

BUDGET AND FINANCE COMMITTEE
OF THE
SUFFOLK COUNTY LEGISLATURE

Minutes

A regular meeting of the Budget and 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 March 11, 2008.

MEMBERS PRESENT:

Legislator Ricardo Montano, Chairperson
Legislator Kate Browning
Legislator John Kennedy

MEMBERS NOT PRESENT:

Legislator Edward Romaine
Legislator Jon Cooper

ALSO IN ATTENDANCE:

Presiding Officer William Lindsay (Included in Votes)
Legislator Lou D'Amaro
Legislator Wayne Horsley
George Nolan, Counsel to the Legislature
Renee Ortiz, Chief Deputy Clerk
Gail Vizzini, Director of Budget Review Office
Robert Lipp, Deputy Director of Budget Review Office
Lance Reinheimer, Assistant Director of Budget Review Office
Joe Muncey, Budget Review Office
Bob Martinez, Aide to Chairman Montano
Paul Perillie, Aide to Majority Leader
Linda Bay, Aide to Minority Leader
Bill Falk, Aide to Legislator Romaine
Bill Shilling, Aide to Presiding Officer
Michael Pitcher, Aide to Presiding Officer
Ben Zwirn, Deputy County Executive
Fred Pollert, County Executive's Office
Tom Vaughn, County Executive's Office
Ed Hennessey, County Executive's Office
Connie Corso, County Executive Budget Director
Allen Kovesdy, County Executive's Office
Dennis Brown, County Attorney's Office
Debra Alloncius, AME Legislative Director
Charles Stein, Suffolk County Community College
Paul Sabatino, II
John Damico
And all other interested parties

MINUTES TAKEN BY:

Lucia Braaten, Court Stenographer

[THE MEETING WAS CALLED TO ORDER AT 10:20 A.M.]

CHAIRMAN MONTANO:

Please rise. We're going to start the meeting of the Budget and Finance Committee with the Pledge of Allegiance, led by Legislator Kate Browning.

(*Salutation*).

Let's take a moment of silence for the soldiers and the people that are serving in the various wars.

(*Moment of Silence*)

Thank you. Okay. First item on the agenda is the correspondence. We have put on your -- on the podium correspondence that we received from the Town of Southampton relative -- there are three letters, I believe. Yes, relative to Resolution 1064-2008, Lindsay/Browning bill to repeal Charter Law population base formula for sales tax funded public safety revenue sharing, which I believe is on the -- which is on the agenda today. If you want, later, I'll give you an opportunity to read this. Some came in last night or late yesterday, and I believe one came in this morning. So other than that, I don't believe there's any additional correspondence in this month's agenda.

And, you know what, I'm going to -- for purposes of speeding things up, we know that we have a presentation today by Gail Vizzini, Director of the Office of Budget Review, and Connie Corso, a joint presentation. Connie Corso, of course, is the Director of the County Executive's Budget Office, and they're going to provide this joint presentation on the County's budget model. And we went through that last year. This is the second -- I mean, last month. This is the second installment. And I'll leave it up to either one of you to take the lead and go first, and then, you know, I'm going to ask the Committee members if they can, please, indulge the presenters. Let them finish and then, you know, be happy to take questions. Who's going first, Gail?

MS. CORSO:

Good morning, everyone.

CHAIRMAN MONTANO:

Good morning.

MS. CORSO:

I just want to --

CHAIRMAN MONTANO:

Oh.

MS. CORSO:

Gail is really going to take the lead on the presentation, but I just wanted to say that we've been working together for the past several weeks, and I am really appreciative of the spirit of cooperation here, especially with all the turmoil in the economy and the turmoil in New York State at this time. So I just want to say thanks to Gail for all the cooperation, and I look forward to resolving this together.

CHAIRMAN MONTANO:

Okay. So, Gail, you're going to go first?

MS. VIZZINI:

Yes.

CHAIRMAN MONTANO:

Gail, I'm going to ask you to speak slowly --

MS. VIZZINI:

Sure.

CHAIRMAN MONTANO:

-- clearly. If you have to use small words, use small words. I want you to speak, so that someone that has a severe lack of knowledge of basic budgeting would understand that. So go ahead.

[LAUGHTER IN THE AUDITORIUM]

Sorry, guys.

LEG. D'AMARO:

Is that because I'm here today?

CHAIRMAN MONTANO:

What was that?

LEG. D'AMARO:

Is that because I'm here?

CHAIRMAN MONTANO:

I'm not making any -- any comments on that, but I want to make sure that everyone here does understand it. Thank you. Sorry, Lou.

MS. VIZZINI:

Okay. The County Executive's Budget Office and Budget Review met, as required by the Charter. The shortfall going to 2009 is in the magnitude of 130 million dollars, which is the Budget Review Office figure, to as much as 156 million dollars, which is the Executive Budget Office's figure. For the purposes of my presentation, since I'm taking the lead, this is more from the perspective of the Budget Review Office. And Connie is certainly here, as I am, once the presentation is completed, to answer any questions. But, generally, she knows what I'm about to say and we're generally in concurrence that there is a shortfall and it is within these numbers.

When we're talking about the shortfall, we're talking about combined General Fund and Police District. The way we see it, the breakdown is approximately 107 million attributable to the General Fund, and 23 million for the Police District.

Now, you all understand from my earlier presentation about, you know, what a budget model really is. The budget model itself does not direct the policy, the County Executive and, of course, the Legislature will do that. But I do want to tell you some of the assumptions in the Budget Review Office budget model, which are similar to the Budget Office. First of all, it assumes that we are going to go ahead with the sale of the Suffolk Health Plan, and we assume that we're going to get the 16.1 million dollars. The budget model does not introduce any of the shortfall mitigation initiatives. There is nothing in there that would account for revenue from tobacco securitization. We do not assume that we're going to be doing any refunding, or that there will be any property tax increases. These changes to the budget model will come as you're -- as you direct the policy. Neither do we assume any program reductions or the sale of any other assets other than the health plan.

We do, however, allow some latitude for hiring in 2009. Sales tax is a factor. Both budget models assume that although the 2008 budget is adopted with a 2.25% increase in sales tax, that in 2008 sales tax will only grow by 1.5%, and in 2009, by 2%. If the economy turns itself around and that is different, then we'll pick up -- we'll close the gap a little bit. The budget model also assumes that sales tax will be allocated to the Police District at the same level for 2009 as it was in 2008. That, again, would be a policy decision that could modify things.

The difference, the 130 to the 156, we differ by 26 million dollars. The largest area in which we differ is the 2007 fund balance. How much more money are we going to have at the end of 2007 than we estimated we would have when we did the '08 budget? Our projections, and they are just that, differ by about 14 million dollars. The second area where we differ is in the accounting treatment of property taxes for 2009. The County Executive's Budget Office will be treating the anticipated revenue shortfall from property taxes somewhat differently in the budget presentation than we have it in our model. And the other area, which is somewhat minor in terms of dollar amounts, is debt service projections for 2009. We differ in terms of that cost by 2 million dollars. So the 14 for the 2007 fund balance, the ten for the property tax, and the two for the debt service add up to the 26 million dollar difference in terms of our numbers.

Budget Review projects that we'll be ending 2007 with a significant fund balance. When we did the '08 budget, we thought that would be about 125.5 million. We believe that it will be more -- closer to 169.3 million. So we should pick up about 44 million dollars at the end of '07. We'll know by mid April. And, as I said to Mr. Brand, these numbers are going to change.

As you all know, we'll have the audited fund balance by the latter part of April. As we get further into the year, we will have a better gauge of the economy, we will have a better gauge of expenditures. However, things are not going to change enough to close a 130 million dollar shortfall. Budget Review -- you know, why are we going to pick up another 44 million dollars? Well, Budget Review projects that we will probably spend 80 million dollars less in '07 than we estimated. We will be spending less for contracted services, fees for services, assistance programs, and Medicaid chargebacks. In 2007, there was also a significant slow-down in expenditures for supplies and materials and equipment. In terms of revenue, we project that we will be receiving 36 million less in revenue than we thought for '07. State and Federal Aid is trending downward. We project State Aid to be 11 million dollars less and Federal Aid to be 10 million dollars less than we anticipated when we did the '08 budget. I have to note that one of the most difficult expenditure and revenue areas to get a hold on, and I believe Connie would agree with me, is State and Federal Aid. It's difficult to pinpoint them.

2007 property tax collections were less than anticipated. The '07 budget adopted property tax of 51 million dollars for the General Fund. When we did the '08 budget, we anticipated we would get at least 42.5 million. We are only going to receive 33 million in property tax.

CHAIRMAN MONTANO:

I'm sorry. Could you repeat that figure?

MS. VIZZINI:

Sure.

CHAIRMAN MONTANO:

The one before it.

MS. VIZZINI:

Adopted, 51 million.

CHAIRMAN MONTANO:

Right.

MS. VIZZINI:

Estimated, 42.5 when we did the '08 budget.

CHAIRMAN MONTANO:

That's what I was looking for.

MS. VIZZINI:

The actual is going to be closer to 33 million, and that's based on information we received from the Treasurer's Office.

Sales tax is another contributing factor. The '07 budget included growth of 2.75% for sales tax. We have estimated that the '07 sales tax growth will be 3.12%, which is good news. The '08 adopted budget includes growth in sales tax of 2.25 %. However, since the adoption of the '08 budget in November, the economy has slowed. And, as I indicated earlier, both Budget Offices believe that sales tax will grow more in the neighborhood of 1.5% for '08 and 2% in '09.

CHAIRMAN MONTANO:

Both offices, you said? Both offices concur in that, right?

MS. CORSO:

Yes.

CHAIRMAN MONTANO:

Thank you.

MS. VIZZINI:

The good news, moving toward -- that basically sums up 2007. Moving towards 2008, expenditures and revenue, the good news is that the Budget Review Office projects that we will end 2008 with a surplus. We project that to be on or about 78 million dollars. It's comprised of the 44 million extra that we're going to pick up from '07, plus 34.1 million from 2008. The bad news is this falls way short. It's a considerable shortfall of 47.5 million compared to the fund balance at the end of '07, which was 125.5. So the fund balance is just not there anymore.

In 2008, the budget benefitted from two one-shots, which cannot be replicated in '09. They were -- one was the transfer from the debt service of 25.4 million, which basically depleted the debt service reserve fund, and the other is the proceeds from the liquidation of the Suffolk Health Plan.

As far as 2008, State and Federal Aid is projected to be 25 million less than estimated for 2007. Budget Review also projects a continuing decline in the trend of property tax collections, a shortfall of probably 15 million dollars compared to the 2008 property tax warrant.

In 2008 the adopted budget includes payment of the retirement bill. If you recall the 2007 budget, there were no expenditures for retirement. We exercised our one-time benefit to lag the retirement payment. We will be paying that in 2008.

Also for 2008, generally speaking, we expect increases in salaries, benefits, and debt services over 2007.

2009: For 2009, there is a substantial decrease in revenue. The one-shot that we use in '08, the sale of the Health Plan, the depletion of the debt reserve catch up to us in 2009. State and Federal Aid is on a decline by about 15 million dollars. Sales tax is only 2%. Debt service is projected to increase by 9 million, and expenditures related to salaries, health insurance, utilities and equipment are expected to increase.

In conclusion, let me just summarize that looking to 2009, there is a shortfall in the magnitude of 130 to 156 million dollars. There is a structural imbalance due to our reliance on large year-end fund balances that cannot be regenerated in 2008 or 2009. The one-shot revenues are not expected to be replicated, and further reliance upon one-shot revenues does nothing to alleviate the structural imbalances in the long-term. We're available, if anybody should have any questions.

CHAIRMAN MONTANO:

All right. I think -- would you like to ask Gail some questions first? Or I would prefer, if it's the consensus, to allow Connie to make her presentation and then ask questions. I'm also going to ask

the stenographer to transcribe this testimony and provide it to me. I will forward it to all of the members of the Legislature so that they can read it. There are many that are not here. Okay? Connie, with no objection, Connie, would you, please proceed?

MS. CORSO:

Okay. Just so you know, we kind of agreed that Gail would do the presentation and she would have her presentation. I'm only going to let you know some of my comments and some of where we come from.

Some of the things that we do is we both prepare a budget model. Gail's budget model and our budget model, which was really kind of nice, is she kind of looks at individual expenditure categories, where my budget model kind of looks at programs. And to be so close on a model when you're using different philosophies was kind of eye-opening and refreshing to the both of us, and I think it reflects the spirit of cooperation that we have between the Offices.

So, basically, I would agree with what she says, especially when you look -- when you look at the expenditure reductions, some of the slow-downs in the equipment, if you remember back in the Fall or the Summer, we had that problem passing the sales tax. So what did we do in the County Executive's Office? We kind of did, you know, a slow-down. We did an Executive Order and we shut down the equipment and some of the other purchases, because we didn't know what was going to happen. We had -- you know, I have a very proactive County Executive. We didn't know how that was going to turn out. And, actually, it took a look longer than any of us expected to get that passed. So, I would agree, that the difference in some of the fund balance probably is due to that, so I think I would agree with that.

I also want to talk about the difference -- some of the differences that we have. There is a difference in the TAN borrowing from 2007 to 2008, and that's why we think that there is going to be an additional expenditure of 2 million dollars. We also expect that the D-TAN is probably going to be a little bit higher. I think it was 50 million last year and I think it's anticipated to be 80 million, so that kind of is the difference between the two models. So that explains the fund balance and that explains the debt service.

Now, in the area of property taxes, look at the trend. If you look at the trend, where 51 million has been the warrant for the last three years, we have not collected 51 million in the last three years. So, theoretically, yes, we are going to budget the 51 million, because you are not going to change the warrant. Do I expect to get the 51 million? I would love that, but because of the economy, I really don't know where we're going to end up. So that would explain the difference in the 10 million dollars.

So, if you have any other questions, I think that's -- I just wanted to explain the differences.

CHAIRMAN MONTANO:

Are you done, Connie?

MS. CORSO:

Yes.

CHAIRMAN MONTANO:

Thank you. I just want to ask a couple of questions. Really, I want to open this up to the Committee. Just on the last point, though, and something popped into my head, you said that our warrant and the property tax collection was worth 51 million for the last several years, but we haven't been collecting that. Now, I know at the last meeting, we were -- we approved some open space purchases, you know, etcetera. Is there -- is there a calculation? I mean, does -- I would assume that taking -- that open space purchases and taking those properties off the tax roll would also impact on the warrant; am I correct in that assumption?

MS. CORSO:

Yeah, I believe you're correct.

CHAIRMAN MONTANO:

And do you have any idea of how much? Because, if we have not changed the tax warrant from 51 million for several years and we've been purchasing open space, thereby taking these properties off the tax roll, any idea how much of the -- how much we've taken off the tax roll over the last couple of years?

MS. CORSO:

Well, we did, I mean --

CHAIRMAN MONTANO:

You know, dollar-wise.

MS. CORSO:

I don't know, but to counter that -- I mean, it's a good question. But to counter that, I would say we just had a very successful tax lien auction last year, so I expect --

CHAIRMAN MONTANO:

No, no, no, no, no, don't counter it, answer the question, Connie. You know, I understand your point.

MS. CORSO:

It's a very good question and I have not quantified --

CHAIRMAN MONTANO:

But do you have the answer to it?

MS. CORSO:

No, I have not quantified that for you.

CHAIRMAN MONTANO:

All right.

MS. CORSO:

I'd be willing to do that for you.

CHAIRMAN MONTANO:

Could you? I'm curious. I don't mean to be -- you know, I am curious about that.

MS. CORSO:

It's a very good question.

CHAIRMAN MONTANO:

All right. Now, in terms of your counterpoint, you've had a successful tax -- what did you say, tax sale?

MS. CORSO:

We had the tax sale, so you're going to put --

CHAIRMAN MONTANO:

The lien, the Brownfield tax sale?

MS. CORSO:

Not the Brownfield, the regular tax liens. We just had -- what did we sell, about 8 million dollars

worth of properties? We expect to take in about, when all is said and done, 5 million, but those are going to go back --

CHAIRMAN MONTANO:

Is this an auction?

MS. CORSO:

This was the auction.

CHAIRMAN MONTANO:

Okay, all right. So you --

MS. CORSO:

So you're putting those back on the -- you're putting them back onto the tax rolls.

CHAIRMAN MONTANO:

Right, and you're also -- you're also recouping the back-taxes, are you not, plus you're recouping the --

MS. CORSO:

I am, and those are -- go ahead.

CHAIRMAN MONTANO:

-- you're recouping the interest and the penalties that are associated with the nonpayment of taxes.

MS. CORSO:

Yes, and, thankfully --

CHAIRMAN MONTANO:

In addition to that, you're also recouping the increase in equity from what they owe versus what you sold it for. But, because of my bill, you have to give half of it back, so, you know, I understand that. You say that we collected 8 million dollars?

MS. CORSO:

No. I think at the end, when we -- when all is said and done, we probably will only get 5 million.

CHAIRMAN MONTANO:

Five million.

MS. CORSO:

I don't know that all of those properties will close.

CHAIRMAN MONTANO:

Okay. Could you -- and I'm going to ask you as a courtesy. Could you, please, try and ascertain, you know, how much we have taken off the tax roll because of open space purchases the last four years?

MS. CORSO:

I will absolutely have the Department do that.

CHAIRMAN MONTANO:

Thank you, appreciate it. Are there any questions from any of the members of the Committee?

MR. ZWIRN:

Mr. Chairman, may I respond just a little bit to some of the questions that you raised? And they're good, especially on the open space.

CHAIRMAN MONTANO:

Why -- you want to respond to the questions?

MR. ZWIRN:

If I could add something on the open space.

CHAIRMAN MONTANO:

Sure, go ahead.

MR. ZWIRN:

One of the conversations I had yesterday with the Presiding Officer was about some of the money we spent. First of all, the open space acquisitions generally are unimproved properties, so they are -- usually, the taxes are not as high as improved properties. And two, when you take these properties off of the tax rolls, and especially for open space acquisition, you also don't have to provide additional services. There are no more development on those properties, so you're not going to have to bring sewer lines, or water lines, or additional police protection to protect the open space, as opposed to whether you have inhabitants living there.

CHAIRMAN MONTANO:

If I may.

MR. ZWIRN:

So there --

CHAIRMAN MONTANO:

If I may, Ben, those are more arguments in response to the question, as opposed to the question itself. So what I'm going to do is we can take that up --

MR. ZWIRN:

I just said --

CHAIRMAN MONTANO:

We could take that up later. What I --

MR. ZWIRN:

I would just say, the analysis on taking the open space -- what came off the tax rolls should also be coupled with what you saved in additional services that would have had to have been provided, that's all.

CHAIRMAN MONTANO:

Well, then you can do -- then I'll tell you what. When you provide me that figure of the dollar amount, you can also put in your counter-argument of how much you have saved the County; is that fine?

MR. ZWIRN:

Yeah, fine.

CHAIRMAN MONTANO:

Good. Okay. Any questions? Well, just for procedure, I always recognize members of the Committee first, and then I'll move to members that are not on the Committee. Do you have any questions, Legislator Kennedy?

LEG. KENNEDY:

I have a simple question, if the Presiding Officer will suffer it, and it's one for Gail. And I'm going to

take a lead, if I can, from the Chair here. How do we sit here today in March with a 130 million dollar deficiency, between 130 and 156 million dollar deficiency? When I vividly recall the Working Committee last Fall and I sat through in November assembling the budget, and the budget that I voted on in the latter part of November was a balanced budget, how did we lose 130 million in a space of 90 days?

MS. VIZZINI:

The 130 million -- first of all, the 2008 adopted budget is balanced.

LEG. KENNEDY:

Okay.

MS. VIZZINI:

What the shortfall is, is if we have -- when we have to put together, or they have to put together the 2009 Operating Budget, how are they going to bridge the gap between '08 and '09? That's really what the shortfall is. And, as you recall, in adopting the '08, you know, budget, we did use one-shots. We did have a substantial fund balance, and, as has been the practice in the past several years, we rely a lot on that fund balance. So it's really -- what this is about is putting together the 2009 Operating Budget.

LEG. KENNEDY:

And, again, the two one-shots were the 25 million that was transferred out of the Debt Stabilization and the 16 million for the sale of the health plan that actually may or may not occur and we may or may not find out about it.

MS. VIZZINI:

Coupled with depleting what was in debt reserve. There was 20-something million in there, which we also used. You know, normally, we would have some reserve accounts. The only reserve account that's still intact is the Tax Stabilization Reserve.

LEG. KENNEDY:

And that is that large amount that we keep going to each year, that the only way we access is if, in fact, we do do a 2 1/2% property tax increase?

MS. VIZZINI:

General Municipal Law requires you to increase your property tax warrant to access your tax stabilization reserve.

CHAIRMAN MONTANO:

In the General Fund.

MS. VIZZINI:

Well, it's only for the General Fund.

CHAIRMAN MONTANO:

Exactly, okay.

LEG. KENNEDY:

I recall the Presiding Officer, as a matter of fact, put forward a piece of legislation, I believe it was last year, that capped that at a particular amount. Wasn't that 130 million that that capped at?

MS. VIZZINI:

The reason for the cap was, you know, to set an amount whereby, if we were at the 120, those funds could be directed to the debt reserve and to several other specific areas that were identified in that legislation. The Charter allows you to take 25% of the discretionary fund balance and give that to, or allocate that to either the debt reserve or the tax stabilization reserve, it's just that we did not

have a debt reserve until the last several years. So we -- fortunately, the Legislature had the foresight to build up the tax stabilization reserve to an unprecedented -- at the end of '08, will be 130 million, almost the magnitude of the shortfall. You know, we have been socking it away.

LEG. KENNEDY:

But I also -- I think I heard you say, Gail, that our actual fund balance is going to go as high as 169 million, when, in fact, when we planned, or budgeted, or factored last, we looked at a hundred and --

MS. VIZZINI:

Twenty-five.

LEG. KENNEDY:

Twenty-five.

MS. VIZZINI:

Yes.

LEG. KENNEDY:

Okay. So what happens to that difference there?

MS. VIZZINI:

That's what gets carried over into '09. It will be taken off the stand-alone levy, so that you don't have to raise taxes by that amount.

LEG. KENNEDY:

All right. I'm going to -- I'm going to yield back to the Chair. I'll pick this up again with you directly. I'll yield back to the Chair.

CHAIRMAN MONTANO:

Thank you, Legislator Kennedy. Mr. Presiding Officer?

P.O. LINDSAY:

Ladies, I -- first of all, I want to say that it's refreshing that we're both on the same page. I'm more interested in the 2007 numbers than the 2008, because 2008's projection, 2007's here. It's really good news to hear that the sales tax is coming in at more than we projected. I mean, that's a new number to me. I didn't --

MS. VIZZINI:

For '07.

P.O. LINDSAY:

Yeah. I didn't realize that at all. Is that finalized now, or is that a projection?

MS. CORSO:

No, that's final.

P.O. LINDSAY:

That's final. It came in at 3.1%?

MS. CORSO:

Uh-huh.

P.O. LINDSAY:

Over 275?

MS. CORSO:

Right.

P.O. LINDSAY:

Okay. And that's already plugged into both your models?

MS. CORSO:

When I -- yeah. We had adjusted our 2007 estimate up. There could be, you know, 500,000 or so over the estimate. I'd have to give you the exact number. But it was -- it's funny, because the -- I don't think we're going to see that in 2008.

P.O. LINDSAY:

I know, but now we're talking about '08 again.

MS. CORSO:

Yeah, okay. So you want to go back to --

P.O. LINDSAY:

I want to talk about '07.

MS. CORSO:

Yeah.

P.O. LINDSAY:

I want to know what's real, what's in our pocket.

MS. CORSO:

Right.

P.O. LINDSAY:

But the 120 million shortfall accounts for sales tax in '07 coming in at 3.1%?

MS. CORSO:

Yes.

P.O. LINDSAY:

So it's good news but --

MS. CORSO:

It's good news, but not good enough.

P.O. LINDSAY:

-- the overall bad news is still the same.

MS. CORSO:

Right.

P.O. LINDSAY:

Okay. But weren't we talking about the shortfall being -- these numbers before we got the sales tax, before we were still looking at 275?

MS. CORSO:

Right. But like Gail said, it's a moving target. You get good news like that, and then you'll get bad news like the State budget. I mean, you just -- it's a constant balancing act, so --

P.O. LINDSAY:

And the other thing in terms of the collections, which is part of the bad news of the real estate tax, isn't it true we'll eventually get that money?

MS. CORSO:

Yes, and I'm looking forward to it.

P.O. LINDSAY:

I mean, either through late payments, plus interest, or through sales --

MS. CORSO:

Right.

P.O. LINDSAY:

-- of the property that we wind up acquiring.

MS. CORSO:

Right.

CHAIRMAN MONTANO:

And penalties.

MS. CORSO:

And unfortunately, if you look at the trend, and Robert could probably talk a little bit more about how long those trends last, I think the economy right now, where it used to be V-like, is almost like a U, and this is going to last a little bit longer than we would expect.

P.O. LINDSAY:

Gail, you're projecting a 23 million dollar shortfall in the Police District, and that's based on taking the same amount of money from the sales tax pool that was taken last year?

MS. VIZZINI:

Yes, and it doesn't provide for any additional staff, it's kind of a status quo.

P.O. LINDSAY:

Does that -- what kind of Police tax increase does that -- come into that?

MS. VIZZINI:

It's about -- Connie tells me it's about 5.5.

P.O. LINDSAY:

5.5 what?

MS. VIZZINI:

Percent.

P.O. LINDSAY:

Tax increase in the Police District?

MS. VIZZINI:

Correct.

P.O. LINDSAY:

Where last year it was 2.3, right?

MS. VIZZINI:

Two-point-something. Probably.

MS. CORSO:

Yeah it was about 2. -- yeah.

MS. VIZZINI:

Yeah.

MS. CORSO:

2.37.

P.O. LINDSAY:

The only other comment that I want to make, if you really are an optimist in this whole thing, we've talked at this horseshoe about how do we wean ourselves off of the fund balance. I guess we're doing that.

MR. ZWIRN:

Self-correction.

P.O. LINDSAY:

So that you don't really have any good news at all?

MR. ZWIRN:

Well, we're having a better day than the Governor, that's all I can say.

P.O. LINDSAY:

Well, everything is relative.

CHAIRMAN MONTANO:

Ooh, Ben.

P.O. LINDSAY:

All right, I'm done.

CHAIRMAN MONTANO:

All right. Legislator Horsley.

LEG. HORSLEY:

Lou, are you on the Committee or --

LEG. D'AMARO:

No.

CHAIRMAN MONTANO:

I'm sorry, I didn't pick out any particular order.

LEG. HORSLEY:

Okay.

CHAIRMAN MONTANO:

I saw you first. Legislator --

LEG. HORSLEY:

No. I have a very quick question. I was looking at the -- you were talking about we're looking at an

increase of 1.8% in the sales tax in '08, and we're looking at an increase of .2, though de minimus, for '09.

MS. VIZZINI:

No. It's 1.5% in '08.

LEG. HORSLEY:

1.5, okay.

MS. VIZZINI:

And 2% --

LEG. HORSLEY:

Right.

MS. VIZZINI:

-- in '09.

LEG. HORSLEY:

Yeah, two, but it's a small dollar amount, relatively. You're looking -- but my point is you're looking for a better economy in the following year, you're projecting a better economy. How did you come up with that, because I'm looking that you also, in a lot of different ways, in a lot of different economic reports, and I don't -- I'm not sure that U's there, you know, where we're starting to see the upturn in the next year. How did you come up with that?

MR. LIPP:

The consumer spending is being really adversely affected and continually so by the real estate market.

LEG. HORSLEY:

Yeah.

MR. LIPP:

And the reports that we're looking at show that it's going to flatten out sometime early in 2009, and we're talking like a modest improvement in the second half of 2009.

LEG. HORSLEY:

So you're looking at a -- you're looking at an improvement, we're pulling ourselves out of this as we move into '09 and upwards beyond that.

MR. LIPP:

Understand, we're talking going from 2 1/4% budget sales tax to 1 1/2%, which is unheard of low for Suffolk, and then --

LEG. HORSLEY:

So what you're anticipating is a short recession.

MR. LIPP:

Yeah. Well, but also to understand, number one, that going from 1 1/2 to 2% is almost, as you would say, de minimus. And if you add in inflation growth alone, 1 1/2 or 2% is below inflation. So, in terms of real growth in sales tax, we are very conservative. We're talking about a real decrease, you know, after you adjust for inflation.

MS. CORSO:

When I talk about the V versus U, I mean, usually the economy rebounds very quickly. I'm saying

that it's going to take a little bit longer.

LEG. HORSLEY:

You know, that's pretty much what I've been reading, too --

MS. CORSO:

Yes, yes.

LEG. HORSLEY:

-- that it's going to take a little bit longer and alike. But you do see that we're slowly moving out of this in '09?

MS. CORSO:

You know, like, for -- you know, for instance, in --

LEG. HORSLEY:

Either that, or the price of oil is going to continue to raise, so we have more sales tax that way.

MS. CORSO:

You, in the '90's, it kind of went -- it went down, but it went up, back up very quickly. Right now, we think it's just going to be a little bit of a, you know, kind of wait-and-see for a little bit.

LEG. HORSLEY:

Okay. I mean, that's -- I just wondered how you got '09 getting better. I was just -- good to hear you guys thinking that way, because I haven't seen it in other reports that I'm looking at.

CHAIRMAN MONTANO:

No one else is saying it. Are you done, Wayne?

LEG. HORSLEY:

Yeah, thanks.

CHAIRMAN MONTANO:

Legislator D'Amaro.

LEG. D'AMARO:

Okay. Thank you. Good morning. Gail, I'm trying to get to the 130 number. And I guess most of that is coming from looking at what's happening in '08, whether it's revenue shortfalls or increased expenses. And I have a shortfall in the turnover balance of 47.5 million. I have one-shots no longer available of 25.4. I have State and Federal Aid decreasing by 25 million, and I have property tax collections down by 15. What am I not citing? What am I missing?

MR. LIPP:

We have -- it's hard to give you a very simple answer. I can show you some more detail, but I think, first of all, for the big picture, and I hate to not give you a specific direct question, we have, A, a very large amount of detail in the budget model. B, we break it down into the major differences, and we break it down into three years. There's the difference between the actual and the estimate for '07, there's a difference between the adopted -- rather, the projected for '08 and what was estimated in '07, and then there's a difference between what was adopted for '08 and what we're projecting for '09. To make a long story short, there are a lot of detailed categories. Gail gave you the major ones, and we could break it down into more detail. You know, what she didn't talk about, for instance, are, you know, what we see in terms of expenditure savings, with contract agencies, with equipment, with supplies and materials.

LEG. D'AMARO:

Well I want to get into that a little bit. And I omitted the 16.1 from the Health Plan. It was also a

major one-shot not anticipated for the '09 budget. And what we're talking about here is carrying the '08 budget into '09 without any major policy changes or revenue change -- not revenue, but without any further expenditures, new programs, that kind of thing. It's just a carry-over for purposes of coming up with a shortfall.

MR. LIPP:

And one large factor that wasn't explicitly perhaps stated was that in 2007, we did not have to spend on our retirement bill where we did in 2008. That's 50 million dollars just for the General Fund. The point to be made there is a few years ago, the State allowed for lagged retirement bills. Instead of paying December, we paid in February, each year until up through 2007. We've decided, even though we budgeted otherwise, we decided to pay the bill early to have some interest savings. In 2007, we opted not to do that. So in 2008, what happened is we went from a zero retirement bill, because the State allowed for the lag, to in 2008 of 50 million dollars. That's --

LEG. D'AMARO:

And that accounts for the turnover savings decline, substantial decline.

MS. CORSO:

Let me -- can I just -- can I just add here that had we paid that bill, then the carrying fund balance would have been that much lower.

LEG. D'AMARO:

Right. All right. So my next question then is, given the '08 shortfalls, the other side was the -- was the increase you had mentioned in salaries, benefits, debt service. Now, were those increases beyond what the '08 budget anticipated, or are those increases going into, like '08 budget is okay, but it's the '09 budget where you'll see these increases?

MR. LIPP:

Yeah. We have -- in the '09 Budget, we've built in, for lack of a better term, as Gail had said, latitude in the permanent salary account for hiring, just as recent budgets have allowed for to give more flexibility and discretion. If you take that extra expense out, then what would happen is you would be setting yourself up for an ever more difficult time in the following year.

LEG. D'AMARO:

Right, I understand. What is the dollar amount?

MR. LIPP:

18.1 million.

LEG. D'AMARO:

How much?

MR. LIPP:

18.1 million in additional salaries in our model for 2009. We actually added 18.1 million to allow for that.

LEG. D'AMARO:

And that, of course, is included in the 130 million dollar --

MR. LIPP:

Correct.

LEG. D'AMARO:

-- shortfall. So 18. --

MR. LIPP:

And understand, it's 107 for the General Fund, which is what we're mostly talking about, and as an aside, plus 23 for the Police District --

LEG. D'AMARO:

Right.

MR. LIPP:

-- excluding any class.

LEG. D'AMARO:

Now how much of the 18.1 is broken up between General Fund and Police District?

MR. LIPP:

It's all General Fund.

LEG. D'AMARO:

General Fund, all right. And just can you be a little more specific as to what makes up the 18.1 million?

MR. LIPP:

The observation, that during 2007, we believe there'll be surplus appropriations for salaries of that amount based on our projections.

LEG. D'AMARO:

So that's increase in salaries, benefits?

MR. LIPP:

No, no, no. It's --

LEG. D'AMARO:

Does that include debt service increases?

MR. LIPP:

No, no. This is just salaries in terms of where we see hiring going for this year, projecting forward a surplus for '07 -- I mean, rather, for '08.

LEG. D'AMARO:

How much hiring does that anticipate, as opposed to salary increases for existing workforce?

MR. LIPP:

We have salary increases built in, and we're basically assuming that the -- that the cost of new hires is approximately -- is equal to the dollar value of retirements and other separations.

LEG. D'AMARO:

So that's a wash, in effect.

MR. LIPP:

Correct.

LEG. D'AMARO:

Okay.

MR. LIPP:

During '08.

LEG. D'AMARO:

All right. Okay. Thank you. Thank you, Mr. Chairman.

CHAIRMAN MONTANO:

All right. Okay. Just follow-up, just to wrap up, Ms. Corso, Connie, on the numbers I was asking, I think that would include parkland, active parkland? I'm talking about something all inclusive, and I think you understand; am I correct?

MS. CORSO:

Yes, I do.

CHAIRMAN MONTANO:

Okay, good. Number two, there -- you know, it's well-known that there is a Budget Committee that's working with the County Executive and your staff relative to this potential shortage for 2009. Legislator D'Amaro is on the Committee, Legislator Lindsay, and myself. Do you want to -- and I don't want to discuss anything that -- you know, because it's still a work in progress, but do you want to comment on that in terms of any remedies that we may -- we should know about relative to how we're going to plan to go into the 2009 budget? And if not, you know, we'll take a pass. I leave it up to you.

MS. CORSO:

All I'd like to say is that, first, I'm glad we're all working together, and second, I'm glad that this County has some options. These options have been laid out, and I look forward to, you know, a couple of more meetings and kind of discussing them further and fleshing them out a little bit more.

CHAIRMAN MONTANO:

Now, have they been laid out publicly, or are you saying laid out to the Committee members?

MS. CORSO:

I think that not only have they been laid out, but there has been a back-and-forth. There have been some ideas that came from the County Executive, there have been some that have come from members of the Committee, so --

CHAIRMAN MONTANO:

So it would be premature at this point to discuss them.

MS. CORSO:

Oh, absolutely premature.

CHAIRMAN MONTANO:

Okay. And I will honor that. All right. So we're going to move on.

Some unfinished business from the last meeting. The last meeting -- before we go into public portion, the last meeting the County Attorney was here relative to some questions that Legislator Kennedy had in the -- oh, we have the County Attorney here. Okay. Why don't you follow up on where we were at the last meeting. I have a copy of the minutes here. What essentially we had been requested was to go into Executive Session to talk about issues relative to the sale of the HMO. We chose not to do that. In the interim, I believe the County Attorney was requested to seek an opinion from the Office of Open Government, I believe it's called, relative to the appropriateness of whether or not we could go into Executive Session with respect to the subject matter that we were talking about. I think, Legislator Kennedy, you had -- I know you -- did you want to pursue this today, or did you want to move on?

LEG. KENNEDY:

Well I think, Mr. Chair, I'd like the opportunity to go ahead and find out from Mr. Brown where we're at with that, because I believe that, you know, again, once again, we just heard here that 16 million

has been identified as being realized from this. So, apparently, it's the, you know, Administration's intent to effectuate a sale.

CHAIRMAN MONTANO:

Well, why don't we hear --

LEG. KENNEDY:

To this point, we still know very little, and I believe that we were going to have an opinion from Mr. Freeman solicited.

CHAIRMAN MONTANO:

Right. Could you give us a status on where we're at? I have not received any correspondence relative to any request to the Open -- Committee on Open Governments as to appropriateness of whether or not the subject matter that we were discussing could fall under the -- as an exception to the Open Meetings Law. Do you have any further information on that?

MR. BROWN:

Sure. Thank you. For the record, Dennis Brown, I'm not the County Attorney, but thanks. I'll see what I could do about that. In any event --

CHAIRMAN MONTANO:

We'll speak to Mr. Levy. Go ahead.

MR. BROWN:

Yeah, okay. She extends her apology. She can't be here today because --

CHAIRMAN MONTANO:

Understandable.

LEG. BROWNING:

Because of personal reasons. But in answer to your question, Mr. Kennedy, immediately following the meeting, a request, a written request was done to the Committee and it went out by both fax and by regular mail on Friday or Monday following the Committee meeting, and I do not have a response yet.

LEG. KENNEDY:

Well, Dennis, what I'm going to ask, then, is can you make a copy of that letter available for me, because I would like to have a conversation with Mr. Freeman's office then, since the matter that we're talking about, the underlying matter at this point, you know, I feel is of utmost urgency. And we will now not be in session again, I guess, for the better part of another month. And as I had said two weeks ago, my greatest concern here is that while we have very little information about what, in fact, is actually transpiring, apparently, there's significant negotiating that's being undertaken and --

MR. BROWN:

I'll be happy to bring that to the County Attorney's attention, absolutely.

LEG. KENNEDY:

Well --

CHAIRMAN MONTANO:

Well, let me -- go ahead.

LEG. KENNEDY:

Let me renew the request again, then, Dennis. Since she was able to go ahead and write this letter, I appreciate that, I'd like a copy of it. Can I get a copy of that today?

MR. BROWN:

I said I'll be happy to bring that to the attention of the County Attorney. I did not write the letter.

CHAIRMAN MONTANO:

Well --

MR. BROWN:

I did not write the letter.

CHAIRMAN MONTANO:

If I may interject, Dennis, and Legislator Kennedy.

LEG. KENNEDY:

Sure.

CHAIRMAN MONTANO:

I'm actually requesting officially a copy of the letter that was sent out, so convey it in the sense that we --

MR. BROWN:

Absolutely.

CHAIRMAN MONTANO:

Yeah. And I don't think -- and I will -- either you can send it to the members of the Committee, or you could send it to my office and I, in turn, will forward it to the members of the Committee --

MR. BROWN:

Absolutely.

CHAIRMAN MONTANO:

-- as soon as we get it, okay?

MR. BROWN:

Absolutely, no problem.

CHAIRMAN MONTANO:

All right. And, if, for any reason, which I'm sure is not the case, the request is denied, I would like to know in writing that it's denied and why it's denied.

MR. BROWN:

Okay.

CHAIRMAN MONTANO:

Okay?

MR. BROWN:

No problem.

CHAIRMAN MONTANO:

Are there any -- John, do you have any other questions?

LEG. KENNEDY:

No. I'll yield, Mr. Chair. Thank you.

CHAIRMAN MONTANO:

Legislator -- Mr. Presiding Officer had some question.

P.O. LINDSAY:

I understand we're in a brouhaha with this, and I have a problem with it. First of all, I don't want to know the particulars of what the RFP is bringing back to us. That's the role of the Executive Branch. When you guys finalize a sale or a potential sale, bring it to us for approval, we'll peruse it in public at that time. I don't think it's proper for us to be involved in the negotiating process. We approved the sale of the Health Plan under last year's budget. We allocated a certain amount of assumed money from that. This whole issue of confidentiality and Executive Sessions about the negotiations in the RFP, I don't want to be in the middle of that, you guys do that. And I think that's the proper way to handle this.

CHAIRMAN MONTANO:

Okay.

LEG. KENNEDY:

Mr. --

CHAIRMAN MONTANO:

Did you want to go back and forth? Legislator Kennedy.

LEG. KENNEDY:

Mr. Chair, I don't want to go back and forth, and I respect, you know, the opinion of Presiding Officer, however, my questions, as I have spoken both directly to the County Attorney and to others, don't necessarily go to the essence of the negotiation. Much of what my questions were were basic generic informational types of questions about the composition of the membership, some of the frequency of use in the various health clinics.

P.O. LINDSAY:

But you'll have a chance to review that when you get the final documents back. I think we have to hold a public hearing on this issue.

CHAIRMAN MONTANO:

All right. Let me interject, if I may. Would you yield, Legislator Kennedy?

LEG. KENNEDY:

Of course. And --

CHAIRMAN MONTANO:

I just want to give some background so we know where we're going on this. I personally have no idea of what the questions that were posed by Legislator Kennedy are. My involvement here was that I was requested by the County Executive and the County Attorney to address any questions in Executive Session. I advised the County Attorney that she should come to the meeting, and if, in fact, the subject matter was appropriate for Executive Session, then I would be more than willing to go into Executive Session. I determined that it seemed skeptical that the subject matter was one of the exceptions that falls under the Open Meetings Law and I declined to move into Executive Session. So, at that point, we instructed the County Attorney to please inquire as to the appropriateness.

I still have no idea of what the questions that Legislator Kennedy has, and nor am I interested at this point. If the questions go to issues that deal with the Executive Branch, then they probably will be -- you know, will be deemed inappropriate, but I don't think we're at that stage yet. My request, the request to me as Chairman was to take the matter into Executive Session, which I declined to do. The response was, "Get a letter from the Open -- the Committee on Open Government if you think it's appropriate." That's the stage we're at. When the letter comes back, I think we'll make a determination as to whether or not, number one, we'll go into Executive Session, and by that time, I think Legislator Kennedy will have the questions that he's asking relative to this issue. They may or

may not be benign, I have no clue. Does that sufficiently explain? So I think we could move on.

Number one, please provide us with a copy or a response to the request, and at the next meeting, we'd like to follow-up on this. I have a copy of the transcript of the dialogue between ourselves and the County Attorney. If you need that, I'll provide it, so that there's no mistake, and let's move on. Is that fine, Mr. Brown?

MR. BROWN:

That's absolutely fine.

CHAIRMAN MONTANO:

Thank you very much.

MR. BROWN:

Okay.

CHAIRMAN MONTANO:

Moving right along. We're going to go into public portion. We have a card from Mr. Charles K. Stein, Suffolk County Community College. Chuck, would you step forward? I'm not going to put on the timer, so -- but --

MR. STEIN:

This will be very brief.

CHAIRMAN MONTANO:

Thank you.

MR. STEIN:

Thank you. When I was here in November I said I would be back at this time of the year just to give you an update on the College's enrollment. We are projecting, based upon the Fall and the Spring enrollment and a projection for the Summer, that we will be coming in this year with approximately 3.3% enrollment growth. We are in the midst right now of formulating our budget for the '08/'09 year. We've gone through a lot of the same process that you've heard this morning in terms of the County, looking at our concerns for next year between required increases for health insurance, energy, contractual salary, benefits, those types of things that we will have to deal with as we prepare our budget. We also have to take into account that the Governor's proposed budget has actually reduced FTE aid for next year to the Community College by \$50 per FTE. That's something we have to take into consideration. And as we continue to prepare that budget, we will see how we deal with those elements.

We recognize many of the things that were discussed this morning in terms of the financial situation at the State and County level. The economy certainly is something that we're all concerned about and the implications associated with it. We do recognize, however, that there are certain fixed costs that we have to deal with in terms of our budget for next year, much like the County has, and we are in the process of discussing and formulating the approaches to that.

And that's it. With that, I just -- I'll answer any questions you have. If not --

CHAIRMAN MONTANO:

Just, Chuck, when is it that we're going to be dealing with the budget again? When do you submit the budget?

MR. STEIN:

We submit the budget to the County Executive in April after the Board meets. The Board is meeting on April 17th --

CHAIRMAN MONTANO:

Okay.

MR. STEIN:

-- to approve the budget. We anticipate that we will have the budget over to the County Executive's Office, hopefully, by the 18th. We did receive a letter from the County Executive requesting that we have it over to him on April 13th, but since our Board is meeting the following week, there will be a one-week delay. And then the normal procedure that has occurred to this point is that the County Executive reviews it and sends it over to the Legislature in June. The Legislature has then asked the Budget Review Office to do its analysis, which usually comes out toward the end of July, and we usually meet with the EEE Committee either at the end of July or beginning of August. I forget which date it's at this year. And then the full Legislature votes at its first meeting in August on the budget. That's been the process.

CHAIRMAN MONTANO:

Okay. Are there any questions?

LEG. BROWNING:

How is the enrollment?

CHAIRMAN MONTANO:

Excuse me?

MR. NOLAN:

3.3.

CHAIRMAN MONTANO:

3.3 over last year.

MR. STEIN:

That's our estimate at this point.

LEG. BROWNING:

Sorry.

CHAIRMAN MONTANO:

Now, what are -- just I'm thinking that, this is just a question as I'm thinking it, that maybe part of that growth is due to the economy, that people maybe aren't sending their kids away to college because of the tightness of the economy and the tightness of the dollar?

MR. STEIN:

Well, that's -- we believe that's part of it.

CHAIRMAN MONTANO:

Okay.

MR. STEIN:

And we'd like to --

CHAIRMAN MONTANO:

That's an assumption I'm making.

MR. STEIN:

-- stress that we believe we are the best bargain in town in terms of higher education.

CHAIRMAN MONTANO:

I think -- I would agree with you on that.

MR. STEIN:

And, certainly, when -- community colleges traditionally have increased enrollment when the economy is difficult, and we have seen some level of increase here.

CHAIRMAN MONTANO:

Actually, I think all colleges. I know when I was in law school, the big joke was that we were all in law school because we couldn't find jobs, so -- and I think Ben would agree with that, right, Ben? No? You weren't there for that reason? I hear you.

Chuck, I want to thank you for the presentation. We look forward to seeing your budget when it comes in.

LEG. KENNEDY:

Mr. Chair, could I --

CHAIRMAN MONTANO:

Legislator Kennedy.

LEG. KENNEDY:

Just a quick query. Along those lines, Chuck, you have a couple of specialized programs, the Automotive Tech Program, you have the HVAC Training Program, and then you also have the Nursing Program. Are you seeing any upticks in those particular or other similar types of direct transfer programs into the workforce?

MR. STEIN:

Well, the Auto Tech definitely is doing well. Nursing Program for years has been sought after. There's a waiting list. It's --

LEG. KENNEDY:

Highly subscribed.

MR. STEIN:

And now we have -- thank you. And now we have at our Riverhead Campus the Culinary Center, downtown, which is certainly a model, and if you have not been there, please go.

MR. ZWIRN:

I've been there.

MR. STEIN:

And there will be a Legislative meeting at that building coming up. It has certainly received a tremendous warm welcome, and we anticipate there'll be growth in that as we move forward.

LEG. KENNEDY:

I guess, as a follow, and I won't, you know, prolong it, but it's always something I think that's of interest to all of us, which is the rate of placement that you have students coming through the various programs.

MR. STEIN:

Absolutely.

LEG. KENNEDY:

So, in particular, if you could bring some of that additional information forward when you bring the budget forward, I would be interested in it.

MR. STEIN:

Certainly.

LEG. KENNEDY:

Thank you.

MR. STEIN:

Thank you.

CHAIRMAN MONTANO:

Thank you, Chuck. Any questions, Bill?

P.O. LINDSAY:

Just one other comment.

CHAIRMAN MONTANO:

Legislator -- Mr. Presiding Officer.

P.O. LINDSAY:

Yeah. And I want to kind of add to the compliments of the college in terms of doing career training, especially in difficult economies to find where there is needs in our community and train probably more adults than young people in terms of redirecting their career. And the Automotive Program, like you pointed out, and the Nursing Program, and Culinary Arts all are fine examples of that. And just as an aside to my colleagues, I think I have a meeting coming up with the College shortly about them doing paramedic training here. Almost all of our fire departments require paramedics in their ambulance corps, and I found out that we're sending most of them to Queens. So the College is going to look into that, and I think that's very progressive on their part.

LEG. KENNEDY:

Absolutely.

P.O. LINDSAY:

And I compliment them on that.

MR. STEIN:

Thank you, and thank you for your continued support.

CHAIRMAN MONTANO:

Thank you. All right, Chuck. Before we move on to the agenda and resolutions, is there anyone that would like to address the committee? Okay. Hearing none, let's move to tabled resolution.

TABLED RESOLUTIONS

I.R. 1004 of 2008 - Repealing home energy nuisance taxes on Suffolk County Residents (Alden). I'm going to make a motion. To table. I need a second. Second --

P.O. LINDSAY:

I'm going to make -- in light of the reports that we just heard, I'm going to make a motion to table subject to call.

CHAIRMAN MONTANO:

I'll withdraw my motion.

P.O. LINDSAY:

I can't --

CHAIRMAN MONTANO:

I didn't make a motion, that's right --

P.O. LINDSAY:

I can't possibly see --

CHAIRMAN MONTANO:

Oh, I did.

P.O. LINDSAY:

-- how we could afford to do this at this time, although I would very much like to do this. I don't know where we would get the additional 50 million dollars to repeal this tax.

CHAIRMAN MONTANO:

All right. I'm going to withdraw my motion to table and then second the motion to table subject to call. Any comments? All in favor? Opposed? Abstention? Motion carries. ***(Vote: Tabled Subject to Call 4-0-0-2 Not Present: Legs. Romaine and Cooper)***

CHAIRMAN MONTANO:

J.R. 1005 - Establishing a program to reduce unfair home energy nuisance taxes on Suffolk County residents (Alden).

P.O. LINDSAY:

Same motion.

LEG. BROWNING:

Same.

CHAIRMAN MONTANO:

You want to second? Second -- motion to table subject to call, second by Legislator Browning. All in favor? Opposed? Abstentions? Motion carries. ***(Vote: Tabled Subject to Call 4-0-0-2 Not Present: Legs. Romaine and Cooper)***

J.R. 1027 - Adopting Local Law of 2008, a Charter Law to promote accountability and transparency in government by requiring an Agency Oversight Report (Cooper). I believe that the public hearing on this issue is still open; is that correct?

MR. NOLAN:

Correct.

CHAIRMAN MONTANO:

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

LEG. BROWNING:

Second.

CHAIRMAN MONTANO:

Second by Legislator Browning. All in favor? Opposed? Abstentions?
(Vote: Tabled 4-0-0-2 Not Present: Legs. Romaine and Cooper)

CHAIRMAN MONTANO:

J.R. 1064 - Adopting Local Law of - 2008 - A Charter Law to clarify the budget process and restore flexibility in the allocation of sales tax revenue.

P.O. LINDSAY:

I'd like to make a motion to approve.

CHAIRMAN MONTANO:

All right.

LEG. BROWNING:

Is the public hearing closed on that?

P.O. LINDSAY:

Yes, it is.

CHAIRMAN MONTANO:

I believe the public hearing is closed.

LEG. BROWNING:

Okay. I wasn't sure.

CHAIRMAN MONTANO:

Do we have a second?

LEG. BROWNING:

I'll second.

CHAIRMAN MONTANO:

Second by Legislator Browning.

LEG. KENNEDY:

I'd like to make a motion to table on this, Mr. Chair.

CHAIRMAN MONTANO:

All right. I'm going to second the motion to table, and then we'll take up for purposes of discussion.

Yesterday I met with Legislator Schneiderman. I also received a phone call from Legislator Romaine. Legislator Romaine is a member of this committee. He's not here today. He had a previous engagement to be out of the -- out of state, so -- and I'm very aware that there's a lawsuit pending between the -- that was filed, I believe, by Legislators Romaine and Schneiderman relative to this issue.

At the last public -- at the public hearing, I think it was myself or someone asked a question relative to the passage of this particular resolution and whether or not that would affect the lawsuit. If I recall correctly, the response was no, that it would not affect the lawsuit. However, in conversation with the Attorney, he provided me with a copy of the Order to Show Cause. I was not aware --

MR. ZWIRN:

What attorney?

CHAIRMAN MONTANO:

Excuse me?

MR. ZWIRN:

I didn't mean to interrupt. What attorney showed you papers on what?

CHAIRMAN MONTANO:

No. I have a copy of the Order to Show Cause that was filed.

MR. ZWIRN:

Oh, okay.

CHAIRMAN MONTANO:

Okay? And my understanding of this is that the action is in the nature of an action for declaratory judgment. And with that information, I think it changes the opinion of -- should change the opinion of Counsel, and certainly changes my opinion. I'll let Mr. Brown -- you want to come up and speak on this? Is that why you're coming up? Is that a yes or a no?

MR. BROWN:

Yes.

CHAIRMAN MONTANO:

All right. Well, wait until I'm finished. My point being that it would affect the -- in my opinion, it would affect the lawsuit. Also, because Legislator Romaine is not here, I think, and I know that he has some very strong opinions on this, I would like to have, as a matter camaraderie, as a matter of courtesy, an opportunity for him to be here during the debate.

All right. In -- all right. I'm going to let Counsel intercede. I had some other points. Oh, and one last point. From what I understand, this issue, there is no reason that I know of that this has to be done today. The issues presented in this bill and in the lawsuit are really not issues that are going to come before us until the County Executive prepares the 2009 Operating Budget, so we still have time to move forward on this and I'd like an opportunity. So, for that reason, I've tabled the -- I've seconded the motion to table, but I'm going to let Counsel speak, and then we're going to hear from the County Attorney.

MR. NOLAN:

I just want to clarify, because this question came up at our last general session, whether this proposed Charter Law would have any effect on an outstanding lawsuit. And what I said was, to the extent that the lawsuit challenges the preparation of the 2008 budget, no, I don't believe it would affect that aspect of the case. But the Article 78 petition is also, I believe, asking for a judgment, an interpretation of C46J of the Charter, and to compel the County going forward to follow their interpretation of the Charter. So, obviously, if this Charter provision goes away, that part of the case is affected, but as to the past action, no.

CHAIRMAN MONTANO:

Right, and that's accurate. The request for damages under the old section, if we change the law, would probably continue. However, I believe that the passage would affect the Article 78, maybe not, but it certainly would affect the Action for Declaratory Judgment. I have -- and, by the way, I have an extensive file here that we're preparing based on letters that we've received, and I, quite honestly, haven't had a full opportunity to digest all of this. In light of the fact that Legislator Romaine is not here, in light of the fact that -- I'd like -- I know you turned away, but I'd like to have, you know, one of the Legislators have an opportunity to comment on something which I'm sure he feels passionate about, and in light of the fact that I don't think that this is something that's time sensitive. And, you know, with that, I'll ask Mr. Brown to comment.

MR. BROWN:

The only thing I was going to add, because you referenced the Order to Show Cause, that there were several requests for relief, a Declaratory Judgment being one of them. And I don't have a copy of the Order to Show Cause in front of me, but I think that another was -- that the allocation that was made in the current budget, that that be undone and that there be a new calculation. I don't believe that there was any request in the Order to Show Cause, if my memory serves me correctly, referring to any year, other than either the 2007 or the 2008 budget. I'm not really sure.

CHAIRMAN MONTANO:

I have the original order, if that helps.

MR. BROWN:

Actually, that would help.

CHAIRMAN MONTANO:

All right. Let me see if I can get this to you. Again, this is only -- the document that I have is the original -- is an Order to Show Cause, Index Number 2813 of '08. It's dated the 14th of February, 2009 (2008), is signed by Judge Rebolini. I don't have any other pleadings. I'm going to have my Aide bring that over to you.

MR. NOLAN:

My recollection is it does ask about back years. Other than this year's budget, it asks for relief relative to past budgets, the last two or three years.

MR. ZWIRN:

If I might just add just one thing. This issue --

CHAIRMAN MONTANO:

Go ahead, Ben.

MR. ZWIRN:

It's not our bill, but I would say that this issue, every Legislator who sits at this horseshoe has a stake in this issue, in this legislation and in the lawsuit. And not to get this piece of legislation before the entire Legislature, where Legislator Romaine, when he comes back from wherever he is, Legislator Schneiderman, who's so passionate about this, didn't come today to plead his case before the Committee, if they think it's so important they've brought a lawsuit, the entire Legislature, because if this lawsuit is successful, then people who represent 16 -- the 16 Legislators and the people they represent will wind up paying 11 million dollars next year in going forward, I would think that this should be a debate that should be had before the entire Legislature and not bottled up in Committee where the Legislators who are bringing the lawsuit didn't even -- didn't show up today.

CHAIRMAN MONTANO:

Well, that's a mischaracterization. The Legislator who brought the lawsuit is unable to show up today, so it's not that he doesn't want to be here. And I want to make sure that the --

MR. ZWIRN:

But he'd have to recuse himself anyway, because he's a party to a lawsuit.

CHAIRMAN MONTANO:

Irrespective, the question is this, Ben: I understand your point, and I don't disagree that it should be, and probably will be, taken up by the full Legislature, but we're in the Committee process, and I don't want to make a decision -- we could say that for every bill. I don't want to make a decision in committee without knowing all of the facts and without hearing all of the arguments. And, again, I don't know if Legislator Romaine is going to recuse himself on this. I'll leave that up to the County Attorney. If a request is made, then he'll have to undertake that. But I'm not going to circumvent the Committee process. If we -- if it's tabled, then if you -- if you or the sponsor feel that they want to bring this, there's still the process of getting ten signatures on a discharge petition. So we're not really -- there's no harm and there's no foul here.

And in light of the fact that I think that there's no -- you know, no issue of time sensitivity, I feel, as a Legislator, if I were not here and I wanted to address an issue that wasn't time sensitive, and I made a request to table something, I would like that honored. So, you know, my main point is we should have a debate in committee first. We may disagree, we may agree, I don't know, you know, we're not there yet. There's no need to kick this out of committee. I'm certainly not going to move something that I'm not comfortable with either way.

I'm also reluctant, as an attorney, to usurp the jurisdiction of the Court when, in fact, I haven't had a chance to study it. If we, in fact, pass this bill, we may be usurping the jurisdiction with respect to Declaratory Judgment action.

So there are a lot of questions here. I have no answers for these, because I haven't studied it properly. That's why I've asked -- that's why I second the motion to table. Mr. Brown, do you have anything? Did you get the --

MR. BROWN:

I didn't see it, but, to tell you the truth --

CHAIRMAN MONTANO:

Oh, she's making you a copy. I was actually going to give you my copy and then ask you to --

MR. BROWN:

Yeah. I only needed the Wherefor Clause, but --

CHAIRMAN MONTANO:

Tell her -- no, I was going to give my copy and then ask you to give it back to me, because I'm sure you have one already in the file.

MR. BROWN:

I do, absolutely.

CHAIRMAN MONTANO:

Okay.

MR. BROWN:

The only thing that I was going to look at was the Wherefor Clause. It was really -- the only reason why I came to the table was because you talked about the Declaratory Judgment. I was just going to -- I was just going to augment what you said, and the other request for relief that were being made and what's prospective and what's retroactive with respect to the Order to Show Cause.

CHAIRMAN MONTANO:

Let me ask you this, Mr. Brown: Is this something, in your opinion, that is time sensitive relative -- and, you know, from a legal perspective. I'm looking at it more from a budgetary perspective. I don't see this as being time sensitive to the preparation of our 2009 Operating Budget.

MR. BROWN:

You know, I'm sorry, Mr. Chair, but I think you'd be drawing me into a policy debate on that issue, so -- yeah, I was really only going to look at the Wherefor Clause.

CHAIRMAN MONTANO:

Well with respect -- and I agree with you, and that's why I was trying to separate the question. But with respect to the legal issues, is there something that is pressing that we would need to make a decision at this moment? Legislator Kennedy, you want to jump in?

LEG. KENNEDY:

Mr. Chair, I mean, for me, I think the issue goes, one, to just basically extending the ability for my colleague Legislators to go head and advocate or discuss. I also think that this is an issue that goes beyond just our two East End Legislators who are parties to the suit. I know I've gotten copies of correspondence from the Mayor from the Village of Head of the Harbor. We have several -- several Village Police Districts spread throughout the County who have a stake or an interest in the outcome of this. And I believe the opportunity to go ahead and discuss it in committee is one that we should -- one that we should continue to --

MR. ZWIRN:

What questions -- what questions do you have?

LEG. KENNEDY:

-- propose.

MR. ZWIRN:

We're here.

LEG. KENNEDY:

Well, I think the questions that I would go ahead and listen to are the ones that were brought in the first instance by the parties to the suit, Legislators Romaine and Legislator Schneiderman. And I think the question actually goes down to the funding mechanism that was authorized. But it's immaterial for us to have the dialogue at this point without one of the other members of the Committee here. I don't see it as being something --

MR. ZWIRN:

Well, you have the papers in the lawsuit where they spell out their case.

LEG. KENNEDY:

Yes, that's true.

CHAIRMAN MONTANO:

Ben --

LEG. KENNEDY:

I have not gone through the papers to the lawsuit at this point.

MR. ZWIRN:

Well, you should.

LEG. KENNEDY:

But, nevertheless, I still think that it's something that would be incumbent on the rest of the committee members to go ahead and make the case on. We table bills all the time, Ben. We tabled a bill yesterday again that we've tried to move out of committee for quite sometime. I don't see an issue in another cycle of tabling.

MR. ZWIRN:

I see there's linkage.

CHAIRMAN MONTANO:

Linkage between what?

MR. ZWIRN:

The bill that was tabled yesterday and the vote today.

CHAIRMAN MONTANO:

I don't know what you're talking about, because I wasn't at yesterday's meeting. What -- do you want to clarify the record for me?

P.O. LINDSAY:

What has that got to do with anything? It's nothing --

MR. ZWIRN:

Really, it's irrelevant.

CHAIRMAN MONTANO:

All right. If it's irrelevant, you brought it up. Now, Legislator Browning has a question.

LEG. BROWNING:

Well, first of all, I would like to at least us consider a discharge without recommendation. I know Legislator Schneiderman is not on this committee, but he'll be here next Tuesday. Legislator Romaine I expect will be here next Tuesday. And I feel it would be necessary -- you know, we're already facing a budget crisis. We are looking at -- you know, we're reading in Newsday about health centers and John J. Foley, and now we're going to put another 11 million dollars and a hole in our budget. So I would like to see that we could discharge it, so that all 18 of us can debate it next week. I think that would be the appropriate thing to do.

CHAIRMAN MONTANO:

All right. I just want to -- Legislator Lindsay, you have some comments?

P.O. LINDSAY:

Oh, yeah, yeah.

CHAIRMAN MONTANO:

Go ahead.

P.O. LINDSAY:

First of all, I disagree with the concept of government suing itself. I think it's counterproductive and costly to the taxpayers.

Second of all, I view this as a money-grab by the East End to grab 11 million dollars from the rest of the taxpayers in Suffolk County, and I think that is wrong.

I understand there is a difference of opinion about the language in our Charter. My proposal is to remove the language and kick it to the Charter Commission that is in -- exists now to come up with language that would be clearer as far as the distribution of this money. This is something that is not totally supported by a lot of the constituents and about the Town governments that these two Legislators represent. They're very concerned about this whole concept of dividing money by population, because that concept could spill into other services that the County provides. And the net result is that there could be a loss of revenue to these jurisdictions, rather than a gain in revenue. So, for those following reasons, again, I appeal to my colleagues to discharge this resolution or approve this resolution so it can go to the full body to discuss. And I think it's very, very important. We cannot afford to come up with another 11 million dollars to replace this revenue in these serious difficult times.

CHAIRMAN MONTANO:

If I may. With respect to the Charter Commission, my only rebuttal would be that if, in fact, the Charter Commission wants to repeal this, let them write it. I don't know that there's necessarily anything we have to do at the moment, but that's a policy decision that we'll make at the appropriate time. Legislator Kennedy.

LEG. KENNEDY:

You know, Mr. Chair, I guess I probably should go ahead and do a little bit more work on this, so I can understand the underlying crux of the matter. But BRO can tell us a little bit about what the distribution mechanism is that we have in place right now. Is this really just an East End/West End issue, or do we have other entities that actually draw funding and are parties to this suit and may be impacted by what's going on?

MS. VIZZINI:

These are the County-wide Town and Village Police Districts. As you mentioned, it's Lloyd Harbor, it's Amityville. The East End does get the largest allocation, it just works out that way, but it's not just East End.

LEG. KENNEDY:

But, so, if we were to go ahead and adopt the bill that we have before us now, the Presiding Officer's bill, that funding mechanism would cease to exist for these West End villages as well?

MS. VIZZINI:

The 2008 budget is already adopted. You know, I really -- I'd have to defer to Counsel or the County Attorney's Office in terms of the impact of the litigation or the bill. My understanding of the bill is that it recognizes that the Charter language is not clear. It removes it until such time as that language can be clarified.

LEG. KENNEDY:

How often do distributions occur under this mechanism now under this program?

MS. VIZZINI:

Once a year. We adopt it in the annual Operating Budget. It's -- at this point, it's about -- the 2008 allocation is 5.5 million dollars.

LEG. KENNEDY:

So when could the Village of Head of the Harbor have anticipated it would receive some distribution under this?

MS. VIZZINI:

Head of the Harbor is allocated for \$57,000 in the '08 adopted budget.

LEG. KENNEDY:

Okay. And the Village annual Operating Budget, my recollection is, goes from July 1 through the subsequent June 30. So they get this distribution based on our annual operating or their annual operating?

MS. VIZZINI:

The money is available based on our annual Operating Budget, and assuming that the Town and Village Police Districts complete the necessary paperwork, it's really -- we have a contract with them.

MR. ZWIRN:

Well, we don't have the contract. Well, whenever you want to come over to me, I'll be -- recognize me and I'll answer the question. I know the answer, but I'll wait to be recognized by the Chair.

MS. VIZZINI:

Right. I would have to defer to the County Executive's Office. They make the transfer and approve the distribution of the monies.

CHAIRMAN MONTANO:

Mr. Zwirn, you would like to add to the conversation?

MR. ZWIRN:

The transfer is being made now. It went out this week, so they should --

CHAIRMAN MONTANO:

That's for '08?

MR. ZWIRN:

I think it's '07.

CHAIRMAN MONTANO:

On '07?

MR. ZWIRN:

It lags.

CHAIRMAN MONTANO:

It lags, okay.

MR. ZWIRN:

It lags, because they have to do the paperwork. The paperwork comes in.

CHAIRMAN MONTANO:

I got you.

MR. ZWIRN:

That's all they have to do. There was a gentlemen's agreement that was worked out with Legislator Caracciolo, Legislator Schneiderman back in 2005, I think it was. Legislator Caracciolo was the author of the original bill that is the subject of this lawsuit, and he and the County Executive sat down. The County Executive felt that the East -- the East End Towns and Villages should get an increase in the amount of revenue they had been getting on a regular basis, and they worked out a five-year agreement. That agreement is in the third year of the fifth year. So, if the Towns and Villages wanted to come back in -- and I might add that the largest recipients of revenue from the sales tax revenue for public safety are the five East End Towns. I think the check to Southampton alone was over 1.5 million dollars. Those towns, the five East End Towns have not joined the lawsuit. There are six Villages that are in this lawsuit and some of them, I believe, are reconsidering, from what I understand.

So we are in a five-year agreement. It was a gentlemen's agreement, but the County Executive has kept his end of the deal. He has put it in the proposed budget. And even in the legislation that was adopted as the subject of this lawsuit, the Legislature was never prohibited from changing the proposed budget. It was not mandated, and there's nowhere in that legislation which said the County Executive proposes "X" and the Legislature has to adopt "X". The Legislature has never surrendered its power to direct where sales tax or real property tax money will be spent, and that's not an issue, except in this lawsuit. And I don't think that the Legislature, and I don't speak for you guys, that's for sure, but I don't think you would ever want to give up that power, because the power of the purse is the strongest power that you -- that the Legislature has.

CHAIRMAN MONTANO:

Thank you. All right. I think we've completed this. Let me tell you where we're at. We have a motion to table and a second. We have a motion to approve and a second. And, Counsel, I just want to -- you know, bear me out on this. If the motion to table fails, we will then go to the motion to approve. If the motion to approve fails, I believe the bill will die and will have to be either resubmitted or come in with a C of N; is that an accurate description of where we're at?

MR. NOLAN:

Well, this, the last part is incorrect.

CHAIRMAN MONTANO:

Go ahead.

MR. NOLAN:

If the bill fails, if the vote to approve fails, it is off our agenda. But pursuant to the tradition here

and the Six-Month Rule, the bill stays alive --

CHAIRMAN MONTANO:

Okay.

MR. NOLAN:

-- until the six months run, which means it can be discharged during that period. That's how -- that would be the only mechanism that would be a discharge petition, or that's the way it would be done.

CHAIRMAN MONTANO:

Okay. Legislator Kennedy, do you want to call for a vote on the motion to table?

LEG. KENNEDY:

Again, for the reasons that I stated, and particularly because I believe that we should have some degree of certainty for system municipalities that operate on a fiscal cycle that runs from July, they're preparing budgets now. I made the motion to table. I feel comfortable with the motion to table. I'd like to vote the motion to table.

CHAIRMAN MONTANO:

Okay.

P.O. LINDSAY:

And before we take the vote, if I could be recognized.

CHAIRMAN MONTANO:

Absolutely, Mr. Presiding Officer.

P.O. LINDSAY:

I want to just double-check, if this dies, I still can go forward with a discharge petition.

MR. NOLAN:

Right. If the motion to approve fails --

CHAIRMAN MONTANO:

You can.

MR. NOLAN:

-- the bill is not dead.

CHAIRMAN MONTANO:

Are you sure?

MR. NOLAN:

It's basically dead in this committee, but it is alive for six months.

CHAIRMAN MONTANO:

May I have the rules, Bob. Why don't -- do you want to take a five-minute recess on this and check it out, or you want to vote?

P.O. LINDSAY:

No. If counsel, because I --

CHAIRMAN MONTANO:

I have the rules.

P.O. LINDSAY:

I fully intend to move forward with a discharge petition.

CHAIRMAN MONTANO:

No, and I understand that. I just want to make sure that your rights are not -- your rights are not, you know, compromised by whatever action we take. What rule would that be, Counsel? I have --

MR. NOLAN:

I made copies of the rules and I'll --

CHAIRMAN MONTANO:

I have them here. Rule 6, Discharge of Legislation.

MR. NOLAN:

Just so you know, that this is an issue that has come up in the last couple of years, and, initially, it was my opinion that if a bill was voted down in committee, it would -- it would be dead and could not be revived. However --

CHAIRMAN MONTANO:

I don't think that's what the rules say, but I'm going to leave it up to you.

MR. NOLAN:

But in -- since then, I checked, that the longstanding practice of the Legislature is the rule of ten, that even if a bill was voted down in committee, it was alive and could be discharged from the committee, notwithstanding the fact that it failed in committee. And I've ruled that way --

P.O. LINDSAY:

Okay.

MR. NOLAN:

-- repeatedly.

CHAIRMAN MONTANO:

Right.

P.O. LINDSAY:

I'm going to make this real simple. I'm going to change my vote to tabling, because I'm going to move forward with a Discharge Petition --

CHAIRMAN MONTANO:

Okay.

P.O. LINDSAY:

-- on this, and there won't be anything in question about the rules at all.

CHAIRMAN MONTANO:

Exactly. All right. With that, all in favor? Opposed? Abstention? Motion to table carries. ***(Vote: Tabled 4-0-0-2 - Absent: Legs. Romaine and Cooper) (Presiding Officer Lindsay Was Included In Vote)***

INTRODUCTORY RESOLUTIONS

Moving on to Introductory Resolutions, I.R. 1170. ***1170 of 2008, to readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer By: County Legislature #291 (Co. Exec).*** I'm going to make a motion to approve and place on the Consent Calendar. I need a second.

LEG. BROWNING:

Second.

CHAIRMAN MONTANO:

Second by Legislator Browning. All in favor? Opposed? Abstentions? Motion carries. **(Vote: Approved 4-0-0-2 Absent: Legs. Romaine and Cooper)**

I.R. 1171 - To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature #292 (Co. Exec). I'll make the same motion, same second, same vote. **(Vote: Approved 4-0-0-2 Absent: Legislators Romaine and Cooper)**

I.R. 1172 - To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature #293 (Co. Exec). Same motion, same second, same vote. **(Vote: 4-0-0-2 Absent: Legs. Romaine and Cooper)**

CHAIRMAN MONTANO:

I.R. 1218 of '08 - Amending Resolution Number 1188 of 2007, implementing budget, staff and taxes for fiscal year 2008, Discretionary (Pres. Officer). I'm going to make a motion to approve, but I need a second.

LEG. BROWNING:

Second.

CHAIRMAN MONTANO:

Second by Legislator Browning. May I have an explanation? Either Gail or --

MR. LIPP:

This amends the tax warrant for the Town of Brookhaven. Actually, it's a reduction of 162,000 and change in the refuse and garbage district there, and it's sort of pro forma.

CHAIRMAN MONTANO:

Okay.

MR. LIPP:

Period.

CHAIRMAN MONTANO:

All in favor? Opposed? Abstentions? Motion carries. **(Vote: Approved 4-0-0-2 Absent: Legs. Romaine and Cooper)**

CHAIRMAN MONTANO:

I.R. 1219 - Amending Resolution 1189-2007, implementing budget, staff and taxes for the fiscal year 2008, Mandated (Pres. Officer). I'll make a motion. I need a second.

LEG. BROWNING:

Second.

CHAIRMAN MONTANO:

Second by Legislator Browning. I assume that this is the same explanation, except on the mandated side of the budget. With that, I'll call for a vote. All in favor? Opposed? Abstentions? Motion carries. **(Vote: Approved 4-0-0-2 Absent: Legs. Romaine and Cooper)**

CHAIRMAN MONTANO:

I.R. 1220-2008 - Authorizing amended tax warrant for Resolution No. 1190-2007, for the Town of Brookhaven, to be signed by the Presiding Officer and the Clerk of the County

Legislature (Pres. Officer). I'll make a motion to approve, seconded by Legislator Browning. Any discussion? All in favor? Opposed? Abstention? Motion carries.
(Vote: Approved 4-0-0-2 Not Present: Legs. Romaine and Cooper)

I.R. 11 -- I'm sorry. ***I.R. 1232 of 2008 - Local Law Number of 2008, a Local Law authorizing the creation by the County of Suffolk of a local development corporation known as the Tobacco -- I'm sorry. The "Suffolk Tobacco Asset Securitization Corporation" or "STASC" (Co. Exec).*** I believe that we need a public hearing on that. I'm going to make a motion to table for public hearing. I need a second.

LEG. KENNEDY:
Second.

LEG. BROWNING:
Second.

CHAIRMAN MONTANO:
Second by Legislator Kennedy. Any discussion? All in --

P.O. LINDSAY:
Ms. Vizzini has a comment.

MS. VIZZINI:
Just one --

CHAIRMAN MONTANO:
Yes, Gail. I'm sorry.

MS. VIZZINI:
Just one point. We haven't done any updated analysis in regards to the Tobacco -- the pros and cons of the Tobacco Securitization. In the absence of a specific presentation or proposal, we really don't have anything to base it on. However, at the request of the Chairman, Budget Review has in the past analyzed it when it was used as a mechanism, proposed at least by the County Executive, for the 2002 --

CHAIRMAN MONTANO:
Right. And I just want to let everyone know, I handed out copies of that report. Is that the report you're referring to?

MS. VIZZINI:
Yes. I just wanted to say that it's a good background.

CHAIRMAN MONTANO:
Yes.

MS. VIZZINI:
Some of the information is the same, but it's a good background. That's really it.

CHAIRMAN MONTANO:
We handed out earlier this morning a copy of that report to all the members of the Committee. We have more here. I'm going to instruct my staff to send a copy to all the Legislators, so that, you know, if they choose to look at it, I hear you on that. Legislator -- Mr. Presiding Officer.

P.O. LINDSAY:
A follow-up to Ms. Vizzini. My understanding is that this is a vehicle to explore securitizing tobacco,

it isn't -- it isn't saying that we're going forward with that.

MS. VIZZINI:

That's my understanding, but I would defer to Counsel. I read it as establishing the LDC, and that any action would have to come before you via a separate resolution, but I would defer to George.

CHAIRMAN MONTANO:

If I may, I had some questions relative to this, but I was going to just let it go out of committee, since these -- this would be the topic of public hearing and further discussion. If you want to go into part of the substance of it now, that's fine with me. George, you want to maybe just give an explanation? The question I have, though, once you finish the explanation, is whether or not this is the vehicle that we need to move forward with a study of whether or not this is a good idea for the County.

MR. NOLAN:

First of all, Gail's statement is correct. The bill would require that any proposal come back here ultimately for final approval of the sale. Whether or not we need a Local Development Corporation to effectuate this deal is -- I don't know if it's the only way that can be done. I do know that we looked back, that an old resolution was prepared by a prior County Executive with the same type of proposal, and that he proposed to use an LDC at that point.

CHAIRMAN MONTANO:

I don't think we need anything further, right, Ben?

MR. ZWIRN:

(Shook head no).

CHAIRMAN MONTANO:

Okay. I have a motion. We didn't take a vote. Motion to table for public hearing, it has a second. All in favor? Opposed? Abstentions? Motion carried. ***(Vote: Tabled 4-0-0-2 Absent: Legs. Romaine and Cooper)***

There being no further business of the committee, we are hereby adjourned.

[THE MEETING WAS ADJOURNED AT 1:30 P.M.]

{ } Indicates Spelled Phonetically