BUDGET AND 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 May 28, 2013.

Members Present:
Legislator Gregory - Chairman
Legislator Schneiderman - Vice-Chair
Legislator Horsley - Deputy Presiding Officer
Legislator Muratore
Legislator Krupski

Also In Attendance:
George Nolan - Counsel to the Legislature
Renee Ortiz - Deputy Clerk of the Legislature
Justin Littell - Aide to Legislator D'Amaro
Michael Pitcher - Aide to Presiding Officer Lindsay
Tom Vaughn - County Executive's Office
Robert Lipp - Director - Budget Review Office
Paul Perillie - Aide to Legislator Gregory
Kevin LaValle - Aide to Legislator Muratore
Ali Nazir - Aide to Legislator Kennedy
Rick Brand - Newsday
All Other Interested Parties

Minutes Taken and Transcribed By:
Gabrielle Skolom - Court Stenographer

(*The meeting was called to order at 10:10 a.m.*)

CHAIRMAN GREGORY:
Good morning, everyone. Welcome to today's Budget and Finance Committee. We're going to get started off with the Pledge of Allegiance led by Legislator Schneiderman.

(*Salutation*)

Hope everyone had a happy and healthy and safe Memorial Day weekend. We don't have any cards, but is there anyone in the audience that would like to speak? Please come forward. Anything from the administration? No? Okay. We will get into the agenda.

(*Tabled Resolutions*)

IR 1032, Adopting Local Law No. -2013, A Charter Law to adopt tax policy prior to Election Day ("Taxpayer Awareness Act Part 1") (Cilmi). Tabled for public hearing.

LEG. MURATORE:
Second.

CHAIRMAN GREGORY:
Second by Legislator Muratore. All in favor? Opposed? Abstentions? **Tabled / Public Hearing (VOTE: 4-0-0-1, Not Present: Horsley)**

IR 1033, Adopting Local Law No. -2013, A Charter Law to require open deliberations in budget amendment process ("Taxpayer Awareness Act Part 2") (Cilmi). Also has to be tabled for a public hearing.

LEG. MURATORE:
Second.

CHAIRMAN GREGORY:
Take a Second by Legislator Muratore. All in favor? Opposed? Abstentions? **Tabled / Public Hearing (VOTE: 4-0-0-1, Not Present: Horsley)**

IR 1034, Adopting Local Law No. -2013, A Charter Law to improve transparency and participation in setting spending priorities ("Taxpayer Awareness Act Part 3") (Cilmi). Also has to be tabled for a public hearing.

LEG. MURATORE:
Second.

CHAIRMAN GREGORY:
Second by Legislator Muratore. All in favor? Opposed? Abstentions? **Tabled / Public Hearing (VOTE: 4-0-0-1, Not Present: Horsley)**

IR 1307, Adopting Local Law No. -2013, A Charter Law adopting and incorporating 2% Property Tax Cap into the County budget process (Cilmi). I'll make a motion to approve.

LEG. SCHNEIDERMAN:
Second.

CHAIRMAN GREGORY:
Second by Legislator Schneiderman. On the bill, BRO, can you --

MR. LIPP:
So what this would do is it would recognize that the two percent State property tax cap sort of trumps our previous existing cap laws. And Budget Review Office, for a long time, even before the State Cap Law was in place, recommended either revising or eliminating these cap laws because the way they are calculated is just very arcane, and nobody seems to understand it, expect for a few people, how they work and interpretations have changed over the years, so it would really help to clean up the charter and to make for a more transparent, understandable budget. And at the end of the day, the two percent State cap is much clearer and basically supersedes this stuff, anyhow.

CHAIRMAN GREGORY:
So, basically, it eliminates the four percent tax cap language that we had.

MR. LIPP:
Yeah, and our caps are on discretionary side of the budget, and we keep on changing interpretations over the years, not talking about current administration, but over the years in terms of how they are calculated, and as a simple example of how they are -- gotten so far afield from making any sense, if you look in the budget, the General Fund, the property tax on the discretionary side of the budget is negative and the mandated side is much a larger, positive number to get to what the property tax is, so really it's not too much sense to it.

CHAIRMAN GREGORY:
Legislator Schneiderman, any questions?

LEG. SCHNEIDERMAN:
You are -- we have a four percent cap on the books, right; is that right, Robert?

MR. LIPP:
Correct.

LEG. SCHNEIDERMAN:
And to pierce that four percent cap, it requires two-thirds majority; is that correct as well?

MR. LIPP:
Yes.

LEG. SCHNEIDERMAN:
And the State has a two percent cap, which is a, I guess, a higher threshold, lower number, but it's a 60 percent, right, not a two-thirds? So for this body, as an 18-member body, right, the four percent cap now requires 12 votes; the two percent cap requires 11, I believe.

MR. LIPP:
You got it.

LEG. SCHNEIDERMAN:
All right. So we would, by adopting this legislation, also be changing that so that everything would be based on the 11 or -- George, are we just completely eliminating the prior law?

MR. NOLAN:
The prior language is going, and so it's just going to be the State's two percent cap, which can only be pierced by a local law approved by 11 votes.

LEG. SCHNEIDERMAN:
Okay. So we're just mirroring what we're doing with the governor's cap?

MR. NOLAN:
Exactly.

CHAIRMAN GREGORY:
If I may, Dr. Lipp, this eliminates the separating or bifurcating the mandated and discretionary budget?

MR. LIPP:
Yes.

CHAIRMAN GREGORY:
Okay. Anyone else? Any questions?

LEG. KRUPSKI:
Yes. What I'm used to is this -- in relation to the State, the way the State mandates the two percent, was that your question? Is that -- I'm trying to think of how to frame the question so I'm going to understand the answer. The way -- some of the expenses were exempt from the two percent cap, so -- is that what your question was? Is this going to mirror that, those expenses?

MR. LIPP:
Okay. So what happens is the County's cap is on the discretionary side of the budget, so we have to define what's discretionary. We've altered the definition over time. The State cap is just on everything. It doesn't distinguish between mandate or discretionary. There are a couple of exceptions in the State cap, in particular for pension costs, but that doesn't apply to us because we are amortizing the State, so the State says, You don't get any exception because you're borrowing.

LEG. KRUPSKI:
Thank you. That was my question. Thank you.

MR. LIPP:
I read minds.

CHAIRMAN GREGORY:
Okay. No further questions? I'll call the vote. All in favor? Opposed? Abstentions? **Approved (VOTE: 4-0-0-1, Not Present: Horsley)**

IR 1312, Amending the 2013 Operating Budget to assure adequate personnel for Wastewater Management (Schneiderman).

LEG. SCHNEIDERMAN:
I'm going to try to amend this bill, so I'll make a motion to table, and, George, I'll explain later how I'd like to do that.

CHAIRMAN GREGORY:
I'll second it. All in favor? Opposed? Abstentions? **Tabled (VOTE: 4-0-0-1, Not Present: Horsley)**

IR 1362, Authorizing additional spending reductions to avoid budget deficit (Kennedy).
I'm going to make a motion to table. Do I have a second? Second by Legislator Schneiderman.

Any questions? No questions. All in favor? Opposed? Abstentions? **Tabled (VOTE: 4-0-0-1, Not Present: Horsley)**

IR 1379, To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 926-2013) (County Executive). I'll make a motion to approve and place on the consent calendar. Second by Legislator Schneiderman. All in favor? Opposed? Abstentions? **Approved/Consent Calendar (VOTE: 4-0-0-1, Not Present: Horsley)**

That is all we have for our agenda. We stand adjourned.

(*Meeting was adjourned at 10:18 a.m.*)