

**BUDGET & FINANCE
AND
INFORMATION TECHNOLOGY
COMMITTEE
OF THE
SUFFOLK COUNTY LEGISLATURE**

MINUTES

A meeting of the Budget & Finance and Information Technology 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, October 10, 2011.

Members Present:

Legislator DuWayne Gregory - Chairman
Legislator Jay Schneiderman - Vice-Chair
Legislator Ed Romaine
Legislator Tom Muratore
Legislator Lou D'Amaro

Also In Attendance:

George Nolan - Counsel to the Legislature
Jason Richberg - Aide to Legislator Gregory
Renee Ortiz - Chief Deputy Clerk of the Legislature
Gail Vizzini - Director Budget Review Office
Robert Lipp - Deputy Director - Budget Review Office
Linda Bay - Aide to Minority Caucus
Paul Perillie - Aide to Majority Caucus
Dennis Brown - County Attorney's Office
Catherine Stark - Aide to Legislator Schneiderman
Justin Littell - Aide to Legislator D'Amaro
Eric Kopp - County Executive's Office
Dot Kerrigan - AME
All Other Interested Parties

Minutes Taken By:

Donna Catalano - Court Stenographer

(*THE MEETING WAS CALLED TO ORDER AT 10:04 A.M.*)

CHAIRMAN GREGORY:

Good morning, everyone. We are going to start with the Budget and Finance Public Hearing. We'll start with the Pledge of Allegiance led by Legislator Schneiderman.

SALUTATION

Okay. I'm tempted to have a moment of silence for the budget, but I guess we'll work through that. Jennifer Fazio, our first speaker.

MS. FAZIO:

Good morning. My name is Jennifer Fazio and I'm from BiasHELP. We are a very small agency right here in Hauppauge, although we serve all of Nassau and Suffolk County. We have a very small Operating Budget and an even smaller administrative budget of less than 10% administrative costs.

I'd like to share that since January of 2011, we have served a total of 3700 Suffolk County families and youth. We have reached 2200 youth in Suffolk County, and over 1500 adults and families in Suffolk County. So we really do a lot with a little. And by losing some of the money in our budget, we really are going to have a high impact on how it's going to affect our families that we serve. I'd like Loida Santos to talk about the families and the youth that we -- that we come in contact with and how we've really made a difference in their lives.

MS. SANTOS:

Good morning. Again, my name is Loida Santos, and I am the Program Coordinator for BiasHELP. The fact that we are going to probably lose our funding is going to reduce the educational programs that we provide the youth on Long Island, especially the schools and all parents.

One of the things that we also will be limited to is the amount of programs that we're going to provide the schools on Long Island as well as the organization and communities. We also serve the alternative settings that we do have on Long Island. Right now, we are serving we have a program called Family Voices that consists of families with children from two years old all the way up to Middle School. And we serve them by providing them educational programs on topics that they have chosen that are going to be affecting their lives. We also provide them with a traditional meal every other week, and we do this consistently. And if our funding is cut, we are not going to be able to provide these families with the services that they expect.

The other thing is that our programs right now will be limited. So any school calling us up and requesting for a program, we're going to have to pick and choose who we provide the program to, because we don't have the funding to do that. The other thing that we're not going to be able to do is to be able to service the people that call us through our hotline. Our hotline is one of our lifelines, and a lot of people do call. Parents call in, "How do we deal with the bullying and the cyber-bullying that's taking place?" We do know that there's been, you know, a lot of cases right now on Long Island that young people have committed suicide because of cyber-bullying and also the fact that a lot of parents don't know how to deal with it, a lot of our kids don't know how to deal with it.

So we are now covering many issues not only for the bully, the victim, as well as the bystanders. Parents need to know information, where to go. And when they call us, we're not going to be able to do that, we're not going to be able to answer our phone. So we hope that you take into

consideration that right now, between January -- you know, like, Jennifer said, from January to August, we have served over 3700 individual, and we still have a few more months to go within the year. So I would hope that you reconsider reducing our budget. Thank you.

CHAIRMAN GREGORY:

Okay. Thank you. Loida Santos. Oh, I'm sorry. Vito, Vito Minei.

MR. MINEI:

Good morning, Legislator Gregory and Members of the Committee. I am Vito Minei, I'm Executive Director of Cornell Cooperative Extension of Suffolk County. I'm here this morning to discuss the 2012 Operating Budget as it pertains to Cooperative Extension. At the outset, I want to state emphatically that we at Cooperative Extension completely understand the desperate state of the economy, and we also fully recognize the extremely difficult decisions that the Legislature has to make and the substantial reductions. All we are asking is that Cooperative Extension be treated equitably in the context of other major contract agencies in the County.

Marge is handing out a one-sheet overview that e-mailed to you on Friday. I believe this material clearly demonstrates that the County Executive's recommended budget for 2012 does not put forward a recommended budget for Cooperative Extension that is consistent with other major contract agencies. If we can go through this material, at the end, I'm going to conclude with some straightforward requests that I believe will help you meet your obligation of balancing the budget and also restore parity to this issue of how to deal with contract agencies. So if we can proceed to the one-page overview.

In Roman Numeral I, in accordance with the requirements for the county, we, at Cooperative Extension, among the other contract agencies, have to submit our proposed budget in April. As you can see, there under Roman Numeral I, under the court programs, Budget Code 8750, we did just that. We presented a budget for our six programs of \$2.876 million. If you see the note right below that table, you'll see that this funding is equal to the 2010 request we made as well as 2011. Please recall that this budget is equal to 2011 only by the efforts and support of this Legislature.

The County Executive's recommended budget for Cooperative Extension in 2011 totally defunded two of our programs; Family Health and Wellness at about 188,000 and 4-H Youth Development at 84,000. So this time last year, we were discussing the restoration of \$270,000 to our budget. And thanks to the support and the recognition of this body for the programs at Cooperative Extension and the work of your staff -- and I really appreciate their efforts -- that money was restored. Right below that, I present the Diabetes Prevention Budget. Please recall again last spring, the deliberations regarding the connection between the Diabetes Program that Cooperative Extension carries out and also the connection and linkage to the HIV funding of millions of dollars. And on that basis, you restored the diabetes. I also have the Program 477, Integrated Pest Management. I'll be discussing that in detail.

Moving down to Roman Numeral II, in April of this year, the County Executive issued a direction, an All Departments Head Directive, that tells the department heads to remove 5% from 2011 Budget for the requested budgets for each and every contract agency that comes before the County, and there are over 400 that are in the back portion of your budget, about \$100 million worth of contract agency funding.

We are a contract agency that's processed by the Health Department. And you can see under Roman Numeral II that the Health Department was in full conformance with that directive. They removed 5% from our submitted budget, about \$133,000 according to that note. Also, to the Diabetes Program, they removed 5%. Again, in strict adherence to that directive. They left the 477 Program because it's dedicated funds as proposed by us.

Now, in June of this year, there were public hearings before the County Exec's Budget staff to make presentations. We had our public hearing for about an hour on June 23rd. And I concluded that presentation with an explicit request to the County Exec's Operating Budget people, and that was not to have to go through this effort and anxiety of removing the two programs, defunding them, and then having them restored by the Legislature. What I asked was whatever was cut from other agencies that we be treated in an equivalent fashion. That is not the case. If you get to the September recommended budget by the County Executive --

CHAIRMAN GREGORY:

Can I have you wrap up? Your five minutes are up.

MR. MINEI:

One minute. Thank you, sir. In the recommended budget, again, totally defunded two of our programs. And that equates -- if you see the note below that -- 14% reduction to us. Also, you will see that it reduced the Diabetes Program by 24% and also reduced the 477 Program. When you compare this to other major contract agencies, none of them were reduced more than 20%. Only CCE was reduced 14%. And no other program of comparable size in the adopted budget had zero funding. Our request, in conclusion, Legislator, is to please reinstate the Family Health and Wellness and 4-H Program. And also -- whatever the cuts are -- we follow with concern you're finding that there's a big hole in the budget, that whatever cut you think, percentage cut, that you have an equivalent cut to Cooperative Extension. The request is that you give us an opportunity to distribute those cuts. I thank you for your attention.

LEG. ROMAINE:

Mr. Chairman.

CHAIRMAN GREGORY:

Thank you. Yes, Legislator Romaine.

LEG. ROMAINE:

Very quick question. One, you want to be treated like all other non-for-profit agencies, which is about a 5% cut; is that correct?

MR. MINEI:

That's right. We could live with the 5%.

LEG. ROMAINE:

And two, you want the ability to take that 5% cut and figure out which of your programs to distribute that cut to.

MR. MINEI:

We'd appreciate that opportunity, and we can do that quickly for you.

LEG. ROMAINE:

All right. So it's not that you are asking for the same funding, it's not that you're asking for more funding, you understand the financial situation. And all you're saying is, "We are willing to take a 5% cut like every non-for-profit, just give us that cut, and then let us distribute it amongst our programs;" is that correct?

MR. MINEI:

I thank you for your discerning comments, but I'm saying even more. We're concerned about the \$120 million which you seemed to have found as a hole. All I am saying is if you decide that you

need more out of contract agencies -- again, there are over 400 contract agencies, and they provide about \$100 million for services -- if you come to the conclusion that you need additional money, say it's 6%, we are standing ready to work with you as always. For the last hundred years we've been providing service. We'd be willing to incur that. All we're asking for is equal treatment.

LEG. ROMAINE:

And the ability to determine how that 6% -- which programs get affected.

MR. MINEI:

Yes. That was the process that the Health Department followed earlier this year with the health cut. We were allocated \$300,000 of a cut in May, and the Health Department allowed us a day or two to distribute it amongst our programs. We ask for that same opportunity.

LEG. ROMAINE:

And again, I'll be very interested, because I know the Diabetes Program is a program the Health Department leverages to get many more dollars for themselves. By you running that Diabetes Program, they're capable of applying for a whole host of other grants.

MR. MINEI:

That the way we understand the situation, that -- as I recall, more than \$3 million in Ryan White Federal HIV Funds.

LEG. ROMAINE:

Thank you very much.

CHAIRMAN GREGORY:

Thank you. Legislator Schneiderman.

LEG. SCHNEIDERMAN:

Thank you, Vito. I think you're aware of the County's fiscal challenges ahead. If all things were equal going into next year, we'd be some \$200 million short of paying the bills if we do some serious reductions. Looking at your program -- you know, certainly there's value to everything that you do, I'm not questioning that, including the 4-H Program, Family Health and Wellness Program that were eliminated in funding.

What I'd like to -- I'd like to ask you some specific questions about the food production, the slaughter house facilities, because we're at a time when we are challenging a lot of what the County does. We're talking about closing health -- not health centers -- well, even health centers have been on the table -- but the John J. Foley Nursing home. The County is making some very difficult decisions. I'm not, you know, trying to go after the slaughterhouse per se, I just really want to understand why we're in that business and whether it makes sense to be in that business.

In the past it was we save money by producing meat to give to the prison, but when I did some back-of-the-envelope calculations, it looks like we're paying four times more. In other words, we'd save a tremendous amount of money if we bought the meat outside then trying to make it ourselves, because slaughterhouses today are basically like assembly-line slaughterhouses. We do one or two cows per week. I don't know how many employees we employ at the slaughterhouse, but when I was there, it looked like only one or two, and then there was a whole bunch of other people who were there from various oversight entities, like the USDA.

So if you could talk to me about that and whether you've done an analysis. If we were to get out of the slaughterhouse business, could we use that building for other functions, could it be revenue producing, have you looked at the cost of not just the salary but also utilities, etcetera of running

that operation, and is there any statutory requirement to have a slaughterhouse as part of the County's mission?

MR. MINEI:

Thank you, Jay. You just covered about 35 years of history. That was the arrangement back in 1974; the County said for Cooperative Extension to utilize the County Farm in Yaphank for 4-H Programs and other activities, they would have to take on the meat processing.

To get to your specific question, we provide a little over 300,000 pounds of meat per year to the Sheriff and to the inmates at both Riverhead and Yaphank. Of that, slightly more than half, we actually purchase. It's usually ground turkey and chicken and other meats. We slaughter pigs and cattle at the facility. And we have been doing a running evaluation of the relative cost of purchase versus raising and slaughtering. And our last figures that I saw was about eight dollars per pound to slaughter and process the meat versus around two to four dollars per pound to purchase.

What doesn't get factored into the straight math, though, Jay, is that those large animals are -- we're probably the only facility that provides the educational services to both the La Guardia School, the Vet tech School as well as the Community College. They come to the farm and also examine large animals there. We're the only facility that I'm aware of Long Island. So by totally eliminating that you would also eliminate the educational value, as well -- you've been there several times. You know that thousands of residents come to the County Farm, and they appreciate seeing the cattle, especially now that they're open grazing out on the grass.

LEG. SCHNEIDERMAN:

I appreciate that. They appreciate seeing the cattle live. I mean, they are not going and witnessing the slaughter operation. That's not something where the public goes through, so it's really not part of that educational component. I know prisoners are participating in the butchering process, whether that is a good thing or a bad thing in terms of training, I have no idea.

MR. MINEI:

It's a vocational training that they receive as well as other vocational training there at the farm. So, yes, the prisoners are --

LEG. SCHNEIDERMAN:

What I'm interested in is because let's say we shut the slaughterhouse. And you already said basically we are paying -- it could be as much as four times more for meat by doing it this way. If we were to close it, would that -- because I have a \$900,000 line in your budget related to that facility, would that provide ample funding for the 4-H and the Family Health and Wellness, because I'd rather see those programs going than, you know, providing some minor education to the colleges through this Vet Program that maybe they could get somewhere else. I don't know to what degree the taxpayer should be subsidizing that activity.

MR. MINEI:

Well, again, that's a decision additionally for you as a body to determine. I mean, we are providing at value over 300,000 pounds of meat. There's ground turkey and chicken. There's been dietary decisions on moving away from beef. What I say to you is that -- why I ask that we be able to distribute is that we would take funding from the meat production and still provide an equivalent amount of meat to the Sheriff and to the inmates. But, you know, for whatever reason, that budget seems to go untouched year after year by the County Executive. We are saying, in partial agreement with you, that funding could be taken from there and distributed so that we could restore 4-H and Family Health and Wellness. If we are still in the business of providing meat to the Sheriff, you couldn't totally eliminate that budget, obviously, but you could bring it down by a considerable amount.

LEG. SCHNEIDERMAN:

But the savings by buying the meat rather than producing the meat could be used to fund those other programs. That's significant. That's really what I'm getting at. Because it's hard for us to see -- you know, we all want to see these things funded; Family -- I think -- Family Health and Wellness and Youth Development, we just don't have any money. But perhaps if we were to instead of producing meat purchase meat, maybe we'd save a couple of hundred thousand dollars by doing that that we could use then to fund those programs.

MR. MINEI:

At some point, that is true, but I would rather at this point have you determine what percentage you want from all your contract agencies, let us go through that exercise. I pledge to you that we will take a considerable amount from the production. But rather than make this decision on the fly while you're hunkered down over this budget, I'd rather charge us to make a full evaluation of meat production, and then we can report to you during the year after we've gotten through this budget period.

LEG. SCHNEIDERMAN:

I'd actually like an expedited review. If you present to me literally within a week what the savings might be if you were to scale back the slaughterhouse, maybe not convert it to a rent-generating facility, which also would help us, but even if you were to scale it back, possibly eliminating the slaughter of pigs and cattle completely. I'm not saying eliminating the positions, maybe they can be used at the farm to do other things. I think there's only one person or two people that are involved there. What savings in dollars that would bring to the County, and that money, I certainly, would be willing to earmark that money -- earmark, that's a slaughterhouse reference, isn't it, they used to clip the ears, right?

MR. MINEI:

It's a term of art that you people use.

LEG. SCHNEIDERMAN:

Accidental connection. But I'd be willing to take that money and use it toward Cornell's other programs.

MR. MINEI:

Well, in the spirit in which you offer that directive, I will gladly ask the staff before I come back before you next Tuesday at the afternoon public session that we have another accounting of meat production. As long as we're talking in the context that you are wishing to redistribute it among the other programs, we're glad to go through that exercise.

LEG. SCHNEIDERMAN:

Absolutely. Can you also check -- I just want to make sure there is no requirement -- I don't know how we ended up with this farm, but I imagine it was land that may have been donated to the County. I just want to make sure that there is no requirement that we operate a slaughterhouse facility there. So if you could just double check on that as well.

MR. MINEI:

I will double check on that. I will tell you that it is a contractual requirement every year with our contract.

LEG. SCHNEIDERMAN:

Of course, but that's something that could be modified.

MR. MINEI:

I understand the question. We will follow through.

CHAIRMAN GREGORY:

Legislator D'Amaro.

LEG. D'AMARO:

Vito, hi. I'm just thinking, this is very helpful this paperwork that you submitted. The County -- section three, the County Executive 2012 Recommended budget from September 2011 gives you a total bottom line of 2,480,799. And I think what Legislator Schneiderman is thinking -- I'm not -- I don't know, you know, what the working group is doing with these individual lines, whether they're going up or cut ever further, but perhaps it might be helpful if you came in with that number and distributed it now. You know, I'm sure it would help the working group at least to see where your priorities are and how to reallocate that funding.

MR. MINEI:

Again, that does not address the total inequity; that's a 14% cut as compared -- in stark contrast with all the other major contract agencies that are receiving 5%.

LEG. D'AMARO:

Cuts are not decided based just upon a percentage, a number, you know?

MR. MINEI:

That's the way the recommended budget was presented to you.

LEG. D'AMARO:

Right. But what I'm saying to you is that at the end of the day when agencies are cut, it's not that if we cut one 5% then we have to hold everybody else to 5%.

MR. MINEI:

That with the recommended budget.

LEG. D'AMARO:

What I'm saying is that when we do a budget, we might cut one agency 15, we might cut another one zero. It depends on how we prioritize that.

MR. MINEI:

Here's my response to that Legislator D'Amaro, that with a 14% cut, no matter how we distribute it, we're talking about a loss of services to the County and certainly a loss of several jobs at Cooperative Extension.

LEG. D'AMARO:

I don't disagree with you at all, but what I'm suggesting is in my mind, 14% doesn't look all that bad based on what I'm hearing that -- the cuts that are coming. So what I would recommend that you do -- and I'm not saying you shouldn't advocate for less cuts, I understand that and we need to hear those arguments and that's helpful. But you might want take that bottom line of 2,480,799 and just let us know how you would distribute that if that ultimately turns out to be what the number is going to be.

MR. MINEI:

Whatever the cut is, again, I would appreciate a day or two -- whether you refer back to the Health Department in conformance with the County Executive's directive of 5% at 2.7 million, we'd still like an opportunity to redistribute that. So somewhere between the 5% and the 14%, I can give you

staged impacts --

LEG. D'AMARO:
Submit both then.

MR. MINEI:
I will do that.

LEG. D'AMARO:
Certainly by any means, we're not held to a 5% recommended by the County Executive. You know how the process works.

MR. MINEI:
That the request at the end, whatever cuts you decide upon here to meet your obligation, we're willing to work with you as long as there's parity restored to the process.

LEG. D'AMARO:
Right. I just don't want you to get caught behind the eight ball where there's a number decided and then you don't have enough time to distribute, because you know better where to put that money than we would.

MR. MINEI:
We've already started on that assignment, what 14% will do even in the redistributed format. I can tell you here and now that that will incur cuts in services and program as well as lost jobs.

LEG. SCHNEIDERMAN:
Last year when we did restore that 4-H money, a lot of it came from Omnibus adds. I know as a Legislator, I provided some money for the 4-H Program. The way things are going, I don't think we're going to have any money, zero. Zero is what we're going to have in those categories. So we're going to need to come up with another source of money. So I just ask you to just do a very fair assessment of that operation, that, you know, meat producing operation and see what kind of revenue we can generate that might be used to help restore some of those other programs.

MR. MINEI:
Both of your requests are fair, and I will have the staff do the homework and present it to you, if not before next weeks, Legislative hearing, certainly at that point.

CHAIRMAN GREGORY:
Okay. Thank you, Vito. Next speaker, Dr. Reynolds.

DR. REYNOLDS:
Good morning. I'm Jeff Reynolds, Executive Director of the Long Island Council on Alcoholism and Drug Dependence. I resist on the temptation of the slaughterhouse metaphor as it relates to the budget and specifically my organization.

We were included last year in the Omnibus for \$35,000. Of course, that money wasn't carried through in the County Executive's proposed budget. The program that's funding for us is called HOPE, it's the Heroin Outreach Prevention and Education Program. I've been here before and I know you guys have heard about the heroin crisis that continues to plague the people of Suffolk County. This money was put in last year specifically to address some of those gaps in treatment and services along the continuum, that as the crisis continued to deepen both as it relates to heroin and the misuse and diversion of prescription meds.

We identified several key gaps in the service infrastructure, and so we contracted with the County last year to provide 425 units of service. Total contract was for \$35,000. To date, we've delivered 865 units of service through the end of last month because the demand has been so significant. And specifically what the County is paying for is pretreatment groups for adolescents, that is groups for kids who are drug and alcohol involved who haven't yet progressed to heroin. They're in support groups as a means of trying to ratchet back their drug and alcohol use and keep them from progressing on to other drugs.

Family education, support groups for families of addicted kids who are struggling with the police showing up at their house trying to get their kids into treatment and trying to restore some order to their lives. What's screening, brief intervention referrals to treatments, that is assessments for young people who we believe are drug and alcohol involved, but we'd provide some screening assessment and then referrals out to formalize treatment for them.

And then finally, crisis calls, which, of course, have multiplied. As the awareness about heroin and prescription drugs has increased in the County, the demand for that service has increased. So again, 865 folks have relied on these services. I will tell you just kind of in the context -- and I heard the comments regarding Omnibus funding -- a couple of things that important to note. Our organization has been around for 56 years. Last year was the first time in our 56 year history we came to the County looking for funds. We did that specifically, and I came and stood before you and said, "Look, my waiting room is filled with people. I don't have ability to meet their needs."

When we don't meet their needs, you wind up building new jails out in Riverhead, the police wind up having a harder job to do, it costs us more in the long run. And day in and day out, I see the devastation that's happening to families. We've also begun to see the collateral damage in the community associated with addiction that goes unchecked. And in Suffolk County at this point, you know, folks crossing the road are being mowed down by drivers high on heroin, folks visiting a pharmacy are being shot. The additional problem continues to get worse here in this community.

So that was the first time I came before you and said, "Look, we could use some funds to deal with this problem." I think we've used the funds well. At a time when there's increased attention on where money is spent, I will tell you that none of those dollars are spent on administration at LICAD. Our overall administrative costs are less than 9%, but zero dollars of this contract goes for administration. Our office is here in Ronkonkoma or in Riverhead. And again, my guess is that we will more than triple the projected number of service delivery units by the time the year ends.

Having said all that, I certainly understand the fiscal crisis facing the County, and I don't want to pretend for a moment that this happens in a vacuum. I do want to say it's not a lot of money. It's going a long way towards dealing with some of the ongoing costs. And I'm never in a position to pin health issues against health issues, it's my belief that addiction ranks as one of our top public health problems facing this County. We're paying for it big way in terms of crime, in terms of family disorganization, in terms of costs to schools and everywhere else.

My hope as you move forward, if there is the ability to find some dollars to put back in the budget for LICAD that you'll opt to do that. So with that, I do want to just before I conclude, I'm here speaking on certainly the LICAD budget. As the Executive Director of LICAD, that's my job. It's real important, the program is real important to us. I don't want to ignore all the other cuts that are happening around us, because we don't exist in a vacuum. So the cuts to the County Health Centers, which I know Dick Koubek is going to talk about, the cuts to the other drug and alcohol agencies, it all has an impact. And in a sense, we've got a perfect storm here in that the needs of our community are greater than ever before, in part driven by the recession and some other dynamics and the available services. The cuts are coming from every angle. So I know you guys are aware of that. I just want to raise it as an issue and say, "Look, I'm here fighting for LICAD's

money back." Please, try to take a comprehensive look at the budget and understand that our clients don't use just one service, they use a multitude. I wish you luck in making what's going to be some very tough decisions.

LEG. SCHNEIDERMAN:

We will need it.

LEG. D'AMARO:

What was the amount in the proposed budget? I didn't catch the numbers if you said them.

DR. REYNOLDS:

Zero.

LEG. D'AMARO:

Zero. And where were you --

DR. REYNOLDS:

Omnibus funding of 35,000 that was put in last year. It represents the total grant of Suffolk County to LICAD. It was not included in the Executive's proposed budget.

LEG. D'AMARO:

Okay. Thank you. What line on that was that on? What is the use for the 35,000?

DR. REYNOLDS:

In the budget it's written as the Heroin Outreach Prevention and Education Program, and it's the services that I enumerated.

LEG. D'AMARO:

And you received that funding for this year.

DR. REYNOLDS:

Yes, for 2010.

LEG. D'AMARO:

Right. And how was it utilized?

DR. REYNOLDS:

We are three-quarters of the way through the contract --

LEG. D'AMARO:

2011 is when you received it, this year.

DR. REYNOLDS:

Yes, this year. So we're three-quarters of the way through the contract, our contract of deliverables for 425 units of service, the support groups --

LEG. D'AMARO:

Right. So you're putting in for reimbursement against that line, what are you reimbursing, what service?

DR. REYNOLDS:

Support groups for families impacted by addiction, individual sessions for kids who are drug and

alcohol involved, crisis intervention for kids who are contemplating treatment and experiencing --

LEG. D'AMARO:

So that's going towards salaries?

DR. REYNOLDS:

It funds one part of one social worker. It's \$35,000. It funds the social worker who delivers those services who's based here in Ronkonkoma.

LEG. D'AMARO:

Have you received funding before 2011?

DR. REYNOLDS:

No.

LEG. D'AMARO:

No. Okay. All right. Thank you. Thank you, Dr. Reynolds. Joanne Sanders.

MS. SANDERS:

Good morning. I'm sorry, I'm a little slow. I'm still recuperating from spinal surgery. Thank you very much for giving us the opportunity this morning. I think most of you know who we are and what we do. We have been providing services to victims of domestic violence since 1976. We come to you today, as we have in the past, to ask for your help. We have been suffering severe cuts over the past few years. We realize there's obviously a very big issue with the budget.

However, we feel obligated to let you know that we're -- one of most important services -- although you can't really say which is more important than another -- but one of the most progressive services is our Precinct Advocacy Program. Our precinct advocates are stationed in all seven of the Police Precincts, Suffolk County Police Department, and they provide crisis intervention. And they act as a liaison between the police and the victim.

If you -- I just handed out information for you. If you look at the amounts of the contract, in 2006, we were at 727,000, and over the years, it has been reduced now to 625,000. That contract is what we call our core contract. It pays for counseling, education and the Precinct Advocacy Program, most of it is the precincts advocates. It is really vital that this program stays in place. It took us years to build it. We have an incredible relationship with the police officers. They tell us, "We want more advocate, we need more advocates," because we are there when it's very difficult for police officers to try to do social work. We don't act as a police officer, we leave that up to them. But we can help the victim just by being there and offering her support, and then we follow up with that as far as in court to help them get Orders of Protection. Today with me, is our director of the program, and I just want her to say a few words about what's been going on recently.

MS. LINSALATA:

Hello. My name is Wendy Linsalata, I'm the Director of the Advocacy Program for the Coalition. Our precinct advocacy programs are crucial to the safety of the members of our community in Suffolk County not only for them, but for their children as well. As JoAnne already mentioned, after the police officers handle their aspect of the situation, they take reports, they make arrests, the precinct advocate steps in and speaks with the victim about safety planning, helps them access safe shelter if they're not safe to go home, follows through with them to help them in court to obtain court Orders of Protection. We act as a liaison between the victim and police officers to help get panic alarms installed in their homes.

Last year in 2010, the precinct advocates provided over 3500 units of service in all of the Suffolk

County precincts. Without the advocate in the precinct, victims are going to be left kind of in a bad situation once the police are done, because they're not going to know where to go from there. And a lot of times until they speak with an advocate, they're not aware that there's a strong possibility that come morning after arraignment, the perpetrators is going to home. They're not aware that they should have gone to court to request Order of Protection which leads to a very dangerous situation when the perpetrator is released from court. So that's just an example of how the precinct advocates help victims learn what's available to them and keep them safe.

MS. SANDERS:

We also work very closely with the Domestic Violence Unit of the Police Department going out to the homes of victims to try to help them try to make a decision on whether or not they want to pursue a case, because it's very hard for the prosecutor to prosecute these cases. So all around, it really is -- I think it saves lives this program. So we would appreciate your support, because this is going to eliminate at least two precincts -- two precinct advocates this budget.

CHAIRMAN GREGORY:

It sounds like the Precinct Advocacy Program is very much of a lifeline to those victims when they're going through obviously a terrible, not knowledgeable about the system, may not have the whereabouts to process mentally the different steps and things that they have to do, which is complicated given when you have all your wits about you. And this advocate helps guide them through the process; bringing them to the courts, the necessary, you know, restraining orders, which is particularly important when you're dealing with victims that have young children to ensure that, you know, the whole family is in a safe place. So what precincts -- you said that there are two advocates in particular that you think that this -- or two advocates that would be affected by this?

MS. SANDERS:

At least two, because we had the cut last year also where we're trying to make up for that. So it's hard to say which precinct will go and which won't, because we've been discussing it. The precincts that has the lowest reports of incidents happens to be the Seventh Precinct. We don't think it's because there's not domestic violence going on in the Seventh Precinct. We're trying to do more outreach in that area, and -- because a lot of victims come in on their own, they may not even hook up with the Police, but they know there's an advocate. So they will call or walk in, we have a lot of walk-ins.

So we really have to do like a floating situation where we have advocates float from one precinct to another this way we have a presence in all seven. Is that the answer to this? Absolutely not, because they -- if we had walk-ins at, let's say, Sixth Precinct, there's not going to be anybody there for them if that person is at the Seventh. So I really would -- we're trying to work out what's the best answer if this cut, in fact, does happen to us.

CHAIRMAN GREGORY:

Legislator D'Amaro has a question.

LEG. D'AMARO:

Good morning. First, let me start off by saying thank you for all the work that you do. It's a great organization. You're helping a lot of people. And I agree with you, it's a public safety issue. I want to ask you, what is your total budget?

MS. SANDERS:

Our total budget is just a little under two million.

LEG. D'AMARO:

Just under two million? And you are saying that this \$102,000 cut that's proposed by the County

Executive's budget would result in the elimination of two positions in the precincts.

MS. SANDERS:

Yes, at least.

LEG. D'AMARO:

How do you decide how to have that cut impact? Why the precincts -- why not spread it out over the other programs? You know, what's the reasoning behind that?

MS. SANDERS:

Because the other programs have already been cut pretty dramatically. We have counseling, for instance, that's in this contract, and we have children on waiting lists to get into counseling, which is -- when I think about that, I get pretty outraged, because you have children who are witnesses to domestic violence, but they have to be on a waiting list before they can see a counselor.

And the other agencies are suffering also. So we refer, but everybody's got a waiting list. We have an educational program, all we have left is one educator. So that one educator is the only person going out into the schools to do some sort of -- so everything has already been dramatically cut.

LEG. D'AMARO:

You've been trying to preserve this part of the program in tact as best you can given the financial difficulties, but now it's pretty much the writing on the wall if this cut goes through, you really don't have room in all these other services that you provide to cut; you feel that you've cut them done as far as you can.

MS. SANDERS:

Yes, because minus a little under two million, over 500,000 of that is just the shelter itself, which is paid through a fee-for-services. We're State licensed, and that's 100% Federal money, the shelter. And then we have a couple of other contracts with the State and the County. This particular contract, by the way, in 2010, was reimbursed. Fifty-five percent of that Federal money. So there's Federal funds coming in. So this cut also brings less Federal dollars to the county.

LEG. D'AMARO:

Have you seen similar cuts from the federal sources and the State sources proposed in effect for next year?

MS. SANDERS:

We haven't had any direct Federal funding right now. We did with the stimulus funding, but that just ended. That's what saved us last year, we had some stimulus money in 2010.

LEG. D'AMARO:

How about on the State level?

MS. SANDERS:

On the State level, no. They are small contracts, and we haven't suffered other cuts fortunately.

LEG. D'AMARO:

Thank you.

MS. SANDERS:

Thank you.

CHAIRMAN GREGORY:

Thank you. Ruth Delcol.

MS. DELCOL:

Good morning, everyone. My name is Ruth Delcol, I'm the Director of Development for Federation of Organization. I am here today to bring to your attention that last year the Foster Grandparent Program was cut 44% by this Legislature amounting to \$78,000. This was a horrific cut. And this year, we are asked to sustain the program as last year's underfunded level. I implore you to please reconsider this action and restore our funding to the original 2011 Budget 178,000.

Over 160 foster grandparent volunteers who are all in the low income bracket to begin with have stepped forward even though they have very little themselves. And they give back to the community because they believe in our future. This is not a program of milk and cookies. These older Suffolk County citizens change lives by assisting children in over 45 elementary schools, daycare centers and Head Starts throughout Suffolk County. Our seniors take their volunteerism very seriously, because they know that they have the ability to help a child who is at risk to succeed.

They are a devoted group and have proven themselves to be reliable, consistent and accomplished. I may add right here that they have -- their absenteeism is like nil; they are there. The teachers in the schools compliment us constantly. They are so, so dedicated. In the past years, we have instituted the foster grandparent volunteers working one-on-one with ESL students. And the success rate has been 98% improvement in the classroom.

We are working with the Sheriff's Office on his bullying campaign, the MacRuff Program. Sixteen of our volunteers are being trained on presenting bullying and will be going into the classrooms with the Sheriff to teach children about how to prevent bullying.

I have an outcome story I would like to share. Grandma Dorothy volunteered as a foster grandparent for over 17 years. She mentored a young girl named Jessica. Jessica had no interest in school and was considered a child who was at risk of not succeeding. With lack of support at home, Jessica was destined to fail. In 1991, she Grandma Dorothy. Grandma Dorothy helped her and got her interested in learning and succeeding.

Their friendship grew and they kept in touch over the years. Jessica discussed all her major decisions with Dorothy. She later went on to join the military service and graduated from Smith College with a BA in Biochemistry and then on to the University of South Carolina for her PhD in chemistry. Jessica is one of many stories of the program. And many of our volunteers become lifelong mentors.

The Foster Grandparent Program has been in effect for over 34 years and has touched many lives; seniors, children, teachers, families. Collectively, volunteers serve over 2100 children each school year. As we all know, there have been many cuts to the schools. The Foster Grandparent Program is the most economic and beneficial program available to the children of Suffolk County. The program works on a very tight budget to begin with, so I ask you once again to reconsider this year's budget.

CHAIRMAN GREGORY:

Thank you. Just a question. The amount that you want, you said 2011 levels, did you mean 2010? In 2011, you were cut 44%.

MS. DELCOL:

In 2010, we were \$78,000 out of the budget.

CHAIRMAN GREGORY:

And that brought your funding to what level?

MS. DELCOL:

That would be 178,000.

CHAIRMAN GREGORY:

That was for 2011?

MS. DELCOL:

Yes. That's coming up this year, but we were asked to maintain the 100,000.

CHAIRMAN GREGORY:

Okay. Gottcha. Thank you.

MS. DELCOL:

Thank you.

CHAIRMAN GREGORY:

Richard Meyer.

MR. MEYER:

Thank you very much for the opportunity this morning. I'm here today representing the Suffolk County Association of Municipal employees. Our president, Ms. Cheryl Felice, has asked me to read a letter which you are all receiving copies of now into the public record, and I would like to do that.

"Dear Suffolk County Legislators, like you, AME is in the process of analyzing the proposed Suffolk County Budget for 2012. On behalf of our nearly 7000 active members, AME will make a full presentation of its analysis on Wednesday, October 19, 2011, at 2:00 p.m. I believe at your Labor Committee Budget Hearing."

"Until then and for the purposes of the budget hearings, AME would like to offer some observations. AME has already made major concessions. The loss of 2981 positions in total from January 1, 2004 through 2011, Suffolk County Executive Levy's entire tenure without a concurrent loss of responsibilities. In fact, AME members continue to do their jobs providing uninterrupted public service in spite of County Executive Levy's downsizing of his County workforce, a major injustice by the County Executive to every taxpayer of Suffolk County. AME members continue to do more with less as a tribute to every taxpayer of Suffolk County."

"There are three major considerations in determining fair and adequate compensation. One is the ability to pay, not the unwillingness as demonstrated in the TAN's perspective, that is the Tax Anticipation Notes, just issued on September 20, 2011. This has been adequately demonstrated in the recently issued bond ratings; Moody's Investment Service Aa2 with a stable outlook; Fitch rating, AA with a stable outlook; and Standard and Poor's rating AA, but assigned a negative outlook, which was due to the structural problem because of the constant one of one-shots as an alternative to sustainable recurring revenues; i.e., property taxes."

"Comparability of income, the TAN's Report also provided information reflective of substantial income in Suffolk County with optimal perspective for growth when compared with other New York counties. Next to New York City, Suffolk is the largest County in New York State. I'm sure that's not new to anyone here. Suffolk's population of 1.5 million ranks 22nd of all 3141 counties in the entire United States and a larger population of 11 states. The total personal income of Suffolk County residents in 2009 amounted to \$73.9 billion, that's with a "B."

Suffolk County's 2009 per capita personal income was \$48,691 ranking 6th highest out of the 62

counties in New York State and the top 4% out of all counties in the country. The 2009 median household income in Suffolk County was \$83,620 ranking Suffolk the 25th highest and the top one percent out of all counties in the nation and placing Suffolk 67% percent higher than the median household income in the United States.

Three, productivity. Amply demonstrated by Suffolk County Executive Levy's reduction in staff since 2004 without a decrease in responsibilities or programs. Every public service performed has a specific constituency, however, this important factor has been largely ignored by this administration. In May of 2011, both the Suffolk County Executive and the Suffolk County Legislature unanimously approved the 2009-2012 AME collective bargaining agreement based on its merits. Both parties knew of its wage obligations for 2011 and 2012. Keep in mind this agreement froze wages for two years and incurred a two week deferral. Demanding concessions now does not adhere to the correct process by which to conduct labor negotiations.

The New York State Taylor Law is quite explicit in the proper process that is fair to both labor and management. At present, the public employees have been unfairly singled out as the cause for the economic downturn. The true culprits, Wall Street greed and their marketing campaign against public unions have proven to be the major cause of the nations' poor economy. Mr. Levy has simply jumped on that bandwagon of blame.

Nothing gets accomplished by simply pointing fingers. We need to work on these budgets together. And who is better qualified with hands-on knowledge, experience and information than the County workers themselves. In the eight years since Mr. Levy took office, the workers have been left out of the County budgeting process. The workers are not asked for their valuable input, and yet, it is the same workforce that is continually threatened with layoffs and asked to do more with less.

Unfortunately, politicians across the country have also seized on this marketing strategy to increase their own political ratings. Don't buy into this approach. It will not solve the budget's structural fiscal problems and only demeans the workers and the process of honest government. Very simply put, when you continue to have more bills to pay with less income, your budget is doomed to fail. You must fix your budgeting method before you will see a balanced budget. You must have adequate income in order to pay all of your outgoing bills.

The budget needs a balanced approach. County employees continue to make budgetary contributions. Even the County Executive in his State of the County address stated that the health insurance costs have been reduced by over \$200 million over the last seven years through negotiations with union officials. Why negotiations? Because it works for everyone.

While AME members, our county workers, have contributed each and every year, the property tax levy for county services has actually decreased. Where are the profiles in courage among our County-wide elected officials? Now is the time to do the right thing and not take the short-term solution. We need a balanced budget and a balanced approach. Thus far, we have had neither. Cap the tax because you have to raise the revenues.

AME has advised the Legislators for eight years since the budget had problems which could have been resolved. The County Executive could have called an emergency meeting to rescue the taxpayers from problems of his own doing. However, by not resolving these problems, we are now faced with the situation that he claims requires union givebacks. Again, AME members, like all County, employees, are having demands thrust upon them to more and more while the public continues to receive their services by paying less and less.

In this budget cycle, we ask you to remember that it was AME members and our fellow County employees who have contributed the most to Levy's inadequate budgets with the fix each year.

And as Deputy Presiding Officer Vivian Vilorio-Fisher described a year ago, these fixes would have cost, quote, nothing more than a cup of coffee. Our AME members did and do their part in maintaining the public safety and health, keeping the highways clear from snow, getting our children to school safely, providing health and social services and answering emergency calls. They are assets to be developed, not costs to be cut. Thank you.

CHAIRMAN GREGORY:

Thank you very much. Claretha Smith.

MS. SMITH:

Good morning. I am a neophyte to this room, but it's a pleasure to be here today. I am a recent retiree from the Northport VA Hospital as a registered nurse and nurse practitioner. I'm here today because my primary concern is minority health services. The programs that were created since December of 2005. And it is an integral part of service that are provided to our minorities in Suffolk County.

So I know while I have seen that the budget has been recommended in the budget for the year, I am concerned that it remains in its existing state. And what I mean by that, sometimes when we begin to cut budgets, we sort of begin to merge programs with other programs. And as an African American nurse, I am concerned that that program stays in its existing state and not change to something else. So that's why I am before you today. Not necessarily to speak of the budget itself, but the concern that it would be the same as it was when it was implemented in December of 2005. That's all I have to say, that's my primary concern.

CHAIRMAN GREGORY:

Great. Thank you. I have very similar concerns. Thank you for coming out today and expressing them. As you stated, the Office of Minority Health is not slated -- it wasn't slated to be cut in the recommended budget, but with negotiations and talks, you never know, you never know what can happen.

MS. SMITH:

One of the things we have to remember and be very aware of is preventative care. And that's one of the programs, when Minority Health go out, that they try to provide that kind of services to our minorities in terms of their understanding heart disease, what is Diabetes, what is HIV/AIDS. And when we talk infant mortality, we want to make sure that the parents understand how if they take preventive care and they get cared for early on, a lot of the disease processes can be caught, cured, and they can stay healthy. So that's my concern as a registered nurse; that we look at this program and that we not merge it with another program, but keep it in its existing state. Thank you.

CHAIRMAN GREGORY:

Thank you. Terence Smith.

MR. SMITH:

Good morning, Legislator Gregory, Legislator D'Amaro, members of the Budget and Finance Committee. I'm here to speak a bit about the proposed 2012 County Executive's budget. As you know in 2011, health centers were earmarked for major cuts. Most of that has been resolved, and through a resolution that was passed by the County Legislature, there were equitable cuts implemented for all health centers.

In 2012, however, the Dolan Family Health Center, which serves County residents in the town of Huntington is zeroed out. I'd just like to read a couple of things into the record. When I was the administrator of the Shirley Health Center, the Health Commissioner gave a speech in this room, and that was in February of 1994. And she said, Huntington Township is without any Health

Department source of prenatal and obstetrical services for low-income pregnant women. Martin Luther King, Jr. Health Center in Wyandanch is the closest health center to the Huntington Station/Greenlawn area. However, the distance and lack of adequate transportation deter early and ongoing access to care.

Next week, the Dolan Family Health Center will be -- celebrate 16 years of being a Suffolk County contract agency and 16 years of serving the people of Huntington and Huntington Station. We will have delivered approximately 418,000 visits, approximately 100,000 of those will be to women who were in vulnerable situations, and approximately 140,000 will be to children.

This year, we spent an enormous amount of time attempting to reinstate a 50% cut of the Dolan Family Health Center's budget. We wrote some 36 -- almost 4000 different e-mails. We wrote to State people. We advocated on behalf of restoration of funding for all of the County's Health Centers. In probably August, this body passed a resolution requiring equitable distribution of revenues and equitable cuts.

The County Executive personally invited me to be with him when he hosted a delegation of New York State elected officials in his office, and I did attend. Later in August, \$10 million was freed up by New York State. However, the County Executive chose not to distributors any of that to the Dolan Family Health Center. I believe the County Executive was reminded by members of this group that there was a resolution requiring equitable distribution. And we ended up the year with approximately a \$246,000 cut our to budget.

The Dolan Family Health Center is about 1200 visits busier than we've ever been through August. Our Prenatal Program is very busy, and there is tremendous demand for services in northwest Suffolk. I'm hoping that for 2012, we are treated equitably with other health centers. I'm also hoping that 2012 will be a big year of change. I think that every year we tend to see the health centers held hostage for perhaps other agendas that are happening in the County. But I do not believe that withholding healthcare from indigent and uninsured folks is a way to balance the budget.

Next year, there will be probably 159 people from Huntington who will be 16 years of age and perhaps will start driving. The next year, there will be 250 people. These are all people whose mothers received prenatal care at the Dolan Family Health Center. I hope that in the few years after that, these folks will become employed somewhere in Suffolk County, and I hope that some day they will be Suffolk County taxpayers. I urge you to treat all health centers equitably.

We've tried to do our part. We raise as much -- through billing patients in revenue, we raise as much as 50% of the cost of running the Dolan Family Health Center. And we challenge everybody that has a health center to try to do the same. I know you have a difficult budgeting year ahead of you, and I thank you for always supporting the Dolan Family Health Center and all the other health centers. Thank you.

CHAIRMAN GREGORY:

Mr. Smith, thank you for coming here today. Although Legislator D'Amaro is -- you know, he is one of the Legislators that represent the area, your catchment area, as you, I think adequately stated, there was a time when those that you serve went to the MLK center in Wyandanch. And if the budget stays as is, that will be the case in the future. And I'm very concerned about that. For one, I think the residents that are being serviced by your center now are -- won't be adequately served. I know there are quiet talks, and it's not in the budget -- you know, this budget is scary enough what's in the budget. There are other things that aren't in the budget that even make more -- you know, raises a lot more questions; one of which is merging our health centers.

Someone approached me about merging Tri-Community and MLK. Now, with the loss of Dolan,

you'll have three communities that will have to be serviced by one center potentially, which I will fight every -- you know, all the strength in my body against. But if that were to come through, it's virtually impossible to service from Huntington all the way down to Amityville unless you -- you know, I don't see it happening. But I think there's a not so slow, not fast, but a steady decline of health services provided particularly for low income and poor people in this community. And it's unfortunate that you help advocate for restoration of cuts and turn around a few months later to have your center totally zeroed out. But so goes the terrain these days with certain people.

But I think you have the support, obviously, I believe, of I would say the majority of the Legislature. It's difficult to find the funding. I know Legislator D'Amaro is a strong advocate. I don't know. I don't know what to say we are going to try to do the best that we can. But I think it's important that people understand the full landscape that's potentially facing us with merging of health centers, with the loss of other health centers. You know, there's going to be a real decline in services. And the argument still holds true that those that we don't service in our health centers are going to go to the emergency rooms, and we're going to pay three to four times more for those same patients. So we have to come up with a solution somehow. So we will -- I'm sure we will be reaching out to you for your assistance in some way. And we appreciate you coming here today. Legislator D'Amaro.

LEG. D'AMARO:

Yes. Thank you. And I appreciate the Chair's comments and show of support as well. And it's not really just about Dolan, it's about delivery of health care, it's about priorities here in Suffolk County where we have a limited shrinking pool of resources, shrinking on a daily basis I might add, and yet, here we are having to prioritize where we're going to spend this ever shrinking pot of funding. I'm not going to take a lot of time here. I agree with you wholeheartedly, with the Chair, with you that the same arguments that we made a couple of months ago right here in this very chamber apply today; you know, whether we're talking about overcrowding of other health facilities, whether we're talking about the delivery of health services. You really can't zero one out and fund another and say to the person who just happens to live in a particular area that, "You are not getting access to health care, but you know what? A person that lives 10 miles down the road will." I don't know how you make arbitrary decisions like that.

I also want to go on the record as stating once again as we did a few months ago that the distinction that I keep hearing from the administration with respect to the holder of the operating certificate, the Dolan Center's operating certificate, I believe if I'm using the right terminology is held by Huntington Hospital, whereas there are other facilities that we fund that are County owned and operated or at least the certificate is County-owned. I think that's a distinction without a difference. The fact of the matter is that Dolan has been there for many, many years servicing a vulnerable population within this area of Suffolk County. Those health services are vital to not only helping people but in the long run saving money as well. And the fact that who owns the operating certificate in my mind is completely irrelevant, completely irrelevant to delivery of health care services. The fact is that Dolan Center is a de facto County Center, and I appreciate the fact that the Chair and many of my colleagues will approach it in that matter when we go into the budget. So that's not a question, it's a statement. But I do agree with you. And again, Mr. Chairman, I thank you for your remarks.

CHAIRMAN GREGORY:

All right. Thank you.

MR. SMITH:

Thank you very much for your comments.

CHAIRMAN GREGORY:

Thank you. Dr. Koubek.

DR. KOUBEK:

Good morning. My name is Richard Koubek. I'm Chair of the Welfare to Work Commission of this Legislature, and we are charged with providing you, the Legislature, with recommendation on policies related to people on welfare and people in danger of becoming welfare recipients, the working poor.

And so with them in mind, we're very concerned about the proposed cuts in the health centers. These centers are our lifeline for working poor people. And as the Chair just mentioned, they save the County a significant amount of money, in that if you go to the emergency room, the typical cost is \$900. If you go to a health center, the typical cost is \$250 for a visit. We applauded the \$10 million reduction in the clawback that we referenced this morning that the State pulled back. And we agreed with the County Executive when he told Newsday at the time that there is -- this is his quote, "There is still pain, but we avoid Armageddon." So we were shocked, as a Commission, when less than a month later having saved ten million from State cuts, the County Executive suggested 10 million in cuts over 2011 budget.

This is on top of the five percent State cuts to the centers and on top of the 8% typical cut that came from the clawback. In May of 2011, Craig Freas from your BRO spoke to the Commission, and he told us that anything more than a 10% cut is untenable. Yet, the County Executive's Budget, as you just heard, is zeroing out Dolan and is typically cutting the centers 22% over the 2011 budget. A couple of examples, you've heard about Dolan; Brentwood, down 20% -- I want to say these cuts are over what was requested, not what was spent this year -- 20% for Brentwood, 53% for Coram, 12% for Patchogue, 12% for MLK, and 12% for Riverhead, 21% for Tri-County. One clinic, Peconic, is getting no cut and one is getting a 7% cut, that's Islip. So the typical cut when you take out -- factor out Dolan and you factor our Coram is 12%. Again, the going number is 10%. Any higher than that, again, as we were told by Mr. Freas is untenable.

So we urge you not to go down that route. And I think, you know, that when people don't get health care, they become a problem to themselves, their families and to the community. Just think of the kids and the workers who are not going to for flu shots. Ironically, before I came here this morning -- I can afford it, but thank God I have good teeth, I don't have it, it's very expensive. This morning I got one of those cards from the dentist, "It's time for you to come in," and I tossed it. I said, what am I doing? I really need to go again. I can afford to. That's a typical reaction of people without health insurance, toss the card, toss the reminder, I'll do it another day. So let's not have that happen. I know you have a tough year. I'm happy to hear from the Chair and others that the health center requests are a priority. Please don't impose these cuts. Thank you.

CHAIRMAN GREGORY:

Thank you. Delores Thompson.

MS. THOMPSON:

I really hate holding this down, I want you to know that. I'll suffer through it. Good morning. Good morning to Legislator Gregory, Lou D'Amaro and all. You know, I woke up this morning, first of all, grateful that I woke up, but angry because I now have to stand before you again to talk about health care. Approximately 20 years ago, I had to stand before the Huntington Hospital Board and community boards to talk about the fact that we needed health care in Huntington because we did not have any. And now I stand before you talking about the fact that you're not only cutting now, but the proposals to eliminate the funding for the Dolan Family Health Center.

As I stood before you prior, because at a particular time, I was fighting, and I still am fighting for all health centers, because health care is something we all need. Now, the next time I stood before you -- rather than, you're closing Coram and you're closing Dolan Family Health Center. I don't

know what it is about Dolan or Huntington that no one feels that we need health care. But thanks to the Legislative body, you came and you stood up for us and did help us even when Mr. Levy received \$10 million. Again, he was going to provide funding across the board but not for Dolan. I'm getting a little worried about that. I know it's not personal, but it appears to be. So I question that action. I really do.

Dolan has reduced its staff, and they're still a doing a fantastic job by serving 9000 clients, over 30,000 doctor visits per year. Now, the outgoing Suffolk County Executive decided to eliminate Dolan again totally. I guess you can understand my suspicion. I know it's not political. I don't know what it is. But the time has come that we stop trying to cut funding for health care. I don't know when that's going to happen, but it's something that we all need, especially the underserved community who has a very difficult time paying even what it does pay with the cuts that you're trying to put across to all of our health centers and to eliminate services.

So again, I'm pleading and I'm asking that this become a priority. Mr. Smith had laid it all on the line. He's that person that really does a great time in trying to deal with the cuts that we have before us. We, at the advisory board and at the hospital board, realize that we have a community that is in dire need of services. So again, I plead with you, please, please make that a priority, because we need your help. Thank you so much.

CHAIRMAN GREGORY:

Thank you. Susan Odell-Pepe.

MS. ODELL-PEPE:

Thank you, Legislator Gregory, Members of the Committee, Joint Committee and Staff. My name is Susan Odell-Pepe, I'm an employee of Suffolk County Department of Health Services with 14 years of service. I'm here today to speak about the 2012 Recommended Suffolk County Operating Budget. As an employee on the lower end of the pay scale, I am a part of the daily operations of the County. I am the worker doing the data entry, assisting employees with work-related problems, corresponding in a daily basis with contracted agencies relating to services they provide, auditing vouchers before signing off on them and forwarding the vouchers to Audit and Control to continue the processing of payment.

Suffolk County has, over the years, established Early Retirement Incentive Programs to help reduce the Operating Budget and the recommending workforce would absorb the duties of the retirees eliminating the positions. I am puzzled when reviewing the 2010 adopted Operating Budget compared to the Recommended 2011 and the adopted 2011 Operating Budget. The decrease in the County positions wasn't as high of a number as I anticipated. Then when reviewing the 2012 recommended Operating Budget, which we see lower level positions being eliminated and higher paying positions being added. This raises questions of possible future review.

Layoffs are mentioned in the 2012 recommended Operating Budget, but questions arise from this potential action; the payout of the laid off employees, the increase in the unemployment contributions that will be required by Suffolk County to pay for the unemployment benefits. Some people may be able to retire before getting laid off depending on the time served as a County employee. These are questions that could defeat the saving factors of the layoffs. In addition, the potential layoffs may not have the impact that we are looking for to close the gap in the Operating Budget.

In the past years, Suffolk County employees have assisted with the reduction of the annual Suffolk County Operating Budget by reducing the cost of their health care plan, modifying the prescription drug program by using prescription mailing programs and opting to go with generic prescriptions reducing costs even more. The savings approximately, \$19 million per year. I'm going to continue

to audit the current proposed 2012 Operating Budget comparing it to 2010 and 2011 adopted budgets and submit suggestions to the Legislature on the October 11th, 2011 meeting. Thank you for the opportunity to speak this morning.

CHAIRMAN GREGORY:

Thank you. Mary McLaughlin.

MS. MCLAUGHLIN:

My name is Mary McLaughlin, and I'm speaking on behalf of the League of Women Voters of Suffolk County expressing our deep concern about the cuts in funding for our health care system in the budget for 2012. Leagues all over the country have studied health care needs in the United States, and we believe that a basic level of quality health care at an affordable cost should be available to all US residents.

A basic level of health care includes prevention of disease, health promotion and education and primary care, including prenatal and reproductive health, acute care, long-term care and mental health care. The league also believes that the ability of a patient to pay for services should not be a consideration in the allocation of health care resources. Therefore, the League of Women Voters of Suffolk County urges this Legislature to make amendments to the 2012 Operating Budget to ameliorate and lessen the drastic cuts now in the proposed budget that will severely impact a vulnerable population of low income, elderly and unemployed residents in our County. Thank you.

CHAIRMAN GREGORY:

Thank you. Sandy Thomas.

MS. THOMAS:

Good morning, Legislator Gregory and other Legislators. My name is Sandra Thomas and I am the President of the Concerned Taxpayers of Wheatley Heights Civic Association. I'm also a member of the African American Advisory Board for Suffolk County and a member of the Eastern Shore Chapter of the Links, Incorporated where I serve as the co-Chair of the Legislative Committee.

On each of these organizations, we have discussed the concerns that we have about the possibility -- even though we know it's in the budget -- the Office of Minority Health. Nearly 30% of all the County residents are from minority groups. These groups experience significant disparities in areas of heart disease, cancer mortality, infant mortality, asthma, diabetes and HIV/AIDS. We feel that these groups are being disenfranchised just by the cuts that are proposed all the health centers and the concerns that we have in terms of minority health. These groups need to have advocates and organizations in the County to give them information and to help them access health care.

It is unfortunate to me and to all of us that the people that seem to suffer the most are the people that are from minority groups and that when cuts are made, it is those people who are the least able to advocate for themselves that experience the most severe consequences to that. So we ask you to please consider not cutting anything from the Office of Minority Health and to also assist in continued funding and additional funding for all of our health centers. Thank you.

CHAIRMAN GREGORY:

Thank you, Sandy, for coming here today. You are my constituent, and I welcome your leadership and I thank you for your leadership. There is a climate there appears, you know, in this country today that if you look at the dialog in Congress that there's discussions about or the focus seems to be, you know, protecting tax cuts for millionaires and those that can afford to give more and cuts in Medicare or talks of cuts in Medicare and Social Security and Medicaid and all the programs that affect certainly our constituency groups.

And on the local level, as Dr. Koubek can speak certainly better than I, we see our numbers

increasing for people applying for public assistance, we see cuts to our health centers. All the things that impact our poor and our low-income families doesn't seem to be a priority, and -- which is, I think, the wrong way to go, particularly in this economic climate. The Office of Minority Health, I was approached about that. And I haven't spoken to you about that. You heard about it, so I'm sure it's out there, that that's one of the programs that they're looking or offices that they're looking to possibly do away with. And that particularly concerns me, because that's the only program that I'm aware of that the County does -- our health centers don't do it -- is outreach particularly to our young minority people.

There was a study, I believe, a year and a half ago in Chicago that showed that upwards of 30%, I believe, of our 18 to 24 year olds, particularly females have higher incidence of contracting STDs and HIV. And our Office of Minority Health, they go out and the talk to young people, they address that issue. You know, it's education and prevention. Our health centers don't do it. Without that service, our young people are going to have unconscionable health circumstances in the future. So important, I believe, that we sustain this office. It's one of the accomplishments that I applaud the County Executive and the administration for putting together. And I think it's something that should be kept in place. And thank you for coming out today and voicing your support for it.

MS. THOMAS:

Thank you.

CHAIRMAN GREGORY:

Okay. Our last speaker, last card, is Mary Finnin.

MS. FINNIN:

Good morning. Thank you for the opportunity to speak on the proposed budget. I'm here as a registered nurse and retired public health nurse, a taxpayer from the community and a senior citizen. This is a very sick budget with regard to public health services. Once again, there are no funding for the John J. Foley Skilled Nursing Facility, no funding for public health nursing home health programs, huge cuts on the County health centers.

One of the biggest cuts is at Coram, 53%. I see Tri-Community, 21; Brentwood and CI, my numbers are 27% when I looked at the budget; Riverhead, MLK, Patchogue and Shirley were 12%. We heard prior testimony that anything of other 10% is unsustainable. We've already sustained cuts in our health service programs across the board in the last year. And we've been here saying the same thing over and over to the Legislature. I know that you hear us, but we have a County Exec still in place that's putting out the budget, and once again, you know, pitting the public against the Legislature.

The staffs of the various health programs, core programs, have been cut. The staffs of diabetes, immunization, HIV, they've been curtailed because of the continuous reduction in staff. Some of it's been contracted out. You heard the man from Cornell, they contract out the service for nutrition education, then they cut that budget -- well, that got -- the diabetic program and all of our health centers. And it had the impact across the board.

Health services for women and the elderly are especially targeted, both nationally and locally. The County Exec also plans to privatize the jail medical services, but doesn't show how this is cost effective or the possible security problems in that. Does the State pay for this? I think not. They're going to argue it's a mandate, but the State I doubt will be paying for it. The County Exec plans to hire 150 new positions for the jail while he's cutting health services to the residents who are the working poor and the uninsured.

Everyone is campaigning on the needs for jobs, jobs, jobs. Yet, we see health care cuts and layoffs

that will add to the number of unemployed without health care. This is a time when the public health services should be expanded. Where is the plan for health care in Suffolk County? What are the priorities for funding essential programs? What input do you have from health professionals that provide the services in this County? If an FOHC look-alike is a viable option, then the Legislature, if they approve these cuts, will be approving a slash and burn and killing any ability for an FOHC look-alike, and ruining a plan for any financial viability in the future. We need more money, not cuts in critical services.

Why not put in the 2% tax and funds all of the critical programs? It would cost each taxpayer -- and I have "blank," because I don't know how many cents or dollars that would cost. I would let you fill in the blank, but I would say, "Go for it." I know it's an election year, no one wants to talk taxes, but if we continue with these kinds of cuts, we're going to have bigger problems in terms of health care and other emergencies in Suffolk County. Thank you.

APPLAUSE

LEG. ROMAINE:

Mr. Chairman.

CHAIRMAN GREGORY:

Thank you. Legislator Romaine.

LEG. ROMAINE:

Mary, how are you today?

MS. FINNIN:

Fine, thank you.

LEG. ROMAINE:

Just to put everything in perspective, the County has approximately a \$2.7 billion budget. It raises approximately \$51 million from property tax, from general property tax -- 49 -- let's say 50, we'll round it out. If we increase taxes by 2%, that would produce exactly one million more. In no way would that even begin to cover half of what the people here have already spoken about. One million dollars is what 2% produces. So even increasing property taxes by 2% would not the yield the type of revenue that is needed.

MS. FINNIN:

May I respond?

LEG. ROMAINE:

Absolutely. I just wanted you to be aware of that.

MS. FINNIN:

Okay. The last time I was here, I asked for \$5, and they said that would exceed the 2% cap. So today, I didn't know what that answer was, but I said then go for the 2% cap. If you don't put it in, that's revenue that you can't have to build on even for next year. No one wants a tax increase. But we're talking one or \$2, you know, per taxpayer. So we're not talking big dollars. So while 2% doesn't make up all the revenue you need, it begins to build a revenue source.

The FOHC is the Federal money. If they don't put in those applications in a timely manner, you lose, what, more than seven or 800 million? These are the kinds of things that have to be looked at and planned for, but you need to prioritize; you have to know what is your plan for health care. I mean it's willy-nilly now, you never know from day-to-day what we're going to have to tell people or how many people we have to turn away.

I agree with prior speakers, you shouldn't have to -- your ability to pay should not bar you from getting the health care you need. And we need to provide those services, and we can provide them, but we have to say that health care is a priority. Most of the people here today are telling you health care is a priority. So, you know, I hope that everyone takes that to heart. You know, put these recommendations where they need to be, and you know, start fresh and make your own recommendations for health care in Suffolk.

CHAIRMAN GREGORY:

Thank you. We don't have any more cards. Was there anyone in the audience that would like to speak? Please come forward. You have five minutes, Mr. Caplan.

MR. CAPLAN:

Thank you, Legislator Gregory. Mr. Romaine. I would like to mention, if I may, in regard to revenue increases, General Fund taxes are decreasing each year. Personally, I now \$90 a year in General Fund taxes, where last year, I paid \$117. It is about the smallest part of my 15-line item part of my tax bill. My library tax is now \$325 a year. Now, I understand that library tax is the sole way of them, you know, bringing in their income versus the sales tax for the County.

However, the fact remains that I pay \$325 a year in library tax, an increase of \$25 this year. And my Suffolk County General Fund taxes decreased \$27 to \$90 dollars a year. A \$40 -- I understand Mary's point about the 2%. A \$40 increase to each homeowner on Long Island bringing it on the average from the \$90 to 130 will bring in \$22 million to the County. Percentage wise that would be an increase of 40 to 50% reported by Newsday to all the homeowners that the County has increased taxes by 40% could have a major political fallout.

However, it's the responsibility of the reporting papers as well as the County Legislators to state clearly that despite that percentage, the County has lowered their General Fund taxes for years, and now is simply bringing in a \$40 annual, which is the true number to the homeowner, \$40 annually, or as Ms. Fisher stated, the typical cup of coffee a day, will bring \$22 million into this County's budget.

The other proposal is a sales tax increase. One-eighth percent sales tax increase equates to \$33 million to the County. A one-quarter percent sales tax increase equates to \$66 million. This political body can make the decision on the General Fund taxes my themselves. The sales tax increases obviously have to still go through Albany.

My point with Albany is that if they are telling us that we're cutting aid and you have to make due with now what you have, and for them to give any reason not to approve an increase in sales tax for the purposes of covering the very bills that you must pay is a decision that has to be made. And whether Nassau County gets involved with this or not -- again, you have to start looking at revenue sources. All I hear every meeting is how we -- you know, the cuts going on across the board, loss of services, health centers and whatnot. Just have a little political backbone, go out to the constituents and just clearly state, "This is the way we are going to raise our revenue," and stop whining about all this political fallout.

The school budgets are going up on average eight, 10% every year. The taxpayers are approving spending more money, whether it's on the school or the library. It goes out to vote, they're approving it, there's political fallout for any board member. But here it is the County who can do and make some changes, has to just put aside what's going to happen in November for any of you and just make this budget work a little bit for all of us. Thank you.

LEG. ROMAINE:

Quick question.

CHAIRMAN GREGORY:

Thank you. Legislator Romaine.

LEG. ROMAINE:

Mr. Caplan, I don't know if you supported Governor Cuomo. Obviously a number of people did. He was elected governor by a large majority. He proposed and the State Legislature enacted -- we're restricted to a 2% tax cap. So the 40% that you talked about could not happen in terms of property tax. We have a State Law that caps property taxes at 2% with some exceptions, but essentially, it could not increase by the number that you just recommended, sir.

MR. CAPLAN:

Thank you, Mr. Romaine. If indeed that can occur, and I would have to get more information on whether that is part of the 2%, that General fund increase would be part of that 2% cap.

CHAIRMAN GREGORY:

There is a 2% cap, but there is a mechanism where the cap can be pierced with a 60% vote.

LEG. SCHNEIDERMAN:

Sixty percent? Eleven Legislators.

MR. CAPLAN:

Thank you, Mr. Gregory. Thank you, gentlemen.

CHAIRMAN GREGORY:

All right. Thank you. That's it. We will adjourn the Public Hearing and go directly into the Budget Committee Meeting. Thank you, folks.

All right. We're going to start the Budget and Finance Committee Meeting. Mr. Kopp from the administration has a statement that he wants to make. We'll give you exactly three seconds.

MR. KOPP:

For seven years, County Executive Levy has balanced the budget and frozen General Fund property taxes. Each and every budget the County Executive has presented was balanced and often included policy decisions that, while not always popular, were necessary to protect the taxpayer. The 2012 proposed Operating Budget is no different. It is balanced. There is no speculative revenue, and it relies upon Legislators supporting the difficult but necessary choices of the County Executive.

First and foremost, the proposed budget maintains the Tax Stabilization Fund at a reasonable level. The budget anticipates approval of IR 1828, which transfers 12 million dollars from the stabilization fund this year to meet the one-time unexpected costs associated with Hurricane Irene. The resolution clearly guarantees that the Federal and State aid received in 2012 for storm costs can only be used to replenish the Tax Stabilization Fund. And any unexpended money will be returned to the fund and that the fund will be made whole. This is a proper and prudent use of tax stabilization funds.

The County Executive is adamant against any further use of the Tax Stabilization Fund as is the subject of the Public Hearing next Tuesday, especially if it is to be used to fund recurring operating costs. And the Public Hearing is sending a dangerous message to the County's collective bargaining units that they do not need to negotiate on health care concessions because the stabilization fund will save their jobs. But make no mistake about it, if the Legislature depletes the stabilization fund, it will lead to an immediate downgrading of the County's historically high bond grading.

Statements from Legislators last week have called the proposed budget unbalanced with overstated revenues and underfunded expenditures. The County Executive's Office categorically disagrees with that assertion. History shows that the administration has been conservative and more accurate than most with the sales tax projections. The 2012 Budget projects sales tax growth of 3.95%. To say that a budget is \$30 million over in our projected growth means growth of an anemic 1%. Even Nassau County, which traditionally sees less retail sector growth than Suffolk is estimating 3.2% growth under a conservative financial review board.

In 2010, the Executive estimated sales tax growth of 5%. The Legislature reduced this projection to 4%, and the actual growth turned out to 6%. And in 2011, the Legislature added \$1.8 million to sales tax estimates which will not materialize. Some have said the budget overestimated revenue from the closure of the nursing home and the sale of assets by \$11 million. As only \$12 million net was estimated from the sale, it's hard to see how the County will get no more than one million dollars for a five-story building on 14 acres of A-1 residential zoned property not to mention the sale of the license, furniture and other physical assets.

The 2011 Budget is still reeling from the nearly \$20 million hole created by the Legislature during the process last year when it adopted a budget using the revenue from the closure of the facility and the sale of the asset to pay for new spending items and then join the lawsuit with private individuals to block the closure. Aside from the nursing home issue in the Health Department, the 2012 proposed budget projects \$10 million less in revenue than the 2011, yet there are some who say it overestimates health revenues by \$20 million.

Some have said tobacco settlement revenue is overestimated. The County is owed \$13.2 million in money held back for disputed payments from 2006 to 2011. The independent advisor from the Tobacco Asset Corporation said money from 2006 to 2009 will be released in 2012, approximately \$8.8 million. The budget uses a more conservative figure of \$7 million.

Some have said the 2012 budget overestimates Consumer Affairs revenue. This is the only department which is not subject to layoffs, and the budget adds two new positions to generate additional revenue. Year to date in 2011, there is a \$967,000 increase in revenue. Some have said the 2012 Budget is \$12 million short on salaries and \$4.5 million short in costs associated with layoffs. This is a budget potentially laying off more than 700 workers, and we disagree with the estimates. However, the more critical issue here is that every member of the Legislature should focus their efforts on encouraging the County's collective bargaining units to negotiate an employee contribution toward health care which will produce more than \$30 million in real recurring savings in 2012 and each and every year thereafter and avoid more than 450 of the budget's layoffs.

This is the toughest budget anyone has seen in recent memory. Money for employee concessions was not budgeted in a hope they would be negotiated into existence. Real layoffs are included unless real concessions are obtained. Revenue that is dependent on State Legislative approval was not included. The Legislature might not like some of the decisions in the budget, but not agreeing with the policy is not a reason to say the budget is unbalanced. We respect the right of the Legislature to change portions of the budget, but strongly urge that it not restore cuts simply by further tapping the Tax Stabilization Reserve Fund as the rating agencies have made it very clear that such action will result in an automatic downgrade.

I'd also like to call to the members' attention IR 1778, which transfers funds for the East Hampton Health Clinic and IR 1838, transferring funds to the Assigned Counsel Defender Fund. Both of these measures will place additional pressures on the 2011 Operating Budget by increasing spending. As always, I thank you for your time.

CHAIRMAN GREGORY:

Okay. I just want to make a statement. I find it offensive to be lectured by the Executive after being given this budget. We have had the opportunity to begin our process. We have actually requested from members from the Budget Office, the Director and the Deputy County Executive for Budget and Management to be here, which for various reasons have declined our request, and it's not the first time. Then I look at the budget captioned *Legacy of Tax Relief*, and -- which to me is a joke. I'm not talking to you, Eric, and I think you understand that.

I think what this administration and this Executive in particular has is a legacy of intimidation. Just ask any County employee who's been faced with layoffs unless they come up with concessions. I think this administration has a legacy of not cooperating with this branch of government. Just ask any member of this body or the full body if that is true or not. And a host of other things, one of which is not a legacy of tax relief. If that were true, if it was solely at his discretion and power, we wouldn't have sat through nearly an hour and a half of public hearings for a budget.

And I say that to state that we have a part, we have a stake in what happens in tax relief as well. And this body, this Legislative Body has been responsible when it comes to taxpayers. We've kept in mind the struggles and the concerns of the taxpayers of Suffolk County. The County Executive doesn't hold that to his own. We have been responsible, we haven't raised taxes in the General Fund, we haven't allowed a raise in the General fund since his tenure. We have raised the Police Department tax, I believe, once, and that was for a responsible spending for new recruits. So we are a responsible body as well. And this responsible body has preliminarily looked at this budget, and our analysis is that it's not a responsible balanced budget. Mr. Schneiderman.

LEG. SCHNEIDERMAN:

Eric, when you spoke, you raised a concern that our looking at the use of the Tax Stabilization money would lead to a downgrading in the County's credit rating. Recently, Standard and Poor's issues a negative outlook for the County, and they attributed that negative outlook on the County's heavy reliance on non-recurring revenue. So for the record, do you know how much non-recurring revenue in the millions is used in the County Executive's budget?

MR. KOPP:

I don't.

LEG. SCHNEIDERMAN:

BRO, do you know how much non-recurring revenue is used? And can we conservatively say it's over \$100 million?

MS. VIZZINI:

I'd have to get back to you on that.

CHAIRMAN GREGORY:

If I may just cut in. Particularly, what I find offensive is that when we request -- as we go through the budget process, we request members who help put the recommended budget together that are not -- do not make themselves available. So when we have legitimate questions like Mr. Schneiderman just asked, we don't get the deer-in-the-headlights look. No one is here to answer that question.

LEG. SCHNEIDERMAN:

So here we have a major financial institution, Standard and Poor's, giving us a negative outlook because we're using too much non-recurring revenue. We have easily 100 million or more of non-recurring revenues in this budget. We'll have that number at some point. And then we're going to have another year, 2012, when we prepare the budget for 2013 where we can't refill; we

have sold the land in Yaphank, we've maybe sold the nursing home, all kinds of other things that we can't do twice, and where are we again?

So, you know, you are criticizing us for possibly using tax stabilization reserves and how bad it might affect our credit rating, yet, the County Exec is doing exactly what the credit rating agencies say, "you're doing too much of already." That's my point. Thank you.

MR. KOPP:

If I just might, Mr. Chairman, for the benefit of the other committee members. When the request came in, Mr. Naughton had already a prescheduled family vacation. And Ms. Corso right now is out-of-state attending a funeral of her aunt.

CHAIRMAN GREGORY:

No comment.

LEG. ROMAINE:

Mr. Chairman, I have to say hopefully, at your October 11th meeting of the full Legislature, the Budget Director will appear and answer questions, the Deputy County Executive for Finance will appear and answer questions, and by far most importantly, the County's sales tax consultant will appear and answer questions about the projections.

I understand that today everyone has some reason for not being here, although, this is the Budget and Finance Committee and we're dealing with the most important document in government, because all issues of government are issues of spending of money and revenue. I would hope they could appear and answer a few questions. And possibly, as Chairman, or as our Presiding Officer, each Legislator could submit two or three specific questions and those questions could be e-mailed to the individuals I just mentioned so no one is blind-sided, and they can provide answers to these questions. Questions like, you know, you are urging us not to use the red light camera for the 500,000 that's going to be incurred for 18-B, but you would leave that bill unpaid, not accounted for in the 2012 Budget for the next Executive, for him or her to deal with.

That's an interesting -- I can go into a whole range of questions, as this Chairman really knows, about a whole host of things from terminal pay, terminal sick pay. If you're laying off all these people, hopefully you have budgeted sufficient terminal sick and vacation pay. I'd like to ask all these questions, and I'd like to go into a whole host of other questions. But I understand that our representatives are not here today, but hopefully they could show up on October 11th, or if not October 11th, any other day in October where any Legislator with questions to address them could show up. And in fairness, I'd like to be able to e-mail them some questions ahead of time so they would have the opportunity to do the research and properly answer them. My congratulations to Eric, that was done with a straight face. I appreciated that delivery. Thank you.

CHAIRMAN GREGORY:

Legislator Kennedy.

LEG. KENNEDY:

Yes. Likewise, I'd like to echo Legislator Romaine's congratulations to you, Eric. You delivered a message, and you're here to perform a function and do a job. But what I would encourage you to carry back to the County Executive is I wholeheartedly thank him for his cautioning of us, but I'll tell you as one Legislator who just had the opportunity to speak publically and who earlier had the chance to see the Medical Examiner's Office who Dr. Milewski is with us today, I promise you, I promise you -- and you can carry this back -- I'm never, ever, ever going to vote to layoff chemists that analyze narcotics so that drug dealers can be incarcerated, prosecuted and then locked up in jail. To me, that is the height of irresponsibility and abdication as my oath and job as a Legislator.

And I'll be damned if I'm going to use that as some message to any union. So that's just one of the many elements we've all had the opportunity to view in this short time we've had the budget. If that was in the mind of the County Executive, I wish you would have shared that with some of us earlier, because we could have conveyed that back. Thank you.

CHAIRMAN GREGORY:
Legislator Schneiderman.

LEG. SCHNEIDERMAN:
Real quickly. Eric, you also -- you talked about the County Executive's projections and how you believe they're correct. And look, we, as a body, we don't have to fix them. If we don't fix them, and we believe -- at least our advisers are telling us they're roughly \$100 million in over-anticipated revenue and under-anticipated expenses, that's significant. The next County Executive -- it won't be Steve Levy, we know that -- will have to deal with it if you're wrong.

But I just wanted to pick out that one that you mentioned, which was the 3.9% sales tax growth. And to me, that's rosy. I hope you are right. Boy, I hope you're right. I hope our economy grows at close to 4% next year. We can all use that. But I just wanted to know -- not from, but maybe from BRO -- if we have any of the sales tax data in, we had projected a number for this year, I'd like to see where we are in this year and where BRO is looking at -- what -- how they determine what sale tax might be for next year and whether they share an equally rosy projection.

MR. LIPP:
We are in the process of doing our forecasts as we speak. So we are a couple of days away from coming up with that number. The information that we provided for the working group associated with an estimate was basically preliminary. That being said, where we're at now is the budget for 2011 estimated 3.27% growth for 2011. And right now, we're at 2.32% growth year-to-date. The problem with even meeting 2.32% is that in the fourth quarter of last year, we had a very large positive adjustment, in other words, cash was much greater than vendor sales, number one. Number two, last year we didn't have the cap on the motor fuels portion of the sales tax, we do now. So we'll have somewhat less revenue because of that. And third, of course, the picture of the economy seems to be not so great moving forward. So the bigger problem I think is getting out of 2011.

LEG. SCHNEIDERMAN:
Right. In '11, this year, if we come in let's say 1% less, not as a percentage of the percent, but instead of getting let's say 3% we got 2%. What is that 1% amount to in dollars?

MR. LIPP:
About 11 million or so.

LEG. SCHNEIDERMAN:
Eleven million dollars. So a one or 2% shift is a -- monetarily is a huge shift in terms of how it affects the County.

MR. LIPP:
Right. The problem is the forecasting error of one percent is you should get a pat on the back for, but it's a large dollar number for the County budget. And the bigger issue is let's say for argument's sake that the shortfall in 2011 is ten million, which it will probably be worse than that compared to the '11 estimated budget. That's ten million less that we'll get with the base next year. So already we're -- even if the recommended 3.95% growth for '12 comes in, you're over \$20 million in the hole right there.

LEG. SCHNEIDERMAN:

So the County Executive in his budget is putting that 3.9% increase on a base that assumes that '11 comes in where they projected.

MR. LIPP:

Correct.

LEG. SCHNEIDERMAN:

And it right now looks like it's not going to come in where they projected.

MR. LIPP:

I just don't see if more than a few percent chance of that happening.

LEG. SCHNEIDERMAN:

Okay. And then 3.9 in terms of next year, whatever the base is, that is also- - that is too optimistic, right?

MR. LIPP:

At this point here, I'm going to punt and say give us a few more days. We're running forecasts. We have a reasonably sophisticated regression model.

CHAIRMAN GREGORY:

Before we go --

LEG. SCHNEIDERMAN:

Okay. Because I'm having trouble finding anybody else who is projecting that level of growth for next year. I hope it's true.

CHAIRMAN GREGORY:

BRO is going to make a ten minute budget presentation, so maybe we can hold off some of our questions until after that presentation. They may answer some of the concerns or questions that we may have. So thank you, Mr. Kopp.

MR. KOPP:

Thank you to you and members of the committee.

CHAIRMAN GREGORY:

Well done. We will do the agenda first, then we'll come back to BRO.

TABLED RESOLUTIONS

1397, Directing the Department of Public Works to develop and issue an RFP for the sale and lease back of the H. Lee Dennison Building. (Romaine)

LEG. ROMAINE:

Please withdraw that resolution.

1400, Mitigating an anticipated budget shortfall by authorizing the sale of Suffolk County tax liens. (Kennedy)

I make a motion to table.

LEG. SCHNEIDERMAN:

Second.

CHAIRMAN GREGORY:

Seconded by Legislator Schneiderman. All in favor? Opposed? Abstentions? **TABLED (Vote: 5-0-0-0)**

1401, Directing the County Executive to negotiate union concessions as a means of mitigating the budget shortfall. (Cooper)

I make a motion to table.

LEG. SCHNEIDERMAN:

Second.

CHAIRMAN GREGORY:

Seconded by Legislator Schneiderman. All in favor? Opposed? Abstentions? **TABLED (Vote: 5-0-0-0)**

1459, Instituting a lag payroll in Fiscal Year 2011 for employees within the Suffolk County Board of Elections in Bargaining Units 21 and 24 to address revenue shortfalls and avoid a reduction in the workforce of County personnel. (Cooper)

I make a motion to approve. Do I have a second?

LEG. D'AMARO:

I'll second.

CHAIRMAN GREGORY:

Seconded by Legislator D'Amaro.

LEG. D'AMARO:

This is limited to this year?

LEG. ROMAINE:

Yes, it's 2011, not 2012.

LEG. D'AMARO:

How does that work?

LEG. ROMAINE:

You don't have enough time to lag the payroll.

LEG. SCHNEIDERMAN:

Motion to table.

LEG. D'AMARO:

Could I ask a question on the motion?

CHAIRMAN GREGORY:

Yes.

LEG. D'AMARO:

Just to the Budget Office. If we were to pass this resolution, is there an opportunity this year to even consider a lag payroll for Board of Elections?

MS. VIZZINI:

Well, when we did the fiscal impact statement in May of 2011, there were 122 employees, and there's an estimated savings associated of \$258,000, which would be a savings in 2011 in interpreting this.

LEG. D'AMARO:

Is it similar to the lag that's been instituted in the past? Is it ten pay periods, one day, is that what is proposed?

MS. VIZZINI:

Yes. Conceptually the payment -- the expense will not incur this year, but when the employees leave, they will be paid at the prevailing earnings that they're earning then.

LEG. D'AMARO:

Right. And there's sufficient time to -- I'm asking on the fly here, but what would be the cut-off date to get this enacted? I mean, you'd need ten pay periods backing out from the last pay period of the year, I would assume.

MS. VIZZINI:

It depends on how you do this. Is it specific in terms of one day each pay period, or is it --

MR. NOLAN:

That's what the resolution says, one day for ten consecutive periods. The title says 2011, but none of the Resolved Clauses actually state that it has to all be in 2011.

LEG. D'AMARO:

Oh, so it could potentially carry over to next year as well.

LEG. KENNEDY:

Mr. Chair, although I'm not a member of the committee, can I just ask if I will, please. I'm sorry, I don't mean to interrupt, Legislator D'Amaro, are you finished?

LEG. D'AMARO:

Maybe.

LEG. KENNEDY:

I was just going to ask Counsel, it's my understanding that Board of Elections, similar to some of our other County agencies are, in essence, almost a quasi-State type of an operation and that, in fact, when we authorize a budget for them, in essence, what we're doing is almost like the Community College; we authorize a block of funding that's appropriated for the year. I'm wondering about our ability to even drive down in and direct that there would be this modification on the payroll.

MR. NOLAN:

I'm virtually certain that we've passed this type of resolution lag when we've done payrolls in the past; we've done a separate resolution for the BOE employees.

LEG. KENNEDY:

All right.

CHAIRMAN GREGORY:

Legislator D'Amaro.

LEG. D'AMARO:

The reason why I seconded this motion, you know, my approach to this budget is that we're going -- everything has to be on the table right now. And I am in no way -- let me preface remarks by saying I'm not in any way, shape or form saying that I would support lagging anyone's payroll at this point, but I think everything has to be in the mix. And I think the purpose this would serve is just to kind of show that we can lead by example, that, you know, if we are going to ask at some point other unions or organizations to have even the discussion with us, I think it would be somewhat more genuine if we in advance, you know, put ourselves on the line first. That's why I provided a second to the resolution. I know that there's a budget group, a working group working on all of this right now. I don't know what the outcome of that is going to be, and I'm certainly not in a position to say whether I'm for or against any particular policy initiative, but I think it doesn't hurt to lead by example in this case.

LEG. ROMAINE:

Mr. Chairman.

CHAIRMAN GREGORY:

Yes, Legislator Romaine.

LEG. ROMAINE:

I couldn't agree more, but you're supporting the wrong resolution.

LEG. D'AMARO:

No, I'm not. I understand that this is the next resolution coming up.

LEG. ROMAINE:

Right. That's the resolution. You want to lead by example, that lags the payroll of elected officials, okay.

LEG. D'AMARO:

I understand that.

LEG. ROMAINE:

I'm more in favor of 1460 than I am 1459, because they don't have a bargaining agent to represent them, and we would just impose this unilaterally without discussions. I'd rather do it on elected officials if we're going to lead by example.

LEG. D'AMARO:

Yeah. I think there's definitely merit to that, but again, I think if everything is going to be on the table, I think this would put it on the table for the Board of Elections as well.

CHAIRMAN GREGORY:

Legislator Schneiderman.

LEG. SCHNEIDERMAN:

I made a motion to table, but, I mean, I'm willing to withdraw that motion. I just feel that if we're going to do for one, the Board of Elections, we should probably do for other exempts and for ourselves, and it should be part of our 2012 Budget that this is -- not to pull one thing out, but it should be more comprehensive in our budget. So maybe the Board of Elections is willing to do this lag payroll starting this year, but I think that we all ought to move forward at the same time.

MS. VIZZINI:

If I may clarify in my response to Legislator D'Amaro's question. There's only six more payroll

periods left for the remainder of 2011 fiscal year. So technically, one day per ten day payroll period, it's not going to lend itself to the way the resolution is written. If you wanted to support a measure such as this, we might be talking about modifying the resolution. Whether you get the savings in 2011 or get the savings in 2012, I think the intent is that that savings be related to the amount commensurate with a lag payroll.

CHAIRMAN GREGORY:

On that, I will second Legislator Schneiderman's motion to table.

LEG. SCHNEIDERMAN:

I thought I withdrew my motion.

CHAIRMAN GREGORY:

I'll make a motion to table. Do I have a second?

LEG. MURATORE:

Second.

LEG. D'AMARO:

Just an inquiry then. The purpose being that just on the mere technical basis, the resolution as written could not be implemented.

CHAIRMAN GREGORY:

Right.

LEG. D'AMARO:

So I'll second the motion.

CHAIRMAN GREGORY:

We'll speak to the sponsor. He should make an amendment, and then hopefully at that point, we can move or review all the pieces of legislation at the same time.

LEG. D'AMARO:

Okay. That's fine.

CHAIRMAN GREGORY:

Okay. So we have a motion and a second. All in favor? Opposed? Abstentions? **TABLED.**
(Vote: 5-0-0-0)

1460, Authorizing a voluntary lag payroll for Elected Officials. (Cooper)

I make a motion to table.

LEG. D'AMARO:

I'll second.

CHAIRMAN GREGORY:

Seconded by Legislator D'Amaro.

LEG. D'AMARO:

Again, this is the same rationale as the prior resolution.

CHAIRMAN GREGORY:

Right. Right. Motion and a second. All in favor? Opposed? Abstentions? **TABLED. (Vote: 5-0-0-0)**

1775, Amending the 2011 Operating Budget to support the Portuguese American Center of Suffolk. (Muratore)

LEG. MURATORE:

Motion.

CHAIRMAN GREGORY:

Motion to approve by Legislator Muratore. I'll second it.

LEG. SCHNEIDERMAN:

On the motion.

CHAIRMAN GREGORY:

On the motion, is this omni?

MS. VIZZINI:

Yes, it is.

CHAIRMAN GREGORY:

All in favor? Opposed? Abstentions? **APPROVED (vote: 5-0-0-0)**

1777, Amending the 2011 Operating Budget to support Mount Sinai Heritage Trust. (Anker) /STP-PL.

I will make a motion to approve. Do I have a second?

LEG. D'AMARO:

Second.

CHAIRMAN GREGORY:

Seconded by Legislator D'Amaro.

LEG. SCHNEIDERMAN:

Again, on the record, this is omni?

MS. VIZZINI:

Correct.

CHAIRMAN GREGORY:

All those in favor? Opposed? Abstentions? **APPROVED (VOTE: 5-0-0-0)**

1778, Amending the 2011 Operating Budget and Transferring Funds to the Department of Public Works to provide rent for the East Hampton Health Clinic. (Schneiderman)

LEG. SCHNEIDERMAN:

I'll make a motion to approve.

CHAIRMAN GREGORY:

Motion to approve by Legislator Schneiderman. I will second the motion. All those in favor? Opposed? Hold on. This is \$11,000?

MS. VIZZINI:

It's 16,250. The offset is pay-go.

CHAIRMAN GREGORY:

All in favor? Opposed? Abstentions? **APPROVED (Vote: 5-0-0-0)**

1781, Apportioning Mortgage Tax by: County Treasurer. (Co. Exec.)

I will make a motion to table subject to call.

LEG. D'AMARO:

I'll second.

CHAIRMAN GREGORY:

Seconded by Legislator D'Amaro. All in favor? Opposed? Abstentions? **TABLED SUBJECT TO CALL (Vote: 5-0-0-0)**

1787, Amending the 2011 Operating Budget to transfer funds to the March of Dimes Perinatal Program at SUNY Stony Brook. (Nowick)

I make a motion to approve.

LEG. SCHNEIDERMAN:

Second.

CHAIRMAN GREGORY:

Seconded by Legislator Schneiderman.

LEG. SCHNEIDERMAN:

This is omni?

MS. VIZZINI:

Correct.

CHAIRMAN GREGORY:

Okay. All in favor? Opposed? Abstentions? **APPROVED (Vote: 5-0-0-0)**

1788, Amending the 2011 Operating Budget to support Parents for Megan's Law. (Eddington)

I make a motion to table.

LEG. D'AMARO:

Second.

CHAIRMAN GREGORY:

Seconded by Legislator D'Amaro.

LEG. SCHNEIDERMAN:

On the motion. Why are we tabling this? I don't understand. Is this an Omni Bill? Gail, this is

not Omni? Can somebody tell me the funding source? Is this pay-go? How much is it?

MS. VIZZINI:

I'm checking for you. My recollection is that they're not Omni monies. I will give you the offset in a minute. It uses pay-go.

CHAIRMAN GREGORY:

It's was my understanding that they were funds that were allocated for this program, but for whatever reason, they're not being released. They were part of the Executive's 10% discretionary funds or something like that, 5%.

MS. VIZZINI:

They're similar to the reduction related to the State budget for the health clinics, the State budget also reduced funding youth agencies. Therefore, the County Executive made certain midyear reductions to several youth agencies commensurate with that impact of the State budget in 2011. I believe that this -- this is in the Youth Bureau. I believe that that is why these funds are not being released.

CHAIRMAN GREGORY:

They haven't been spent, so this would be reallocating funds that were put in the budget that were subsequently put aside, if you will, in an attempt to reallocate more funding for the same program.

MS. VIZZINI:

Yes.

CHAIRMAN GREGORY:

Okay. So I have a motion to table, I have a second. Anybody have any other questions? All in favor? Opposed? Abstentions? **TABLED (Vote: 5-0-0-0)**

1795, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 869-2011). (Co. Exec.)

I make a motion to approve and put on the Consent Calendar, seconded by Legislator D'Amaro. All in favor? Opposed? Abstentions? **APPROVED** and placed on the **CONSENT CALENDAR (Vote: 5-0-0-0)**

1828, Authorizing the transfer of \$12,000,000 from the Tax Stabilization Reserve Fund to the General Fund in the wake of Tropical Storm Irene, a public emergency. (Co. Exec.)

I'm going to make a motion to table.

LEG. ROMAINE:

Second.

CHAIRMAN GREGORY:

Seconded by Legislator Romaine. Mr. Kopp quickly jumps out of his seat and runs to the --

LEG. ROMAINE:

As he's coming up, let me just say, I have never seen a bill presented for the expenditure of \$12 million with no backup. And I am informed by sources throughout the County that that number is not correct, that our departments did not expend that type of money. If they want this Legislature to appropriate \$12 million from that fund, I want to see the backup. I want details, I want to know the information. I don't want to be insulted. I looked for the backup for this resolution, and there was none.

I'm told reasonably by canvassing various departments of County Government that that number is not correct.

CHAIRMAN GREGORY:

Mr. Kopp.

MR. KOPP:

We don't know if the number is correct in fact or not. This enables to pay the bills up to that amount. And if it's not used for storm-related activities, it goes immediately back to the Tax Stabilization Fund, which is the same place where the Federal reimbursement dollars will go. And it's very specific in our resolution that that's what will happen with these monies.

CHAIRMAN GREGORY:

Okay. So for the reimbursement, I suspect you will have to submit some type of documentation to require the reimbursement, of which has not been presented to the Legislature as of yet. So when will you suspect that you'll have the aforementioned documentation?

MR. KOPP:

I don't know the entire timeframe. It's a rather lengthy process to go through. If you've ever been through emergency management, it's a long process. Legislator Romaine is nodding knowingly because he knows.

LEG. ROMAINE:

I understand it's a long process, but you're asking us to appropriate \$12 million. And a number of people in the County have spoken to me and said it is nowhere near this number, that that was not expended, that most of the expenditures for Tropical Storm Irene that happened at the end of August were borne by towns and villages and less so by the County. There was some police involved, obviously FRES was involved, there were some other agencies of County Government involved. But to say that that expenditure reached the \$12 million limit -- my advice to this administration, because this is going to get tabled today, if I'm not misreading this committee, is that administration go back and ask for a lesser appropriation with the understanding that as bills come in, we can make an additional transfer based on the Executive's recommendation, because this \$12 million is out of proportion to what I'm being told the County actually incurred. And I'm -- I have concerns about this.

CHAIRMAN GREGORY:

Legislator D'Amaro has a question, but I think Gail wanted to make a quick statement.

MS. VIZZINI:

If I may. We discussed this with the Executive Budget Office. As Mr. Kopp indicated, they're in the process of having the departments endeavor to quantify the expenses incurred; overtime was mentioned as a contributing factor, and then that will be used as the basis for the application to FEMA. I want to point out to you that the 2012 recommended budget assumes that this transfer will take place. This is revenue to 2011 to offset expenditures. If this one shot from the tax stabilization is not approved, it will be the beginning of further imbalance for the 2012 budget and should be addressed.

CHAIRMAN GREGORY:

Legislator D'Amaro.

LEG. D'AMARO:

Mr. Kopp, I don't have the same sources as Legislator Romaine on these figures, so if you could help

me out a little or maybe the Budget Review Office. How did you arrive at the 12 million figure? Is that the upside and your -- it's an authorization for up 12 million --

MR. KOPP:

It's my understanding it's a \$12 million transfer that goes into affect now. It would cover expenses up to 12 million. If the expenditures do not reach 12 million when everything is totaled, that money is then returned to the Stabilization Fund next year.

LEG. D'AMARO:

Right. Okay. So you're not sitting here today representing that the bill is 12 million. Somewhere you're saying it's somewhere between zero and 12 million, and that this would provide the funding available to pay whatever bills as we make determinations. Because we have to pay for the storm, right? We have to pay for the storm?

MR. KOPP:

That's right, Legislator. That's what I'm saying. Yes. There's no option.

LEG. D'AMARO:

And so as those bills come in, if we authorize this funding today, is there an accounting that comes to the Legislature on that? Does our Budget Review Office -- Gail, are we part of that process?

MS. VIZZINI:

If we requested to be, we could be. In other word -- I mean, implicit in this -- you can't just take money out of Tax Stabilization Reserve because you need it. This is being presented to us under the proviso of the law where there's some sort of an emergency here. So, Irene, I guess is portrayed as qualifying for that emergency in lieu of the more traditional method of required under General Municipal Funds, which is to access the funds but raise taxes to replenish them.

Like what Legislator Romaine said and I think you are saying now is right know, they don't have the detail, but if you want more detail or you want a status update in terms of where they are or what they've gotten so far, my understanding is they -- taking them at their word, the they did look back in terms of other expenditures related to emergency responses to give them a ballpark. And they also anticipate that at least nine million will -- although 12 million will be claimed, at least nine million is likely to be reimbursed, but not until 2012.

LEG. D'AMARO:

Thank you. With respect to getting reimbursed from FEMA, do we need to make this transfer now? Would that delay that process?

MS. VIZZINI:

You know, however we pay for our expenses, you know, if the budget wasn't so fragile, we might have had \$12 million from, you know, DPW rent or pay-go or something else.

LEG. D'AMARO:

That could have been reimbursed later on, right.

MS. VIZZINI:

At least the Budget Office doesn't think we do. So we have resorted to the Tax Stabilization Reserve Fund.

LEG. D'AMARO:

Right. So if we don't do it from this fund -- we are hard pressed to find another fund that can even short term layout the nine million that we expect to get reimbursed.

MS. VIZZINI:

We are hard pressed, although, I know that there are other resolutions that will come before you during the course of the year to take from Peter to pay Paul's expenditures. And, of course, there's always the housekeeping resolution at the end. But this is a significant policy determination that this emergency should be paid for from the reserves.

LEG. D'AMARO:

And the law contemplates this type of transfer with respect to the Reserve Fund, I would think.

MR. NOLAN:

For public emergency that's unforeseen, like a storm, the law does contemplate it.

LEG. ROMAINE:

Question.

LEG. D'AMARO:

I don't understand why we would hold this up at this point. We have to pay the cost of the storm at this point.

CHAIRMAN GREGORY:

My concern is we just had a five to ten minute statement given on behalf of Mr. Kopp -- by Mr. Kopp on behalf of the administration. And one of the concerns voiced was taking monies from Tax Stabilization Fund, it could affect our credit rating. I think taking \$12 million without having the necessary documentation to support that, putting at risk our credit rating is not something that's responsible and that I'm ready to do at this point. I believe at some point that the administration will have the necessary documentation to support their request, and I think it should be taken -- considered at that time.

MR. KOPP:

You mentioned my remarks over there, and I didn't realize I took ten minutes, so I apologize for monopolizing the time. But I did point out at that point that the budget does anticipate the approval of 1828. So I did speak to this overhead before I spoke to the other uses of the Stabilization Fund.

LEG. SCHNEIDERMAN:

Let's assume for a second that it is 12 million and you can substantiate legitimately an additional \$12 million in cost beyond our regular salary cost that would have been incurred. I'm hearing we're get nine million back, not the full \$12 million back. So basically, the Tax Stabilization Reserve Fund would be lowered by three million ultimately. I don't know what the window of reimbursement would be. I assume we'll get the money some time in 2012. But there is a bit of irony or hypocrisy there in that, you know, we are being criticized for touching that tax or maybe even thing about touching that Tax Stabilization Fund. By doing it this way, it is that Tax Stabilization Fund that will suffer at least a \$3 million hit, whereas if there was another fund we could find, it might not affect our credit rating, which could have a cost if it does affect our credit rating in terms of higher interest rates.

LEG. D'AMARO:

And where are you going to find that money?

LEG. SCHNEIDERMAN:

Gail, there are no other reserve funds that could be used; Sewer Stabilization Reserves?

MS. VIZZINI:

Even with the broadened legislation, reserves are expressly for the particular purpose that the reserves are established. The beauty of the Tax Stabilization Fund, is it can be used for the General Fund purposes, as opposed to Debt Reserve that can only be used for that and Retirement Reserve that can only be used for that. Sewer Reserve cannot be used for this.

LEG. SCHNEIDERMAN:

So the only place we can go to get temporary use of money is this Tax Stabilization?

MS. VIZZINI:

The other -- this would be to cannibalize from other expenditure lines, but the -- I mean, the estimated General Fund fund balance, the amount of money that we will have at the end of the 2011, is only \$8.6 million. So even if we went to every line that the 2012 budget has not used, there's not enough money. We would end the General Fund in the negative if we did not resort to the use of the reserves, not that it's not unlikely that that might happen anyway.

LEG. SCHNEIDERMAN:

If our concern is lowering the Tax Stabilization Fund by anymore is going to affect our credit rating and lead to higher interest rates, then maybe the money could be split between the fund balance and the tax stabilization, so at least the tax stabilization is made totally whole, not \$3 million less. And the other three million maybe could come from a different source. Does that make sense? Is that possible to do that? So take nine million from Tax Stabilization Fund, and anything above that would come from, let's say, the fund balance.

MR. LIPP:

Sure. The budget will -- basically, the recommended budget includes these funds. So if this doesn't get passed, you have to modify the budget, because it would not be balanced.

LEG. SCHNEIDERMAN:

All I'm saying, if the concern is the Tax Stabilization Fund and lowering it affecting our credit rating, then it seems like there's a way to take a portion of it from the Tax Stabilization Fund, the nine million, get the nine million back and the other three from somewhere else so that our credit rating isn't affected, but that's not what's in front of us. What's in front of us is the full 12 million.

MR. KOPP:

The specific caution that I had mentioned about the Tax Stabilization Fund was to use it for recurring expenditures. This is a non-recurring expenditure, it's an emergency expenditure that could not have been foreseen by anybody. It was an act of God, and it was declared a State of Emergency.

LEG. D'AMARO:

Also, Gail, just to the extent that utilize what little is left relatively speaking of the fund balance, I mean, that impacts budget decisions going forward and cuts in other areas as well. I mean, this is a one-time expenditure, it's an emergency situation. I don't see -- well, the credit rating is definitely a concern, but where else -- I don't see what other source of funding you have for this. I don't see that we have money anywhere else. And I'd rather -- you know, if you're going to take a \$3 million hit against the Reserve Fund, perhaps that -- I mean, I'm not an economist, I'm not an analyst, I don't know what would happen to our credit rating, but I would assume that it would be -- have less impact on our credit rating than taking \$20 million out of that fund.

So again, I agree. I don't want to take it out of the Reserve Fund, but we have to pay the bills, they're coming in. We had a storm. There's a Reserve Fund created for an emergency creation. Nine million will be reimbursed, and I would be willing to consider other sources, but it sounds to me

like we really don't have any other source. So again, you know, I don't understand why we would delay that.

CHAIRMAN GREGORY:

Legislator Romaine.

LEG. ROMAINE:

Well, the first thing I would say is to our Budget Working Group, hopefully in the 2012 Budget, you will put a Disaster Reserve Account in, because disasters happen all the time, all the time. There's storms that come all the time.

LEG. SCHNEIDERMAN:

Where is the money coming from to create it?

LEG. ROMAINE:

Well, I'm not on the Working Group, but that's a recommendation. The second thing I would say to you is this storm happened six -- more than six weeks ago, and someone pulled out of the air \$12 million, pulled it out of the air. What I'd like to see is some backup. I'm always willing to give the benefit of the doubt. It doesn't have to be detailed, but I want to see some backup. You haven't told me -- I know, for example, we can't bill FEMA for straight time. It's only for overtime that we can bill. So I'm saying to myself, "\$12 million is a lot of money for the County that wasn't the prime responder to this." Essentially the towns, LIPA -- we were paying LIPA, our rates are all going up, Verizon, National Grid, all of those guys responded. But we didn't go around and pick up trees or mow them down unless they were on a County Road.

I'm trying to think of the expenditures that we had. And I'd like some rough breakdown of how this \$12 million was expended. It's six weeks after the event. I'm not asking for a detailed breakdown, but X number for Police, X number for FEMA, X number for Public Works. Those types of things are the types of things, general numbers, that I'd like to see. Six weeks after the event, I went and I was amazed that the administration would come over and ask us to move 12 million out of the Reserve Account for storm expenditures. Did we have expenses? Absolutely. Were they \$12 million? I don't know. I didn't even see one page, not one simple outline of what we estimated would be the rough expenditures for a department. And yet, I'll tell you what. If the administration will come over with a brief breakdown, not a detailed breakdown, but a rough breakdown by departments of their estimates, I would be willing to vote it out without recommendation. But they'd have to make that commitment on the record now.

CHAIRMAN GREGORY:

And just to piggyback off your comments, I'm not stating that I'm opposed to supporting this. I'm opposed to supporting this without the necessary documentation and backup, which is -- you know, which I think is not asking for much. You know, it's a reasonable request. It's been six weeks. There hasn't been mention when this document or documentation available. So to blindly vote for \$12 million, which may affect our credit rating, without even a suggestion of when this documentation will be available is, I think, not the way to go.

LEG. SCHNEIDERMAN:

Just real quick. I know Ed's got to leave soon, but, you know, Ed brought up the issue of police. And I don't know whether in this number Suffolk County PD is getting some of this Tax Stabilization Reserve Fund, because I'm sure when trees fell down and lights were out they had to direct traffic in other ways. But you know what my question is going to be, because the police out on the East End in all the various towns, they were doing the same thing. And if the costs are being paid through the Tax Stabilization Fund, which is whole County, they deserve their fair share as well.

LEG. ROMAINE:

Is there, in fact, an understanding that if the County puts in for police costs and some of those police cost were incurred by the nine villages and the five towns that maintain their own police force, that that money would go back to those jurisdictions?

The more I look at this, the more questions it raises. And we're not -- look, no one here doesn't want to pay their bills. We all want to pay our bills. We even want to pay for the 18-B attorneys that we're not paying now, we -- because I think counties should pay their bills. But, before I sign over \$12 million, give me at least an outline. I mean, you didn't give an outline. You didn't even give any backup on this. Six weeks after the storm, not a breakdown by department of what you believe generally ballpark numbers would be. And I have to say, in this type of budget climate, I don't want to vote this out unless there's a commitment to come over. And if that commitment isn't honored, this goes down, that gives us a brief outline my department of expenditures, personnel, equipment, whatever else was involved.

I mean, at this point, six weeks after the storm, next week is seven weeks after the storm, there should be a brief breakdown. And we're not asking for a detailed breakdown, we're asking for a one page maybe two page at most breakdown, outline by department; personnel, equipment, whatever else was involved. And some of your questions regarding are they also incorporating in their proposal to FEMA the police expenditures or are the towns applying separately. And I do believe the towns are applying separately.

So, I mean, those are the types of questions that need to get some answers. And what we could do, as they work on this outline, which I hope they're going to make a commitment to so this can be voted out without recommendations, as they work on this outline, everyone on this committee and every member of the Legislature that has any general or specific questions could be e-mailed. And they should be e-mailed to our Budget Director. And those questions should be answered next Tuesday or otherwise this doesn't get done, providing we get the commitment today that we will get a general outline by breakdown.

LEG. SCHNEIDERMAN:

You're getting a lot of practice for your debate. I'm going to make a motion to discharge without recommendation, because of the time sensitivity of it. And maybe by the time it hits the floor, we'll have that information. We can always table it there.

LEG. ROMAINE:

I'll second that based on the fact that we are going to get at least a general outline.

MR. KOPP:

Why don't we go back to Legislator Romaine's suggestion of tabling it. And when we get the documentation together, then we'll bring it out with a CN if we have it all prepared. With all due respect to Legislator Schneiderman, I don't want to hold anything up.

LEG. SCHNEIDERMAN:

Just trying to help.

MR. KOPP:

I appreciate that.

CHAIRMAN GREGORY:

Okay. We have a motion to table and a second. All in favor? Opposed? Abstentions? Motion is **TABLED (Vote: 5-0-0-0)**

1830, Adopting the 2012 Operating Budget and prioritizing delivery of services while stabilizing taxes for Suffolk County residents in Fiscal Year 2012 (Discretionary). (Co. Exec.)

I make a motion to table.

LEG. ROMAINE:

You wouldn't want to defeat it?

CHAIRMAN GREGORY:

Do I have a second?

LEG. ROMAINE:

I'll second.

CHAIRMAN GREGORY:

Seconded by Legislator Romaine. All in favor? Opposed? Abstentions? **TABLED (vote: 5-0-0-0)**

1831, Adopting the 2012 Operating Budget and prioritizing delivery of services while stabilizing taxes for Suffolk County residents in Fiscal Year 2012 (Mandated). (Co. Exec.)

I make a motion to table.

LEG. ROMAINE:

Second.

CHAIRMAN GREGORY:

Seconded by Legislator Romaine. All in favor? Opposed? Abstentions? **TABLED (Vote: 5-0-0-0)**

1832, Replacing State funding for the Medical Examiner with local funding. (Co. Exec.)

I make a motion to table. We're going to address this in the Operating Budget -- in the Working Group.

LEG. ROMAINE:

Could I ask a question on this?

CHAIRMAN GREGORY:

Sure. Can I get a second, then we'll discuss it?

LEG. MURATORE:

Second.

CHAIRMAN GREGORY:

Seconded by Legislator Muratore.

LEG. ROMAINE:

Is this money needed for this year by our Medical Examiner?

CHAIRMAN GREGORY:

Go ahead, Counsel.

MR. NOLAN:

I believe this is all tied to the '12 Budget. This was submitted by the County Executive with his proposed budget. So it seems to me that it would be premature to act on these resolutions, since you guys are still going through the budget and have a --

LEG. ROMAINE:

It would be done as part of the budget package? Okay.

MR. NOLAN:

At some point we'd have to take a vote to, if this is the way we go, to authorize it, yeah.

LEG. ROMAINE:

I'm very interested in making sure there's adequate funding for the Medical Examiner, not only for the reasons that John has portrayed, but we have people go through tragedies, I don't want them waiting for their bodies for the funeral homes because there isn't enough staff.

CHAIRMAN GREGORY:

Absolutely. Legislator D'Amaro.

LEG. D'AMARO:

Just something I'm thinking about here. Is the purpose of this resolution, it's not specifically a dollar amount, but it would -- in order to replace the lost State funding with local funding, you need a three-quarter vote. So if you want to include local funding, even in our Omnibus Bill, if you do that, will that then require that that entire bill if it's not taken line by line, require a three-quarter vote? It may be prudent to actually vote for this now to avoid the three-quarter vote later.

MR. NOLAN:

I think you would probably have to peel that out. You probably wouldn't want to include it in the Omnibus Resolution. You probably want to do it as a stand-alone resolution, and then, you know, do it with a three-quarter vote. I think procedurally, that's the way to go. I just think it's premature to act on this because the budget process is still playing out.

LEG. D'AMARO:

Okay. So we can do it, you know, down the road during that entire process. Okay.

CHAIRMAN GREGORY:

We have a motion, a second. All in favor? Opposed? Abstentions? **TABLED (Vote: 5-0-0-0)**

1833, Replacing State funding for Emergency Medical Services coordination with local funding. (Co. Exec.)

For the same reasons as previously stated, I'm going to make a motion to table. Can I get a second by Legislator Romaine.

LEG. ROMAINE:

Second.

CHAIRMAN GREGORY:

Okay. All those in favor? Opposed? Abstentions? **TABLED (Vote: 5-0-0-0)**

1838, Amending the 2011 Operating Budget to transfer funds to the Suffolk County Assigned Counsel Defender Plan. (Montano).

LEG. MURATORE:

Motion.

CHAIRMAN GREGORY:

Motion to approve by Legislator Muratore, I'll second it. Counsel, explanation.

MR. NOLAN:

It's budget amendment that has an offset identified as red light cameras, \$500,000 going to the Assigned Defender Program.

CHAIRMAN GREGORY:

And this is pretty much payments -- receivables from 2010, if I understand right.

MR. NOLAN:

My understanding from what the County Attorney testified at a committee meeting is basically, this line is running out of money for the balance of the year, maybe in August or September that she would be unable to pay the bills for the 18-B Program. I think that was the impetus for Legislator Montano submitting this resolution. Otherwise these lawyers won't get paid.

CHAIRMAN GREGORY:

Okay. We have a motion and a second. All in favor? Opposed? Abstentions? **APPROVED**
(Vote: 5-0-0-0)

1840, Amending the 2011 Operating Budget and restoring currently filled positions at the John J. Foley Skilled Nursing Facility. (Kennedy)

I make a motion -- Legislator Muratore makes a motion to approve, I'll second that motion.

LEG. KENNEDY:

Chairman Gregory, although I'm not a member of the committee, I'm here as the sponsor of that bill, and if I can just have a moment to speak to some of the particulars with this. This bill actually goes through the mechanics, if you will, to create the remainder of the positions for the employees in the nursing home.

I guess it was probably about 11 and a half months ago when we received a budget from the County Executive that eliminated all positions within the John J. Foley Nursing Facility, but funded for about a three-month time period operations there. Subsequent to that, as you may recall, we had a series of resolutions that continued funding, although only a small number of positions were previously recreated for the budgetary purposes.

This resolution takes care of the ambiguity. Previously, Resolution 523, which we adopted on June 21st and overrode the County Executive's veto on August 2nd, allocated about \$11 million, I believe, referencing the Medicaid and Medicare reimbursement that is furnished for providing services for the patients each day. So this resolution is already paid for, it's just authorizing, if you will, that those particular positions be referenced in this 2011 Budget.

CHAIRMAN GREGORY:

Legislator D'Amaro.

LEG. D'AMARO:

I'm confused by this resolution. I mean, how many positions are we talking about, first of all, roughly? And second, are they filled or proposed to be filled? And third, how are we paying for them?

LEG. KENNEDY:

Okay. Let's see if we can -- let me turn it to Budget Review, if I can, Legislator D'Amaro, and then I'd be happy to jump in.

MS. VIZZINI:

This resolution only restores the filled positions, I believe there are 221 of them for, you know -- they are restored through the end of 2011 fiscal year. As far as the appropriations, the Legislature had already passed two resolution augmenting appropriations for the nursing home. So the appropriations are there.

LEG. D'AMARO:

Right. But it's restoring the 221 some odd positions, which are filled for this year or next year?

MS. VIZZINI:

2011.

LEG. D'AMARO:

And we already provided the funding for that.

MS. VIZZINI:

Correct.

LEG. D'AMARO:

So how could they be filled if they were abolished? I don't understand that.

MS. VIZZINI:

Interesting question. What happened was when we went into 2011 and the budget was presented with only one-quarter's worth of funding for the nursing home, we couldn't yet close, because the State approvals, etcetera, etcetera were not in place, and there was, you know, the parallel plan to sell it and etcetera, etcetera.

LEG. D'AMARO:

Right. And there was a quarter-year funding anticipating the closing.

MS. VIZZINI:

Right.

LEG. D'AMARO:

Right.

MS. VIZZINI:

Technically probably what should have happened was interim positions should have been created to reflect the fact that we still had to pay people, but that's not what was done. There were -- according to the budget, there are no positions for the nursing home. But then you have, you know, the payroll, which runs off the payroll system. And in order to pay people, you have to have -- you correlate to a number. So if you look at the payroll system, the positions are there, but they are not in the budget.

LEG. D'AMARO:

Okay. So we've been paying everyone to date.

MS. VIZZINI:

We have to have a mechanism to pay them.

LEG. D'AMARO:

But we have been paying.

MS. VIZZINI:

Yes, we have.

LEG. D'AMARO:

Right. So -- without these positions restored to the budget, even though we should -- you are saying that as a matter of the appropriate way to so it is to put the positions back in if you're going to be paying filled positions.

MS. VIZZINI:

Yes. You have two different systems; payroll and budget.

LEG. D'AMARO:

Well, here's my question: Let's say I agree with that and I say, okay, for this year we need to put those positions back in the budget and they're filled --

MS. VIZZINI:

They are abolished for 2012.

LEG. D'AMARO:

That's my question. Now, they're taken back out because the proposed budget anticipates closing the nursing home, and this --

MS. VIZZINI:

Actually --

LEG. D'AMARO:

Or selling the nursing home.

MS. VIZZINI:

The County Executive's plan -- and I probably should defer to Mr. Kopp -- but just from a budgetary point of view, the County Executive's plan -- these positions were abolished in 2011. Therefore, Civil Service has already done a separate and distinct layoff analysis for the nursing home. Letters have already gone out to nursing home personnel, and it is likely that under the County Executive's directive, the nursing home will be closed by the end of the 2011 fiscal year.

LEG. D'AMARO:

Oh, I see. So this would impact the anticipated closure this year of the nursing home.

MS. VIZZINI:

Correct. The restoration of the position parts as part of an effort to continue paying personnel in 2011 at some point and to deflect the immediate layoff. Does that help?

LEG. D'AMARO:

It does. But it really has no impact going into next year.

MS. VIZZINI:

2012 is a whole new game. There are no nursing home positions in 2012

LEG. D'AMARO:

What is, if you know -- last question. What is the savings to the County if the nursing home is closed as anticipated by the proposed budget for this year?

MS. VIZZINI:

The operation of the nursing home -- the answer to that question is the necessary subsidy from the General Fund, which fluctuates. In our previous analysis, we have always used the \$6 million number. The County Executive uses an \$8 million or higher because implicit in it is the health insurance payment for retirees.

LEG. D'AMARO:

Right. But we're only talking here about less than three months at this point. Whatever that impact is to the General Fund, we're talking about less than three months, because this is only for 2011.

MS. VIZZINI:

Yeah. This is just for the remainder of 2011 that the positions would be restored.

LEG. D'AMARO:

Right. And so whatever that impact -- I mean, and much of this is reimbursed through the Medicaid payments, I assume, right?

MS. VIZZINI:

You know, through the years the rule was 80% reimbursed, but now with the changes and stuff, we're using 75% of the operations are reimbursed from Medicaid.

LEG. D'AMARO:

All right. So then let's say we go ahead and approve this and it forestalls the closure this year of the nursing home, okay, so what happens in -- what happens to the proposed budget? Is it then out of balance for next year?

MS. VIZZINI:

No. No. This is only dealing with 2011. The issue of the nursing home has to be -- you either go with what's proposed, which is the closure, or you amend the 2012 budget. That would be done during the 2012 budget amending and adoption process.

LEG. D'AMARO:

We don't know what's happening next year, but for this year, we've come this far and most of this is reimbursed, so, you know, I can live with that.

CHAIRMAN GREGORY:

Okay. All right. So we are going to call the vote. We have a motion and a second. All in favor? Opposed? Abstentions?

LEG. ROMAINE:

Recuse.

APPROVED (VOTE: 4-0-0-0-1 Recusal: Legislator Romaine).

CHAIRMAN GREGORY:

1771, Authorizing the County Comptroller and the County Treasurer to transfer funds to cover the shortfall in Safety Net appropriations in the Department of Social Services.

(Co. Exec.)

This was recommitted from the General Meeting. I will make a motion to approve. Do I have a second?

LEG. D'AMARO:
Second.

CHAIRMAN GREGORY:
Seconded by Legislator D'Amaro.

LEG. SCHNEIDERMAN:
On the motion, I know there was some concerns about the original bill and this has been amended. Does it address all of the DSS concerns in terms of having the funds necessary to carry out their mission?

MS. VIZZINI:
Part of the original dollar amount for this bill was 8.7. The dollar amount has been reduced to 8.3. We believe that's probably sufficient for the Safety Net Operations. The offsets for the 8.3 have been agreed upon between the two budget offices and the Department of Social Services. The exception regarding the salaries for the CPS, that's been out. The concerns regarding the Medicaid cap line, although there are appropriations in the Medicaid cap line, that has been removed. The new offsets have beefed up the amount coming from DPW, courts, the red light camera appropriation and temporary salaries in the Law Department, which were related to the red light camera operation.

LEG. SCHNEIDERMAN:
I remember there being some concerns about Child Protective Services and Child Support originally.

MS. VIZZINI:
Child Protective Services has been removed. We had \$120,000 gap. What we did was we reduced the salaries in the County Executive's Office.

LEG. SCHNEIDERMAN:
Okay. And what about the child support enforcement, wasn't that one of the original lines being cut, money being taken from?

MS. VIZZINI:
Child support is still in there, but it's my understanding that Social Services was okay with that. Just if I may too, in light of all the layoffs presented in the 2012 Budget, the titles uses no matter where you work in Social Services are Caseworker and stuff like that. So that's another reason why it's not likely that we will be doing hiring, because it will complicate the layoff and the bump and retreat analysis. So these monies are not going to be spent in these program areas. And the shortfall is significant in Safety Net.

CHAIRMAN GREGORY:
Thank you. We have a motion and a second. All in favor? Opposed? Abstentions? **APPROVED (VOTE: 5-0-0-0).**

Now, Gail, you wanted an opportunity to speak to the committee.

MS. VIZZINI:
Actually, two things. Thank you for the opportunity. What I'd like to do is update the Budget and

Finance Committee relative to the calculation of the 2% property tax cap. If you recall, we gave you a presentation where 2% was actually -- it appeared to be a little bit more. And that was preliminary presentation before the Comptroller's Office, the New York State Comptroller's Office had the opportunity to put out its guidelines and conduct a webinar.

There is substantial information now on the Comptroller's website. And Robert and I and several other members of my staff sat in front of the computer attending the free webinar, which was an opportunity to actually e-mail your questions; are you sure that, what have you. I have to say they did a pretty good job.

The short of it is a 2% property tax cap would allow the County to increase, without benefit of piercing the cap, property tax levies in the aggregate of \$11.9 million. And in contrast to Legislator Romaine's expressed concerns at the previous committee meeting -- and I have spoke to him specifically about this -- the methodology is all the levies that the County levies, the General Fund levy, the Police, the MTA, the District Court, the Sewers and the Community College property tax levy, you add all those up, plus and minus pilots, and this is how you arrive at the calculation that the State is talking about. So the bottom line is, yeah, we could raise taxes by \$11.9 million, however --

LEG. SCHNEIDERMAN:

Before you go further, even if it's a different tax base. Like, that to me would make sense if you have the same group of people being taxed for different things; this is your lighting bill, this is your, you know, County bill, this is your sewer bill. But let's say -- the Police District is not the same tax base, it's quite a bit different than the other tax bases.

MS. VIZZINI:

The Comptroller has issued the guidelines. This is the intent of the legislation. These are Suffolk County taxes. You know, there's no further distinguishing for this calculation other than the fact that it's Suffolk County taxes.

LEG. SCHNEIDERMAN:

So for instance, my taxpayers, which are predominantly outside of Police District, they could see their taxes go up by a couple hundred percent and it still would be within the 2% tax cap, because the Police District amount that it could go up could shift over.

MS. VIZZINI:

You're fast forwarding. You know, you're assuming that they're all -- that the 11.9 million is going to be an increase in the General Fund.

LEG. SCHNEIDERMAN:

You see what I'm saying, because if you did it that way, because the Police District is, what, like \$500 million fund and the property tax levy Countywide is 50 million, if you take the 2% of the larger number and you allow that dollar figure to shift over to a group that's not taxed within that district, it just seems to violate the intent or spirit of that 2% tax cap.

MS. VIZZINI:

What I'm -- if you permit me, I prefer not to debate with you, but rather to share with the committee what we are faced with. So under the 2% property tax cap, we could raise taxes and be in compliance with the tax cap by \$11.9 million. We would have to determine in what taxing district that increase will be. That's a policy decision. But the number is this calculation.

LEG. D'AMARO:

Could you put it all in one taxing jurisdiction?

MS. VIZZINI:

Because of our own laws, we've already raised the Sewer Districts by 3% so that they could continue to avail themselves of Assessment Stabilization Reserve Funds, which now reduces the eleven-nine to ten-three.

So this is the budget that's been presented to you; a 3% increase in the Sewer District taxes and ten-three available and would still be under the 2% cap if you choose to go in that direction. The procedure in the law to pierce the cap requires you authorize it with a Local Law, which comes with its own inherent timeframes and deliberations.

I just wanted to update you, because although the protocol does allow for you to add the cost of retirement to your calculations, you may not do that if you opt to amortize. So we didn't know that when we made our first presentation. So since -- that's another thing, in 2012, we are amortizing to the maximum in terms of addressing the increase in the retirement bill. So we cannot add another 20 million or another 30 million, which was -- you know, when we were struggling to bring you something, we tried interpreting the legislation ourselves without benefit of the guidelines. So that's the first issue. I will defer to the committee. I have a brief overview of the budget. Is that what you want me to cover now?

CHAIRMAN GREGORY:

Legislator D'Amaro, you have a question regarding those remarks?

LEG. D'AMARO:

We're amortizing our pension costs increase, but what about next year? Is the option there for next year to --

MS. VIZZINI:

Talking about next year, we're amortizing \$47 million.

LEG. D'AMARO:

Okay. We are. So the -- what's the County cost after amortizing? I mean, is there -- there was a portion that we paid where we couldn't finance, if I remember, right?

MS. VIZZINI:

I'll give you all that --

LEG. D'AMARO:

Well, my question is does that eat up the whole whatever is left, 10.3?

MS. VIZZINI:

I see what you're saying. Is the -- I'm not sure.

LEG. D'AMARO:

In other words, if we chose to raise revenue by 11.9, we net 10.3 because of the impact of the increase in the Sewer District, do we have to apply that towards -- you know, what's the pension cost to us, not amortized? There's some portion of the bill that's cash payout.

MS. VIZZINI:

We are paying -- I think we are paying like \$130 million in cash in February for the retirement bill, but the increase is \$47 million more than that, and that's the portion that we're amortizing.

LEG. D'AMARO:

Oh, the whole 47 million we are?

MS. VIZZINI:

Yes. That additional cost of amortizing -- this will be detailed in our report, by the way -- won't kick in until the next retirement bill. Although, inherent in allowing us to amortize is a requirement that we establish a reserve, which is another expense, to establish the reserve.

If I may, I just want to highlight for those of you who are here what has been presented in the 2012 Budget. Basically, the Budget Review Office is doing its normal analysis using our normal methodology. We are constantly fine tuning our numbers. And, of course, our report is coming out Friday, October 14th.

However, what we have found is this is the most challenging budget we have been presented with in several years. There are, in our opinion, revenue lines that are significantly overstated. Across the board, in addition to the fact that revenue items are overstated, it was the County Executive's policy that despite the fact that positions were abolished that generate revenue, since the administration is hopeful that there will be concessions and the people will be restored, the revenue generated by those positions is not reduced in the budget. This is a departure from the way we normally present a budget, in that if you abolished a doctor that generated revenue because they have some paying patients, we would have saved the doctor's salary, but we would also have to assume that there would be less service and less revenue generated. That is not the way this budget was put together.

There are also expenditure lines that, in our opinion, are understated. So much so that it was our opinion -- it is our opinion that if the layoffs were to go through, there's not enough money to pay the people that that remain on the County payroll. In the aggregate, the payroll in 2012 is about \$10 million short. Normally, when you put a budget together, you would -- you often lead with phrase "turnover savings." You know, if a department head had, like, ten vacancies, you would give that department enough money to pay for the live bodies. And no way would they fill the ten vacancies, we would only give them maybe money for two. What I'm telling you is that there is no money for vacancies, and there's not enough money for the filled bodies left behind. That's also a departure in terms of how we would normally prepare a budget.

So moving along, there -- if you look at 2011 compared to 2012, there's 1250 few positions. Seven hundred and twenty of them are filled. Two hundred and twenty one of those are the nursing home. The rest, the 464, are filled positions across the County and across most bargaining units. As you know, if you abolish filled positions, you have to abolish the vacancies. So there is another, like, 548 vacancies that are abolished.

The layoffs, excluding the nursing home, there's \$23 million in salaries taken out of the budget and the commensurate benefits are reduced by \$8 million. That's where you get your \$32 million savings, and that's what it would cost to put these positions back. Included in the layoffs are filled positions in the Legislature. I think we talked enough about Foley in terms of your understanding of that, but I will say that to restore Foley and balance the General Fund -- now once again, the revenue from the closure of Foley -- Foley was closed in 2012, but the sale of the asset is expected to bring in \$27 million for the building, another two or \$3 million for the license. Hopefully, we can sell in '11, because you can't sell the license for something (inaudible). But the gist of it is that revenue is used to balance the General Fund again in 2012 just like it was in 2011. So to -- if there is any consideration to restore the operation and there is consideration to balancing the General Fund, that alone would be \$23 million from the budgetary point of view.

In the event we are successful in opening the jail in the middle of 2012, and there are some issues in regards to that as well, which I'm not going to go into here, we have to operate the Jail Medical

Unit 24/7. So right now, it's operated with County employees, but there was an RFP to contract out all or part of it. And there's a contingency fund for the balance. There was \$5.56 million contingency fund for a future policy decision in regards to what, if any part of 24/7 Jail Medical will be contracted out. You could also move that money into the salary lines and staff it 24/7 with County employees. My point is the money is there.

As we heard at the committee, there is the transfer fund Tax Stabilization Reserve with the anticipated revenue of nine million coming in. So that is implicit in balancing 2011 as it transitions to 2012. The resolution that we passed in regards to the use of Assessment Stabilization Reserve Fund, sewer monies, there is about \$21 million of sewer monies used to balance the General Fund; 5.4 million in 2011 is moved to the Debt Reserve, and another 15.6 is moved to the Retirement Reserve and will be promptly used to pay those respective expenses in 2012.

The Police District is absorbing \$9.2 million more in sales tax revenue than in 2011. So the transfer of sales tax to the Police District is 93.5 million. We talked about retirement. We're amortizing both portions of the Employee Retirement System and the Police Retirement System --

LEG. D'AMARO:

Gail, just give me that Police District again, I'm sorry.

MS. VIZZINI:

Ninety-three point five million dollars in sales tax is transferred to the Police District.

LEG. D'AMARO:

And that's an increase over last year?

MS. VIZZINI:

It's 9.2 over 2011.

LEG. D'AMARO:

Okay. Thank you.

LEG. SCHNEIDERMAN:

With no additional revenue sharing.

MS. VIZZINI:

Right. You're familiar with the reductions in the health clinics. Again, there were reductions made to contracts in 2011, and then the clinic budgets are reduced in 2012 commensurate with the aid reductions from the State of New York. In addition to that, the County-run clinics, Riverhead and Tri-Community, are slated for layoffs. So those are further reductions there. The subsidy to Dolan is eliminated. The Coram Health Center is only funded at 50%. The thinking there is that Coram is in negotiations with -- or the County is in negotiations with Hudson River, which is already a FOHC, that there's a potential that should Coram be able -- should the County be able to come to an agreement with this established FOHC provider, this clinic may be a template for the way we do health services delivery.

Our Medicaid cost has increased \$22 million from 231 million in 2011 to 253 million. This is our share of Medicaid expenses. There are other significant social service expenses that have increased, some are highly aided, some not so much. But Family Assistance, which 100% State aided has increased -- the increase alone is \$14.3 million. Safety Net, the increase alone is 11.7. Institutional care is up by 2.2 million.

Many of you are already familiar that the 2012 budget defers the cost of out-of-County tuition to the

towns. There's is \$10.25 million in revenue that we anticipate receiving from the towns, because under State Law, which Budget Review has often stated, is available to us in on review of the College Budget, that this will impact Babylon and Huntington, I think are the biggest users. And I think there's an article in today's Newsday too. But, you know, if the towns refuse to pay or litigate or whatever the case may be, the budget is predicated on revenue coming in.

Now, the cost for us for the out-of-County tuition increased \$2 million over last year, it's up to \$14 million. And that is the sponsor share, if our students opt to go to community colleges outside of Suffolk. What remains for us is the third and fourth year at FIT that we are not charging the towns for, because that's still a question as to whether we have to pay that, although, I believe -- my institutional knowledge is that we did litigate that in the past, and we were not successful, but these are different times, so.

LEG. D'AMARO:

How much is that?

MS. VIZZINI:

That's probably the three and a half to four million that remains the County expense. Contract agencies have all been cut five percent. In aggregate, that's probably about \$15 million dollars, but the health clinics are also considered in that, they represent about \$9.8 million of that total fifteen. As I clarified, for Legislator Romaine, although the narrative in the budget talks be the about the sale of public health nursing license, the CHHA and the potential savings for that, the license is not sold, the revenue is not included, although the Health Department has sustained tremendous cuts, including in the public health nursing sections. More positions are being funded with water quality monies. There's another ten positions that are instead of being funded in the General Fund are being funding with water quality, and those two position that the Legislature put back to the General Fund when last year it was recommended that they be funded with hotel-motel monies, they have recommended that they be funded with moment hotel-motel monies. They are consistent.

And Mr, Kopp's comments that somebody said that revenue is over -- well, it was Budget Review doing due diligence. You know, we are very concerned. Robert is still forecasting sales tax. As stated publically at the press conference, the shortfall could be as much as, and hopefully it's not as much as our preliminary numbers, but all of that is a moving target and the economy is still fragile.

So, you know, we have grave concerns. We have identified \$120 million dollars in shortfall -- overstated revenue and shortfalls in expenditures separate and apart from \$32 million needed to restore positions if that's the way you are going, \$23 million to make -- to continue the operate the nursing home and balance the General Fund, \$9.8 million to put the clinics back in operation. If we sold everything that's not nailed down, I don't know that there are enough solutions to put Humpty Dumpty back together again. This is the budget that we are faced with 2012.

CHAIRMAN GREGORY:

Thank you. Legislator D'Amaro.

LEG. D'AMARO:

Thank you, Gail, for that wonderful news. I wanted to ask you, going back to the 2% cap, just so I understand it, so I can explain it if asked, you take all of the County taxing jurisdictions, you add them together, then you apply the 2%, and then you come up with a dollar number, which you can then apply those dollars however you see fit across -- across the taxing jurisdictions.

MS. VIZZINI:

Yes. That's a policy decision in terms of what district we would raise the revenue.

LEG. D'AMARO:

Okay. That's all I wanted to know.

CHAIRMAN GREGORY:

Legislator Barraga has joined us.

LEG. BARRAGA:

Thank you. I'm not a member of the committee, but I do have maybe a quick statement and make you'd like to follow-up on it. There's been a great deal of discussion -- I keep on hearing the 2% being used over and over again, but as I recall, the State Law that was passed, property taxes cannot increase above 2% or the rate of inflation, whichever is lower. So for example, if your rate of inflation is one-five or one-six as it has been this year, you have to keep that consideration as you design your budget. You cannot go above, say, one-six, you cannot go to two.

MS. VIZZINI:

If I may, the period that are used calculate that, I believe the rate is 2.1. So the two percent would be less than -- you have to use certain months, and I'll have Robert e-mail you methodology, but we're using 2.1.

LEG. BARRAGA:

So you're saying that the months being used and the criteria being used --

MS. VIZZINI:

Is very specific criteria.

LEG. BARRAGA:

And takes us above 2%?

MS. VIZZINI:

For this calculation, yes.

LEG. BARRAGA:

Because I recently read where there was a calculation done, which put it at 1.6%.

MS. VIZZINI:

For this purpose, for the rate of inflation as defined by the legislation?

LEG. BARRAGA:

That's correct.

MS. VIZZINI:

Okay. We'll have to check that. Is that on the Comptroller's website?

LEG. BARRAGA:

It may well be.

MS. VIZZINI:

When they did exercise, we thought, again, we were trying to interpret what they were saying without benefit of that. If that's the case, then the 10.3 is less.

LEG. BARRAGA:

It was pointed out to me by a number of superintendents, for example, that if they had used the rate of inflation index that was currently the in effect this past year in calculating the budgets going forward, the rate of inflation was not at 2%, it was at 1.6%. I don't know if their formula is different than what we're using.

MS. VIZZINI:

I'll have Dr. Lipp check that out, because I think that the Comptroller was going to give us the calculation, but he was very specific in terms of how you do it and what you take into consideration.

LEG. BARRAGA:

Can you let me know what that rate is?

MS. VIZZINI:

I'll let you all know.

LEG. BARRAGA:

Okay. Thank you.

CHAIRMAN GREGORY:

Legislator Schneiderman.

LEG. SCHNEIDERMAN:

First of all, I was not debating you, Gail, before. I was just trying to understand what it is you're saying. In terms of the 2% cap, my Assembly representative and Senate represent had a different take, and they told me at a meeting of the East End Supervisors and Mayors Association that it was 2% on each tax, separate tax levy. And I trust that your read of is that not that. I don't know why they are telling me something different. It's obviously a new law, and it is confusing. Ultimately, it is what it is. Under the 2% cap knowing that the County Executive has programmed some tax increases within the sewer districts, how much did you say was left in terms of flexibility before piercing the cap?

MS. VIZZINI:

Ten point three.

LEG. SCHNEIDERMAN:

Nine point three.

MS. VIZZINI:

Ten point three.

LEG. SCHNEIDERMAN:

Ten point three million. You have identified a whole series of places where you believe the County Executive's budget is wrong; overstated revenues, understated expenses. There is obviously a chance that we won't be able to piece together what I guess would have to be 12 votes, assuming there would be vetoes of any legislative budget. So there is a chance that the County Executive's budget would become the default budget, and we would have to live under it. Based on your estimations -- your estimates, when would the County run out of money? When would the County not be able to pay its bills.

MS. VIZZINI:

April.

LEG. SCHNEIDERMAN:

In April. Can you say that clearly? In April?

MS. VIZZINI:

If it doesn't happen in 2011, it is very likely that it will happen by April of 2012. And what you're talking about is a cash problem. It's related to budget, but it's a cash problem.

LEG. SCHNEIDERMAN:

So you just added something to that, if it doesn't happen in 2011. So are you saying that there is some chance that the County will run out of money to pay its bills?

MS. VIZZINI:

The County is always closely monitoring the cash situation. We have -- as I have shared with the Working Group, we have been making payroll by the skin of our teeth. Now, much of it is because of the State aid receivables. The State aid receivables are obscenely large. And the check from the State did not come in timely insofar as September.

The administration is working aggressively to let the State know how severe our cash situation is, and hopefully, you know, this will not make a bad situation worse in 2011. But, you know, the Treasurer, Audit and Control and the County Executive's Budget Office are diligently doing joint and independent cash flow projections, but it's very, very tight.

LEG. SCHNEIDERMAN:

Have we already borrowed against that through Revenue Anticipation Notes, some of those State revenues or no?

MS. VIZZINI:

Not yet.

LEG. SCHNEIDERMAN:

Not yet. Is that something being considered?

MS. VIZZINI:

Always.

LEG. SCHNEIDERMAN:

Okay. So let's put that aside for a moment and assume the County can pay it's bills in 2011. You're saying that in 2012, by April, by your projections, the County will run out of money?

MS. VIZZINI:

What we --

LEG. SCHNEIDERMAN:

If we adopt the County Executive's Budget?

MS. VIZZINI:

Well, again, Legislator Schneiderman, it's not directly related to the County Executive's budget. As matter of fact, these cash flow projections right now don't take into consideration the savings associated with the layoffs. And Budget Review does not have it's own independent cash flow projections. The factors contributing to cash are the absence of recurring revenue, the use of one-shots and the changes in State aid. What we will be saying in our report is that even if the Legislature is able to modify and adopt a 2012 Budget, the next County Executive has to step back

and work with the Legislature to assess what are we going to do anymore, because there is not enough money for business as usual. And people are not -- even though budget levies \$49 million in property taxes for General Fund, people are still in dire circumstances, and they are not paying those property taxes. They have not been paying those property taxes for the past several years. We don't -- we budget it, but we don't get \$49 million. So the economy is a human factor. So I can't answer your specific question, but I will say that there are grave cash concerns and they are related to all these other factors, including the budget.

LEG. SCHNEIDERMAN:

If we are not able to adopt our own Legislative Budget and we end with the County Executive's budget, and let's say concession aren't made by the unions, so the County Executive is faced with 700 layoffs, right, now, I think the County Executive's Budget assumes those layoffs January 1st; is that right, or even earlier?

MS. VIZZINI:

They're not earlier. Typically what happens in situations like this, and this, although not to this degree, but layoffs have been proposed in budgets before. Although Civil Service has done an unofficial and preliminary analysis, it will change depending on what the Legislature does. It will -- there's also a possibility it could change after the veto in overrides.

So at the end of November, there will be, okay, now we have now how many positions there are. There will be an update to that. When they have their final analysis, the 60 day notification period could go through. Even the County Executive's Budget expects the people who are impacted by the layoff to be on board in January to satisfy the 60 day notice. We gauge that by how much they took out. There is one month's worth of, you know, benefits being paid and everything else. Sometime in February, if this budget is adopted, those people will be laid off.

LEG. SCHNEIDERMAN:

But the budget anticipated that, but did not anticipate the -- or did it also anticipate the revenue those people generate by actually being employed, many of them reimbursable by the State, right, or Federal Government, some generating revenue themselves through the collection of fees. So the -- those numbers are all in there. So if we end up with these layoffs actually happening, we would lose that as well, so that would be factored in. It's kind of a doom's day scenario. But in that scenario, we still run out of money. We still run out money, because of all the error contained in the County Executive's budget sometime next year, correct, even if the County Executive's Budget is adopted.

MS. VIZZINI:

It would help a lot if the State could play catch up with us and remit, make a dent in the over 150 -- I don't know what the number is, it gets so high so quick. There are lot of factors. You know, people started paying they're -- if they would redeem their properties, if the State would remit the State aid that is owed to us, there are lot of factors. But there were years where doing a Revenue Anticipation Note wasn't even on the table. That has not been the case over the past year. And it could very well be a consideration for 2012.

LEG. SCHNEIDERMAN:

I'll leave it at that. Thank you.

CHAIRMAN GREGORY:

Legislator Barraga, you have a question.

LEG. BARRAGA:

Yes, Mr. Chairman, I just wanted to address a few remarks to you personally as Chairman of the

Budget Committee. Certainly, I take a look at the budget, and as pointed out by Budget Revenue, there were serious challenges associated with the budget, but my feeling in taking a look at it, the County Executive's Budget is really predicated on cuts. It is really starved for revenues. And again, I think there are revenues out there that we as a Legislature can look at and generate and alleviate and change this budget dramatically.

As you recall, in 2008, we securitized tobacco settlement and received approximately \$220 million. And unlike 39 other counties that did securitization basically to cover a hole in their respective budget of that particular year, we took about \$200 million and paid off, and rightfully so, general obligation bonds over the next five years. But we only did 75%. There's still another 25% that we could securitize generating, I think, between 30 and \$35 million. And it's a wise move, because tobacco usage in the United States is continually going down. Just as it made sense five years to take the money upfront, it makes a great deal of sense now to take these 31 one or 32 million generated from the remaining 25% of securitization and apply to help fill the gap in this budget. That gives us 32, 33 million.

We have a Reserve Fund. It was 60 million, now it's down to 48 because of 12 million being taken out for Irene. But there's still \$48 million. Take it's, it's a Reserve Fund. Take the money. There is concern, for example, that if we do that, it somehow it will affect our credit worthiness as a County. Right now, long-term debt for our obligation is running around 3%. The worse that could happen, it might go three and a quarter or three and a half, but the reality is, i'm not so sure in these tough economic times, we should be doing that much additional bonded indebtedness if we can avoid it. But the interest rates are low, and it would stay just about as low they are now even if you take the Reserve Fund.

The last is the question of -- and that probably brings on between 32 on the securitization and roughly 47 or 48 Reserve Fund. You talking, you know, 70, \$75 million. In addition, I would be a strong advocate of a group sitting down with the unions to really do what we did 2009, which is another lag payroll, which generates 31 or 32 million dollars. The advantage there is that, you know, people are not going to lose their jobs, they're not going to be furloughed. Two weeks pay is taken out, and when you do leave County service, you get your money back with the current rate with the appropriate rate of interest. That generates another 30, 32. So we're up to over \$100 million of revenue generation.

In addition, I would also speak to the unions, because the County Executive's Budgets seems to be predicated 462 layoffs, unless, unless employees, County employees start distributing to their health plan. I think in addition to the lag payroll, the unions would be amenable to a contribution prospectively of those employees coming into County government towards their health plan.

As some of the you might recall, historically, in the State of New York, you take a look at the different tier systems we have had, one, two, three. Four and five. We've never penalized people, for example, in Tier I when we came out without with Tier II or Tier III penalized those in tier II. It was always prospective. So I think a union sitting reasonably would say, "You know, let's do a lag, but prospectively, all new employees coming into the County would pay whatever the State rate, whether it's 25% of the annual premium associated with health insurance, they would pay it." At least all their existing members would continue having the same benefits that I think they should continue to have.

So I think what we are talking about here, it is not that difficult to generate 75, 100, \$120 million worth of revenues between tobacco securitization, the Reserve Fund and a lag payroll. Once you do that, you can then sit down and rework this budget dramatically, dramatically. You know. And bottom line, you still haven't increased taxes. You still haven't increased taxes. You are still providing services. If you're of the school that we're basically down to the bone and all these

different agencies, then, you know, rather than go further by knocking off 462 people, certainly that doesn't have to happen.

So those are -- it's just a personal point of view. But right now, when I take a look at this budget, I can see -- I understand where the County Executive's coming from, but he's starving on revenue, and it's all predicated on cuts. But if you take a look at tobacco securitization, you take a look at the Reserve Fund, you take a look at the lag payroll, you can generate at least \$100 million without raising taxes in Suffolk County.

CHAIRMAN GREGORY:

Thank you. Thank you for your input.

LEG. BARRAGA:

Thank you, Mr. Chairman.

CHAIRMAN GREGORY:

Just a quick response. Those are certainly thoughtful suggestions. There are some concerns particularly with the Reserve Fund. And I only state that because -- one of the reasons I state that is because our pension cost has going up 47 million this year. BRO is telling us that it's projected to go up another 50 million possibly next year, so -- 2013, I mean. So if we wipe out our Reserve Fund, that's really going to put us in a position not address that future need that we project is even going to be higher.

I think also, which maybe problematic, is the union's concessions with the lag payroll as well as health contribution to the health benefits. I think, if at all, they would amenable to only one or the other, but not both. And if they did both, I'm not necessarily sure what the benefit or how much the benefit there would be for prospective employees considering that I don't know if we are going to have money to hire people to increase our budget to do that.

LEG. BARRAGA:

Well, I think in answer to your question, I can understand your point of view. But sometimes you do things even though they might be one-shots in the short term in the hope that economically things improve in the future. And, you know, when it comes to one-shots, they've been doing one-shots for as long as I can remember, all right? And I would agree with you, the union could agree to a lag payroll or they could agree to health contributions prospectively, but right now, that's not even being proposed to them. That's why I'm bringing it out here. I mean, what is on the table here is not going to fly. I mean, I think that a lag payroll is much more amenable if you're looking for cooperation; you know, put the personal issues aside. You're sitting down saying, "You know, things have changed. We've got to do something here." I think lag payroll is something they would listen to, all right?

The Reserve Fund, I don't think it affects the pension cost. In terms of the increase in pension cost, as I understand it, we were able to amortize that, it was going to be at 5%, now the rate has been dropped by I think the Comptroller's Office did 3%. I think these are three avenues that you really have to take a long hard look at as Chairman of the Committee. I think it keeps the taxes down, but basically, fundamentally, it avoids any more layoffs. I mean, on a personal basis, if I get to the point where we have to do layoffs, I would consider it a personal failure or my leadership as an elected official when we get to that point when we're seeing other options available. Thank you.

CHAIRMAN GREGORY:

Thank you.

LEG. HORSLEY:

Mr. Chair, may I just chime in that? I know there's been a great deal of -- Tom, I absolutely agree with your sentiments on so many levels there. But in Budget Review's oversight and what they have discussed with us concerning the Stabilization Fund, they cite that we can't borrow all the monies against -- we can't use all the monies against that because of a rational that we have to borrow against to make future payrolls and the like. I agree with you. I think that the Stabilization Fund should be on the table. And we should be -- I have heard \$12 million used, 12 million or maybe little larger than that dollar figure, but I think certainly you're on the right track that we should consider using the Stabilization Fund this year.

I think we're coming out of the economy. What we need to do is we need to boost the confidence of the people of Long Island so they can start going out and buy and spend like they normally do. The confidence level is at an all time low, and if we go to layoff people, it's just going to perpetuate that lack of confidence that there is now in the economy. And we have got so many good things going on on Long Island that I think we can come out of this, which just a little more confidence. And I think that's going to happen in the near run within the next two years anyway that we'll be moving forward. So I agree with you and I applaud you for your comments.

CHAIRMAN GREGORY:

I agree as well. I think it's -- I don't know if offensive is the right word, but it certainly doesn't give me a warm fuzzy feeling when if the budget were to go through, we layoff 709 people, we have the Dolan Center close all the other ramifications that are embedded in this budget, and then come April -- that's not even mentioning closing the Foley Nursing Home -- come April we still can't make our payroll. That just doesn't make sense to me. There should be something more positive of an outcome than that we can't make our payroll after laying off hundreds of people and we can't make our payroll projections by the first quarter of the next year. It just doesn't make sense.

So, Gail, I thank you for your presentation. We re look forward to your full analysis and report so we can go through it. And we certainly recognize that this year is a difficult year in is own right, but this budget that has been presented to us gives us some further obstacles or challenges to put it mildly.

MS. VIZZINI:

Thank you, Mr. Chairman.

CHAIRMAN GREGORY:

Thank you. We stand adjourned.

(*THE MEETING WAS ADJOURNED AT 1:46 P.M.*)

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