

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, September 8, 2009.

Members Present:

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

Members Not Present:

Legislator John M. Kennedy

Also In Attendance:

Renee Ortiz, Chief Deputy Clerk of the Legislature
George Nolan, Counsel to the Legislature
Sarah Simpson, Assistant Counsel to the Legislature
Jack Caffey, Aide to Presiding Officer Lindsay
Marge Acevedo, Aide to Presiding Officer Lindsay
Justin Litell, Aide to Leg. D'Amaro
Linda Bay, Aide to Minority Leader Losquadro
Paul Perillie, Aide to Majority Leader Cooper
Maxvel Rose, Aide to Leg. Gregory
Gail Vizzini, Director/Budget Review Office
Robert Lipp, Deputy Director/ Budget Review Office
Lance Reinheimer, Budget Review Office
Bennie Pernice, Budget Review Office
Alan Kovesdy, Deputy Director/County Executive's Budget Office
Ben Zwirn, Deputy County Executive
Ed Hennessy, County Executive Assistant
Kara Hahn, Director of Communications
Debra Alloncius, AME
Dot Kerrigan
All Other Interested Parties

Verbatim Transcript Taken & Transcribed By:

Gabrielle Skolom - Court Stenographer

(The meeting was called to order at 10:05 AM)

CHAIRMAN GREGORY:

Welcome to today's Budget and Finance Committee meeting. We will have the Pledge of Allegiance led by Legislator D'Amaro.

[Salutation]

Good morning, everyone, again. Hope everyone had a -- I was going to say Fourth of July. Wow -- Labor Day weekend. I was just speaking to a bunch -- I was speaking to about 200 teachers this morning. I'm sure they wish it was Fourth of July all over. We don't have any cards in the public portion, but is they're anyone in the audience that would like to speak?

[No response]

Going once. Going twice. Debbie, did you want to make a statement, or Kathy? All right.

MS. ALLONCIUS:

No. Kathy went back. Thank you anyway.

LEG. GREGORY:

Oh. Okay. All right. I'm going to ask the Budget Office to come up and give us a brief -- some brief comments.

MR. KOVESDY:

Good morning. Just for the record, we wish it was July 4th rather than Labor Day weekend because Labor Day was definitely labor for us and soon to be BRO's turn. The Budget, as you know, will be presented a week from Friday, and after that, we will be more than happy to answer any and all of your questions and work with you on anything that you might want.

[Leg. Losquadro entered the meeting]

I just wanted to alert you to two simple factors: Number one, we have the park revenues through the end of August. The revenues are basically flat to -- compared to last year and the increase in fees that was put in by resolution only served to get the numbers up to last year's level, so the extra seven, eight hundred thousand dollars that was anticipated to go to offset the money to Vanderbilt has not materialized as of this date. We think it's a combination of bad weather and the economy. But definitely through Labor Day weekend, we're running between six, seven hundred thousand dollars less on the major park revenues which is golf, camping and the beaches. The two hurricanes on the weekends kind of killed money coming in to the beaches. So when you get the budget, you'll see that the parks revenues are flat to last year but considerably less than adopted.

The second thing is we got the last sales tax check last week. The numbers weren't as encouraging as we had hoped. We think a lot of it has to do with the way the State distributes it. As of August 1st, New York City added another half percent to the sales tax. The State changed the distribution formula to give New York City extra money. All the other municipalities took a hit as they gave more to New York City. We're not going to know until the adjustment in the end of October, so you're going to really get that number; we're not going to get it. But we think that number is a little bit larger than it should be because we took -- New York City got a bigger piece of the money than we think that they should have gotten.

Other than that, we really don't have anything until after next week -- going to get one more sales tax check this week. It's going to be a smaller check in the 12 to 15 million dollar range. Any questions, I'll be happy to answer.

LEG. GREGORY:

Now, what was the -- I don't recall of the top of my head -- what was the percentage here?

MR. KOVESDY:

It was down 9.9%.

LEG. GREGORY:

Okay. And the last check was like -- the previous check before that was like 14 percent or was it 16?

MR. KOVESDY:

We're running approximately 10.88% less than last year through this September 7th check.

LEG. GREGORY:

Okay. Thank you. Anybody?

[No response]

Okay. Thank you, Allen.

MR. KOVESDY:

No problem.

LEG. GREGORY:

Gail, I know you distributed a memo. Can you just briefly go over your memo with the Committee?

MS. VIZZINI:

Sure. This pertains to IR 1750. I just wanted to give you a heads-up in the same context that there -- there really is no good news, that the borrowing -- this is a short-term borrowing. We do our short-term borrowings twice a year. The larger one, we typically do in January, which happened to have been \$310 million. This is to address our cash-flow concerns. This authorization is one of the highest that we've had in a while, not adjusted for inflation. The authorization would be a 113 million. It's usually paid back within a year. In the memo, it includes the anticipated debt service, which is reflected on the Fiscal Impact Statement.

The intent is to borrow only what we need. So the borrowing could be in the \$95 million area, but the authorization is there, if necessary, and, you know, as Allen indicates, park fees are not coming in. Sales tax is not coming in. All of these represent cash, and if they're not coming in, then we need to borrow to fill that gap.

CHAIRMAN GREGORY:

Now, you said -- just to clarify, you said that the -- it's usually paid back within a year or within the year? I thought there was a 3-month or a 90-day timeline or something.

MR. LIPP:

It's paid back within a year. So, for instance, the current one was issued last November, will be paid back the end of this week. And it's one of two short-term borrowings we have just for cash flow purposes.

LEG. GREGORY:

Okay. Thank you. Anybody else?

[No response]

No? Okay. Thank you. With that, we'll go to the agenda.

Tabled resolutions

IR 1351-2009, Utilizing County assets to address budgetary shortfalls. (Viloria-Fisher)

LEG. BEEDENBENDER:

Motion to table.

CHAIRMAN GREGORY:

Motion to table by Legislator Beedenbender. Seconded by Legislator Losquadro. All in favor? Opposed? Abstentions? **Tabled.**

(VOTE: 4-0-0-1, Leg. Kennedy not present)

Did you get it, Renee?

MS. ORTIZ:

Yes.

CHAIRMAN GREGORY:

Okay. **IR 1458-2009, Adopting Local Law No. -2009, A Charter Law to amend the Drinking Water Protection Program to increase the allocation for property tax relief. (Alden)** Motion to table by Legislator Beedenbender. Seconded by Legislator D'Amaro. All in favor? Opposed? Abstentions? **Tabled (VOTE: 4-0-0-1, Leg. Kennedy not present)**

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: 4-0-0-1, Leg. Kennedy not present)

IR 1750-2009, Tax Anticipation Note Resolution No. -2009, Resolution delegating to the County Comptroller the powers to authorize the issuance of not to exceed \$113,000,000 Tax Anticipation Notes of the County of Suffolk, New York, in anticipation of the collection of taxes levied for County purposes or returned to the County for collection for the fiscal years commencing January 1, 2006, 2007, 2008 and 2009, and to prescribe the terms, form and contents, and provide for the sale and credit enhancement of such notes. (Co. Exec.)

I'll make a motion to approve. Second by Legislator Losquadro. All in favor? Opposed? Abstentions? **Approved.**

(VOTE: 4-0-0-1, Leg. Kennedy, not present)

IR 1754-2009, Amending the 2009 Operating Budget and appropriating funds in connection with bonding a settlement for a General Liability case. (Co. Exec.)

LEG. D'AMARO:

Motion to approve.

CHAIRMAN GREGORY:

Motion to approve by Legislator D'Amaro.

LEG. LOSQUADRO:

This already went through -- just a question.

CHAIRMAN GREGORY:

Just a second and we'll -- I'll second the motion just for --

LEG. LOSQUADRO:

This already went through Ways and Means?

MS. BIZZARRO:

Correct.

LEG. LOSQUADRO:

You've got to press and hold the button.

MS. BIZZARRO:

Oh. I'm used to the old-fashioned one. I apologize, Legislator Losquadro. Yes, this went through Ways and Means on July 29th, and it was approved for \$850,000 to settle it.

LEG. LOSQUADRO:

Very good. Thank you.

CHAIRMAN GREGORY:

Okay. We have a first, a second. Those in favor? Opposed? Abstentions? **Approved (VOTE: 4-0-0-1, Leg. Kennedy not present)**

Okay. We have no more business. Thank you. We are adjourned.

[The meeting was adjourned at 10:15 A.M.]