BUDGET & FINANCE

COMMITTEE

OF THE

SUFFOLK COUNTY LEGISLATURE

MINUTES

A meeting of the Budget and Finance Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York, on Tuesday, August 14, 2012.

Members Present:
Legislator Lou D'Amaro - Chairman
Legislator Jay Schneiderman - Vice-Chair
Legislator Lynne Nowick
Legislator Tom Muratore

Member Not Present:
Legislator Wayne Horsley - Excused Absence

Also In Attendance:
George Nolan - Counsel to the Legislature
Legislator Tom Cilmi - 10th Legislative District
Legislator John Kennedy - 12th Legislative District
Legislator DuWayne Gregory - 15th Legislative District
Barbara LoMoriello - Deputy Clerk of the Legislature
Gail Vizzini - Director Budget Review Office
Robert Lipp - Deputy Director - Budget Review Office
Ben Zwirn - County Executive's Office
Tom Vaughn - County Executive's Office
Justin Littell - Aide to Legislator D'Amaro
Paul Perillie - Aide to Legislator Gregory
Catherine Stark - Aide to Legislator Schneiderman
Maria Barbara - Aide to Legislator Cilmi
All Other Interested Parties

Minutes Taken By:
Donna Catalano - Court Stenographer

Minutes Transcribed By:
Denise Weaver - Legislative Aide

(*THE MEETING WAS CALLED TO ORDER AT 10:03 A.M.*)

CHAIRMAN D'AMARO:
Good morning ladies and gentlemen. Welcome to the Budget and Finance Committee of the Suffolk County Legislature. Please rise and join the Committee in the Pledge of Allegiance led by Legislator Lynne Nowick.

SALUTATION

Okay. And I'm going to ask everyone to please remain standing this morning. Yesterday we learned the sad news of the passing of Legislator Horsley's mother. Please honor her with a moment of silence and please keep Legislator Horsley and his entire family in our thoughts and prayers.

MOMENT OF SILENCE

Thank you. Okay, once again, welcome. To the Clerk, do we have any cards this morning?

MS. LoMORIELLO:
No.

CHAIRMAN D'AMARO:
No. Is there anyone here this morning that would like to address the Budget and Finance Committee? For the record there is no response. We'll turn to our agenda. The first item where we have business this morning is under presentations. And I've invited the Legislature's Budget Review Office to come here this morning to give us a little more detail and an update with respect to the current state of the Suffolk County budget and more particularly the shortfall that we've all been discussing since the beginning of the year starting with the County Executive's Blue Ribbon Commission, which made certain findings and we've taken some mitigation measures as well throughout the year to try and address that shortfall and I think we've been doing -- we've been successful at doing that thus far. But, of course, there's more to do and so the Budget Review Office is here this morning to give us a little more definition with respect to what the remaining shortfall is. So, Ms. Vizzini and Dr. Lipp, good morning and welcome and thank you and please go ahead.

MS. VIZZINI:
Thank you, Mr. Chairman. As the Committee requested the Budget Review Office was asked to size the shortfall currently and before I get to an actual number first let me thank my staff because we -- most of the staff has been working, some people in particular exclusively on preparation for the committee meeting. So I want to extend my appreciation.

And I just want to go other a couple of definitions so to speak. A shortfall is really -- it's a measure. It's a measure of how we ended 2011, 2012 and then a forecast of the differences between expenditures and anticipated revenue in 2013.

The budget model that we're going to present today, the methodology used to measure this budget shortfall is more detailed than the earlier measure because now after -- we're in August so we have the benefit of 2011 actual expenditures as opposed to the estimates that were incorporated in our consensus number and we have certain policy actions that you have moved forward on such as the amortization of the $68 plus million dollar increase in retirement and bonding for replacement vehicles. So these are some of the assumptions that are put into the model. We use historical and expenditure revenue data to make our other assumptions along with the policy actions that had

taken place and other assumptions in the absence of policy direction. When you change your assumptions, if you assume that something is going to grow by 1% and you change your assumption to a 3% growth; the numbers are going to change. It's a natural process for the magnitude of the shortfall to change as you have more data, as you have more actual data and as you make policy determinations along the way.

I always say this when making these presentations in that the model does not dictate policy. You as a Legislative body dictate the policy along with your reaction to what is presented to you and will be presented to you shortly in September in the 2013 recommended budget.

The major contributing factors to why our 2013 expense is going to be more and has revenue kept pace with those growth and expenses have to do with the, what we call the usual suspects; personal services. Now for the purposes of this number that we've arrived at finally we do have a payroll that reflects the 215 layoffs and the -- it's been adjusted for the numbers of people who took advantage of the early retirement. Although the Operating Budget line item for retirement will be based on our decision to amortize there are still additional costs for amortization so that increases the debt service for that but it is in the retirement bill. The Kaiser Foundation, we typically use that as our indicator, I believe it's 8 1/2% growth as far as health insurance so that's in there to measure the increase in the cost of health insurance.

Social Services programs have been impacted due to the economy in terms of increase in caseload and many of those programs as you are well aware are mandated.

Then there is the issue of changes in State aid formula and reimbursement. Many health services that were at one time reimbursed 36% under Article 6 are no longer reimbursed and there have been changes at the State level because they have their own physical and cash problems as far as reimbursement.

The other areas that contribute to increases are contracted services. Many of those non-profit entities or other entities provide services for us in lieu of our own County employees providing services and, of course, debt service, which the benefit of the revenue from the Tobacco Securitization is falling off dramatically in '13 and will be gone in '14. So with that go to the --

CHAIRMAN D'AMARO:
Excuse me, Gail, if I could just clarify those items that you just went through you said they are contributing factors to increase expense. Increased beyond what we adopted in 2012; is that what you mean?

MS. VIZZINI:
We have a projection for what the cost is in 2012 and it would -- it's beyond that projection.

CHAIRMAN D'AMARO:
In 2012 or are we talking about the three years that we've been discussing since January?

MS. VIZZINI:
Yes, '11, '12 and '13.

CHAIRMAN D'AMARO:
Okay, thank you.

MS. VIZZINI:
Yes. And, yeah, as I mentioned revenue in there too that there's been; yeah. Okay.

So the way this is presented right now is the General Fund and the police district combined refers to the total of the two of them. Based on the work of the Budget Review Office we believe that the budget shortfall is now in the magnitude of 215 million in the General Fund and 17.4 in the police district. Combined it's 232 million. Again, let me echo the extent to which we changed some assumptions here will change these numbers.

Not included are certain policy determinations that will be and are before you, which I listed on the next several lines, there are $53 million in relief that you can and will be considering. One is, of course, an increase in property taxes. Just for discussion purposes if we were to increase property taxes consistent with the 2% State cap that would give us $10.2 million in revenue. We have not included this $10 million of relief in the 232 number. If we did it would come down.

The sale of the nursing home for the purposes of this discussion it is an asset. If the proposed deal were to go through we would net in the vicinity of 21 million and we would save what we believe to be the 2013 subsidy from the General Fund of about $8 million. So that's how we get the 29 million. It's 21 and revenue for the sale of the asset and a savings of the 8 million in the subsidy that would be needed if we continue to operate.

The third item comprising the 53.7 million is something I read in Newsday. Presumably according to Newsday there have been some forward progress with the unions in terms of modifying the EMHP plan and we have this listed here, we don't really know anything about it and I have requested a copy of the agreement. We have not analyzed it as yet but at face value the number used was 17 million. So should that be an accurate number we apportioned it through the General Fund and police district and that would give more relief.

So assuming that all those things were approved and went forward you would have a shortfall of 176 million in the General Fund and 2.3 million in the police district. I believe that -- do you want me to explore the major differences between the original $400 million consensus number and the current number or did you prefer to ask questions?

CHAIRMAN D'AMARO:
What do you mean by the current number?

MS. VIZZINI:
Two thirty-two.

CHAIRMAN D'AMARO:
How you went from your estimate of four down to the 232, yeah, I think that would be helpful. Sure. How we got to that point.

MS. VIZZINI:
Okay. Well, again, as I said earlier, very different methodology. So it's not exactly apples to apples. Very different procedure this year in that, you know, we did not do our normal joint presentation with the Budget Office. There's some repetition in here. The major differences between the $400 million consensus number and the Budget Review Office's new number is the policy decision regarding amortizing the retirement. We had earlier assumptions in our budget model for labor negotiations based on historical numbers so those dollars -- those assumptions were a little bit more robust. We have modified the model to reflect the AME contract, the proposed PBA agreement and we've used those numbers to reflect some of the other bargaining units, most of whom contracts have expired.

The layoff assumptions in our model were very different. We've -- our original numbers did not include the layoff of the 215 individuals and we've made adjustments there.

Jail medical. The jail is proposed to open probably the later quarter of 2012 and there are expenses related to jail medical that will -- although we'll have a savings in 2012 because we had -- we had another 5 million in there, there will be increased costs in 2013.

As I mentioned earlier there are some savings associated with bonding vehicle, replacement of vehicles. There were differences in our earlier public assistance program numbers and they -- there's $25 million difference in other assumptions we had made in our earlier forecast that make up the difference between the 400 and the 232.

CHAIRMAN D'AMARO:
Gail, could you do me a favor and just read off the numbers to me along each line there. I can't see them.

MS. VIZZINI:
Yeah, no problem. I can -- I'll give you copies as soon as the presentations over.

CHAIRMAN D'AMARO:
Okay, that's fine.

MS. VIZZINI:
But where do you want them? You want me to read them off now or you okay with that?

CHAIRMAN D'AMARO:
Just very quickly just go down them -- the lines.

MS. VIZZINI:
Okay. And the combined number here?

CHAIRMAN D'AMARO:
No, just the ones you just went through; totals after adjustments.

MS. VIZZINI:
Okay. That add up to the 179? 60.7 million for the amortization of the retirement bill, 38.7 in assumptions for labor negotiations, 32.8 million in assumptions for layoff, 5.5 million jail medical, 2.5 million for bonding for vehicles, 1.9 million in public assistance programs, and 25.2 million in other expenditure and revenue assumptions.

CHAIRMAN D'AMARO:
Okay, and basically when you add that up that's how you get from the original estimate, which was based almost totally on projections before some policy decisions had been made, that gets us down now to the 232.

MS. VIZZINI:
Correct.

CHAIRMAN D'AMARO:
Okay, all right. Legislator Schneiderman, go ahead.

LEG. SCHNEIDERMAN:
I just wanted to know if there is a sales tax adjustment factored in because I think we projected a certain sales tax growth that's being exceeded by the current economy.

MR. LIPP:
Yeah, we're including right now, which is, you know, the lots and lots of assumptions. We're including that what we said in the budget review that we thought that the 3.95% growth that was adopted was plausible so we're including that for this year. That being said it's still a shortfall because the base from 11 was less than was in the budget.

LEG. SCHNEIDERMAN:
Okay. And that's part of the discrepancy between your estimates and what the County Executive's team came up because they assumed a significantly lower sales tax rate.

MR. LIPP:
Correct.

CHAIRMAN D'AMARO:
Are there any other major assumptions that we should be considering when we look at the 232 number or even the 176 and 2.3 when you net out some other items that you went through, the 53 million, 53.7. When we get to 232 are there other -- other than sales tax are there other assumptions, major assumptions that -- I know there are many that are influx but any you care to highlight?

MR. LIPP:
It's hard to say, you know, we have pages of footnotes explaining many of the assumptions so it's just so many moving parts that we don't -- it's, you know, it wouldn't be very lucid right now to just go over that stuff.

CHAIRMAN D'AMARO:
Okay. But the conclusion is based on all of those assumptions that we're at about 232 million that we're still trying to work on for the shortfall that's for the 2011, '12 and '13. Okay. Legislator Nowick, did you have a question?

LEG. NOWICK:
Yeah. Just, Gail, could you clarify the 5.5 million on jail medical; how does -- I'm not sure how that works.

MR. LIPP:
We thought there would be a bigger shortfall associated with that because we thought that the -- originally that the jail medical would open in like April at the beginning of the year. Right now it's scheduled to open next month, which remains to be seen. Make a long story short there was some -- there is some savings because we haven't had to incur the contract, the jail medical so at the end of the day we'll save some money in the budget that we didn't recognize there.

LEG. NOWICK:
Okay and one other question. The layoff assumptions; 32.8, you base that on the salaries that we save, the medical, and then do you also you deduct the lag payroll paid that we paid out and I guess you have to put a certain amount, what, pension money in there or how does that work, how do you come to 32.8?

MR. LIPP:
That was the number that we used as a figure assuming that we wouldn't lay people off in July because when we sized the 400 million we assumed that we wouldn't lay them off because it was a policy decision and we didn't want to make that policy decision. So we said there would be a loss because we would have to incur the expense in the second half, but since we did layoff those people there is a savings.

LEG. NOWICK:
And the savings is based on what, just salary or -- I mean I know it's health insurance and that sort of thing.

MR. LIPP:
Salary and benefits, salary and benefits.

LEG. NOWICK:
And when someone is laid off like that what does the County payout the first year that would be more of an expense and the second year not incur?

MR. LIPP:
We would have what's referred to as "scat pay", your sick and your vacation leave. Vacation leave actually if you're laid off and then there's unemployment insurance too.

LEG. NOWICK:
For the first year only?

MR. LIPP:
Correct.

LEG. NOWICK:
Okay, thank you.

CHAIRMAN D'AMARO:
Legislator Kennedy, good morning, go ahead.

LEG. KENNEDY:
I want to defer to the rest of the members in the Committee if anybody else had questions?

CHAIRMAN D'AMARO:
Legislator Muratore, did you have any questions?

LEG. MURATORE:
Not right now.

CHAIRMAN D'AMARO:
Not right now. Okay. Legislator Kennedy, go ahead.

LEG. KENNEDY:
Thank you, Mr. Chair. And -- all right. I appreciate the detail from BRO but, I guess, a question and observation. First with the nursing home, the one thing that I would like to at least have BRO take notice of or add when you're looking at cost and revenue is we've forfeited about $4 million to date just on the failure to fill the 70 beds that we have empty at this point. So that 8 million annual subsidy clearly at least half of it we can talk about has been a decision on the Health Department's part not to fill beds.

More importantly I want to go to the layoff calculation of savings. Two weeks ago the Chair was very gracious when he allowed me to ask about the savings that we will realize from the almost 200, I think it was 196 employees voluntarily separated and retired, in anticipation of not having to contribute into health insurance. Things have changed since then but nevertheless they're gone. They've left. How much are we going to save for the balance of this year and then what would we

see in a savings in 2013 if we embrace the policy to abolish those positions and not fill them?

MS. VIZZINI:
We're working on that for you. We're almost there. Benny has some preliminary numbers, but again, because it's an early retirement we'll give you the gross savings in a memo, we'll send it to everyone. But we'll also couch it in terms of we have some data that we've compiled in terms of what the -- how many people by bargaining unit normally retire. So we usually subtract the savings associated with the early retirement incentive from the fact that a percentage of those people were going to go anyway and they probably would have gone in the next six months or so, you know, not to say that it didn't accelerate it; it did. So I'm not prepared to give you an answer to that but I will give you a memo probably by the end of the week or early next week and that'll I think answer all your questions.

LEG. KENNEDY:
Which is fine. I realize that you're operating under a tremendous request for data and information at this point, but then let me ask so if I can go to the top line, not the bottom line, the top right, as far as the current shortfall in the combined funds of 232.7 million, will that number be modified by what you determine or has that already been factored in?

MR. LIPP:
It's been factored in. The reason why we don't have the savings associated with early retirement or layoffs that kind of thing is we're looking at a different methodology here. What we're doing is we're looking at the staffing without those people in, you know, working for the County now and we're moving forward with what the projection would be for salaries there. So we're not looking at what the savings are we're looking at what the costs are moving forward for all the people that are still here for this analysis.

LEG. KENNEDY:
Okay. And the last question if I can go to the second to last line, other revenue and expenditure assumptions, that's 25 million that we're looking at that's -- we're reducing from that original 400 million. I'm not sure I understand what that means.

MR. LIPP:
There's not much to understand there. The bottom line is, as Gail had said, different methodologies to arrive at the 400 and to arrive what we have now. I could explain in private what the methodologies are if you'd like.

(*Legislator Gregory entered the meeting*)

LEG. KENNEDY:
So it's maybe, you know, different views through the prism then between Budget Office and Budget Review.

MR. LIPP:
Yes.

LEG. KENNEDY:
Okay, fine. Thank you. Thank you, Mr. Chairman.

CHAIRMAN D'AMARO:
Thank you, Legislator Kennedy. Legislator Cilmi.

LEG. CILMI:
Thank you, Chairman and I appreciate the opportunity to be here again and to chat about these numbers. You'll forgive me if my questioning is somewhat disjointed, I'm just trying to wrap my head around this new presentation. Understanding that we're looking at this having been through seven months of understandings and presentations whereby originally we started out with a $400 million deficit and then we went up to a $530 million deficit and then we went up to a $560 million deficit and then we went down to $300 million deficit and now we're down to a $232.7 million deficit potentially after some adjustments down to $179 million deficit all in the matter of seven months. That's is remarkable. You've talked about using different methodologies. Well, if I was in private business and my budget people came to me one day and said, you know, you're at 400 million and the next day you're at 179 or 232 or 560 those kinds of differences, even in the scope of our huge budget, would be inexcusable. To have one budget person come in, you know, one day and say its $400 million based on one methodology and $200 million based on another methodology, somebody's got to tell me which methodology is right because you can't justify a $200 million difference or anything close to that, even a $100 million difference by saying we've used different methodologies, one of the two has to be right and one of the two has to be wrong.

Furthermore, when I look at the itemization between the potential combined fund deficit of $179 million after adjustments and the projected shortfall of $400 million, which Budget Review Office and the County Executive's Budget Office presented to us, in that calculation is a total of, it looks like almost $79 million of other revenue and expenditure assumptions and select other adjustments under consideration listed above. So that's almost $80 million of other stuff. I'm not exactly sure again how we get to -- how we can use in all good conscious $80 million of other stuff and this is not a reflection on our Budget Review Office it's a reflection on the entire presentation beginning at the beginning of the year when we first learned of a potential $400 million deficit extending to now.

I have some specific questions relative to all of this stuff but quite honestly it's almost too much to digest in a matter of a few minutes. The numbers that you're presenting here; these are three year numbers just as we've been presented with three year numbers before.

MR. LIPP:
Shaking head yes.

LEG. CILMI:
So I guess while I try to collect my thoughts on some succinct specific questions for you if you could please share with us how it’s possible that different methodologies could yield such different results and if you could also describe why you believe this methodology is now the more appropriate methodology whereas apparently the methodology three or four months ago or the methodology that's being used by other Budget Office's in this County is not correct. I know that's a lot and I'm sorry for that, but again, this is a lot of information and we're not talking about ten or $20 million differences here. We're talking about hundreds of millions of dollars.

MR. LIPP:
Not a problem. That's a good question so we embrace the question. Okay. So back in February, March when the $400 million figure was stated, we have not changed our methodology even though what we said was accurate that this is a different methodology. For several years we've been using the methodology that we're using to present today, okay, in February, March we short circuited the process because it was determined by the various parties in the County that instead of doing our usual budget model presentation in March we would defer to the blue ribbon panel. We were brought in, you know, on the, you know, tangentially in that process to provide some guidance for the blue ribbon panel along with mostly the Executive's Budget Office to give them the base and we agreed with the Budget Office looking at different pluses and minuses from the budget in terms of what would be large increases or decreases that we were short about 400 million. That was not our

methodology. We just used that approach, which is a shortcut approach to provide guidance to the blue ribbon panel and then they came up with their number. So we never really bothered coming -- doing the full blown model that we usually do. So we never changed our approach. It was just that the County changed its approach for this year. That being said we've even said on the record that we were comfortable using that number simply because it just showed what the magnitude was so from our perspective at the risk of overstating the case who cares if it's 300, 400, 500, we know it's a huge problem. Let's sort of, you know, get to -- cut to the chase and look at the solution so we spent most of our time at that point looking at the solutions while the blue ribbon panel did its due diligence.

That being said part of the 400 million is the amortization or retirement bill, is assumptions about we're not laying off people so the bulk of the difference between the 232 and the 400 really is that. So it really isn't that large of a difference if you look at it that way, number one, number two, we short circuited the process so we're only doing it right now our usual approach and number three you got the luxury of going from March to early August so we have more information and we've included parts of phase one, which, you know, have been vetted out, which reduced the numbers further. So if you look at all those things you could argue those differences account for all of the difference between 232 and 400.

LEG. CILMI:
Okay. Let me specifically address a couple of those things. With respect to the amortization of the retirement bill, haven't we been planning for that all along, hasn't that amortization been in the budget all along?

MR. LIPP:
When we came up with the 400 number that we used we said to ourselves even though the number is so large that it doesn't look like we would do anything but borrow as much as we could from the retirement system, we recognized that that was a policy decision so how dare we not include that as part of a deficient because in a perfect world we would not want to borrow for the retirement system so we included that in there even though -- but at that point in March no policy was reached at that point so it wasn't appropriate for us to assume anything.

LEG. CILMI:
So you're saying that when you all made your budget presentation to us in March the deficit number that you presented to us, the $406 million did not take into consideration any amortization of the retirement bill. Is that correct?

MR. LIPP:
Correct for 2013. And, in fact, I'll go one step further, we didn't do a budget presentation, in my opinion, in March, it was the blue ribbon panel. We deferred to them. We just provided guidance in a couple of meetings.

LEG. CILMI:
Well, okay. Well, I'm referring to a document that we had that showed the difference between the $406 million and the $530 million that the budget -- that the panel presented to us. So my apologies, it wasn't your presentation, but the numbers as they were stated in the blue panel's presentation to us were numbers that were, you know, numbers that came from your office. My understanding was there was numbers that came from your office and the County Executive's Budget Office collectively. Right? So it's semantics. I don't -- we don't need to --

MR. LIPP:
No apology necessary.

LEG. CILMI:
Right, thank you.

Okay, so let's talk then about the layoff. You said there were three parts to a major explanation of the difference. The first part was the amortization, the second part -- I'm sorry, let's just skip back to the amortization for a second. It's savings in terms of budgetary savings because it's not coming out of our budget during that year but it's not really savings because we have to pay it later down the road. Correct?

MR. LIPP:
Definitely.

LEG. CILMI:
Okay. All right. Let's go back now to the layoff part of the question. Didn't we include reductions in our payroll as a result of layoffs in our projections? I mean, we had already budgeted for X number of layoffs in last year's budget or in -- when we did the budget last year for this year. So when we came up with the projections to what extent did layoffs impact those projections?

MR. LIPP:
In our analysis of the 400, I can't speak for the Executive staff or the blue ribbon panel, in our analysis we assumed that we would keep those people on board and just like with the amortization thing we thought that was too serious of a policy issue to just, you know, assume that it would go through as is. We wanted to stick that in peoples' face to see that, okay, here's a policy issue, we don't want you to think that we're not laying it out there and letting you think that this isn't a problem. So that was the approach we took. And I'm not sure if I'm making myself clear to you.

LEG. CILMI:
I guess I lost my polka face a little while ago. So you're correct, you're not making yourself clear.

MS. VIZZINI:
Yeah, we had $32 million in expenses to keep the 450 people on board in our model. It was an assumption that we made.

LEG. CILMI:
Okay.

MS. VIZZINI:
So that's part of the difference because half of those people were let go to achieve the savings.

LEG. CILMI:
Okay. Let me go to another part of this equation, which is apparently the County Executive's summarization of how we've reduced the budget deficit from $530 million to $300 million. So this is now exclusive of what you've presented to us today and I recognize that you -- this is not your work. And I understand that the Chair invited the County Executive's Budget Office to our meeting today and for some reason they weren't able to be here, which is unfortunate. I hope they're able to be here at subsequent meetings to try and explain this. But my itemization of that difference includes some items that aren't included in your presentation here. So after I read to you several of these items I would ask you to comment on whether or not these -- these items are realistic and if they are then wouldn't that, in fact, reduce the budget deficit projections even further. So here's, I have -- we start at the $530 million and we have less $10 million in property tax 2012 to 2013 instead of the task force's $20 million so that saves us $10 million over what the task force suggested. Do you have any idea what that means? It seems to me to mean that the task force projected that our property tax revenue would be $10 million more than what they're projecting or

less rather than what they're projecting now.

MR. LIPP:
Sure. The actual property tax came in for 2011 was better than was in the budget so that's the adjustment that they decided to make and the reason why it wasn't on our list is as a difference to go from one to other is those projections in terms of property taxes ours is not the same as their's but they're implicit in our model. So there -- and there is so many, I mean, I could show you the model.

LEG. CILMI:
That's okay.

MR. LIPP:
It's -- give you a headache.

LEG. CILMI:
So the numbers that we saw on the screen there then do they -- are they representative of the budget task force's projections or are they representative of -- are they inclusive of a $10 million increase in property taxes or something else completely?

MR. LIPP:
They're different then the blue ribbon panel or the Budget Office's numbers -- perhaps. They're implicit. We have our own projections in our model that differ somewhat but there is somewhat of a savings associated with that.

LEG. CILMI:
Okay. In their itemization they say less sales tax delta, $47 million instead of task -- which is 4% instead of task force's 2.6%. So they had -- they're decreasing their budget deficit projection by $47 million as a result of differences in what sales tax is coming in at. I'll ask you to comment on that and I'll ask you to confirm for me I've been told that for every percent increase or decrease in sales tax revenue it equates to roughly $11 million. So my question is how did they get to $47 million in a year?

MR. LIPP:
I'm not sure. You'd have to ask them.

LEG. CILMI:
Okay.

MR. LIPP:
We have our sales tax growth rates in there. It's implicit in our model so we didn't show that as a difference because, you know, it was apples and oranges really.

LEG. CILMI:
Okay.

CHAIRMAN D'AMARO:
Legislator Cilmi, I might just suggest that that might be over three years.

LEG. CILMI:
Okay.

CHAIRMAN D'AMARO:
That's how they -- I'm not sure.

LEG. CILMI:
Right.

CHAIRMAN D'AMARO:
But that may explain the 47.

LEG. CILMI:
It's possible, it doesn't say specifically. And I would -- you know what, Chairman, I assume that it is because this is -- these are three year numbers. So let's see, it says *less energy sales tax 2.6% instead of task force's 1.5% or $49 million*. Can you comment on that?

MR. LIPP:
I think you're going to have to ask the Executive's people --

LEG. CILMI:
Okay. Fair enough.

MR. LIPP:
-- how they came up with their numbers. I wouldn't, you know, I wouldn't begin to guess as to what's inside their head.

LEG. CILMI:
Okay. These next two items you may have already addressed. Just say yes or no if you have. It says last -- *less task force contingent for layoff $18 million over two years and then less task force contingency layoffs in 2013 another $13 million*. So that's $31 million of layoff contingencies.

MR. LIPP:
Once again, we didn't look to see what -- in the way we did our budget projections for this presentation what the savings were for layoffs or early retirements of that. What we did is we looked to see who was left on the payroll and we moved them forward in terms of expenses so it was a, you know, a different approach.

LEG. CILMI:
Okay. I guess my last specific question with regard to this list is it says *less stage one mitigation measures of about $122.5 million*. Do you agree that the stage one mitigation measures as presented to us do equal $122.5 million?

MR. LIPP:
No, because I don't -- never bother trying to figure out what they have. For instance, you can make a case, as an example with the red light camera, that we would bring in another $6 million next year, which is a plausible number. That being said we don't look at it that way at all. And that is even though you'd bring in the extra 6 million net possibly we have a significant shortfall this year of well over $11 million in that red light camera line items. So at the end of the day the way we move through our budget model is we do a projection for this year a projection for next year we recognize the over $11 million shortfall this year so if you look at it that way there's a negative with our projections, we have to look at it their way, which is accurate too but looking at it from a different approach that the 50 additional intersections would bring in possibly a net of 6 million.

So, you know, how they're showing it and, you know, how they're doing their analysis is something is beyond me. They would have to explain themselves. But that's an example of how you can

interpret it.

LEG. CILMI:
Okay. Mr. Chairman, I appreciate the deference. I have many, many, many more questions swirling around my head. The differences again in the projected numbers as have been presented to us over the past several months are staggering and I'm sure that the Committee and the Chairman share my point of view that as we -- as we make decisions that significantly affect peoples' lives, our employees, our contract agencies, the services that we provide to the residents in this County, our taxpayers, we have to make those decisions based on some level of confidence that the budget numbers that are being presented to us are accurate. And while I agree that we have to move forward moving forward from a point -- from a point at which we can all agree is fairly accurate is important. If we don't agree on where we are now it's very difficult to talk about where we want to be and how we want to get there. So I'm simply dumbfounded by the whole thing. Either the task force's numbers were -- and, you know, we banked on those numbers, the newspapers repeatedly referred to the County's budget deficit as being $530 million over the next three years. And to say to our taxpayers that, you know, it's now 230 million or whatever it is because of different methodology and because of things that you, you know, the County Executive's Budget Office, you know, made certain assumptions that you guys didn't bother to look at because you do things a different way, boy, I just can't, I mean, if we were a publically traded company, you know, we'd be having Congressional hearings right now I have to say. It's just -- it's beyond the imagination and I look toward to future conversations in this Committee about these numbers because I still don't have a confidence as to which are right and which are wrong. I recognize that the County Executive and this Legislature have done a lot, and I recognize we've been presented with many challenges. But I still don't have a comfort level that the numbers that we're being presented with which set of numbers is accurate.

MS. VIZZINI:
Mr. Chairman.

LEG. CILMI:
Thank you for your presentation to us.

CHAIRMAN D'AMARO:
All right. Thank you, Legislator Cilmi. And, Ms. Vizzini, there's something you wanted to add.

MS. VIZZINI:
Yes.

CHAIRMAN D'AMARO:
But, you know, let me just say a couple of things before you do. First of all, if you follow the Stock Market at all you'll know that publically traded companies often miss projections. In fact, you might of lost some money when a company didn't meet a projection or revenue projection. And I think that really makes the point as Legislator Cilmi says is that much of what the blue ribbon commission did, at least in my opinion, and the way it was presented to this Committee, and they made it very clear that it's the beginning of year, it's based on assumptions and they did make it clear that if they were going to error it was going to be on the error -- erring on the side of going a little bit higher or substantially higher because they really didn't have the data at that point.

And I appreciate the fact that the County Executive's Office working with that commission have been forthright in making adjustments when they felt it was necessary and as more data became available and as we progressed throughout the year.

I also just want to make it clear for the record, Legislator Cilmi, that I did invite the Budget Office to

this meeting. They were not able to make it today. But, again, I would extend that invitation to them to come on in and explain their version of numbers.

And the last point I want to make is that there are some differences I think Budget Review made that very clear even as far back as when we heard from the blue ribbon commission that there were differences, but I think the feeling at the time was the magnitude of the deficit was so extreme that we could accept that for the moment as we began to work on mitigation measures and figuring out how to bring it down. I agree with you that as we get this deficit down, whether we're using Budget Review numbers or whether we're using the Budget Office or even the blue ribbon's panel's numbers it becomes more important to get accuracy because we're making some pretty tough and important decisions right now that are impacting directly people's lives. So it's important to know how far we need to go when we're deciding what do.

So again, I would always invite the Budget Office to come on in and explain their methodology but at the end of the day no matter what methodology you use, both offices have to get to zero. And it'll be interesting to see when you get to zero whether you agree with that or not.

So with that said, Legislator Cilmi, I appreciate your questions and I think we do need some more accuracy so, again, I'll invite that Budget Office to come in and explain it to us. That's fine.

MR. LIPP:
Point of information, point of information.

CHAIRMAN D'AMARO:
Yeah, go ahead, please.

MR. LIPP:
Okay. Just very brief, you know, I hope I'm not repeating myself, but I think that, you know, our estimates are -- were good then and I think they're good now. And very simply you go from 400 to about 300 simply with the amortization and the layoffs. Okay. Broad strokes, you know, round figures. So then, you know, you've got like $70 million more to get to the current number very simply the way budget models work and it's sort of like a planning document and it say, okay, here's what you got in terms of a problem, fast forward from March to now there's been phase one, there's been labor -- tentative labor contract settlements, there's been a lot of things going on where -- which would easily explain the other $70 million, so from my perspective we were right on that -- we're right on target with 400 million in spite of all the caveats we gave and the 232 is clearly consistent with that based upon what I just said. I think we're right on target; not even close.

CHAIRMAN D'AMARO:
Okay. And, Gail, did you want to add to that?

MS. VIZZINI:
Most of what I was going to say was either covered by yourself or Robert. But just wanted to clarify for you, you had indicated from this presentation that there was $78 million in "other", that's not what that says. That $53.7 million number on the bottom in the yellow is the same as the raising taxes, selling the nursing home and the EMHP savings.

CHAIRMAN D'AMARO:
Those are the policy decisions.

MS. VIZZINI:
That's what that means. Yeah, those are the policy decisions that --

CHAIRMAN D'AMARO:
That still need to be addressed.

MS. VIZZINI:
Yeah, that are not -- they're not implicit in our model. So really brings the "other" for lack of a better word, down to $25 million in assumptions.

CHAIRMAN D'AMARO:
Okay. All right. Are there any other questions? Oh, I'm sorry, Legislator Schneiderman. Go ahead.

LEG. SCHNEIDERMAN:
Thank you. First, Gail and Robert, thank you for coming down this morning. You know, my experience with you guys is your projections have often been right on the money. It's -- we could all understand this is not an exact science. If you could, you know, know exactly which way the economy was going you'd probably be playing the futures and you'd be very wealthy and probably wouldn't be here right now.

So, you know, you've done a, I think, a pretty good job in my mind in terms of guiding us, but I want to get a little bit of perspective going because you started your presentation with talking a little bit about the forces beyond our control that, you know, the healthcare cost, the pension cost, the State changing their revenues. A lot of these fall into what maybe we call mandated. We really have nothing we can do about it. We have a discretionary side and I'd like to know, and maybe you have or don't have this figure, in terms of growth and discretionary spending, do we know whether, you know, has it been pretty stagnant, have we been increasing or have we decreased -- decreasing discretionary spending? Rob, do you have a handle on that?

MR. LIPP:
No.

LEG. SCHNEIDERMAN:
Okay. It'd be important. We talked a little bit about earlier you mentioned about the 2% cap and, of course, the County is -- receives around $50 million in property taxes and when you talk about the 2% cap you're talking only about that property tax piece of it. The town's -- most of their revenues come from property taxes so when they increase by 2% their expenditures on the whole are going up by 2%. Their budgets are going are going by 2%. When we increase our property tax collection by 2% our County expenditures aren't going up by 2%, 2% growth on a $3 billion budget would be in a $60 million range not the $10 million range.

MR. LIPP:
Actually the 2% growth is off of combined funds like including sewers so it's like 556 hundred million {sic} is the property tax.

LEG. SCHNEIDERMAN:
Okay, using with the police district.

MR. LIPP:
Well, you could put the -- if you're doing the 2% increase in property taxes you could put it in any combination. So for instance we do we do 3% typically as a policy for sewers and then there's another moving forward in 2013 another $10.2 million that we could -- we could choose to increase any place.

LEG. SCHNEIDERMAN:
But my point is it doesn't translate to a 2% growth in County spending. It only translates to a 2% growth in that --

MR. LIPP:
Correct.

LEG. SCHNEIDERMAN:
-- in those districts. It translates to a much smaller growth in County spending, probably a -- way less than a 1% growth. Right, Robert?

MR. LIPP:
Yes.

LEG. SCHNEIDERMAN:
Do we have the overall numbers in terms of -- and I remember when I took office the County budget was similar in size, it was like that $2.7 billion number and it's still around $2.7 billion. Do we have the growth rate of spending County the size of the County budget over the last few years?

MR. LIPP:
If you give me a minute I could look it up.

LEG. SCHNEIDERMAN:
All right. I'd appreciate that because I think it's important to understand that it certainly hasn't been this body that has been on a spending spree. If anything, we've held the size of the County budget pretty much in, you know, where it is. And in light of the fact that we've had all these additional expenditures; falling revenues and sales tax and increased contributions to certain programs that were subsidized, the rapid escalation of pension costs so I think it's important we're doing our best obviously they continue that trend. But I think it's important to note that the County budget itself has not been growing at a -- if it is, it's a very small rate and I'd like to know what that rate is.

MS. VIZZINI:
And if I may while he's doing the calculations the -- Budget Review Office has been making you even more aware that the budget suffers from a structural imbalance and over the past several years we have been nipping and tucking and cutting, you know, we talk about cutting the flesh and now we're down to the bone. So with a shortfall and this magnitude -- and I don't know what's going to be presented to us in the 2013 budget but I think it's just as much a challenge for the other side to address something of this magnitude as it is for us, but if we're not going to stop delivering certain types of services, if we're not going to make draconian cuts, if we're not going to have more layoffs, if we're not going -- then your other options are increases in revenue and those are the discussions that we have to have and we have been having.

MR. LIPP:
Okay. So looking at just the General Fund from 2000 to 2010 because those are -- I have available the actuals. I don't have the actual for 2011.

LEG. SCHNEIDERMAN:
I'm sorry, what years? 2010?

MR. LIPP:
From 2000 to 2010; that period.

LEG. SCHNEIDERMAN:
2000 to 2010?

MR. LIPP:
Right for the General Fund gross expenditures went up by 3 1/2% on average per year and we're getting close to a 2 billion General Fund budget. So that's translates to 65, $70 million increase 3 1/2% a year. And we have, you know, looming things like, you know, because we're amortizing for the retirement bill the costs are kept down that way. There are several union contracts that have yet to be vetted out, for instance, correction officers last contract was in 2007; yada, yada, yada.

LEG. SCHNEIDERMAN:
Right. And you don't have the discretionary part separated out.

MR. LIPP:
No.

LEG. SCHNEIDERMAN:
In your mind probably how much of that 3 1/2% growth related to mandated functions?

MR. LIPP:
I don't know.

LEG. SCHNEIDERMAN:
What was that?

MR. LIPP:
I don't know.

LEG. SCHNEIDERMAN:
Okay. If you could break that out is it possible to get to that?

MR. LIPP:
Maybe we should talk afterwards.

LEG. SCHNEIDERMAN:
Okay.

LEG. SCHNEIDERMAN:
And you don't have 2010 versus 2011.

MR. LIPP:
We don't have an official copy of '11 so it's in a different file and I couldn't -- I couldn't give it to you right this minute or as Gail would said; no.

LEG. SCHNEIDERMAN:
Okay, thank you.

CHAIRMAN D'AMARO:
Okay. I'd like to thank the Budget Review Office for coming in and making the presentation. Oh, yes, I'm sorry, Legislator Cilmi, one more question.

LEG. CILMI:
That's okay. Just very quickly if you could talk to us briefly about the bond rating agencies. My

understanding is that they looked at the numbers that we had presented early on in the year or the task force rather had presented early on in the year and our bond ratings decreased as a result of that. I may have my timing wrong, they may have decreased prior to that, I don't know, I'd ask you to share that with me; number one. Number two; based on, you know, if we do all of these things and we do, in fact, get the deficit down to $179 million, when is the next time the rating agencies look at what we're doing in Suffolk County and what's the probability based on your experience that they will increase our bond ratings and how much money does the decrease in bond rating actually cost us in the long run? If that's too difficult to answer today, you know, we can do it another time.

MS. VIZZINI:
Well, generally speaking every time we go to the market and we go -- what are we up to now; four? Well, we have the DTAN coming up so there will be at a minimum a conference call in regards to our ability to pay back the DTAN. At the later part of the year in December we'll do a TAN so we have an interface with the rating agencies for that. Hopefully our cash flow will not be that fragile that we won't have to do another RAN but it's always on the back burner. Rating agencies look at a lot of things but they look at your cash situation, they look at your budget. They have been warning us over the past several years and we have discussed this in the past at Budget and Finance because we have accessed our reserves and we have indulged in one-shots over the past several years to address some of the growth and expenditures.

Until, in my opinion, until we address the structural imbalance that they discuss in their assessments when they do their ratings and we address -- we have been able to control expenditures to a significant degree we have a revenue problem -- an absence of recurring revenue from the perspective of the rating agencies.

So really until we start addressing -- and we are not alone. Most of the public sector is on negative outlook from Moody's and the other entities. And it will not be easy to make the decisions necessary to satisfy the market. Fortunately, on the other hand, with rates so low the fiscal impact of the negative ratings is not as bad as it could be. As a matter of fact, it's somewhat surprising that we still are able to generate fairly good rates when we go to market. How long that will last I don't know.

CHAIRMAN D'AMARO:
All right. Thank you, Legislator Cilmi. Again, I'd like to thank the Budget Review Office for making a presentation today. Ms. Vizzini, you and your staff do an excellent job as always. I appreciate you taking the time to be very clear and concise in your presentation and we look forward to continuing with periodic updates as we progress through this budget cycle.

Okay. I'd like to turn to the next section of the agenda. Tabled resolutions.

TABLED RESOLUTIONS

I'll call the first; 1394-2012. Oh, before I do that I just want to note also for the record that of course Legislator Horsley has an excused absence from the committee today.

Resolution 1394-2012, Amending the 2012 Operating Budget to support the Fishers Island Senior Hotline (AHT1). (Romaine) I'll offer a motion to table. Okay, are there any other motions? Yeah, the motion to table fails for lack of a second.

LEG. NOWICK:
I'm second.

CHAIRMAN D'AMARO:

Oh, you'll second the motion to table. All right. So the motion to table has received a second by Legislator Nowick. I'll call the vote. All in favor? Opposed?

LEG. SCHNEIDERMAN:
Opposed.

CHAIRMAN D'AMARO:
One in opposition. Abstentions? The motion carries, the resolution is tabled. **TABLED (VOTE: 3-1-0-1 Opposed: Legislator Schneiderman, Not Present: Legislator Horsley)**

1443-2012, Amending the 2012 Operating Budget to support the Islip Arts Council. (Barraga) I'll offer a motion to table.

LEG. SCHNEIDERMAN:
Second.

CHAIRMAN D'AMARO:
Second by Legislator Schneiderman. All in favor? Opposed? Abstentions? Motion carries. **TABLED (VOTE: 4-0-0-1 Not Present: Legislator Horsley)**

1587-2012, Amending the 2012 Operating Budget to preserve Suffolk County's ability to investigate and control pollution. (Romaine) I don't see Mr. Zwirn here. I believe he was going to get some further information for us. Speak of the devil, Mr. Zwirn. Mr. Zwirn, the committee's considering resolution number 1587, amending the 2012 Operating Budget to preserve Suffolk County's ability to investigate and control pollution. And I believe we had originally contemplated a motion to table subject to call at our last meeting and you had indicated that you wanted to get some more information if I'm not mistaken.

MR. ZWIRN:
All I know is I came in as "speak of the devil" and as I walked in the door. After that I went blank. I started feeling up here -- which one? Yeah, I think that there was a presentation made by --

CHAIRMAN D'AMARO:
Ben, if I could -- I believe it was whether or not the functions were going back to the State.

MR. ZWIRN:
Right. There was a presentation made subsequent to that and that was -- that's what had been relayed to me and subsequent to that the State said they would not do it and they were not going to take back that responsibility even though it was theirs. So there was a presentation made, I believe it was at the Health Department last week, where the remaining staff has indicated that they will be able to take this on. It may take them a longer cycle to do the inspections, but that they will be doing it and that they can do it. As I recall there was some lengthy debate about it, but I think their presentation was sufficient to the committee. I can ask them to come back and make that presentation before the Budget Committee if that would be helpful but they did appear and the representation that I made that the State would be taking it on was the intent, but after conversations with the State they said they weren't going to do it.

LEG. SCHNEIDERMAN:
Do they have the skills to be able to do this or the time? I know they're understaffed now at the Health Department. They just suffered quite a number of layoffs.

MR. ZWIRN:
As I said, you know, this is -- I think it's going to take them a longer cycle to get things done, it

won't be done in as quick a timeframe. But they indicated that there are certain plants that have a higher priority. They use the history of the plants with violations and that those ones would get more attention than ones that have had good success rate.

LEG. SCHNEIDERMAN:
Honestly, I'm troubled by it. You know, we're trying to promote sewering as an environmental and economic initiative and if we're not able to timely monitor these plants and we end up with groundwater contamination or we're going to end up not only hurting our environment but we're going to hurt our economy by having a public that is unwilling to move in this direction. So I think it's a mistake. I'm actually going to support Legislator Romaine's bill. I'd like to hear again about how we're offsetting it.

MR. ZWIRN:
Well, I can ask the --

LEG. SCHNEIDERMAN:
But, you know, I originally was on board with waiting believing the State might take this on, but hearing that they're not I have no confidence at least at this moment that the Health Department has the staff or the expertise to add this in.

CHAIRMAN D'AMARO:
Just to clarify what we're talking about here, we're talking about two positions --

MR. ZWIRN:
Right.

CHAIRMAN D'AMARO:
-- within the Health Department, Mr. Zwirn, to do exactly what? What's the work that we're concerned about here?

MR. ZWIRN:
I believe it's part of the SPDES program. They inspect the sewer plants on a regular basis for violations and to make sure that they're working up to code.

CHAIRMAN D'AMARO:
Who made -- who made the presentation at the Health Committee? Who was that?

MR. ZWIRN:
Walter Dawydiak. The Health Department that handles this particular function. If I can suggest, maybe put this to the floor instead of bringing them back next week, I could ask them to appear at the General meeting and at that point then you'll have them before you and the entire Legislature can make that determination.

CHAIRMAN D'AMARO:
Well, I don't know if we need to do that or if we need to -- we can do it right here in the Committee.

MR. ZWIRN:
Whatever you prefer. We did it in the Health Committee, I should have asked them to be available to do it again in the Budget Committee. But the Health Committee made, I guess, made sense to them and that's where they made their presentation.

CHAIRMAN D'AMARO:
Right.

LEG. SCHNEIDERMAN:
I think because this involves not only Finance but Economic Development and Environment that it really probably should go to the floor and have a presentation there so that the full Legislature can hear how they're going to approach this problem.

MR. ZWIRN:
If you want to discharge it and then we'll make the presentation there. It's going to be a very --

LEG. SCHNEIDERMAN:
Can we look at the offset for a second to see if it's a viable offset?

CHAIRMAN D'AMARO:
Ms. Vizzini, we're looking at the offset of this bill. Is it a viable offset?

MS. VIZZINI:
If I could find the resolution I'd be happy to help you. But we're --

CHAIRMAN D'AMARO:
Okay, take your time.

LEG. SCHNEIDERMAN:
Do you have it there?

MS. VIZZINI:
Eighteen -- 1587. I'm sorry.

CHAIRMAN D'AMARO:
I believe it's 477. At least the notes I have indicate that.

MS. VIZZINI:
It increases appropriations in 477 for their salaries and benefits of the particular positions.

CHAIRMAN D'AMARO:
Right.

MR. LIPP:
It says if sufficient funds available.

MS. VIZZINI:
Right now there would sufficient funds but, again, you are eroding 477 from the terms of the brick and mortar projects.

CHAIRMAN D'AMARO:
Right and we've -- that. We've already tapped that fund several times for positions, restoration of positions and this would also be a recurring expense.

LEG. SCHNEIDERMAN:
Is there -- just as an alternative, can Sewer's stabilization money be used for this or anything within the Sewer fund since it relates directly to sewers?

MS. VIZZINI:
I'm not a lawyer but my guess would be not under the current constraints for -- you're talking about

assessment stabilization reserve.

LEG. SCHNEIDERMAN:
You'd have to amend the assessment stabilization fund to do it.

MS. VIZZINI:
Big time, big time.

LEG. SCHNEIDERMAN:
We did recently amend the assessment stabilization fund though to, you know, provide for alternatives and --

MS. VIZZINI:
Correct.

LEG. SCHNEIDERMAN:
-- money for the General Fund, we did all kinds of changes to it. George.

MR. NOLAN:
Yeah, you'd have to do a similar amendment. You're right, we have been amending the uses of that fund, but we can't use it for salaries under current law.

LEG. SCHNEIDERMAN:
So it's possible on the short term 477 could be used and then in the future it could be shifted over maybe to assessment stabilization after the proper changes are made.

CHAIRMAN D'AMARO:
Well, that's if we agree that the Health Department can't do the work so I think it might be just better to proceed by asking them to come to the Committee and explain to us how exactly this work is going to be done.

MR. ZWIRN:
That would be the administration's preference.

CHAIRMAN D'AMARO:
Yeah, I just don't want to get too far ahead of ourselves here.

MR. ZWIRN:
And the August 21st meeting, as you know, we have the Yaphank hearing, we have the John J. Foley hearing, I mean, this is going to be a marathon session. So to have the Health Department sit there all day trying to, you know, make a presentation it's going to be a tough -- if they could just put as the next committee that would be the -- I think that would be the most reasonable.

CHAIRMAN D'AMARO:
Legislator Kennedy, did you have a comment?

LEG. KENNEDY:
Yes, Mr. Chair, thank you very much. The only item that I would add to this is I want to bring to the Committee's attention, which I'm sure they know already, that the 477 project solicitation and review was actually suspended this year specifically because of concerns that there was a sufficient balance predicated on the earlier staff that were moved from the General Fund over to 477. And while BRO may indicate that there is some balance that's still exists in there it is there because there was no review and commitment this year unlike any other previous year regarding groundwater

remediation projects, which ironically was what the actual intent it was by Legislator Alden when he instituted this modification probably some 15 or 20 years ago. So we have moved far afield from what the original purpose was for the quarter cent component, that one-third of the quarter cent.

And I think it's important that if the Health Department is going to give some type of a dialog, if you will, regarding SPDES review and monitoring it would probably be prudent for Sarah Lansdale to come and speak about what foregoing opportunity. I know the Village of Branch submitted their application this year and I believe many other entities throughout the County submitted applications to make use of those funds for bricks and mortar projects.

CHAIRMAN D'AMARO:
Okay. Thank you, Legislator Kennedy. I'm going to offer -- do we have a motion pending?

MS. LoMORIELLO:
No.

CHAIRMAN D'AMARO:
I'm going to offer a motion to table. I would appreciate though to hear the presentation at the next committee meeting so we can address whether or not we need to find some way to restore the positions or whether or not the Health Department can manage without restoration. Jay.

LEG. SCHNEIDERMAN:
I'm not going to -- I'll make a motion to approve because as far as I understand these sewage treatment facilities aren't being monitored and so to me it's time is of the essence. We ought to be dealing with this quickly. It might make our next meeting a little bit longer, but to delay it doesn't make sense.

The only concern I have and I certainly would like to hear from Health whether they can handle it. My suspicion is they can't. The funding source, I think I'd prefer to see us modify the assessment stabilization fund to make funds available that way then go through 477. So I'll ask Counsel if he can prepare an alternative bill that would do that so we'd have that choice. But I think we should be discharging either without recommendation or, you know, a motion to approve. I'll make a motion to discharge without recommendation.

CHAIRMAN D'AMARO:
All right. There's a motion pending to table and a motion to discharge without recommendation. Are there any seconds?

LEG. NOWICK:
I'll second discharge without recommendation.

CHAIRMAN D'AMARO:
Which? All right. Motion by Legislator Nowick to discharge without recommendation. Yes, okay. And -- okay, so I'll call the vote on the motion to discharge without recommendation. All in favor? Any Opposed? I'm opposed. The motion passes and the resolution is discharged without recommendation. **DISCHARGED WITHOUT RECOMMENDATION (VOTE: 3-1-0-1 Opposed: Leg. D'Amaro, Not Present: Leg. Horsley)**

LEG. SCHNEIDERMAN:
And, Counsel, again, I'll send you an e-mail, but if you could draft a bill that does the same thing in terms of grading these two positions but funds them through a change in assessment stabilization fund. I know that will take some time to achieve, but at least then we'd have that option.

CHAIRMAN D'AMARO:
Resolution 1611-2012, Amending the 2012 Operating Budget to purchase Emergency Integrated Lifesaving Lanyard (EMILY) units. (Romaine) I'll offer a motion to table. Is there a second?

LEG. SCHNEIDERMAN:
Second.

CHAIRMAN D'AMARO:
Second by Legislator Schneiderman. All in favor? Opposed? Abstentions? Motion carries. **TABLED (VOTE: 4-0-0-1 Not Present: Leg. Horsley)**

INTRODUCTORY RESOLUTIONS

Section six of the agenda, introductory resolutions.

1073-2012, 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) This resolution had been recommitted to this Committee and we are still waiting for the Sewer Infrastructure Committee recommendation. That committee has not yet made a recommendation so I'll offer a motion to table.

LEG. SCHNEIDERMAN:
Second.

CHAIRMAN D'AMARO:
Second by Legislator Schneiderman. All in favor? Opposed? Abstentions? Motion carries. **TABLED (VOTE: 4-0-0-1 Not Present: Leg. Horsley)**

Resolution 1703-2012, Adopting Local Law No. -2012, A Charter Law to adopt tax policy prior to Election Day ("Taxpayer Awareness Act Part 1"). (Cilmi) Requires a public hearing. I'll offer a motion to table, second by Legislator Muratore. All in favor? Opposed? Abstentions? Motion carries. **TABLED for PUBLIC HEARING (VOTE: 4-0-0-1 Not Present: Leg. Horsley)**

1704-2012, Adopting Local Law No. -2012, A Charter Law to require open deliberations in budget amendment process ("Taxpayer Awareness Act Part 2"). (Cilmi) I'll offer a motion to table, requires a public hearing, second by Legislator Muratore. All in favor? Opposed? Abstentions? Motion carries. **TABLED for PUBLIC HEARING (VOTE: 4-0-0-1 Not Present: Leg. Horsley)**

1705-2012, Adopting Local Law No. -2012, A Charter Law to improve transparency and participation in setting spending priorities ("Taxpayer Awareness Act Part 3"). (Cilmi) I'll offer a motion to table for public hearing, second by Legislator Muratore. All in favor? Opposed? Abstentions? Motion carries. **TABLED for PUBLIC HEARING (VOTE: 4-0-0-1 Not Present: Leg. Horsley)**

The balance of the resolutions are all going to go on the Consent Calendar. I'll call the first.
1726-2012, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 897-2012). (Co. Exec.) I'll offer a motion to approve and place on the Consent Calendar, second by Legislator Schneiderman. All in favor? Opposed? Abstentions? Motion carries. **APPROVED and PLACED**

on the CONSENT CALENDAR (VOTE: 4-0-0-1 Not Present: Leg. Horsley)

1742-2012, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 898-2012). (Co. Exec.) I'll offer same motion, same second and without objection same vote. **APPROVED and PLACED on the CONSENT CALENDAR (VOTE: 4-0-0-1 Not Present: Leg. Horsley)**

1750-2012, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 899-2012). (Co. Exec.) Same motion, same second, same vote. **APPROVED and PLACED on the CONSENT CALENDAR (VOTE: 4-0-0-1 Not Present: Leg. Horsley)**

1752-2012, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 900-2012). (Co. Exec.) Same motion, same second, same vote for the consent calendar. **APPROVED and PLACED on the CONSENT CALENDAR (VOTE: 4-0-0-1 Not Present: Leg. Horsley)**

1773-2012, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 901-2012). (Co. Exec.) Same motion, same second, same vote. **APPROVED and PLACED on the CONSENT CALENDAR (VOTE: 4-0-0-1 Not Present: Leg. Horsley)**

And the last resolution is **1808-2012, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 902-2012). (Co. Exec.)** Same motion, same second, same vote. **APPROVED and PLACED on the CONSENT CALENDAR (VOTE: 4-0-0-1 Not Present: Leg. Horsley)**. Legislator Cilmi.

LEG. CILMI:
Before we adjourn, Mr. Chairman, thank you again for hosting me and my colleagues here who aren't members on the Committee. I wonder if it please the Chairman and the Committee if we were to invite somebody from the New York State Comptroller's Office to one of our future meetings to discuss with us the impact of the amortization of our pension fund contributions and the extent to which those contributions going to continue to increase or decrease or what they're going to do in the future; such a significant part of our budget that I think it's worthy of discussion.

CHAIRMAN D'AMARO:
Sure, I would welcome the State Comptroller's Office, that is a large part of our budget and if they wanted to make a presentation. Would you like to reach out to them?

LEG. CILMI:
I would.

CHAIRMAN D'AMARO:
Okay.

LEG. CILMI:
I have somebody there that I've been speaking to about something so I'll ask them.

CHAIRMAN D'AMARO:
Okay. Just keep us posted.

LEG. CILMI:
Sure, thanks.

CHAIRMAN D'AMARO:
Thank you. All right. There being no further business before the Committee this morning we stand adjourned. Thank you.

THE MEETING CONCLUDED AT 11:27 A.M.

{ } DENOTES SPELLED PHONETICALLY