right. I just want to know if Economic Development knows this is coming down the pipe. Have you spoke to Mr. Morgo or anything like that?

CHAIRMAN MONTANO:

I don't know that. Gail.

MS. VIZZINI:

We've had discussions with district office staff as well as Economic Development. It's my understanding they are aware and they are accepting of the effort.

LEG. SCHNEIDERMAN:

Can I go back to Allen?

CHAIRMAN MONTANO:

Sure. Go ahead.

LEG. SCHNEIDERMAN:

I'm not going to let you off too easy. We have a \$2.7 billion budget, we're halfway through the year. I want to know if you believe there are any areas that will come in under budgeted that you think that we can use to pay for some of the things that we identify as critical during the course of the year in terms of unbudgeted items.

MR. KOVESDY:

You really want to put me on the spot. There are several items that will probably come in under budget, whereas there are several items that are going to come in over budget as you put them together. What the County Executive is concerned on is making the \$130 million that we had saved last year to get -- to get up to that point. Once we reach that point, I can give you a better answer.

But we did have a carry-in or a surplus or a fund balance if close to \$130 million. We have to make that up every year. That's the concern that we have. Also, we are concerned with -- you know, as we're doing the budget hearings as we speak right now, one of the departments came in with a \$10 million hidden revenue that we didn't expect. So it's a fluid situation, sir. I mean, I'm not going to give you -- I'm not going to say that there aren't accounts that don't come in under, but there are accounts that come in considerably over.

LEG. SCHNEIDERMAN:

But these overall with the budget are small amounts of money. It just seems that any time we choose an offset, we get the same answer, "It's an unacceptable offset," which makes it so that we can't fund anything during the course of the year that we believe should have been funded in the budget, may have been overlooked or was unanticipated expenses. You are tying our hands.

MR. KOVESDY:

I'm just basically saying to you that we did not see this offset. I didn't have a copy of the resolution, number one. I can't evaluate it until I see it. I can get back to you and look -- look at it. But to answer our question, there are accounts which are under, there are accounts which are over as the year goes -- as the year goes by. I can get back to you for the next meeting and tell you if this account is going to be plus or minus. I can't do it now off the top of my head.

LEG. SCHNEIDERMAN:

But it sounds like even if it's plus or minus you're saying until we get \$130 million in surplus that the position is going to be we're not going to take any chances.

MR. KOVESDY:

That is the position. That's been the position every single year that we -- that we do -- that's the exact position that we take every year. We were fairly close -- as Gail gave a very good presentation last time, we're fairly close on the model, whether it's 100 million, 110, things like that as the year goes on. We have been doing slightly better in sales tax up to this particular point in time. But I really -- it's the policy of the Budget Office that we like to have all our ducks in a row before we spend additional money.

LEG. SCHNEIDERMAN:

Thank you.

MR. KOVESDY:

You are welcome, sir.

CHAIRMAN MONTANO:

Before you start, your questions are to Allen or to Karen? Because if you are going -- I'd like to excuse Karen if we are going to go off this particular bill and go on to some broader issues. You understand what I'm saying Allen -- I mean, Cameron?

LEG. ALDEN:

The one question I have really is about the offset, and Budget Review might be able to answer it.

CHAIRMAN MONTANO:

Karen, I want to thank you for the presentation. I don't think there any questions with respect to this program. We're going to continue the dialog for one second with the County Exec's Office, because it does affect -- it does affect your funding. I mean, the topic is relevant, but it's not particular to your program.

MS. BOORSHEIN:

Thank you.

CHAIRMAN MONTANO:

Go ahead, Legislator Alden.

LEG. ALDEN:

Gail, on the offset that is proposed now, and that's in Probation, what would normally be funded out of that account? And then the second part of that question is in Probation we ran out of officers to monitor sex offenders and we're looking to add -- either have people hired to fill vacant positions or add new positions so that we can continue that program. And how would this offset affect -- or is it enough to cover what we're trying to do in the sex offender bill?

MS. VIZZINI:

This particular line item was money that was included in the Omnibus Resolution so that Probation could move forward on implementing some of the alternative to incarceration initiatives. It was anticipated that there would be either a Legislative initiative or a joint initiative to move ahead on contracted housing for the mentally ill or some other plans to augment our current ATI efforts.

Based on discussions with the Director of probation and the Presiding Officer, we may not be moving this year in the magnitude of the money that was included. There will be, however, some smaller initiatives that the Director of Probation is looking to move forward on. So they're in this line item. We're not going to spend in '07 as much as we included for the initiative. Therefore, the monies would be availability for initiatives of smaller magnitude, or if necessary, as possible offsets for meritorious programs.

LEG. ALDEN:

Okay. Because once you identify an offset, is going to get nibbled. And this 30,000 -- how much is in that line item?

MS. VIZZINI:

Well, it's contracted services in Probation, so there's a significant amount of money in the line item. The omnibus included several hundred thousand dollars.

LEG. ALDEN:

That basically saves us -- or potentially, that's why we put the money in there -- has a potential to save us a ton of money in the jails and things of that nature over time. So we were assured that, yes, we were going in that direction or no?

MS. VIZZINI:

At this point, it's not likely that we're going to spend to the magnitude that we included.

LEG. ALDEN:

Then I just have one quick question then for Allen. You're not going to have answer right now, but is there a way to craft a program that would wean us from that fund balance, because years ago, we didn't have a fund balance of the proportion that we have right now? And it's huge. And if you go that route and you actually, you know, go out a couple of years, if you have to grow it by the amount that we've been growing it to be successful, eventually you cannibalize every program in County Government to turn over a fund balance. So it's a dangerous route to go on. You like to hit

your mark when you go and put a budget together. And I know that being below the mark, that's real good. Being above the mark, that's real bad. But this seems to be artificially below the mark, you know, like, way out of proportion to what we should be looking at.

MR. KOVESDY:

That is a concern of ours. It has been, you know, over the last few years. Legislator Caracciolo used to beat us over the head with that, that we start in the hole every year. It's something we look forward to actually happening at some point. It would make life a lot easier for us, because we wouldn't have to -- we would be able to deal with positions and everything else rather than hold them for a protected period of time.

LEG. ALDEN:

So how do we craft -- and this is hypothetical today, but it's not, it's something that should be an ongoing discussion. How do we craft a program to get us off of that fund balance? And can we craft a program, whether it be a two year program, five year program, ten year program, whatever? We need to use some imagination and come up with something that is going to take that funds balance down. Because in a way, it's an honesty problem too, because we're putting together a budget and then we put out to the people, "Here's what our budget is. We're going to spend all this money," and then we don't spend the money, because we know that we have to keep 130 million under the budget just to start out of with, otherwise we fall short for the next year. So it's hypothetical for today, but if you could do a little work on it and maybe, you know, get us a presentation, because it's going to be really appropriate to look at it very, very seriously in another month or two with the different budgets that are going to be coming out.

MR. KOVESDY:

I'll bring it back to Fred and we'll see what we can do. Thank you.

LEG. ALDEN:

Thanks.

CHAIRMAN MONTANO:

I would have to agree with that. I'd like to -- maybe we can do something here in the committee where you can make a presentation on some of the aspects either simultaneous or just prior to the budget coming out. So when the budget does come out, we're able to discuss it, analyze is better. That might be August. Cameron.

LEG. ALDEN:

Whatever it is. It's a good dialog to have.

CHAIRMAN MONTANO:

I agree. Thank you. We have another speaker. Debra Alloncius.

MS. ALLONCIUS:

Good morning, Members of the Committee. Mr. Montano, Legislator Montano, thank you for giving me this opportunity to speak before you. My name is Debbie Alloncius. I am the AME Legislative Director. I'm here to speak on three resolution. One, which we're very disturbed about, that's 1481, where the John T. Mater foundation refused to sign the -- that union organizing clause. We don't understand how they could even get away with doing that when we have been so generous to them. And it's a wonderful, wonderful organization. Mather is a wonderful hospital. But I don't understand how they would possibly even have the audacity to do that to the County Exec.

And I also would like to speak on 1436 and 1438. I share the same trepidation as Legislator Alden, that the Probation Department -- the resolution was tabled because they wanted six additional POs to coordinate and run that GPS Program. Supposedly we want 11 now. So we're taking all this money even though it's for contracted agencies. We also know that money could be going to funds

these positions. And it might six this year -- we might get six this year, we might need to hire another five. You know, we're waiting to see the results of that review that the County Executive ordered. But I worry about spending that type of money.

And you know, Family Service League, that project is a wonderful -- that Share Home project is a wonderful thing, but it's a national organization. How much money are they getting, you know, nationally to go into this program? Thirty thousand dollars doesn't seem like a lot of money in realm of the money that you have to appropriate every day, however, ongoing -- sitting in the contract Agency Committee, you see all of these things. And I understand that they all go to good cause, but I wonder where can we stop. You know, at what point can we stop?

And I also think that you're hitting right on the nose the budgetary process. Why is it coming out of the Capital Budget? Why is it -- why is the money being switched all around all the time? I see what you are all up against sitting here at the committee meetings. We're back to snow removal line and can't go to there, and you know, you're betwixt in between what to do. I just think that because they have such a tremendous amount of money that \$30,000, what is that to them? And will it be 60 next year? The same thing, is it funding the salary for that person?

The Police Fighters Memorial and Firemans Memorial absolutely is a wonderful, wonderful thing. It's just the budgetary process and where the money is being moved around from. I think that we should do all we can to honor everybody who saves lives in this County. And God only knows how many firefighters save lives and how many policemen save lives. I do think that it's a wonderful thing to do, the memorial and to be a part of it, but again, the funding source, I think, is a bone of contention for you. And it's something that I'm new in the process of learning, and I have a lot of homework to do. And now today, seeing this and switching the money, I really have a lot of homework to do. Thank you, gentlemen.

CHAIRMAN MONTANO:

Thank you, Debbie. All right. I had skipped over -- there are no other cards. Does anyone want to address the committee? Gail, I had skipped over the correspondence aspect, but at the last meeting, I distributed a letter that had come from Legislator Romaine. And I think you responded to that. I have your letter of June 11th, 2003. Do you briefly want to comment on that? Because the letter that initially started this request came on April 10th. I received a copy of the letter, which I gave out at the last meeting. Your response of April 2nd, you just want to -- did everyone on the committee get a copy of that memo?

MS. VIZZINI:

This matter pertains to the Retirement Reserve fund. Legislator Romaine had asked of Budget Review in the beginning of the year -- I think his letter to us was dated January -- to comment on what was in the Retirement Reserve Fund and what was a prudent level of reserves to have in that fund. We did a lengthy memo that describes the budget presentations from 2004, five, six and seven as compared to what we actually did. In several cases, the budget was presented before we made our policy determinations not to take advantage of the lag offered by the State to pay in February of the subsequent year, but rather to pay the retirement bill before the end of the each of those fiscal years.

So that memo kind of journeys you through how the budgets were prepared versus what the County actually did. And, you know, that raised issues of, well, what did we do with the retirement appropriations for the past two years. We've rescinded them, because we basically used the fund balance to cover the cash authorizations. And a lot of the legislations also authorized bonding, but yet did not bond for the retirement, it just covered us in terms of the authorizations.

After receiving our memo -- and basically, you know, it's a policy decision in terms of what you reserve and how much you put in a reserve. And even when we had the retirement reserves, those reserves were either forfeited as they were in 2006 to mitigate what was anticipated to be a shortfall or transferred to pay the retirement bill. Legislator Romaine then in April, I think, addressed a

similar question to Connie Corso, who will be the future Budget Director upon Mr. Bortzfield's departure. And in that memo, he cc'd Chairman Montano, I don't know if he cc'd the entire committee.

CHAIRMAN MONTANO:

No. But I handed out that letter at the last meeting.

MS. VIZZINI:

Right. So at your request -- you know, you asked me comment on the letter to Connie, but actually that one was to the Executive Budget Office. So at your request -- and I also spoke with Legislator Romaine that you had made request of me -- I shared his initial correspondence, our response on the issue, and you already had the letter that he sent to Ms. Corso. And to my understanding, she is probably preparing a response. You know, but the bottom line on these things is reserve funds are excellent, however, you have to generate the necessary revenue and then reserve it for some time in the future.

CHAIRMAN MONTANO:

And at this point, there is no money in that reserve fund; am I correct?

MS. VIZZINI:

That's correct. It went to pay the bill in December of last year. But keep in mind, we also have the Tax Stabilization Reserve Fund in which at the end of this year, there will be a substantial \$123 million. So you know, that's our primary reserve fund. The advantage of the debt reserve, the retirement reserve and some of our other reserves that we have created -- and hopefully along with the charge that you've given Mr. Kovesdy to come up with the plan to wean ourselves off the one-shot fund balance -- you know, will be some prudent reserve funds and the prudent use of those reserve funds.

CHAIRMAN MONTANO:

You spoke with Legislator Romaine, is he resolved on this issue?

MS. VIZZINI:

I reached out to him to let him know that you made that request of me to make sure that, you know -- and he was absolutely, you know, cordial about everything -- that I was going to send the correspondence between me and him to all of you.

CHAIRMAN MONTANO:

Okay. And he hasn't reached out to me, so I think we're fine. I just wanted the other members of the committee to know what's going on because of the letter that we received. If there's anything further, if he contacts me, I'll let you know and likewise. And if there's any questions on the committee, we'll take them up next time.

MS. VIZZINI:

Thank you.

CHAIRMAN MONTANO:

Thank you. Legislator Alden.

CHAIRMAN ALDEN:

Real quick, just on the debt Service Reserve Fund. What would trigger and what's permissible to be triggered as far as payment out of that?

MS. VIZZINI:

Well, the reserve is a different reserve. There's \$20 million in the debt reserve. Actually, the omnibus brought it up to that high level -- that higher level, although I think there was 16 million in it -- again, I'm going by my recollection -- when the '07 recommended Operating Budget came out,

but we increased it to 20 million.

The debt reserve -- more than likely, when the '08 recommended budget comes out, the 20 million or a part of it will be used to mitigate what we expect to be growth in the debt service line. Based on our, you know, capital report, debt service is growing I think by three million -- three to seven million in '08 and then another ten million in '09 just based on Budget Review's projections in terms of the bonding on the jail will be coming fruition and our robust Land Acquisition Program.

LEG. ALDEN:

Which robust land acquisition, the old one or the one that's been proposed just now?

MS. VIZZINI:

This is prior to the extension of the quarter cent compounded by the complications of bonding against that money.

LEG. ALDEN:

So we're not tapping into this for the quarter cent if it goes bad. This is actually spoken for on other programs.

MS. VIZZINI:

Yes. Because you have Multifaceted, you have Legacy. Prior to that you had Greenways and had SOS. So we have -- we've had the supply of cash coming from the Water Quality Protection Program, the Quarter Cent Program, and then we've also had land acquisition programs in the Capital Program as well as the SOS and the Greenways which were outside the Capital Program, but we still bonded, you know, 20 million for Greenways and 75 million for SOS.

This new proposal to extend the quarter cent to provide, you know, \$707 million for the environmental land acquisition component through the year 2030, and then to use that for an aggressive bonding program in the beginning is another discussion.

LEG. ALDEN:

This money actually could be transferred anywhere in government right now. There's not a restriction that it go for specifically for debt --

MS. VIZZINI:

Well, when you officially establish a debt reserve -- and it's really supposed to be for that reason. So it will be used for the increases or for the debt service line. And then what we would have budgeted for the debt service will be used to address some other --

LEG. ALDEN:

We establish these aggressive programs. So we stretch the rubber band before we did this debt reserve.

MS. VIZZINI:

The debt reserve is a relatively new reserve fund.

LEG. ALDEN:

Okay. Thank you.

MS. VIZZINI:

And just to clarify on the quarter cent, that program is designed so that the sales tax will pay the debt service on any bonding there.

LEG. ALDEN:

You mean the new one?

MS. VIZZINI:

Yes, the new one.

LEG. ALDEN:

If we have revenue from it.

CHAIRMAN MONTANO:

Okay. Thank you very much. And we'll take this up again. I'm going to get right to the agenda. I know that Legislator Schneiderman is on a tight schedule. Tabled Resolutions.

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

LEG. ALDEN:

Motion to table.

CHAIRMAN MONTANO:

Seconded. All those in favor? Opposed? Abstentions? Motion to table carries. **TABLED (VOTE:4-0-0-1 - NOT PRESENT - LEGIS. Cooper)**.

1014, Establishing a program to reduce unfair home energy nuisance taxes on Suffolk County residents. (Alden)

Same motion, same second, same vote. **TABLED (VOTE:4-0-0-1 - NOT PRESENT - LEGIS. COOPER)**.

1066, Amending the 2007 Operating Budget and transferring funds for temporary salaries for per diem pathologists in the Division of Medical Legal Investigations and Forensic Sciences in the Department of Health Services. (Losquadro)

CHAIRMAN MONTANO:

I'll make a motion to table.

LEG. STERN:

Second.

CHAIRMAN MONTANO:

Seconded by Legislator Stern. All in favor? Opposed? Abstentions? Motion carries. **TABLED (VOTE:4-0-0-1 - Not present - Legis. Cooper)**.

1250, Adopting Local Law No. 2007, A Charter Law to increase transparency and accountability in the budget process. (D'Amaro)

I'll make a motion to table.

LEG. ALDEN:

Second.

CHAIRMAN MONTANO:

Second by Legislator Alden. All in favor? Opposed? Abstentions? Motion carries. **TABLED (VOTE:4-0-0-1 - Not present - Legis. Cooper)**.

1434, Amending the 2007 Operating Budget and transferring funds to the Suffolk County Girl Scouts. (Pres. Off.)

I'm going to make a motion to table at the request of the sponsor.

LEG. ALDEN:

Second.

CHAIRMAN MONTANO:

Seconded by Legislator Alden. All in favor? Opposed? Abstentions? Motion carries. **TABLED (VOTE:4-0-0-1 - Not present - Legis. Cooper).**

1436, Amending the 2007 Operating Budget and the 2007 Capital Budget and Program and appropriating funds for a police officers and firefighters memorial in the Village of Amityville, Town of Babylon (CP 1661). (Mystal)

I'll make a motion to table.

LEG. STERN:

Second.

CHAIRMAN MONTANO:

Seconded by Legislator Stern. All those in favor? Opposed? Abstentions? Motion carries. **TABLED (VOTE:4-0-0-1 - Not present - Legis. Cooper).**

1438, Amending the 2007 Operating Budget and transferring funds for a contract agency in the Department of Social Services. (Stern)

I'll make a motion to table.

LEG. STERN:

Second.

CHAIRMAN MONTANO:

Seconded by Legislator Stern. All in favor? Opposed? Abstentions? Motion carries. **TABLED (VOTE:4-0-0-1 - Not present - Legis. Cooper).**

1481, Amending the 2007 Operating Budget and transferring funds for the JTM Foundation. (Losquadro)

I'm going to make a motion to table.

LEG. STERN:

Second.

CHAIRMAN MONTANO:

Seconded by Legislator Stern. All in favor? Opposed? Abstentions? Motion carries. **TABLED (VOTE:4-0-0-1 - Not present - Legis. Cooper).**

1515, Authorizing the County Treasurer to borrow cash funds from other County Funds for 2007. (Pres. Off.)

I'll make a motion to approve.

LEG. STERN:

Second.

CHAIRMAN MONTANO:

Seconded by Legislator Stern. Any discussion? On the motion, Legislator Alden.

LEG. ALDEN:

This is pro forma, we do this every year.

CHAIRMAN MONTANO:

Yes. I'll call the vote. All in favor? Opposed? Abstentions? Motion carries. **APPROVED (VOTE:4-0-0-1 - Not present - Legis. Cooper).**

1532, Adopting Local Law No. 2007, A Local Law to establish a legislative grant notification requirement. (Romaine)

I'm going to make a motion to table for a public hearing.

LEG. STERN:

Second.

CHAIRMAN MONTANO:

Second by Legislator Stern. All in favor? Opposed? Abstentions? Motion carries. **TABLED** for a public hearing **(VOTE:4-0-0-1 - Not present - Legis. Cooper).**

1533, To readjust, compromise and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control #773-2007). (Co. Exec.)

I'll make a motion to approve and place on the Consent Calendar.

LEG. STERN:

Second.

CHAIRMAN MONTANO:

Seconded by Legislator Stern. Any discussion? All in favor? Opposed? Abstentions? Motion carries. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE:4-0-0-1 - Not present - Legis. Cooper).**

1534, To readjust, compromise and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control #774-2007). (Co. Exec.)

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE:4-0-0-1 - Not present - Legis. Cooper).**

1579, Amending the 2007 Operating Budget and appropriating funds in connection with bonding a settlement for a Medical Malpractice case. (Co. Exec.)

LEG. STERN:

Motion to approve.

CHAIRMAN MONTANO:

I'll second it. Motion to approve by Legislator Stern, I'll second it for purpose of discussion. Brief explanation on that.

MR. NOLAN:

The resolution talks about a \$2.5 million medical malpractice settlement, and they're going to issue serial bonds to pay it.

CHAIRMAN MONTANO:

Question. Is that something that we would commonly do, issue bonds to settle a malpractice case?

MR. NOLAN:

I actually asked Budget Review Office that question this morning.

CHAIRMAN MONTANO:

Gail.

MR. REINHEIMER:

That's a procedure we've been doing for many years. The budget does provide for settlements, but when you have a large settlement like this that's possibly unforeseen when you're putting the budget together, bonding is procedure that we have been using.

CHAIRMAN MONTANO:

We don't have a reserve fund for -- you're saying that the reserve fund that we have for settlement of cases -- I assume this is because we're self insured.

MR. REINHEIMER:

We're self insured. Fund 38 is funded on an ongoing basis, annual basis. There are no reserves in Fund 38.

CHAIRMAN MONTANO:

Can I ask a question, Gail? Can you just give me an indication of how much was in Fund 38 when we approved the budget, if you know?

MR. REINHEIMER:

We analyze that. We always say there should be a reserve or more funds for liability. We'll have to look up what the adopted budget included for Fund 38. There are different parts of it; there's liability, medical malpractice, automobile liability. There's a whole bunch -- host of self insured components in Fund 38. We'll get the number for you.

CHAIRMAN MONTANO:

And so if we're bonding -- just with respect to bonds. So what I gather is that we're paying the settlement, and then we're paying the interest and the fees on the bond. How long is this bond out there, is it a five year bond, ten year? I don't know what the details are, if you know.

MS. VIZZINI:

I'm going to defer to Mr. Kovesdy.

MR. KOVESDY:

I'll get you the answer.

CHAIRMAN MONTANO:

Okay. Legislator Alden, did you have any questions?

LEG. ALDEN:

One comments. Years ago, I Chaired Ways and Means, and it was always a problem, because you didn't have money in reserve to settle accounts. Did this go through Ways and Means? So this isn't a guesstimate, this is a real live settlement?

CHAIRMAN MONTANO:

Well, I would imagine that the case has been settled subject to our approval. It's just the funding that we're dealing with. We're not dealing with whether or not the case should be settled or it's appropriate, we're just dealing with how we're going to pay the settlement; am I correct?

MS. BIZZARRO:

Correct. And Ways and Means already approved the settlement. Generally, I will say, bonding on settlements or judgements is five years. That's generally the process.

CHAIRMAN MONTANO:

I was handed something that indicates it's a five year bond.

LEG. ALDEN:

I have one other question then.

CHAIRMAN MONTANO:

Go ahead, Legislator Alden. You have the floor.

LEG. ALDEN:

If it went through Ways and Means, they did an Executive Session on.

MS. BIZZARRO:

They did.

LEG. ALDEN:

So we're that passed that.

MS. BIZZARRO:

Yes.

LEG. ALDEN:

Is this a good settlement?

MS. BIZZARRO:

It is. It's a very good settlement.

LEG. ALDEN:

Our potential liability was?

MS. BIZZARRO:

Extremely higher than that.

LEG. ALDEN:

Thanks.

CHAIRMAN MONTANO:

Legislator Schneiderman.

LEG. SCHNEIDERMAN:

Gail, I have some recollection last year with the budget, for the 2006 Budget, that there was a reserve account for catastrophic medical expenses that, I think, was \$10 million.

MS. VIZZINI:

Yeah, but that was not medical malpractice. That was in the event that employees because of age or health condition -- that really was the intent of that reserve fund. And as was the fate with many of our reserve funds, it was lapsed by a resolution to address the anticipated budget shortfall.

LEG. SCHNEIDERMAN:

So it doesn't exist anyway even if it could have been used.

MS. VIZZINI:

Correct.

LEG. SCHNEIDERMAN:

Okay. Thank you.

CHAIRMAN MONTANO:

I think the issue is really a policy issue as to whether or not there should be a reserve fund for these type of activities. And, you know, I know insurance companies -- George, correct me if I'm wrong -- but insurance companies generally would put aside funds for cases where, you know, deeming on the exposure that they estimate. These cases take a long time to process, so we should be at the point where we have an idea of how much we're going to need in a give year to either settle or get hit with a judgement. Is that the way that you understand it in the insurance company?

MR. NOLAN:

Right. They have to set aside reserve funds to pay potential settlements -- cover their potential liability.

CHAIRMAN MONTANO:

So in any event, we're dealing with the bill before us on the bonding. Motion to approve -- any other questions on this? All right. I'll call the vote. All in favor? Opposed? Abstentions? Motion carries. **APPROVED (VOTE:4-0-0-1 - Not present - Legis. Cooper).**

MR.49, Memorializing resolution in support of amending the Real Property Tax Law for persons with active military service and eligible reservists (Assembly Bill 7610). (Schneiderman)

LEG. SCHNEIDERMAN:

Motion.

CHAIRMAN MONTANO:

Motion to approve. Do we have a second?

LEG. ALDEN:

Second.

CHAIRMAN MONTANO:

On the motion, my concern on the motion, I believe the Legislature is going to adjourn on Thursday and they're not even going to have a chance to vote on this by the time we have our next meeting. So it really becomes academic.

LEG. SCHNEIDERMAN:

Not really. I mean, it will just carry over to the next session.

LEG. ALDEN:

They might be back in August they said.

CHAIRMAN MONTANO:

Right. But I think when they come back, they come back for a specialized, you know, agenda. I don't know.

LEG. SCHNEIDERMAN:

It's symbolic as a Memorializing Resolution anyway.

CHAIRMAN MONTANO:

I'm not sure I'm into symbolism. Go ahead.

LEG. SCHNEIDERMAN:

I think it's a good initiative. Basically, veterans, as you know, get qualified for the tax exemption, but active duty and reservists don't. So this basically extends the same tax exemption for veterans

as it does for those on active duty.

CHAIRMAN MONTANO:

All right. I'll call the vote on this. All in favor? Opposed? Abstentions? Motion carries. **APPROVED (VOTE:4-0-0-1 - Not present - Legis. Cooper).**

MR.52, Memorializing resolution in support of exempting commercial fishermen from sales tax on the purchase of motor fuel (Assembly Bill A.2852). (Romaine)

Do I hear a motion?

LEG. SCHNEIDERMAN:

Motion to approve.

CHAIRMAN MONTANO:

Motion to approve. Do I hear a second?

LEG. ALDEN:

Second.

CHAIRMAN MONTANO:

Seconded by Legislator Alden. We won't have the same discussion. All in favor? Opposed? Abstentions? Motion carries. **APPROVED (VOTE:4-0-0-1 - Not present - Legis. Cooper).**

HR.14, Home Rule Message requesting New York State Legislature to authorize Suffolk County to elect to eliminate taxes on energy saving fluorescent light bulbs (Assembly Bill A.8875). (Romaine)

CHAIRMAN MONTANO:

Do I hear a motion?

LEG. SCHNEIDERMAN:

I'll make a motion.

CHAIRMAN MONTANO:

Do I hear a second?

LEG. ALDEN:

Second.

CHAIRMAN MONTANO:

Let me ask a question. Is there a companion Senate bill to this resolution?

MR. NOLAN:

Not when we prepared it.

CHAIRMAN MONTANO:

So it's a one-house bill, it really has no chance of passing. I'll call the vote. All in favor? Opposed? Abstentions? I'll abstain. **APPROVED (VOTE:3-0-1-1 - Abstention - Legis. Montano - Not present - Legis. Cooper).**

This meeting is adjourned before 11:00 as I told you, Legislator Schneiderman.

LEG. SCHNEIDERMAN:

Thank you.

(*THE MEETING WAS ADJOURNED AT 11:01 A.M.*)

{ } DENOTES BEING SPELLED PHONETICALLY