

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, May 8, 2008.

Members Present:

Legislator Ricardo Montano - Chairman
Legislator Kate Browning - Vice-Chair
Legislator Thomas Barraga
Legislator Edward Romaine
Legislator John Kennedy
Legislator Brian Beedenbender
Legislator Lou D'Amaro

Also In Attendance:

George Nolan - Counsel to the Legislature
Bob Martinez - Aide to Legislator Montano
Barbara LoMoriello - Deputy Clerk of the Legislature
Gail Vizzini - Director/Budget Review Office
Linda Bay - Aide to Minority Caucus
Ben Zwirn - Deputy County Executive
Allen Kovesdy - Deputy Director/County Executive's Budget Office
Debra Alloncius - AME
All Other Interested Parties

Minutes Taken By:

Donna Catalano - Court Stenographer

(*THE MEETING WAS CALLED TO ORDER AT 10:13 A.M.*)

CHAIRMAN MONTANO:

Good morning. I'm going to call the meeting to order starting with the Pledge of Allegiance led by Legislator Browning.

SALUTATION

CHAIRMAN MONTANO:

Thank you. You may be seated. I'm hoping today is a quick meeting. First of all, we have some correspondence. I had my staff pass out two letters passed to the members of the committee. All right. I passed out two, but I only have one. I have the letter from Christine Malafi -- no -- to Christine Malafi dated April 25th -- bear with me. You know what? I'm going to skip over that.

And we don't have a presentation. I don't have any cards in front of me. We have a few people in the audience. Is there anyone who would like to address the committee this morning? I'll ask again, because I'm buying time. Is there anyone who would like to address the committee this morning? Hearing none, we will go back to correspondence. All right.

There's a letter dated April 3rd, 2008, addressed to Robert Freeman, Executive Director, New York State Department of State Committee on Open Government. And it's a letter by the County Attorney, Christine Malafi, relative to the meeting that we had at this committee about the feasibility or advisability of going into Executive Session to discuss some of the issues relative to the sale of the health plan. There's a letter dated April 25th, 2008, in response to Ms. Malafi's March 3rd letter, and that's written by Robert Freeman. I received this letter yesterday afternoon. I'm going to ask Counsel first to just go over the parameters of the response from the April 25th, 2008 letter, and then I'm going to, you know, turn the matter over to Legislator Kennedy who had initially brought this up at, I think it was two meetings ago. So we're going to pick up where we left off two meetings ago.

MR. NOLAN:

Several meetings ago, as Chairman Montano mentions, the question came up as to whether discussions regarding the sale of Suffolk Health Plan should or could be conducted in an Executive Session. The County Attorney was at the meeting. I believe her office was indicating they believed most of the discussions regarding the sale of the Suffolk HMO should be done in Executive Session. This committee requested that the County Attorney write to the Committee on Open Government seeking an opinion as to whether or not that would be the case.

In Ms. Malafi's letter to the Committee on Open Government, she advocated several different reasons why we should proceed in Executive Session or could proceed in Executive Session if the committee saw fit to do so. In responding to Ms. Malafi's letter, Robert Freeman from the Committee on Open Government said that the Legislature could go into -- this committee or the Legislature could go into Executive Session to discuss the financial and credit history of potential corporate purchases of the plan.

Beyond that, I read Mr. Freeman's letter to basically reject most of the rational or reasons for going into Executive Session that were offered. So Mr. Freeman's letter has given us a limited area where we can go into Executive Session in connection with discussions of the Suffolk Health Plan. But for the most part, I read his letter to indicate that most of the discussion should be open.

CHAIRMAN MONTANO:

Okay. Thank you very much. Mr. Kennedy, this was an issue that you brought to the committee. I have the minutes of the meeting, but it doesn't say what date the meeting was held, but I believe it was two meetings ago. Why don't we pick up -- and with respect to the minutes, I remember that there was an -- you know, there was a request for the County Attorney to submit the opinion to or

request the opinion letter from the open -- Committee on Open Government. And you had raised some issues relative to the sale. And I had indicated at that meeting that maybe it would be better if you would communicate with the County Attorney or the Executive Department directly and see if the questions that you were seeking answers to could have been provided. So would you -- would you give us an update on where we are at and see how we can deal with this issue?

LEG. KENNEDY:

Thank you, Mr. Chair. I appreciate it. And, you know, the backdrop or the setting for this as we all know is the 16 million in revenue that's been identified in the '08 Operating associated with the sale. Nevertheless, February 26 was the meeting, and I have minutes there, where I initiated or attempted to initiate some discussion, and the County Attorney's Office looked to invoke Executive Session.

So, therein, we have the process that's brought to Mr. Freeman's opinion, which I received a copy of by virtue of my contact to Albany yesterday. Prior to my contact with his office, I was unaware that he had made any response to that query that we had initiated. I don't know whether or not it was because the County Attorney's Office may have just not had an opportunity to circulate it, but be that as it may, we now have what is something that came out of the state, which by the way, was none of what of -- what I initially made inquiry about.

In February, I did not ask about the fiscal viability of any prospective bidder. The list of my questions were associated with our existing plan, the number, the mean age, the frequency of use, the negotiated rates with providers, decapitated reimbursement rates, the frequency of filing, all things that are basically in my opinion fairly generic information and at no point were things that would fall under the guise of breaching any confidentiality.

So we're here at the point now -- and by the way, I did take the committees -- the Chair's suggestions and the administration's suggestion and did make subsequent private contact with the County Attorney's Office, and to date, haven't heard back in any of those generic questions either. I do know the County Executive has submitted a letter to all of us or to the Chair that says that some resolution regarding this sale is eminent, but I know nothing more about what may or may (sic) transpire with this \$16 million transaction than I did three plus months ago.

And I feel that as a Legislator and as a fiduciary, it's my responsibility to at least try to ascertain what the elements of this fairly significant transaction are. So we now know we can talk about it in public. I don't know if there's anybody here today that can speak to us either from the County Attorney's Office -- I don't see anybody from the Health Department. Nevertheless, I guess I would say three months have elapsed and my questions still remain and we've got no replies.

CHAIRMAN MONTANO:

Let me just -- before I recognize Legislator Romaine, I did receive a copy of the letter that you sent to the County Attorney's Office as Chairman of this Committee, and I noted that it was marked, "Personal and Confidential," so we have not disclosed that letter to the members of the committee. That's a letter that I think you, myself and the County Attorney's office are privy to. Ms. Bizzarro, would you step forward? I just want to ask you -- you are obviously aware of the letter that we're referring to, am I correct? Are you?

MS. BIZZARRO:

The letter from Legislator Kennedy?

CHAIRMAN MONTANO:

Yeah. Are you ware of it?

MS. BIZZARRO:

No. No. I am not. I'm sorry.

CHAIRMAN MONTANO:

If you are not, you are not, that's why I want to clarify it.

MS. BIZZARRO:

I was just going to suggest that perhaps after this meeting, Ms. Malafi and Legislator Kennedy then can reconnect since we've gotten this opinion and perhaps, you know, you can get some answers.

CHAIRMAN MONTANO:

Right. If you're not aware of the letter, you obviously can't address it. That's not my purpose. So having said that -- you might as well sit there, there may be some questions for you. Legislator Kennedy.

LEG. KENNEDY:

Can you give us any indication at this point where -- where the negotiations are and when we can get some understanding of what might be transpiring? And there's two parts to this question, Lynne. From your side I'm asking about the state of whatever the purported negotiations and things are. I also have a concern on the fiscal side as far as the present viability of the plan. I don't expect you to be able to address that, but I pose that to our BRO as far as what our snapshot is for this entity. I know there's been significant changes at the State level with expansion and continuation of Child Health Plus, which is a significant component. About 4000, I think, plan members are CHP members. But can you tell us, what's going on at this point with this -- the negotiations and the status?

MS. BIZZARRO:

I apologize. I just don't know. I have not been involved with the negotiations. I didn't see a resolution on today that was going to prompt the Legislature to have any type of discussion on this, so I really don't know. And I apologize that I'm not ready to answer any of those questions. It's just not been in my bailiwick of work.

CHAIRMAN MONTANO:

And I'll substantiate that. As a matter of fact, I myself didn't know it was going to come up for discussion. I only found out yesterday when I received a copy of the letter from the Committee on Open Meetings.

MS. BIZZARRO:

I just received it myself.

LEG. MONTANO:

Excuse me?

MS. BIZZARRO:

I just received it. I looked at it briefly.

CHAIRMAN MONTANO:

And I understand that. Yeah. The only thing I will say is that, you know, I looked at minutes, and it was, I believe, at my request as Chairman of the Committee that the opinion be sought. Now, it doesn't necessarily say -- it doesn't say in the minutes, "and when the opinion is received, give us copy of the opinion so we could look at it." But I think that was implicit in the conversations. So, you know, I don't know why it -- the letter is dated April something. That might have expedited the process. Go ahead.

MS. BIZZARRO:

I don't know if everyone is aware, Christine has had a couple of deaths in her family.

CHAIRMAN MONTANO:

I know. I know. And believe me, we not -- you know, I'm just saying that that's why you are

caught off guard and we're caught off guard also. And we fully, you know, understand and appreciate that.

LEG. KENNEDY:

Mr. Chair, Mr. Zwirn is at the table. He and I have had some brief conversation beforehand. Again, my objective here is not to go ahead and to insert myself into a negotiating role. My objective is to try to ascertain or garner whatever information is going to be pertinent to what I imagine is going to be a decision that we're going to have to make in a relatively compressed time. Ben, is there anything that you can tell us about where the status of things are at this point?

MR. ZWIRN:

Yes. Through the Chair.

CHAIRMAN MONTANO:

Go ahead.

MR. ZWIRN:

I believe we will be putting a resolution before the Legislature for the next cycle. So we'll be laying it on the table hopefully at the -- at the May 13th meeting.

CHAIRMAN MONTANO:

Will it come in with a C of N?

MR. ZWIRN:

No. No. It's going to come before you, go through the committee cycle and go before the full Legislature.

CHAIRMAN MONTANO:

Thank you.

MR. ZWIRN:

It will be -- you'll have an opportunity to fully vet it.

LEG. MONTANO:

Thank you.

MR. ZWIRN:

I don't think we could get 12 votes right out of the box.

LEG. KENNEDY:

So you'll be prepared then, Ben, I guess, at our committee to bring forward some of the people who can discuss what's gone on, whether it's the consultants or the Health Department so we can get some understanding?

MR. ZWIRN:

Yes. Absolutely. It goes back to Legislature, I expect it will be fully vet to your satisfaction before you will cast a vote on it. I mean, that's your role, and we made that clear at the budget time. You raised that as an issue during the budget hearings, we agreed. And it will be back -- it will be before you in the next -- before May is out, and you'll make a decision when you are -- when you are satisfied one way or the other.

LEG. KENNEDY:

All right. I don't want to beat a dead horse here, Mr. Chair. I'll yield.

CHAIRMAN MONTANO:

I know that Gail wants to chime in. So before I recognize Legislator Romaine and Legislator

Beedenbender, Gail, you want to chime in?

MS. VIZZINI:

Yeah. Just by way updating the committee, I was advised late last week that we were moving forward towards a resolution to the Legislature. So I was in touch with Mr. Pollert, we put in a formal request for the RFP for all the responses. We will be meeting twice this week with the Executive Budget Office to get the necessary information we need to prepare a report for you in terms of the process and what was determined and to help you in your deliberations on the resolution.

CHAIRMAN MONTANO:

Will you be -- once you meet, will you be issuing some kind of report or update to the -- either myself or the Legislature in total? What is your plan on that?

MS. VIZZINI:

Yeah. It will address, you know, the process to the extent that we're not reaching any true confidentiality in terms of the fiscal capability of the individual respondents, but more so, you know, the pros and cons budgetarily if you move forward this or you don't, the process itself, what the County was asking for. And we also reviewed the financial statements of the health fund, which -- which quite frankly, look good and it is an asset. The extent to which it would continue to be that asset, we could make some preliminary projections. But that was basically the scope of what I thought we would issue.

CHAIRMAN MONTANO:

Right. Okay. Good. And my concern is that if there is an agreement of confidentiality, we don't really want to violate that if we don't have to in terms of the information that we would need to make a decision on the sale. So with that --

LEG. KENNEDY:

Mr. Chair?

CHAIRMAN MONTANO:

Yes. Mr. Kennedy.

LEG. KENNEDY:

Okay. Two other points, and then I'll yield. Gail, as you do this compilation and you try to give us a snapshot of the plan's current health and what's involved in the transactions, is there a way for you to pose the alternative as to what we might look at? We have many thing before us right now; we have securitization of tobacco, we have the alternative of tax liens. And part of our decision making process is what we realize if we sale or factor and what we forfeit or forego in taking such action.

Similarly, with the health plan, if we do sell, we go ahead disassociate ourselves with an asset that's had 15 years worth of development and work, and at the end of the day, provides health care for 15,000 people. It also realizes or has realized, I think, when I looked at the BRO assessment from last year, a projected \$15.7 million in deposit or revenue for us. What is the consequence going forward next 24, 36 or 48 months for us as a government if we do that? Now, the implicit answer is probably is you lose the money. But can you contrast that for us?

MS. VIZZINI:

I think what you're saying is if we didn't sell it, you know, what would be revenue stream versus the offsetting expenditures. We could do some short term analysis on that as to whether there would still continue to be the \$10 million fund balance that there -- that there is now -- I'm not even 100% sure of the numbers in reserve -- but on the short term, like a one year or two year horizon.

LEG. KENNEDY:

I certainly would welcome that, because I think it would help for me as far as ultimate decision

making as far as consummating the transaction.

The other piece that you speak about, Mr. Chair, you spoke about it as well, is this overhanging notion of confidentiality. I'm concerned that this confidentiality statement is moving beyond what we in government would normally look at as legitimate confidentiality. It is reasonable to protect prospective bidders so that their proprietary information does not become divulged if, in fact, we don't consummate a transaction with them. I don't think it's reasonable that government employees are barred from engaging in discussion with us as decision makers because of purported confidentiality agreements. And I'd even turn to Counsel to ask about the viability or the enforceability of that.

CHAIRMAN MONTANO:

Yes, and I would join you. In fact, I was going to ask Counsel to address the second part of the letter from the Committee on Open Government dealing with the confidentiality issue.

MR. NOLAN:

Well, in Mr. Freeman's letter, he does address confidentiality in the agreement. And, you know, frankly, he dismisses it, that the fact that we have a confidentiality agreement does not affect how we are to conduct our meetings under the Open Meetings Law.

MS. BIZZARRO:

Well, then he can testify on trial on the case once we are brought into lawsuits if we do violate this confidentiality agreement. So that's just me commenting on it.

MR. NOLAN:

I don't think the County Attorney necessarily agrees with Mr. Freeman's opinion in its entirety.

CHAIRMAN MONTANO:

Your opinion is that -- what is your opinion?

MS. BIZZARRO:

Well, I mean, like I said, I'm just sort of newly introduced to this, but I don't know how -- it appears to me that Freeman sort of dismissed the whole argument regarding, you know, FOIL and the Open Meetings Law and the two working hand in hand, you know, how you could perhaps, you know, under FOIL not disclose a document, and yet, under Open Meetings Law, you then can just talk all about those and speak all about those documents, and then completely dismiss the confidential nature that, you know, is agreed to by the parties with respect to certain trade secrets, etcetera, that would be potentially protected by FOIL. So, you know, that's how I feel about it. So, yeah, the fact that he just dismisses all that, I don't agree with him.

CHAIRMAN MONTANO:

Okay. You are entitled to disagree. Legislator Romaine.

LEG. ROMAINE:

Briefly, Bob Freeman has, I think, headed the Committee on Open Government for well over 35 years, he has issued numerous opinions, most of them have been sustained in Court of law. I am confident of his opinions and his ability to issues opinions and the sustainability of any legal challenge to those opinions.

CHAIRMAN MONTANO:

He's not here, so I don't really want to go into, you know, the merits of Mr. Freeman. I'm sure he can defend himself.

LEG. ROMAINE:

Right. I just want to put that on the record. Obviously, when we decided in the budget, when the Executive put this in the budget, he left us very little alternative. So one of things I'm going to ask

Budget Review, I'm going to go through kind of a checklist. First thing I want to do is alternative sources of revenue if we chose not to sell the Suffolk Health Plan. By putting it in the budget, I guess they thought it was a fait accompli, but there was a requirement that they come back to us. I want to make sure we have the option to say no at this point when we actually study this. That's the first thing.

The second thing I want to understand, at least in a rudimentary fashion, what the financial implications are for each of the potential respondents to the RFP so we know what we're getting as a County. Then I'd like to look at the Suffolk Health Plan. I believe it's the only health plan in the State of New York that currently doesn't have a medical director. The medical director was transferred out several months ago, {Dr. Crowery}, to other functions. And that plan -- I don't know how many HMOs in the State -- I don't think there's any HMO in the State that doesn't have a medical director. And we are without a medical director in the HMO. It's still our HMO until we sell it.

I'd like to understand what happens to the 14,000 plus people in Suffolk Health Plan if we sell it. What happens in terms of the level of service, are they going to get the same amount of service, are they going to get the same type of health care, what is going to happen? And I particularly have an interest, because I have a resolution pending that has been tabled by the majority, I am particularly interested in understanding the financial relationship between the Suffolk Health Plan and the Suffolk County Health Clinics. Understand that almost all of these 14,000 people plus use the health clinics as their prime source of health care.

If a plan purchases Suffolk Health Plan, and there's a requirement that after a year or some short period of time from that point on, they only used the new HMO services, that will take 14,000 people out of the health clinics and result in the closure of one or more health clinics. And I'd like to understand which health clinics would be affected, how many are we going to close, what is that relationship. And that's why I put in a bill many months ago to say any sale of the health plan should be conditioned on an agreement that those people currently enrolled in that plan can continue for next ten years to use the health clinics. Without that agreement, you are, in essence, potentially collapsing the health clinic system of the County. And that's a problem to me. So I'd like to see that relationship as well.

I'd also like an examination of the current fiscal operation of the health plan, specifically I am told anecdotally, and I have no way of knowing if it's true, maybe you can investigate that, that they could actually have many more people enrolled in Suffolk Health Plan, but there were vacancies left in the recruiters, these are the people that go to Social Services Offices and health clinics and attempt to recruit people on Medicare to join Suffolk Health Plan. And they told me that actually the fiscal health of Suffolk Health Plan would even be better if they had more members enrolled in it. I have no way of knowing that. I was told that by people both in Social Services and Health who spoke on condition of anonymity. But they said, "Mr. Romaine, there's been a deliberate effort not to recruit people into Suffolk Health Plan." And I'd like to know if that is so and if the numbers have dropped and what the about the recruiters, because are we selling an asset that, in fact, is an asset and is going to be an asset? And is this the right asset to sell, particularly when it could have other unintended consequences like the closing of one, two, three or more health clinics because they are interrelated? Thank you, Mr. Chairman. Those are the questions that if Budget Review could address, I'd appreciate it.

CHAIRMAN MONTANO:

Okay. They're on the record. Legislator Beedenbender.

LEG. BEEDENBENDER:

Through the Chair, I just had a quick procedural question for Ben. You said you're going to lay the bill on the table at the next meeting. Is there a timetable for when this would have to be approved? Because I have questions, and I think a lot of the Legislators do. And all I can think of is we have that break in July. So we're going to -- does this need to get approved some time in June, or is

there a timetable?

MR. ZWIRN:

The timetable will be set by the Legislature.

LEG. MONTANO:

As I understand it, this --

MR. ZWIRN:

I mean, any timetable we put forward will be artificial in the sense that you have the final say.

LEG. BEEDENBENDER:

Well, that's why I asked the question. The sense is is there something outlying that you'll put before us that would constrain the time period when we make that decision?

MR. ZWIRN:

I think we would like to have -- the questions that Legislator Romaine asked will be answered in good time and any questions that you have. And even in the month of July -- if I just might add, even in the month of July, even though you may not be in session, if you have questions, there will be people available to answer them. You know, everybody's not going away. So even though July may not be an official meeting, there's still opportunities to discuss it. And any questions you have can be addressed.

CHAIRMAN MONTANO:

Well, just to be clear, and correct me if I'm incorrect, Gail, this proposal, this sale of the health plan and the revenues received or to be expected to be received from the health plan were included in the fiscal 2008 Budget as revenue. So as long as we complete the sale and secure the revenues by December 31st of 2008, were within our timeline; is that correct, Gail?

MS. VIZZINI:

Well, the transfers and the revenue associated with the proceeds of the sale are a part of the Adopted 2008 Budget.

CHAIRMAN MONTANO:

All right. And as long as -- I mean, theoretically, we can complete the sale and not secure the revenues, and that would somewhat cause an imbalance in the 2008 Budget, but that could be rectified next year. And I think of the 16 million, 4 million of this is the reserve account, am I correct on that, which we --

MS. VIZZINI:

I think the reserve is more than -- I think that was --

CHAIRMAN MONTANO:

Well, how much is the reserve?

LEG. KENNEDY:

Eleven.

LEG. MONTANO:

No. I thought the 11 was the sale and the reserve was four.

MS. VIZZINI:

I think it was closer to ten.

MR. ZWIRN:

I think it was closer to ten.

LEG. MONTANO:

Oh, really? Okay. Then I stand corrected on that. So the reserve is ten and the sale is four or six?

MS. VIZZINI:

The status of funds indicated that the proceeds of the sale was in the area of \$4 million.

LEG. MONTANO:

I got it backwards.

MS. VIZZINI:

I don't know what the proceeds of the sale are, because --

CHAIRMAN MONTANO:

We haven't sold it yet. Right.

MS. VIZZINI:

Well, not only that, but we withdrew from the process over the confidentiality issue.

CHAIRMAN MONTANO:

You mean, BRO withdrew from the process?

MS. VIZZINI:

Yes, we did. But we'll find out more this week.

CHAIRMAN MONTANO:

Okay. Does that answer your question, Mr. Beedenbender?

LEG. BEEDENBENDER:

Yeah. Just a follow up. Is there -- I mean, because normally when you do this sort of thing, is there a turnover savings there? I know the earlier we do it the more we turn over this year. Is that -- that's not a situation that's affected by this particular transaction, is it?

MR. ZWIRN:

I don't think it was viewed that way.

LEG. BEEDENBENDER:

Okay. All right. That's it.

MR. ZWIRN:

I think -- as I say, whatever timelines we set on it, the Legislature will have its own timeline, and they will decide when they're ready to vote on it. And we may ask you, but, you know, there's more than one party at the table here.

CHAIRMAN MONTANO:

Okay. Mr. Kennedy.

LEG. KENNEDY:

Just a couple of other follow-ups. As we get closer to seeing what this deal actually is framed and looks like, what is the consent or the approval processes associated with the Insurance Department and the Health Department? It occurs to me that even if -- even after we vetted it and come to some kind of decision, if that decision is to approve, that approval is only worth what the subsequent Health and Insurance Department approvals are, correct?

MR. ZWIRN:

I don't know the answer. That wasn't part of process, but I'm sure every approval that was necessary was taken into account during the entire deliberations, the entire process. And if we need State approval on this somewhere down the road, then we'll have to wait for State approval.

LEG. KENNEDY:

Which I appreciate, Ben, but I think it goes to some of Legislator Beedenbender's questions as well. If there is any type of a time period driving this process, if we have a 60 or 90 day approval period based on the State agencies, that could well take us beyond December 31st. So we may have their ultimate approvals driving the clock from the back end.

MR. ZWIRN:

Right. That's true. But Chairman Montano made a good point; by the end -- we book revenues for 2008 even on 2009. I mean, there's a period of time that goes on. If the deal is ultimately approved by every level of government that has to approve it, that money will be coming in at some point, and we'll make the adjustments at that moment.

CHAIRMAN MONTANO:

Okay. Have we concluded with this? All right. I'm going to move into the agenda. Again, I'll give any an opportunity to address the committee. Hearing none, I just want to state for the record that I know that we've been joined by the Presiding Officer, Mr. Lindsay, who sits as an Ex-Officio member of the committee. We now have a committee of eight members. Let's go on to resolutions.

1310, Adopting Local Law No. 2008, A Local Law to require cash deposits to be made in accounts at authorized banks or trust companies. (Co. Exec.)

I'm going to make a motion to table for public hearing. It closed. Oh, I'm sorry, I misread my notes there.

LEG. D'AMARO:

Motion to approve.

CHAIRMAN MONTANO:

Motion to approve by whom?

LEG. D'AMARO:

Right here.

CHAIRMAN MONTANO:

Legislator D'Amaro. Do we have a second?

LEG. BARRAGA:

Second.

CHAIRMAN MONTANO:

Seconded by Legislator Barraga. Do we have any discussion on this? All in favor? Opposed? Abstentions? Motion carries unanimously **APPROVED (VOTE: 8-0-0-0 - Presiding Officer Lindsay voted)**.

IR 1323, 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. Off.)

LEG. BROWNING:

Motion to approve.

LEG. MONTANO:

Motion to approve by Legislator Browning, do I have a second? Seconded by Legislator Beedenbender. Any discussion? All in favor? Opposed? Abstentions? Motion carries. **APPROVED (VOTE: 8-0-0-0 - Presiding Officer Lindsay voted).**

Now, we have a series of resolutions that I believe are eligible for the Consent Calendar. What I'm going to do is ask Counsel if I can read the Introductory Resolution and the County Legislature number without reading the bill and do same -- you know, same motion, same second, same vote. Would that be appropriate?

MR. NOLAN:

You could do that if you'd like.

CHAIRMAN MONTANO:

All right. I'd like to. Let's start with the first one.

1339, To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature No. 296. (Co. Exec.)

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

LEG. BEEDENBENDER:

Second.

LEG. MONTANO:

Seconded by Legislator Beedenbender. All in favor? Opposed? Abstention? Motion carries. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 8-0-0-0 - Presiding Officer Lindsay voted).**

1340, To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature No. 295. (Co. Exec.)

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 8-0-0-0 - Presiding Officer Lindsay voted).**

1363, Authorizing a competitive long term business plan to stabilize County finances and prevent disruption of essential County services and programs. (Romaine)

Legislator Romaine.

LEG. ROMAINE:

I'd like to make a motion for approval. And I know this topic has been discussed before. I circulated to everyone a comparison of 1307, which was the tobacco securitization plus many other things that was put forward at our last meeting and adopted and IR 1363. And you will read the comparisons. By the way, I don't believe either of them are mutually exclusive. The fact that we have adopted 1307, I don't believe prevents us from adopting also 1363. The only thing is in 1363, the Legislature has more control. What I'd rather do is --

CHAIRMAN MONTANO:

Let me ask you this.

LEG. ROMAINE:

Sure.

LEG. MONTANO:

Do we have a second on this motion?

LEG. KENNEDY:

Second.

CHAIRMAN MONTANO:

Seconded by Legislator Kennedy. On the motion, Legislator Romaine, continue.

LEG. ROMAINE:

Okay. As the comparison points out, I think 1363 is certainly something that we should be adopting. We're not authorizing anyone to do anything except to explore the viability and impact of going with tax lien securitization. The biggest difference is the amount of money. As you know, even under the more optimistic scenarios on 1307, tobacco securitization would produce roughly about \$75 million. The tax lien securitization is estimated to produce upwards of \$200 million.

Tobacco securitization deals with future revenues. And we can get far less of those dollars when we secure them, where tax liens deal with revenues already due us, past revenues, where we get about 95% of the revenues due us. And if you take a look, 1363, once the RFP has been issued, it will include equal representation by the Legislature and the Comptroller. And this will come back to the Legislature, and an analysis will be done, and we'll be in a better position to decide whether tax liens is something -- tax lien securitization is something that we want to do. I believe it's the right thing to do. I'll stop and see if you have any questions.

LEG. D'AMARO:

Mr. Chairman.

CHAIRMAN MONTANO:

Legislator D'Amaro, Legislator Browning, and, Legislator Kennedy, did you have your hand up?

LEG. KENNEDY:

No.

LEG. MONTANO:

No. Okay. D'Amaro and Browning, go ahead.

LEG. D'AMARO:

All right. Thank you, Mr. Chairman. I have a couple of questions about this particular bill as it relates to the bill that was passed, 1307, at the last session, and I believe signed by the County Executive. And I'm going to direct my questions either to BRO or to our Counsel or to the County Attorney's Office or Mr. Zwirn, if you know.

I understand what 1363 is attempting to do, creating an RFP process for tobacco securitization as well as the tax liens, potential sale of tax liens, naming certain individuals to review the RFP responses and make an advisory recommendation then to the Legislature and requiring Legislative approval. My questions start with, looking at the bill that we've already passed, which is 1307, in the Sixth Resolved Clause, we set up a Suffolk Tobacco Asset Securitization Corporation, and my understanding was that the reason we set up this particular corporation under the Non-For-Profit Corporation Law was that we had to create a distance between the County and the process in order to eventually securitize the tobacco asset.

So my question is is that the case? I mean, why did we go through the LDC process? And my second question is if we are going to use this Suffolk Tobacco Asset Corporation, isn't that corporation then empowered to issue or review and recommend with respect to the RFPs? And then my third question is if that is the case, is it requires to come back to the Legislature for approval?

CHAIRMAN MONTANO:

Are you asking these of Counsel?

LEG. D'AMARO:

Well, I'm asking whoever might have the answers.

CHAIRMAN MONTANO:

Let me ask for volunteers. Who wants to address the issue?

Ms. Bizzarro.

MS. BIZZARRO:

I can answer a few of the items. And the answer, Legislator D'Amaro, is yes, we needed to distance ourselves from this. The law and the case law supporting the law indicated -- and we got counsel from bond counsel on this -- was that, you know, these had been done in the past, it was very clear that that was the way they had to work. That was the whole point of setting up the LDC and having that organization be the one that would issue RFP, and then ultimately be, you know, responsible in terms of obtaining the bond so it wouldn't be connected to the County. And that is why it went in that order.

In terms of it coming back to the Legislature for a vote, I believe, 1307 -- if I could just take a look at it -- ultimately brings it all back to the Legislature to make that determination on behalf of the County. And I believe that's similarly what 1363 does as well. Answers to those questions. So those would be my answers to those three questions. I hope that answers your questions.

LEG. D'AMARO:

Yeah. That's a good start. If we choose to pass 1363 and go through an RFP process as laid out in this particular bill -- I thought we had testimony even from the Comptroller a couple of weeks ago that there were some new rulings that even more now mandates that we have to have this distance or gap between the County and the process. And does this violate those rulings?

MS. BIZZARRO:

It could. What it appears to be doing, although I'm not sure, because it's not totally clear, but -- well, two things. It seems that it might be requiring the LDC to do the RFP, which we can't do. We don't run the LDC. But nonetheless, they've already gone in that direction. The concern I have is that the committee, the RFP Committee that's outlined in the Second Resolved Clause, would have the Comptroller and the Budget Director on a committee, and that may be incompatible with their offices for the County of Suffolk. The Comptroller's Office is sitting on a committee that is potentially approving something and ultimately --

LEG. D'AMARO:

It may violate the oversight function of the Comptroller, is what you're saying?

MS. BIZZARRO:

Right. Correct. And then ultimately has got to come back and do an audit, correct. I see problems with that.

LEG. D'AMARO:

All right. That's a point that the sponsor can address. But, you know, I'm looking at the First Resolved Clause, and it says, "that the Budget Review Office and the Budget Office shall jointly issue an RFP." So the LDC is not included in this, it's not a part of this process. Are we going to have two sets of RFPs? I mean, I don't see how this -- this legislation meshes with 1307, which is now enacted.

CHAIRMAN MONTANO:

Go ahead, Mr. Zwirn.

MR. ZWIRN:

Thank you, Mr. Chairman. I think one of the issues that -- a lot of this was resolved in the give and take that we had at the last meeting when we did a CN. I think there was some confusion as to

what the role of the Legislature would be. And I think the 9th Resolved Clause in 1307, it states, " that after thorough legal and financial analysis and review, only the more fiscally and socially prudent option of tobacco securitization of tax liens sales as determined by resolution approved by the Legislature shall be pursued." It comes back to the Legislature to make that decision. I think that makes this bill duplicative. And really I think that was the intent that this bill was trying to define the role of Legislature where there may have been any confusion. I think when we finally arrived at mutually agreeable language at the last General Meeting, I think we made that crystal clear.

LEG. D'AMARO:

Let me just make one other point, Mr. Chairman. I welcome, and I would request even, that as the LDC moves forward with this process, which my understanding is needs to be somewhat distances from the County doing it itself, certainly BRO has a role and the Budget Office has a role; it will be advising us reviewing the proposal when it does come to the Legislature. So I'm not saying that we need to exclude these entities from the process and the debate, but I am concerned that, one, this is duplicative, and, two, even more of a concern, that the whole purpose of the LDC and setting up this separate not-for-profit corporation was to make it withstand legal scrutiny. Thank you, Mr. Chairman.

CHAIRMAN MONTANO:

You are welcome. Legislator Romaine, you had some follow-up questions on that.

LEG. ROMAINE:

I just would point out the current LDC as created under 1307, I believe, have all County employees on it. So it's difficult --

CHAIRMAN MONTANO:

Has that been created? I'm not aware that it has.

MR. ZWIRN:

No. I don't think it's officially been created, no.

LEG. MONTANO:

No. It has --

MR. ZWIRN:

We have to file papers. I think we're waiting for a Certificate of Incorporation from the State. There's certain procedures --

CHAIRMAN MONTANO:

Has the Certificate of Incorporation been sent to the Secretary of State?

MR. ZWIRN:

I believe it has.

CHAIRMAN MONTANO:

And there are three members of that corporation?

MR. ZWIRN:

I think there are three --

LEG. MONTANO:

I think the minimum requirement would be three.

MR. ZWIRN:

There were.

LEG. ROMAINE:

Do you know the name of the directors?

MR. ZWIRN:

I don't know who they are.

LEG. ROMAINE:

Is Terry Pearsall one of them?

CHAIRMAN MONTANO:

Wait. Wait. Wait. Let's have some order. Let me ask you -- we're going there, Ed. You indicated -- let me ask Mr. Zwirn and Ms. Bizzarro, do you know the names of the incorporators of the LDC that was incorporated?

MS. BIZZARRO:

I do not.

LEG. MONTANO:

I would presume that the County Attorney's Office prepared the papers, am I incorrect?

MS. BIZZARRO:

I don't --

MR. ZWIRN:

Dennis Brown might have.

MS. BIZZARRO:

He might have. I'd have to check with him.

CHAIRMAN MONTANO:

All right. Would you check with him?

MS. BIZZARRO:

Sure.

MR. ZWIRN:

Sure.

LEG. MONTANO:

Okay. Mr. Zwirn, you are unaware of the names of three people that are on that --

MR. ZWIRN:

I don't know the names of the people.

LEG. MONTANO:

Okay. And I accept that. Mr. Romaine, you just indicated that there are three County employees. Do you know the names of the people that are on that board? And if so, could you disclose what your information is?

LEG. ROMAINE:

I e-mailed both the Presiding Officer and the County Executive and asked for membership on the LDC several weeks ago. I also requested that I be notified of any meetings of the LDC and that the minutes be made available. I did not get any response from the County Executive. Originally Kara Hahn responded to me that Mr. Lindsay intended to appoint himself, and then I was notified thereafter that that had been changed and that he would be appointing Terry Pearsall. That's the

only information. But I also was led to believe that someone from the County Exec's Budget Office would be appointed, and then the third person had not been determined as of yet. But, again, that's all anecdotal.

CHAIRMAN MONTANO:

Yes, it is. It's really all hearsay at this point, not that we're a court. But, Lynne, if I may, I'm going to ask Counsel, I'd like to direct that you inquire if these incorporation papers, if they have gone to the Secretary of State, then I think we're entitled to disclosure. And I would like to this afternoon, as soon as possible this afternoon, who the members of the incorporation are going to be.

MR. ZWIRN:

If I find out when I go back, I'll call you.

CHAIRMAN MONTANO:

I'm just putting that on the record, Ben.

MR. ZWIRN:

Not a problem. I'll call your office right away.

CHAIRMAN MONTANO:

And that solves that issue, am I correct? Now, on this bill, we have a motion to approve and a second, and I believe that's all that's with us at the moment, am I correct?

LEG. D'AMARO:

I'll offer a motion to table.

CHAIRMAN MONTANO:

Motion to table. Do we have a second?

LEG. BEEDENBENDER:

Second.

CHAIRMAN MONTANO:

We have a second by Legislator Beedenbender. I'll note that Legislator Lindsay is no longer with us. That gives us a committee of seven. We're going to ask for any comments on the motion to table. Legislator Barraga.

LEG. BARRAGA:

I'll just make one comment, because I think Mr. Romaine in 1363 had every right to bring forth that particular piece of legislation, because at the time -- and I was the sponsor of it, I am no longer a sponsor -- at the time we had not agreed on a strategy to move forward.

Obviously, at our last sessions, 16 members voted for 1307. And I'm not so sure -- and I've removed myself as the sponsor, because I'm not so sure 1363 is needed any longer. I think basically it's out there, and if it continues, it's just going to be cumbersome to deal with. I think 1307 is the better strategy. I mean, there's an RFP out there on the tax liens. I, like Mr. Romaine, I happen to favor tax liens.

And you know, unless I'm incorrect, because I sit at these meetings, 1307 basically closes to the tune of 65 or \$70 million.

The last time I looked, we were 120 to 150 million. You know, there really hasn't been a great deal of discussion as to where we're going to pick up the other 55, 60, 65 or \$70 million. We may be forced to do both, tobacco securitization and tax liens. 1307, I think, gives us the flexibility that if we have to move in that direction, so be it. But I think at this point 1363 is no longer needed or warranted. So I'm going to vote for the tabling.

CHAIRMAN MONTANO:

All right. I'm going to call the vote. All in favor of tabling, raise hands. I'll join the tabling. We have one, two, three, four, five members to table. Abstentions -- I'm sorry. I mean opposed?

LEG. ROMAINE:

(Raised his hand).

CHAIRMAN MONTANO:

Abstentions?

LEG. KENNEDY:

Abstain.

CHAIRMAN MONTANO:

Okay. Motion to **TABLE** carries. (VOTE: 5-1-1-0 - Opposed - Legis. Romaine; Abstention - Legis. Kennedy).

1383, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control #780-2008). (Co. Exec.)

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

LEG. BEEDENBENDER:

Second.

CHAIRMAN MONTANO:

Seconded by Legislator Beedenbender. All in favor? Opposed? Motion carries. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 7-0-0-0)**

1384, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control #781-2008). (Co. Exec.)

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 7-0-0-0)**.

1385, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control #782-2008). (Co. Exec.)

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 7-0-0-0)**.

1386, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control #783-2008). (Co. Exec.)

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 7-0-0-0)**.

1387, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control #784-2008). (Co. Exec.)

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 7-0-0-0)**.

1388, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control #785-2008). (Co. Exec.)

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 7-0-0-0)**.

1389, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control #786-2008). (Co. Exec.)

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 7-0-0-0)**.

1390, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control #787-2008). (Co. Exec.)

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 7-0-0-0)**.

1391, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control #788-2008). (Co. Exec.)

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 7-0-0-0)**.

1399, To readjust, compromise, and grant refunds and chargebacks on correction of errors/County Treasurer by: County Legislature #297. (Co. Exec.)

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 7-0-0-0)**.

1401, Amending the 2008 Operating Budget and appropriating funds in connection with bonding settlements for general liability case. (Co. Exec.)

CHAIRMAN MONTANO:

The County Attorney, would you -- Lynne, would you step forward again? This -- I have the bill in front of me -- is apparently a settlement that has been approved. Go ahead. I'll let you take your seat. I apologize.

MS. BIZZARRO:

Thank you.

CHAIRMAN MONTANO:

As I understand, this is a settlement that has been approved by the Ways and Means Committee, and it's before this committee solely for purposes of payment because of the amount of the settlement and the manner in which it's proposed that the County make payment. I'm reluctant to go into questions with respect to the nature of the case, etcetera, because I think that would require us to go into Executive Session, am I correct on that, in your opinion?

MS. BIZZARRO:

Correct.

CHAIRMAN MONTANO:

All right. Why don't you tell us to the extent possible without disclosing anything that should not be disclosed why this is here and what we're doing.

MS. BIZZARRO:

This involved a vehicle accident between an individual -- I'm not sure if it was a pedestrian or another driver -- and a County vehicle. There was injuries sustained by the plaintiff in the matter, and the matter ultimately went to trial, and the County was found responsible for that. There was

also a damages trial as well. This is a settlement that we believe is very beneficial overall to the County.

CHAIRMAN MONTANO:

So this is a settlement after the liability phase of the trial or this a settlement after jury verdict and you reached a settlement prior to appeal? Which one is it?

MS. BIZZARRO:

It's after the liability phase, but prior to the --

LEG. MONTANO:

Before damages.

MS. BIZZARRO:

No, it was after damages actually.

CHAIRMAN MONTANO:

So then is it a settlement or a judgement?

MS. BIZZARRO:

It's a settlement, because we were going to appeal that.

LEG. MONTANO:

Okay. Gotcha. That's what I was asking. Are there any questions from any members of the committee? I see Legislator Kennedy. Go ahead.

LEG. KENNEDY:

Without getting into the negotiations, it's safe to assume that the operator of the County vehicle, presumably a County employee, was doing so within the scope of their employment.

MS. BIZZARRO:

Correct.

LEG. KENNEDY:

Okay.

CHAIRMAN MONTANO:

Okay. So what we're doing is we're bonding the settlement amount.

MS. BIZZARRO:

Correct.

CHAIRMAN MONTANO:

And how long is the bond period?

MS. BIZZARRO:

Going off the top of my head I'm thinking -- I think it's 20 years.

CHAIRMAN MONTANO:

Twenty years?

LEG. ROMAINE:

Five years.

LEG. MONTANO:

Five years.

MS. BIZZARRO:

Sorry. I apologize.

MR. CHIUSANO:

Yes. It would be five years.

CHAIRMAN MONTANO:

Legislator Romaine.

LEG. ROMAINE:

Yes. Mr. Chairman, it's my understanding that when we make these settlement cases they're usually made out of operating funds and very rarely are they bonded out. Why was the decision on this one made to bond it out? And by the way, although the amount seems large, we've done other large settlements that have not been bonded, and that's why I raise questions. What makes this case different than the other cases? I had the pleasure to sit on Ways and Means for two years, and in Executive Session, we closed a lot of cases, some of them were -- a handful of them were rather large, and they were paid from operating expenses. Why is this one being bonded out? I don't understand.

CHAIRMAN MONTANO:

Let me just say this in response. We have bonded out some settlements. It's a practice that I'm opposed to. And I believe, Gail, I'm going to throw this on you, during the budget process, there was discussion of setting up a reserve fund particularly for these kinds of cases so that we would not have to bond. I do not believe that -- in fact, I'm aware that we don't have a reserve fund in the -- in the budget to handle these types of settlements. Am I correct on that, Gail, or do you want to clarify that?

MS. VIZZINI:

There was discussion. We did not take any remediating action in the Operating Budget.

LEG. MONTANO:

Right.

MS. VIZZINI:

We do usually comment that what we provide in the Operating Budget is usually insufficient for any significant -- for large settlements.

CHAIRMAN MONTANO:

And that's the problem. But we do have fund in Operating Budget, do we not, to pay this settlement if we chose not to bond it, or would we have to do a budget amendment? I mean, how would that work?

MS. VIZZINI:

Quickly looking at what they have in settlements, there's not sufficient funds in that specific line item. You would have to do a transfer of surplus funds from other areas.

CHAIRMAN MONTANO:

That's the answer to your question, Legislator Romaine.

LEG. ROMAINE:

Thank you, Mr. Chairman. I certainly would be preferring that this be done from Operating funds. And I would suggest to Mr. Zwirn that the County Executive consider in his 2009 Operating Budget building in such a reserve fund when he makes his presentation the third week in September. I think that would be very helpful. You know, I can't gauge my colleagues, but I think generally

speaking, most of them would prefer to do this in the future from Operating funds as opposed to bonding this out. We incur, I think, another \$187,000 in interest just in a five year period. I really would prefer this from Operating, and I would recommend in the 2009 Budget for the Executive hopefully to include such a fund for the future budgets. Thank you.

MR. ZWIRN:

I'll take that back. Is there any particular number that you want to suggest that we put in.

CHAIRMAN MONTANO:

Yeah. Ten million. Legislator D'Amaro, please.

MR. ZWIRN:

Ten million?

LEG. MONTANO:

Yeah. I think that would be a good number, Ben.

LEG. D'AMARO:

Mr. Chairman, I had a question for BRO. Gail, if you know, did we bond any settlements last year?

CHAIRMAN MONTANO:

I think we do. Was that the \$2 million bond that we did last year, I believe?

LEG. D'AMARO:

Or the County Attorney's Office, Ms. Bizzarro, if you know.

MS. BIZZARRO:

I'm thinking.

MS. VIZZINI:

You know, we all kind of think that we did. I know that in our review of the Operating Budget we have a recurring theme that usually our liability does exceed what we allocate in terms of Operating Funds.

LEG. D'AMARO:

Historically speaking then, we've tried to cover in the settlement line in the budget with the, I guess, not understanding, but with the anticipation that if a large settlement of a judgment occurs, we would go out and bond it.

MS. VIZZINI:

That's generally been the policy.

LEG. D'AMARO:

And it's your recollection that we did bond a settlement last year?

MS. BIZZARRO:

I recall we absolutely did at least one.

LEG. D'AMARO:

At least one.

MS. BIZZARRO:

At least one, if not more. I just know of the one I'm thinking of.

LEG. D'AMARO:

Would BRO -- this is calling for about 1.5 -- or a little less than that -- million. Where would the

funds come from if we chose not to bond this settlement? Where would we take this money from?

MS. VIZZINI:

Well, it's early in the year, so it's very possible that if we did projections in terms of this particular fund, that there may be some surplus funds. You would be kind of taking from Peter to pay Paul. You would use the money now that may be budgeted for other litigation or other settlements or other expenditures.

CHAIRMAN MONTANO:

I just want to say, you know, my understanding of these issues is that it's generally done on two principles. One is the principle of exposure; how much exposure is out there in terms of potential litigation against the County, and then the other issue would be to set up the reserve fund to deal with the possibility that the exposure that the County has is somehow met with funds available. And if we're to set up a reserve fund, I believe that that fund would be in a special account, and it would derive interest on that account. And I believe that's the way some companies work. And that's essentially the conversation that we were gearing towards in the budget negotiations. But as Gail points out, we never completed that and we never set up the reserve fund. I do believe that in answer to Legislator D'Amaro, there was a significant malpractice settlement about, if I stand correct, I believe in my head it was about \$2 million, but I'm going to yield to Counsel. I think he looked it up.

MR. NOLAN:

Two and a half million dollar medical malpractice case was bonded last year.

CHAIRMAN MONTANO:

Last year. And now we're at one point -- can I say the figure? I mean, it's not confidential, right? It's on the resolution.

1.475 million. So we're looking at thirty -- 3,500,000 in the last two years of bonded funds for settlements where I think that it's clear that we knew we had some exposure. So I would ask that, Ben, you take the message back that a reserve fund is something that probably should be looked at in the budget cycle. I think, you know, -- but at this point, I'm going to ask for a motion to approve 1401. Do I have a motion?

LEG. BEEDENBENDER:

Motion.

CHAIRMAN MONTANO:

Motion by Legislator Beedenbender. Do I have a second.

LEG. D'AMARO:

Second.

CHAIRMAN MONTANO:

Seconded by Legislator D'Amaro. I think we've exhausted the topic. All in favor? Opposed? Abstentions?

LEG. ROMAINE:

Abstain.

CHAIRMAN MONTANO:

One abstention.

LEG. BARRAGA:

Opposed.

LEG. MONTANO:

One opposition. I'm going to vote for it, although I'm opposed to the concept of bonding. With that, the motion passes. **APPROVED**

(VOTE: 5-1-1-0 - Opposed -Legis. Barraga; Abstention - Legis. Romaine)

1428, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control #790-2008). (Co. Exec.)

I'm going to -- motion by Legislator Beedenbender to approve and place on the Consent Calendar, I'm going to second that. All in favor? Opposed? Abstentions? Motion carries. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 7-0-0-0)**.

This meeting is adjourned. Thank you very much.

(*THE MEETING WAS ADJOURNED AT 11:14 A.M.*)

{ } DENOTES BEING SPELLED PHONETICALLY