

BUDGET & FINANCE COMMITTEE

of the

Suffolk County Legislature

Verbatim Transcript

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, August 11, 2009.

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:

William J. Lindsay, Presiding Officer
George Nolan, Counsel to the Legislature
Renee Ortiz, Chief Deputy Clerk of the Legislature
Barbara LoMoriello, Deputy Clerk
Carrie Meek-Gallagher, Commissioner of Environment & Energy
Marge Acevedo, Aide to Presiding Officer Lindsay
Jack Caffey, Aide to Presiding Officer Lindsay
Justin Litell, Aide to Leg. D'Amaro
Maxvel Rose, Aide to Leg. Gregory
Linda Bay, Aide to Minority Leader Losquadro
Paul Perillie, Aide to Majority Leader Cooper
Gail Vizzini, Director/Budget Review Office
Robert Lipp, Deputy Director/Budget Review Office
Lance Reinheimer, Budget Review Office
Bennie Pernice, Budget Review Office
Ben Zwirn, Deputy County Executive
Allen Kovesdy, Deputy Director/County Executive's Budget Office
Tom Vaughan, County Executive's Office
Kara Hahn, Director of Communications
Debra Alloncius, AME
Richard Amper, Long Island Pine Barrens Society
Maryanne Johnston, Affiliated Brookhaven Civic Organization
Don Seubert, Affiliated Brookhaven Civic Organization
Jane Fasullo, Sierra Club/Suffolk Resident
Sid Bail, Wading River Civic
Adrienne Esposito, Citizens Campaign for the Environment
Kelly Platt, Suffolk Resident
Regina Seltzer, Suffolk Resident
All Other Interested Parties

Verbatim Transcript Taken By:

Gabrielle Skolom - Court Stenographer

(The meeting was called to order at 10:07 A.M.)

CHAIRMAN GREGORY:

Good morning. We're going to convene the Budget and Finance Committee meeting today. I'm going to have the Pledge of Allegiance led by Legislator D'Amaro.

[Salutation]

Good morning. Okay. I think for today's meeting I think we'll start off by calling the County Executive's Office up so we can get a brief explanation on the -- do you have your budget people with you, Ben?

MR. ZWIRN:

They are coming.

CHAIRMAN GREGORY:

Okay. I think it's important we call you up and to give you an opportunity to explain what's going on as it relates to the land acquisition proposals. I know there's several on the table or several being discussed. Some were not before us. I know we have some people that are interested in them, and I think we're a little confused here as to what we're looking at and what's -- proposals -- I know we had a conference call yesterday and the end result of that conference call, there was a proposal made, but I don't think we have that before us, so if you can just talk to us about that.

MR. ZWIRN:

Mr. Chairman, thank you. There is somebody coming over from the Budget Office to go through the amended copy a little more in detail. But basically, there are three bills that are before the Legislature in various stages. There is Legislator Alden's bill, there's Presiding Officer Lindsay's bill, and the County Executive has a bill that which we amended just before the deadline yesterday. And I think the purposes of all three bills are to try to be able to restructure or to use the money we have in the Quarter Percent Program to try to provide some short-term property tax General Fund operating expense relief. And Legislator Alden's is the most drastic, I guess, because it takes all the money and puts it into the General Fund. The Presiding Officer here can explain his bill, but basically it takes \$6 million a year, which is what the target that the County Executive has also sought to take, about \$18 million over the next three years to put toward property tax relief because of the shortfall in revenues that continue to come into the County.

What we have tried to do is try to be able to, while we take the cash from the fund, we also try to -- also provide a carrot to the environmental community by bringing in the opportunity and the provision to borrow more money upfront. And in the County Executive's bill, that would be an additional borrowing \$168 million. It doesn't mean spending it all at once, but that would -- we would ask for that money this year. We would authorize the borrowing but not use the money until land acquisitions were before the Legislature and use the money on a case-by-case basis, but the money would be available.

I think one of the questions that the environmental community raised is that if you say this money will be available, how do we know that a future Legislature is going to spend that money? We know if that money is there, it's been -- it's available. They would feel more comfortable. And despite what Dick Amper said yesterday, my understanding is that the other members of the environmental community, which he referred to, are not opposed to these -- to this suggestion and that they were not going to take a position that was in opposition to it. They understand the situation -- they're not happy -- but that was my understanding, and they can all speak for themselves at some point.

CHAIRMAN GREGORY:

I don't mean cut you midstream. Now, when you talk about the additional \$168 million, is that in the amended 1709, or the proposal that we talked about yesterday on the conference call?

MR. ZWIRN:

That's the amended.

CHAIRMAN GREGORY:

So everything that we spoke about in the conference call is in 1709, the amended?

MR. ZWIRN:

I wasn't there at the conference call -- I wasn't there --

CHAIRMAN GREGORY:

Oh, you were -- you probably -- okay.

MR. ZWIRN:

-- so I don't know exactly what was discussed.

CHAIRMAN GREGORY:

Okay. Legislator D'Amaro has a question.

LEG. D'AMARO:

Thank you, Mr. Chairman. Mr. Zwirn, good morning. I wanted to just clarify a few things for my own purposes. Under the amended 1709, you said we would be borrowing an additional \$168 million, or at least authorized to be used as we go case-by-case on land acquisition. What would be -- what's the aggregate amount that we could borrow now if we do nothing as opposed to plus the 168 under the amended version?

[Presiding Officer Lindsay entered the meeting]

MR. ZWIRN:

In our -- \$280 million.

LEG. D'AMARO:

So I understand that, sir, if we do nothing given current economic conditions and the revenue stream on the quarter penny sales tax, it's projected we could borrow \$280 million now for land acquisition?

MR. ZWIRN:

That was in the original version of 1709; it was less. It was 229 million. Under the amended version, it 280 million.

CHAIRMAN GREGORY:

Right. It's -- just to clarify, it's 229; the County Executive had proposed upfront bonding for 51 million; that's where you get the 280 from, right?

MR. ZWIRN:

[Nodded head]

LEG. D'AMARO:

So it's 229 is the constant; that's if we do nothing. And then, under the original proposal, it was plus 51, and under this proposal, it's now plus 168?

MR. LIPP:

A point of information. Okay. The way we are reading the bill -- and we just got it, so we could be mistaken, and we could be corrected if we're wrong -- we're looking at it as, the new bill would give a maximum total of 223 million or the minimum of 223 million or 100% of sales tax projections. So, in other words, if the sales tax projections were a gazillion dollars, it would still be limited to 223. If the sales tax projections were, you know, let's say 200 million even, it would be limited to 200 even instead of 223. As a result, what we're -- the way we're interpreting the legislation is the limit of 223 million would be -- this particular resolution would add an additional 101 million dollars in authorizations. We already have authorizations of 57 million from last year and 55 million we authorized this year. That's a total of 122. So the 223 maximum minus the 122 we already authorized, this would add 101 million.

MR. ZWIRN:

If I might add, the \$168 million would be authorized this year, but it would be paying -- it would be spending \$56 million a year for the next three years.

LEG. D'AMARO:

You're losing me. Let me just try and ask these questions my way. Maybe I'm a little more simplistic, but I need to understand this. If we do absolutely nothing, if we don't pass any of this legislation right now, we project we could borrow 229 million; is that correct? Anybody?

MS. VIZZINI:

The hard part is that sales tax keeps performing abysmally, so if you were to ask us to do productions next week, they could be less optimistic.

LEG. D'AMARO:

Well, just sitting here today, it's roughly 229 if we do nothing. Is that --

MR. LIPP:

Actually, the number that -- and it's a difficult projection, admittedly -- but you could make the case of the 229, but to be conservative, we would make a case for 200 even based on current projections. And understand that what that means is that that's for borrowing purposes, that in addition to that, we would do it on a pay-as-go basis with cash moving forward after the borrowing.

LEG. D'AMARO:

Let's just leave that aside for a moment. On a borrowing basis, the County Executive's office or Budget Office is projecting, roughly, 229. You're projecting, roughly, 200,000, if we do nothing, take no action, no reallocations, no extended --

MR. LIPP:

That's million, not thousand.

LEG. D'AMARO:

Million, right. Yes?

MR. FORST:

Yes, excuse me. My name is Steven Forst from the County Exec's Budget Office. Just to clarify, that 229 includes the 112 million that's already been authorized.

LEG. D'AMARO:

Okay. Rob, does your 200 include that also?

MR. LIPP:

Yes. Our projection includes the existing debt service and the \$57 million we've already borrowed plus the projections for the \$55 million.

LEG. D'AMARO:

Now, the next question I have is if we enact the bill as amended before us, what's the total amount of borrowing projected?

MR. FORST:

I'm sorry. Could you repeat that?

LEG. D'AMARO:

Yes, I can. If we enact 1709 as amended yesterday, the current version, what's the amount of revenue projected to be borrowed?

MR. FORST:

The amount of bonding would be -- it would be an addition to what we already issued, 56 million a year for three years -- 56 million a year for 3 years to total 280.

MS. VIZZINI:

On page seven of the resolution, the number 223 million is underlined, representative of the authorizations from 2008 to 2016.

LEG. D'AMARO:

Let me explain what I'm trying to do. We threw out a number of 229 if we do nothing. All right? I want the same projection if we enact this bill.

MR. LIPP:

We'll repeat what we said before; that is, our understanding of the bill -- we just got it, it's an amended copy -- is that the total amount of borrowing that would be allowed through over the life of the program through 2016 would be 223 million in total. Our understanding is that includes the 57 million already borrowed and the additional authorizations for 55 million that the Legislature adopted earlier this year.

LEG. D'AMARO:

All right. So, Rob, using your projection of roughly 200 million if we do nothing against the amended copy if we enact the new legislation, we could borrow 223. That would be a net gain of 23 million in additional borrowing.

MR. LIPP:

Yes. The problem would be, A, what the projections would be moving forward because whenever the serial bonds would be issued, it requires the two budget offices to agree on a projection. So it may be higher or lower than that 223. That's the maximum that could be borrowed.

LEG. D'AMARO:

I understand that. Projections are just that: Projections, and they are subject to change. Now, I just want to ask the Budget Office from the County Executive's Office, you had projected 229 if we do nothing. What do you project if we enact your bill?

MR. FORST:

Yes. It's -- the total will be 280. That 223 includes the 55 million currently authorized in '09 plus 168 million, 56 million a year for three years, and that would total to 223. It would be 51 million less if we did not enact the bill. That was our projection.

LEG. D'AMARO:

All right. So you're saying 280 if we enact the bill. Rob, you're saying 223 if we enact the bill. Can we --

MR. LIPP:

Our understanding, and once again, it's their bill, but our understanding is the numbers that are

being stated, the 280 was the original pre-amended bill.

LEG. D'AMARO:

Now, again, the 280, you think, is from the pre-amended bill?

MR. LIPP:

Correct.

LEG. D'AMARO:

Do you gentleman agree with that?

MR. KOVESDY:

We'll work it out. While you're talking of other things, we'll sit down with Budget Review and come back with a number to make sure we're on the same page.

LEG. D'AMARO:

Okay. I appreciate that, Allen. We're looking at an amended copy; we're looking at how does it impact the Land Acquisition Program. So we need to know, if we enact this bill, how much are we raising -- how much more are we bonding; is it more, is it less, or is it the same? So I need to know that number.

[Applause from the audience]

P.O. LINDSAY:

You've got to cut that out.

MR. KOVESDY:

We'll go in the back room, and we'll work it out with Budget Review. We'll get back to you.

LEG. D'AMARO:

All right. I appreciate that. Now, I'm going to defer now -- go ahead.

CHAIRMAN GREGORY:

I'm going to have to say that there's -- you know, we're going to ask the audience to just standby, be quiet, this is a difficult process for us. There's three different bills that we're trying to get a handle on, so we don't need outbursts from the audience, please. We ask for your indulgence.

LEG. D'AMARO:

I had another question. Again, if we do nothing, we authorized the Quarter Cent Program earlier to go to 2015; is that correct?

MR. LIPP:

If we do nothing, it's authorized for a total of four years starting in 2008 through 2011 for bonding. The revenue stream goes through the end of November of 2030. The difference being that after 2011, you would be making purchases on a pay-as-you-go basis as opposed to borrowing.

LEG. D'AMARO:

Understood. The bonding, if we do nothing, could go from -- it was from '08 to '11, December of 2011. And the program, the extension itself went to 2030.

MR. LIPP:

[Nodded head]

LEG. D'AMARO:

All right. Does that bill change any of those cutoff dates?

MR. LIPP:

It would change the authorization through the borrowing from the end of 2011 through the end of 2016.

LEG. D'AMARO:

So between 2011 and 2016, we can continue to borrow or use the revenue projected in that time period, borrow against that, where that was not the case prior to this bill?

MR. LIPP:

Correct.

LEG. D'AMARO:

And that's where you get increased revenue into the program by extending the borrowing authorization period?

MR. LIPP:

You don't get increased revenue in the program per se. What it does, it allows you to leverage by borrowing for an extended period. So if there's a need to borrow beyond 2011, you have up through 2016 in the County Executive's amended copy of proposed legislation.

LEG. D'AMARO:

Okay. Well, we would be borrowing upfront, but as long as you extend the period, you can borrow more in effect?

MR. LIPP:

I'm not sure if borrowing more will actually occur, because it would depend on projections, but you could borrow for a longer period. The window doesn't close as fast.

LEG. D'AMARO:

Well, if projections remain constant, you could borrow more, correct?

MS. VIZZINI:

I think what it is is there's a target amount of the 223 or the 280 depending what we're coming back with. But even though you have that authorization, it's likely that we would not actually bond it until we needed it. By going to 2016, it gives a little more lead time to close the deals and identify how much we need to bond even though you have the authorization.

LEG. D'AMARO:

All right. Well if we're not borrowing more but by extending this time period --

MR. LIPP:

You are borrowing more only in the sense that you're going to -- that this proposed legislation would go from 80% maximum to 100%, so it would allow you, in theory, to borrow more because you'd have that full 100% that the sales tax serves. The only problem with that is if you do that and the projections are too high, then at the end of the day, whenever there's a shortfall, the General Fund would have to make up the difference because the borrowing is full faith and credit of the County.

LEG. D'AMARO:

I understand that, but again, my -- I don't have any clarity on how if we enact this bill is it go to result in more funds available for land acquisition. That was my understanding when the bill was presented that by extending the borrowing period by an additional four or five years, whatever it is, 2011 to 2016 that more money could be borrowed upfront resulting in a multi-million dollar net gain for land acquisitions; is that accurate?

MR. LIPP:

I think you're correct. The only thing that would allow it to borrow more is to go from 80% to 100%. Other than that, you'd have to ask the County Executive staff.

LEG. D'AMARO:

So if we stay at 80% with a 20% cushion, so to speak, to make sure that we always have enough revenue available to service the debt, if we keep that at 80% but extend the borrowing to 2016, it will not net any additional funds for land acquisition if projections remain constant, I mean, taking out the fact that projections can change on a daily basis?

MR. LIPP:

On the surface, I would say it wouldn't. But if I did some calculations -- I don't think there would be a significant difference but, you know, that is if you're taking out the going from 80 to 100%, then I don't think so. But, you know, maybe the County Executive made some calculations that -- I'd had to conceptualize how to do that. I'm not seeing it, though. The only other thing it does is it gives you more flexibility going further out, 2016 instead of 2011.

LEG. D'AMARO:

All right. Thank you. And Mr. Zwirn, does your Budget Office -- I guess they're working on some figures right now -- but do you agree extension of the borrowing period does not net any additional funding for land acquisition?

MR. ZWIRN:

I believe that borrowing -- I think Robert was right when he says when you're going from 80 to 100%, you're going to get the additional -- it's going to be upfront money as opposed to over the course of the program, and the thought is is that because land is shrinking, it's not growing, is that the more money that you have upfront, naturally, the more land you can acquire. You know, down the road, there may not be any land left.

LEG. D'AMARO:

So under this bill the enhancement of the Land Acquisition Program is really coming from eliminating the 80% requirement that we had in the original version. The risk being that if we get to a point where we don't have reserves and our sales tax keeps falling, we might not be able to service that debt. What is the likelihood of that happening?

MR. FORST:

There are really two parts to it. One is eliminating the coverage requirement; the other is extending out the bonding period. But as far as the risks, I mean, we would have to have a very serious prolonged, you know, very -- 0% -- it would require a lot. But we would also have a fund balance in the interim because we're not basically using any pay-as-you-go -- we're not doing any pay-as-you-go land acquisitions. So everything is coming through the bonding, and with that being the case, we're currently building up a fund balance.

LEG. D'AMARO:

What's the amount of that fund balance today?

MR. FORST:

It's projected at the end of this year to be about \$26 million.

LEG. D'AMARO:

And that fund balance could be used to service the debt on land acquisition in the event that the Quarter Penny revenue is not sufficient, in the unlikely event, hopefully.

MR. FORST:

Correct.

LEG. D'AMARO:

All right. Mr. Chairman, thank you for indulging me. I appreciate it.

CHAIRMAN GREGORY:

Okay. Legislator Beedenbender.

LEG. BEEDENBENDER:

Thank you. Actually, my questions are directly related to how Legislator D'Amaro just ended his discussion. My problem with this bill -- I was first on it, and then a very good point was brought up, this issue we were just talking about, about the coverage rate. And my concern is -- is that the projections of how much money we have are based off of 3% a year through 2030, which, historically, is, I guess -- BRO, 3% historically, that's a number we'd be normally comfortable with, correct?

MR. LIPP:

Normally?

LEG. BEEDENBENDER:

Yes.

MR. LIPP:

I think we've averaged in the past 10, 12 years about 6%, but that was before the current world and, you know, the whole behavioral mode of consumer spending has changed.

LEG. BEEDENBENDER:

Okay. And this is where my concern lies, because the model of the projections, at least the ones that I saw, were negative 6 for 2009, and I think we'd all be really happy if that's what it was. Oh, here we go. Yeah, we'd be really happy if it was negative 6 for 2009 and then 3% a year through 2030. So if we extend the bonding out to 2016, and that's last time we can borrow, and we've capped it at 223 or 280, whatever number you want to use, once we have borrowed up to that number and we've actually not just authorized but issued the bonds, we are locked in to that number.

My concern is, while we can project as much as we want, a little mix hiccup -- I mean, petroleum prices could cause a hiccup in the market. Anything could really happen in the next 21 years that would drastically affect that projection. So I would like to provide more money for the land, but if it's going to end up in the General Fund to service that debt, I can't -- I mean, it's one thing if we're going to issue a general obligation bond to purchase land; we've done that in the past, but when we do that, we say, "This is for land. We'll pay the debt service from the General Fund." When we do it we do it, we go in with eyes wide open knowing that.

But if we're going to change this policy now and by eliminating the coverage rate, we're saying we're going to use the Quarter Percent to service the debt service, except unless we're wrong and then the General Fund is going to pay for it. How can we be so confident that this is okay? Because I'm willing to be convinced; it just hasn't happened yet.

MR. FORST:

One of the things this bill does do is it does help the General Fund the next three years with almost \$18 million. Now, if the General Fund -- you know, if the situation did get that bad and the General Fund did have to -- first of all, we do have that fund balance that will be in the program.

LEG. BEEDENBENDER:

But we're going to take it. The fund balance is there, but under this proposal we're going to take it.

CHAIRMAN GREGORY:

No.

LEG. BEEDENBENDER:

Oh, no. That's not this proposal. Nevermind. I apologize.

MR. FORST:

I mean, any issues, the General Fund is benefitting upfront and any sales tax increases that may occur after that could -- I mean, there was significant balance for pay-as-you-go that develops later on in the program assuming that sales tax eventually does grow to some extent.

LEG. BEEDENBENDER:

Right, and that -- I guess, yes, I agree with what you're saying. It just -- the problem is it's theoretically correct, but we have no way of knowing if it will be actually correct. And I know, it's not really a fair answer, but it's correct in theory, and I don't find fault with the logic and the math. It's just -- I mean, nobody could have projected negative 14% right now, and, you know, here's to hoping that never happens again. But we're not even talking about negative 14 being a problem; we're talking about 2% growth being a problem in the projection. I just -- I can't -- Robert, I see you're shaking your head. I'm not a budget guy.

MR. LIPP:

Yeah, I would say that you're right because your talking long term projections on the one hand. On the other hand, I would say the Budget Office numbers, when they're looking at 3% growth per year, even though you could say, well, maybe 2010, three percent, 2011, three percent, maybe that's too high, but if you're looking at the growth of the entire program, they're putting in three percent every year out until 2030, so therefore, you can argue that, "Well, there are going to be years that are above 3%," on average three percent should be fairly conservative. The problem is, you get to the years 2017 through 2022 when the land component is reduced by four and a half percent after it was increased by nine -- I mean is reduced just for those years, so six years by four and a half percent. And then if you add in any hiccup in the projections in that period of years, even though you probably will have a surplus and be able to buy land with cash, in those particular years, it's a little difficult to say, especially that length of time whether or not there'll be one or two years where it will be a negative and General Fund will have to make up the difference.

LEG. BEEDENBENDER:

Well, let me just -- and I won't take up too much more time, Mr. Chairman. I'm a politician, so that means I'm a simple person; well, in most cases. The changing the program in this fashion makes it a greater chance that we would have to use the General Fund to service the debt for the Quarter Cent program than it was before the change?

MR. LIPP:

Correct.

LEG. BEEDENBENDER:

Okay.

MS. BIZZARRO:

If I could, Mr. Chair?

CHAIRMAN GREGORY:

Yes.

MS. BIZZARRO:

Thank you very much. If I could just state that, actually, the way the law is currently written, you cannot go above the 80% cap in order to pay off the bonds. So once you hit that 80%, and if you don't have enough money in the fund, you're forced to go to the General Fund. What they are doing here is they are excepting out the years 2012 through 2020 to allow you to pierce that and go in to that extra 20% reserve that you have in this fund so you don't have to go into the General Fund. So that might allay some of your fears, Legislator Beedenbender, that this bill as written, this amended

copy, will actually let you not go in. It kind of stops you from going into the General Fund earlier than you need to, because of what I'm hearing now, the amount of borrowing is somewhat constant between the way the law is written currently as compared to this amendment, so that's helpful.

LEG. BEEDENBENDER:

It wasn't, but maybe it will be.

[Laughter]

MS. BIZZARRO:

Okay. Glad I can explain it that well.

LEG. BEEDENBENDER:

And that's not a shot at you, Lynne. It did not -- that did not compute. Did you say -- it seems to be, from what you just said, that the current program contemplates using the General Fund.

MS. BIZZARRO:

Sure.

LEG. BEEDENBENDER:

The reserve fund that is created through the Quarter Cent fund, that's what your referring to as the reserve fund?

MS. BIZZARRO:

The --

LEG. BEEDENBENDER:

The Quarter Percent Program, because there's a 20% coverage ratio in the current law, creates a reserve funds to pay in case sales tax drops.

MS. BIZZARRO:

Right, but what the bill -- what the law currently does, it says that you can't go beyond 80% of what is in this Quarter Percent fund and reserved for paying.

LEG. BEEDENBENDER:

No, no. It doesn't say that. I don't think that it does, and if it does, then I need to be corrected because my understanding was that the law said we can only borrow up to 80% of the projected revenues. It doesn't say what you just said.

MS. BIZZARRO:

Well, it says, "The amount of debt service and bond or note issuance cost paid from the trust fund in any calendar year shall not exceed 80% of the unobligated projected sales tax revenues for such calendar year." That's what it currently states. So they are excepting out, you know, 10 years of that and saying that you can go into that other 20% and utilize the moneys without going into the General Fund.

LEG. BEEDENBENDER:

But that money isn't being used to create a reserve. That money is being used to be spent. So if you take it out and spend it, it's not there.

MS. BIZZARRO:

Correct. It won't be there, yes. I'm not saying that. I'm just saying you don't have to go into the --

LEG. BEEDENBENDER:

But, Lynne, I guess my question is then if you take it out and spend it and it won't be there, then

how does doing that -- I think, if I understood what you said, you said this would make it less likely we'd have to go to the General Fund.

MS. BIZZARRO:

Correct.

LEG. BEEDENBENDER:

But if we take it out and spend it, how does that work?

MS. BIZZARRO:

Well, it allows you to go into that area to spend off some of the bonding as opposed to going into the General Fund, and that gives you a little breathing room that possibly the next year -- because you're all talking theoretical in terms of how much sales tax revenue we're going to get in the future; nobody knows that. It could go down, it could go up in any given year, so it may give a little breathing room for any given year that the following year, you get a landslided sales tax revenue, and then the amount that you have saved in the account goes up, and you're in better shape. That's how I am reading these bills.

LEG. BEEDENBENDER:

Okay. Mr. Chairman, I'm not going to take any more time of the Committee. I thought I kind of understand what was going on, but now I definitely don't understand what's going on. But I don't think it can be solved -- I don't think it's going to get through my head in the next 20 minutes, so I'm not going to take that 20 minutes of the Committee. I'll let somebody else ask some questions.

LEG. D'AMARO:

Mr. Chair, I know other people are waiting. Just to clarify that point, Lynne, just before you sit down, you're assuming that borrowing is constant whether we do nothing or whether we enact this bill, correct?

MS. BIZZARRO:

Correct.

LEG. D'AMARO:

All right. And if it is, if that borrowing is a constant under both approaches, then if we enact the new bill, then we could use up to 100% of the revenue stream to service the debt. I think what Legislator Beedenbender is -- the point he's making, and what I always thought, is that by enacting this bill, not only could we use 100% of the revenue stream to service the debt, but we could also increase borrowing to 100% of the revenue stream. So if we increase the borrowing, it's a wash.

MS. BIZZARRO:

But, as I said, when I'm listening here, though, is that the actual number of the borrowing may not change and -- you know.

LEG. D'AMARO:

Okay. I understand that. Thank you.

MS. BIZZARRO:

I'm assuming it's staying constant, yes.

LEG. BEEDENBENDER:

Can I just ask a follow-up to Mr. Lipp, please? I apologize, Mr. Chairman. Robert, I understand a little bit better from the question Legislator D'Amaro asked, but what I'm trying to figure out is if by, you know, increasing the 80 to 100%, that gives us money to service the debt. Then if that money is being used to service the debt, then what is creating the additional -- you either use it to service debt or spend it. It can't do it both. If it could, that would be great.

MR. LIPP:

The amount of borrowing in a year is based upon currently the 80% of the projection, sales revenue for the program. As Steve Forst accurately stated, that we do have surplus funds from prior years that we haven't used to pay debt service and the Executive's approach has been not to make any purchases with cash, but rather to use it all for borrowing to reserve effectively in the sales tax that extra money. The point being that in all likelihood, whether we're using the current program or a future program, if we project reasonably well, we're not likely to have to dip into the General Fund, although it is a calculated risk. That risk clearly increases if you're going, A, from 80% to 100%, and, B, in the years 2017 to 2022, reducing the amount going in to the land component by 4.5%.

What's the point? The point is, yeah, we have a reserve in the land component that should hopefully wallpaper over any need to dip into the General Fund. Will that prove to be the case? Hard to say. Does it increase the risk that we would have to dip into the General Fund? Yes, but is that risk a calculated risk and not a high probability scenario? Yeah, it's not a high probability scenario, but it is a risk, and you have to judge whether or not you think that risk is great. We could -- given that we just got the bill, it's hard to say, though -- we could run some sensitivity analysis and see under what sort of sales tax growth projections that's likely to occur so you can get a better feel for that risk, but, you know, that'll take a few days and a request from the Legislature.

CHAIRMAN GREGORY:

Okay. Before we move on, I just have one question. Were you able to work out a projection under the new bill, what the total amount would be in additional -- to be raised -- borrowed? Excuse me.

MR. FORST:

The total borrowing would be up to 280 million, which would be an additional 51 million from the current projection. And just another point to what was just being asked. Basically, we would be -- one of the points of this bill is to help the General Fund with the 17 or 18 million dollars in the next three years, so there would be additional funds into the General Fund through this bill. And it's only a couple years that are really the reason why we needed to drop the coverage requirements. So that was -- aside from those couple years and the debt service in those years, it's very unlikely that -- well, I guess Robert answered those questions for you. They can get to it later.

CHAIRMAN GREGORY:

Okay. Legislature Kennedy.

LEG. KENNEDY:

Thank you, Mr. Chair. I wanted to speak to BRO for just a second, and I appreciate the County Executive's office being here to explain this version of the bill. I spent some time on the phone with Gail yesterday morning trying to understand or compare and contrast the three different versions of the bills but also to talk about the Quarter Percent Program as it had been before we did the modification two years ago. And it's very important, I think, we understand what we might gain from this as far as a tax relief and a possibility for land purchase. But I also see that we're further reducing the funding being committed to sewerage and sewer tax stabilization; is that correct?

MR. LIPP:

Yes.

LEG. KENNEDY:

Okay. A significant part of the dialogue two years ago when we spoke about changing this stream with the Executive's office and with the environmental community was that there was an acknowledgement on their part, not only of the importance of the land acquisition but also the need to continue to vigorously support sewerage because of the long-term gains and the need to preserve the wellbeing of the land that we acquire. But as we sit here today, we have three different versions that appear to be taking us even lower towards what everybody seemed to agree was an important commitment. I don't understand how to do the math with this. If we look at an increase in the amount we can raise from land purchasing, are we diminishing on the other side of the balance

sheet the commitment we have for sewerage? How do I reconcile this?

MR. LIPP:

Yes, we are diminishing, I mean, and there's a tradeoff obviously. You know, we have severe, I'll say, budget problems in the General Fund that need to be addressed. It's up to you to decide whether or not this should be a piece to the overall package. And then, of course, the impact there, depending on which bill you're looking at, would have an impact on sewerage. We're trying to do some long term projections on sewers. It's taking a while, if not because there are a lot of sewer districts. I mean, what the use of the funds that go into the assessment stabilization reserve fund has -- Gail has made it very clear to me -- one of issues with the original Quarter Percent extension from December '07 that perhaps may have been tweaked better in hindsight was to allow for sewerage money for expansion of sewer districts -- into new sewer districts, I should say, not existing ones, so that currently the money can only go for existing sewer districts.

So it may be that at least for the medium term, there's sufficient funds even with taking some of the money away from sewers. The Executive's office has run some numbers. We're in the process of doing it now. We're not sure yet. But another issue may be that even if there is sufficient funds with taking three years away from sewers, perhaps we should think the other way since we have such large sewer needs. Seventy percent of the County is not sewerage and therefore maybe we should change, if anything, to change the referendum to allow for new sewers. So you are looking in for a tradeoff and they are projections. You know, you're talking about going in a program that goes up to 2030; not easy to say what the landscape will look like moving forward.

LEG. KENNEDY:

And I think therein lies one of my most basic concerns with all the bills we have before us right now. Legislator Losquadro has been the proponent of sewerage in Rocky Point. I talked about sewerage in Main Street in Smithtown for four years. Galleria, we've struggled with -- Ben, you'll recall this -- just to get an existing STP that was built with the proviso by the Health Department that it would be turned over to County operation to come to a number that's not quadruple of what the existing private servicing is, and I don't hear any of that being addressed in any of these bills we are looking at.

So once again, we come back to the overriding driver here, which is a sales tax stream that's fallen off the cliff. But then we get into picking and choosing between land and sewers, and it's a choice that's always destined to go bad. I think we need to have some more discussion as to how we'll address the other side of the equation here, and faced with those, I'm disinclined to move anywhere with any of these bills. Thank you.

CHAIRMAN GREGORY:

Presiding Officer, and I'll come back to you, Dan.

P.O. LINDSAY:

I want to go to the resolution that we're going to lay before -- propose to put before the voters in November. And I don't -- in all respect, Ben, I don't think we understand what this bill does. How are we going to ask the voters to make a decision on this? I mean, it starts off with, you know, the genesis of all three bills is we're in a fiscal calamity here, and we're looking to take money from everything we do, and we've taken money from everything we do. But this starts off by saying borrowing \$223 million, accelerating land acquisition, when, if I'm hearing right, it really doesn't do either one.

And what we're really at is the last sentence about tax pair relief.

I mean, I know a lot of my colleagues don't agree with my bill, don't agree with Legislator Alden's bill, but at least it's honest. You know, yeah, we're in trouble. We're taking some money from the Water Quality Fund to bail ourselves out. This is very, very, very confusing, and I think we'll have a very hard time trying to -- I'd have a hard time explaining it to my constituents, what we're trying to do, and that's just an honest assessment, and I just saw the bill. You know, maybe after we have a

while, it might grow on us, but at first blush, it's very confusing to me.

MS. GALLAGHER:

So I know there's some confusion about how is it actually getting more money upfront for open space preservation, and that's because given the current sales tax revenue projections, which are down, we would only be able to borrow through 2011 \$229 million. This would bring an additional \$51 million upfront for borrowing by extending it an additional year through 2012, so we'd actually be able to borrow \$280 million upfront.

LEG. D'AMARO:

Good morning. I was writing while you were speaking. I apologize. Did you say that by extending the borrowing period, the additional five years would enable us to borrow more?

P.O. LINDSAY:

Isn't that what he asked before?

MS. GALLAGHER:

Because the issue is, I guess, was that we wouldn't have enough to cover debt service. So my understanding is that by authorizing, we would appropriate and authorize the full amount upfront, conditional upon the referendum passing, and then give ourselves through 2016 to expend that money so that we'll have sufficient debt service coverage.

LEG. D'AMARO:

I agree with you there, but the prior testimony we heard was it's not really the extension of the borrowing period that nets any more funds into the land preservation program. It's really the elimination of the 20% or -- reserve requirement when you bond against the revenue stream or use it for debt service. It was really -- the revenue was coming from elimination of the 20% requirement as opposed to the extension of the borrowing period. That's what we were told 15 minutes ago. Do you agree?

MS. GALLAGHER:

My understanding is that it was a combination of both of those factors. But again, this is more the budgetary area. I was trying to explain how there was more money upfront for environmental purposes because that's what I'm concerned about.

LEG. D'AMARO:

Well, what I understand, extending that period would give you more time to expend the funds. I agree with you there, but it appears as though it's really not resulting in any net additional funds for the program itself.

MS. GALLAGHER:

No -- you mean over the life of the program?

LEG. D'AMARO:

Yes.

MS. GALLAGHER:

No, it is not.

CHAIRMAN GREGORY:

I'm sorry. Legislator Losquadro.

LEG. LOSQUADRO:

That's all right. There's benefits to late on the list. Most of the questions that I've had have already been asked and, well, answered in a sort. I won't belabor the point, but I was taking notes as we were discussing this also, and I have a number of concerns with this which have already been

raised. It's just a matter of how you add the numbers up and when you add the numbers up. I don't see any long-term benefit. In fact, as Legislator Kennedy just said, I see possible detrimental effects, as we've all agreed that nitrogen loading and other problems that we have with our groundwater are some of the gravest concerns that we have as development moves forward especially with the remaining open space, which is generally on the East End -- eastern Brookhaven and the five eastern towns -- and the need for sewerage in those areas is going to grow possibly exponentially as -- especially, you know, you speak to a lot of people in the real estate market right now; people with money are using this market as an opportunity to buy up land, and we're seeing a lot of larger sale applications starting to come into the pipeline, so to speak. And I think once we start to come out of this, we're going to see a number of projects, especially on the East End, and I don't see this program as benefitting the County as a whole, especially the East End, as we move forward with development.

So I, too, have a number of problems understanding the overall financing and how this benefits things, but my concerns are also rooted in the sewerage component, and I do agree that there may be a need to amend the current resolution to allow to go into new sewer agencies -- not agencies --

LEG. BEEDENBENDER:

District.

MS. GALLAGHER:

District.

LEG. LOSQUADRO:

-- sewer districts. So that's something we may want to look at.

But as far as this goes, the Presiding Officer said it well. We all understand the financial situation that we're in, and a number of questions were posed to the Budget Office, and I heard, responded to, but it's going to provide an additional 17 or 18 million dollars. We understand that, but that doesn't answer the fundamental question of what it's going to go long term, and will it actually provide us additional money? What is this -- how is this going to benefit the taxpayers or the environment? I just don't see it.

As I said, my other questions were already asked and some were answered. Thank you.

MR. ZWIRN:

Mr. Chairman, if I just might jump in, and I don't disagree with anything Legislator Kennedy or Legislator Losquadro or any of the Legislators have said today, and I -- and we appreciate their questions, and we understand.

Everybody knows how difficult, as Robert mentioned, our General Fund and our general outlook looks for doing the 2010 budget. We are looking for ways as the Presiding Officer has, as Legislature Alden has, to try to find some help. We took from the sewer funds originally because there was a surplus in the sewer funds that we anticipated that we wouldn't need right away.

The questions that you raised, Legislator Kennedy, aside, from the way the system works now -- I know you're looking to change the system -- in that case, that would change the equations, but at the present time -- so that's why we went to try to advance the money from the Sewer District, to take it away from them in the beginning to try to get it -- to get that relief.

We're looking for ways without pride of authorship to try to find relief, to try to find revenue wherever we can, and we thought this was one way where we would at least front load the system a little bit more to try to get the acquisitions done and still be able to find some budgetary relief. And that's all we were trying to do, and it's not -- \$18 million over three years is something. It's part of the equation that we're going to have to do and have to do a lot more.

We appreciate your comments. This is going to be tabled today for a public hearing, and we look forward to making a full presentation before the entire Legislature because that's what it's going to have to take because of the time referendums. Whichever bill needs to go to referendum will have to be passed at the next general meeting, so we're going to have to be able to at that particular time to convince you that this is the right way for us to go because we're going to need a lot of support to get this before the public. And again, remember, it's going to be a referendum, and it will be back before the electorate in the fall, so they will make the final decision.

CHAIRMAN GREGORY:

Just so in my mind so that I can put everything together, we're adding anywhere between your projections and BRO's projections from 22 to 51 million dollars in additional bonding.

UNKNOWN SPEAKER:

Fifty-one to eighty.

CHAIRMAN GREGORY:

No, no, no, because BRO is saying, "Well, it may be \$200 million, the projections," but the County Executive's office is going with the 229. So if you add those numbers, it's going to be additional 22 to 51 millions dollars additional bonding upfront. Instead of going to 2011, we're going to go to 2016 keeping pace with a projected borrowing each year of 55, 56, 57 million dollars, it's going to be a total of 223 from your projections, but BRO is probably around 200, right? And then we're going to maneuver the calculations for the sewers and open space to come up with those monies, right?

MR. ZWIRN:

[Nodded head]

CHAIRMAN GREGORY:

Right. Okay. All right. I just wanted to make sure I understood it.

LEG. D'AMARO:

One final question, and the Chair did a great job in summarizing that. I appreciate that. When we talk about these figures, the 229 or 200 if we do nothing as opposed to the 280 if we enact this bill, does that also factor in the changes and allocation that are proposed in the bill, so that's a net number in effect?

MS. GALLAGHER:

No, that's not a net number. That's simply the borrowing upfront. That talks about how much borrowing we'd be able to do, how much bonding, how much money we'd get upfront. So the net number -- I don't have the net number.

LEG. D'AMARO:

So, in other words, if you're lowering the allocation to the land preservation component, under that lowered allocation that program takes a hit, so to speak, but it's also getting a gain by eliminating the 20%, extending borrowing. And then you say, "Well, that's going to result in 51 million more. Is that 51 million more of borrowing to the program, or is it 51 million minus the hit you're taking on the reduced allocation?"

MS. GALLAGHER:

It's 51 million more in borrowing and I believe that we lose about 23 million over the life of the program. So again I'd have to -- we'd have to compare what that net number prior --

LEG. D'AMARO:

Does that mean that, just to put it into my terms, is that 23 million less available for land acquisition?

MS. GALLAGHER:

Through 2030, yes, over the life of the program.

LEG. D'AMARO:

All right. So 51 million is authorizing bonding but we have to subtract from that the amount that you would lose due to the reduced allocation.

MS. GALLAGHER:

Yes, that would reduce from pay-go. So the benefit would be that we have the money now to purchase the land now at lower -- at reduced prices and before it gets developed. But through the life of the program, there is an overall net loss of funds into the program.

LEG. D'AMARO:

Okay. Thank you.

CHAIRMAN GREGORY:

Legislator Kennedy, you had a follow-up question.

LEG. KENNEDY:

Yeah, I do, Mr. Chair. Just, well, it's a request for BRO, through the Chair, similar to what we had spoken about yesterday if -- and then I'm going to ask Counsel for a timeframe here. Is there something you're going to be able to prepare for us that actually gives us a simple compare and contrast between the three bills and give us something as far as amounts of revenue that would be generated and lost, not only with our land acquisition, but also the sewer side of the equation as well. I'd like to be able to see that specifically, as far as what will be foregoing.

MS. VIZZINI:

Yeah. Similar to our telephone conversation yesterday, we were in the throes of trying to prepare something of that, and then there was the amended copy. So we will update the comparison and to the extent practicable, we are doing some calculations on the demands for assessment stabilization reserve, the sewer reserve, you know, where that -- what money's needed there under the current law --

LEG. KENNEDY:

Okay.

MS. VIZZINI:

-- and a simple comparison. We will also have to talk to the Budget Office in terms of the interpretation of the amended copy.

LEG. LOSQUADRO:

Mr. Kennedy, before you go on, can I just ask BRO to add one thing to that?

LEG. KENNEDY:

Sure.

LEG. LOSQUADRO:

Could there also be a comparison of the debt service involved? Borrowing upfront, you know, how much will actually be available to expend on the land acquisition versus the overall borrowing? You know, we talk about these numbers, but, obviously, by borrowing in advance, we have a debt service component, so it actually -- I know there's a benefit to having the money upfront; we can buy the land, but it does reduce the overall amount of money we have available to expend because of the debt service involved, so if that could just be included as well.

MS. VIZZINI:

Of course.

LEG. KENNEDY:

And again, through the Chair, Ben, is this -- well, I guess I have to find out from George. What is the timeframe for us, George, in order to go ahead and adopt something so we meet the timeframes; early September, is that our cutoff for having language?

MR. NOLAN:

You've got to count 60 days back from election day. That's when everything has to be -- the law has to be passed, the public hearing by the County Executive signed and filed with the Secretary Of State by no more than 60 days prior to election day for it to be on the ballot.

LEG. KENNEDY:

So it's either Tuesday or a special or it's not happening in this cycle?

MR. NOLAN:

I think even Tuesday is pretty tight.

LEG. KENNEDY:

Okay. Ben, do you anticipate that this is going to change again as BRO is trying to do this compare and contrast; could you share with them if the Exec is going to modify by way of CN as soon as you might know it?

MR. ZWIRN:

We will have to do this by CN at the meeting on -- at the next general meeting in either case public in order to get it done because the public hearing is on that date, and we're going to let it sit, we're going to have to post it out; there's a lot we're going to preannounce, publicize the County Executive's hearing. There's a lot of that will have to go into this, and it will all be done by CN, so I expect Tuesday is going to be a very important and interesting, challenging meeting

LEG. KENNEDY:

Thank you Mr. Chair.

CHAIRMAN GREGORY:

Okay. I think we've spent enough on this issue --

P.O. LINDSAY:

Can I just say something?

CHAIRMAN GREGORY:

Sure.

P.O. LINDSAY:

And it's just an observation, and maybe it's something that you folks could take back to the Executive. Sitting here and listening to this whole debate, I'm a little fearful that I'm starting to adapt the thoughts of Legislator Barraga.

[Laughter]

You know, instead of going through a referendum, instead of us tapping sewers, instead of us tapping land, we're in a fiscal emergency this year where the Executive, literally by fiat, can bring before us a bill, and it only means \$6 million to us next year. I know it's 18 over 3, but God knows in 11, I'm hoping we won't need to go to these extreme things. If you're, you know, just looking for \$6 million, take another \$6 million out of the reserve fund, and he can do that; we can't do that. It would avoid referendum. You would avoid this confusion and turmoil. It's just a suggestion, and isn't an original suggestion. This is something that Legislator Barraga has brought up.

CHAIRMAN GREGORY:

Okay. Without -- we're going to save -- keep all the fun to ourselves. We want to save some for our colleagues. I think now we'll going to the cards. You'll be here to answer questions later or is there -- I'm sure there are some specific bills you want to comment on later.

We have Kelly Platt.

MS. PLATT:

Good morning. My name is Kelly Platt. I reside in Center Moriches. My husband is a County worker, and I had a couple concerns about the lag payroll that was implemented on the, I want to say, July 30th payroll deductions. Payroll deductions for the lag payroll was \$400 out of my husband's paycheck, which not only hurt me but hurt many other families within his department as well as other County workers, and this lag payroll is hurting many of us, if not all of us.

Another question I have is the wording where it says, "Resolve that the reimbursement rate for each lag time shall be at the rate of the pay at the time of his or her separation from the County." My question is, right now is -- if a County worker is getting a payroll of night differential pay, holiday pay and any other type of special pay that was taken out with the lag, if they move to a different location within their department or their job where that -- they are not getting deductions or any money coming in from either night differential pay or holiday pay, and it's just straight pay from Monday through Friday, no special pay coming in, when they leave, are they getting paid at the rate where they are at then or when the lag pay was taken out?

According to the wording of the resolution, it's saying that they are going to get paid at the time of their separation from employment, so say if my husband right now is getting night differential pay and he's getting holiday pay and a special services pay, if he moves to a different location with his position and they don't have that type of pay, is he going to get paid out when he retires the lag pay according to the location he's at then lag or the location he's at when the lag pay started?

And just, like I said, this whole lag pay is hurting many people. I'd like to see -- I know 10% of the County Legislators and other County officials -- elected officials are taking 10%. I certainly feel that 10% is just not enough for a County official who is making, say, over \$90,000 or \$100,000 a year for a part-time position. I'd like to see them donate, instead of doing a lag pay, donate a portion of their payroll until this fiscal irresponsibility within into the County is cured.

So that's all I have to say is I really think that other County employees should also have to take a lag payroll, not just vote on it and say -- if they vote no, they should have to be forced now, now that other County departments are taking a lag payroll. They should be forced to take a lag pay as well as other County workers to show a little bit of unity and support among their other brothers or sisters within the union members. I'd like to thank you for your time.

CHAIRMAN GREGORY:

Okay. Thank you. Just quickly, Lance. As far as the lag, is it based on your base salary, does that include overtime?

MR. REINHEIMER:

Right. The lag would be based on your current salary now; however, there were some important points that are brought up as far as a person could be on night differential now and when they leave, they would be not on night differential, there pay could actually be lower. I'm not sure what Collective Bargaining Unit she's referring to --

CHAIRMAN GREGORY:

Deputy sheriff.

MR. REINHEIMER:

My understanding from looking at the memorandums of understanding in no case will a person receive a lower lag payment than what their rate of pay was at the time of the lag. So the person could have step increases, promotions or whatnot; we'd be off night differential -- they wouldn't get the night differential in their lag pay -- but as long as their lag pay is higher -- I mean, there are cases where employees are demoted for whatever reason. They could be provisional, they didn't pass a test, they could be demoted back to their original title, they could actually be making less when they leave than when the lag program hit. They would be paid at the rate of the lag program. So in no case, my understanding -- we can check with Jeff Tempera -- that the intention was that nobody would be hurt by this in terms of their lag payment. They would receive at least what the rate was at that point in time and no less.

CHAIRMAN GREGORY:

Okay. Thank you. Mary Ann Johnston.

MS. JOHNSTON:

Good morning.

CHAIRMAN GREGORY:

Good morning.

MS. JOHNSTON:

Mary Ann Johnston from the Affiliated Brookhaven Civic Organization. I can say I have rarely been more confused. I spent a lifetime with numbers, and numbers don't lie, but people lie with numbers. I would have a suggestion that each and every one of you would have to go to your constituents and explain this because I certainly can't. I have no idea what you're doing. Are you capping the amount of money; are you borrowing more upfront; are you cheating out sewers? Because in areas like Mastic, where the County Executive has been holding up the Forge River as a poster child for sewers, it seems to me that I should go back to them and tell them, "Not in your lifetime. That's not happening."

It seems to me that we need to be really careful about how we're doing this. Why are we always rating the quality of life of the future to solve the problems of the present? I can't comprehend this. I spoke to the board yesterday about my parents set up an education fund. We were poor. We didn't have hot water year-round. But we never ever touched that money that was set aside for the future, for my future. My parents solved their problems in the present, during periods of unemployment, during periods of really tough times, but they didn't take my future from me.

And I ask that you find better ways to solve this than to take the future of the people and the children we will leave behind here who will not have clean water. They will not have clean water, and it is very simple: They will not have it because none of you are doing what is necessary today to ensure that. You are solving a short-term problem, \$6 million -- I'm with the speaker. I'm with the speaker. We should be doing this. Six million dollars, take it from the surplus. Don't put a referendum out there that none of you understand or explain to me who have been sitting here for more than an hour. I don't understand what you are doing. I don't think you understand what you are doing, and yet, we're being told by Mr. Zwirn, "This will happen today because it needs to be on the referendum in November." I suggest that each and every one of you will be at a civic meeting explaining your choice. Thank you.

LEG. LOSQUADRO:

Very quickly, Mary Ann. I just want you to understand the separation of the branches of government, and when you're addressing members of this body, understand that none of these proposals came from any members of Committee.

MS. JOHNSTON:

I realize that. I'm asking that you understand it.

LEG. LOSQUADRO:

You're 100% right that we have a decision to make, but these proposals are not ours, and I hope you heard from the testimony or the questions that were raised today --

MS. JOHNSTON:

I did.

LEG. LOSQUADRO:

-- that we have the -- or at least I can speak for myself, I won't speak for my colleagues, I have the same concerns you do.

MS. JOHNSTON:

I did. I appreciate Mr. Kennedy's comments, your comments, Mr. Beedenbender's comments, but I would have to go back and explain this, and I can't do that. Thank you.

LEG. LOSQUADRO:

Ms. Johnston?

LEG. D'AMARO:

Hi. I appreciate your testimony. I know you were also at the Environment Committee yesterday. I appreciate that. I wanted to ask you, putting aside the fiscal considerations that we have right now, as a proponent of land preservation, we have an existing program where we're proceeding at -- trying to proceed at a pretty good pace of protecting the environment through land acquisition. If I came to you and said, "I can give you more money now for land preservation but less money over the life of the program, or I can just leave it the way it is," which would you prefer?

MS. JOHNSTON:

I think you should leave it alone.

LEG. D'AMARO:

And why is that?

MS. JOHNSTON:

Realistically, because I don't think anyone here was able to definitively say that they are going to give me more money.

LEG. D'AMARO:

Well, that --

MS. JOHNSTON:

And that to me is an old phrase -- lipstick on a pig. My parents taught me a bird in hand is worth three in the bush, and I can't see how you tell me I get more money.

LEG. D'AMARO:

Okay. But let's assume, for argument's sake, that you were getting that more money upfront. Let's assume that you were getting it and that we could convince you to your satisfaction that you were, just as a preference, would you prefer to have the additional funding now for land acquisition with less over the life of the program or do nothing?

MS. JOHNSTON:

As they say, Legislator D'Amaro, the devil is in the details. I would need to see how much of that money that I was getting upfront was going to be impacted by the debt service for borrowing that money, whether or not we could actually borrow 100% without affecting our bond rating or the rate that we have to pay to borrow 100%. I would be very concerned about that, but if you're going to tell me you're going to give me money upfront, I would suggest you take it from the surplus and give it to me upfront.

LEG. D'AMARO:

What surplus is that?

MS. JOHNSTON:

Whatever surplus we have in the County. We have a reserve fund. That would be where I would say, "Give me more money," without cost the taxpayer.

LEG. D'AMARO:

All right. But -- I appreciate your thinking on many levels, as you should be --

MS. JOHNSTON:

But I'm not a mathematician or a budget person.

LEG. D'AMARO:

Because there are ramifications for what we're doing, but my question was really very simple. Again, assuming that just from a land preservation perspective, would it be more beneficial to have funding upfront and less over the life of the program?

MS. JOHNSTON:

Absolutely. That's always been the position that we need to have the funding upfront while the land is available over the life -- and, you know, we're talking about 2016. We have to assume the development stays at the space it is if we're going to buying land in 2016. I'm not really sure we're going to be in the land market in 2016. Thank you.

LEG. D'AMARO:

All right. I appreciate that response, and again, I know I'm asking that question in a vacuum, and I know, as you pointed out, there are many other factors that impact that decision. But at least I have clarity on the point that it would be more beneficial to buy land now than to wait 10 years from now.

MS. JOHNSTON:

Absolutely. That hasn't changed by any of these bills. That was my position before they were introduced.

LEG. D'AMARO:

Okay. Thank you. I appreciate that.

CHAIRMAN GREGORY:

Thank you, Ms. Johnston. Sid Bail?

MR. BAIL:

Good morning, Mr. Chair.

CHAIRMAN GREGORY:

Good morning, sir.

MR. BAIL:

My name is Sid Bail. I'm first vice president of the Wading River Civic Association. I've supported the Drinking Water Protection Program from its inception. However, I do not support IR 1709 or the companion or the similar bills. In 1709, the stated intent is due to the difficult financial times, it's prudent and necessary to amend the drinking water program to temporarily allocate a larger share of the program's revenues to taxpayers relief and less the sewer districts.

I'd just like to offer two brief counterpoints. One, I think the existing drinking water protection program is more understandable to the general public than 1709 or any of the other proposals that

are out there, and I think it's still supported by a majority of the population in Suffolk County.

And, two, I think the time to buy under the current provisions is now, and when we're talking about tax relief, I think we're going to get more tax relief under the current proposal than some of the other alternatives that were discussed today. In fact, I think 1709 and some of its companions kind of, like, fit James Madison's, you know, paraphrasing: The cure may be worse than the disease. I know these are difficult times, but I would rather stay with the existing drinking water protection program. Thank you very much.

CHAIRMAN GREGORY:

Thank you, sir. Richard Amper.

MR. AMPER:

My name is Richard Amper. I'm with the Long Island Pine Barrens Society. I'd like just to react to what I've heard this morning and then talk about where I think we should go. I am positively embarrassed for the Levy administration. I've been coming to this Legislature for more than 20 years, and I have never heard of such confusion and contradiction over a piece of legislation, and I think it's because it wasn't for real in the first place. I particularly am resentful of Mr. Zwirn suggestion that I did not represent accurately the position of the environmental community yesterday. I can't find an environmentalist that supports this program.

I want to compliment this particular Committee. The questions that you've posed and the concerns that you've raised are the most responsible components of this debate that I've heard since it emerged. You're trying to get to the bottom of something, which is a piece of legislation that is worthy of Bernie Madoff. There's no way to produce more money with less revenue. We would like to belief that, and it just doesn't work, and you just can't kid you folks. Maybe they might have tried to confuse the public about this, but we're not producing more -- here's -- the things that were said today, that the money's coming by increasing the percentage of bonding for 80% or 100%. This Legislature is not going to do that. You're too responsible. You're trying to resolve the fiscal crisis. You're not trying to make it worse. We never, none of us, ever contemplated the General Fund would service debt on this; that was not the program. We're going to borrow against anticipated revenues and only up to what we could. That's fiscal responsibility. That's what you people, every person here including the Presiding Officer, is talking about.

We also heard that we're not going to borrow more money. After the previous representations over the past week and a half, that there would be more money for open space acquisition. Yes, if we could get -- if, at the rate the administration has presented it, you, the environmental community, would get \$51 million more. If we could get it, then we'd like to buy now and pay later, but we're not. And this Legislature can't buy and other Legislatures -- and so we're not sure whether we're going to see that, and we're not sure how long this recession is going to be, so we really have to be more certain. So I think what we're looking at is smoke in mirrors. I think it's a shell game. I think it's voodoo economics, and I think you're onto it, and I don't think it's salable. I don't think you could explain it, let alone sell it to the public that knows and has as recently as a few months ago, eight of ten of them, that they want to maintain or expand these open-space programs and the sewers are part of the Quarter-Penny Program too. They are part of protecting drinking water.

So I don't think we can sell it. I think we do have the rainy day fund that your colleagues have said can be used to deal with this problem. I think this is being railroaded through at the last minute. I don't think -- if you want to consider raiding the fund, and I think it's a raid, and I don't think you should raid the fund, and I have opposed this kind of thing since 1987, but then let's do it next year when we have some time to think about it and talk it over. But I don't see this getting railroaded through. And I want to remind you of one promise this administration made when it floated this, and that is if it was not supported by the environmental community, it would be withdrawn. Let us not fight with one another from now until November and assess blame for failed policy -- environmental policy when the -- we just have to hold the administration to its responsibility. If the environmental community doesn't like it, they'll withdraw it. They ought to withdraw it today.

CHAIRMAN GREGORY:

I have a question for you; so does Legislator D'Amaro. You said that -- well, first of all, tell us how you really feel.

(LAUGHTER)

When you say that you're not confident that there's moneys there, why do you feel that way? If they're saying that we can give you, you know, in my estimation, anywhere from 22 to 51 million dollars upfront, and we know that's bonded, they are going to extend the term of the borrowing years, you're feeling that sales tax revenue is going to be less than we're going to be able to borrow. Is that what you're saying or --

MR. AMPER:

You know, I'm just not persuaded that Bond Counsel is going to advice you to borrow these funds. I'm not sure that the next Legislature is going to feel the same way as this Legislature may feel or the one after that. This program goes up until 2030. I'm also looking at a difficult history. The Suffolk County Open Space Program, this Quarter-Penny Sales Tax Program, has been raided three times. The County Executive promised three years ago to support the Long Island's Last Stand effort to preserve open space and farmland, and yet the purchases have declined. This Legislature asked us specifically, would we allow or would we encourage, would we not protest if funding from the Legacy Program and the Multifaceted Program were suspended so the money didn't come out of the General Fund during tough times and that we would actually end up buying more land under the Quarter-Penny Program; we have, in fact, bought less. As recently as when Mr. Alden came forward, there was another effort to try to redirect dollars -- well, back in 2007, it was an effort to try to direct more of it to the sewers and less of it to open space preservation, and then last spring, Mr. Alden, who at least was straightforward about it and said, "I want to take \$15 million for you," then we could say yeah or no, but this was just obfuscation. This was just an effort to deceive people, and it was actually sold to the environmental community on the basis that it was going to improve open space preservation, and what we have now heard from Ms. Gallagher that at the end of the day, there will be less money spent on open space. So that's -- in answer to your question, "Why doubt?" that's why.

CHAIRMAN GREGORY:

Thank you. Legislator D'Amaro.

LEG. D'AMARO:

Thank you, Mr. Chairman. Mr. Amper, good morning. Just two quick questions. The first is going to what the Chair was talking about in getting these authorizations for 51 million more is what's being presented. And I think just from a purely environmental perspective, everything else being constant and believable, it's always good to have more money upfront, given the times. There are other factors, as the last speaker spoke to. My question is, you seem to feel that the 51 million is not real, and the Chair asked you if that was because you felt that the sales tax revenue would continue to decline; therefore, we're just going to have -- even at 100 percent, you would be borrowing less. Is that why --

MR. AMPER:

If I didn't answer that clearly enough, I think the sales tax revenue will improve, not decline.

LEG. D'AMARO:

All right. So that really wouldn't be a factor impacting the 51 million?

MR. AMPER:

That's correct.

LEG. D'AMARO:

And I hope you're right, by the way, on that. So your concern --

MR. AMPER:

Well, some of these calculations were actually made predicated on the notion that the sales tax might, in fact, continue at this level for twenty additional years. We're all in a whole lot more trouble than this particular Legislation is going to address if we're going to deal with this recession for 20 years.

LEG. D'AMARO:

We agree. So then going back to whether or not the 51 million is a real funds available, your concern is more about, yeah, if we enact this bill, we have authorization to borrow it, but will we actually do the borrowing; is that --

MR. AMPER:

And can you prudently do so if it's going to really require you to use 100% of all of the revenue to do it, if you're going to increase the likelihood that the General Fund is going to be paying debt service, I wouldn't blame you if you didn't

LEG. D'AMARO:

We were told by the County Executive Budget Review office that there is, if we borrowed at the hundred percent rate, that there is a \$29 million reserve fund now that would come before the General Fund to service debt.

MR. AMPER:

Talk to Bond Counsel about the whole notion of a hundred percent bonding. I'm not an expert that -- I think every one of you on this Committee understands that that's not a situation we ever wanted to get into.

LEG. D'AMARO:

Okay. It's never going to tap reserve funds; that's for sure. Now, the last point, so going back to that 51, whether it's real or not, would it -- and I would refer to Counsel if we can't do this, so forgive me if I'm speaking out of turn here -- but what if we, at the same time, passed the resolution to bond the 51 million; could we do that, or would that address your concerns?

MR. AMPER:

You could do it. It would not satisfy our concerns because we were going to do more land acquisition. We were promised that we were going to do more acquisition when we agreed to suspend purchases under the legacy and Multifaceted -- yes, you could conceivably put the \$51 million up today, but I don't know what you're going to do tomorrow. At the end of the day -- we have the capacity to buy this land until it disappears from the Island. And I don't want to bet -- I don't want to -- I'm not going for the trick that says, "Tell you what we'll do. We'll give you something today that may not be sustainable tomorrow." I'm just too realistic. I don't want to -- I guess what I want to say is there are there are a lot of people -- 80% of the people on Long Island consider themselves environmentalists. Who's waving the flag for this bill? When was the last time somebody offered the environmental community \$51 million and had them say no? You do sort of have to ask, "Why?"

LEG. D'AMARO:

So if I understand you then, again the 51 million, even if we bonded it today and put it in a fund just for land preservation --

MR. AMPER:

It simply does not get, it makes no guarantee as to what we're going to do with open-space preservation or the sewers for the next 21 years.

LEG. D'AMARO:

All right. My other question was very quick. Would you favor reviving or borrowing under the Legacy or Multifaceted Fund, which I believe are capital projects?

MR. AMPER:

The answer is I think that land preservation and drinking water protection should be part of the business of Suffolk County Government, so I would say yes. But I would still say to you who are trying to deal with the budget problem that if you could, indeed, buy as much or more land under the Quarter-Penny Program and it did not have the negative impact on the County's credit rating, than I would be happy to do that first and then return to it. But, in fact, this is very interesting, and it keeps coming up about what we keep calling the Open-Space Program a sacred cow and Legislators have said there are no sacred cows. This one is sacred for one reason. We're running government, from property taxes and sales taxes -- general revenue that comes into the County, but we're buying land from something special. It's a dedicated fund that the public pushes a lever and says, "As badly taxed as we feel we are, if you're willing to spend for this purpose, we'll do it." That's why that's different. It's the sacredness of the vote of the public that makes it different from all of the other budget items you're struggling with. That's why you're doing that. And the public -- the public's disposition down the road to give us the money to do these programs declines when they're concerned that what it is that they were promised would be done with the money is not done with the money or when you come back to them year after year and say, "Thank you very much. We wanted change." That's all.

LEG. D'AMARO:

Okay, and you said that consistently, and I appreciate that point of view very much.

MR. AMPER:

And I very much appreciate your line of questioning today. I cannot tell you how astute the Members of this Committee were in getting to the bottom of the problems with this bill.

LEG. D'AMARO:

So you would not necessarily object to going back to the Legacy or Multifaceted, but it wouldn't be the be your first choice?

MR. AMPER:

It's a question of timing. When we can, we should. If we were buying as much land as we should be from the Quarter-Penny, we might not have to return to the Legacy Fund or the Multifaceted Program for years, but we're not doing it. We're going to -- each year since the 2006 commitment that everybody backed, that we were going to do this total amount of purchase, a total 35,000 acres, every year, the County has purchased less, and 2009 will be no exception. So it's really disingenuous, at best, for these people to come forward and say, "We've got a bill here that will help those of you who are concerned about land preservation." Nobody in the environmental community believes that.

LEG. KENNEDY:

Just one quick question, and you're one the best gauges of this, I guess, that we have outside of government. When you say that we're purchasing less, frame it for me a little bit so that I can understand I had, because like my colleagues, we sit here -- I know we authorize planning steps quite frequently. I know we just, as a matter of fact, the Overton Preserve, I think that we've just approved, which was, as I sit here and think about it, that was a significant piece. Frame it for me so that I understand how that's less than where we were at or where the environmental community's expectation is.

MR. AMPER:

Okay. The answer is that in 1990, we preserved -- the County -- I won't say we -- the County of Suffolk preserved 2,750 acres. We understand that parcels -- some of the big parcels were bigger. It takes more transactions today to preserve the same number of acres, but three years ago, the County preserved 1,500 acres. Then two years ago, 1,050 and last year, about 1,000. If it's 750

this year, that's a break. I need to say one thing: There's no evidence that anybody -- that this Legislature as a whole is responsible for any of the decline in land acquisition. Not only have you done the planning steps measures that were requested of you, you've supported the purchase of these properties almost without exception. And when you have had reservations about whether or not you should do them, they were for bona fide reasons. The problem with the pace of land acquisition has nothing to do with the County Legislature, and it has everything to do with the County Executive.

LEG. KENNEDY:

Okay. And the other thing that I just ask you is, as I questioned the Exec's office and Budget Office before, two years ago, when we did change what the percentages were, we did have that dialogue about sewerage and the rate of land acquisition, and there was a firm commitment on behalf of the environmental community about the importance of that as well, correct?

MR. AMPER:

Yes, and there was a firm commitment when we did the 2004 Save Open Space Bond Act that the TDRs could only be used for workforce housing, and they are messing with that too. I know you people are dedicated public servants, but you really ought to try to look at government the way the public does. We think we've got things understood. That was a tough thing to deal, to balance the relative benefits of two -- drinking water protection components to try to make sure that we were doing right. It was a difficult decision to say, "Okay. Maybe we have to -- maybe it's wise to suspend the Multifaceted and the Legacy Programs. Those are tough policy decisions, and you people are making them everyday. But when the public says they are going to do something and you give them the opportunity to do it, I think we should stay with the program. And you can do this if the County Executive keeps his word and withdraws this measure, if we don't try to raid the fund elsewhere and use a rainy -- I'm agreeing with Tom Barraga. Can you believe this?

(LAUGHTER)

That there's a rainy day fund, and we won't use it, and yet we're going to go into a wholesale battle with the public that overwhelming -- the Quarter-Penny Program was enacted with 84% of the vote. At some point or other we have to show some respect for that. So we're simply asking you as a Legislature to say, "We're not going to be railroaded. We're not going to get pushed up against a September 18th -- we're not going to have a special session," all for the purpose of raiding something the public only told you, both in 2007 and in a poll three months ago, they want continued, and I don't think you'll do it. I just, after today, I just have a whole new respect for the way you people are thinking about this.

LEG. KENNEDY:

Thank you, Mr. Chairman. Thank you, Dick.

CHAIRMAN GREGORY:

Just one question. I sense that you have a distrust for the administration and a willingness to --

LEG. LOSQUADRO:

Oh, no. Say it ain't so.

(LAUGHTER)

CHAIRMAN GREGORY:

I'm not being sarcastic. I'm being for real. That it's my understanding that the BRO and the Budget Office has said that there's a projected 55 to 57 million dollars a year in land acquisitions. Now, you would have a better understanding than I would about that. Is that less or same on par or lower than acquisition, say, under the previous administration or in prior years?

MR. AMPER:

The last two administrations, the Halpin and Gaffney administration, both outproduced this administration in that preservation.

CHAIRMAN GREGORY:

So on average, their land acquisitions were more than \$55 million?

MR. AMPER:

Yeah, I sent you folks a report, but I think I'll e-mail it again, an analysis of exactly how this program has proceeded over the years. When you travel around the country and you're asked about this program -- because the people of Long Island and Suffolk County in particular put out more money than 45 states in the union. So when you go around and talk to -- people look to Long Island as a citadel, as a place where people value their land and value their drinking water protection, and it's just declined in recent years. And you said it, and I don't want to attribute it specifically to you, but you were mentioned in an article in Newsday about the police goings on, et cetera, and it was -- the article sort of gave the perception that there's a shell game going on; yeah, there is.

CHAIRMAN GREGORY:

Now, are you able to just off the top of your head designate a percentage, as far as lower than previous administrations?

MR. AMPER:

Well, we're spending on land preservation significantly less than one percent of the County's budget, that's for sure. But the answer is, this year, we will probably acquire one-third the number of acres that we acquired in 1990. And can I be fair to the administration?

CHAIRMAN GREGORY:

Let's --

MR. AMPER:

There are -- it takes more transactions to get that much land purchased, so it's a real challenge. But if you're trying to produce more cars to sell because of the Clunker Program, you increase the rate of production on your production line. You don't just say, "We're going to "X" number of transactions a year because that's what we were able to do back in 1990."

CHAIRMAN GREGORY:

You said an important word. You said acquire. Now, acquire requires a willing seller, the County, to be in negotiations, and I understand that sometimes it takes a while for a contract or a negotiation to go through. So you're saying that the less willingness, that they are more --

MR. AMPER:

I think I can answer the question.

CHAIRMAN GREGORY:

I'm just trying to figure out the problem, if there is a problem.

MR. AMPER:

There are more willing sellers today because of the bad economy. Frequently, government is perceived as the buyer of last resort. Well, people aren't -- at least lands aren't changing hands, so there are more willing sellers today.

CHAIRMAN GREGORY:

So are you saying they are not being approached, or just taking a long time to come to a final settlement, a close?

MR. AMPER:

It gets bogged down at every point in the process, a process that used to -- the time from the

beginning of a transaction to the closing on a transaction used to be 18 months. Now, it's close to three years.

CHAIRMAN GREGORY:

So it can be argued that probably in the process of acquiring more lands but because of the process, the nature of the bureaucracy, to use that term --

MR. AMPER:

Or maybe the will.

CHAIRMAN GREGORY:

Well, I think if we're in negotiation, there's certainly a demonstration on will to purchase. I mean, we have the moneys, so why not? But the process is limiting us closing on those properties in the same manner as in previous years. Right?

MR. AMPER:

[Nodded head.]

CHAIRMAN GREGORY:

Okay. I just wanted to understand.

LEG. D'AMARO:

Mr. Amper, just very quickly, 2008, do you know roughly what was our total acquisition, acres-wise, roughly?

MR. AMPER:

A thousand acres in 2008. About a thousand acres in 2008.

LEG. D'AMARO:

To keep pace --

MR. AMPER:

To meet the goal.

LEG. D'AMARO:

To meet the goal, what should it have been?

MR. AMPER:

And by the way, that's very interesting because the recession, nobody likes the recession, but it is being to give us more time to reach the goal. We thought we might have to do that by 2020 --

LEG. D'AMARO:

Just for 2008, though, what would you have liked to have seen to keep pace with your conceptive?

MR. AMPER:

1750 acres.

LEG. D'AMARO:

So we're off 750.

MR. AMPER:

The East End towns are buying more land than the County's plan.

LEG. D'AMARO:

Okay. Thank you.

MR. ZWIRN:

Can I just have a moment to respond to my good friend, Mr. Amper? Because some of the guys he said -- he was stretching things just a little bit. With respect to the Land Acquisition Program, I can understand Dick being against tampering with the program that's in existence now. I have no qualm with that. But some of the things with respect to the Land Acquisition Program, you know, situations have changed. We have been very aggressive in the Land Acquisition Program. We spent every penny that we have, and in addition, I think it was last year, we took \$17 million from Tier Two Shelter as an offset to buy additional land that wasn't budgeted. We have tried to -- we improved the process with the Legislature's cooperation back in 2004. Legislator Losquadro will remember when we streamlined the acquisition program. For planning steps, it goes right -- it moves very quickly today. We have a lot of sellers --

MR. AMPER:

It's taking longer.

MR. ZWIRN:

-- who are not willing, who reject offers. I think it's about 40% of the people who we send offers to say it's not enough. The Bavarian Inn, which is a controversial one -- I know challenged Legislator Kennedy on that. An offer was made; the offer was not accepted. That doesn't mean we didn't try. We go through ETRB. The property is appraised. Sometimes the appraisal was accepted, sometimes it's not. But to say we have not been aggressive, I think is grossly unfair to this administration when we've really gone out and prided ourselves on the efforts. We've done master lists to try to streamline the system as well. So to say that we haven't -- we have one bill that was submitted by the County Executive that the Legislature tabled because it was over \$10 million of tax payers' money to spend to buy land preservation rights on a farm in the Town of Southampton. And some of the Legislators said, "well, maybe the Town of Southampton could contribute something toward that." This is not for fee title. This is for just development rights on a piece of property. The County was willing to pony up \$10 million.

So to say we're not prepared to spend money or that we have slowed the process down, you can't compare the 1990's with the cost of property today. That land just to buy the development rights of that property was over \$400,000 an acre. Now, if you want to do 1,700 acres and multiply it out, the numbers are extraordinary. The properties are smaller. The Overton Preserve was a great acquisition. They take longer today. But to say that we are not aggressively seeking open space I think is unfair. I know -- aside from the fact that the bills that are pending may be ones that are ones Mr. Amper has problems with. But to make those characterizations I think is just unfair.

MR. AMPER:

If I can just sum up then. Mr. Zwirn made reference to an effort several years ago to expedite the rate of land preservation. We're now taking more time to do the land preservation than we were when we recognized the need to expedite the process. And the property has increased in price. And the public has consistently shown a willingness to pay that price in referenda after referenda. And so that is why we think it, in politic at best, to try to redirect those funds when the public has been so consistent in their support for this. And the fact of the matter is we calculated in 2006 what it took to reach a goal that the business community, the environmental community and this County Executive supported the preservation of 35,000 acres. If you divide 35,00 acres into 15 years, you contact preserve a thousand acres a year and meet the goal. There's math that we can all understand.

LEG. D'AMARO:

Mr. Zwirn, I just want to ask you or maybe again to Counsel or BRO, wasn't there a time where even though the County did an appraisal in a land acquisition, we were not bound by the appraisal?

LEG. LOSQUADRO:

If I may, through the Chair, the Land Preservation Amendments that Mr. Amper referenced, I was part of when I first came on the Legislature, which created the Environmental Trust Review Board

and set forth a specific process which had to be followed. So to answer your question in short, though, yes, there was a time when bidding would take place. And many times, you would have a private bidder bidding against the County and the land price could be, you know, inflated through that bidding process. We've now gone much more to the model that the State follows, which is doing appraisals, determining the fair market value through two stages of internal review and then making that offer and say, not to be callous, but it's a take-it-or-leave-it offer. And it's been successful because, you know, it took a little while perhaps, but sellers understand that there is no there's no way to artificially drive that price up. So at one time, I guess prior to 2004 or sometime in 2003, the County would bid on land. Now, we offer fair market value.

[Presiding Officer Lindsay entered at 11:49 A.M.]

LEG. D'AMARO:

The reason I raise the question is we're having this whole discussion about land preservation and the pace of land preservation, and I'm just wondering if the preservation in the past, the pace was quicker for a series of factors but maybe also because we were overpaying for that land at the time as well, or at least above the appraised value.

MR. AMPER:

I don't think so.

LEG. D'AMARO:

I don't know the answer to that.

MR. AMPER:

The conversation is one -- has gone on so long that I would just like to repeat the major premise of my initial remarks. I would ask that we call the County Executive on his promise to withdraw this if it doesn't have support. And otherwise, I'd ask this Legislature to simply defeat the measure and the other efforts to raid the fund.

CHAIRMAN GREGORY:

Okay. Thank you. Jane Fasullo.

MS. FASULLO:

Good morning. I guess it's almost afternoon now. I'm speaking as both a citizen of this town, of Brookhaven, as well as the County, and I'm hearing things that are making me very nervous. We've supported, as Dick has said many times, the preservation of the land fund. I hear the County coming to us now saying they have an emergency; they need \$18 million. And I'd like to think that they'd be honest with us too. There are ways to come up with \$18 million beside putting forward these pieces of legislation that effect a promise that we were made. Some of the very simple things as I drove here that could save money, and it may not be \$18 million at the initial, but this is just an example.

No one ever came to me and said, "Do you want street lights in front of your home?" Had they done so, I would have said, "Absolutely not." The County is looking at efficiency. They are going to replace those lights with LEDs, and it's going to be a savings. Why don't they just shut them off? If they want to be honest with people, why don't they go to them and say, "We need \$18 million over the next three years. Can we borrow that? Can we put up a bond for that?"

When this preservation fund -- I'm calling it a preservation fund. I apologize for that. When this Quarter Percent was given to the voters for the purposes as specified, that's what we approved, period. At not time were we told this fund could be tampered with. We were not made to believe it could ever be tampered with.

And under the issue of fairness, when you say to me that you want to borrow money from me for some purpose and I give it to you for that purpose, should you ask me again for money when you didn't spend it appropriately to what you asked for, I will never again give it to you. And I think you need to look at the voters from that point of view as well. We were made a promise that this money would be spend in a certain way, and now it's being adjusted and fiddled with and changed in some manner. And I very much fear that if this does come for a referendum, it's going to be written up in such a way that it will be tax relief much as I have seen here within the papers.

And that is not exactly what I'm hearing, either. This is not going to produce tax relief. It's not even going to save me a dollar a year on my taxes. It's just a matter of reshuffling money, which I'm going to have to pay for later. And, if I'm not mistaken, that's how our entire system of government has gotten us into trouble now: Borrowing against the future. It's not a wise move.

I'm also very concerned about the fact that someone said the environmentalists are in support of this, and yet, I see in front of you today four different environmental groups speaking against it and no one here speaking for it. I think that's sending a message.

Thank you.

CHAIRMAN GREGORY:

Thank you. Regina Seltzer.

MS. SELTZER:

Good morning. My name is Regina Seltzer. I'm an attorney and a former Legislator, and I came here to really get some information because I'm totally confused about what it was, and I want to thank each and every one of you because I think you have asked really important questions, the questions I was going to ask you, so I'm going to be very brief. I want to thank you because what you've done is you have convinced me that this is a totally incomprehensible piece of legislation. You don't understand it. I read contracts and laws all the time. I don't understand it, and it seems to me that the sensible thing to do is to just not pass it and have the County Executive, if they are really serious about it, present some kind of legislation that the public can understand, that you can understand and hopefully that I can understand. Thank you very much for doing a really good job.

LEG. BEEDENBENDER:

Thank you.

CHAIRMAN GREGORY:

Thank you. Adrienne Esposito?

MS. ESPOSITO:

Good morning, Members of the Legislature.

LEG. LOSQUADRO:

Is the mike on?

MS. ESPOSITO:

What? You're worried about hearing me?

LEG. LOSQUADRO:

It's usually not a problem.

MS. ESPOSITO:

Okay. My name is Adrienne Esposito. I'm the executive director of Citizens Campaign for the Environment. I'd like to put clarity on a couple things. One, I think inadvertently and unintentionally, Deputy County Executive Zwirn misrepresented the environmentalists' position. He said that we were quote okay with this. That is not correct. I have been on numerous vigorous

phone calls and conference calls over the last week and a half, and the conclusion is that we are not okay this, and let me tell you why.

Number one is because as someone who was back here in 1987, when the original legislation was crafted, the whole idea was to avoid this. The whole idea back in 1987 was to come up with a program that would be -- that would have longevity and stability and would not be continuously tampered with, something the public can count on. That's why you put up a ballot referendum. However, it's gone to ballot referendum numerous times, as early as last year. We need to stop putting this back on the ballot. At some point, we have to respect the ballot referendum process and stop offending it by continuing to reapply this and put this up.

Number two is that, frankly, I don't think it was a fair question that Legislator D'Amaro asked one of the Civic leaders, and that is that if you could have more money upfront, wouldn't you take it. The answer to that is always yes, but that's not what we have here because we do not believe -- and I'm not presenting myself as a clairvoyant -- but we do not believe that the Legislature would borrow, nor should they borrow 100% of the revenue. That would be like playing financial Russian roulette with the budget. You're not going to do that. We don't want you to do that. We think the 80% number is the right number because that adds stability to this program, and it allows it to stay over the long term. That was always our goal.

We want the program to live in perpetuity. We don't want it to be a short-term program. The way it is now, it gets to live on. You start adjusting it and playing with the numbers, it very well, we believe would be the death nail because you may have to go into the General Fund. That was the whole reason for doing it in the first place was to not enter general funds for debt services. Right now, this legislation is counterproductive for the program, and we believe could destroy it altogether.

Another point I'd like to make quickly is, what will you put on the ballot referendum? I think it was said best by Legislator Lindsay.

[Buzzer sounds]

Yes, I hear the buzzer. But what will -- how will you present this on a referendum to the public where they have to go and vote? Will you say this puts more money upfront to help the environment? That would not be correct. Will you tell them it takes \$20 million out of the program? What will you tell them in four short sentences that will explain to them how they will vote? I don't think you can do that.

So the bottom line here is this is too rushed. It is not supported by the environmental community. I don't think it's understandable from the public's point of view for them to be able to go and make an informed educated vote on it. We heard such a variation of numbers here today that it was alarming. So we're asking you, don't do it. We don't need to do it. It's not worth the \$6 million per year that you are going to get, and it would be the beginning of the end to this program. We really -- and that's why we're not supporting it, and that's why we're opposing it. Thank you.

CHAIRMAN GREGORY:

Thank you. Don Seubert.

MR. SEUBERT:

Good afternoon. Don Seubert, Recording Secretary at ABCO and officer in the Medford Civic Association. Someone said before there is probably no more threat to Long Island than, I think, tinkering with this bill, with a Quarter Percent. I just came from the city, taking my grandchildren from Buffalo and going back to Flushing. Going back to Flushing, I wouldn't know where I was. I wouldn't know -- I couldn't tell anything. I couldn't tell you -- I knew every stop on the subway train because they didn't change, but I can't tell one neighborhood from another neighborhood. I wouldn't know what country I was in. And I think that's something overwhelmingly you got to look

at.

This Quarter Percent, I looked at, coming from a real wealthy area, affluent, high-fluting Medford, that in the past, we got that Overton Preserve. Yet, you don't even know it's in Medford. But it's in Gordon Heights. It's in Selden. It's in the part -- it reaches into the corners of Farmingville, West Yaphank. They're the areas left out all along.

This is a time where we need to support -- we got the large tracks and that was cheaper. Now, it's tough. It is tougher to get those tracks of land. Okay? But now the communities that pay that quarter percent all the time, hoping that their term would come, they don't see it. Your credibility -- you go on about apathy and disgust to the public; well, that's what you're going to see because that's what you're actually -- you're determining right now.

You need that park in Amityville, in Islip, in Ronkonkoma. You need that to keep your people here. They won't forget the affordable housing. You want to be living in a good quality area where you have public spaces and open space and you preserve that environmentally sensitive area. Look what happened to Lake Ronkonkoma. You know, look at all the development all around it. You know, that's the largest lake we have, and it's only a mile across. These are the things you've got to keep in mind.

Another point: Hydrological Zone 3 is not all the pine barrens. It's outside of it. How much drinking water have you ever preserved open space in those areas? That's where the people live. They don't live out the in the Hamptons as much. We have the density here. We need the water. We need pristine water here, and we need to protect that type -- the Quarter Percent and the environmental programs should be used for that because the cost of water transportation is large. So areas outside within the Hydrological Zone 3 but not in the pine barrens need to be protected and haven't been, and that's where people actually live. So I'd just like you to consider those ideas, and, you know, please keep up the good work and doing the right thing because people look for the future for Long Island. We want to have that possibility that as much you can preserve in every community, in each individual -- from Huntington to Montauk Point because it's to benefit all of us. Thank you very much.

CHAIRMAN GREGORY:

Okay. Thank you. That's all that we have for cards. Is there anyone in the audience that would like to -- that hasn't filled out a card that would like to speak? Okay. Seeing no hands, I'm going to make a motion that we take IR 1458-2009, IR 1709-2009 and IR 1722-2009 out of order.

LEG. LOSQUADRO:

Second.

CHAIRMAN GREGORY:

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

Okay. We have **IR 1458-2009** in front of us. **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 Beedenbender. Seconded by Legislator Losquadro. All in favor? Opposed? Abstentions? **Tabled (VOTE: 5-0-0-0).**

IR 1709-2009, Adopting Local Law No. -2009, A Charter Law reallocating the distribution of the one quarter of one percent sales and compensating use tax. (Co. Exec.)

LEG. BEEDENBENDER:

Motion to table for public hearing.

CHAIRMAN GREGORY:

Motion to table by Legislator Beedenbender. Second by Legislature D'Amaro. All in favor?

Opposed? Abstentions? **Tabled (VOTE: 5-0-0-0)**

IR 1722-2009, Adopting a local law No. -2009, A Charter Law to amend the Drinking Water Protection Program to increase funding for property tax relief.Pres. Off).

LEG. BEEDENBENDER:

Motion to table.

CHAIRMAN GREGORY:

Motion to table by Legislator Beedenbender. Seconded by Legislator D'Amaro. All in favor? Opposed? Abstentions? **Tabled (VOTE: 5-0-0-0)**

Back to Tabled Resolutions. We have **IR 1351-2009, Utilizing County assets to address budgetary shortfalls. (Viloria-Fisher)** I make a motion to table. Second by Legislator D'Amaro. All in favor? Opposed? Abstentions? **Tabled (VOTE: 5-0-0-0)**

CHAIRMAN GREGORY:

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

LEG. LOSQUADRO:

Can we have an update?

CHAIRMAN GREGORY:

Just for the purposes of discussion, I'll make a motion to approve. Second by Legislator D'Amaro. We have Allen from the County Executive's Budget Office.

LEG. LOSQUADRO:

Before Allen starts, I'd just like to -- to the Chair of Public Works, have we gotten a definitive update list as was requested on these projects, or have you received that?

LEG. BEEDENBENDER:

If there was one, I haven't seen it. If it did come out yesterday, I haven't seen it.

MR. KOVESDY:

Good morning. I just wanted to say that at the last meeting, several of the Legislators had asked specific questions. In respect to -- some of the questions had to do with the Health Department and such. Legislator Romaine contacted to Commissioner of Health, sent a detailed letter requesting answers. The Health Commissioner did respond. I have a Copy of that, if you would like.

As far as the Health Department is concerned, there is no problems with this list. All the questions that Mr. Romaine had going back from the mammography unit and so forth were specifically answered --

LEG. KENNEDY:

Mr. Chair?

MR. KOVESDY:

-- if I might, John, please -- were answered by the Commissioner of Health. We went through this list; we modified it; We checked with all the Commissioners; and the list as you see it now has been approved by all the departments. I brought my staff today with me today in case you have any specific questions on any balances or things like that, and we'd be happy to answer them. But in respect for the questions that came up with the Health Department, which there were many, we had the Commissioner Of Health. Not only did he answer Mr. Romaine, the Commissioner met with Legislator Browning and went over the specific concerns and details so that would not be an issue.

CHAIRMAN GREGORY:

Okay. Legislature Kennedy?

LEG. KENNEDY:

Thank you, Mr. Chair. I'll going to first question as far as the list of where the items are at this point. I do see that this resolution was amended yesterday, and I cannot get the full sheet off my laptop. But specifically with the Health Department, Allen, I'm reading a reply that Dr. Chaudhry gave to Legislator Romaine, and not withstanding the conversation he may have with Legislature Browning, I'm still disinclined to support this because I recall vividly when we passed this resolution in the first instance, authorizing the fund and to go-ahead and acquire the mammogram equipment, and at no time did we also include that there was supposed to be some type of a cost-benefit-analysis done.

Until I can see something where Dr. Chaudry's assessed, I guess, what the total number of women in need are and that we're going to go a contracting-out route, I'm disinclined to support this. We supported a resolution to acquire the equipment. We didn't support a resolution to do an assessment of need and then make some decision beyond that. Ours was pretty cut-and-dry: "Here's 500,000; purchase the equipment, and install it." Apparently, the Health Department decided they didn't like that decision that we made. So I'm not inclined to support that.

CHAIRMAN GREGORY:

Okay. Anyone else? Okay. We have a motion to approve. All in favor?

LEG. LOSQUADRO:

The clerk is not here.

CHAIRMAN GREGORY:

Ah, where did she go? The clerk is not here. Oh, there she is. See John? The clerk underestimated your ability to be brief.

[Laughter]

Okay. All right. We have a motion. All in favor? Opposed? Abstentions?

LEG. KENNEDY:

Opposed.

LEG. LOSQUADRO:

Opposed. **Approved (3-2-0-0, Legs. Kennedy & Losquadro opposed)**

LEG. BEEDENBENDER:

Allen, could you just provide for me what that answer is, just for me, between now and Tuesday so we can -- oh. All right. Good.

CHAIRMAN GREGORY:

Okay. **IR 1618-2009, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 812-2009). (Co. Exec.)** I'll make a motion to approve and place on the consent calendar. Seconded by Legislator Losquadro. All in favor? Opposed? Abstentions?

Approved and placed on consent calendar. (VOTE: 5-0-0-0)

IR 1619-2009, To readjust, compromise, and grant refunds and charge-backs on correction or errors/County Treasurer by: County Legislature No. 322. (Co. Exec.) Same motion, same second, same vote.

Approved and placed on consent calendar. (VOTE: 5-0-0-0)

IR 1640-2009, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 813-2009). (Co. Exec.) Same motion, same second, same vote. **Approved and placed on consent calendar. (VOTE: 5-0-0-0)**

IR 1662-2009, To readjust, compromise, and grant refunds and charge backs on correction or errors/County Treasurer by: County Legislature No. 323. (Co. Exec.) Same motion, same second, same vote. **Approved and placed on consent calendar. (VOTE: 5-0-0-0)**

IR 1713-2009, Apportioning mortgage tax by: County Treasurer. (Kennedy)

LEG. KENNEDY:

Mr. Chair this was just a simple, I guess, communication malfunction, if you will, between Mr. Zwirn and Myself. We had actually had a couple of discussions about this, and I didn't realize there was going to be a reso forthcoming by the Exec. Why don't we skip over this? Assuming that his resolution is going to pass, that I'd be happy to go ahead and withdraw.

CHAIRMAN GREGORY:

Okay. All right. **IR 1718-2009, To amend Adopted Resolution No. 732-2007, as amended by Resolution No. 586-2008 to extend the deadline for the Suffolk County Budget Reform Commission. (Gregory)** I make a motion to approve. Seconded by Legislator D'Amaro. All in favor? Opposed? Abstentions? **Approved (VOTE: 5-0-0-0).**

IR 1725-2009, Apportioning mortgage tax by: County Treasurer. (Co. Exec.) Motion to approve by Legislator Beedenbender. Seconded by.

MR. LIPP:

Mr. Chairman, a point of information --

CHAIRMAN GREGORY:

Let me just finish the motion. Second by Legislator Kennedy. Yes, Budget Office.

MR. LIPP:

The mortgage tax has declined from the same period last year by almost 47%. The previous six-month period, it declined by almost 45%. Prior to that, there were some significant decreases to the point being that this is indicative not of the County's directly revenue problem. This is for towns and villages, in particular, and it shows that's a major source of revenue for them. But it is indicative also for the County in the terms of it impacts on property tax collections, which are down substantially. And just to add a thought to keep things sober that, you know, one of the reasons for the three resolutions that may or may not have merit about the sales tax rejiggering [sic], it's a recognition that we have severe budget problems that we're gonna have to deal with.

CHAIRMAN GREGORY:

Okay. Thank you. We have a motion to approve. All in favor? Opposed? Abstentions? **Approved. (VOTE: 5-0-0-0)**

LEG. KENNEDY:

Mr. Chair -- through the Chair, I'll ask the clerk if you can go ahead and withdraw 1713, if you would, please. Thank you.

CHAIRMAN GREGORY:

Okay. That's all that we have for agenda, and we are adjourned. Thank you.

(The meeting was adjourned at 12:12 A.M.)