

BUDGET & FINANCE COMMITTEE
OF THE
SUFFOLK COUNTY LEGISLATURE

Minutes

A regular meeting of the Budget & Finance Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on Tuesday, March 6, 2012 at 10:00 a.m.

Members Present:

Legislator Lou D'Amaro - Chair
Legislator Jay Schneiderman - Vice-Chair
Legislator Wayne Horsley
Legislator Sarah Anker
Legislator Thomas Muratore

Also In Attendance:

Legislator Edward Romaine - District # 1
Legislator Kate Browning - District #3
Legislator Kara Hahn - District #5
Legislator Robert Calarco - District #7
Legislator Ric Montano - District #9
Legislator Thomas Cilmi - District #10
Legislator Thomas Barraga - District #11
Legislator John Kennedy - District #12
Legislator DuWayne Gregory - District #15
Legislator Steven Stern - District #16
Legislator William Spencer - District #18
George Nolan - Counsel to the Legislature
Sarah Simpson - Assistant Counsel to the Legislature
Renee Ortiz - Chief Deputy Clerk/Suffolk County Legislature
Barbara LoMoriello - Deputy Clerk/Suffolk County Legislature
Gail Vizzini - Director/Legislative Budget Review Office
Robert Lipp - Deputy Director/Legislative Budget Review Office
Rosalind Gazes - Assistant Director/Legislative Budget Review Office
Terrence Pearsall - Chief of Staff to Presiding Officer Lindsay
Steve Bellone - Suffolk County Executive
Fred Pollert - Chief Deputy County Executive for Finance
Joe Sawicki - Suffolk County Comptroller
Regina Calcaterra - Chief Deputy County Executive
Jon Schneider - Deputy County Executive
Eric Kopp - Assistant Deputy County Executive
Ben Zwirn - County Executive's Office
Tom Vaughn - County Executive's Office
Ed Moltzen - County Executive's Office
Matt McDonough - County Executive's Office
Katy Faulk - County Executive's Office
Vanessa Baird-Streeter - Director of Communications/CE's Office
Richard Halverson - Chair/Budget Task Force
Chuck Stein - Member/Budget Task Force

Mike Solomon - Member/Budget Task Force
Dennis Cohen - Suffolk County Attorney
Lynne Bizzarro - Chief Deputy County Attorney
Alan Schneider - Director/Suffolk County Civil Service Department
Leslie Baffa - Suffolk County Civil Service Department
Nicole DeLuca - Chief Deputy Clerk of Suffolk County
Penny Wells-Lavalle - Director/Real Property Division
Laura Schreiner - Special Assistant/NYS Senate
Justin Littell - Aide to Legislator D'Amaro
Marge Acevedo - Aide to Presiding Officer Lindsay
Michael Cavanagh - Aide to Presiding Officer Lindsay
Michael Pitcher - Aide to Presiding Officer Lindsay
Lisa Keyes - Aide to Legislator Romaine
Catherine Stark - Aide to Legislator Schneiderman
Seth Squicciarino - Aide to Legislator Hahn
Kristopher Oliva - Aide to Legislator Anker
Bob Martinez - Aide to Legislator Montano
Chris DeLuca - Aide to Legislator Cilmi
Ali Nazir - Aide to Legislator Kennedy
JP DiMartino - Aide to Deputy Presiding Officer Horsley
Paul Perillie - Aide to Legislator Gregory
Debbie Harris - Aide to Legislator Stern
Chris McPartland - GCB Divison Chief/District Attorney's Office
David Tricamo - GCB Detective/District Attorney's Office
Chuck Lohmann - GCB Detective/District Attorney's Office
Elyse O'Brien - Economic Development & Planning Department of SC
Noel DiGerolamo - 2nd Vice-President/Police Benevolent Association
Russ McCormick - Sergeant-at-Arms/Suffolk Detective's Association
Vito Dagnello - President/Correction Officer's Association
Arthur Sanchez - Deputy Sheriffs Police Benevolent Association
Cheryl Felice - President/Association of Municipal Employees
Rich Meyer - Legislative Liaison/Association of Municipal Employees.
Lucille McCune - Association of Municipal Employees.
Cheryl Felice - President/Association of Municipal Employees.
Lori-Ann Vartanean - Suffolk County Police Civilian
David Vidal - Suffolk County Police Civilian
All Other Interested Parties

Minutes Taken By:

Alison Mahoney & Donna Catalano - Court Reporters

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

***(*The following testimony was taken & transcribed by
Alison Mahoney - Court Reporter*)***

CHAIRMAN D'AMARO:

Okay. Good morning and, Ladies and Gentlemen, welcome to the Budget & Finance Committee of the Suffolk County Legislature. Please rise and join the committee in the Pledge of Allegiance led by our Vice-Chair, Legislator Schneiderman.

Salutation

Okay, turning to the agenda. Normally we would go to the public comments. I do have a few cards, a few individuals that would like to address the Budget Committee this morning. I'm going to ask your indulgence, because I would like to skip instead to the presentation section of the agenda and the County Executive, Steve Bellone, who has joined us here today. Mr. County Executive, thank you for joining the committee, we appreciate that. And his Budget Task Force is here to present its report detailing the State of the County's finances.

So Mr. County Executive, if you would like to come up and introduce the committee, please go ahead.

COUNTY EXECUTIVE BELLONE:

Mr. Chairman, I need to hold this button down?

MS. LOMORIELLO:

Yes, you do.

CHAIRMAN D'AMARO:

Even the County Executive has to hold the button.

(*Laughter*)

COUNTY EXECUTIVE BELLONE:

Not a problem at all. Good morning, Mr. Chairman, Members of the Budget Committee, Legislators. Today is an important day for Suffolk County residents and businesses, because today they learn the facts about the fiscal condition of our County.

I want to begin by thanking our Comptroller Joe Sawicki, our Treasurer Angie Carpenter who is not here today, Legislative Budget Review Office led by Gail Vizzini, and the Executive Budget Office headed by the Deputy County Executive for Finance, Fred Pollert. I want to thank them for working together and providing the Budget Task Force with the data and information they need -- they needed to complete their report.

I formed the Budget Task Force back on January 5th with the goal of providing Suffolk County residents and businesses with a clear picture of the financial condition of our County. The scope of the task force's work centered on Fiscal Years 2011, 2012 and 2013. Frankly, there has been so much disagreement about the facts and the extent of the problem that it has overshadowed efforts to find a solution. That is why I believe we owe a debt of gratitude to the members of this task force, each of them municipal finance experts, for completing an independent evaluation of the State of our County's finances. They volunteered countless hours in the best traditions of public service and wanting this County to succeed. I am grateful for their service and want to acknowledge their work and introduce them now.

First is our Chairman, *Richard Halverson* of Hampton Bays. He's a former Assistant Deputy Director of the New York City Financial Control Board, and he served as Deputy Comptroller of the City of New York. Also *Michael Solomon* is here today of Oceanside. He's the Managing Director in the Public Finance Department at Ramirez & Co, one of the nation's oldest minority-owned investment firms, investment banking firms in the nation. Mr. Solomon has over 25 years of experience working with State and local governments in developing successful capital finance, debt management, budget and credit rating strategies. *Charles Stein* of Coram who, by the way, came back from Florida yesterday just to be here to make this presentation. He served as Suffolk County Deputy County Executive for Finance and has over 40 years of financial management experience, including serving as Vice-President of Business & Financial Affairs at Suffolk County Community College.

There are four other members of the task force who couldn't be here, but I also want to recognize and acknowledge their work. *Edward Money Penny* of Southampton, a former financial -- Chief Financial Officer at 7-Eleven Corporation. He's also served in that capacity at two Fortune 500 Companies, and currently serves on the Audit Committee for several major corporations. *Stewart Klein* of Rockville center has over 35 years of experience in governmental budgeting and financial reporting. He recently retired from the New York City Office of Management & Budget where he served as the 1st Deputy Director for 16 years. He's currently a consultant to the Citizens Budget Commission. *Nathan Leventhal* of Westhampton is a former Deputy Mayor of New York City, Director of Dreyfuss Mutual Funds, and he served as the President of Lincoln Center for 16 years. And finally, *Steven Newman* of Douglaston. He currently serves as the Executive Vice-President and Chief Operating Officer of Public Health Solutions. For more than 20 years he served in the New York City Comptroller's Office as 1st Deputy Comptroller and Chief of Staff in two administrations. I thank these gentlemen for their great work.

After weeks of analyzing our County's finances, our fiscal assumptions and our costs, we now have a real picture of the state of our County's finances, and the truth is worse than we could have managed. It is not pleasant, but it is reality. And there are two things that you can do with reality; you can embrace it or you can deny it. I choose to embrace reality so that we can build Suffolk County's financial future on an honest foundation.

It is my privilege, Mr. Chairman, to ask the members of this commission to come forward to present this Budget Committee with their report. Thank you, Mr. Chairman.

CHAIRMAN D'AMARO:

Okay. Mr. County Executive, before you leave the podium, I would just like to take a moment also to thank you for your leadership on this issue and for accepting my invitation and the committee's invitation to present here today. These are very important issues, obviously, that are facing the County, and I think that -- and what I'm hoping for today with this commission is that we're going to take a big step forward in defining the problem and building consensus. Because the way I see it, and I know you've said this in the past and I agree with you, that the only way we're going to really solve these problems and attack these problems is if we first all agree on what that problem is and what the extent and the magnitude of the problem is. So I thank you for putting this commission together, for, again, accepting the invitation to present here today. And with that, I would ask the commission to please come up, or the task force members to please come up and go ahead with your presentation. Thank you.

COUNTY EXECUTIVE BELLONE:

Thank you, Mr. Chairman.

CHAIRMAN D'AMARO:

Thank you. Okay. Gentlemen, good morning and welcome. Thank you again for coming here and taking time to present your analysis and report to the Budget Committee. These are, as I mentioned, important issues to all of us here in Suffolk County and to Suffolk County taxpayers and at this time I'd like to invite you to go ahead and proceed.

MR. HALVERSON:

Thank you very much for having us.

CHAIRMAN D'AMARO:

Mr. Halverson, you just need to press the button and --

MR. HALVERSON:

I'm Richard Halverson --

MR. SOLOMON:

No, hold it.

MS. MAHONEY:

Please pull the microphone closer.

MR. HALVERSON:

I'm Richard Halverson and I'm happy to have served as Chairman.

CHAIRMAN D'AMARO:

And if you could do me a favor and pull that microphone right up to you so everyone here and outside can hear what it is you have to say, I'd appreciate that very much. Thank you.

MR. HALVERSON:

How is this?

CHAIRMAN D'AMARO:

Very good. Thank you.

MR. HALVERSON:

Very good. I'm Richard Halverson, I'm the Chairman of the Task Force. And my left is Michael Solomon and further on my left is Charles Stein, and we're very happy to be here today.

I want to start by just taking a couple of minutes to tell you about how we went about this. When we were first appointed in January, we had an organizational meeting by phone in which we defined the kinds of information we wanted to have and made our informational requests to the Budget Office. For the next two weeks or so they worked on it, they provided us with a very large stack of information, which is only growing more over the last five weeks. And I have to say that from the beginning we very pleasantly found out that an enormous amount of work had been done by both the Budget Review Office and the Legislative Budget Review Office concerning reevaluating what was in the budget that was passed last fall and coming up with revised projections, not only for this current year but also revised projections for 2011 and 2013. And what impressed us very much was that there was a rough consensus between the two offices, and not on the details but on the size of the problem.

We then went to work in a series of six meetings during the month of February, three in person and three by conference call, evaluating the various assumptions and data that we were given. We were able, during the course of those meetings, to ask a lot of questions of people involved, and we also I think were very successful in making some suggestions for how the budget process might be improved and estimates might be better.

I think that it's important to note what we did. We are not -- we did not do an audit. That audit is under way and I guess the results of the audit of 2011 will be available in another month or so. But we did look at the estimates and projections looking forward based on the information that has been available to us up to the moment. It's important to understand that these are estimates and projections, including the information that we have for 2011. The books are not closed on 2011. We're estimating, as I think you know, a deficit in 2011, but we want to point out that 2000 -- the information for 2011, like the information for the other years, is our projection of what's going to happen. The consensus that evolved for the -- in talking with the County offices concerning the size of the deficits, centered on about a \$400 million problem over the three years from 2011 to 2013. We analyzed that -- if you want to change the slide. We analyzed that projection and we decided on our own projection, which was about \$124 million more than that. So we're projecting that the total three-year deficit is \$530 million.

As you can see, the projected deficit grows, in our estimates, from 33 million, which is the estimate for 2011, to 148 million, which is the estimate for 2012, and then 349 million in 2013. We have in our report, which I assume you have, on page two a large chart which we divided into two parts -- you should be on the third, fourth slide; yeah, that's it -- and this is the top-half of the chart. It shows our estimates for revenues and expenses for each of the three years, beginning on this page with what we are calling the County consensus, the general number of \$400 million, and then proceeding on the next chart with our additions to what we think will make up the deficit. These categories that are on here are not identical to what you'll find in the budget. One of the things that took us -- took us a while to get organized was we wanted to categorize the County's revenues and expenses in ways that we could look at them historically over time, and we then asked for data over a ten-year period. So that you'll see throughout the report that these categories of revenues and expenses are an accumulation of various line items in the budget. This is not a line-by-line analysis of the budget that was passed.

If you go on to the next page, you can see the adjustments that we've made. The consensus of the Executive and Legislative rough consensus is at the beginning at the very top of the page, and you can see it's a 1% deficit in 2011 growing to a 3% in 2012 and then to an 11% in 2013. And listed below are some of the general reasons that we felt it should be increased. One is, and we'll talk about it more in a moment, we feel that in the original budget, and even in our consensus estimate, the estimate for sales tax is high and we would recommend lowering that estimate in defining the problem.

We concluded that the \$10 million in additional savings for overtime was a very ambitious goal. We think the overtime continued program is absolutely essential and a very important step, but we think that the impact of it will probably be to mitigate the effects of all of the layoffs and reorganizations that are going to have to happen. That is when you're going through the kind of period that the County's going through of a loss in workforce, which is included in the budget, it's very hard to reduce overtime at the same time. So that we added \$10 million to the deficit because we thought that savings was, in dollar terms, over ambitious but a very necessary thing to try to do.

We also reduced the savings a bit from the layoffs that were included in the budget, partly because of the problem of some people being laid off on lines that were not funded by the County, and also for other kinds of slippage which naturally occurs when you implement that big a reduction in staff. And then an additional -- in addition, we are urging the establishment of a contingency fund for certain problems that we're not sure are going to materialize but which we feel are very likely and should be planned for. One is we'll talk about in a moment is even less sales tax than the three -- the 2.6 annual growth rate that we've provided for. Another is higher energy costs, something that wasn't really anticipated at the time the budget was passed, and the delay, this year at least, of some of the land sales that we think might not actually occur until a later date. So that adds -- so that leaves us with a deficit of 33 million in 2011, 148 million in 2012 and 349 million in 2013. And you can see that the deficit in 2012 is 6% of the budget, and in 2013 we're projecting that it's 14 -- will be 14% of the budget.

If you turn the page, you can see the history and how this has been developing over the last four or five years. The culprit here, of course, is the national recession. And as you can see, the red line indicates, from about the time the national recession began, the growth of expenses has far outpaced the growth in revenues, and that is what a monster structural imbalance. The increase is projected to grow even further and more rapidly in 2012 and 2013 for -- because of a couple of problems that we will get into as we go along.

If you put up the next slide, this is the major revenue sources. And we included, just to illustrate the tremendous dependency that the County has on sales tax in which in 2011, 45% of the sales tax revenue is projected to have come from the sales tax, which is

an extraordinarily high number given the volatility of the sales tax. And the decline -- the effect of the recession on the sales tax is a major driver of the deficit. If you turn the page, you can see it very clearly where beginning in 2008, the sales tax declined in 2009 and then it began to grow, but is well below what would have been the case had the rate of growth been consistent over time. We figured out and I think -- oh, you were in the right, I thought you were on the left.

MR. SOLOMON:

I snuck over here.

MR. HALVERSON:

I'm sorry, I didn't know you were there. The number -- if the sales tax had continued to grow.

MR. SOLOMON:

Yeah. So 2007 was the high water mark for sales tax and the County still hasn't gotten back to the sales tax revenue collections that it had in 2007. So if the financial crisis in '08 never happened and the sales tax growth plotted along at let's say 3%, in the current fiscal year there would be \$230 million more of sales tax revenues. So a lot of this problem wouldn't be here had it not been for the economy, but it was.

MR. HALVERSON:

And when the budget was initially adopted in the fall, it projected a 4.61% increase for 2012 in the sales tax. The consensus estimate that we started with had a projection of 3.85% in 2012, of which 3% was a general increase in the sales tax and the remainder was the increase as a result of the removal of the cap on this gasoline tax portion of the sales tax. We thought that given the current economic situation in the County, that these were over optimistic estimates. That is why the County has not fared as poorly as the nation has in the recession; it also has not recovered at the same rate that the nation has during the recovery.

According to the State data, the unemployment rate in Suffolk County dropped only one-tenth of 1% between December 19th, 2010 and December, 2011, which is far less than the national drop in the unemployment rate. And also according to the State, the County is losing jobs at the same time nationally there is a job growth. So for that reason, we are recommending going below the 3% that was provided in the consensus estimate to 2.6%, including the end of the cap on the gasoline sales tax.

The next slide shows how the budget, kind of how the budget has been balanced during the last four or five years when revenues have not kept pace with expenditures, and it does it in two parts. First, on the left-hand side, as you can see, the Tax Stabilization Reserve Fund has been drawn on very extensively in 2009 and 2010 to plug the hole that has been left as a result of the sales tax decline. And the other thing that's happened is that the fund balance that has kind of accumulated funds from the period of good times in the first half of the previous decade, has also declined dramatically from 2007 on -- both of these are very important signs that the County is losing its financial flexibility and that both of these are things that the rating agencies are very concerned with. Charles?

MR. STEIN:

Yes, I just want to point out the importance of this, because it also places tremendous strain on the County's cash flow situation which is under strain, and it's something that continuous draw on these reserve funds places you in a precarious situation.

MR. HALVERSON:

Thank you. You want to go on to the next slide? You can see on the expenditure side, we broke down the expenditures by various categories. And the biggest drivers in expenditure increases are

on the employee salary and benefit side. As you can see, the pensions, employee benefits and employee salaries make up about 50% of the combined General Fund and Police District budgets, and so that fluctuation in those costs are a major driver of what's happening. The major fluctuation, of course, is the payments that have -- have to be made to the New York State Retirement system, which are growing dramatically.

If you look at the chart, you can see that the number is growing from 2010 on. 2010 and 2011 did not grow as much as the State Comptroller's demand in terms of local funds because the County participated in the amortization of the pension payments, so that \$19.1 million was, in effect, borrowed to pay pension costs and reduce the cost of pensions in 2011, and 45.7 million we understand is borrowed in 2012 through amortization of the pensions. And then the reason it jumped so dramatically in 2013 is that number does not assume that there will be further amortization of the pensions because that hasn't been adopted as yet, if it is going to be adopted. We don't know what will happen. But the \$90 million pension increase is a major problem and will continue to be a problem in the future.

On the next slide, we just mentioned two of the other major sources of increases, social service growth of about 6%, which has been pretty much the historic rate of growth going forward, and an increase in debt service that's fairly dramatic in 2013. And that's not because there's been a lot of additional long-term borrowing particularly, but because in prior years the payments for debt service had been reduced by the tobacco fund financing, and going forward that's not going to be the case so far as we're able to tell.

The next chart shows the composition of the deficit, which in 2011 is primarily a revenue problem, it's primarily the decline in the sales tax more so than expenditure increases. But increasingly in 2012 and in 2013 it's expenditure increases, especially pensions and other costs that are driving the growth of the deficit.

We included the next chart to make a point similar to what Charles has made. The chart isn't in the report itself. The problem is mentioned on page eight, but we decided that it's such an important issue we wanted to clearly bring it to your attention. That in addition to the shrinking reserves and cash balance, the pressure on the County's cash flow is enormous. In 2007, the County borrowed \$280 million during the course of the year to keep paying its bills. This is yearly borrowing, it's paid back by the end of the year, but it's what's necessary to keep the County going. In 2012, in his January cash flow, the Comptroller has estimated a total borrowing this year of \$655 million in seasonal borrowing, which is a really very large growth and something that should be a lot of concern. And it's not clear that 655 will be the ultimate number that's used, it may -- it may be more, it may be less. But whatever the exact number turns out to be, it's something that really ought to make people very concerned. It's something that I know from my experience in New York City, it really led to the economic crisis in New York City of 25 years ago in the imposition of a control board by the State.

So that's a general summary of what we think is going to happen. It doesn't include potential negative effects of a collapse of European financing or a large decrease of employment on Wall Street, so it's not the worst case, scariest scenario one could come up with if one were trying to project the future, but it's a very serious problem. It was beyond the scope of the task force to recommend solutions, just as it was beyond the scope of the task force to identify heroes and villains of how this happened, the biggest villain obviously being the U.S. economy. But we hope that this is helpful and we hope that the report, which I believe you now all have behind you which provides a little bit more detail, will be useful as you move forward. And we just leave you with the bad news on the screen, if you do the last slide.

So that's our summary of what we found, and we'll be happy to answer any questions that you might have.

CHAIRMAN D'AMARO:

Okay. Thank you, Mr. Halverson, for that report. And we just received a copy of the report this morning, as you know. And I appreciate -- the presentation here is daunting, to say the least, looking at the projections that you and the task force have made.

I'm not surprised, I will tell you, because we've been living this at least for my tenure here involved in the budget process for just about every year crafting the County budget. Working with our Budget Review Office, we know, we know much of what you're telling us here in this report as far as pension costs going up, revenue shortfalls, a very difficult economy. We've had discussion after discussion, both in working groups and in committees and at full Legislative meetings about all of the problems that we're facing, and I do look forward to getting to the solutions, but that's not for today. Today we want to just focus on what is the extent of the problem, what is the fiscal challenge that the County is facing going forward. And if we can agree on that, then I think at that point we can start to address what the solutions may have to be.

I know there are a lot of my colleagues here today, I'm sure there are questions, I just had a few myself, if you could bear with me for a moment. I want to go back to page two on your report, which, you know, maybe it's my preference for the numbers. I did read the whole report right before the committee and I do understand that the report focuses on the major drivers of the figures, whether it's on the revenue side or the expense side. But I want to focus first on 2012; let's put aside 2011 right now. In 2012, which is the Fiscal Year and the calendar year that we're in right now, your initial deficit projection, before we get to the recommendations of the task force, your initial deficit projection is \$87 million. We just passed that budget at the end of last year, it just went into effect January 1, and here we are today on March 6th projecting that type of deficit. Can you explain a little further why you believe that, at this early point in the year, you can make a projection like that and what's driving it.

MR. HALVERSON:

Well, it's not early. There's not a lot of time in which to handle the situation, but it's a number of things. Some of it has to do with arbitrations which are going forward now in relation to some collective bargaining agreements, some of it has to do with overtime for the current year, some of it has to do with unemployment insurance related to the layoffs that were being done. It has to do -- one of the numbers has to do with the projected cost of the bus contract. So it's a variety of small items, additional Social Security payments having to do with above what's projected in the budget. So it's a variety of items. The biggest items --

CHAIRMAN D'AMARO:

And that would be on the expense side? That's on the expense side.

MR. HALVERSON:

Yes. The biggest items, though, are the sales tax --

CHAIRMAN D'AMARO:

Right.

MR. HALVERSON:

-- being down, I would say, and certain revenues for the Department of Health also being down. So it's a variety of small things. It's not -- it's not any big omission from the budget, but a variety of smaller items which total up to the total.

MR. STEIN:

I also want to point out, you have higher debt service costs this year because of the ratings and also the borrowings.

CHAIRMAN D'AMARO:

Right, okay. And these are all smaller, if you will, in comparison to some of the larger pension cost problems and things like this.

MR. HALVERSON:

Correct.

CHAIRMAN D'AMARO:

These are smaller ticket items. But you're also -- the driver of this is also that you feel that the sales tax projections that we adopted in the County for 2012 are going to be less, or you're projecting them to be less.

MR. HALVERSON:

I think what was adopted was basically the historical average increase, which is perhaps 4.65% in the adopted budget. And the actual for last year was about 2.6% growth; these are our growth relates in the budget. So we think that sales tax number was overly ambitious here.

CHAIRMAN D'AMARO:

Okay. So how much less is your projection for 2012 from what was adopted by the County?

MR. HALVERSON:

The total?

MR. SOLOMON:

Yeah. I mean, on the sales tax side, going from three and a half, which I believe is what the County currently estimates, and what we did is we said, well, in 2011, if the growth rate was 2.6%, we didn't see anything one way or another that would lead us to believe it should be higher at three and a half. So the task force was comfortable saying, well, let's assume the 2.6% that occurred in '11 also occurs in '12. So we --

CHAIRMAN D'AMARO:

Well, I'm not even getting to the 2.6 yet.

MR. SOLOMON:

Right, so that's \$12 million less --

CHAIRMAN D'AMARO:

It's 12 million.

MR. SOLOMON:

-- from what the County currently estimates the sales tax reduction would be. And then --

CHAIRMAN D'AMARO:

Well, no. I'm sorry, and I don't want to get hung up on this, I know there are a lot of questions. But the \$87 million deficit that you're pointing out in 2012 which is above the line, before your recommendations, is that based on an assumption that the sales tax projection or the sales tax at the end of the year will be less than what was adopted by the Legislature?

MR. SOLOMON:

Yes.

CHAIRMAN D'AMARO:

It is. By how much?

MR. SOLOMON:

By about \$12 million less.

CHAIRMAN D'AMARO:

Okay. But then you take another \$12 million on the recommended adjustments.

MR. SOLOMON:

Correct.

CHAIRMAN D'AMARO:

Okay. And so you say not only will it be \$12 million less based on what we adopted, but we also recommend you take another \$12 million hit on the projection based on your task force recommendation.

MR. SOLOMON:

Right. So if you take it down 25 million, that would basically equate to the same growth rate in 2012 than the County experienced in 2011.

CHAIRMAN D'AMARO:

Okay. So that \$25 million reduction in your sales tax projection, you're basing more on the historical growth rate that we've experienced in the past; we the County you're saying.

MR. SOLOMON:

Well, the very recent. I mean, back -- you know, if you go back over time, it approached double digits, but since the financial crisis in '08, it's been more in line with two to 3%.

CHAIRMAN D'AMARO:

You don't think that there should be other factors? I mean, is that a very conservative approach or way to do it? Because I'm not sure that our Budget Office would take the same approach to making a projection like that.

MR. SOLOMON:

There were members of the task force who thought strongly that we should flat line and have no growth going forward. So, you know, in our opinion, unless there's some very positive development economically or some very catastrophic development economically, it seemed like a reasonable number. I mean, it's a projection no one could say with certainty, but it did seem reasonable to most of the task force members.

MR. HALVERSON:

You know, we don't see signs of reason why the sales tax growth this year should be larger than it was last year, since the economic indicators are not very promising. And I think in the report there's a chart which shows that of all the regions in New York State, we had the smallest growth in sales tax last year of any, even the "chronically depressed northern tier" had a larger growth in sales tax than we did. So it's -- we just think that there isn't reason for as much optimism as has been in the numbers previously.

CHAIRMAN D'AMARO:

Well, it's hard to make regional comparisons, especially where maybe they had fallen further in the first place. I mean, there's all kind of factors, and we all appreciate that we're working with projections and it's very difficult. You know, at the end of the day, I think when we're talking about spending other people's money, like taxpayers, we should be more conservative in our approach. So I don't object to that, but I just need to understand where these larger numbers are coming from.

So then going below the line where you have the task force recommended adjustments, we already talked about an additional fall off in sales tax of \$12 million. And then you go to overtime pay increases, which I believe in your comments you said we should anticipate more in overtime, especially when you face a situation with layoffs or less employees; is that your point.

MR. HALVERSON:

Overtime was reduced last year and the adopted budget has an additional \$10 million reduction in overtime this year as compared to the last year, and we think that that would be hard to pull off given the layoffs and the reduction in workforce. We think it's a good goal, but it's very difficult to reduce both the size of your workforce dramatically and the amount of overtime at the same time.

CHAIRMAN D'AMARO:

Okay. Well, I appreciate that. And, you know, of course that makes the argument for revisiting the layoffs in the first place, because if it's going to cost us more in overtime, it doesn't seem to make sense. If we can't meet our projection in savings on overtime, it doesn't seem to make sense, then, to proceed with layoffs. It just -- I'm astounded by that figure, to tell you the truth. Because when we sat in our budget sessions and we anticipated what our needs would be with respect to overtime pay, you know, at the time we adopted the budget we were, of course, very comfortable with that number. And also, again, it's a projection, so that would really also fall to how you're going to manage the County and the workforce going forward with respect to overtime.

MR. HALVERSON:

And there is apparently a new program going into place, which is a very good thing, it just from experience turns out to be very difficult for a jurisdiction to do both at the same time. The numbers we have here assumes that the layoffs are taking place. If we assume that the layoffs are not taking place, the deficit numbers would be considerably bigger.

CHAIRMAN D'AMARO:

Even larger, yes; yes, I understand that.

All right, and my last question and then I'll turn it over to some of my colleagues. There's a large number, 36 million in 2012 as a recommended adjustment by the task force for contingency for less sales tax, higher energy costs and delay of land sales. Less sales tax yet again; is that reflecting some of your committee task force members wanting to flat line sales tax?

MR. HALVERSON:

It would be -- no, it doesn't flat line it, it brings it down to about a 1.5% increase which is, we think, a possibility. And it is -- that is a conservative estimate, but we think it's very warranted given the uncertainty. The higher energy is about \$5 million, given what's happened with gas prices which just wasn't -- just one of those things that wasn't predictable.

CHAIRMAN D'AMARO:

Right.

MR. HALVERSON:

And the land sale is \$18 million for a particular land sale; that may well happen, but we just are quite questionable of whether it will happen in this calendar year.

CHAIRMAN D'AMARO:

Right, and I think that's the right approach. I think, you know, to make rosy assumptions that the land sale -- I mean, we're going to, of course, try and make it happen, but we don't know sitting here today if it will happen and we have to be realistic and we have to deal in reality. So I agree with you on that.

And then just looking at 2013 where the numbers just really go off the chart. Obviously a big driver of that is where now it's less of the revenue problem and it's just you cannot keep pace with the rising costs, whether it's health, pension costs, things like that. And this is where -- I know he's not with us here today, but the Presiding Officer always talks about mandate relief from the State and assistance from the State in trying to help this County and other counties, you know, get through these just unsustainable, unbearable, unbelievable high costs that are being pushed down to the County level. You know, maybe it's helping State taxpayers, but they're the same people paying the County taxes. So, you know, we need to find a solution to that and I know that the present administration is committed to doing that, as we all are.

It's a very high number for 2013. You know, I just want to make it clear that myself and I think all the Legislators, and certainly the County Executive, we're going to work together to bring that number down as best we possibly can, and that's where we're going to get into talking about solutions. But again -- or at least mitigation measures, if not solutions. But again, I don't think we're there yet. And I'm sure there are many other questions concerning your report. And if you -- can you folks stay for a little while longer?

MR. HALVERSON:

Sure.

CHAIRMAN D'AMARO:

We have a few Legislators that would like to ask questions as well.

MR. HALVERSON:

Absolutely.

MR. STEIN:

Certainly.

MR. SOLOMON:

Happy to.

CHAIRMAN D'AMARO:

Okay. And first would be our Deputy Presiding Officer, Legislator Horsley.

D.P.O. HORSLEY:

Yes, good afternoon. Is it afternoon yet? No. Good morning. First of all, I would like to congratulate our Chairman here for the way this is being presented today, and what a fine job he's been doing.

I'd also like to thank our wizened gentlemen who have spent a lot of time in service to Suffolk County and we thank you very much for being here today. It's very helpful and it certainly brings a lot of the things that we've been saying over the last year to a head and we appreciate that.

I wanted to just comment, the housekeeping issue for this Legislature, that this is a lot to digest over one night, over one day. And for us to give all our final opinions on how we're going to mitigate this issue, it is -- it is just too much to do at one time. So what I am recommending to the Legislature, that we will have a press conference tomorrow at 12:30 here at the Legislature, and all Legislators are invited to comment and to be involved in that press conference to react to this daunting report.

And lastly, if I may, I just wanted to question -- I see where Mr. Halverson, you have said that the layoffs that are, you know, are going to be included -- that are included in this report, and I certainly understand why you would go to that measure. But I wanted to look to the macro issue, you had talked about how the Long Island economy is not recovering at a pace that that we would all like. That being the case, if we had the levels of layoffs which were recommended, do you feel that this will further imperil the Long Island economy? You know, what are your feelings on that on a larger level? Where do we go?

MR. HALVERSON:

Layoffs aren't good for the economy, that's definitely true. But I think balancing the negative effect of the -- negative financial effect, to not do the layoffs will impact the budget more than what would happen otherwise.

D.P.O. HORSLEY:

I suspected that was what your feelings were. Would you like to add to that, Mr. Solomon?

MR. SOLOMON:

No. I mean, of course layoffs -- I mean, it's a downward spiral once you start laying off folks because there's less disposable income in the economy.

D.P.O. HORSLEY:

Exactly, and that was my concern. You know, was that factored into your recommendations?

MR. SOLOMON:

We didn't -- we're not -- nowhere in this report are we recommending any actions on that. This is -- the layoffs that are cited here are ones that are already included as part of the planned budget for '12 and we're just citing the impacts that we believe that it will have.

D.P.O. HORSLEY:

That's fair.

MR. HALVERSON:

I think the recommendation concerning the sales tax number would reflect some of the pessimism of the impact on the layoffs.

D.P.O. HORSLEY:

Which was my -- the reason why I'm asking the question. You know, that would have to come to mind, particularly as all Long Islanders, you know, are concerned about our growth and that we continue to grow.

And we have seen some better numbers, so we'll -- we take that under advisement. We appreciate your comments. Thank you.

CHAIRMAN D'AMARO:

Okay. Thank you, Legislator Horsley. Legislator Gregory, please go ahead.

LEG. GREGORY:

Thank you, Mr. Chair. Although I'm not a member of the committee, I am the most recent, past -- I was going to say President -- Chairman of the committee, so I certainly have an interest, as we all do, in the crisis that you have presented here today. I'm sure you're well aware that the numbers that you have presented are truly staggering, particularly as it relates to 2013, a projected \$349 million deficit, which is on top of 600 plus layoffs; I mean, that's just a truly staggering number.

I'm a little more curious as to how far down you drilled down into the information, into your analysis, and for a minute, maybe we can focus on 2011. As Chair of the Budget & Finance Committee last year, last October I believe it was, the administration had presented a resolution, introduced a resolution for reimbursement for hurricane -- our Tropical Storm Irene costs; it was in the neighborhood of \$12 million. This committee had asked for documentation to support that \$12 million transfer from the Tax Stabilization Fund. What was told to the committee and this body was that FEMA would make 75% of that reimbursable, so we would get \$9 million of that back.

In your analysis of the budget and the records that we don't have access to, and that's something that as a Chair, we had on many occasions had requested information that we didn't get. And certainly it was delayed when we got it, particularly as it relates to our Budget Review Office; they have expressed those concerns and frustrations on many of occasions. So they were working with a limited timeframe as it was, but with the lack of cooperation it made their job that much more difficult. But to my question. Were you able to analyze if there were any type of reimbursement costs that were available to the County for FEMA? Did you guys drill down that deep into those types of records?

MR. SOLOMON:

In part of the calculations, the impact of the FEMA reimbursement was taken into account. You know, not so much in the Fiscal Year '11, but in Fiscal Year '12 we did take some of that money into account. We didn't investigate anything related, you know, to what the County should be reimbursed or if there are future reimbursements coming, but it was a line item that we did look at.

LEG. GREGORY:

Into what neighborhood, do you recall what -- because it was \$12 million that was the resolution. And what -- on what information did you base your number?

MR. SOLOMON:

We based our number on some of the materials and data we received from the County, so we didn't do any independent investigation on to the FEMA number. To the best that I could recall, the number was somewhere -- the impact was somewhere in the neighborhood of \$3 million.

LEG. GREGORY:

Okay. So out of 12 that was projected or presented to this body, you felt the more comfortable number was in the neighborhood of three million.

MR. SOLOMON:

That's what was included in the information that we got from the -- received from the County. We didn't adjust it one way or another.

LEG. GREGORY:

Right. Okay. All right, so three million is more of a --

MR. STEIN:

If I might. I think it was pointed out earlier that we did not conduct an audit, and I think that's important to note. We did go over material that was presented by the Budget Review Office, we also went over material presented by the Budget Office. There were many, many different line items. There was agreement on some between the two offices, there was difference -- there were differences on some of the lines between the two offices. But when we got down to the bottom line, the pluses and minuses between the two offices, both offices were generally in agreement on the total deficit coming up to the \$406 million amount, and I think that's important to note.

LEG. GREGORY:

Yes, and I understand that. As a child I liked reading *Encyclopedia Brown* novels or stories, and I entitled this one, "The case of the missing Tropical Irene Storm Documents".

(*Laughter*)

This body had resisted going forward with the \$12 million number because we were asking for information, documentation. We were put off, that documentation was going to be forthcoming, it was forthcoming; we resisted, we resisted and finally it was just dropped. And that is uncharacteristic of the previous administration. So it's particularly curious to me as to -- I assume you have the same information that the administration had that we didn't have, and you came up with a number of three million where they came up with a number of 12 million. That's particularly interesting as it relates to our bond prospectus. I would go through the rating agency reports and evaluations, one of which was that \$12 million reimbursement is a revenue source that the County was expecting to receive, of which apparently there was only \$3 million worth of documentation to support it. So that's in the negative of \$9 million, or actually six million for our budget.

Today the County Executive, in a story in *Newsday*, had responded to a question about land sales. I believe in October of 2010, Rich Tortora from Capital Investments, I forget exactly where he's from, I had questioned him after I read, I forget which rating agency it was, their analysis and concern about the Suffolk County's use of one-shots, obviously, but speculative revenue. And I questioned him particularly about what I termed as phantom revenue, and I specifically mentioned the sale or the closure of the Foley Nursing Home and the sale of the Yaphank property. And we -- and that was in the course of discussion about transferring -- I forget the amount, transferring monies from the Tax Stabilization Fund to retirement fund, and what his opinion is of a negative impact in the bond rating, because the County Executive was very concerned about that. I had stated that the feedback that we were getting, particularly as it relates to the land sale of the Yaphank property, that those proceeds wouldn't be realized until the earliest 2012.

So how can we legitimately present the sale of the Yaphank property as a revenue in the 2011 budget. The response that I received was, "Well, we have a good track record with the rating agencies on delivering our policies and concerns," and etcetera, etcetera, etcetera. Well, the article today in the paper by the former County Executive states, it's almost a cavalier attitude that, "Well, you know, when the land sale is done, the proceeds will go to pay off the deficit in 2011." Well, you presented a \$33 million deficit for 2011. If you take in account the sale of the Yaphank property as well as the FEMA reimbursement, that's \$32 million right there; we would virtually have no deficit in 2011. That's concerning, but what's even more concerning is that that information was presented to bond rating agencies and investors have invested relying on information that we all here stated that was unlikely to happen. So I would be interested in your opinion on that.

MR. HALVERSON:

You know, we really tried to focus on estimating the size of the problem, and we didn't go back and explore the whole chain of decisions that led to the problem. So I don't think that we have a comment on that.

LEG. GREGORY:

Okay. Now, I'm going to lean on your -- you're obviously, certainly, very capable experts. At another meeting, I want to say March of 2010, my former colleague and current State Assemblyman Dan Losquadro was a member of the committee. There was a discussion that was had himself and he initiated the conversation, it was during I believe the budget model presentation, so it was in March. We had budgeted a Police class for later that fall. At the budget model presentation, the administration had made their first inclination that there was a likelihood that we would not be going forward with the Police class. If memory serves me, we had a Police class the year prior which was cancelled which we had raised taxes for in the Police District.

And this is really bizarre, one of the most bizarre moments that I've ever experienced as a Legislator; Mr. Losquadro went on to state that, "Well, what happened to the money that we taxed the taxpayers for? We had no class; where did it go?" And the -- and I believe he mentioned that, "Was there some type of transfer from the Police District to the General Fund?" And the former Budget Director or whatever, they flipped roles, Eric Naughton and Connie Corso -- I think he was the Budget Director at the time -- and said, "Well, to be clear, we don't transfer funds from the Police District to the General Fund," or some words to that effect. And I think my retort was, "No. What they do is they reduce the fund from the General Fund to the Police District." And Connie Corso retorted my comment by saying, "We don't do that. We've never done that. I don't think even we can do that legally." And then a few minutes later, which is the bizarre part, she went in to argue that, from my understanding that they've actually done it. But your analysis hasn't delved into transfers into the Police District or to the General Fund? But if so, with that knowledge, would -- in your opinion, would you believe that is a sign of a viable, fiscally viable County operation? Because, in essence, what it is, in my -- you know, in my layman, you know, experience, that it appears that we're taxing taxpayers increasing taxpayer -- increasing taxes on taxpayers in the Police District to fund operating expenses in the General Fund.

MR. HALVERSON:

You know, I don't know what the history was that you're describing. So again, I don't think we can have a comment on that as a group.

LEG. GREGORY:

But I guess I would ask the general statement, having transfers, increasing taxes, cancelling classes and using those revenues to sustain the General Fund operations, is that a viable -- yes?

MR. STEIN:

Number one, I don't know that that's the case because we didn't examine it. What I will tell you is that some of the deficit that you see in the General Fund is because the General Fund does interfund transfers to make whole the other funds; so it's going in the other direction from what you're saying. But that's as far as the -- or the extent that this committee had a chance to review.

LEG. GREGORY:

Okay, fair enough. Thank you, Mr. Chair.

CHAIRMAN D'AMARO:

All right. Thank you, Legislator Gregory. Next is Legislator Schneiderman.

LEG. SCHNEIDERMAN:

Thank you, Mr. Chair. Let me start by thanking the County Executive for assembling such a qualified team of financial experts with a broad scope of knowledge to give us an honest yet sobering view of the County's current financial situation. Thank you to the committee members for bringing that expertise here voluntarily.

You have presented us, as has been said, a lot of new information but also a lot that we knew or suspected was lurking behind some of the numbers that we were -- had been given in the past. I want to get to sum of the assumptions in your report, I want to start with the layoffs. You have said that the 692, I believe it is, roughly 700 employees that is projected to be laid off in the adopted budget will occur in July, I believe July 1st of this year; is that correct?

MR. HALVERSON:

Yeah. Our understanding is that part of that 700 layoffs was in the nursing home, and we have not assumed that there's any action concerning the future of the nursing home that's been agreed to.

LEG. SCHNEIDERMAN:

Okay.

MR. HALVERSON:

So that our number is not as high as the 700. Eighty-eight, apparently, have already been laid off, and according to our view of it, there are a number of -- 464, is that it?

MR. SOLOMON:

Yes.

MR. HALVERSON:

Four hundred and sixty-four positions in the budget that are intended to see layoffs in the middle of the summer.

LEG. SCHNEIDERMAN:

Right, okay. Actually, I think the 88 list was reduced slightly to I think somewhere in the neighborhood of 60 or 70.

MR. HALVERSON:

Yeah.

LEG. SCHNEIDERMAN:

There were some changes. The -- I'm including the nursing home in that 692 figure, I believe that's what's remaining. It could be -- at least that's what I heard. Maybe it's less, but it's a significant number. We don't have to debate what the exact number is.

MR. HALVERSON:

Yeah. I think there were about 150 in the nursing home, I think.

LEG. SCHNEIDERMAN:

Okay. But you have factored in those layoffs occurring, you've added a little bit for overtime to make up. What I want to get into with this question really is how that layoff list was developed. Because it came out of the last County Executive, it was put together with the stated purpose of being able to pressure the unions into making concessions. There was never a study done to see if the County could function with 10% less employees. Some of those employees, well, are doing functions that are mandated by the State, some of them are State and Federally reimbursed positions, some of revenue generating positions. Has that been looked at in your report, the fact that we may miss out on some of those revenues if we lay these people off, or whether the County will be able to function without these employees, or is that beyond the scope?

MR. HALVERSON:

We reduced the savings from the layoffs by a couple of million dollars, and I think that was a consideration. We didn't actually analyze it, but we recognize there's a possibility that there might

be a revenue loss associated with it, although I'm sure everyone is going to try very hard to avoid that.

LEG. SCHNEIDERMAN:

The second area I wanted to ask you about, in the past, and it's something I've been critical of, is our use of non-reoccurring revenue. In this budget alone, in 2011 we probably have \$100 million in things that we can't reproduce in 2012; the sale of land, the use of reserves, more Tobacco Stabilization Funds. Yet there still is roughly \$50 million in the Tax Stabilization Fund and other County assets. So in your projections of that roughly \$500 million deficit by 2013, or end of 2013, are you assuming that there will be no more use of non-reoccurring revenues?

MR. HALVERSON:

No. It doesn't assume no more use of non-reoccurring revenues. It -- there may be others --

LEG. SCHNEIDERMAN:

If we use them, though, that number would come down.

MR. HALVERSON:

-- identified that may happen. But yes, a lot --

LEG. SCHNEIDERMAN:

But the \$500 million number would come down, then, if we were to apply some non-reoccurring revenues.

MR. HALVERSON:

Right. If you did any number of one-shots, if you did the amortization of the pension funds, if you did any of number of things it would bring that down, but some of them have undesirable, long-term consequences and others don't. So we would not oppose the use of one-shots, but --

LEG. SCHNEIDERMAN:

But they're short-term, and if the economy doesn't come bouncing back --

MR. HALVERSON:

Yeah. They're more suitable for solving short-term problems than long-term problems, yeah.

LEG. SCHNEIDERMAN:

Right. You know, I think there was a certain willingness to use some one-shots thinking this recession would end and that \$100 million that we lost when it first hit would come back. We never saw that, though. The recession continues, at least in Suffolk County and Nassau County. I'm sorry; Charles, did you have something you wanted to add?

MR. STEIN:

Yeah, I think just the simple fact that reoccurring expenses should be met by reoccurring revenues. If you use one-shots on a long-term basis, eventually you're going to run out of those one-shots and you're going to have a much bigger deficit situation. And if you refer to one of the charts that was presented earlier, the County, for a number of years, has shown a structural imbalance; your expenses have exceeded your revenues, each year.

LEG. SCHNEIDERMAN:

The third assumption I wanted to ask you about, and I believe I know the answer looking at your number, but you are assuming that next year we will hit the cap, we'll go up to the State mandated 2% cap. Because I saw the number of property -- in the property tax collection going up by some

10 or \$12 million; is that correct?

MR. HALVERSON:

I think the number that we've used is basically the projected number for the tax roll, because the budget is going to have to include the number for the tax roll regardless of what actually be connected.

LEG. SCHNEIDERMAN:

I mean, today, you know, our property -- we collect property taxes in two areas, between the Police District as well as the General Fund. But when I looked at your numbers, it looked like in 2013 there was roughly a --

MR. HALVERSON:

It goes up by about \$9 million, a modest increase.

LEG. SCHNEIDERMAN:

Right. So to do that, you'd have to get close to the State cap; correct?

MR. HALVERSON:

We didn't analyze the impact of the State cap.

LEG. SCHNEIDERMAN:

Okay. But you're assuming --

MR. SOLOMON:

We didn't assume that that was going to come in.

LEG. SCHNEIDERMAN:

-- a property tax increase of some sort.

MR. STEIN:

Not necessarily a property tax increase. But your General Fund Tax Levy, which is believe is somewhere around \$49 million, you don't collect all of that \$49 million. You collect substantially less and then you have to go through a whole process in order to start collecting that money back, ending with the seizing of property and selling it. So you --

LEG. SCHNEIDERMAN:

So you're silent on whether there will be a property tax increase, in your report. You're assuming there won't be one; is that --

MR. SOLOMON:

We were silent on any fixes, so we did not take that into account at all.

LEG. SCHNEIDERMAN:

Okay. This year, in 2012 there was -- we did go up to the cap and not beyond it, but that's factored into your numbers. So I wanted to ask you, so we're looking at, by the end of 2013, based on your estimations, a \$500 million hole in the budget. Now, Nassau County had I think 350 million when the State stepped in; is that correct?

MR. HALVERSON:

Yes. Just to clarify, the number for 2013 is about 350 million and not 500 million; 500 is the cumulative --

LEG. SCHNEIDERMAN:

That's the total over the three years.

MR. HALVERSON:

Is the cumulative number as opposed to the annual number, yeah?

LEG. SCHNEIDERMAN:

Well, no, it's 300 million just in '13.

MR. HALVERSON:

About 349 we're saying just in '13.

LEG. SCHNEIDERMAN:

Right. And so you're --

MR. HALVERSON:

The 500 is --

LEG. SCHNEIDERMAN:

-- adding it together over the two years.

CHAIRMAN D'AMARO:

Three.

LEG. SCHNEIDERMAN:

Three years; well, '11, '12, '13.

MR. HALVERSON:

Right. If you add it together, the three year numbers is the higher number, but it's not --

LEG. SCHNEIDERMAN:

Right. So but my question is -- I mean, it sounds like we're in as bad, if not worse shape as Nassau. And the State deemed it necessary to intervene in Nassau; is that something you see happening here?

MR. HALVERSON:

I don't know. Kind of drawing from my experience with the City, the fiscal crisis developed in large part because of the inability of the City to borrow money. And I think that the path that Suffolk County is on is going to raise questions with the capital markets eventually at some point. So that it's on a path that is not good.

When the State intervened in New York City, it was because the private capital markets closed and prevented the city from either borrowing money for capital project or for borrowing the day-to-day money it needed to operate. So the history of the State is it seems to intervene when there's really an inability to finance the day-to-day operations of the government. And Suffolk County is not at that point yet, but the trajectory is not promising.

LEG. SCHNEIDERMAN:

It would behoove us to develop a mitigation plan as fast as possible to avoid that.

MR. HALVERSON:

I assume that is going to be the interest of everyone involved, yes.

LEG. SCHNEIDERMAN:

Okay. So let me -- and I know you have not proposed solutions, but while I have you here, is there anything you see, long or short-term, that we should start doing as fast as possible to get the County back on better fiscal footing?

MR. HALVERSON:

We can't speak as a group about that. But I know that people are hard at work on it, so that hopefully something will emerge. And I guess I read in the paper that one is going to be proposed within the next couple of weeks, so that's an important step.

LEG. SCHNEIDERMAN:

Well, again, I certainly appreciate the work that you've done and we've got a lot to digest. But thank you for being honest with your assessments.

CHAIRMAN D'AMARO:

Okay. Legislator Schneiderman, thank you. And next on the list is Legislator Cilmi; please go ahead.

LEG. CILMI:

Thank you, Mr. Chair. And thanks for hosting us here today. I want to thank the committee for your hard work.

I want to -- I feel compelled by and I really wanted to underscore your recognition that the primary culprit, as you said, of these problems is our national economy. And so I wanted to ask you, to the extent that our national economy not only impacts our local economy in terms of sales tax revenue, but also impacts the state of New York State's Pension Fund in terms of its viability and how much money we have to put into it in order to keep it theoretically whole.

To that extent, it seems to me that an immediate shift in policy at the national level towards pro-growth economic policies in this country could have a significant impact on the problems that we have here in Suffolk County, and really throughout New York State. Would you agree with that?

*(*Laughter*)*

CHAIRMAN D'AMARO:

Today is Super Tuesday, you know, so.

MR. HALVERSON:

To deal with the pension part of that, the numbers that the County has to deal with are those that are provided by the State Comptroller after consultation with actuaries, and the actuaries tend to smooth out numbers over a relatively long period of time. So that an immediate upturn, just like an immediate downturn, is kind of smoothed out. So while there certainly will be an impact from a rapid growth in the economy, in the stock market and in the value of all those private equity investments that the State has, it will be smoothed out by the actuary so it won't translate dollar-for-dollar into a reduction in pension costs.

MR. STEIN:

It's my understanding there's basically been a floor established with the payments to the pension system. So the bills coming to municipalities will continue from the State pension system.

LEG. CILMI:

I would just like to point out that you stated that these problems have grown overtime.

MR. HALVERSON:

Right.

LEG. CILMI:

And so, you know, to fix them -- we're not going to be able to fix these problems overnight, I don't think anyone would assert that we could fix these problems quickly. Nevertheless, we have to deal with them quickly. And my point is as flip as it may sound, you know, the fact that we have this national economic crisis is significantly impacting our economy here in Suffolk County.

MR. HALVERSON:

Absolutely. Absolutely.

LEG. CILMI:

And to the extent that today our Federal Government -- and this is not only directed at our President, but Congress as well. To the extent that today our Federal Government can make decisions that would drastically improve the economic climate in this country, you know, is important for this body to recognize, important for the County Executive to recognize. Because if the Federal Government today would change corporate tax policy, for example, would change capital gains policy, for example, we would immediately see an improvement in the national economy and, therefore, in very short order, we could see a return to economic stability in this County.

I wanted to make that point today. It is Super Tuesday, as the Chairman points out. But regardless, this committee, this committee made it a point to state that the number one culprit is our national economy, and to that extent I wanted to underscore their assertion and say that there are things that we can do today to improve that situation. Thank you.

CHAIRMAN D'AMARO:

All right. Thank you, Legislator Cilmi. Next, Legislator Romaine.

LEG. ROMAINE:

Yes, good morning. Thank you for your very good work on this. Could I ask, during your work, did you have an opportunity take a look at the County --

CHAIRMAN D'AMARO:

Hold the button down, Ed.

LEG. ROMAINE:

I am, the green light is on. To look at the budget narratives presented by the County Executive for the last couple of years?

Were you able to examine those in the course of your work?

MR. HALVERSON:

They were available to us and we read them. But we didn't --

LEG. ROMAINE:

Were you able to look at any of his budget veto messages over the last couple of years?

MR. HALVERSON:

No. We really didn't look at the chain of decisions that led to this situation.

LEG. ROMAINE:

Okay. So then you did not examine any of the statements that he or his budget officials made either to this Legislature as a body or to the Budget & Finance Committee?

MR. HALVERSON:

No, we haven't reviewed any of those statements.

LEG. ROMAINE:

Have you looked at any of his personal discussions with the bond rating agencies such as Moody or Fitch.

MR. HALVERSON:

We don't know what was said to any of the bond rating agencies. We've had the offering statements issued in connection with the most recent seasonal borrowing.

LEG. ROMAINE:

The reason I --

MR. SOLOMON:

And we also got the credit rating reports as well.

LEG. ROMAINE:

Right. The reason I asked all of those questions is obviously, as a Legislator, I have followed all of that, as well as accounts from the Executive Branch of the previous administration that has appeared in the press. And I'm just going to read this again, your estimates are a \$33 million deficit for this year, \$148 million for next year, a \$348 million for 2013, for a cumulative deficit of \$530 million. I mean, when you look at that, and I look back at all the statements that I've seen cumulatively over the years in terms of the budget narrative, veto messages, statements to the Legislature, the Budget & Finance Committee, press accounts, even tails of his discussions with rating agencies, his personal discussions with rating agencies, nowhere do I find those numbers. Nowhere do I find those numbers, and that concerns me.

CHAIRMAN D'AMARO:

Legislator Romaine, I'm going to ask, and I'm going to ask everyone here --

LEG. ROMAINE:

I'm going to go into my question.

CHAIRMAN D'AMARO:

Well, not even just going to your question but, you know, these gentlemen are here to present a report.

LEG. ROMAINE:

Right.

CHAIRMAN D'AMARO:

We're here to ask questions.

LEG. ROMAINE:

Right.

CHAIRMAN D'AMARO:

Wait, let me finish, please -- with respect to the report, the underlying assumptions of that report, and I get a sense that, you know, we're starting to sway or get away from that primary purpose. They've been sitting here an awful long time.

LEG. ROMAINE:

Well, I'm going to go very quickly.

CHAIRMAN D'AMARO:

And I would really like to keep our questions limited to the report itself and the assumptions underlined in the report.

LEG. ROMAINE:

Based on your report today, what effect will it have on the bond ratings of Suffolk County in the days to come?

MR. HALVERSON:

I don't think -- we can't predict what effect it's going to have, it's going to be taken very seriously by the bond rating agencies and I'm sure there are going to have to be extensive discussions.

CHAIRMAN D'AMARO:

You know, and again, I would like to --

MR. HALVERSON:

Especially when the --

CHAIRMAN D'AMARO:

Sir, I would like to stop you there.

MR. HALVERSON:

Especially when the mitigation plan comes out.

CHAIRMAN D'AMARO:

Sir, excuse me; I'm sorry. I would like to stop you there because, you know, it was made very clear at the outset that you're not here to give us the solutions, the mitigation measures, your opinions. You know, we're more interested in your report. And again, I get a sense that we're getting more and more questions and I think it's patently unfair to you to ask you for your opinions on questions such as that. So please, feel free not to answer questions like that. If you want to talk about the report, that's fine, but I don't -- I think we really need to limit our questioning to the report itself. I would appreciate that.

LEG. ROMAINE:

I'm glad you would appreciate it. I would appreciate the ability to at least raise the question of the impact of what this would have on our bond rating agencies. And I'll just finish by saying I'd also like to raise the question of what this would mean for access to the credit market, and I'd also like to know what it would mean for the cash flow. But based on what you have asked, I will end my discussion there. Thank you.

CHAIRMAN D'AMARO:

And again, Legislator Romaine, I don't think that these gentlemen are here, the purpose of them being here today is to not answer those questions. I'm not saying they're not legitimate questions and they do deserve an answer, but I don't think this is the forum to do so. Okay. And thank you for that. Legislator Kennedy, please go ahead.

LEG. KENNEDY:

Thank you, Mr. Chair. And gentlemen, let me thank you, as all my colleagues have, for all the good work that you've done. Each one of you comes from great credentials, impeccable background and your advice is very beneficial. One of your panel members I had the good fortune to work with and for, going back in a prior administration. So I know trying to quantify and get a true sense or a snapshot of where we are right now is critical.

You lay your scenario out in a three-year fashion. Mr. Halverson, you spoke about looking at some information that trends back almost ten years, though. Did you do anything substantively prior to 2011 or did you use that as the benchmark?

MR. HALVERSON:

No, we went back just to see what historic trends were in things like the sales tax. We didn't go beyond that.

LEG. KENNEDY:

Okay. Let me -- two things that I want to talk about. One is to ask you if you looked at any of the impact. You talked about an impact in the general fashion with the escalation of the pension contribution, but in some respects that falls under a broader umbrella of State mandates. And it occurs to me, as some of my colleagues, the Chair has spoken about each year struggling to meet our mission as a local government, yet confronting ever diminishing, sustaining streams of revenue and an increased demand for service and cost. Have you looked at the broader aspect of State mandates and their continued reduction of being willing to put their money where their mouth is?

MR. HALVERSON:

We looked at the impact of the State mandates on the expenditure, but we didn't take the perspective that you have and explored in that broader sense.

LEG. KENNEDY:

Okay. Let me shift to a more here and now, and I'm going to ask this one to go specifically to Mr. Stein. You alluded before to cash flow and an extraordinary constriction on cash flow for us right now. Where -- can you talk at all about that? What's the sense that we have with cash flow and operations?

MR. STEIN:

What we've -- what we pointed out was that your annual cash flow needs have increased significantly with this year. And basically in the past what you've done is you've used reserve funds to provide those funds, but you've diminished your reserve funds over the years. So now you're going to market, this year you'll probably go with a RAM, a Revenue Anticipation Note, which is significantly higher than what you've done in the past. That -- and you're doing that because of your cash flow needs. That's something to take into consideration in terms of your daily operations here in the County, that you're borrowing more money for your cash flow needs.

MR. SOLOMON:

The other thing I point is the Moody's downgrade last December on your TAN's to a Mid 2. You know, that really sounded an alarm, you know, in terms of cash flow and liquidity and credit. So that was very meaningful and speaks, I believe, to your question.

LEG. KENNEDY:

Well, and I agree with you. And I think what you saw was that this Legislature struggled even last year to cobble a 2012 budget together that was reflective of what was an ongoing downtrend in our receipt of sales tax revenues, a draconian slash in State funding for programs that we were mandated to deliver but they were unwilling to pay for, and a true struggle to try to keep our

personnel in place, having been presented with more than 700 outright layoffs with no rhyme or reason whatsoever from the prior administration. So it is reflective, I guess, of something that began and seems to be almost an around-the-clock process now. But thank you for your time. Thank you.

CHAIRMAN D'AMARO:

Okay. Thank you, Legislator Kennedy. I appreciate your comments. Legislator Barraga, please.

LEG. BARRAGA:

First let me thank you for all the work that you did. It's not easy when you take on a job like this, especially when you have a limited amount of time.

I don't know if Mr. Sawicki is out in the audience, but he and I served some time in the State Legislature, and I wouldn't hold your breath waiting for mandate relief from the State of New York or the Federal Government. And our reality is that this issue, this problem has to be solved at this level, between the County Executive's department, this Legislature and the special interest groups and the unions of Suffolk County.

Yours is estimates and projections predicated through 2013. It paints a dire picture, very serious picture, but they are estimates and projections, they're subject to change, just like when any entity develops a budget and somebody uses the term it's a *balanced budget*, that's certainly questionable in many cases because of how revenues come in or how expenses come in.

But in Suffolk County, we are limited, very limited on the revenue side. We are heavily dependent, as was pointed out, on sales tax. And even though you projected, I just read the report, 2.6%, the County said 3.5% on our current budget; for every percent it's only \$11 million, and we're talking hundreds of millions in deficit here. The General Fund property tax, it's only \$50 million; even a 20% increase only generates an additional 10 million.

So it seems to me that the solution probably will be on the expense side. The question I have to this gentleman here is that do you feel pretty assured with reference to the growth of the sales tax? I mean, you're at 2.6, normally traditionally it's at 4.6, but you obviously feel there's not going to be much of a change.

MR. SOLOMON:

Yeah, I mean, the 2.6 was a projection at least based on the most current year's data that we had, so it seemed reasonable. I think, as you pointed out, the County's transitioning more to our expenses are going to be a majority of the problem. And even if we are off on our projections, it's only, you know, 12 million on a multi-hundred million dollar issue.

LEG. BARRAGA:

The other question, too, and I know a number of my colleagues are always very concerned about the so-called non-reoccurring revenues, but historically, no matter what level of government, there's always some non-reoccurring revenues. And the rationale for putting them in when you have to put them in, and usually you find them in every budget, is that you're hoping that the economy at some point in time improves that you don't have to do that. And my experience has been you never quite run out of non-reoccurring revenues, they always seem to be someplace to be placed in a budget. All right?

I guess finally, and the point I think hopefully you're making is that we do not have time to waste here. I mean, I would hate to see a situation where your report is given with a bunch of press conferences and nothing is really being done. We have to act almost immediately. I'm not really concerned about what happened in the past, and I don't control the future. I live in the now, right

now, this very moment. And I don't think any County Executive, any Executive Branch, any Legislature, based on this report, should wait one second before taking definitive strong action.

It would not be easy, because I know the parties; it's not easy to get certain people to agree to certain things, but this is a very dire picture. Even if you're 80% right, it's still a situation which is untenable for this County. I mean, I would hate to see anybody waste their time talking about what happened six months or a year or two or five years ago, it's not relevant. It's what's going to happen from this moment on, from tomorrow morning. And, you know, if the catalyst for this -- and I'll be very frank with you. I've been involved with this level of government for six years. We're co-equal branches of government, but the way we're kind of set up, it's the Executive Branch that rules the roost. And I know with this County Executive, I don't know him that well, he seems to be the kind of a guy who's very assertive, very aggressive and wants to get the job done. He's waited for your report and I am sure he's going to start acting immediately and hopefully get the cooperation out of the County Legislature and the unions. But thank you for your work.

CHAIRMAN D'AMARO:

All right. Thank you, Legislator Barraga. I have a few other Legislators that had questions, but I'm going to ask if we can do this quickly and limit only to questions, please. I would appreciate that as well. We have the County Executive who has been kind enough to sit here for almost two hours, as well as our Comptroller; I'm sure they both have very important business to get back to, and I would just appreciate if we can just quickly move it along. I have a few other Legislators that have to ask some questions and let's limit it to just that. The next on the list is Legislator Browning; please go ahead.

LEG. BROWNING:

No comments, just a quick question. When I look at Social Services, I chaired the Social Services Committee last year, for a couple of years, and when I see here that you're estimating, over the next two years, that we'll be adding 86 million to the cost of the County; is -- that is based on the additional expected applicants and the reduction in contribution from the State; is that where you're getting that 86 from?

MR. HALVERSON:

It's based on the historic rate of growth and the State policy, the Safety Net policy, which appears to be growing pretty significantly, which requires local expenditure when people -- general benefits expire. It's those two factors, yeah.

LEG. BROWNING:

Okay. So the State mandate that we have and the reduction in their contributions is in this 86 million.

MR. HALVERSON:

Uh-huh.

LEG. BROWNING:

Okay. And again, you know, we've talked about the MTA tax still not being repealed; how much is that? That's somewhere around \$3 million?

MR. HALVERSON:

Uh-huh.

LEG. BROWNING:

Okay. So that's another \$3 million that -- State mandate. Okay, I think I'm done. Thank you.

CHAIRMAN D'AMARO:

All right. Thank you, Legislator Browning. Legislator Anker.

LEG. ANKER:

Okay. Again, I want to thank you for your time, volunteering to help us figure out where we are and where we're going. You know, Legislator Barraga had mentioned, you know, let's figure out what we're doing in the here and now. Well, you know, I think what we're doing right now is figuring out where we -- where we are, where we've been, analyzing that information and trying to figure out where we're going. I'm hoping we can think out of the box because we're in a situation, evidently, that we've never been in; is that true from you analyzing the information? Have we ever been this much in debt?

MR. HALVERSON:

I can't answer for the whole history of Suffolk County. But clearly in the first part of the last decade, the budget was in much better shape than it is now, so that it's clearly moving in a direction to lead to concern. I don't know what happened during The Great Depression, so I don't know if I can make the comparison.

LEG. ANKER:

In analyzing the data that you have, was there a turning point, a certain time that you feel changes should have been made?

MR. HALVERSON:

Again, we didn't really go back into the history of it, so I can't really specify a time.

LEG. ANKER:

Okay. Okay, my next question; again, I want to follow with the Chairman's idea of focusing on the information that you've gathered. And again, I want to thank you. I want to try to understand, though, the one-shots. I know we've used a lot of one-shots in the past, and if we had not used them, how much better off would we be right now?

MR. HALVERSON:

Well, I suppose if you hadn't used them in the past, you would have suffered, had to do other things in place of them in the past. So you can't really make the comparison of what would have happened had they not been done. But it does put the County in the position where in order to keep things going, it would have to come up with several hundred million dollars worth of one-shots every year, which I think would be very hard to do.

LEG. ANKER:

Okay. Again, when you first announced over a three-year of \$530 million, that's a train wreck. And now I think we're going to have to deal with the fallout. You know, we're seeing it, we're going to have to deal with it. And I hope you may consider, since you've spent so much time in understanding our situation, maybe helping us figure out the solution. And I do want to thank the County Exec. I have to mention, though, if there -- if there's a way to consider putting -- well, how could I say this nicely? It would be nice to see a woman as part of your board. I came from a lovely breakfast from the Suffolk County Business Women's Association and, you know, I think more than half the population of Suffolk County are women. And again, it's just an observation, and of course I appreciate your professional background and skill.

But again, I thank you. I wish there was more that we could do here as your Legislature and I look forward to working with you in the future.

CHAIRMAN D'AMARO:

Thank you, Legislator Anker. Legislator Hahn; quickly, please.

LEG. HAHN:

Thank you. I'll talk very fast. You mentioned, and I think you used the word "extraordinarily high portion of our revenue is through the sales tax," and that makes it sound like compared to other counties. Did you compare -- I'll ask a series of questions. And especially given the volatility of sales tax in tough economic times. And I just have to turn to Robert Lipp and say you've been warning us about our extraordinarily high reliance on sales tax revenue for a number of years, the BRO has been. You -- I'm wondering if you looked at that over time? Has our slice of the pie, the blue on page three, 45% of sales tax, has that gotten bigger over time? Has our reliance on sales tax grown? And --

MR. HALVERSON:

Well, I'm sure it has, but I don't have the numbers. We didn't really look at that, nor did we look at the experience of other counties.

So I can't really help you with that question. But Charles?

MR. STEIN:

Just from an historical perspective, I know back in the early 1990's your General Fund Property Tax Levy was in excess of \$100 million, today it's between 49 and 50 million. That being the case, you are relying more heavily on your sales tax.

LEG. HAHN:

Yes. And the 2008 financial crisis, which caused the sales tax revenue to plummet, this volatility makes us particularly at risk in these tough times because we're so heavily reliant on sales tax.

MR. HALVERSON:

That's correct. And actually, the County did not suffer to the same degree statistically as a nation as a whole during that recovery, but it had very profound impact because of the reliance on the sales tax.

MR. SOLOMON:

But I will say this. I mean, I do know that most New York counties do rely on the sales tax, and through most of its history has been a good performer for the County. Unfortunately, '08, you know, rewrote the book, but for most of the time it's grown well, it's funded a lot of your programs. You know, now maybe it's reached a level where, you know, you can't expect it to grow at double digit levels on and on.

LEG. HAHN:

There is no question. Do those other counties have larger reserve funds? Have they buffered -- you know, do we need to -- if you're over reliant on sales tax -- and again, I might be getting into a realm of recommendations and I'm sorry about that. But do we need to -- if we're going to continue to be overly reliant, do we need to have reserve funds that will last decades to handle these kinds of recessions on a long-term basis?

MR. SOLOMON:

I mean, I think it's always good to have liquidity, but it's also one of the reasons we projected using conservative numbers, because we felt that you're always -- you know, if we are conservative and if the economy turns around and your sales tax revenues increase, well, that's a good thing. But it's very hard, when reserves are low, if revenues come in less, then you have a problem.

LEG. HAHN:

Thank you.

CHAIRMAN D'AMARO:

Thank you, Legislator Hahn. We have two Legislators that have one question or comment each and then we'll conclude. I want to thank all of you for your patience. First is Legislator Cilmi; your one question, please.

LEG. CILMI:

Yes.

CHAIRMAN D'AMARO:

Short question.

LEG. CILMI:

I thank you for your indulgence. This is one very direct question.

My understanding is that a significant portion of County expenses relate to local share of Medicaid, and I'm not sure if this piggy-backs to Legislator Browning's question. But the Governor has proposed a change or a phasing-out of the growth in our Medicaid, in our local share of Medicaid costs. Did you take that into consideration in the preparation of your analysis, and to what extent does that impact the growth in our deficit numbers?

MR. HALVERSON:

We haven't really assumed any further reduction in State aid beyond what happens, what has happened in the last year.

LEG. CILMI:

So are the numbers you're anticipating in your report, then, based on a historic growth of our Medicaid costs?

MR. STEIN:

Yes.

MR. HALVERSON:

Yes.

LEG. CILMI:

Okay, thank you.

CHAIRMAN D'AMARO:

Okay. That was two questions (*Laughter*), but okay. And last is Legislator Anker, once again.

LEG. ANKER:

Again, I'm hoping we will meet with you again and you can give us some ideas of maybe the direction we can go, if that's possible. But I just wanted to politely ask if there's any way that we can get the report maybe the day before instead of the minute you guys are presenting your presentation, because it's hard to absorb, there's, you know, a lot of information. But if you could consider that in the future, I'm sure the Legislature would really appreciate it. Thank you.

CHAIRMAN D'AMARO:

All right. Thank you, Legislator Anker.

That concludes, I believe. Gentlemen, is there anything you want to add in conclusion? I know you've been sitting here an awful long time and I want to thank you on behalf of the Budget & Finance Committee for all of your hard work, your volunteer work for this County for the benefit of our taxpayers and our residents. You did an excellent job. It really helps us to help focus on the scope of the fiscal situation that we're facing here in Suffolk County.

But going forward, I think what we're going to be doing, I know what I'm going to be doing now is comparing your report to what our Budget Review Office is telling us, and hopefully, based on that, the County Executive's Office as well as the Legislature can come to some consensus as to the scope of the problem. This is a lot of information to digest. We just got the report this morning, but I promise you your work will not have been in vain, we are going to focus intensely on it and try and come to that consensus so that we can move forward and look at some mitigation measures.

I also want to thank the County Executive again for joining us here today, as well as Comptroller Sawicki. Gentlemen, if there's nothing else to conclude, again, I thank you for your time and for your service. Have a great day. Thank you.

MR. SOLOMON:

Thank you.

MR. HALVERSON:

Thank you.

LEG. SCHNEIDERMAN:

Should we do a five minute recess?

CHAIRMAN D'AMARO:

Yeah, we'll also take a five minute recess and then resume with the committee.

*(*The meeting was recessed at 11:55 A.M. *)*

(*THE MEETING WAS CALLED BACK TO ORDER AT 12:03 P.M. *)

**[The following testimony was taken and transcribed by
Donna Catalano - Court Stenographer]**

CHAIRMAN D'AMARO:

Ladies and gentlemen, I'd like to resume the Budget and Finance Committee. If you are not here on business with the committee, I'm going to please ask you to step out into the lobby at this time. I'm asking all Legislators who are on the Budget and Finance Committee to please come back to the horseshoe, we need to finish our committee meeting and go through the rest of the agenda.

All right. Note for the record that we have now reestablished the quorum and will continue with the meeting. Going back to the third item on the agenda, the public portion. I'd like to, first off all, thank anyone who's here to address the committee. Thank you for your patience. I know that was a long segment to sit through, but yet, it was important to us and to Suffolk County, so I appreciate your patience with that. I have several cards for those who would like to address the committee this morning -- this afternoon rather. Each speaker will be asked to come up and state your name for the record, and you will be given three minutes to address the committee. First is Paulette Schwartz.

MS. SCHWARTZ:

I also have Maureen O'Connor, which was number two. We just requested that we could speak together. I'm Paulette Schwartz from the Cancer Services Program of Western Suffolk.

MS. O'CONNOR:

I'm Maureen O'Connor from the Cancer Services Program, Eastern Suffolk County.

CHAIRMAN D'AMARO:

Ladies, welcome.

MS. O'CONNOR:

I know most of you know us hopefully very well by now, because we've been here multiple times speaking to you about the Patient Navigation Program.

MS. SCHWARTZ:

And we thank you for having us again. And hopefully that five minute break gave the ability to kind of just reorient to, you know, something that we'd like to say.

We realize today is a pivotal day for Suffolk's budget. We've been talking to you all since January about the devastating cut that was made to the Cancer Services Program, which included the Patient Navigator Program. We just wanted to again urge you to consider or consider the short and long-term detriment this cut will have on all Suffolk County residents, maybe it won't be you, but maybe it will be someone you know. Thank you. That's it.

CHAIRMAN D'AMARO:

Thank you. All right. Mary Spellman.

MS. SPELLMAN:

Good afternoon, ladies and gentlemen. I'm here today to voice my dismay at the defunding of the Cancer Services Program in Suffolk County. A few weeks ago, I read an article about the program losing its funding in Newsday and made a call to my Cancer Services Program located at the Peconic Bay Medical Center in Riverhead. I was told, yes, there was a budget vote that included a decision to cut out this funding, not reduce the funding for the program, but to give them nothing and not to inform the managers ahead of time that there was this possibility giving them no time to prepare by looking for funding elsewhere to try to make up the difference.

So you're probably saying, "Why does she care so much about this program?" Well, with the help and guidance that I received from this program, it may have very well saved my life. My name is Mary Ellen Spellman. I am a lifelong resident of the East End. I currently reside in Water Mill living there for about 11 years. I was born and raised in Sagaponack. This very special place was home to my father's farm. My grandfather also farmed in Wainscott. My great-uncles owned Sherry's Dairy in Southampton. I know this area. I know what chemicals were used for farming and for other purposes on the East End and what these chemicals did to our environment and our water aquifer. Probably the most memorable to most of you would be the Temik contamination that affected our area so greatly that was found in the soil and it plumed through the water aquifer and caused a great deal of illness in the area.

These chemicals have affected the health of generations of people living on the Eastern End of Long Island. In 2009, I became one of them. I was diagnosed with breast cancer at the age of 57. Terrible, I know. Worst yet, due to circumstances that occur in one's life that cannot always be foreseen, I did not have any health care insurance. It was a cold February morning in the shower when I felt the lump. I gasped, I was like a deer in headlights: Maybe if you don't move, the car really wont hit you, but it did. Excuse me.

I moved back home after a business venture that didn't work out to care for my mother who's now 97 years old and two brothers, one who has since passed away from cancer also. I did not know what to do, I didn't have a primary care physician at the time, and I wasn't one to get sick very often. What would I do? I couldn't bankrupt my elderly mother who were using -- with the little bit of savings that she had.

After a month or so of hoping the lump would just disappear and it didn't, I happened upon the pink mammogram mobile that travels around Suffolk County. I took the telephone number off the side of the truck and called it. A very lovely women named Jean asked me some pertinent questions, and when I told her my story, she said she would make a call and call me right back. Jean called me right back within five minutes and told me a women named Arlene Allen from the Cancer Services Program at Peconic Bay Medical Center would be calling me. Little did I know that she would be calling me within the next ten minutes. It's very rare that you have someone call you back so soon after you've asked for help. When it comes to a person's health, time is essential, especially when you're talking about cancer.

These women at the Cancer Services Program are guardian angels for hundreds of your constituents, and I mean hundreds. Without their guidance through a maze of forms and necessary paperwork, I am not sure what would have become of me. You all should have to meet these women and hear face to face what they do on a daily basis. I am only one patient, there are hundreds more. They have to hear the plights of so many all the time trying their very best to keep a positive outlook and fight for the health care that these people need to survive. I repeat that word survive.

What stunned me even more when I called Mr. Schneiderman's office, I was told, yes, the funds were voted out and that the cut was \$59,000. How much is a life worth? How much is your life worth? How much are hundreds of lives worth? What if it was you or your wife or your child or a family member or someone you knew who needed this kind of health care assistance like so many other people in Suffolk County that do not have health insurance and are in desperate need to find health care? Would you be frantic like I was and so many others? Would you be scared? You and I both know the people in Suffolk County, there are many who rely heavily on food banks and health care systems that this County gives us, especially in this struggling economy.

I would ask you to reconsider these cutbacks to the Cancer Services Program. In this great nation that we live in, it is hard to find -- I find it hard to understand that the government would turn its back on those who so desperately need its help. A person's health isn't a fancy new round-about or buying up farmland to preserve. Those are admirable things. People will see them and go "Ooh and ahh," but to save a person's life may not put you on the front pages of Newsday but it will part of your legacy as a public servant. I repeat, public servant. I would hope --

CHAIRMAN D'AMARO:

Ms. Spellman, I'm going to ask that you please wrap up. Your time has expired.

MS. SPELLMAN:

I only have two sentences to go. What is different this time, I have cancer again. What is different this time, I have the knowledge that I gained from the patient navigator that I talked to, Arlene Allen, who is here today and the rest of the staff. These women -- what these women do and accomplish for the people of Suffolk County is priceless. Not only do we need to keep this Cancer Services Program funded, but we need to find them even more funding. Without a doubt, I am 100% sure that every person in this room has had someone they know; a neighbor, a family member, a friend that has been affected by cancer. I ask you to vote the funds back in. Your actions will speak louder than any word you have to say. Thank you for your time.

CHAIRMAN D'AMARO:

You're welcome. Thank you for your testimony.

APPLAUSE

Next up is Joanne Bennett.

MS. BENNETT:

Hi. My name is Joanne Bennet and I live in Huntington Station. In November of 2010 I was diagnosed with breast cancer. Over a four-year period prior to this, I had three biopsies that were thankfully benign. After my last mammo in July, I was told to come back in a year, but unfortunately, I lost my insurance. The one-year mark came and went, and I still did not go for my follow-up. Judging from my past, I was hoping I was fine.

A few months went by and I saw an add for the American Cancer Society promoting free mammograms. I called to inquire, and they directed me to Cancer Services Program. I gave information and was immediately set up with a GYN doctor for an examination which was to be before getting a mammogram. I was happy to have the resources to go and complete my overdue mammo. After thinking about it, fear set in. What if I do have breast cancer? I may be able to get the tests, but do not have the insurance and don't want to lose my home, so I decided not to go.

After a few weeks, I received a call from a staff member at the Cancer Services Program following my case. She asked what happened and did I need assistance with my mammo appointment. I explained that I didn't feel I should go because if something was wrong, I could lose my home. She helped me understand the process that if something was wrong, I could apply for aid. She convinced me it would be okay and told me the program is more interested in keeping people healthy. I agreed to go, and that phone call is really the only reason I did go.

On November 11th, I went for my mammogram and was diagnosed with invasive breast cancer. I did need a second surgery, and they found some cells in my lymph nodes. I've been single for 20 years, and the first thing I thought of was my son. I frantically began to research my information about the cancer so I could understand what I was facing. I had been crying hysterical, obviously, and was scared. I was lost.

Then I spoke to the social worker Liz at the CPS Program. She called to see how I was and told me she would be there to assist me in any way possible. She helped me get on the Medicaid Cancer Program, and I was approved within two weeks. She connected me with a terrific oncologist and breast surgeon that I happen to love. She would call me periodically to see how I was feeling both physically and mentally. No one had a clue as to what I was going through, even my family thought I was being dramatic.

Every day people get lost in the system because the workers are overloaded with cases, they become desensitized. It's very scary when you have any diagnosis, but then to have no insurance is incomprehensible. Thanks to Liz, I was able to stay calm and clear minded. She went above and beyond to offer alternatives and support groups to help me feel better. I don't know what I would have done without her.

When people ask what happened to me, I tell them the story about the day I received a phone call from the Cancer Services Program and that I would have never gone for my mammo if not for them. They saved my life, and I am forever grateful. I would not have been able to get through this without the kindness, compassion and support from my patient navigator Liz. Women do need this program. Thank you.

CHAIRMAN D'AMARO:

Thank you. Karen B. Karen.

MS. KAREN B.:

Good afternoon. I'm here to talk about how the important role that the Cancer Services Program of Suffolk County played in my life. My name is Karen, I live in Bay Shore. I am a single mother of a 16 year old daughter. I'm an educator, but my employer does not provide health insurance.

Since I didn't have coverage, I only went to the doctor when I needed to. As a visit to a walk-in clinic a year and a half ago, my doctor suggested I go for my first mammogram. I took advantage of a free program. After my first mammogram, a follow-up sonogram, a biopsy, I was diagnosed with breast cancer. It was a very frightening and confusing time in my life. My breast cancer journey was beginning. I was told that I needed to have surgery, chemotherapy, among other things. I had no idea what all of it entailed.

I was worrying about how I would afford since I had no health coverage. A support group leader that I know referred me to the Cancer Services Program of Western Suffolk. I received an appointment with a coordinator and the patient navigator. They informed me about the special Medicaid Program and assisted me with applying for it. Thankfully, I met the requirement and was approved. Now I was insured and on my way to being treated.

The patient navigator was and continues to be supportive and encouraging with me. Along with helping me apply for this insurance, she assisted me with finding doctors that accepted it. She does all the necessary paperwork, she checks up on me from time to time. She offered to assist me with whatever I need help with, even if it was just to talk. I consider the job of the patient navigator very significant, she's a significant part of my health care team. It was very comforting to have someone to guide and direct me through the scariest time in my life.

Now, I am currently going through -- I am finished with chemotherapy, and I still have some more treatments that I'm going through. I would like to ask as you make your decisions, think of the wives, mothers, grandmothers and daughters who might need this program someday. And also, I believe that the patient navigator should remain an essential part of the Cancer Services Program, because she helped to save my life, and I know that she will help to save the lives of so many other women who might be diagnosed with breast cancer in the future. Thank you.

CHAIRMAN D'AMARO:

Thank you. Next, Lucille McCune.

MS. MCCUNE:

My name is Lucille McCune, and I reside in Farmingville. I'm writing this letter in support for the Patient Navigation Program for the Cancer Services Program. On May 27th, 2011, upon my visit to the doctor, I was told I had a mass in my left breast and would need a mammogram and a sonogram. I had been using the services of Stony Brook in the past and was prepared to continue with what I needed.

However, I came across a surprise when my insurance was denied. I was told to call the Cancer Services Program as they covered women who were uninsured. Uninsured? How could I be uninsured? My husband had me on his plan, I had Medicare Part A. I wasn't uninsured. But as I was so confused, I decided to call the Cancer Services Program anyway. I spoke to the coordinator, Paulette, and explained my situation. She agreed to help me with research in this discrepancy. After several phone calls together, between my insurance company and Medicare, it turned out that there was an error in Aetna's part, and that it was not resolvable, and I was now in a new category of being underinsured.

My panic grew as I was faced with a lump in my breast that uncertainty of how I was going to pay or what I was possibly going to do if I needed more tests. Thankfully, I had the Cancer Services Program on my side. The patient navigator immediately began to negotiate with Aetna for the 20% while the Cancer Services Program staff helped me negotiate at Good Samaritan Hospital to accept their payment for the rest. I was so thankful and couldn't believe that was happening so easily. Within days, I had an appointment at Good Sam for my mammogram and my sonogram. Thanks to the patient navigator Paulette, by June, 2011, I completed my test and that day was sent home with the good news, everything was benign.

I breathed a sigh of relief and couldn't express my gratitude for the services CSP provided, specifically the patient navigation. What would I have done without having someone to navigate me through the system. And guess what? Three months later, I received a bill to the date of service, and within one day, it was resolved and with the help of the Cancer Services Program again. Please reconsider your decision to cut the patient navigator. The position is essential and is to be a continued success, the Cancer Services Program should -- for Western Suffolk.

The fear that I felt then and the relief that I felt after my Cancer Services navigator gave me all the help that she could at the worst time of my life -- if you don't continue this program, thousands of women in Suffolk County are going to miss out. I also feel that because you're uninsured, you're not expendable. You all have husbands, you all have wives, you all have children. If this happened to one of your children or your wife, I don't know how you would feel if you were uninsured. You heard these women with cancer, I was one of the lucky ones. I really believe that this program got me through. I've had 24 operations and never had any fear until I found that lump in my left breast. And I really feel that this is a program that should continue. Thank you.

CHAIRMAN D'AMARO:

Thank you.

MS. SCHWARTZ:

Jodi was unable to come. With your permission, I can read her statement.

CHAIRMAN D'AMARO:

I'll ask you to submit it for the record.

MS. SCHWARTZ:

And just for the record, I am Paulette. I am not the patient navigator. I just need to state that. The patient navigator at my partnership is not in attendance here today. I just wanted to state that.

CHAIRMAN D'AMARO:

All right. The last card I have is from Jacqueline Jaklitsch.

MS. JAKLITSCH:

Well, I think what everyone has said has been pretty -- I don't think I can say more than what everyone has said. I kind of was in the same boat. My notes probably really don't even mean anything, because it's probably about what everybody else said. But they kind of just said, what's more devastating than being diagnosed with cancer, and, you know, what are they going to do to me. Then you turn into a methodical machine and you just do everything they tell you for however long they tell you, always with the question in the back of your mind, you know, "Am I going to die? Am I going to die?" But you feel safe because you know that they are going to do everything that they can do for you.

So what was so devastating is I'm having all these tests and they have all these fancy machines with all these amazing scans, but you don't think about how much they cost and how much they are -- you know, who's paying for them. You just pray that they are saving your life. And then one day, I go for a test to find out they can't do the test, because -- and this is after I've already had cancer -- they can't do the test because I didn't have any insurance. I didn't know I didn't have any insurance.

I was fortunate enough that while I was in the middle of my treatment, the oncology nurse told me, "Call the Cancer Services." So I immediately called them, they had me in immediately because I needed to continue with everything I was doing. You know, the thought of not continuing treatment is almost, to me, looking death in the face. If I wasn't going to get my treatment, I wouldn't be able to live. I had an ovarian kind of cancer. I had, you know, almost two and a half years of treatment.

So I was even trying to find out -- find people -- I couldn't find anything. So when I got the Cancer Services, I went there immediately. And after they helped me, I went home and tried to find some of my own doctors. I couldn't find anybody. And the patient navigator did all of that. Without her, it's very hard; you can't just look up on the internet like you can everything else and find, "Oh, that doctor will do this, or that doctor will that." That's not on the internet anymore. So I couldn't find a doctor.

When I went back, the patient navigator helped me find immediately that now I'm overdue for treatments, I'm overdue for mammographies, I'm overdue for a PET scan, I'm overdue for everything more than, like, a year. She helped me with everything. And without Liz, I don't know -- I don't know if I would be up here being able to tell you guys my story today. So to take away something that, what all the others have said, to take this away from us is just something that is going to take away a lot of lives. So the patient answered all the questions, they made phone calls, they helped find doctors. Without the patient navigator, I just -- you know, like I said, I wouldn't probably be here today. She's a vital part this system. And I'm very thankful every day for that patient navigator.

CHAIRMAN D'AMARO:

Thank you. Is there anyone else who would like to address the committee? That's all the cards I've been handed -- here's one more. Mr. Quinn, welcome, please go ahead.

MR. QUINN:

Good afternoon. My name is Peter Quinn. I am the father -- my wife and I are the parents of six daughters, so it's incumbent that I speak on behalf of women. And I appreciate their tearful comments. I want to do a comparison. Two years ago, I had quadruple heart surgery. When I finally got all the bills, fortunately, I have Medicare and Empire, the total bills for the hospital came to \$93,000. The total bills for the surgeon came to \$23,000. So I can't -- I will never appreciate or understand how without health insurance, without coverage, these women can be serviced. But I heard the number \$57,000 to restore the ability to have women get -- get help. And so I would urge the County, even despite what you heard about the shortfall this morning, that you restore those funds, even increase them. Thank you very much.

CHAIRMAN D'AMARO:

Thank you. Is there anyone else that would like to address the committee. Just a brief comment. Ladies, I thank you very much. I know it takes a lot of courage to testify, and we do appreciate that, especially your willingness to share very personal experiences. I assure you it has an impact. It is important that we hear testimony such as yours. It kind of takes us outside the bubble and makes it real, and that's what we need to do. I appreciate you taking the time. I think we all recognize the value of the Patient Navigator Program, and your testimony certainly drives home that

point here today. We set priorities in government, that's what we're here to do. And I can assure, especially based on all of your testimony, that this will remain a very high priority for us. And we will very carefully consider everything that you said to us here today.

APPLAUSE

Legislator Anker.

LEG. ANKER:

I have to say that the women here today are our warriors in our war against cancer. I mean, you know, ladies, to put your emotional -- almost in a vulnerable sense your emotions out in public and tell your stories, tell your personal stories about the struggles you went through to live. You guys are survivors. So -- and, you know, that's more or less how I got started to be where I am right now.

You know, my grandmother passed away days after my younger daughter was born. She gave me that inspiration to find out why are so many people dying from cancer, breast cancer at the time, but now it's also extended to just cancer. And I found out there's a lot of things on Long Island that may be contributing to it. And we need to identify it. Just unfortunately, like, our budget situation, we have to identify the problem.

But again, we do have an issue with the budget, there's no doubt about that, and it's a lot bigger than we thought it was. We're just finding out today. But I did speak with Legislator Horsley, who actually submitted this bill, and we're going to see what we can do. Now, the County is in dire fiscal straights. You know, that's obvious. But, again, I worked with Debbie Basile and Karen Miller and Patti Kozlowski, let's see, the Two-Day Walk. And there's a lot of very important, powerful, energetic people, men and women that are focused on making life better for you and for the people that are trying to combat breast cancer and cancer in general.

So Legislator Horsley, again, I'll let you -- if you'd like to say a few words. But we won't give up. We won't give up this ship. The waters are pretty choppy, and they've always been. It's just that thanks to you that people are starting to notice and they're starting to recognize that we have to address this issue. Legislator Horsley.

LEG. HORSLEY:

Yes, thank you, Legislator Anker. You guys were here for the early morning presentation, so you can see what kind of problem we have. We don't have an offset for this bill. So what Legislator Anker and I were talking about, that maybe we can pool our resources and try to figure out from the non-profit world and see where we can go around and see if we can find the \$54,000. The budget itself is so problematic that I don't think that we could squeeze anything into it. So we're committing ourselves to look around in the private world to see if we can maybe help this situation out and see if we can get you the \$54,000. We're going to try anyway.

APPLAUSE

LEG. ANKER:

Again, you know, the County will do as much as we can. But the County evidently created this position and the situation, and it's so vital. We're seeing that and we're hearing that, and it's obvious. If there is a way, and there will be a way, I don't know how. You know, people say, "Sarah, it can't be done." Well, I'm going to show you something different. But, you know, we're going to tap into, like I said, the non-for-profits, the people that I mentioned before, but also the public sector, because this is a priority. And we're going to make sure they know it's a priority. We will get this done. Thank you.

CHAIRMAN D'AMARO:

Thank you again, Legislator Anker. Legislator Schneiderman.

LEG. SCHNEIDERMAN:

There's no doubt that this is a great program. I don't think anybody wants to see the funding cut. My mother passed away from breast cancer, it's something that strikes near and dear to my heart. You heard how we're facing 700 layoffs. Our budget this year is probably \$100 million short, even with those layoffs, of even being able to pay our bills. So we are in a -- I would love to fund it, we just don't have -- we still have to come up with 100 million more just to get through the year. So we're in a very difficult position. I will certainly will work with my colleagues if we can identify some sources outside. Even if we came up with 50,000 within the County, we'd have to apply it to that shortfall. So we are in a desperate situation. But anything I can do to help, I certainly will. I certainly support the program.

APPLAUSE

CHAIRMAN D'AMARO:

Again, we thank you for coming down today, especially for your patience in sitting through the morning. I appreciate that very much.

We are going to now turn the committee to the agenda itself. We'll start with Section 5, which are Tabled Resolutions.

I'll call the first which is Resolution Number **1014, Adopting Local Law No. -2012, A Charter Law to ensure accountability and honesty in the budget adoption process. (Cilmi)**

LEG. ANKER:

Motion to table.

CHAIRMAN D'AMARO:

Motion by Legislator Anker to table, I'll second. All in favor? Opposed? Oh, Legislator Cilmi. Would you like to -- I'm sorry. Please accept my apologies.

LEG. CILMI:

No, that's quite all right. I would just say, particularly given the presentation that we received this morning, everything and anything that we can do to improve transparency in our budget process to give the public more access not only to the information, but to speak to us about our budget and where -- you know, where they believe -- we are a representative government after all -- where they believe our priorities should be, I think we should do. This resolution, IR 1014, 1020, 1023 after it, all go to that issue. So I would encourage the committee to pass all three and hope that they pass it at the full Legislature on Tuesday. Thank you.

CHAIRMAN D'AMARO:

Legislator Cilmi, I appreciate your comments, and I appreciate you being here on your bills as well. And I've also considered myself a proponent of some changes, some drastic changes in the budget process, so I do appreciate that you're thinking hard and focusing on this.

This bill in particular, 1014, would require the adoption of the budget earlier prior to Election Day, I believe. And maybe not today, because I know we've been here an awful long time, but we need to, I think, have an open discussion about that; the ramifications of doing that and hear all sides on that. So I am prepared to table this today, but I would like to explore that further with the committee and with yourself. Okay? All right. We have a motion pending, has it received a second?

MS. LOMORIELLO:

Yes.

CHAIRMAN D'AMARO:

Okay. I'll call the vote on the motion to table. All in favor? Opposed? Abstentions? Motion carries. **TABLED (VOTE: 5-0)**

1020, Adopting Local Law No. -2012, A Charter Law to require timely filing of budget amendments to increase public awareness. (Cilmi)

CHAIRMAN D'AMARO:

Legislator Cilmi, would you like to address this bill as well?

LEG. CILMI:

Well, very briefly. Here again, all this does is it requires that budget amendments get laid on the table or presented to us five days prior to voting, which again, lends itself to more public participation and transparency, here again, in the interest of working on a solution that is palatable to the entire Legislature. I mean, I ask that it pass, but in the absence of that occurring, I would ask to work with you as Chair of the Budget and Finance Committee to come up with a solution that accomplishes all of these goals.

CHAIRMAN D'AMARO:

This bill pushes back the timeline; is that correct?

LEG. CILMI:

It simply says that any budget bill be presented to us five days prior to voting so that we're not receiving, you know, a bill on the eve of Election night and have to vote on it literally hours thereafter.

CHAIRMAN D'AMARO:

Which has been our experience that everything kind of gets crunched at the end, and it's here waiting for us the day we have to vote. But you're looking for more of an opportunity to kind of digest, you know, what's in the document.

LEG. CILMI:

Not only me to digest, because, you know, we all -- we all are privy -- you know, all of us have access to our Budget Review Office, and they're always very forthcoming about what, you know, is going on. But the fact of the matter is the other stakeholders don't have that same access.

CHAIRMAN D'AMARO:

And I think I've gone on the record with agreeing with that as well. Okay. I appreciate your comments. Is there anyone else that would like to -- is there a motion pending on this?

LEG. MURATORE:

Motion to approve.

LEG. ANKER:

Motion to table.

CHAIRMAN D'AMARO:

Motion to approve by Legislator Muratore. There's a motion to table by Legislator Anker, is there a second? Second on the motion to table by Legislator Horsley. The motion to table -- well, is there a second on the motion to approve? I'll second the motion to approve. Motion to table takes

precedence. I'll call the vote on the motion to table. All those in favor? Opposed?

CHAIRMAN D'AMARO:

I'm opposed.

LEG. MURATORE:

Opposed.

CHAIRMAN D'AMARO:

The motion carries, the resolution is tabled. **TABLED (VOTE: 3-2-0-0 Opposed: Legislator Muratore & Legislator D'Amaro)**

1023, Adopting Local Law No. -2011, A Charter Law to improve the process for adopting the County's Operating Budget. (Romaine)

I'm not sure if this is redundant. Counsel.

LEG. CILMI:

I'll let Counsel explain.

MR. NOLAN:

What this bill does is it would move up the time for the County Executive to propose his Operating Budget from the third Friday in September to the third Monday in September. So it will move up that process by four days, and then require the Legislature to adopt its amendments to the Operating Budget by the day before Election Day.

CHAIRMAN D'AMARO:

Okay. Thank you, Mr. Nolan. I'll offer a motion to table, seconded by Legislator Anker. All in favor? Opposed? Abstentions? Motion carries. **TABLED (VOTE: 5-0)**

Turning to Section 6, Introductory Resolutions. I believe -- was 1058 withdrawn? Just note for the record, 1058-2012 has been withdrawn.

1073, Amending the 2012 Operating Budget to transfer funds from the Assessment Stabilization Reserve Fund (Fund 404) and amending the 2012 Capital Budget and appropriating funds for the Village of Northport for Wastewater Treatment Collection System Improvements (CP 8193). (Spencer)

I'm going to offer a motion to table.

LEG. HORSLEY:

I'll second the motion to table.

CHAIRMAN D'AMARO:

Okay, second. Did someone want to address this? Mr. Zwirn?

MR. ZWIRN:

Thank you, Mr. Chairman. I was just going to ask that the committee table this. We still have to look at this. It needs some work. I think the County Attorney's Office and Counsel to the Legislature, George Nolan, are in discussion about the bill as well. We just ask that you table it at this time.

LEG. HORSLEY:

On the motion.

CHAIRMAN D'AMARO:

On the motion, Legislator Horsley.

LEG. HORSLEY:

I just want to also add that we met with the members of the ASRF -- the Stabilization Committee people involving sewers, and we looked at the project in which Doc Spencer is referring to. And I think it's going to get a favorable report out of the Stabilization Fund question. So may be funded at some point down the road once we get the applications all finalized and the procedures finalized. So this is something that will be addressed.

CHAIRMAN D'AMARO:

Right. And I agree with you, Legislator Horsley. This is kind of a new direction that we're going in. We should wait for that committee to get back to us and then think about how much is there, how do we do this, what's the precedent we're setting, that kind of thing. All right. I'll call the vote on the motion to table. All those in favor? Opposed? Abstentions? Motion carries.

TABLED (VOTE: 5-0)

1074, Adopting Local Law No. -2012, A Charter Law to ensure funding for sewer infrastructure improvements. (Horsley)

I'll offer a motion to table for a public hearing, seconded by Legislator Schneiderman. All in favor? Opposed? Abstentions? Motion carries. **TABLED FOR PUBLIC HEARING (VOTE: 5-0)**

1084, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 875-2011). (Co. Exec.)

Motion by Legislator Schneiderman to approve and place on the Consent Calendar, I'll second. All in favor? Opposed? Abstentions? Motion carries. **APPROVED and PLACED on the CONSENT CALENDAR (VOTE: 5-0)**

1088, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 877-2012). (Co. Exec.)

Same motion, same second, same vote. **APPROVED and PLACED on the CONSENT CALENDAR (VOTE: 5-0)**

1089, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 878-2012). (Co. Exec.)

Same motion, same second, same vote. **APPROVED and PLACED on the CONSENT CALENDAR (VOTE: 5-0)**

Not on the agenda is the next resolution, 1087-2012 -- we'll get a copy of that. We'll turn to **1096, Amending the 2012 Operating Budget and transferring funds within the Department of Health Services to fund the Eastern Suffolk and Western Suffolk Patient Navigator Programs. (Horsley)**

LEG. HORSLEY:

Motion to table.

CHAIRMAN D'AMARO:

Motion by Legislator Horsley to table, I'll second. All in favor? Opposed? Abstentions? Motion carries. **TABLED (VOTE: 5-0)**

1106, Amend Resolution No. 9-2012, designating depositories pursuant to Section 212 of the County Law. (Pres. Off.)

I offer a motion to approve, seconded by Legislator Anker. Any discussion? All in favor? Opposed? Abstentions? Motion carries. **APPROVED (VOTE: 5-0)**

1121, Amending the 2012 Operating Budget to provide funding for the Medford Chamber of Commerce. (Calarco)

At the request of the sponsor, I will offer a motion to table, seconded by Legislator Anker. I'll call the vote. All in favor? Opposed? Abstentions? Motion carries. **TABLED (VOTE: 5-0)**

1129, Amending the 2012 Operating Budget and appropriating funds in connection with bonding for a settlement in a Medical Malpractice Case Against the County (\$4,000,000). (Co. Exec.)

This settlement has been previously approved by the Ways and Means Committee, and this is for bonding. I'll offer a motion to approve. Is there a second? Seconded by Legislator Anker. All in favor? Opposed? Abstentions? Motion carries. **APPROVED (VOTE: 5-0)**

1142, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 879-2012). (Co. Exec.)

I'll offer a motion to approve and place on the Consent Calendar, seconded by Legislator Schneiderman. Thank you. All in favor? Opposed? Abstentions? Motion carries. **APPROVED and PLACED on the CONSENT CALENDAR (VOTE: 5-0)**

1156, Amending the 2012 Operating Budget and appropriating funds in connection with bonding for a settlement in a Medical Malpractice case against the County (\$195,000). (Co. Exec.)

Again, this settlement was reviewed and approved by the Legislature's Ways and Means Committee as required. I'll offer a motion to approve the bond, seconded by Legislator Schneiderman. All in favor? Opposed? Abstentions? Motion carries. **APPROVED (VOTE: 5-0)**.

And finally, not on the agenda is **Resolution 1087-2012, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature.**

I'll offer a motion to approve and place on the Consent Calendar, seconded by Legislator Schneiderman. All in favor? Opposed? Abstentions? Motion carries. **APPROVED and placed on the CONSENT CALENDAR (VOTE: 5-0)**.

There being no further business before the committee, we stand adjourned. Thank you everyone, again, for your patience today.

(*THE MEETING WAS ADJOURNED AT 12:47 P.M.*)