

**BUDGET & FINANCE COMMITTEE**  
**OF THE**  
**SUFFOLK COUNTY LEGISLATURE**  
  
**MINUTES**

A meeting of the Budget & Finance Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York, on Tuesday, February 23, 2010.

**Members Present:**

Legislator DuWayne Gregory - Chairman  
Legislator Ed Romaine  
Legislator Jay Schneiderman

**MEMBERS NOT PRESENT:**

Legislator Lou D'Amaro - Vice-Chair - Excused Absence  
Legislator Daniel Losquadro - Excused Absence

**Also In Attendance:**

George Nolan - Counsel to the Legislature  
Maxvel Rose - Aide to Legislator Gregory  
Barbara LoMoriello - Deputy Clerk of the Legislature  
Gail Vizzini - Director Budget Review Office  
Robert Lipp - Deputy Director - Budget Review Office  
Lance Reinheimer - Assistant Director - Budget Review Office  
Linda Bay - Aide to Minority Caucus  
Paul Perillie - Aide to Majority Caucus  
Ben Zwirn - County Executive's Office  
Allen Kovesdy - Deputy Director - County Executive's Budget Office  
Dennis Brown - County Attorney's Office  
Catherine Stark - Aide to Legislator Schneiderman  
Justin Littell - Aide to Legislator D'Amaro  
Chris Kent - Deputy County Executive  
Gail D'Ambrosio - SC Probation Officers Association  
James Malone - County Clerk's Office  
Dot Kerrigan - AME  
All Other Interested Parties

**Minutes Taken By:**

Donna Catalano - Court Stenographer

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

**CHAIRMAN GREGORY:**

Good morning, everyone. Welcome to the Budget and Finance Committee today. All please rise for the Pledge of Allegiance led by Legislator Romaine.

**SALUTATION**

Okay. We have -- Legislator Losquadro and D'Amaro have excused absences today, so it's just us three. We have two cards for the public portion. We have Gail D'Ambrosio.

**MS. D'AMBROSIO:**

Good morning. For the record, my name is Gail D'Ambrosio, and I am the President of the Suffolk County Probation Officers Association. I'd like to speak to you today about Introductory Resolution 1176. My understanding is if this resolution passes, it has the potential to create a substantial deficit in the General Fund. I believe that deficit may be as much as \$80 million. While I can appreciate the desire not to increase taxes, my concern is how the budget will be offset in the event this tax is eliminated.

In early March, 2009, the County requested \$30 million in concessions from the ten unions to subsidize a serious deficit in the General Fund or there would be layoffs of County employs. Every one of my 286 members received a letter indicating their job was in jeopardy. I'd like to remind everyone of what probation officers do for the community. There are over 16,000 people in Suffolk County who are being supervised by probation officers as an alternative to being placed in jail. Probation officers supervise sex offenders, gang members, drugs addicts, persons who drove intoxicated or under the influence of drugs and others who were convicted of misdemeanor and felony offenses.

Probation is a very cost effective alternative to incarceration. It costs approximately \$8 a day for a probation officer to supervise a probationer versus a costs of \$250 if they were in jail. In addition, probationers are charged a fee to be on probation. Probation collects over \$1.5 million a year in revenue for Suffolk County. I know that nobody wants to compromise public safety, but \$80 million has to come from somewhere, and probation officers are County employees. Due to budget cuts, probation officers aren't being hired to fill 34 current vacancies. That's almost 12% of the current workforce.

The last school-based probation officer was just taken out of a school where I know she was a tremendous asset to our youth. Probation officers and supervisors have taken on the job responsibility of others who have retired or left Probation. There are no substitutes or per diems in the County. If your colleague is out sick, you pick up his or her extra work. It is beyond doing more with less. We are doing our share. County services, Probation services, cannot be cut anymore. Until you have concrete items that can be cut from the budget and until we know the consequences of doing without them, I do not see this resolution as positive. Thank you for the opportunity to express my opposition to this resolution.

**CHAIRMAN GREGORY:**

Okay. Thank you. We have Legislator Romaine.

**LEG. ROMAINE:**

Good morning, Gail. How are you. Just a couple of things. Number one, this resolution in no way does away with the energy tax, first of all. Second of all, what it does do is it does allow -- if it's ever voted out of committee -- right. If it's ever voted out of committee -- and by the way, we have had a bill to repeal the energy tax in this County for the last six-seven years if I'm not mistaken, and it has never made it's way out of committee. So just to let you know that.

This is not a bill to repeal the energy tax. This is a bill to put it up for a referendum, number one.

Number two, if the referendum is adopted, the repeal of the energy tax would take place March 1st, 2012. Number three, a companion bill, which is being laid on the table next week, is a bill to set up a nonpartisan committee to look at other sources of revenue, to examine the County's tax, debt and spending policy.

I object to the energy tax as a source of revenue. I don't object to government having revenue. Government needs revenue to survive. I've always supported legitimate revenue for government. But the energy tax is a very regressive tax that falls heavily on the poor, middle class, people with limited incomes, seniors. It is -- we are one of the few counties in the United States that taxes energy. I don't know if you are aware of that. So one of things that we are looking to do is restructure our revenue picture by not taxing necessities. We don't tax food, we don't tax medical services, we don't tax other necessities of life. We are one of the few counties in the United States that taxes this.

I'm not saying that this tax should not be replaced with something else, but I'm giving plenty of time, and I'm trying to, in the companion bill, establish a -- at least some nonpartisan commission to look at other ways to fill that picture, because quite frankly, there are many things about the budgeting picture that upset me. One of the things that upsets me is that people put jobs in the budget, we tax for those, and then we find out those jobs are not filled. That's incredible. That happens very few places also in the United States. And yet, it's worked to a fine art. So we have almost 1600 vacancies in County Government. And you have to wonder, why put it in the budget if you're not going to fill it, unless you want to build in an automatic surplus.

So I disagree with many of the things that we do in this County, and I disagree with the way we tax, who we tax and how we tax, which, by the way, defines a government. And I think this government is defined as having one of the most regressive taxes in the United States. And it really needs serious examination, which is one of the reasons I've done this bill. Not as an appeal, but as an potential referendum. Whether it will see the light of day or not, I don't know. Certainly my colleagues will have to decide that. My understanding is that the majority may be opposed to that. But to raise these issues, I think -- to not raise these issues would be doing a disservice to people in Suffolk County. Thank you.

**MS. D'AMBROSIO:**

You.

**CHAIRMAN GREGORY:**

Thank you. Next we have James Malone.

**MR. MALONE:**

Good morning, members of the committee. For the record, my name is James Malone, and I am Deputy County Clerk. And I come before you today on behalf of Suffolk County Clerk Judy -- Judy Pascale. I rise in support of Introductory Resolution 1079, which seeks to restore a clerk typist and a courier position to the County Clerk's position -- to the County Clerk's Office.

While we have seen the slide in revenues over these past few years, certainly in sales tax and certainly in the economy slowing, the County Clerk's Office has not seen the same. As a matter of fact, our revenues are increasing. Over the past four years, the County Clerk in 2006, turned over \$15.2 million; and in 2007, there was a slide to 13.7 million; in 2008, the deepest slide we have seen in decades went down to \$11.2 million; and in 2009, we jumped up to \$16.3 million. In large part, in large part, the increase to \$16 million was a function of a resolution passed which amended fees for recording. But that only amounted to a \$4 million increase.

The extra million dollars over the \$11.2 million from 2008 was a function of printing revenues, interest income and reimbursements from the Mortgage Taxing Authority of the State of New York. And that's actually the centerpiece of my support on behalf of Judy Pascale for these positions to be reimbursed -- to be restored. They are reimbursed 60% by the State of New York. We've had

reimbursements over these past four years, and they've been sliding; \$1.75 million in 2006 was reimbursed. And those are real-time reimbursements. They're not -- they're not reimbursements from past years.

That is to say, in 2010, we're not being paid for work and resources we expended in 2009. We project out forward as to the resources we're going to spend in a given year, and those monies are paid every month in real time. So in 2006, we had \$1.75 million reimbursed from the Mortgage Taxing Authority. In 2007, it slid down to 1.7; in 2008, it slid down to 1.5; and in 2009, it jumped up slightly to 1.6, and it should have been at 1.45 million instead of 1.6 million. The reason we went up that extra \$150,000 was the investment this Legislature made with regard to the physical plant out at the County Center in creating and dedicating an entire new platform of hard assets, which is the public access are that we -- that we use out there.

So we're seeing the numbers that we're getting reimbursed slide. And that's a function of the loss in human resources. The County clerk has budgeted 135 employees within her administration. She currently has 112 working. We have 21 people -- 21 positions that are funded for and unfilled, and two people that are out on sick leave. That's a 17% reduction in human resources. And we are seeing an increase in volume, an increase in production and an increase in revenue of 30% -- 25 to 30% in production in papers and instruments that are being filled. And we're seeing a fifty to 60% increase in revenue.

So I'd be glad to answer any questions that the members of the committee might ask of the office. But I do believe that it's in the best interest of the County Center and the County Clerk to have these positions restored, because -- in large part because they are so heavily refunded by the State of New York.

**CHAIRMAN GREGORY:**

Thank you. If I may just before Legislato Romaine. Now, this is for your mortgage collection tax?

**MR. MALONE:**

Mortgage tax. About 50% of the monies that are brought into the County Center are mortgage taxing monies. So back in 2006, one of our banner years when we had \$484 million coming in, half of that, half of that was mortgage tax. And 25% of that 485 goes out to the ten towns and the other half goes up to the State of New York.

**CHAIRMAN GREGORY:**

In all accounts, my recollection, the mortgage tax has declined significantly over the past few years. And now we are in a situation where you're asking for more personnel to do less work if you can make -- someone can make that argument.

**MR. MALONE:**

With all due respect, Mr. Chairman, I would disagree. The volume is in fact not down. The monies are down, the monies are down, but the volume is not down. As a matter of fact, in 2009, we processed 465,000 documents; in 2008, we processed 468,000. With regard to mortgage and mortgage papers and deeds and the like, in 2009, 157,000 mortgages and deeds were processed, whereas, in 2008, it was 166. So we're -- we're pretty much at even with regard to the processing of documents. But we're down 17% with regard to the human resources component.

**CHAIRMAN GREGORY:**

Okay. Now there's questions for BRO. Now, one position is 40% reimbursable, the other is 60% reimbursable, where are we getting the difference from.

**MS. VIZZINI:**

You can see from the resolution that there is no money provided. The understanding here would be that we would restore the authorized positions, but existing appropriations would be used to pay the salaries. So there are sufficient funds provided other vacancies are kept that way.

**CHAIRMAN GREGORY:**

So they're not going to hire positions? Got you.

**MS. VIZZINI:**

Correct.

**CHAIRMAN GREGORY:**

Okay. Legislator Romaine.

**LEG. ROMAINE:**

Yes. How many vacancies currently are there in the County Clerk's Office?

**MR. MALONE:**

There are 21, Legislator.

**LEG. ROMAINE:**

How many of them are potentially funded -- could be potentially funded through the mortgage tax?

**MR. MALONE:**

In general terms, Legislator, at least half of the -- of the positions we have touch and concern mortgage tax collection.

**LEG. ROMAINE:**

And with mortgage tax, we can only get the money. Right now, the mortgage tax is 50% to the states, about 49% or 48% to the towns, and the remaining money is allowed for administrative money. Is the true that Suffolk County can claim the highest amount of mortgage tax reimbursement of the 62 counties?

**MR. MALONE:**

Yes, we can.

**LEG. ROMAINE:**

And of the 21 positions that are vacant, you say up to ten, possibly 11 could be funded by mortgage tax, but the reason that they're not is because they're left vacant. So that is mortgage tax money that could come to Suffolk County directly for those positions from anywhere from 40 to 100%; is that correct?

**MR. MALONE:**

Well, I wouldn't say 100%. I'm actually the highest reimbursed at 80% because so much of my work is dedicated to the management of the mortgage taxing. But 60 and 70 and 75%, those numbers are realistic numbers. And the larger concern, Legislator Romaine, is as follows: If during the course of the year, we have individual who has been reimbursed -- who's position is partially reimbursed by the mortgage taxing and that person would leave and there's a vacancy created, we actually have to deduct that from the subsequent year.

**LEG. ROMAINE:**

Have you been deducting money from your mortgage tax reimbursement because of vacancies?

**MR. MALONE:**

We have, yes. That's exactly right.

**LEG. ROMAINE:**

Thank you.

**MR. MALONE:**

And you've seen these numbers come down in the past four years from 1.75 million in reimbursement to 1.5 million. And as I indicated earlier, the reason we're up at 1.6 million in 2009 was in large part because of the hard assets, because not only can we get reimbursed for human resources and the benefits, we also get hard assets.

**LEG. ROMAINE:**

Right. We get reimbursed for those as well. And I'm sure that you -- that why Suffolk County gets the largest reimbursement of mortgage tax of the 62 counties in the State of New York. One last thing that I just will comment on. Someone said, "Well, when money is down, you're not bringing in as much." Money is only one function of the County Clerk's Office. Volume could be actually up, because you could be doing mortgage modifications, mortgage satisfactions, mortgage consolidations, refi's, all of those don't produce as much as the original would, but do produce money and do produce volume. And my understanding is with the dropping interest rates where a number of people have attempted to refinance and a number of people that have attempted to consolidate or to modify their existing mortgages.

**MR. MALONE:**

That was exactly correct, Legislator Romaine. Actually, we have seen -- already in these first two months, we have seen a 30% increase in volume. And if this stays on track, we're going to not have 450 or 460,000 document year, we're going to have in excess of 500,000. And these two positions, Mr. Chairman, in all due respect, are critical to that processing. We are getting to a break point where we're having to reach in to the overtime pool and have people come in before work hours to get production done, to have people come in on Saturdays. And those monies are -- as you very well know, as the Chair of Finance, you understand, sir, that that's much more expensive than it is to have just a regular straight -- straight regular hour individual working.

So we're going backwards and we're not getting reimbursed.

**LEG. ROMAINE:**

And one other thing, Jim, for the committee's interest. I agree that overtime is a far more extensive way to go. But as you know, State Law permits the County Clerk to work overtime regardless of what the Executive wants, because the County Clerk has the fiduciary responsibility to get documents in a timely, somewhat timely fashion. Even though backlogs come in with different volumes each and every day, you still make the best effort to get as many of those documents as quickly as you possibly can. So unlike other departments of County Government, State Law permits the County Clerk to work overtime without regard to seeking additional authorization for that overtime, which Allen knows very well.

**MR. MALONE:**

And I would point out, Legislator Romaine, that Suffolk County Clerk Pascale, has been very, very judicious about overtime. And she's unfortunately had to call folks in before hours and on Saturdays to get this work done. And even with all that great effort, we're still 30 days behind, which is -- in some instances, that is -- that's problematic. That leaves some exposure out there that we don't necessarily have to have happen.

**LEG. ROMAINE:**

I have had a whole different approach. I would worry about getting the money into the bank, which I'm sure you worry about every day, getting the documents signed, getting the money in the bank and doing whatever I had to do to do that regardless because that's your first and primary obligation.

**MR. MALONE:**

We are doing everything we can, Legislator Romaine.

**LEG. ROMAINE:**

Thank you very much.

**MR. MALONE:**

Thank you for your time and consideration, Mr. Chairman, members of the committee.

**CHAIRMAN GREGORY:**

All right. Thank you. That's it for the cards. Is there anyone in the audience that would like to come before us and make a statement? Okay. Seeing no one, we have a full agenda today, so maybe we'll go to BRO. You have a statement about the energy tax?

**MS. VIZZINI:**

I just want to bring to your attention that I've released a memo in regards to the Introductory Resolutions 1176 that seeks to, via referendum, repeal the residential energy tax in its entirety effective March, 2010, and IR 1198, which if approved would roll back the energy tax from a rate of 2.5% to a rate 1.5% effective March, 2011.

The memo sort of highlights for you the information that is also attached in the fiscal impact statement. Briefly, some history as far as the energy tax. In 1969 when Suffolk County adopted sales tax, the energy tax was part of that sales tax. At that point, the rate was 2%. The rate has fluctuated for a variety of reasons over time. It has been as low as 1%. And we do have the capability to go as high as 4%.

Currently the rate is two and a half percent. And the memo gives you some history of the fluctuation of the rates. The energy tax in 2009 provided \$52.1 million in revenue directly to the General Fund. It's a little bit more actually than the General Fund Property Tax. Since neither of these two resolutions provide specific revenue enhancements or expenditure cuts or specify how the loss of revenue would be addressed for the purposes of fiscal impact, we have to assume that there would be a corresponding increase in property taxes, simply as an illustrative way to show what the magnitude of loss of revenue is.

So for example, if this was effective in 2009, the memo goes to explain what the impact would be in terms of the savings on your energy bill and the anticipated increase in your taxes. As you know, the average taxpayer pays about \$90 in property taxes to the General Fund and about \$104 on average in terms of residential energy tax. Again, if the \$52.1 million were removed from the 2009 revenue, it would be the equivalent of doubling property taxes. You would be paying another \$94 in property taxes.

Again, there will be many policy decisions that take place before we determine what exactly is going to happen with either one of these bills. As Legislator Romaine so eloquently stated, whether they are passed, whether they are passed by referendum, but there will be many policy decisions ahead of you to determine. The property tax increase is consistent with the manner in which we have done fiscal impact statements for bills of this nature.

The memo goes on to talk about how IR 1166 also raises certain policy issues of which we have concerns, vis a vis, one, the referendum taking this particular revenue item out of the hands of the County Executive and the Legislature; secondly, the changes proposed to the Charter that would require a three-quarters supermajority of the Legislature should we need to restore the residential energy tax to address future budget shortfalls; and finally, restricting future County Executives and Legislatures from including this revenue in the budget. It's problematic in terms of a technical sense, but the memo goes on to explain that.

Tomorrow, we are meeting with the County Executive's Budget Office to discuss the magnitude of the 2010-2011 Budget shortfall. We will be making a joint presentation to your committee, to this group, on March 16th, the next committee meeting. As I've indicated in this memo, the Budget Review Office's preliminary numbers are in excess of \$160 million for the two year 2010-2011 period.

As you know from my reports to you, this includes about \$66 million in sales tax shortfall. It includes the concern that most of the FMAP will dwindle away in 2011, \$7 million in loss of tobacco securitization proceeds in 2011. There are concerns that the -- for salary increases, additional Correction Officers. And these other items are somewhat detailed, although it is not a final number in terms of the magnitude of the budget shortfall. The point here is that we do have a problem in 2010 and it will continue in 2011, and our concern is how would actions such as this position us for 2012.

The final part of the memo addresses some of the economic perspective. And, yes, home heating fuel, much like gasoline, is somewhat -- it's an elastic commodity. You have to heat your home. You can conserve, but you have to heat your home. So we go on to talk about that. And we actually point out that an argument could be made, in some countries, European countries, in addition to that, Australia, have policies whereby they tax energy in order to promote conservation. The higher the cost of something, the more likely the public is to conserve it. And this is area that our country and our county need to address.

So, you know, the converse again, we are not recommending an increase in the energy tax, but we want to point out the perspective that an argument could be made. It is a recurring source of revenue. We have had this tax since 1969. It's approximately \$104 for the average residential consumer. If you have any questions, I just -- we noted that I had inverted the numbers on the total number of counties. Based on our research, there are at least 18 other counties that have the energy tax out of 62 counties. Regrettably, the memo says 26 counties, but there are -- there are more than 26 counties.

**CHAIRMAN GREGORY:**

Okay. Legislator Schneiderman.

**LEG. SCHNEIDERMAN:**

Thank you, Gail, for taking the time to review these proposals. Let me start with the bill -- actually, my bill -- that would reduce it from 2.5 to 1.5, because you did speak some in your memo to that. First question is you say that it will basically, assuming that there was no, you know, offset in spending to make up for it, if it was just in terms of property taxes, that there would be a savings to the average electric bill of \$36 dollars and an increase to it, on the tax bill, it's \$33. So actually it's a net savings of just a few dollars, maybe \$3. I'm not sure actually where you came up with that difference. But can you speak a little bit to the difference in terms of deductibility? Your utility bill, the tax there, there's no tax deductibility when you do your income tax, right? But your property tax there is some deductibility?

**MR. LIPP:**

Correct. Correct. We actually mention that in the fiscal impact.

**LEG. SCHNEIDERMAN:**

Okay. So that I think is one I think important difference in the shift. I'm not suggesting that we increase property taxes. I'm still looking for ways to make up that revenue difference. I just wanted to ask whether legally -- and this may be a question more for Mr. Nolan than for BRO -- is there a way to structure the current energy tax so that it would not kick in for either certain individuals; seniors maybe or perhaps it only kicked in on heavy consumption base, like, houses over 6000 square feet or, you know -- you know, people who are using far more than the normal energy level, to restructure the tax to make it bring in the same amount of money but be much more of a luxury tax rather than a tax on a necessity?

**MR. LIPP:**

The short answer is no. And the reason is in large part because the sales tax is a State administered tax, the State administers it, not us. So in theory what you -- what we'd doing if -- with the -- with the policy you are discussing would be to request an exemption and have the State collect the tax

differently. It's highly unlikely that they would be willing to do it for one municipality, because it would require a lot of work on their part. It's a possibility that they might decide the wisdom of such a proposal and -- but at the end the day, as Gail has said, there are approximately 18 plus one, 19 counties in the State that do collect it through the State -- actually, the State does not collect any energy tax. It's not likely that they would be willing to do that. And we don't have the ability to do it on our own because it's a State administered tax.

**LEG. SCHNEIDERMAN:**

If you wanted to create an income-based exemption so that the poor were exempt, you would have to do it -- you're saying you either have to go back to Albany or you could create a County program like the HEAP type of program?

**MR. LIPP:**

What we said in the fiscal also is that from looking at the economic perspective, there are a lot of -- the economic argument is if anything, the tax should be raised, number one. Number two, the argument -- and that's an efficiency argument. The equity argument is the tax should be eliminated or reduced because it's regressive.

The point that we make -- and we mention that in the fiscal too. The point that we make though also is that given the economic efficiency argument, you may want to consider instead of eliminating or reducing the tax, to take some of that money and to expand My HEAP Middle Income HEAP Program or to expand on the Federal HEAP Program for low income people so that you are targeting the people that you like. The point to be made is that, you know, you can separate the two issues; the equity issue and the efficiency issue.

**LEG. SCHNEIDERMAN:**

Let me see if Counsel wants -- is concurring with the opinion that we'd have to go back to Albany to create such a --

**MR. NOLAN:**

Right. Exactly. The State would have to authorize us to let people out or have an income-based program in terms of collecting the sales tax. So we cannot do that -- we cannot create such a program without State authority.

**LEG. SCHNEIDERMAN:**

Thank you.

**CHAIRMAN GREGORY:**

Legislator Romaine.

**LEG. ROMAINE:**

Yes. First of all, I know we've been calling this the home heating tax. The first thing you that point out is that 75 -- 70 to 75% of this is attributable to LIPA, to your electric bill. This isn't a on tax electric. I had the privilege of hearing the CEO of LIPA at the East End Supervisor's Meeting on Friday, and he railed against the fact that so much of LIPA's bill has to do with taxes that localities stick on as a way of avoiding their responsibility of collecting taxes and putting it on the back of LIPA. And I'm sure that if we ask, we will get a statement out of LIPA to that to affect, because he stated it for all the East End Supervisors and Mayors and a number of others about that.

So first of all, this is a tax on our electric bill, which is by the way, the second highest utility in the United States. And much of that cost has to do with the taxes that are imposed. In indicating -- you indicated that all things being equal, this equates -- the second thing that I want to point out, in a very limited comparison, you chose to select the property tax, much like the Presiding Officer in his somewhat weird criticism of this proposal which is claiming we were looking to double the property tax. No such thing is absolutely true.

In fact, we're looking to have a commission. And I would suggest very strongly if the Executive and this Legislature are interested in taking a look at shortfalls that may occur in this year or next year that a nonpartisan commission be appointed to take a look at our taxing, spending and debt policies to make recommendations. The second thing is that you made the assumption that this would be replaced by a property tax. There are many other revenue sources that this could be set for.

And I'm not looking for a response, I'm just noting the fact that you said, "Well, this would double property taxes or could double property taxes." Well, there's many other ways to raise revenue or cut expenses that would not -- that would undermine that assumption. I understand, that was an opening assumption that you made that it's -- but quite frankly, it isn't a choice of lower energy tax-higher property tax. That's a false assumption, I think.

Some of the other things I would note is in your indication you said, "Well, this is being taken out of the hands of the Executive and the Legislature." I say great loud enough. I think there are many decisions in this County that should be put in the hands of the people. We had adopted -- I was and continue to be a strong supporter of initiative and referendum back in the '80s. And I have never ever seen initiative and referendum work in this County. And that means that the people have no opportunity to go over the heads of their elected officials and dictate policy.

And much of the crisis and gridlock we have in government today comes from the people not being able to weigh in from time to time on serious issues. And obviously, how we raise revenue, who we tax, how we tax should be maybe one of those issues. So I would point out those three points to you. In response to what you've said just by way of commentary, I don't know if this is going to go to initiative and referendum, but I can tell you this: This bill has been up for the repeal of this for about six or seven years, predated me. My name is on this because the sponsor, Cameron Alden, retired from the Legislature. So my name is on this. But I did it as a referendum.

Whether this sees the light of day or not, I don't know. But for seven years it's been tabled or blocked or whatever, the last at least four or five years that I'm aware of in committee, has never seen the light of day, has never come to a vote. And once in 2006, when we did have the right to do discharge motions, a right denied us now, when we did have the right, it failed on a straight party line vote on an 8-10 vote. So whether this sees the light of day or not, I don't know. But the bigger the deal that's made of this, I think clearly there will be people that will be motivated to say, "Well, we don't need the Legislature. We can do it by petition." And there may be enough people that motivated. So keep on beating the drum and you will reap the world wind is what I would say in essence. But thank you again for your report.

**CHAIRMAN GREGORY:**

Okay. Thank you for your report. I for one do think that the property tax equation is appropriate, because if we have an ability to raise the revenue that my colleague mentioned, I think we should do that right now, because we certainly need those revenues. I'm all for allowing the people to have a voice and speak and have an opportunity to voice their concerns about whatever legislation this body puts in place or taxes. But I think if this referendum were to come to fruition, that it certainly should be portrayed in a way that they fully -- that the voters fully understand what the impact is going to be. And to equate it with property tax, I think is appropriate, because we have very limited sources of revenue. We're not going to increase park fees. We have a County Executive who is actually looking to -- that the park fee increase is sunset. We're not going to raise property taxes. So I mean, there are very few avenues to raise revenues. So I don't know. Yes.

**MR. LIPP:**

Just as a piece of information. When we do fiscal impact statements, regardless of this piece of legislation or any legislation, you know, whatever anybody thinks, good, bad or indifferent, if there is either an increase in expenses or a decrease in revenue that is not offset, okay, then by definition the resolution is not saying that they're offsetting, and therefore, it would free float the way the budget works, it would free float to the property tax. So the implicit assumption in every resolution

that we do a fiscal impact on, if you don't have an offset or if it actually goes down, then we would show a decrease in property tax.

**CHAIRMAN GREGORY:**

Right. What you are saying, this is a projected possibility of a --

**MR. LIPP:**

What we're saying is since the resolution or -- and there are lots of cases of other resolutions -- don't have offsets, then the budget would implicitly free float to the property tax.

**CHAIRMAN GREGORY:**

We hear it all the time.

**MR. LIPP:**

Which doesn't mean, as Legislator Romaine said, assuming that this would pass, doesn't mean that we wouldn't come up with offsets; either other revenue enhancers or decreases in expenses, that we wouldn't have to have a property tax increase. The way the resolution is structured, the fiscal impact of this resolution as well as lots of others would have to show a free float in property tax.

**CHAIRMAN GREGORY:**

Right. So it's just more of a default position. Right. Okay.

**MS. VIZZINI:**

If I may just add one more point, and that is by Charter, we are also required to do a revenue impact statement, which in this case, very -- you know, parallels the fiscal impact statement, because it is the loss of revenue of such magnitude.

**CHAIRMAN GREGORY:**

Thank you. Legislator Schneiderman.

**LEG. SCHNEIDERMAN:**

I just wanted to make it clear that I'm certainly not looking for any increases in property taxes. I've been here -- this is my seventh year, we've done six budgets with no property tax increases. And each year we've found ways to eliminate expenses and make sure that we delivered -- either held the line or lowered property taxes. This is actually, I think, the seventh year in a row a bill like mine was put forth.

For the last six years, I've been a cosponsor with Cameron Alden who's not here. My bill -- I think Cameron probably had two bills; one to repeal and one to reduce. I've only put forward the bill to reduce believing that we'd be able to find a way to do that. And I'm looking currently for offsets to do that. So I'm not going to push for the bill's passage today. I would rather see it tabled. I think we need a public hearing on it anyway -- no, not on mine we don't need a public hearing. But I will expect it to be tabled. And I will continue to look for offsets and if the budget Review Office has some ideas.

It's unfortunate we have to go to Albany to give us at least the option to structure this tax in a way that would be more of a luxury tax than a necessity tax. But if that's what it takes, then maybe I need to talk or we need to talk to our State representatives so that they can give us a little latitude in terms of how this tax can be imposed. So again, we have always found ways to do this without property tax increases. The one year -- one of those seven years where this tax was -- this idea of reducing the tax was put forth, we actually succeeded in lowering it from two and a half to one and a half with, I think, around a \$12 million savings to the tax -- to the customers.

**MS. VIZZINI:**

It was a temporary suspension. The rate was reduced for, I believe, a six month period.

**LEG. SCHNEIDERMAN:**

Right. And I think that was in conjunction with the County Executive working with myself and Legislator Alden to -- you know, in a year where we could do it. So I think it's an important message that we are looking at this, we are trying to reduce the burden on our taxpayers, whether it's in their energy bill or their property tax bill. I think we understand that giving more money or leaving more money in the hands of our residents is going to help stimulate spending and help deliver sales taxes for the County to use for its general purposes. So I just wanted to make that clear.

**CHAIRMAN GREGORY:**

Okay. Thank you. Does anyone from the County Executive's Budget Office like to say anything? No? Okay. All right. We have a full agenda. Let's get to it.

**IR 1024. Adopting Local No. -2010, A Charter Law to implement a cost saving measure to help mitigate budgetary shortfall by purchasing 5000 Corporate Court, Town of Islip. (Co. Exec.)**

Mr. Kent, Mr. Zwirn, welcome.

**MR. KENT:**

Thank you. Thank you, Chairman. To discuss briefly IR 1024, approximately two years ago, I would say in May of 2008, there was a report that was commissioned from real estate advisors to take a look at our real estate portfolio and how we handle both occupancy and ownership of real property in Suffolk County. Out of that report -- I believe that was presented to the Legislature at that time -- their determination was made that we occupy space that we own, the County occupies space that we own about 40% less expensive than property we lease. On average we were in the 20 to \$24 range -- 20 to \$23 a square foot range for property that we were leasing. And we were occupying space that we owned approximately \$14 a square foot.

With today's economy, the great thing that's occurred is that the cost of acquiring buildings has come dramatically down, has decreased dramatically. And they identified -- the Newmark Knight Frank -- our real estate advisors, Newmark Night Frank identified a building that created -- that offered a tremendous opportunity for the County. The building is known as 5000 Corporate Court, and it's in the Town of Brookhaven, by the way. I think it is still referring to it as Islip, but the resolution is being amended to refer to Brookhaven Town.

This building, the sale price available to us is in the 80 to \$85 a square foot range for acquisition. We have been constructing buildings -- buildings for County purposes in -- it's been costing us in excess of \$300 a square feet to construct buildings for a variety of reasons. And in fact, in some instances, it's cost us more than \$400 a square foot to construct certain buildings for County use. So the fact that we could acquire a building, which many of you might have toured, I've been there, it's really an A Class building in lower -- in not such a great location for business purposes. So we're getting is at a farly (sic) reduced -- greatly reduced value to us.

The building is in excess of 264,000 square feet. It has existing tenants that lease approximately 180,000 square feet, leaving for County purposes approximately 84,000 square feet initially. And as leases expire, we could -- we could occupy a greater amount of square footage within the building. So we look -- when we did the analysis of this acquisition, what we determined is that the revenue generated from the three leases is greater than the amount it would cost us to service the debt that we would incur to acquire the building. So this would create a positive cash flow for us. And that does not even take into account the savings from the cost -- the cost avoidance of terminating leases from the departments that could -- that could occupy the premises.

We have two leases that are coming -- coming up; one in December of 2011, and one in January of 2012 that could immediately occupy these premises. Our proposal is to negotiate an acquisition that could close some time around the end of November of 2010 to immediately start plans for

improvements to the property so that we could occupy approximately 50,000 square feet in the Fall of 2011 upon the expiration of those leases that are coming -- that are coming due.

So that -- that's the concept. As far as going into greater detail with appraised values and monies, I'd like to do that not so publically, because I think it might prejudice our ability to finalize the negotiations on the acquisition. We're currently in negotiations with the owner. We have received a confirmation of all the lease revenue that's being generated by the building. Unfortunately, I just received the biggest piece; the IRS is leasing 101,000 square feet. They've agreed in principle to a ten year lease extension. And I just got those numbers yesterday. So now that I have all that information, I will provide it all to the Budget Review Office, and they will do their reviews so they can make their presentation to you.

**CHAIRMAN GREGORY:**

Okay. Thank you. I actually -- myself and Presiding Officer Lindsay went to the -- went there and former Legislator Beedenbender. I think it's a beautiful building. But at the time -- that was towards the end of the year. At the time, the funding source was the Legacy Fund. That was due to sunset or expire. We were going to use those funds, \$15 million I think it was, to purchase the building. But now we're looking to bond the cost?

**MR. NOLAN:**

It was always going to be bonded.

**CHAIRMAN GREGORY:**

Partly bond and partly the Legacy Fund. Now it's going to all be --

**MR. KENT:**

What this resolution does is adopts a local law. It doesn't require us to offset the bonding, because the bondings will actually reduce -- produce a profit. We will realize revenue from the acquisition of the building through the money generated from the leases and the cost avoidance from not having to pay leases on property that we're occupying now.

**CHAIRMAN GREGORY:**

Okay. And you threw out a figure of \$80 per square foot?

**MR. KENT:**

It's approximately -- when you do all the math and you do the renovations, it's a little higher than that. The initial acquisition -- well, when I say 80 to 85, it's we've offered a number -- we've offered a price, and they've come back with a price. So I'm giving you the range between our offer and their counter offer. We're ready to go forward with our counter to their counter offer.

**CHAIRMAN GREGORY:**

Okay. But you've said that we've constructed buildings in the range of 300 plus dollars per square foot?

**MR. KENT:**

Yes.

**CHAIRMAN GREGORY:**

Which buildings are those?

**MR. KENT:**

Well, I can give you -- the building right next door here, it's costing us roughly over \$400 a square foot to construct.

**CHAIRMAN GREGORY:**

Right. That's a special -- because of the LEEDs standards, and it's more expensive. So it's not an

accurate comparison but --

**MR. KENT:**

The number from the Department of Public Works is on average, we spend over \$300 a square foot to construct buildings.

**CHAIRMAN GREGORY:**

Okay. All right. Legislator Schneiderman? Okay. I'll make a motion.

**LEG. SCHNEIDERMAN:**

For the purpose of discussion, I'll make a second.

**CHAIRMAN GREGORY:**

There's a motion to approve and a second. We have a motion to approve by Legislator Schneiderman, seconded by myself.

**LEG. SCHNEIDERMAN:**

You know, on it's face, it sounds like a deal too good to be true. It sounds -- if I heard you correctly, it sounds cash positive in the budget, which I would expect that. But it seemed like what you said was that the rents alone would cover the debt service leaving us roughly 80,000 square feet to use for nothing; is that correct?

**MR. KENT:**

That's correct. Now, the reason it makes sense for us is because, one, we are the government; two, we're looking to occupy the space that's available. That's why --

**LEG. SCHNEIDERMAN:**

When you say "we are the government," you're saying that we can borrow at much lower interest rates than somebody from the private sector who are looking to do this just for a purely investment opportunity standpoint.

**MR. KENT:**

That's correct.

**LEG. SCHNEIDERMAN:**

They would have to borrow at say 9% when we might be able to borrow at 3%. So our numbers work better.

**MR. KENT:**

Well, we've actually projected at higher -- we have been conservative. We've projected that our bonds at -- I believe we're using 4.75% as our projected cost of borrowing.

**LEG. SCHNEIDERMAN:**

One of the arguments I think that was made in the past for leasing over ownership has been reimbursement from the State that -- I guess certain County functions the State reimburses us for the rent.

**MR. KENT:**

Those are more when you're having public coming to the building. This would be more back office for us. This will not be a public building. But that's not entirely true now. There is an ability to seek reimbursement even on property that the County occupies that it owns.

**LEG. SCHNEIDERMAN:**

Okay. And are all your numbers including the maintenance of the building, your utilities, all those things that may or may not be covered by the landlord when we're leasing?

**MR. KENT:**

Yes, it does.

**LEG. SCHNEIDERMAN:**

What about the impact on the school district? Because in private hands, there would be some ratable there not just to -- well, to the County itself as well; there would be property taxes that go to the County as well as property taxes that go to the town and to the school district. Under County ownership, I guess from the leaseholds, I guess a portion of this building would still provide property tax. How does that work when its municipally owned?

**MR. KENT:**

Well, we would apply to have the building property tax exempt. Currently the building pays a little over \$340,000 a year in taxes, and the school district received somewhere between 65 and 70% of that -- of that sum.

**LEG. SCHNEIDERMAN:**

Okay. So then two questions then. One is in your numbers, are you factoring the loss of revenue to the County from the property taxes that are paid there in your numbers?

**MR. KENT:**

I haven't, but if you want us to, we will. The loss to the County would probably be 10% or less of the total tax bill. So you're probably talking somewhere in the neighborhood of \$35,000.

**LEG. SCHNEIDERMAN:**

All right. So overall, it's not going to affect your numbers very much.

**MR. KENT:**

It won't affect the County, it will affect the school district much -- much greater. That's probably in the neighborhood of \$230,000.

**LEG. SCHNEIDERMAN:**

Okay. So what can we do there in terms of a pilot program or something to make the school whole, because that I think would be a devastating impact? And if we do reimburse that \$200,000, is that factored into your numbers?

**MR. KENT:**

That is not. I did factor into the numbers the first year property taxes, because when we acquire it, we will have to pay one year of property taxes, because we will be acquiring it in November and there will be -- the taxable status date won't be until March. So will have to pay one property taxes, and I have factored that into the numbers.

**LEG. SCHNEIDERMAN:**

Okay. And in terms of moving from -- I'm assuming we'd moved out of I think Rabro, some of the offices in Rabro.

**MR. KENT:**

That's correct. I have factored the moving expenses into the numbers, yes.

**LEG. SCHNEIDERMAN:**

You have? Okay. And in terms of the employees, is it equally accessible in terms of this building? Does it meet all the requirements in terms of accessible -- handicapped accessibility in other -- or are we going to have to invest into the infrastructure there to make it work as a government building?

**MR. KENT:**

The building is ADA compliant. It was built in 2000. It's a very new building. If you haven't been

there, you should take the time to go there. It's very nice.

**LEG. SCHNEIDERMAN:**

Okay. But in terms of the commute distance for the employees, it probably -- for some it's probably closer and some it's further.

**MR. KENT:**

It's right just south of the Expressway between Exit 62 and 63.

**LEG. SCHNEIDERMAN:**

So just lastly I'd ask to have those numbers if we are going to reimburse the school, which I think we should. I think that has to be factored in so we can look at this -- we can look at every factor. So I'm going to withdraw my motion actually to approve so we can get that information.

**MR. KENT:**

The only thing I would caution you on if we decide to reimburse the school on this building, we might be creating a situation where we would start reimbursing the school on every building that we own. I don't know if you want to go down that road.

**LEG. SCHNEIDERMAN:**

I think it's a discussion we need to have. We have to look at the full impact of our decision. You know, this decision would have a significant impact on the taxpayers within that school district by taking this off the tax rolls. So I think we need to talk about that.

**MR. LIPP:**

Unless we're mistaken, what it does is it just redistributes the tax. So, you know, the school district is charging whatever it charges, and if this particular property owner isn't paying, then it would just get redistributed to the other property owners in the district.

**LEG. SCHNEIDERMAN:**

Which is a higher tax. They would have to be able to make up that \$200,000.

**MR. LIPP:**

Yeah. My point being it would be distributed amongst all the property owners in the district as opposed to -- the district would have to raise their property taxes. So, yeah, there would be a small increase, but it would be distributed across -- unless I'm mistaken here in terms of how it's working, it would be distributed across all the property owners in the district.

**LEG. SCHNEIDERMAN:**

It would amount to a tax rate increase, it would have to, within the school district.

**MR. LIPP:**

Yes, but the point is it wouldn't be a large increase, it would be a small increase, because you are distributing among all the property owners.

**LEG. SCHNEIDERMAN:**

It's still an increase. It's still an impact. They're going to have to come up with an extra \$200,000, those taxpayers, through their school taxes to cover this loss of \$200,000 that's coming from the private sector.

**MR. LIPP:**

No argument. Just trying to make the point that it's distributed across a base of a whole bunch of property owners, so we're not -- and I don't know what the numbers are, so I could crunch them, but I don't know what the numbers are. We could work that out though to see what that increase -- would it be an increase, yes, but the question is how much.

**MR. KENT:**

One last thing I want to bring up, the property has two vacant lots to the north end of the property that are not improved, and the County would have ownership of those lots also. There's a lot of parking -- there's parking -- there's visitor parking to the south of the building and there's employee parking to the north that has access off -- it's Furrows Road at that point, because once you cross over Waverly Avenue, Furrows Road changes and I don't know the name off the top of my head. But there is access on the north end of the property, and we could do something with the north end of the property. It also creates a perfect situation for future solar carport development because the lot to the north side of the building is tremendously large. And I don't know if you looked at it, but I do have some aerial photos here in my files if anyone is interested.

**CHAIRMAN GREGORY:**

Legislator Romaine.

**LEG. ROMAINE:**

First of all, I'd like to thank Legislator Schneiderman for bringing out many telling point of concern regarding this resolution. But for me, there is only one overriding element, and I'm just going to state it briefly. The Suffolk County Charter requires that any increase in the Capital Budget during a fiscal year must be offset by a corresponding reduction in that Capital Budget.

This law would have us waive that offset requirement and the County would increase its 2010 Capital Budget to acquire this building. In essence, this bill asks is to pierce the debt cap for this County at a time that we are facing fiscal disaster or so I've heard. I have to say, I am reluctant to pierce the debt cap. I am reluctant to pierce this cap when we've been told repeatedly time and time and time again by the Executive Branch that we should not in any manner, shape or form add to the Capital Budget that has been submitted. This will pierce the cap, the debt cap. Regardless of the value of this, we have to consider that. And I think that outweighs all my considerations, although Legislator Schneiderman made some excellent points. Thank you.

**MR. ZWIRN:**

If I might, Mr. Chairman. This is an exception, one of those exceptions to the rule, and the reason is because it's cash positive. And an opportunity like this, if the numbers bear out the way we believe they will, comes along only in a time of -- you know, when we have this kind of economic recession, real estate values have dropped. And that's why we have gone to the Legislature and put in this resolution asking them to waive the fees, because the debt service will be paid for by leases that are already in the existing building. A very, very rare opportunity.

I have been here six years. Legislator Romaine has been with County Government a long time. This has not been done before. You know we have a fiscal conservative County Executive who had to be sold on this very carefully because he is very conservative with respect to the Capital Budget and the Operating Budget. So these numbers will be before the Legislature. It will be a very transparent operation because it has to be for the public and for the Legislature to be able to vote on it. But I think when the numbers bear out, I think this is one of those opportunities and one of the times when you make the exception to the rule. And I think that's why this legislation has been proposed in this form.

**CHAIRMAN GREGORY:**

Okay. Now, I know we have leases, current leases, are those leases -- would they -- I think you said 2011 or 2012 some of them are due to expire. I guess the concern that I would have is having a lease that doesn't cover the term of the payment for the bond so that you're not -- there isn't that revenue, that source that we talk about.

**MR. KENT:**

You are talking about two different leases. The leases that are expiring are the leases that we have where we occupy rented space. Those leases are expiring. The leases at the building that we're acquiring go out -- the IRS lease goes out to 2020. And the GSA lease, which is for the immigration,

goes out to 2025. Those are the two large leases. The lease a total, between those two leases, over 153,000 square feet of the total space.

**CHAIRMAN GREGORY:**

I would be concerned, you know, 10-15 years from now -- I don't want to say we're stuck with the building, but we have a building that we can't lease out and generate the revenues.

**MR. KENT:**

The IRS has been in the building since its opened. I'm not guaranteeing that they're going to extend their lease beyond 2020, but they're current lease, which they just entered, is for ten years, ten additional ten years. It was a 10 year extension that they are just entering into now.

**CHAIRMAN GREGORY:**

Okay. Great.

**MR. KENT:**

One other opportunity that I didn't discuss is we have an ability to locate employees here also from space that we own. We currently own a building -- what the goal is is to consolidate one department into this building that's currently located at several buildings, both rental and owned. One of the buildings that they occupy is an owned building that we could sell once we relocate those employees to this building.

**LEG. ROMAINE:**

I'll provide a second to your motion, Mr. Chairman, to approve this.

**CHAIRMAN GREGORY:**

The motion was withdrawn.

**LEG. SCHNEIDERMAN:**

I just want to make sure, Chris, that we've looked at every number, that we're not missing something here. The debt cap, I guess -- I don't know what year that was established. I assume it was established as a percentage of the overall budget, and, BRO, you can chime in here any time. As we pierce that debt cap and the County's overall debt goes up -- okay. We are increasing the -- under this, we're increasing the County's debt. So there may be some impact, it may be minor, in terms of when we go out to borrow money or refinance what rates we'll get on all of our borrowing, not just this borrowing, because the County has a larger level of indebtedness. Just like anyone going for a mortgage might discover, you know, if they're overextended. So maybe BRO could comment on that, because if it does affect our overall borrowing, future borrowing, that number could be enormous, even a small change in the rate which we borrow at. So that may be a question for Bond Counsel.

**MS. VIZZINI:**

Well, I think we have to distinguish between what we know as a debt cap. We are far from our constitutional debt limits.

**LEG. SCHNEIDERMAN:**

Those constitutional debt limits are enormous though.

**MS. VIZZINI:**

That's true.

**LEG. SCHNEIDERMAN:**

Well, what I really more talking about --

**MS. VIZZINI:**

What are we talking about here?

**LEG. SCHNEIDERMAN:**

-- when the credit agencies look at municipalities, governments, they obviously look at the level of borrowing and they're looking for a -- you know, they don't want to see that get too high because that will start to affect the rate which the lenders will then impose. So again, Gail, if you wanted to comment on that.

**MS. VIZZINI:**

What we're talking about here is the offset law, which is fairly restrictive. If you have a project that is not included in the adopted budget and it's not more than 50% aided, you can't just add it to the Capital Program without taking away something else.

**LEG. SCHNEIDERMAN:**

I understand that. I think what I'm talking about is not necessarily that cap limit, but the affect of this additional borrowing on all of our borrowing in terms of how credit agencies may look at us.

**MS. VIZZINI:**

Well, the credit agencies are going to be looking at a lot of things.

**LEG. SCHNEIDERMAN:**

I understand because this is cash positive, we establish that limit or that cap, we can -- we can waive that cap if we believe that this is something that is actually going to save the County money overall. The cap was there to save the County money as well. But I just want to make sure when we analysis all the numbers that we look at everything. In taking on this additional debt overall, obviously increases the County's overall indebtedness, which is fairly high even though it's nowhere near the constitutional debt limit.

So as I try to analyze all the numbers, I want to make sure it's not going to affect borrowing in other areas. When we refinance or when we go out for new borrowing, paying a slightly higher rate could have an enormous and far outweigh the cost benefits of this program. That's really what I'm looking for.

**MS. VIZZINI:**

We are going to do a paper on this. You know, as matter of fact, I'm meeting with the Chief Deputy County Executive after this committee meeting hopefully to get some answers to some outstanding questions that we have. But the short of it, we're not clear in terms of what we're paying for the building, but let's say that it's in the 20 to \$25 million area just for the purposes of discussion -- I happened to use 22 as my guess here -- so over a 20 year period, half of that would be interest. So you've got \$11 million in interest, so now you're at -- you've added \$33 million in debt service to your overall indebtedness. It comes to about another million-six annually.

So whether everything in our 2010 Capital Program is going to proceed as is adopted or whether some of those projects as is often the case is delayed or deferred, in April, we will be redoing another Capital Program. The rating agencies look at a lot of things; they look at fund balance; as you well know, they look at recurring revenue plans, they look at budget mitigation plans, they look at a whole host of things. In the broad context, another million-six to our annual debt service will not make or break the County. And there are several other avenues available to us where we could perhaps not go ahead on something that should be done but doesn't need to be done in 2010.

**LEG. SCHNEIDERMAN:**

So it's clear that we don't have all the numbers or we haven't analyzed all the numbers, so it seems that we're not ready to act on this. And I think that's all I'm asking for is that we get -- that BRO carefully analyze whatever numbers are coming out of the Executive's Office and present their opinions as to the veracity of those numbers.

**CHAIRMAN GREGORY:**

Okay. All right. Madam Clerk.

**LEG. SCHNEIDERMAN:**

Motion to table.

**CHAIRMAN GREGORY:**

All right. Mr. Romaine, I appreciate your support for my motion that you thought that I had.

**LEG. ROMAINE:**

I'm supporting it so we can have an opportunity to vote it down.

**CHAIRMAN GREGORY:**

I understand that. I'm going to withdraw my motion and offer a motion to table.

**LEG. SCHNEIDERMAN:**

I already made a motion.

**CHAIRMAN GREGORY:**

Oh, you did.

**LEG. SCHNEIDERMAN:**

I tried to. I made a motion to table.

**CHAIRMAN GREGORY:**

I second the -- second the motion. All in favor? Opposed?

**LEG. ROMAINE:**

Opposed to tabling. I think that this should come to a vote.

**LEG. SCHNEIDERMAN:**

I think you need a majority of those present to table, right?

**MR. NOLAN:**

It passes.

**CHAIRMAN GREGORY:**

Okay. All right. Motion is tabled. **TABLED (VOTE: 2-1-0-2 - Opposed, Legis Romaine - Not present, Legis. D'Amato and Losquadro).**

**IR 1025. Requiring disclosure of specific information regarding closed capital projects. (Romaine)**

I make a motion to table.

**LEG. SCHNEIDERMAN:**

Second.

**CHAIRMAN GREGORY:**

Seconded by Legislator Schneiderman. Yes. Legislator Romaine.

**LEG. ROMAINE:**

Yes. Why would you like to table it? Tell me what the issue is since I've -- the last time we tabled it, you said, "Well, you know what? We don't want to make too much of a burden, let's make a minimum of \$20,000." I amended my resolution to do exactly that.

**CHAIRMAN GREGORY:**

You did? I wasn't aware of that.

**LEG. ROMAINE:**

Oh, absolutely. It's amended.

**LEG. SCHNEIDERMAN:**

I'll withdraw my motion to table.

**MR. NOLAN:**

It's not amended.

**CHAIRMAN GREGORY:**

Well, as I heard, it wasn't amended.

**LEG. ROMAINE:**

I thought we had filed that amendment. Okay. So there's a screw up in my office. George, would you please amend this resolution to reflect a \$20,000 limit? I thought my office had done that, but if they haven't, please do that. And I guess it's too late for the amendment process now, in which case I will accept the motion to table.

**CHAIRMAN GREGORY:**

I just withdrew my motion to table.

**LEG. ROMAINE:**

Okay. Unless you want to discharge without recommendation. My word of honor is that we will ask -- can we amend this in time? No? Okay. Then let's just table it. We'll do it the right way at the next meeting.

**CHAIRMAN GREGORY:**

Motion to table by Legislator Romaine, seconded by myself.

**MS. LOMORIELLO:**

You have a motion to table by Gregory and Schneiderman.

**CHAIRMAN GREGORY:**

Okay.

**LEG. ROMAINE:**

We will table it. We have another session coming up in three weeks.

**CHAIRMAN GREGORY:**

Okay. All right. All in favor? Opposed? Abstentions? **TABLED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amaro and Losquadro).**

**IR 1051. Adopting Local Law No. -2010, A Local Law to regulate the distribution of mortgage tax revenues to towns and villages. (Schneiderman).**

**LEG. SCHNEIDERMAN:**

Motion to approve.

**CHAIRMAN GREGORY:**

Motion to approve by Legislator Schneiderman, seconded by Legislator Romaine. All in favor? Opposed? Abstentions? **APPROVED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amaro and Losquadro).**

## INTRODUCTORY RESOLUTIONS

**IR 1059. Amending Resolution No. 1148-2009, implementing Budget, Staff and Taxes for the Fiscal Year 2010 (Mandated). (Pres. Off.)**

Motion to approve.

**LEG. ROMAINE:**

I'll second for the purposes of discussion.

**CHAIRMAN GREGORY:**

Second by Legislator Romaine.

**LEG. ROMAINE:**

Quick question.

**CHAIRMAN GREGORY:**

Yes.

**LEG. ROMAINE:**

Quick question to those sitting at the table. This is a resolution that amends the original resolution to reflect the proper amounts to the fire districts in unpaid clean up fees, district under the Town of East Hampton. Why did this need to be amended? And why was the original resolution incorrect?

**MR. LIPP:**

I can answer that. It's really pro forma. Almost every year there's one or two towns that submit information that changes. In other words, what this does is when the original warrant was adopted for each of the towns, as it turned out, the town did not give the final final numbers that they extended on the rolls, and this reflects those actual numbers. And they're small amounts, a little over 20,000 for cleanup fees and 175,000 and change for the fire districts. And this is one of three companion resolutions that do literally the same thing.

**LEG. ROMAINE:**

Which is why I asked that question.

**MR. LIPP:**

Okay. So 1059, which is this one, and 1061 -- this one is mandated and 1061 is discretionary. It's budget implementing resolutions. And the tax warrants just are back up schedules for those. And then the other one that you'll be voting on, 1060, is literally the tax warrant itself for that particular town. So it makes what the tax bills were to jive actually with the resolutions.

**CHAIRMAN GREGORY:**

We have a motion to approve. All in favor? Opposed? Abstentions? **APPROVED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amato and Losquadro).**

**IR 1060. Authorizing amended tax warrant for Resolution No. 1149-2009 (for the Town of East Hampton) to be signed by the Presiding Officer and the Clerk of the County Legislature. (Pres. Off.)**

It's okay if I do same motion, same second? Okay. Same motion, same second, same vote. **APPROVED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amato and Losquadro).**

**IR 1061. Amending Resolution No. 1147-2009, implementing Budget, Staff and Taxes for the Fiscal Year 2010 (Discretionary). (Pres. Off.)**

Same motion, same second, same vote. **APPROVED (VOTE: 3-0-0-2 - Not Present - Legis.**

D'Amaro and Losquadro).

**IR 1063. Amending the 2010 Operating Budget to support St. Patrick's Parish Outreach and Bay Shore Chamber of Commerce. (Barraga)**

I make a motion to approve, seconded by Legislator Schneiderman. All in favor? Opposed? Abstentions? **APPROVED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amaro and Losquadro).**

**IR 1070. To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 819-2010). (Co. Exec.)**

Motion to approve and place on the Consent Calendar, second by Legislator Schneiderman. All in favor? Opposed? Abstentions? **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 3-0-0-2 - Not present - Legis. Losquadro and D'Amaro).**

**IR 1071. To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 818-2010). (Co. Exec.)**

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 3-0-0-2 - Not present - Legis. Losquadro and D'Amaro).**

**IR 1072. To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature No. 329 2010. (Co. Exec.)**

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 3-0-0-2 - Not present - Legis. Losquadro and D'Amaro).**

**IR 1073. To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature No. 328. (Co. Exec.)**

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 3-0-0-2 - Not present - Legis. Losquadro and D'Amaro).**

**IR 1079. Amending the 2010 Suffolk County Operating Budget in connection with the restoration of one Clerk Typist and one Courier position to maintain operations in the Office of the Suffolk County Clerk. (Pres. Off.)**

Motion to approve by Legislator Romaine, seconded by myself. All in favor? Opposed? Abstentions? **APPROVED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amaro and Losquadro).**

**IR 1085. To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 820- 2010). (Co. Exec.)**

Motion to approve and place on the Consent Calendar, seconded by Legislator Schneiderman. All in favor? Opposed? Abstention? **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 3-0-0-2 - Not present - Legis. Losquadro and D'Amaro).**

**IR 1086. To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature No. 330-2010. (Co. Exec.)**

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 3-0-0-2 - Not present - Legis. Losquadro and D'Amaro)**

**IR 1088. To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature No. 331. (Co. Exec.)**

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 3-0-0-2 - Not present - Legis. Losquadro and D'Amaro)**

**IR 1092. To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 821-2010). (Co. Exec.)**

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 3-0-0-2 - Not present - Legis. Losquadro and D'Amaro)**

**IR 1093. To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 822-2010). (Co. Exec.)**

Same motion, same second, same vote. **APPROVED** and placed on the **CONSENT CALENDAR (VOTE: 3-0-0-2 - Not present - Legis. Losquadro and D'Amaro)**

**IR 1099. Amending the 2010 Operating Budget to support the Long Island Philharmonic, Inc. (Lindsay)**

I make a motion to approve.

**LEG. SCHNEIDERMAN:**  
I'll second, but I have a question.

**CHAIRMAN GREGORY:**  
Seconded by Legislator Schneiderman.

**LEG. SCHNEIDERMAN:**  
What is this budget change, is this Omni?

**MS. VIZZINI:**  
The transfer of \$10,000 from the Community Ambulance Company which was Omnibus monies to the Long Island Philharmonic.

**LEG. SCHNEIDERMAN:**  
All within the Presiding Officer's section of the Omnibus?

**MS. VIZZINI:**  
Yes.

**LEG. SCHNEIDERMAN:**  
Okay.

**CHAIRMAN GREGORY:**  
All in favor? Opposed? Abstentions? **APPROVED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amaro and Losquadro).**

**IR 1100. Amending the 2010 Operating Budget and transferring funds to Medford Volunteer Ambulance. (Eddington)**

I make a motion to approve.

**LEG. SCHNEIDERMAN:**

Second.

**CHAIRMAN GREGORY:**

Seconded by Legislator Schneiderman.

**LEG. SCHNEIDERMAN:**

Same question.

**MS. VIZZINI:**

This is also Omnibus money.

**MR. ZWIRN:**

I just want to make sure the Legislature -- this is taking \$5000 from IGHL, which is I think about a \$25,000 grant that the Legislature gave. That's the Flight 800 Memorial maintenance. They have I believe -- that's the group that they use to do the maintenance there. I'm not sure if everybody is aware of that.

**LEG. SCHNEIDERMAN:**

So is this not an Omni transfer?

**MR. ZWIRN:**

I think this is money that in the budget. It's taking \$5000 from that organization. It's an organization that --

**LEG. SCHNEIDERMAN:**

But was it within Legislator Eddington's Omni portion of the budget?

**MS. VIZZINI:**

That's correct. Mr. Zwirn is mistaken. He's thinking of previous years.

**MR. ZWIRN:**

Allen Kovesdy has indicated that the Parks Department has -- it was discussed with them because they're involved at the County Park at Smith Point. So this has all been agreed to.

**CHAIRMAN GREGORY:**

All right. We have a motion to approve. All in favor? Opposed? Abstentions? **APPROVED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amaro and Losquadro).**

**IR 1101. Amending the 2010 Operating Budget and transferring funds to parents for Megan's Law Crime Victims Center. (Eddington)**

I make a motion to approve.

**LEG. ROMAINE:**

Second.

**CHAIRMAN GREGORY:**

Seconded by Legislator Romaine. There was an amendment to this bill.

**MS. VIZZINI:**

Yes. Originally we had an offset of Social Security, but that was unacceptable to the County Executive's Office. So what you see here is the offset for this. This program consists of \$18,500 from the fees for services from the County Executive and a matching amount certain Legislators have pooled their CSI monies to provide the match, which totals \$37,000.

**CHAIRMAN GREGORY:**

Okay. All right. We have a motion to approve. All in favor? Opposed? Abstentions? **APPROVED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amaro and Losquadro).**

**IR 1106. Authorizing the County Treasurer to borrow cash funds from other County funds for 2010. (Pres. Off.)**

I make a motion to approve, seconded by Legislator Schneiderman. All in favor? Opposed? Abstentions? **APPROVED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amaro and Losquadro).**

**IR 1107. Amending the 2010 Operating Budget and transferring funds to Babylon Village Youth Project. (Horsley)**

I make a motion to approve.

**LEG. SCHNEIDERMAN:**

Second. Same question.

**CHAIRMAN GREGORY:**

Seconded by Legislator Schneiderman.

**LEG. SCHNEIDERMAN:**

It's Omni?

**MS. VIZZINI:**

Yes.

**LEG. SCHNEIDERMAN:**

Okay.

**CHAIRMAN GREGORY:**

All in favor? Opposed? Abstentions? **APPROVED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amaro and Losquadro).**

**IR 1127. Adopting Local Law No. -2010, A Charter Law requiring sound budget practices to ensure fiscal responsibility. (Stern)**

This motion has to be tabled for a public hearing, seconded by Legislator Schneiderman. Legislator Romaine.

**LEG. ROMAINE:**

Just a point of information. Obviously this resolution would have no impact on the proposed referendum for the energy tax since it would be in 2012 that it would go into affect and, therefore, doesn't fall under the provisions of this law. Just to lay that out for people. Thank you.

**CHAIRMAN GREGORY:**

Motion to table. All in favor? Opposed? Abstentions? **TABLED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amaro and Losquadro).**

**IR 1131. Amending the 2010 Operating Budget and authorizing the purchase of three previously leased vehicles in the Suffolk County Department of Labor. (Lindsay)**

I make a motion to approve, seconded by Legislator Schneiderman.

**MR. KOVESDY:**

I think that's been amended that there's an additional vehicle.

**CHAIRMAN GREGORY:**

Oh, there's four vehicles?

**MR. REINHEIMER:**

That's correct. There's four vehicles; three vehicles and a van.

**CHAIRMAN GREGORY:**

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

**MR. REINHEIMER:**

This also had been amended yesterday to show that the four vehicles that the Legislature will be turning back to Public Works for either decommissioning or reassigning, depending on the condition of the vehicle. There are high-mileage vehicles that were assigned to the Legislature, so we're not increasing our fleet.

**CHAIRMAN GREGORY:**

So we'll have three vehicles, one van that we're buying and three vehicles, one van that we're turning in or whatever.

**MR. REINHEIMER:**

Right. We're buying off a lease at \$7000 each.

**LEG. SCHNEIDERMAN:**

Is it cash neutral or what's the situation? Or is there an offset?

**MR. REINHEIMER:**

Well, we used an offset. We used a Legislative offset to purchase the vehicles. And there's a savings of about \$10,000 per vehicle. These are good vehicles that have about 30,000 miles -- between 25 and 35,000 miles that were kept in good condition. It certainly is less expensive than purchasing new vehicles.

**LEG. SCHNEIDERMAN:**

What is the offset that's being used?

**MR. REINHEIMER:**

Fees for services in the Legislature.

**LEG. SCHNEIDERMAN:**

That amounts to how much?

**MR. REINHEIMER:**

29,500.

**LEG. SCHNEIDERMAN:**

And that fees for services, typically that's an outside consulting line?

**MR. REINHEIMER:**

That's correct.

**CHAIRMAN GREGORY:**

All in favor? Opposed? **APPROVED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amaro and Losquadro).**

**IR 1132. Amending the 2010 Operating Budget and transferring funds for Suffolk County Bar Pro Bono Foundation. (Stern)**

I make a motion to approve, seconded by Legislator Schneiderman. This is Omni or CSI, excuse me, or either one. All in favor? Opposed? Abstentions? **APPROVED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amaro and Losquadro).**

**IR 1156. Amending the 2010 Operating Budget and transferring funds to Family Service League Huntington Station Manor Field Family Center. (Cooper)**

I make a motion to approve.

**LEG. SCHNEIDERMAN:**

Second.

**CHAIRMAN GREGORY:**

Second by Legislator Schneiderman.

**LEG. SCHNEIDERMAN:**

I just make sure it's Omni as well.

**MR. KOVESDY:**

This one has been amended also. Just to make sure that you have the right copy. None of the money is coming out of Social Security. It's only coming from VIBS, \$35,000.

**CHAIRMAN GREGORY:**

Right. It's a transfer of all of his CSI.

**LEG. SCHNEIDERMAN:**

It's coming entirely from Legislator Cooper's CSI?

**CHAIRMAN GREGORY:**

Yep.

**LEG. SCHNEIDERMAN:**

So all of his CSI money is going toward this?

**CHAIRMAN GREGORY:**

Yes. All in favor? Opposed? Abstentions? **APPROVED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amaro and Losquadro).**

**IR 1158. Amending the 2010 Operating Budget and transferring funds to St. Joseph's CYO. (Cilmi)**

I make a motion to approve, seconded by Legislator Romaine. All in favor? Opposed? Abstentions?

**LEG. SCHNEIDERMAN:**

Again, that's Omni, right?

**MR. REINHEIMER:**

Yes.

**CHAIRMAN GREGORY:**

**APPROVED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amaro and Losquadro).**

**IR 1176. Adopting Local Law No. -2010, A Charter Law to repeal the Suffolk County**

**Energy Tax via public referendum. (Romaine)**

This motion has to be tabled for a public hearing, seconded by Legislator Romaine. All in favor? Opposed? Abstentions? **TABLED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amaro and Losquadro).**

**IR 1198. Reducing Home Energy Taxes on Suffolk County Residents. (Schneiderman)**

**LEG. SCHNEIDERMAN:**

Motion to table.

**CHAIRMAN GREGORY:**

Motion to table by Legislator Schneiderman, seconded by myself. All in favor? Opposed? Abstentions? **TABLED (VOTE: 3-0-0-2 - Not Present - Legis. D'Amaro and Losquadro).**

That is our agenda. We are adjourned. Thank you.

(\*THE MEETING WAS CALLED TO ORDER AT 11:34 A.M.\*)

{ } DENOTES BEING SPELLED PHONETICALLY