

ECONOMIC DEVELOPMENT

and

ENERGY COMMITTEE

of the

SUFFOLK COUNTY LEGISLATURE

Minutes

A regular meeting of the Economic Development and Energy Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on Wednesday, February 27, 2013.

MEMBERS PRESENT:

Legislator Wayne Horsley - Chairman
Legislator Lou D'Amaro - Vice-Chair
Legislator Thomas Cilmi
Legislator Kara Hahn
Legislator Lynne Nowick

ALSO IN ATTENDANCE:

George Nolan - Counsel to the Legislature
Bill Lindsay - Presiding Officer
Sarah Simpson - Assistant Counsel to the Legislature
Robert Lipp - Economic Development
Paul Perillie - Aide to Legislator Gregory
Laura Halloran - Budget Review Office
Renee Ortiz - Assistant Deputy Clerk
Rick Brand - Newsday
All other interested parties

MINUTES TAKEN AND TRANSCRIBED BY:

Gabrielle Skolom - Court Stenographer

(*Meeting was called to order at 2:00 p.m.)

CHAIRMAN HORSLEY:

Good afternoon, everybody. We're all set for the Economic Development Committee. May we all stand for the Pledge of Allegiance.

(*Pledge of Allegiance*)

May we also stand for a moment of silence for those men and woman who protect our freedoms both home and abroad.

(*Moment of silence observed*)

All righty. Welcome to the Economic Development and Energy Committee meeting of February 20. We have several interesting issues that we're going to be addressing today, but what we'll do is we'll start with the public portion. I have one card, and that is George Hoffman, who wants to talk to us about LIPA, I believe, and their issues.

MR. HOFFMAN:

Good afternoon. My name is George Hoffman. I live in Setauket, and I'm a constituent of Legislator Kara Hahn, so it's good to have a familiar face, anyway, to look at me. I'm here today to, actually, to urge your approval of the resolution to reauthorize the LIPA Oversight Committee. I think it's really an important committee. I think it's done a lot of good work. I was wondering -- you know, I noticed it's only for a year. You know, I saw that the original resolution was for two. I was wondering, you know, why it was only for one year, but I do think we have a very important year. Yeah, it said on it "December 31, 2013," and I think the first -- I think the other one was 2010. But we do have an important year coming up with the Governor's stated intention, I think, to end LIPA and to privatize it with a private utility. I think this committee can provide an awful lot of research and recommendations, I think, to this body, to the media, and to the citizens at large. This is a really important issue. I think, you know, this may be one of the most important years in a long time in terms of our rate base and our energy issues, so I would urge this committee and also the Legislature as a whole to reauthorize the committee.

D.P.O. HORSLEY:

Thank you very much, George. We appreciate your comments, and we agree with you that the Oversight Committee has done a lot of the background work that has been used by organizations and people who are interested in the topic, and that was -- they are going to report to us today, as you know, on their feelings of how, you know -- is municipalization a better way to go than privatization or vice versa; so I don't want to steal any of their thunder, so I -- you know, but I do appreciate your comments today. I know you have a long history with the LIPA question going back to LILCO days in Shoreham, so it's good to see you here. Thank you for being here, and thank you for the support.

MR. HOFFMAN:

Thank you very much, appreciate it.

D.P.O. HORSLEY:

All righty. What I would first like to do, if I may, is -- 'cause this is just a brief presentation -- I'd like to ask Mr. Wexler to come up and comment on two of the agenda items relating to the EDC and just to give this board a brief overview of what the EDC does because it relates to our former appointments that were made to IDA.

So welcome, Bill, and thank you. Bill, by the way, is the attorney to the IDA and has a long history with their activities. Bill.

MR. WEXLER:

Thank you, Legislator Horsley. Good afternoon, ladies and gentlemen. Wayne had asked me if I would speak to you about what a "EDC," Economic Development Corporation, does. I told him I would do it in less than three minutes. An EDC is very similar to an IDA. The IDAs provide tax-exempt financing to encourage businesses to grow, develop, come to Suffolk County. And an EDC is a Local Development Corporation -- a LDC, which does, essentially, the same thing.

Why do we need both? You've got to call the Legislature up in Albany. EDCs were not necessary until 2008. IDAs used to be able to do what EDCs now do, which is tax-exempt financing for not-for-profits, hospitals, civic associations, 501(c)(3). Apparently, there was a log-jam up in Albany in 2008, and they did not -- "they," meaning the Legislature did not renew the legislation that permits IDAs to due tax-exempt financing for civics.

Apparently, as far as I can tell, the Senate republicans did not want prevailing wage upstate. They said that they couldn't afford it. The assembly democrats only wanted union. They couldn't get together, so it prevented IDAs from doing tax-exempt financing for civics. So most cities and towns and counties created EDCs which allows -- it's a vehicle to do tax-exempt financing. And what is it that we do? Well, in Suffolk County -- I've represented Suffolk County IDA for, I think, about seven years, the EDC for about six years, and the Suffolk County Town of Babylon IDA for about 22 years; Wayne was involved with it one time. I think you hired me.

So what has the Suffolk County EDC done since 2010? We've done 10 bond projects. I'll give you a sampling of what we've done, which would not have been able to have been done but for the EDC: Hope For Youth, which is troubled youths, we did a \$5 million bond; Peconic Landing -- in Southold -- Assisted Living was a \$29 million bond; Catholic Health Services of Long Island was a \$184 million bond. Some of these were refinancing. Head Injury Associates, Family Residence and Essential Enterprises, which are group homes; Family Services League, Developmental Disabilities Institutes and several others.

I believe 20 percent of the employment is, on Long Island, is 501(c)(3) not-for-profits. So without the EDC, these people would not -- these people, these agencies, these entities would not be able to attain tax-exempt financing, which, like the IDA, allows us to issue bonds whereupon they can borrow money at a tax-exempt rate and save 200, 250 basis points when they obtain the money through either a bank or some sort of corporate lender. I think that everybody understands the difference.

D.P.O. HORSLEY:

Thank you very much for your presentation. Just, I have a couple of quick questions, and maybe that might be helpful as well. Now, the EDC board, the way I understand it, is that it mirrors the IDA board. The reason why this comes up is because we have two IDA board members who are on the agenda today that, for one reason or another, was not also added to the EDC board at that time. How does that -- tell us about the board makeup, how they -- the relationship to the IDA.

MR. WEXLER:

There are seven board members for the IDA, and, coincidentally, there are seven board members for the EDC. They are the exact same people. They don't get paid anything, so it is a mirror image. We use the same facilities; we use the same staff; they use the same lawyer; and we meet at the same time or maybe immediately after. So it really is one and the same. It's simply a vehicle to

provide tax-exempt financing for not-for-profits.

D.P.O. HORSLEY:

Thank you. You answered -- my second question was that they -- do they get pay, and the answer is of course.

MR. WEXLER:

Lunch.

D.P.O. HORSLEY:

Lunch. There you go.

MR. WEXLER:

A sandwich.

D.P.O. HORSLEY:

Wraps.

MR. WEXLER:

And you attend most of them.

D.P.O. HORSLEY:

I do, I do attend most of them. So I think that is the basics of what the EDC does. Are there any questions from the board?

LEG. CILMI:

I have a brief question.

D.P.O. HORSLEY:

Sure. Mr. Cilmi.

LEG. CILMI:

Thanks. Hey, Bill. How are you? I seem to recall there being some scandalous allegations some years ago with respect to some agency, and I'm almost thinking it was the EDC in Babylon, with respect to people getting paid, and it was a vehicle to get people paid. The allegation, I guess, was that it was a vehicle to get people paid when they couldn't get paid through the IDA. Maybe I'm thinking of some other agency. Could you clarify that?

MR. WEXLER:

I don't know what you mean by "scandalous."

LEG. CILMI:

You know, people, newspapers articles about, you know, how folks were finding ways to get paid through vehicles that, maybe, weren't intended to facilitate that.

MR. WEXLER:

Actually, I represented the Town of Babylon --

LEG. CILMI:

I'm certainly not alleging anything illegal.

MR. WEXLER:

No, of course, no, no. It's a legitimate question. I can't tell you I know -- from what you're

speaking to, I know that in the Town of Babylon, a fair number of EDC board members were paid. They were given a stipend. IDA members are not paid.

LEG. CILMI:

Okay. So there is the ability to pay EDC, with a stipend or whatever, members.

MR. WEXLER:

If the Legislature deems it appropriate.

LEG. CILMI:

Okay. So it's the governing body of the municipality or, in our case, the County would have to approve such payments.

MR. WEXLER:

Sure. If you wanted to, you could. You have that inherent power.

LEG. CILMI:

Okay. Okay. That's all I need. Thanks.

MR. WEXLER:

Okay. If you are thinking about it, that's fine. I'll report back to the EDC.

D.P.O. HORSLEY:

I'm not sure that --

LEG. CILMI:

That's the furthest thing from my mind.

D.P.O. HORSLEY:

Yeah, I don't think that's what the Legislature has in mind. They do not get paid.

MR. WEXLER:

But Tom would like them to.

D.P.O. HORSLEY:

I've heard where the recommendation is coming from.

LEG. CILMI:

That is absolutely not true. That should be -- that should literally be stricken from the record.

D.P.O. HORSLEY:

It's scandalous.

LEG. CILMI:

I do not want our EDC members or our IDA members to get paid. Thank you.

D.P.O. HORSLEY:

I'm not sure we can stricken it from the record, but we understand, Tom. We got your back, Tom.

MR. WEXLER:

I said that tongue-in-cheek.

D.P.O. HORSLEY:

Are there any further questions from the board? I think in the future, as when we vet future IDA members through the Legislature, which we're going to be doing in the future, I want to make sure that at the same time that we have the -- and we should all remember this -- that they should come over at the same time, both the IDA and the EDC resolutions, so we should write the resolutions at the same time. Yeah, because, otherwise, why are we separating these things? They should be done at the same time.

MR. WEXLER:

That's in your --

D.P.O. HORSLEY:

That's in my court.

MR. WEXLER:

Yeah, that's your wheelhouse.

D.P.O. HORSLEY:

I'm just making a public statement here. So anyway --

LEG. CILMI:

Mr. Chair?

D.P.O. HORSLEY:

Yes.

LEG. CILMI:

Just a point of information: Wouldn't they have to be confirmed as IDA members before they're appointed to the EDC, and, therefore, wouldn't you have to go through the whole procedural filing with the Clerk, et cetera? Just thinking out loud. It's unimportant now.

D.P.O. HORSLEY:

Counsel, do you have any thoughts on that?

MR. NOLAN:

You probably could approve them back to back. I don't think there would be a problem doing that. If we did it at the same meeting, I think it'd be okay.

D.P.O. HORSLEY:

And they are separate boards even though they are the same people. Okay. We're good.

LEG. HAHN:

Mr. Chair.

D.P.O. HORSLEY:

Legislator Hahn.

LEG. HAHN:

While we're going on the record about IDA items, would you mind just providing to the committee the agenda for the IDA meetings?

D.P.O. HORSLEY:

In fact, I mentioned that to Anthony Manetta the other day that he should be giving to the Economic

Development Committee, and we should remember that. Claire, you got that down? We'll make sure the IDA sends it over. Let that be part of their duties. Hows that?

LEG. HAHN:

As long as we get it.

D.P.O. HORSLEY:

Very good. Thank you very much, Bill. We appreciate you coming down here today.

MR. WEXLER:

Thank you. So long.

LEG. HAHN:

Thank you very much, Bill.

D.P.O. HORSLEY:

All righty. We're going to now -- this is a moment where I want to first thank them for all that they have done for Suffolk County. The whole question of -- oh, I have another card. Let me just hold off inviting the Oversight Committee up, then, for one second. I just received another card, Mr. Greg Fischer. Greg, would you like to come up and address the board?

MR. FISCHER:

Hi. Greg Fischer, resident of Calverton. I just want to let you what the status was of a lawsuit to attempt to force elections of LIPA trustees and to bring you back to the facts of this. It was always an election law to have elected LIPA trustees. Public Authorities Law was modified illegally without home rule to repeal original sections of LIPA law to allow for regionally-elected trustees. It was much debate -- that suit is still active in federal court. We have several other theories of law. If this one gets thrown out, we'll throw in another one and another one and another one.

But a lot is being debated about the privatization of LIPA, a very unlikely plan, though News 12 covered the possible 20 percent increase in cost if we did go privatization, and, as I understand, several legislators are against that plan. It's really not even legal. What will happen if they attempt to sell any part of LIPA and make it go private, then the federal laws for deregulation will all kick in. So the second party interested in providing electric service gets to do it for free, so it should be deregulated now. Nobody's really sure about why they're a monopoly now, but certainly when it's privatized, they're selling a pig in a poke.

So that leaves us with a completely broken system that has no transparency, not even to the LIPA Oversight Committee. They don't honor their requests; they don't honor this Legislature's requests; they don't honor any requests. But where we're at in terms of this lawsuit, which is very hopeful, is if either County Executive or the Governor, or either Legislature of either County agrees to the relief requested which is that LIPA trustees will be elected, we have instant reform -- instant reform -- and the locally-elected representatives can recommend that we municipalize or have more municipal power authorities, like Freeport, Rockville Centre. They can allow competition. We can transform this instantly. We're now stuck in a vicious circle that will never, ever, ever have a resolution. It's lockdown.

So the County Executives, County attorneys, the Governor's officer and the Attorney General are sending rafts of lawyers out to oppose this, these elections of LIPA trustees. There's a lot of reasons for it, way more than my three minutes will allow. We have a 450-page briefing in Federal Court showing lots of criminal malfeasance; certainly, they don't want that let out, but -- and it will all get out eventually. But for us to really fix this local economy and to provide the citizens of Suffolk County the safety they need and the recovery from storms, we need those regionally-elected trustees. We need the people's representatives in there to be hands-on and to report to this body

and to get us the reforms and corrections we need.

D.P.O. HORSLEY:

Thank you very much, Mr. Fischer. I know you have an ally in your cause through Mr. Like, who is one of the members of the Oversight Committee, who has been very outspoken about this issue for many, many years.

MR. FISCHER:

Yes, and Mr. Like is completely correct, and he is an expert on the issue and an attorney. He can explain the legal issues far better than I can, but we just noticed that the law was broken, and this is an opportunity. By consent, we can have instant reform overnight. This is something that started months and months ago. The situation has not gotten any better. This is a very, very powerful step at arms' length of this body, of the Legislature, of the County Executives, of the Governor. We can fix it now. I also know there's a vacancy available on the LIPA Oversight Committee. Together with one of my co-plaintiffs in this case, Scott Lewis (ph), we're both volunteering to be possible candidates for filling that vacancy and --

D.P.O. HORSLEY:

Thank you very much for your consideration.

MR. FISCHER:

Thank you for time. Thank you very much. Thank you all.

D.P.O. HORSLEY:

All righty. We will now move to talk to the Oversight Committee. If I could ask the Oversight Committee to come on up. Matt Cordero, Chairman. The members are Shelly Sackstein, who I understand is testifying today in the Marciano -- Marcellino Committee Meeting in Albany, Fred Gorman, Irving Like, Joe Schroeder from our BRO, and Peter Schussler. And Matt is the co-chair of the Oversight Committee and, frankly, a lot of the issues that we read about in the paper were originally brought to the public's attention and to the news media's attention through our Oversight Committee, and they have had many, many meetings, and I just want to thank them on behalf of the Legislature for all the time. Again, none of this is a paid -- this is not a paid position, and they are doing it because they care about Suffolk County. And I just want to say on behalf of everybody here, all of the Legislature, that we thank you very much. You guys do a great job, and we are proud of you.

So with that, I will turn it over to Mr. Cordero who is going to lead the Oversight Committee, and with particular emphasis on where do we go with LIPA? Is the issue municipalization? Is it privatization, as the governor has touted? What's right, what's wrong, what's your opinion?

Matt.

MR. CORDERO:

Thank you very much. I just want to set the record straight. Even though it's a moot point at this stage, for the last year, I have been Chairman of LIPA Oversight Committee.

D.P.O. HORSLEY:

I'm sorry. Thank you.

MR. CORDERO:

As you know, I have been appointed a LIPA trustee, and as a result of that, it would be inappropriate for me to continue in the this role as chairman of the LIPA Oversight Committee. So, sadly, I must leave, but at least I had this opportunity, this last opportunity to, one more time, to address the

LIPA reorganization issues. These are my personal opinions and also the opinions of the LIPA Oversight Committee. I'm doing this -- I do not represent the LIPA Board in any respect sitting here today.

The first thing I want to do is I want to thank, as you have, all the members of the LIPA Oversight Committee for their efforts and support. They did a tremendous job in two years plus, and as a result, I feel we, as a committee, have had a significant impact and influence on many developments concerning LIPA, and those sitting up here in front with me today were very instrumental and very supportive in all the efforts of committee and gave significantly of their time, and I'm very appreciative of that and very impressed by their input.

To get -- to dive right into the issue, we all know that because of many issues over the years and recent performance in restoring electrical outages during Hurricane Sandy, there's been a public outcry to reorganize LIPA. The governor has stepped in aggressively on this issue and taken the lead. Although he -- the public statements indicate and those statements of the staff indicate that he's open to any options with respect to reorganizing LIPA, he has publicly expressed that a very, very strong preference for privatization, and I could understand that. From the governor's point of view, I think he sees how difficult it is for the State to be involved as a -- with a retail utility, and I think he's tempted by the fastest way out from the standpoint his personal responsibility and the responsibility of the State for a retail utility. I think he views privatization as that route; however, we would differ with him, and I think there are other alternatives, which I'll bring up and discuss.

Personally, the -- for myself and as well as the LIPA Oversight Committee, we do not favor privatization. In fact, we strongly oppose it because we believe it would result in severe financial penalties for all ratepayers of Long Island. There are essentially three choices, three broad choices as far as reorganizing LIPA. One is to keep it as is, which is not a very practical choice considering all the objections that have taken place and the experience with Hurricane Sandy, so I don't think that that is a realistical alternative at this stage even with some of the contractual changes that LIPA has made in setting up a deal with a new contractor that would succeed National Grid in January 2014.

You know, as we demit this list, that alternative -- the two major alternatives are privatization and converting LIPA or modifying LIPA to function to function as a full-service municipal utility. Let me cover privatization first. In privatization, a private company, in all probability, a utility would step in and purchase LIPA. Such a purchase would require legislation on a Statewide basis as well as very significant financial restructuring. And with respect to the latter, one of the biggest problems with privatization is that LIPA now holds a very significant amount of debt, tax-exempt debt, \$7 billion in bonds. There's also \$4 billion in capital leases it holds, which the rating agencies on Wall Street consider debt obligations of LIPA.

There'll be a need for a private entity, if it purchased LIPA, to refinance and restructure this debt. It would have to convert tax-exempt debt to taxable debt, which would add considerable cost to the revenue requirements for supporting LIPA, no matter how you slice it and no matter how you disguise it or try to come up with different schemes for stretching the transition out. Even breaking the debt up, as some of the proposals that have been made public by Governor Cuomo's staff with a purchase price and some debt remaining as tax-exempt debt, would be also challenging. I believe that the IRS would have significant problems from the standpoint of private use of funds, tax-exempt funds, and as such would have significant problem. It's a big hurdle to get IRS approval for such a scheme. I'm all too fully aware of it myself in one of my other lives and actually seriously explored privatizing a municipal utility, and I ran into this as a major obstacle, and it became evident to me, and that's one of the reason why it never went forward beyond a certain point because of the difficulty associated with that.

Now, even if a -- in some way the State could swallow a certain amount of tax-exempt debt, the private entity that would purchase LIPA would have to utilize or rely on taxable debt going forward for all capital additions and maintenance activities, and this would result in much more significant and higher costs for ratepayers than they experienced today with LIPA's tax-exempt debt.

Now, one thing to remember for privatization is that it's a for-profit -- it results in a for-profit entity because the private company has to provide a return and investment for its investors or its stockholders. This profit would be in the neighborhood of 10 percent, at least, or maybe something greater, and this would add to the burden that ratepayers would assume. Also, a private entity would have to pay income taxes and pay higher employee costs than a public utility can, and this would also add to the price tag of privatization.

Now, in response to some of these criticisms, there's been suggestions by those supporting privatization that among some advantages would be the fact that a private company would be more efficient. Now, I have a problem with that because when you look at utility mergers and acquisitions and the claims of resulting in improved efficiencies, it invariably comes down to reducing workforce and reducing the number of personnel. That's what these efficiency improvements translate to.

Now, it's a fact that right now the workers who would be taking over in a privatization, who are now employed by National Grid and in the future by public service electric and gas, are cut to the bone -- the numbers are cut to the bone. And that, I believe, is a result of National Grid's acquisition of Keyspan and the need to have to make up the premium they pay for acquiring Keyspan. So the numbers of personnel have been cut seriously. I think you saw the effects of that in Sandy, especially in the very first days of Sandy.

One of the other advantages that have been held up for privatization is that rates could be stabilized, at least for some period of time. Rates could be frozen from three to five years. I don't accept that as an advantage. I see that as a gimmick to get a buy-in on the concept because freezing rates doesn't stop a utility from, down the road, increasing rates to recover. The dollar's lost through freezing rates. In fact, some of the other concepts where the State holds some tax-exempt debt and can do that through securitization and stretch out by refinancing the tax-exempt debt over a period of time the repayment of that department and the interest charges may look good on a near-term basis, but in the long run, when you add up what ratepayers must come up with from a total cost standpoint, it results in much, much higher costs for ratepayers over time. I think in the end, a privatization would result in at least a 20 percent increase in rates for ratepayers. It would also require a significant amount of time to do the financial restructuring and also put the legislation in place that would be necessary to make it work.

The whole concept of trying to paint a better face on this by stretching out the payments over time is very reminiscent to me of all the promises made for LIPA originally when it was formed that, indeed, over time, if people were patient enough, it would result in significant savings, and sitting here today, we realize how that hasn't worked, and it won't work for privatization, either.

Let me move to the other option, which we feel is, without question, the more desirable one and the one preferred by the LIPA Oversight Committee and the organizational structure I prefer, having some experience with it. I ran a full-service municipal utility, the 10th largest in the country, for six years, so I have some direct experience with that. Full-service municipalization, or restructuring in that regard, would basically involve moving the contractor, the outside contractor, that LIPA now pays, the for-profit contractor to perform its day-to-day operations and move it into the municipal utility itself. They would be LIPA workers and LIPA employees. This would have the effect of eliminating the middle man with the middle layer being the management of the private utilities.

It's also a structure which is duplicated many, many times throughout the United States. There are over 2,000 public utilities like LIPA who have a structure that is a full-municipal service structure. It's tried -- it's past the -- it's tried and true. It's passed the test of time. It works. All these utilities have very affordable rates, they provide very reliable service, and they have very high customer satisfaction; all the things that are wanting today with the existing arrangement.

The other one big advantage of municipalization, it wouldn't take and legislation. It could be done tomorrow. The decision could be made tomorrow to -- as an alternative to employing a contractor, bringing in employees to carry out the function under the umbrella of LIPA. Now, the arguments against it -- and I go to the Moreland Commission Report when I pick these out -- are very weak. In fact, in my estimation, I think one of the best arguments for municipalization, full-service municipalization, is in the Moreland report. I mean, the advantages they present for a full-service municipal utility are very attractive, and they make a great case for it. They, unfortunately, come up with the opposite conclusion I come up with, and they put forth some reasons for that. One of the reasons is it would involve LIPA having to take on 2,000 employees, which are now at the contractor, and this is not a very valid argument because not many people out there realize that those 2,000 employees now work for LIPA; they just have a different label on them. They wear a different hat. But ratepayers pay all the costs for these 2,000 workers. They pay their salaries. They pay their compensation, their benefits, all costs associated; and on top of that, they pay a kicker that goes to the private company for overhead and profit, so it's even more costly with the current arrangement. So it's not new that these 2,000 people would be working for LIPA. It's really no different.

There is also the possibility that if there's a tremendous desire not to bring 2,000 employees into a government role or being hired by a government entity. LIPA could contract directly with the union and keep these people out of government employ, per se, but they would have to pay all the costs associated with these employees, which would be pretty much exactly what it is. Ironically, if, indeed, we could -- we could bring in these employees and put them in a government system and design the benefits to mirror what the government benefits are, the LIPA Oversight Committee has found in its studies that we could actually save money. Roughly 15 percent of the cost could be saved and indeed they were government employees and the benefits mirrored those of what government employees received in New York State.

One of the other arguments against municipalization in the Moreland Report is the fact that you're going to expand LIPA. You're going to make it larger. No. As I said before, it's the size now that it's going to be; it's just that people walk around with different hats on, but the costs are the same and the numbers of people involved in providing is service is exactly the same.

The benefits of a municipal structure would be the avoidance of confusion, which was obvious during Hurricane Sandy and the response to Hurricane Sandy; the establishment of clearer accountability. There's always been a question who is responsible for what: What does National Grid do? What does LIPA do? The public is really confused about that. And having everyone working under the same flag would also facilitate coordination and teamwork, which doesn't appear to exist today, and it does eliminate -- saves dollars by eliminating the middleman.

Now, one of the other arguments -- and I slough it off because I don't think it's that important, but it was used in the Moreland Commission -- is that LIPA has a bad brand, has a bad name, so if you kept the LIPA brand, it would do harm to a municipal utility. Well, our answer to that is change the name. I mean, that's an easy thing to do, especially with a new structure and something different than what existed previously. It'd be very easy to change the name. Municipalization is the quickest way to achieve the reorganization of LIPA. It's the most direct and involves no special legislation. You can't dismiss the fact, though, that the governor is intrigued or interested because privatization is perhaps the clearest-cut path for him to divest himself and the State of responsibility

for LIPA.

I think there's another alternative, though, that has been addressed that would give the governor the benefit of getting out of the crossfire, so to speak, and direct responsibility for the State, and that would be to convert LIPA from a State authority to a local authority, either a County authority or a district authority. Now, actually, this is more in the spirit of public power and the concept of local control, and, in fact, most of the 2,000 munis out there throughout the country are organized on a County/City basis. Now I know it may set you back being legislators representing the County --

D.P.O. HORSLEY:

It did. I just grabbed Counsel. I said, "You're kidding me."

(Laughter)

MR. CORDERO:

However, this would not result in any additional financial burden for the County because all the finances associated with this authority are backed up through the ratepayer. The ratepayer has the responsibility for all the financial obligations of this authority. You have an excellent example of an authority functioning in that manner here in the County with the Suffolk County Water Authority. So it's not that you're opening the door -- you would be opening the door, not that I'm sitting here advocating this, but it's an alternative that the Governor should consider as he thinks about what's the best model for reorganizing LIPA and address his concern that he doesn't want day-to-day responsibility for a retail utility, and I think that's a good idea. That was a bad thing with LIPA from day one. The State should not be running a retail utility. There's nothing but negative news, and it's the worst thing that a political entity could be associated with --

D.P.O. HORSLEY:

Like the County.

MR. CORDERO:

No, because if you look at the Suffolk County Water Authority and how that functions, when the Suffolk County Water Authority raises rates or something happens, it doesn't immediately come back to the County because they are organized as a separate authority. You do appoint the board members, however, and that would be the case if it was a County authority. It might not have to be a County authority. It could also be a municipal utility district or a bi-county authority. That's another form that's used elsewhere in the country, so that's a way of having to assign responsibility to a particular county.

The other option I want to put on the table, I think -- and I'm sure that the LIPA Oversight Committee will back me up on this -- that LIPA and any successor to LIPA should be regulated -- should have regulatory oversight by the Public Service Commission. I think that's a good thing. Most of the 2,000 public utilities throughout the country have some sort of regulatory oversight, and it's healthy, it works, and it provides greater assurance for customers that at least there's someone else looking and monitoring what's happened. And you have that already on Long Island, and it works very well. You have it in Freeport, you have it in Rockville Centre, and you have it in Greenport. They are municipal utilities, and they are regulated by the Public Service Commission, and it works quite well.

In the end, it's clear to us that municipalization is really the best alternative for reorganizing LIPA. It's been proven through years at the other 2,000 public utilities throughout the country. It works now on Long Island in places like Freeport, Rockville Centre, and Greenport, and it could be achieved in a much quicker fashion than privatization. There's less legal -- less legal obstacles and there's less financial hurdles. There's less of a need to come up with new novel financial structures.

Privatization just can't be achieved at a cost that Long Islanders can afford.

Now, there's some other variations to this that at least one member of our Committee has suggested, and he may be -- Mr. Shelly Sackstein who is up in Albany right now. He may be putting it on the table in front of Senator Marecellino right. He's sort of suggested that maybe we should take this another step farther and take over the powerplants, too, which are owned by National Grid. I don't agree with that, and there are members of this Committee that don't agree with that, and it's also contrary to the utility restructuring movement that's taken place in the United States since the Federal government initially adopted laws with respect to that and the State has implemented laws. There are no substantial utilities in New York State right now that own generation, too, and if we brought generation into the equation, it would be contrary to that divestiture that exists, or that separation, that lack of vertical integration. But it would also add a lot of complexity and cost to what we need to do to reorganize LIPA and make it less possible that we will be successful in reorganizing LIPA as a full municipal utility.

One of the other things brought up is that it should -- the success of LIPA should also be a gas utility. And that's another thing that would be complicated and involved and set back any movement to reorganize LIPA as a full-service municipal. First, you have to acquire a gas company, and you have to go out and do that, and you have to have a willing seller in that regard. The other thing is that combined companies -- combined gas and electric companies, and I ran one here on Long Island. I had responsibility for both gas and electric at Long Island Lighting Company, and I can tell you from my personal experience when that happens the gas function gets hurt significantly. It does not get the attention it deserves. It's better carried out in a separate company, and here with the prospect of that, introducing all levels of additional complexity to the need to reorganize LIPA again, it's not advisable.

I'm going to pass the mike to some of my committee members and ask them if they think want to say anything, but before I do, I just want to thank you again for this opportunity. I have enjoyed it immensely. I have enjoyed working with the people at this table. I have enjoyed working with the people of the Legislature, and I hope that there's some other way that I can work with you again in the near future.

D.P.O. HORSLEY:

Thank you very much, Matt. We do appreciate all of your efforts and particularly yours, because I know you've put so much time in this and you're moving on, and we wish you all the luck in making this big decision that's going to affect every one of us on Long Island, so thank you again.

If we just keep the statements to somewhat as short as we can make it; this way, I want to make sure that the Committee has an opportunity to ask a couple questions.

Irving, are you starting here?

MR. LIKE:

Yeah, and we also want to thank you fellows and the County Legislature for being sportive and adopting our recommendations. My position, I have stated a number of times, I'm against privatization. I'm in favor of fully-municipalized LIPA with a board that is elected by the ratepayers. That's a very crucial part of what I think is necessary, and I'll explain why. I adopt Matt Cordero's statement of objections to privatization. I think he's documented it and he now being on the LIPA board is a great choice, so we're sorry to lose him here, but it's nice to know he's on the LIPA board.

Now, in my opinion, privatization is really a Wall Street-designed corporate welfare scheme under which the stockholders, the bondholders, and top management received the profits, and the ratepayers and the taxpayers pay \$7 billion Shoreham debt, that pay the dividends to stockholders

and the golden parachutes to top management; that's what it really boils down to.

If LIPA is allowed to continue as is, I regard it as nothing more than a crony public authority governed by a politically-appointed board whose directors are appointed by the governor speaker and senator majority leader and given the power -- the power to manage the LIPA budget. The LIPA 2013 budget is \$3.597 and it is given the authority to govern the energy needs of over 2.8 million people in Nassau and Suffolk County.

The LIPA budget is greater than the Suffolk County 2013 budget of 2.78 billion and greater than the Nassau County 2013 budget of 2.8 billion, and each of those budgets is managed by a county executive and legislators elected by the ratepayers, by the taxpayers.

Population. Suffolk County exceeds 1.5 million; Nassau County population exceeds 1.3 million; so we have a total population of over 2.8 million. Now, it makes no sense whatsoever to exempt LIPA from control by representatives elected by the people when its budget is so much greater than the budgets of either Suffolk or Nassau, and when the total population of both counties exceeds 2.8 million.

Now, I ask you, it would be even more absurd if the proponents of privatization, based on their claims of its advantages, recommended privatization of the governments of Nassau and Suffolk County subjecting their populations to governance by the governor, the speaker, and the senate majority leader. That's what the logic of privatization ends up meaning.

So you got three choices. Should LIPA be taken over and controlled by Wall Street private investors and speculators, by institutional stockholders and hedge funds; or should it continue to be operated with its appointed directors under a long-term management agreement? Those two choices, I think, should be rejected. LIPA should be fully municipalized with directors elected by the ratepayers combined with several appointed directors who are qualified in utility and financial matters but with control of the board vested in the elected directors and subject to PSE oversight.

Now, Matt has covered why a municipalized board has got advantages and is the best choice of the three: the least expensive for the ratepayers because it's exempt from Federal taxes; it can borrow a tax-exempt rates; doesn't have to pay stockholder dividends. Now, here's another important point: It qualifies for Federal aid, such as FEMA, such as treasury financing and to stimulus moneys which are not available for private investor-owned utilities. Its operations are transparent because of the subject to the Freedom of Information Law, whereas a private investor-owned utility is not. It is accountable to the ratepayers because it's going to be an elected board. Private investor-owned utility accountable only to the stockholders and probably a few dominant institutional shareholders.

Pension plan funds. Matt has pointed out the argument, the flimsiness of the argument about pension costs being hire. The flip side of that is that the pension plan funds of a fully municipalized-elected LIPA are less likely to be allocated at LIPA's expense to excessive National Grid or PSE&G management compensation. Do we know what the pension plan costs are of National Grid that are being allocated to LIPA? No. I have never seen the numbers; I don't think they've been made public, but I'm willing to bet that their plan probably has a component which gives pension ability or pension coverage to top management. Look at their SEC plan and you'll see that the top management gets top salaries and they are part of the pension plan.

Now, here's a point that has not been made, except very briefly by Matt, and that is that the history of privatization of public utilities such as those engaged in providing critical services of electricity, water, sewer, waste management debunks the privatization myths. And I want to hand in and ask that it be made part of the record a report that was done by the organization known as "In the

Public Interest," which follows very carefully the progress or the lack of progress of privatization, whether it's the privatization of a road, a wastewater plant, a sewer plant, a stadium, parking meters, privatization is a hot item right now, and there's no doubt on my mind that the Wall Street vultures are looking for every opportunity to privatize public service.

I'm going to close, again, by asking you to come out as a committee in support of full municipalization with an elected board controlled by the ratepayers, and the district from which the elected board can be determined or selected should be districts which are designed to maximize effective response to storm damage and disasters. In the final analysis, the people of an elected district who have their representatives in office are going to be the ones who are the most alert and diligent in dealing with disasters of that kind.

Thank you very much.

(Applause)

D.P.O. HORSLEY:

Thank you very much, Irving. Gentlemen? Peter, you going to roll here, you good? Joe? And Joe queried me -- Joe is an employee of Suffolk County, but is he is speaking as a representative of the Oversight Committee.

MR. SCHROEDER:

Thank you, Legislator Horsley. Just briefly, because I know this has been a sensitive issue for most elected officials that I've discussed this with, and that is to suggest that there has been a lot of talk about the negative -- potential negative impact of pension liabilities on the State Pension System, and that, at the very least, this body or, if not through the State representatives, should request clarification on what those potential negative impacts are beginning with and including LIPA's proposal to continue a seamless continuation of the existing employees' pension systems -- or pension status as new employees of whatever the new organization should become down to moving all the employees over to a Tier IV municipal employee status.

There are a number -- significant number of defined pension holders still employed over at National Grid that would be the future LIPA employees in a fully-municipal entity. There are also a number of those employees that are cash-balance pension subscribers, and certainly there could be some differences between defined-state pension and some of the cash-balance scenarios, but no one knows what those numbers are, and there should be a definite and deliberate attempt made to determine what those impacts might be before a decision is made, because I believe it's being used as a boogie man to scare officials away from the municipal model. And, personally, and we've looked at this, we don't believe that such an impact exists. So at the very least, that's the recommendation from this body on that point.

D.P.O. HORSLEY:

Thank you very much, and you know that I've asked you that question before because it is a concern for many elected officials that we're increasing the numbers of pensioners through the system and how that would affect it.

Maybe I'll start off the questions, if I may. Thank you very much, Joe, for your comments.

I have a -- the main issue that seems to be brought forth by elected fish and others about the concerns of privatization is the alleged \$7 billion that is owed for past debt. And, Matt, you touched on it just quickly, that if you look at the credit agencies that review and -- or have oversight in some way or form of LIPA that they have contracts well into the future that account for billions more dollars in debt and that, along with the pensions and the like, we're talking, I think, upwards of \$12

billion. You know, if the Governor, to me, said, "You know, we can spread this debt out across all of New York State," maybe that might be something that we would certainly smile at, and then privatization might make more sense in that matter.

Is this debt -- is this debt issue in any way something that could be amortized over a longer period? What -- you know, how do we get beyond that issue? Because that seems to be the stumbling block for most people that are that are looking at the issue.

MR. CORDERO:

Yeah, you're correct in your observations about that. The total debt obligation is \$11 billion. Seven billion of that is in bonds, long-term bonds, which have come from abandoning Shoreham, taking no responsibility for Shoreham, as well as purchasing the T&D system of Keyspan/LILCO back in time. Four billion of that is -- over four billion is associated with long-term contracts that LIPA had to enter into for power supplies, and those long-term contracts obligate LIPA to pay capacity payments on some fixed basis over many, many, many years, and the total obligations add up to something in excess of four billion. Probably what would happen and what's being envisioned at the State level for trying to come up with a scenario for making privatization acceptable would be for the private company to assume -- potentially to assume the four billion in debt -- the \$4 billion in obligations for power because the Long Island consumer is still going to need the power.

D.P.O. HORSLEY:

We're going to need that power no matter what. We're contracting it out, right.

MR. CORDERO:

Right. Directly, there's no issues of being tax-exempt in that component of the debt obligation because it isn't financed with tax-exempt debt. It's just contractual obligations, which, when the rating agencies look at it, view it as similar to any kind of debt obligation because they are required to make a significant payment over a period of time. It's viewed as a capital lease. And the seven billion, however, is more problematical. One of the concepts the Governor is looking at right now is perhaps selling the T&D assets to a private utility for three-to-four billion dollars and retaining a certain amount of tax-exempt debt, again, three-to-four billion dollars of tax-exempt debt, perhaps refinancing it as tax-exempt debt that's securitized (sic).

Now, that's the way it's defended in public, but no one explains what they mean by "securitization." What securitization means is that the ratepayers are obligated to pay it back over a certain period of time.

But the advantage of that is they can extend the period over which it has to be paid back. So on a day-to-day basis, it appears it doesn't have a significant impact on rates, but when you look at the cumulative amount of dollars paid or associated with that, over time it's going to be much, much, many times greater than it is in its current value.

D.P.O. HORSLEY:

Right. Thank you. I actually understood that. That was good. We have this contract -- and this is my second question, and then I'm going to defer to my colleagues. We have a contract with PSE&G that's going to start in '014; is that when it starts? How -- you know, we're looking at all these options now. Can we fire PSE&G? Is that something that is, you know, we just say, "Well, never mind," and how does that work when we're looking at privatization model or municipal model? Do you just accept the contract, or what do you call those people that are now running it? I'm confused how that works when we're so close to the deadline when they are going to be moving in and taking over the electrical maintenance operations.

MR. CORDERO:

The contract entered into with PSE&G has off-ramps to it that envision the potential for LIPA maybe deciding at some point in time it wants to be a muni --

D.P.O. HORSLEY:

Does "off-ramps" means lawsuits?

MR. CORDERO:

That means paying them off and having cancellation terms. It's costly to do depending on how long the contract's in effect. If they cancel next year, it will be very costly; if they cancel five years from now, it would be less costly. But the contract does, indeed, include consideration of scenarios where PSE&G can be -- the contract can be walked away from.

D.P.O. HORSLEY:

And I'm sure that's in the factoring of all things that we're considering here today is the letting -- off-ramping, is that the --

MR. CORDERO:

A way out.

D.P.O. HORSLEY:

I got it. I understand. I was just -- I like the term. You know, it's a nicer way of saying "you're out of here." "Firing," I thought worked for me, but off-ramping is interesting.

Tom Cilmi, I understand you have a question.

LEG. CILMI:

I could probably spend two hours on questions. Just to follow up on your question, Legislator Horsley, with regard to the cost of getting out of the PSE&G contract, so there is a cost associated with that at this point?

MR. CORDERO:

Yes.

LEG. CILMI:

Any idea what that cost would be?

MR. SCHUSSLER:

About \$30 million.

LEG. CILMI:

Wow. \$30 million. All right.

D.P.O. HORSLEY:

Tom, could I interrupt? Would that also be the same for privatization? I just want to get that down for the record.

MR. CORDERO:

Either way. Whatever results in PSE&G's services not being required anymore to operate utility, that would result in setting off the payment provisions in the contract.

LEG. CILMI:

Unless, I suppose, that PSE&G was somehow included in the privatization equation or possibly -- I

guess they wouldn't be included in the municipalization equation.

MR. CORDERO:

Actually, there is a role for them to play. If I were the skipper trying to steer my way through municipalization right now, one way to do that is to take advantage of the work that PSE&G is now doing to reorganize and transition from National Grid into a separate operating entity totally devoted to the electric service business and not shared with the gas business. A good way to do that would be take advantage of that work. Let them proceed to do that and set it up, but at some point, basically acquire that -- what they call a "serv-co corporation," which is a wholly-owned subsidiary, acquire that and incorporate it in the municipal utility and become part of the utility structure.

LEG. CILMI:

Okay. So moving on to some of the questions I had, but before I continue, let me just say for the record that while I certainly respect, Mr. Like, your experience and your legal counsel and certainly your advice in this matter, I really have to say that I found your colorful and disparaging remarks towards Wall Street very offensive. You know, the folks on Wall Street employ a lot of people, certainly a lot of residents in Suffolk County. They make a lot of us a lot of money in the markets, and they generate a lot of revenue to the New York State economy, certainly toward the New York City economy, and no doubt to the Suffolk County economy. So to characterize people on Wall Street as "vultures" I think is just wrong.

Be that as it may, your point in terms of the fact that, you know, the profit motive would be first and foremost in a privatization effort are certainly well-taken. First question I have is who actually gets to make this decision? Wayne. Who said Wayne?

(Laughter)

MR. CORDERO:

In all probability, it will be the Governor and the State Legislature that will make the decision. The Governor will make a decision, make some proposals for the State Legislature. Some new laws will have to be developed to allow this all to happen. I was at my first meeting or indoctrination session with the board of trustees and one of the members -- the LIPA Board of Trustees -- said, "Well, we would still have to pass on the disposition of all the assets, sign the papers as a board, as a LIPA board." Well, that's true, but the decision to be made on what direction you go really come on from up high. The board will just basically implement the decision.

LEG. CILMI:

Does either municipalization or privatization have any impact on the cost of power? And how much of a role in the overall cost of service to the ratepayers, how much of a percentage is the cost of power generation in that?

MR. CORDERO:

The power supply and purchase component of the rates is roughly 50 -- it varies. It could be higher than 50 percent, it could be 60 percent certain months, so it's roughly half and half.

LEG. CILMI:

Right, so it's certainly very, very significant. So do we get any benefit one way or the other, municipalization versus privatization in terms of the cost of power that we purchase?

MR. CORDERO:

Yes, I think so. There are certain advantages in being a municipal utility: having more access to low-cost hydropower, for example, and having the political inside track to that. I think, in fact, that's one of the things that the existing local municipal utilities are quite concerned about on Long

Island. One reason that they've stayed pretty silent in this argument, they don't want to get involved in the crossfire and potentially lose some of their access to low-cost hydropower, having that redirected somewhere else. In the total -- from a total cost perspective, though, we evaluate the municipal option to be cheaper, much cheaper than business as it is right now under the existing structure, and much, much cheaper than privatization would be using what exists now as a base. Privatization would be 20 percent plus more expensive, a total cost; that includes everything. And municipalization would be anywhere from a few percent or greater cheaper than what exists right now.

LEG. CILMI:

Do you think that -- it seems to me that fear plays a role and perception, public perception plays a role in possibly the governor's proposal that privatization is the better way to go because many members of the public have this perception that bureaucracies tend to get bloated and ineffective, and certainly there's ample example of that, but there are, as you said, examples of the exact opposite. So you mentioned the fact that there are 2,000 or so public authorities or utilities throughout country. Do any of them serve an area with similar demand to ours, and can we use those as examples of utilities that are successful in the different metrics that you talked about: affordability, customer satisfaction, customer service, et cetera?

MR. CORDERO:

Yes, there are a number of them. I headed up one of them.

LEG. CILMI:

Can you site, you know, three or four for us?

DR. CORDERO:

Well, the easiest ones to look at the ones are the ones right here on Long Island. Look at their rates, look at their customer satisfaction, and the controversy that surrounds them. There's an absence of controversy that surrounds them. They work very, very well, and they're regulated too at the same time.

LEG. CILMI:

But they serve far fewer ratepayers.

MR. CORDERO:

And they serve smaller -- but you take this all the way to Los Angeles, Los Angeles Water and Power -- Department of Water and Power, which is bigger than LIPA. It's the largest in the country -- LIPA is like number two -- and they have much lower rates than we have here on Long Island, much, much; maybe fifty percent, roughly.

LEG. CILMI:

Fifty, 5-0 or fifty, fifteen?

DR. CORDERO:

No, 50, 5-0, may be cheaper than it is here, at least the last time I looked, and I looked some time ago admittedly.

LEG. CILMI:

And to what do you attribute that?

DR. CORDERO:

The proper management, access to cost-effective power supplies, a history of efficiency, and oversight. It's a very complicated public system, by the way. Talk about regulatory oversight,

they have a board that oversees the operation, but anything that board does has to be approved by the City Council. If you know anything about Los Angeles politically, it's a real hot bed. It's a very controversial -- the city council there is very, very controversial, so to get anything approved is quite a task, so it's a very effective oversight.

LEG. CILMI:

So the last, sort of, pre-planned question I had was with respect to your and Mr. Fischer's suggestion or Mr. Like's and Mr. Fischer's suggestion that trustees of this new entity would be elected, I guess, by the ratepayers -- I mean, we'll all run this year. We'll get, maybe, between 23 and 25 percent voter turnout. You are going to have ratepayers -- I don't know when you would have the election, if you'd have it the same day as election day, then you would have to have voters sort of, you know, learning more about these issues so that they could appropriately vote for individuals or else it becomes a campaign just like any other campaign. And certainly there are elected people in all kinds of jurisdictions who we would all sort of wonder how they got there.

So why do you think that an elected -- I mean, clearly they would be more accountable to the ratepayers, but that doesn't necessarily mean that they are better, right?

MR. LIKE:

I'd like to take a shot at answering that question. The original LIPA statute created a system which had 21, I believe, ratepayer districts. The idea of having that number of ratepayer districts was to avoid putting too much power into a few districts running the entire service area, and the idea was advanced by David Wilmott, who, at the time, was publisher of Suffolk life. That particular methodology was never put into action by Governor Mario Cuomo, and then when he was replaced by Governor Pataki, the whole elected board concept was junked.

It's true, as you have observed, that you have to have districts created, and the candidates would be presented for each district. It could be made a special election day or it could be done concurrently with the November election for other County officials. The beauty of having districts and designing their boundaries properly is that you then can maximize the vigilance and the energy of the people in that district when it comes to dealing with storms and so forth, because they are going to be the ones that are going to be calling up and making sure that things are done.

Now, even if you went with the model of LIPA working together with PSE&G, you're better off having a LIPA-elected board looking at PSE&G and making sure its meeting its obligations than to have an appointed board, because we already know that, from the experience of the last few years, that the appointed LIPA board was unable to avoid some of the abuses that have been documented on the part of National Grid.

So, again, I have a lot of faith in elected representatives, and I use the example of the County as an example of a vibrant system where the constituents come before you at hearings, they complain, they call you, and there's no reason why that kind of democratic rule can't be applied in the case of whatever choice you make.

I'd like to go back to one other thing, if you'll permit me.

LEG. CILMI:

Before you do, let me just ask you one other question, if I could. Do you concur with Mr. Fischer's seemingly very simple or simplistic explanation of how you could do that? I mean is it as simple as the County Executive or the Legislature sort of requesting that we have an elected board and all of a sudden, it happens? It sounds like that's what he's suggesting is.

MR. LIKE:

I haven't professionally as an attorney looked into the legal basis of that. He has spoken to me. It's an interesting idea. Whether it can be accomplished, I think, is going to depend on getting a good qualified legal opinion, and I'm not in a position to give you that today.

But, if you'll permit me, one of the things that's puzzled me is why the Moreland Commission did not look into the sources of financing through the treasury which could result in refinancing the Shoreham debt at lower interest rates. They also did not look into the sources of stimulus money, which could be used, and if you look at what's been happening around the country, there are examples where communities, which were hard-up because of financial constraints did go and get money to aid them locally in meeting their obligations. So there's no reason in this situation why there isn't an opportunity for LIPA, if it remains fully municipalized, to take some appropriate action to determine where the sources of lower financing, and I believe the treasury is one of them and the stimulus is another one.

MR. CORDERO:

I just wanted to make one comment on the elected board. When we started out with the LIPA Oversight Committee on this issue, Irving and I were on polar opposite sides. I was favoring a professionally-appointed board, and Irving was favoring the elected board as per the original statute calling for that. I think as more discussion ensued, we came together and compromised on a combined elected board with some professionally-appointed members, so that's pretty much what the recommendation of the committee is.

LEG. CILMI:

So I'm done with questions. I just wanted to compliment the entire committee on a very, very comprehensive presentation, and it raises many more questions, and I think that's a good thing, and I look forward to further discussions with you. Thanks. Thanks for the work that you have done. I really appreciate it.

D.P.O. HORSLEY:

Thank you very much, Legislator; and, gentlemen, let me echo Legislator Cilmi's comments. You guys have been very important to us, frankly, getting out the word on the details of this very complicated issue, and we appreciate you guys doing it. And, Matt, I want to wish you the best of luck particularly in light of what Mr. Like just said about the LIPA board and being on the board, and now that you are one of the board, good luck to yeah, buddy. Gentlemen, thank you very much. We do appreciate you coming down today.

All righty. We're gonna go to the agenda. We have several Introductory Resolutions. All set, everybody?

1021, To extend the Long Island Power Authority Legislative Oversight Committee (Horsley). I'll make a motion to approve. Second by --

LEG. D'AMARO:

Just on the motion, just note for the record my recusal, as per my recusement statement filed with the Clerk's Office. Thank you.

D.P.O. HORSLEY:

Okay. We have a motion to approve. All those in favor? Opposed? So moved. And one recusal. **Approved (5-0-0-0-1, Recused: D'Amaro).**

1023, Appointing Grant Hendricks as a Director of the Suffolk County Economic Development Corporation (Horsley). Motion by Legislator Cilmi. Second by Legislator Stern.

All those in favor? Opposed? So moved. **Approved (6-0-0-0).**

1037, Appointing Paul Tonna as a Director of the Suffolk County Economic Development Corporation. Approved (6-0-0-0).

LEG. D'AMARO:

Motion.

D.P.O. HORSLEY:

Motion by Legislator D'Amaro. Second by Legislator Stern. All those in favor? Opposed? So moved. **Approved (6-0-0-0).**

And **1128, Accepting and appropriating 80% Federally-funded New York Metropolitan Transportation Council (NYMTC) reprogrammed grant funds for the purpose of preparation of the Suffolk County Comprehensive Plan.** Maybe -- do we know what this is? Everyone good on this? Counsel says, Yeah, we know. Okay. We're good. I'll make the motion to approve. Second by Legislator D'Amaro. All those in favor? Opposed? So moved. It has been approved.

I think that is all we have on the agenda. That is the close of the business for this. We are adjourned.

(*Meeting adjourned at 3:22 p.m.*)