

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, July 28, 2009 at 10:00 A.M.

Members Present:

Legislator DuWayne Gregory, Chairman
Legislator Lou D'Amaro, Vice-Chair
Legislator John M. Kennedy
Legislator Brian Beedenbender
Legislator Daniel P. Losquadro

Also In Attendance:

George Nolan, Counsel to the Legislature
Gail Vizzini, Director/Budget Review Office.
Lance Reinheimer, Budget Review Office
Sarah Simpson, Assistant Counsel
Barbara LoMoriello, Deputy Clerk of the Legislature
Linda Bay, Aide to Minority Caucus
Justin Litell, Aide to Leg. D'Amaro
Marcus Povinelli, Aide to Leg. Losquadro
Maxvel Rose, Aide to Leg. Gregory
Paul Perillie, Aide to Minority Leader
Debra Alloncius, AME Legislative Director
Bill Schilling, Legislative Aide
Allen Kovesdy, Deputy Director/County Executive's Budget Office
Carmine Chuisano, Budget Office
Kara Hahn, Director of Communications
All Other Interested Parties

Minutes Taken By:

Gabrielle Skolom - Court Stenographer

*(*The meeting was called to order at 10:06 AM*)*

CHAIRMAN GREGORY:

Good morning. We are going to start today's Budget and Finance Committee meeting with the Pledge of Allegiance led by Legislator Kennedy.

Salutation

Okay. We don't have any cards for the public portion, but is there anyone in the audience that would like to make a statement? The grand master's out there are not standing up. Okay. I'm going to ask Allen from the Budget Office to come forward.

MR. KOVESDY:

Good morning.

CHAIRMAN GREGORY:

Good morning, Allen.

MR. KOVESDY:

We haven't been here for a while, and since the last time I was here, we had that meeting. We've got final numbers on sales tax for the first half of this year, and we got an update on property tax receipts for the first half of this year also. So I thought it was incumbent upon us to just to give you a little briefing of where we are. I know we're in the middle of the budget cycle, but either myself, the Budget Director, and/or Budget Director and Budget Review, on a regular basis gives you an update on our major revenue sources, so I thought I would do that today, and I would try to put in as simple a chart as possible, not confuse you with the facts. The adopted budget for this year is \$1.2 billion. Originally, when we came forward in the model, we had hoped that the revenue loss would be in the four to five percent range for 2009. Unfortunately, it seems that we were a bit optimistic at that particular point. The numbers are proving us wrong. The latest update, which is through the middle of July, shows that based on the adopted budget, we expect to be close to \$100 million short -- \$96 million short in sales tax revenue for 2009 alone.

I just want to point out when we have a significant dip in 2009 -- and each percent is roughly 11.5 to 12 million dollars; I'll defer to Robert on that -- that effects the base going to next year. So when we lower the base for this year, it has a dual effect. It hits us this year, and it will hit us next year. So when we're doing to budget, we're going to have a lower -- a 2-year hit. But basically, we've gone from the \$80 million range to the \$100 million range for this year alone in sales tax loss. Year-to-date, the actuals were down \$55.5 million. Compared to last year, that's 10.5%. Those are real numbers. I know the chart you get from the Treasurer is a calendar year. This is the real year -- fiscal year numbers, not the numbers you actually get. There's a slight difference. What I tried to break out for you is the three major components that we kind of track, the State gives us the ability. One is patrolling of products at all of our gas stations. What's happening with -- and you can see that, unbelievably, we're down 35% from last year at this time in revenue from gasoline; that's Suffolk County residents, people who are using our roads and things like that. We're down 12 and half million dollars to date. The alarming part of that is the price of gas now is significantly lower than it was last year. Last year was in the \$4 range for this exact date, for the 28th. Today, it's in the \$3 dollar range. The actual numbers is the Nassau/Suffolk -- the midpoint for premium is \$2.95 point 1 cents. Today, and a year ago, it was \$4.41. So, if you look at it, the month of July, we've lost all that income. Now, it drops precipitously in the last quarter of the year, but we're going to lose the gas income for the summer months. So that's going to be another hit.

[Presiding Officer Lindsay entered the meeting at 10:11 A.M.]

Home heating, we were down 10% from last year. It's been -- up to the last month, it's been fairly mild. So there would probably be an additional savings here as the air conditioners haven't been churning at the same -- same rate. So we expect to see a drop in that area alone. But it will be really impossible for us to say what the temperature is going to be in the winter months, but what we've lost, we don't expect to make up in that area. The very alarming thing in all this chart is there was always the thought that when gasoline prices went down and people had this additional disposable income, they would take this money and they would go to the stores, and they would spend it. As you can see, we've had a drop in gasoline revenue and we've had a worse drop in -- we've lost \$40 million in other -- so people are not taking the money they are saving at that gas tank and spending it. Part of that is new car sales, but people are not spending. The latest economic information we have is people are taking the money that they are saving, and they are putting it in the bank and they are replenishing their losses in the stock market or they're saving for children's educations. The money that they are saving -- the money they are not spending is not going to the economy.

So based on that, we're not very optimistic in the third quarter of 2009. Hopefully, the fourth quarter of 2009 may be better, and that's because the number dropped off the table last year. So I just wanted to give you, you know, what our thought -- we're going to find -- we have three more checks in the Budget Office before we do the budget. We get two checks in August. The next check is in the \$85 million range. We get a big check in September. Gail and Robert, Lance, they get the adjustment for the third quarter when they you the information to do the budget. But I just wanted to tell you, we feel there's another at least two percent drop -- that's about 22, 23 million dollars on loss in sales tax as I sit here today.

Property tax -- I'll just give you all the things -- I'm trying to answer questions, if you have any. We're in constant conversation with the Treasurer on property tax. On the positive side, we're collecting as much money as we did in prior years. On the negative side, the warrant went up, and based on the fact that the warrant went up and we're getting the same amount of revenue in, we have a shortfall. Right now, the budget includes 51 million and change for property tax. Right now, we're conservatively looking between 20 and 22 million dollars in actual receipts for 2009.

It would be fair to say, we are expecting an additional 7 or 8 million dollars in interest and penalties against that. But we're looking at sales tax drop -- revenue drop of -- from \$51 million to the \$20 million range as we sit here today. So I just wanted to give you the information on two largest revenues. The information is not good, and as of today, we're not expecting any significant turnaround. So this is one-year information, but it's actually a two-year hit when you look at the budget, and the sales tax hit's probably going to be in the range of 170, 180 million dollars by the time we're finished. Thank you.

CHAIRMAN GREGORY:

All right. Just want to make -- so that I understand, what you're saying is we went from a projected sales tax shortfall of 77 million to about almost 97 million.

MR. KOVESDY:

Yes.

CHAIRMAN GREGORY:

And property tax receipts were down \$30 million?

MR. KOVESDY:

Yeah, we expected --

CHAIRMAN GREGORY:

You expected --

MR. KOVESDY:

We had hoped it would be in the 25 to 28 million dollar range. Now, it's closer to 20 million into 30 million.

CHAIRMAN GREGORY:

Okay. Legislator Beedenbender.

LEG. BEEDENBENDER:

Thank you. Allen, in terms of this -- the sales tax for the remainder of the year, I guess, is there any possible good news? One of the things I was just thinking about is that the federal government just started that Cash for Clunker program, and if that has any utility then used car sales will go up, which is, I guess, the largest -- the biggest ticket item that effects sales tax. So that, and are there other things out there that we could see as possible good news to get this negative ten and a half percent to a more manageable negative four or negative five?

MR. KOVESDY:

The single biggest component, and it relates around to construction industry and home sales and the durable goods that go with that. So if they were to pick up in the construction and selling of the homes, that would translate into the market. The multiplier effects about 1.7%, so if that started moving up, we would start to pick up there.

LEG. BEEDENBENDER:

One point seven percent multiplied --

MR. KOVESDY:

Yeah. When money starts going through the economy --

LEG. BEEDENBENDER:

So every dollar that they're spending on a home sale, one point -- that's the multiplier effect?

MR. KOVESDY:

Yeah, One point five to one point seven percent. The other thing is the fourth quarter was horrid last year, so any blip will show as a percentage rate -- a percentage increase. The problem is, we'll already have three quarters of the year done, and we'll never make that up. So you will see a plus --

LEG. BEEDENBENDER:

So that will get better simply because of how poor last year was?

MR. KOVESDY:

Yes, sir.

LEG. BEEDENBENDER:

And we don't anticipate this fourth quarter will be -- I mean, I remember when we started getting those numbers, they were dismal. Do we anticipate it being that bad again this fourth quarter?

MR. KOVESDY:

We think we're going to hold ground in the fourth quarter. We don't think it's going to be significantly higher or lower based on that. See, Suffolk County -- Nassau/Suffolk lagged in the recession compared to the rest of the country. So when the rest of the country turns around, there's a little bit of a lag factor for us also.

LEG. BEEDENBENDER:

I guess just, BRO, is there anything you wanted to add?

MS. VIZZINI:

Well, generally, we are in agreement with what Allen is saying. Sales tax is coming in very poorly.

We had indicated this, that the first half of the year was going to be the worst. Even if a third quarter is negative five and the fourth quarter is flat, we will still be at about a negative six or thereabouts. Budget Review is in the process of making some sales tax projections in anticipation of the 2010 operating budget. So the 2010 --

LEG. BEEDENBENDER:

Well, negative six would be great. That's another 44 or 48 million dollars.

MR. KOVESDY:

That is a misnumber, if I may. That's six percent verse this year. The budget had a 1% increase, and last year, it was minus 1%. So when you say 6%, it's really 8%.

LEG. BEEDENBENDER:

Right, but this 10% is really 12%.

MR. KOVESDY:

I'm confusing. I'm sorry. I didn't mean to do that. The actual year-to-date --

LEG. BEEDENBENDER:

We projected one percent in the 2009 budget.

MR. KOVESDY:

One percent plus. In 2008, we came one percent minus.

LEG. BEEDENBENDER:

Right. So we're already two percent behind the ball.

MR. KOVESDY:

Two percent behind. So if they say six percent, you have to add 2%, which is another \$22 million.

LEG. BEEDENBENDER:

And the ten and a half percent we're currently minus is really --

MR. KOVESDY:

[Inaudible].

LEG. BEEDENBENDER:

Okay. But still, regardless, I'd rather take minus eight than minus eight than minus eleven. It's \$33 million. When -- I think earlier this year, we came down to -- we're trying to put a plan together, and it gets down to, you know -- I remember reading -- I obviously was not here for it because I was eleven --

P.O. LINDSAY:

Oh, geez.

[LAUGHTER]

LEG. BEEDENBENDER:

But in the early '90's the Legislature would go through the budget -- literally, I remember reading lines where they were cutting \$400 out of this budget, \$500 out of that budget. So, I mean, \$33 million, we'll take it. I don't mean to be flip about it. It's just, you know, if the projections are minus six or minus seven, that has a serious policy implication for the decisions we're going to have to make for 2010. Because if a we're \$100 million down, that's really bad. If we're 50, that's still bad, but, you know, that's the difference between blowing up everything we have do to -- to make the finances work just having to blow up a little bit.

MR. KOVESDY:

Well said.

CHAIRMAN GREGORY:

Okay. Legislator Kennedy.

LEG. KENNEDY:

Thank you, Mr. Chair. Allen, I'm just curious with the -- how we had the reductions, particularly in gasoline and home heating. Did you look at the actual gallons of consumption, or is it something that's buried in there between gallons and price difference? You know, it's almost ironic, if there was actually a reduction in consumption, in some respects, we look for that because maybe people are taking, you know, busses more often or they're becoming more -- carpooling or who knows what?

LEG. LOSQUADRO:

[Inaudible]

LEG. KENNEDY:

Or -- yeah, actually, yeah, as Legislator Losquadro points out, maybe people are, you know, voluntarily getting rid of the some of the clunkers. How do you ferret that out?

MR. KOVESDY:

That information lags way behind this. I tried to get that from the State, but we are cognisant of the fact that there are more fuel efficient cars out there compared to the old ones, but the consumption data lags significantly behind. So I really don't have that information. All I have is the cost -- the money coming in on a month by month basis on gasoline.

LEG. KENNEDY:

I should talk to McElligott, as a matter of fact, one. But my point from that, then, is if, in fact, we're seeing a trend towards a shift where it's more efficient vehicles and/or more efficient travel types of things, it's foolish for us to think that we're going to have some kind of, you know, return or rebound. I think it's important to understand that that's just an aberration based on what's gone on with, you know, the economy, or are we seeing a real shift in people's behavior or people's function?

MR. KOVESDY:

That's going to take some time. You really don't do this on a one- or two-month-basis. You have to do it over a long term. I'm just -- just pointing out, we've been down six months in a row now with the -- with gas numbers, so I just wanted to bring that out because people always ask, you know, "If we save gas at the pump, are we going to spend it?" I just wanted to point out that that money really isn't flowing back into the economy.

LEG. KENNEDY:

I would assume, then, that that's that same with home heating oil as well? In other words, you just have a gross offset; you don't know what the delta is between the price and gallons consumed?

MR. KOVESDY:

No, I don't.

LEG. KENNEDY:

All right. And let's go back over then to the warrant again. A \$51 million warrant, approximately 21 or 22 million collected at this point?

MR. KOVESDY:

That's what the Treasurer projects for the year.

LEG. KENNEDY:

I'm sorry?

MR. KOVESDY:

That's what the Treasurer projects for the year. We don't get a final number till February.

LEG. KENNEDY:

All right. Do you know yet how many towns did not cover their actual levy or warrant? I always mix up the two.

MR. KOVESDY:

I think it's three, but one of the towns, we've gotten most of the money.

LEG. KENNEDY:

Southampton?

MR. KOVESDY:

No, I think East Hampton, most of the money came in after the fact.

LEG. KENNEDY:

Okay. Thank you.

CHAIRMAN GREGORY:

Do we have any idea of how tourism is doing? Maybe consumption is down, if we can assume that, maybe because people are taking -- you know, instead of driving away for vacation, they're staying locally more. No insight into that?

MR. KOVESDY:

No, but we will have that by the time we do the budget because we will actually have the July numbers. We'll have hotel/motel tax numbers which you give you some indication. We'll also have a little bit -- if there's any kind of blip from the US Open because most of the hotels and motels in Suffolk County had complete occupancy for that time, so we may pick up some money on that, but we really won't know for another check or two.

CHAIRMAN GREGORY:

Okay. All right. Anybody else? Okay. Thank you. BRO, you don't have anything else to report, to add?

MS. VIZZINI:

No. Like I said, we're not in disagreement with the concerns, and this 2010 budget is going to be one of the most challenging budgets, only perhaps superceded by the 2011 budget because in our efforts to reduce expenditures in 2011, we are not necessarily positioning ourselves for the drop-off in revenue or the increase in pension costs that we would be experiencing in 2011.

CHAIRMAN GREGORY:

Yes. I read an article in New York Times that pensions are going to increase probably in the next five years by 41%, something like that.

MS. VIZZINI:

Hopefully the State will authorize us to bond the incremental costs. This is not the first time the State or the municipalities have experienced the decrease in the stockmarket; hence, the decrease in the pension funds and the need to increase the rates, so there are a lot of negative things happening. Many times in recessions, you don't really know you are out of it until you have been out of it for several months, as the trends start to move back up again. So in connection with the

Budget Office, we are constantly monitoring the flow of revenue. It truly is going to be a challenge.

CHAIRMAN GREGORY:

All right. Thank you. All right. Going through the agenda, we have.

IR 1077-2009, Amending the 2009 Operating Budget and transferring funds to Literacy Suffolk, Inc. (Kennedy) Motion to table by Legislator Kennedy. Seconded by myself. All in favor? Opposed? Abstentions? **Tabled (VOTE 5-0-0-0)**

IR 1099-2009, Amending the 2009 Operating Budget and transferring funds to BiasHELP, Inc. (Gregory) I make a motion to table.

LEG. D'AMARO:

Second.

CHAIRMAN GREGORY:

Seconded by Legislator D'Amaro. All in favor? Opposed? Abstentions?

Tabled (VOTE 5-0-0-0)

IR 1351-2009, Utilizing County assets to address budgetary shortfalls. (Viloria-Fisher) I make a motion to table.

LEG. BEEDENBENDER:

Second.

CHAIRMAN GREGORY:

Second by Legislator Beedenbender. All in favor? Opposed? Abstentions? **Tabled (VOTE 5-0-0-0).**

1105 and 1106 were withdrawn.

IR 1458-2009, Adopting Local Law No. -2009, A Charter Law to amend the Drinking Water Protection Program to increase the allocation for property tax relief. (Alden) Motion to table by Legislator D'Amaro. Seconded by Legislator Beedenbender. Any discussion? No? All in favor? Opposed? Abstentions? **Tabled (VOTE 5-0-0-0)**

IR 1467-2009, Adopting Local Law No. -2009, A Local Law authorizing an optional lag payroll for certain elected County officials. (Co. Exec.) I make a motion to table subject to call.

LEG. KENNEDY:

Second.

CHAIRMAN GREGORY:

Second by Legislator Kennedy. All in favor? Opposed? Abstentions? **Tabled subject to call (VOTE 5-0-0-0).**

IR 1560-2009, Bond Resolution No. -2009, Bond Resolution of the County of Suffolk, New York, authorizing the issuance of \$66,000,000 bonds to finance a part of the cost of the acquisition of a partial interest in the John P. Cohalan Court Complex, constituting the portion of the building not currently owned by the County. (Co. Exec.) I make a motion to discharge without recommendation.

LEG. LOSQUADRO:

On the motion.

CHAIRMAN GREGORY:

We need a second.

LEG. LOSQUADRO:

I'll get an explanation first.

LEG. BEEDENBENDER:

Second. I'll second.

CHAIRMAN GREGORY:

Second by Legislator Beedenbender. And County Attorney -- Deputy County Attorney Lynne Bizzarro.

MS. BIZZARRO:

Thank you very much, Mr. Chairman. I just ask that this resolution be tabled. I don't think it's the correct one, and there may be another one that will probably be forthcoming, so this is incorrect, and I think it needs to be either tabled or tabled subject to call.

CHAIRMAN GREGORY:

Okay. All right. Oh, wait. Yes. Go ahead.

MS. VIZZINI:

Mr. Chairman?

LEG. BEEDENBENDER:

Lynne, just real quick -- I'm sorry, Gail, I didn't mean to cut you off. But at the last general meeting, we had a lengthy discussion about the time period. I know there was some intervening information about whether -- about the level of savings this would create. But I had a long conversation with Rich Tortora on the record at our last general meeting that said we had to do this probably at the first meeting in August to get everything in line because there was -- you had to start counting backwards from October, so everything had to be done by September 1st. If we table this, and even if it needs to be changed, the County Executive is going to have to come forward with a certificate of necessity to get it done, or has something changed from that conversation we had?

MS. BIZZARRO:

Well, there is no absolute rush. If this or the -- as I say, I think the numbers may be incorrect in this. If there's another resolution that's filed and it gets voted on at a later date, that will be timely enough. I think the concern may be mostly surrounded the issuance of the bonds, and I spoke with Bond Counsel yesterday, and he confirmed to me that this was not the correct resolution and that it could be tabled, and that, as I said, another one would be forthcoming, and that would be certainly timely. So I don't even believe it needs to be done by a certificate of necessity. So it may have even been filed by already, so that's ready to go.

LEG. BEEDENBENDER:

Okay. It's just -- perhaps I'm not remembering the specific details. It just -- it seemed to me that we are under -- there's a lot of paperwork and things that needed to be done after we did our work. In fact, I know we're on the clock for the local law that we passed at that meeting. But I just want to make sure, and I know the savings might not be the \$7 million we discussed earlier; they might be three, they might be four. But I don't want to miss that in light of the testimony of the hundreds of million we're missing already.

MS. BIZZARRO:

Right, and I understand that. As I said, I spoke with Bond Counsel to make sure that he fine with it. As I said, I -- you know, he concurred that this was not the correct bond. He did not want it to get passed today, that we have enough time. I think mostly the time that we were concerned with was

the estoppel period on the bond, and we have no problem with that. It's a 20-day period. As I said, I spoke in length with Mr. Smith; he's very comfortable with it. I spoke with Rich Tortora. He understands, and they really want to table this.

LEG. BEEDENBENDER:

No, no, no. I'm not fighting you on the table. I just want to make sure we can --

MS. BIZZARRO:

No, I understand that. Right, I understand. Because I know there was that urgency last time. I think the feeling was get everything done right away just in case. But things are moving along and -- you know, things are not problematic notwithstanding that this resolution has not yet passed.

CHAIRMAN GREGORY:

Okay. Legislator Kennedy.

LEG. KENNEDY:

Lynne, there's just two things that I recall seeing in the newspaper recently, and I would just ask when you come forward again with whichever methodology you choose, apparently there's a significant change from the way the bonds were described and presented to us within the first instance. They no longer can be tax exempt.

MS. BIZZARRO:

Correct. That's my understanding, right, and they have to be taxable bonds, correct.

LEG. KENNEDY:

Okay.

MS. BIZZARRO:

And that's where the savings has changed.

LEG. KENNEDY:

Well, there was also a significant discussion about the escrow associated with reducing the original-- I'm sorry. I shouldn't say the original. The first time refi when the -- the authority was created and the ability to not only effectuate the savings from changing the rate but also from freeing the escrow. So I would think that that has to be laid out in as equal a level of detail as it was at the last committee meeting. And my own opinion is, you know, I struggled with it to try to follow it; I think I understood it at the end. But I don't think that would something that would work -- well, it would be a challenge at a general meeting by way of CN. That's -- for what it's worth, I'll offer that.

MS. BIZZARRO:

Okay. Thank you.

CHAIRMAN GREGORY:

Okay. Legislator Losquadro makes a motion to table. Second by myself. All in favor. Opposed? Abstentions? **Tabled (VOTE 5-0-0-0)**

IR 1567-2009, To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature No. 321-2009. (Co. Exec.) I make a motion to approve. Second by Legislator D'Amaro -- and to place on the consent calendar. Seconded by Legislator D'Amaro. All in favor? Opposed? Abstentions? **Approved and placed on Consent Calendar. (VOTE 5-0-0-0)**

IR 1591-2009, Authorizing the County Comptroller and County Treasurer to close certain Capital Projects and transfer funds. (Co. Exec.)

I make a motion to approve. Seconded by Legislator D'Amaro and on the motion, Legislator Losquadro.

LEG. LOSQUADRO:

Is there anyone here from Public Works or maybe from Budget that could comment on this? It's been brought to my attention that there are a number of these capital projects that have had no money expended or a considerable balance left over, and had the Legislature been aware of this, we perhaps could have used these offsets ourselves. I just wonder if there's anyone who can comment on this? Are these projects just set to expire? I mean, why -- it just seems like a large amount of money in some of these projects that things that did not progress as we anticipated with the amount of money that we had approved.

CHAIRMAN GREGORY:

I gotcha.

MR. CHUISANO:

If you give me the specific projects, I could research them further. But the methodology that was used to compile the list of projects that would be closed is basically we go through it and we check all the projects that have had no cash activity for the last two or three years, which means that there's no expenditures coming out of the accounts. And then also check, as a second criteria, the projects that have exceeded like 95% of the expenditures. And then we go through the whole list of projects and see if there's anything else that's been outstanding that looks like it should be closed. We put the list together. We send it out to all departments to review the list to see what they believe could be closed. All the projects on those lists, on the lists that we've given you have been reviewed by the departments and have come back with the indication that they are no longer needed. The projects are completed or -- and can be closed. In some cases, a number of them do have some -- some appropriations, significant appropriations left, but that's only very few. But again, it has been reviewed by all departments. We are not closing any project that any department indicated could not be closed.

LEG. LOSQUADRO:

I appreciate your comments, and I know there were a couple of projects specifically within the Department Of Public Works that were -- the Commissioner was asked to look into, but no receipt -- no response has been received as of yet, so I'll continue to look into it. There's nothing further you can offer on specific projects right now without researching it. So if there's nobody here from Public Works, that's fine.

LEG. GREGORY:

So what I understand, you're saying pretty much --

MR. CHUISANO:

The Department has already reviewed all these projects so --

LEG. GREGORY:

The projects were kind of over-budgeted, if you will. Now we have excesses or -- -

MR. CHUISANO:

There's a lot of reasons. I mean basically certain projects like --

CHAIRMAN GREGORY:

But they didn't come in at cost --

MR. CHUISANO:

At the cost, so I mean --

CHAIRMAN GREGORY:

Right, that we projected.

MR. CHUISANO:

-- there's available appropriations, and I mean there's some very old projects that are on there. If I remember correctly, the renovations to the infirmary are on there. You know, the renovations to this building are on there, and that project's been done for a number of years and stuff. So there is a number of projects on there that did have available appropriations still left in it. Now, those appropriations can't be used for anything other than that project, so they can't be used as an offset for another project or for any other purpose, really.

CHAIRMAN GREGORY:

Legislator Beedenbender and then Legislator Kennedy.

LEG. BEEDENBENDER:

Carmine, this is -- this goes to our pipeline debt because this is stuff -- yeah, right; this is what we consider pipeline debt because this is stuff we have approved?

MR. CHUISANO:

Any appropriation that had not be issued in this list would be also closed, so it will reduce some portion of the pipeline debt.

LEG. BEEDENBENDER:

Most of these projects on the list are things where -- let's say there's a million dollars budgeted, we spend 999,000, and we're closing out the last thousand, and then there are others that never moved forward after who knows how many years. What is the total number at the end, because the chart I saw didn't have a total; how much money?

MR. CHUISANO:

How much money in --

LEG. BEEDENBENDER:

Because we did this last year, and it was about 14 or 15 million dollars. I was wondering what number we're talking about this year.

MR. CHUISANO:

I don't have that number off the top of my head. I mean, I would I would have to get it for you.

MS. VIZZINI:

Yeah. I did that quickly too. It adds up to 8.3 million. However, that is not an indication that our debt service will be reduced by that amount.

LEG. BEEDENBENDER:

No, no. It certainly won't. Right. We never spent it.

MS. VIZZINI:

Correct. A few of these projects, for example, the SOS program, that was a particular land program that had a drop dead date by which the moneys had to be spent by the end of 2007. The nominal balance of 72,000 could not be spent.

LEG. BEEDENBENDER:

What this does do is that, I guess if you are a rating agency, you look at what we have outstanding out there and we're reducing that number by 8.3 million. Maybe I shouldn't say outstanding. What's the word I should use; authorized but unexpended?

MR. CHUISANO:

It's really appropriations that have not been expended, and it would impact the portion of the

pipeline debt. But just so you understand fully how it works, let's say a project cost a million dollars, okay? And let's say the bonds were issued for like 750, okay? And let's say the project only cost 500,000. You would have a difference between the 500,000 and 750 of unexpended cash available, and that would be used to offset debt service, current debt service. And then the balance between the 750 and the one million, the 250, would be pipeline debt that would be closed.

LEG. BEEDENBENDER:

So it's two-fold. So it's project specific. It's not 8.3 at one. It's probably spread off between those two different factors the you described it. But either way, this is good news.

MR. CHUISANO:

Right. It's beneficial to the County.

LEG. BEEDENBENDER:

Well, I'm glad. This was something that the Public Works Committee, we started to take a look at last year. I had a bill in. The County Executive's Office had another bill, which is the one that got passed. But it was about 14 million dollars at the time, and another 8.3 is good. We've cleaned up the books.

CHAIRMAN GREGORY:

Legislator Kennedy.

LEG. KENNEDY:

Yes, Mr. Chair. Thank you. I'm actually -- I'm just reading the attached list, and while reading, I was trying to listen to the dialogue. Carmine, let me ask, with a couple of the projects in Highway Department, in particular, where we're looking at some of the bridgework and things like that, are those removals in lieu of stimulus money that we're receiving? Because I see amounts that were authorized and then -- the equivalent amount is actually being taken out. "Paying of County bridges," we have three hundred and fifty grand, I guess -- oh, we have 350 expended, 350 in the current budget uncommitted -- okay, we have offers. So in all those cases, we spent everything, I guess, then.

MR. CHUISANO:

Right. And in that, where everything is expended, there's no need to keep the project open.

LEG. KENNEDY:

So we're just retiring. The other thing I see with the HYO, now that's a project that had gone on over a number of years. We still have some discussion as to whether or not we're going to do asphalt in the driveway there in the parking lot. And it may very well be something that winds up being created. Do we have any ability -- I mean, all that's there now, actually, is the reference to the capital project and the subproject numbers. Is there an ability to take that out since we may wind up using it? There's no monetary in that, no dollar and cent in there. It's just kind of a placeholder, I guess.

MR. CHUISANO:

Well, if there -- is there appropriations left?

LEG. KENNEDY:

I think that when -- you know what? Let me do this. I don't want to tie this up now.

MR. CHUISANO:

Okay.

LEG. KENNEDY:

Since I've just gotten this list now and I'm reading it now, I'll vote to support this now, but I want to be able to talk with you afterwards --

MR. CHUISANO:

Okay.

LEG. KENNEDY:

And is there an ability to pull a project or two out of here if we want to keep it in place just for placeholder purposes? Procedurally, can we do that?

MR. CHUISANO:

I don't know. That's a procedural question.

LEG. KENNEDY:

Do we have the ability to modify the amendment or the attachment?

CHAIRMAN GREGORY:

I don't think so.

LEG. BEEDENBENDER:

Not after the deadline. But Legislator Kennedy, it's a pretty simple process to, you know -- if you have a new capital project, we can do it just simply by resolution when you move the money during the year to create a new capital project and point number, if I'm correct, right?

MR. CHUISANO:

Yeah. I mean, you could always appropriate additional money and stuff for the project.

LEG. KENNEDY:

And it'll just get recruited. All right. That's fine. That's fine.

CHAIRMAN GREGORY:

Can you get word back, I guess, because there's some questions from the Committee to make sure the commissioners or the department heads or at least people from DPW, maybe, at the general meeting so they could answer some of these questions. I'm sure some of the general membership 2271 is going to have some questions. I have -- I'm looking at one project here regarding the purchase of equipment for health centers. There's a budget for 500,000, expended 39,000. We have uncommitted 460,000. I'm sure we didn't complete that project, but I just would like to know what we didn't purchase and how that's going to impact our health centers.

MR. CHUISANO:

If I remember correctly, that went through several issues. There were several issues with that project. That was a generally-funded project. It was gene money project, and it was to buy analog mammography units.

LEG. LOSQUADRO:

I'm sorry?

LEG. KENNEDY:

Digital.

MR. CHUISANO:

No. Originally, it was for analog mammography units, and then I believe there was a question about whether or not it could be utilized to buy -- or let me defer that to the Health Department, but basically it's been gone through several reiterations, and basically, the Health Department did review that project and did indicate that it could be closed.

CHAIRMAN GREGORY:

Okay.

LEG. LOSQUADRO:

Mr. Chairman, I'm sorry. I have to comment on that. I remember voting specifically on the purchase of digital mammography equipment, and if that's that project and it's being closed out without the expenditure of that moneys, that's disconcerting.

CHAIRMAN GREGORY:

Yeah. That was last year.

LEG. LOSQUADRO:

I would not want to see that -- that -- I know maybe it went through several reiterations, but we specifically voted to purchase digital mammography equipment. I mean, just the savings alone to us, and, I mean, you see the push nationally now toward digitized health records and everything else. I mean, this is -- I would not want to see that project closed. I need further information on that particular project.

CHAIRMAN GREGORY:

Yes, Gail.

MS. VIZZINI:

If I could just add, during our review of the capital program, we specifically reviewed this project 4055, and reading from our report, I just want to refresh your memories that the Health Department -- yes, you did absolutely approve the funding; however, the Health Department did an analysis indicating that the patient population using the Shirley Health Center is insufficient to support a mammography million and attendant staff. What they will be doing is coordinating opportunity for mammography through the contract we have with Brookhaven Memorial.

LEG. LOSQUADRO:

What about --

MS. VIZZINI:

So that -- that was part of the reason.

LEG. LOSQUADRO:

I'm sorry. What about -- weren't we going to be installing one in Riverhead, though?

MR. CHUISANO:

That one is done.

LEG. LOSQUADRO:

That was not part of this project?

MR. CHUISANO:

Separate project.

MR. KOVESDY:

We'll have the Health Department at the Health Committee meeting this week here to address any specific questions you have on that. We'll alert the Commissioner after this meeting that you have some questions concerning mammographies, and they'll address it at the Health Committee.

LEG. KENNEDY:

Mr. Chair, I'm just going to ask one more question, if I can, and actually, I do have to say this is kind of difficult trying to scan through these projects just seeing that the attachment is available now. I think I may abstain. Carmine, what happened with the archive writers and the scanners down in County Clerk's office? Now, I know there was an effort to go ahead and acquire them. I see, similar to some of the other things that we're talking, there is about a \$50,000 balance left in

those two sub-objects, and those pieces of equipment are high volume pieces of equipment that there had been some discussion about replacing.

MR. CHUISANO:

I would have to check with the Clerk's office, but I do believe they were purchased. I don't know if they got them at a lower cost or if there was excess appropriations. I don't know the exact reason for it.

LEG. KENNEDY:

Mr. Chair, is there any -- what's the significance if we table this right now and go one cycle? I would like the opportunity to go ahead and work through the attachment to at least review it and get some idea of what it is that we're closing out. Yes, departments make recommendations, but those recommendations don't always necessarily -- how shall I say? Jive with some of the things we might be looking for in the first instance. So before, you know, I vote to go ahead and agree with all these reductions, I would want to at least have some ability to look at a few of them and have a conversation with or a Commissioner or department chair.

CHAIRMAN GREGORY:

Okay. Yeah, we just -- I know I just got this list this morning, so I haven't had a chance to fully vet it. I think that maybe we should give an opportunity to have --

LEG. KENNEDY:

I'll make a motion to table.

MR. CHUISANO:

I don't think there would be a problem to table it for one cycle. But if you do have any questions on any projects, if you would like to forward me a list on the projects you have questions on, I would make sure that you get answers on the questions so that it can be voted on for the following meeting.

CHAIRMAN GREGORY:

Okay. I don't see any harm in it. So we have a motion to table.

LEG. LOSQUADRO:

I'll second that motion. I just want to point out --

CHAIRMAN GREGORY:

Seconded by Legislator Losquadro.

LEG. LOSQUADRO:

-- even in the quick numbers that Gail worked up, I mean, I see a gross miscalculation error here. Something that should be \$4.62 is \$104,000.62. So I think we need to recheck these numbers and look through these projects, so I'll second that motion.

CHAIRMAN GREGORY:

Okay. Motion to table. All in favor? Opposed? Abstentions? Okay. Motion passes. **Tabled (VOTE 5-0-0)** We have no more on the agenda. We are adjourned. Thank you.

*(*The meeting was adjourned at 10:50 AM*)*