

***Homeowner's Tax Reform Commission***

***Of the***

***Suffolk County Legislature***

A public hearing of the Homeowners Tax Reform Commission was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on May 23, 2006.

**Members Present:**

William J. Lindsay • Chairman/Presiding Officer SC Legislature  
Lynne C. Nowick • Co•Chair/Legislator • District #13  
Daniel Bahr • New York State United Teacher's Association  
Mitch Pally • Long Island Association  
David Sprintzen • Long Island Progressive Coalition  
Nicholas LaMorte • CSEA Region 1 President  
Dr. Robert Lipp • Legislative Budget Review Office  
Joseph Sawicki • Suffolk County Comptroller  
Ester Bivona • President/Suffolk County Tax Receivers  
Michael Bernard • Suffolk County Assessors/Town of Babylon  
Patrick Byrne • County Executive Representative  
Lorraine Deller • Nassau•Suffolk School Boards  
Gary Bixhorn • New York State Council of School Superintendents  
Thomas Kohlman • President/Suffolk County National Bank  
Melvyn Farkas • Long Island Board of Realtors

**Members Not Present:**

Celine Gazes • New York State Government Officer's Association  
Robert King • CPA, MBA, CVA

**Also in Attendance:**

Terrence Pearsall • Chief of Staff/Presiding Officer Lindsay's Office  
Kara Hahn • Press Secretary to Presiding Officer Lindsay  
Greg Moran • Aide to Legislator Nowick  
Rich Baker • Deputy Clerk/Suffolk County Legislature  
Christina Capobianco • Chief Deputy Comptroller for Suffolk County  
All Other Interested Parties

**Minutes Taken By:**

Alison Mahoney • Court Stenographer

***(\* The hearing was called to order at 7:01 P.M. \*)***

**CHAIRMAN LINDSAY:**

What we do in the Suffolk County Legislature, we start out with a pledge to the flag. So if you would all please stand.

***Salutation***

Good evening. My name is William Lindsay, I'm the Legislator from the 8th Legislative District and I'm also the Presiding Officer of the Suffolk County Legislature. I am going to introduce the commission members that are here. To my left is my co-chair, Legislator Lynne Nowick from the 13th Legislative District which is in the Smithtown area. To my far right beginning at the end is Dan Bahr who is the Regional Staff Director representing the New York State United Teachers; we have Celine Gazes who is missing this evening, I believe she had another •• didn't feel well, okay; we have Mitch Pally who represents government affairs for the Long

Island Association which is our Regional Chamber of Commerce in Nassau and Suffolk County; we have David Sprintzen from the Long Island Progressive Coalition representing the Taxpayers Advocacy Organization; we have Nicholas LaMorte isn't here yet but I believe he's on his way; Dr. Robert Lipp is representing the Director of the Legislature's Office of Budget Review, Dr. Lipp is an economist; Joseph Sawicki, the Honorable Joseph Sawicki is the Suffolk County Comptroller to my immediate right.

To the left of Legislator Lynne Nowick is Esther Bivona who is the President of the Suffolk County Tax Receivers and Collectors Association; to Ms. Bivona's left is Michael Bernard who is the •• represents the Suffolk County Assessors, Michael is from the Town of Babylon and he's representing the Suffolk County Assessor's Association; and to his left is Patrick Byrne who is from the Hamlet of Nesconset; am I right, Patrick?

**MR. BYRNE:**

(Shook head yes).

**CHAIRMAN LINDSAY:**

And Patrick is a representative of the County Executive, Steve Levy. To his left is Lorraine Deller •• did I pronounce that right, Ms. Deller?

**MS. DELLER:**

Yes.

**CHAIRMAN LINDSAY:**

Representing the Nassau Suffolk School Boards Association; to her left is Gary Bixhorn, the Chief Operating Officer of Eastern Suffolk BOCES representing New York State Council of School Superintendents; to his left is Thomas Kohlman, Suffolk County National Bank for his expertise in mortgage and banking; to his left is Robert A. King.

**MR. FARKAS:**

No.

**CHAIRMAN LINDSAY:**

No? Mr. King ••

**MR. FARKAS:**

He's not here.

**CHAIRMAN LINDSAY:**

He's not here, okay.

**MR. FARKAS:**

Mel Farkas.

**CHAIRMAN LINDSAY:**

Mel Farkas, you's messed me up, somebody switched on me, representing the Long Island Board of Realtors. Did I forget somebody? Nope, we got everybody, okay.

So that's who we are and we're here tonight to listen to you, not for you to listen to us. The mission of the Homeowners Tax Reform Commission is to really answer one question; are we using the proper revenue source to fund our school systems, and I'm talking about the real estate property tax. And what this commission is supposed to do is to see if there is a better way of funding our school systems, and that's the subject matter for tonight.

I should mention, before we start listening to you, the commission was authorized by legislation that myself and Legislator Nowick cosponsored. We have had one working meeting on May 2nd, we will be having •• our next working meeting will be Tuesday, May 30th at 10 a.m. in this building, and then we'll be meeting again on July 25th, again here, August 23rd at 10 a.m. here, September 20th at 10 a.m. here; that's the scheduled meetings for now.

In addition, we'll have public hearings tonight, we'll have another public hearing on Wednesday, June 28th at •• that one will be held in Selden from 6 to 8 p.m., and there will be one in Riverhead on Wednesday, August 23rd in the afternoon at 12:30. So we tried to split up the public hearings not only time•wise but throughout the County to get as much participation as possible from our citizens in Suffolk County.

The format for tonight is I will call your name, you'll have five minutes to say whatever you'd like to say to us. And if any of the commission members would like to ask any questions of any of the public, hopefully they'll come up with something unique and new that we might want to question more, please just ask for the recognition of the chair and we'll be happy to do that. So we're going to start out with Earnest Amato; is Mr. Amato here?

**MR. AMATO:**

Yes.

**CHAIRMAN LINDSAY:**

Thank you for coming, Mr. Amato. I really appreciate everybody coming out to talk about this important subject tonight; I know you are all missing American Idol, right?

**MR. BYRNE:**

We're taping it.

**CHAIRMAN LINDSAY:**

You're taping it? Okay.

**MR. AMATO:**

Hello?

**CHAIRMAN LINDSAY:**

Hello. You're on, Mr. Amato.

**MR. AMATO:**

Okay, it works. Sir, you made a point about we should look for various ways on how to fund schools; am I correct?

**CHAIRMAN LINDSAY:**

Correct.

**MR. AMATO:**

All right. You made no mention of how we spend the money, though, and

I'm talking about the administrators and schools spending our money.

**CHAIRMAN LINDSAY:**

They're ••

**MR. AMATO:**

That's a big area of problem, too. They're the ones that sign the contracts, they're the ones that are costing us eight, ten, 12% a year; I think that's a problem, a very serious problem. So we're talking about the structure of the schools in addition to how we're funding the schools; am I correct, or you don't agree with me?

**CHAIRMAN LINDSAY:**

It's not that I don't agree with you. The subject matter has really been split into two forms. This commission is studying how we fund our schools.

**MR. AMATO:**

Okay, so I have opinions on that.

**CHAIRMAN LINDSAY:**

There is another group that's looking into how we can economize on the expense side of our school budgets.

**MR. AMATO:**

Okay. So what I'm talking about is restructuring the schools, not just talking about how to fund the schools, all right? That's where the big problem is. These people today are stealing our money like crazy and you know it and everybody knows it; am I correct?

***Applause***

They're all stealing, all of them are stealing. From Roslyn in Nassau County all the way out to Suffolk County and you people are doing nothing about it; that's the thing, that's what I'm concerned about. Why do we want people in our office that are going to steal our money and the schools don't even

miss the money after they steal it, that's the part I don't understand. So let's go on with •• I'm going to go on with the problem areas, then I'm going to tell you what my opinion is.

First of all, school spending right now is way out of control. They spend eight, ten, 12% a year, we're getting two, 3% raises; sooner or later Long Island is going to be a ghost town. All right? There are no incentives from the State for schools to cut costs or keep them under control; "Here's the money, do what you want to do with it," that's what they tell them. All right? There's a new report from Allen Hevesi, the State Comptroller, that shows the property tax burden in New York is growing three times faster than inflation in the last five years, and this was in Newsday on May 21st. The property tax situation is very serious now and must be dealt with immediately and not two or three years from now like the State always does, put it on the side.

Our New York State leaders are not effective leaders when it comes to education policy or we don't have an education policy at all. According to national statistics, New York State is in the bottom five states when it comes to children graduating from our high schools and they're spending all that damn money and stealing it at the same time. All right? Let's hear it.

### ***Applause***

Okay? Now is the time for our Senators and lawmakers to come up with other ways of funding the schools and also changing the way schools are structured today. It is my opinion, eliminate all the administrators, the superintendent, the assistant supers and the whole administrative staff, we don't need them at all.

### **UNKNOWN AUDIENCE MEMBER:**

Yeah, we don't need them.

### ***Applause***

### **MR. AMATO:**

Let the principals run their own schools like they did 30 years ago in the

city. Let them run their own schools and submit their budgets to Eastern BOCES or Western BOCES. Allow Western BOCES or Eastern BOCES to order all the supplies for the schools respectively. We could save loads of money in that area because it's done on a big proportion. The administration has been spending our education money in an irresponsible way so get rid of them, we don't need them. They're the crooks; we don't need the people that are stealing and spending our money.

The property tax in New York City is way lower than on Long Island. A house in Queens valued at \$500,000 is paying approximately 2,000, maybe \$2,500 a year compared to a Long Island home valued the same and we're paying eight to ten, \$12,000 a year. Why can't we enjoy the same situation as New York City as •• why can't we come under the same hat? You are the guys that should be chasing our State Senators, all right? You represent us, you go after them and then why can't our taxes be cut down to \$3,000 a year?

**UNKNOWN AUDIENCE MEMBER:**

Absolutely.

**MR. AMATO:**

All right? You go for that?

***Applause***

They like it, too. I'm done, and I got one more thing to say, all right, one more thing. The State people, and I'm talking about Owen Johnson, I had a talk with him for 20 minutes, he ain't going to do a damn thing about property taxes so I told him, "We're going to knock your ass out of office," that's what we're going to do. All right?

***Applause***

That's what we do, knock them out. You don't want to help us? We're going to throw you the hell out, that's what we'll do. That's the game we play today, no more talk, talk, talk, it's bull crap.

And I'll tell you right now, I've got a group of over a thousand people, okay? I went door to door and I had other people going door to door, they are sick and tired of property taxes, they're getting killed. My kids are all working, they got no time to talk to nobody, all right? And I'm sure your kids are the same, unless you people are rich, though, you ain't got the same problem that we have, I don't think. Can I talk to you's, you've got any questions; no?

**CHAIRMAN LINDSAY:**

Mr. Amato, your time ••

**MR. AMATO:**

I'm sorry I came across angry, but I am angry.

**CHAIRMAN LINDSAY:**

No, no, that's all right. Just calm down, calm down. Does anyone have anything that they want to ask Mr. Amato or comment in any way; no? Yes, Mr. Byrne.

**MR. BYRNE:**

Mr. Amato?

**MR. AMATO:**

Yes, sir?

**MR. BYRNE:**

In a lot of ways I feel like you do, but one thing, and I want everybody to understand this tonight, too, the people that are here tonight, I don't know if we want to so much direct anger at them. I'm not a politician, so you can yell at me.

**MR. AMATO:**

Well, I don't know what these school education people are doing here, I don't understand that, you know.

**MR. BYRNE:**

Well, no, but what I'm saying is the elected officials that aren't here tonight,

remember the elected officials that aren't here and remember the ones that are.

**MR. AMATO:**

All right.

**MR. BYRNE:**

Because again, the two Legislators that are responsible for this tonight are senior Legislators and, you know, I personally wonder why they even did this, I mean, it takes tremendous courage. Go after those elected officials that aren't here.

**MR. AMATO:**

All right.

**MR. BYRNE:**

That's what I would suggest.

**MR. AMATO:**

Can I ask one more question? Why did the Suffolk County Legislator not approve the tax cut on gasoline; that's a question I've got. I've seen that last week in the papers.

**CHAIRMAN LINDSAY:**

We haven't addressed that yet.

**MR. AMATO:**

That's not what the paper said; the paper said you didn't cut it.

**CHAIRMAN LINDSAY:**

The Governor ••

**MR. AMATO:**

You know what ••

**CHAIRMAN LINDSAY:**

You want an answer to the question?

**MR. AMATO:**

Yeah, sure.

**CHAIRMAN LINDSAY:**

The Governor just signed the bill the other day.

**MR. AMATO:**

Yeah, that's for State, not Suffolk County though.

**CHAIRMAN LINDSAY:**

Yeah, but he has to sign the bill in order to make it effective that Suffolk County can weigh in and weigh out on it, all right?

**MR. AMATO:**

Oh, okay.

**CHAIRMAN LINDSAY:**

All right? But can we go back to the school situation for a minute?

**MR. AMATO:**

Sure, no problem.

**CHAIRMAN LINDSAY:**

First of all, you started off your remarks, you realize that you as a citizen elect the school boards that run your local school districts.

**MR. AMATO:**

Yeah, we should throw them out, too, by the way, we don't need them. All right? They're the ones that are approving all the spending.

**CHAIRMAN LINDSAY:**

Okay, okay. The second thing ••

**MR. AMATO:**

By the way, I think other people want to speak so I don't want to ••

**CHAIRMAN LINDSAY:**

Yeah, but, I mean you asked if we had any comments.

**MR. AMATO:**

Yeah, I know.

**CHAIRMAN LINDSAY:**

Now you're going to get the comments back, all right?

**MR. AMATO:**

No, I'm not afraid •• I'll stand here all day long, but I don't want to hold other people. I've got no problem with that.

**CHAIRMAN LINDSAY:**

I'm not saying you're afraid, all I'm saying is we listened to you very respectfully, now it's our turn.

**MR. AMATO:**

All right, go ahead, go.

**CHAIRMAN LINDSAY:**

All right? Last year this Legislature approved six extra positions in the DA's office specifically to investigate school districts; so that's another comment you made, what are we doing?

**MR. AMATO:**

That's last year? I really don't see anything in the papers of them doing anything, I haven't seen it. I read the papers all day long, I don't see the DA doing anything.

**CHAIRMAN LINDSAY:**

Well ••

**MR. AMATO:**

They must be •• maybe they're investigating New Jersey instead of New York.

**CHAIRMAN LINDSAY:**

If you don't •• if you think our DA is doing anything, you don't read the papers.

**MR. AMATO:**

No, I do read the papers, I read two newspapers a day and I don't see the DA doing a damn thing when it comes to schools.

**CHAIRMAN LINDSAY:**

You don't see our DA doing anything?

**MR. AMATO:**

No. You show me, what has he done?

**CHAIRMAN LINDSAY:**

He's indicted a lot of people and convicted a lot of people.

**MR. AMATO:**

Where? Where, who? I haven't seen anything in the papers.

**CHAIRMAN LINDSAY:**

Okay. If you don't see that in the papers, I rest my case.

**MR. AMATO:**

Why, I asked you who? Come on, next guy, come on.

***Applause***

**CHAIRMAN LINDSAY:**

Charles Bianculli. Charles Bianculli?

**MR. AMATO:**

Give me names and then I'll listen.

**MR. BIANCULLI:**

That's a tough act to follow, and I don't know if I want to go.

**CHAIRMAN LINDSAY:**

Mr. Bianculli, I hope I haven't slaughtered your name too much.

**MR. BIANCULLI:**

No, it's fine; most people kill it, but it's a name I'm happy with.

**CHAIRMAN LINDSAY:**

Absolutely, it's just a matter of knowing how to pronounce it.

**MR. BIANCULLI:**

Yeah, you pronounced it well.

**CHAIRMAN LINDSAY:**

Good.

**MR. BIANCULLI:**

And I like it.

**CHAIRMAN LINDSAY:**

Go ahead, you've got your five minutes.

**MR. BIANCULLI:**

Okay. My name is Charles Bianculli, I'm an 82 year old resident of Deer Park having lived there for 40 years. I'm a little nervous for some reason; can't figure that one out.

**CHAIRMAN LINDSAY:**

Don't be nervous.

**MR. BIANCULLI:**

No, I shouldn't be. I'm a World War II Veteran, or should I reword that; I'm a World War II hero.

***Applause***

I think that's an honest evaluation, I was decorated 17 times. The reason I make that point is I have a vested interest in this country; this is my

country, I bought it. I paid for it.

Okay, one of the first points that I would like to make, and it does go slightly off your charter perhaps, is that based on New York State's excessive, in my view, expenditures in education and mediocre, if not less results, the Commissioner of Education, or whomever runs that department, is really not doing his job and I recommend he be fired.

**MR. AMATO:**

That a way, Charlie.

**MR. BIANCULLI:**

There is a dramatic lack of transparency with regard to school spending. The worst offender in taxation having •• school spending represents 45 to 50% to 55% of the overall school •• of your overall tax bill, and that's why they're going to be targeted; must be amended.

The so•called Freedom Of Information Act, which I've used six times and five times has been ignored.

**UNKNOWN AUDIENCE MEMBER:**

That's the truth.

**MR. BIANCULLI:**

Because they know there is no price to pay when they ignore the FOIL applications. So you have a rule in place or a regulation in place which has no teeth in it, throw it out or fix it.

The superintendent of our school, Deer Park School District •• and I don't want to single them out, but I'm going to •• is paid over \$210,000 a year in total compensation. We have to listen here, that is \$10,000 more than the Vice•President of the United States. That is tens of thousands of dollars more than the Secretary of Education, his boss •• I don't know if she's his boss, but she's certainly the head of the department in which he functions. She runs all the schools, he runs 5,000 students, she gets four to five •• 40 to \$50,000 less a year than he does; that's almost obscene.

There are not sufficient strings or management requirements attached to monies given by State agencies to school systems, leading to careless spending at the least and corrupt behavior in the use of some of that money. We know about the corrupt behavior, we've read the newspaper, in spite of the fact that Eddie has not. Eddie is my friend, one of the best.

Witness the known stealing by school people in Long Island and the unknown waste in Long Island. Deer Park School System, I'm going to have to deal with the school system I know about, spends \$17,000 per pupil per year; they have 5,000 pupils, roughly, and they have an \$86 billion budget. My grandson who is a biology graduate working in research received his degree, four year degree for \$19,000 a year. We're graduating high school students for \$2,000 more •• less a year and they were feeding my grandson; something's wrong there.

New York State •• this is a good one, and as politicians or semi•politicians or pseudo politicians, you must be interested in this •• mandates many programs that the schools have to provide, and they don't fund those mandated programs. So they have to do one thing or the other, and you know what that expression is, get on the ball or get off the ball. As a matter of fact, the school board at Deer Park blames the mandates from the State for more than half of its expenditures and the President of the school board says, and I quote almost, at least I paraphrase, "They don't even fulfill the obligation to pay the percentage of the mandate expenditures that they contracted to pay." Now, we have a contract in place, the State has agreed to a percentage, they don't fulfill that agreement and they're not in jail; if I did that I'd be in jail.

**CHAIRMAN LINDSAY:**

Mr. Bianculli?

**MR. BIANCULLI:**

What's that?

**CHAIRMAN LINDSAY:**

Your time is up, if could you wrap up what you want to say.

**MR. BIANCULLI:**

Yeah, okay, let me wrap it up. Very dear people to me are leaving this town, Long Island; relatives, not relatives, dear people in any case. And it's my opinion that if we don't fix, and soon, the tax situation, better people than me will leave this place. That's it.

*Applause*

**CHAIRMAN LINDSAY:**

Thank you very much.

**MR. BIANCULLI:**

No questions? Okay. They're afraid of me?

**CHAIRMAN LINDSAY:**

Jerry Stark?

**MR. BIANCULLI:**

They're afraid of me?

**CHAIRMAN LINDSAY:**

I don't think it's fear, it's that we have 25 speakers.

**MR. STARK:**

My name is Jeff Stark.

**CHAIRMAN LINDSAY:**

Oh, Jeff Stark, I'm sorry.

**MR. STARK:**

Right, that's all right. I'm from the Town of Huntington, lived in Huntington since 1979. You've got a system that's really going off the tracks, very badly off the tracks. As the other gentleman have said, Newsday reported that 50% of the population says they'll leave within five years. Now, what people say and what they do are two different things, but that's still a high number. You have 20 to 30% of the 18 to 30 year olds that don't come

back here after college. We have a fine education system on Long Island, but I'm paying for their education and then they take their knowledge and they go somewhere else and use it.

### ***Applause***

Now, I believe that it's the responsibility of every citizen to education young kids to go to high school and to have smart kids come up the system. But the situation is that we have to do something because it's just becoming burdensome on everyone. Now, one of the things that, you know, I would look at would be a personal income tax as opposed to a property tax, because that way that would be •• that would be mandated by the County and then each school district, based on it's proportion of students, would then get X amount of the dollars to spend.

I understand that every parent wants the best for their children; if I was a parent I would want the same thing. I don't mind paying for math, I don't mind paying for English, I don't mind paying for computer science, I don't mind paying for languages, but if some parent wants their child to get ballet lessons they should pay for it, that should not be paid for by the taxpayer who doesn't have children in the system.

In the last three years, from •• from tax year 02•03 to 03•04, my taxes went up 8.8%; from 03•04 to 04•05 it went up 10.3%; from 04•05 to 05•06 it went up 8.1%; this year I think the increase was roughly around five and a half percent. The last three or four years we've been in a low inflationary economy, this is double, three times the rate of inflation. I just get the feeling that the superintendents and the schools, it's like almost •• it's like play money to them. I mean, I read in the paper the other day, and this isn't your folks fault •• I'm sorry, this isn't your fault, folk's fault, but East Islip knocked down their budget two to one and they decided not to bring it up. And I read that on an austerity budget, East Islip School District taxes are going to go up 13.4% on an austerity budget; that is •• if I was in that school district, I'd be moving out.

### ***Applause***

So I thank you for listening to me. And I just feel that, you know, something has to be done because it's just getting to the point where it's hurting everybody and it's hurting Long Island as a whole. Businesses can't attract people here and high housing prices, I'm benefitting from that but it's also the high property tax, and when you put those two things together, people don't want to move here. Thank you.

**CHAIRMAN LINDSAY:**

Thank you, Jeff.

### ***Applause***

Just some real brief comments. Your notion about us losing our young people, we have the dubious distinction of the 62 counties in New York State of leading the state where young people move out of most in Suffolk County, and that's •• that's a very, very troubling statistic and that's why •• one of the reasons why we're here tonight. Besides paying all that money to educate our people, and our schools are wonderful schools and educate some great people, but then they go somewhere else.

**MR. STARK:**

Right.

**CHAIRMAN LINDSAY:**

We need those young people to man our workforce to keep our economy going, and it's a very, very serious problem. But thank you very much for your comments, Jeff.

**MR. STARK:**

Thank you.

### ***Applause***

**CHAIRMAN LINDSAY:**

Joseph Sargent? Joseph Sargent? Thank you, Mr. Sargent.

**MR. SARGENT:**

I don't have any prepared speech, I just want to vent my spleen. I'm a senior, I've lived in my house for 40, 42 years. I'm a veteran, I put five years in in the military, then I worked for defense contractors. I'm finding it very, very difficult, I'm retired, I'm finding it very difficult to keep trying to come up with the money for the taxes. Something I just found out just recently which just really •• I just can't believe it, is that what little retirement I have I have to pay State tax on, yet some teachers in our district, I'll say our district, it's teachers all over.

**UNKNOWN AUDIENCE MEMBER:**

All teachers in the state.

**MR. SARGENT:**

Teachers in all the school districts don't pay State tax on their retirement, and we're talking about people who retire with \$95,000 for putting in their time. I put in my time, I put in 15 years to my government and to my companies and I have to pay State tax on that.

I personally believe that a personal income tax would be better than a property tax, because if I was going to pay personal income tax on what I make, it would be more equitable to me because I don't make that much, all right?

***Applause***

I'm not begrudging people who, you know, are successful, but it seems to me that the teachers and administrative salaries are way out of line, just completely out of line. I don't see •• I really don't see the benefit of it because I know people all over this country. I mean, where I was stationed in Montana, I have a daughter that lives in Montana, their high school cost is something like \$5,000 per student. I know more successful people that come from places all over this country than I do comes out of my East Islip School District. The only millionaire I know of in East Islip is, what's his name, Boomer Esiason, I know millionaires all over the rest of the country that went to dirt water schools. So we're not producing geniuses because we're throwing more money at our schools. And it's not all about education, it's about salaries. The money goes to salaries, not the funding, it doesn't

take care of what it's supposed to take care of.

***Applause***

I'm a little foggy, I could go on and on but, I don't know, I'm going to regret sitting down because I'm going to think of things, but you get the general idea. I really •• I really think we need to do something. Oh, like the other people said, we throw all this money at our education for what; to have the kids get educated and go to Ohio, Florida, North Carolina? It's not doing us any good. And as you yourself know and as you stated, we have the highest percentage of people leaving the Island, we have to stop this, it's a drain on us. All right, thank you very much.

***Applause***

**CHAIRMAN LINDSAY:**

Thank you, Mr. Sargent. Louis Raffone?

**MR. RAFFONE:**

Good evening. As a past board member of the East Islip School District, I can account for quite a few different things. First of all, they don't run it as a business, I don't think any school district runs it as a business. As a business person, as a business owner at one time, if I ran my business like the school districts did I would be out of business, because you can't keep spending more than you're making and then you're going to charge more for the things that you're building or making, you put yourself right out of business.

I've seen a lot of spending, unbelievable. They fill all the business codes up and then they take it all out after the budget is passed and it just goes right into the General Fund. The same thing with capital improvements, instead of putting the money in there to offset the expenditures, they don't do that, they put it in the General Fund, they hire more teachers. In our school district we have a welfare fund where we pay the teachers' copays, which I never heard of before in my whole life, they don't pay anything for their health insurance. There are people out there that have to pay for their health insurance, even 5%, 10%, our school district they don't pay anything

for their health insurance, they get zero they have to pay, nothing. And up in Albany in the education building, they have a sign there that says, "Follow East Islip"; I mean, they've got to follow East Islip's way of doing things?

I have four kids, three of them had to move out of Long Island to Florida, Connecticut. My kids can't even afford to live here. I'm fourth generation where I live, my great-grandparents settled here in 1890; how much longer are we going to be able to afford all this? It's nice that everybody can walk around 180 days they work, they're making about \$700 a day for their 180 days that they work, and that's too much. But it's a shame, it really is a shame that the people don't look at the spending, you're spending so much money. And mine is 61% of my tax bill which is ludicrous; 61% for school taxes? I don't even have kids in school anymore.

When I was on the school board, we were able to do it for three years on a zero budget, we were on austerity for five years when I got on the school board. I beat out an incumbent that was there for 22 years, but in those 22 years he gave the school district everything they wanted and we're paying for that now. When you do capital improvements you take that money and pay off part of that bond, you don't put it in the General Fund to hire more teachers. In my opinion, I hate to say this but I'm going to say this now because I say it all the time, my opinion that a lot of the teachers, the male teachers were deferred during the Vietnam War •• I hate to say that but it was •• my opinion of them is they took the time, they didn't want to go to Vietnam, they stayed there, they became a teacher, they were business people, they found a way to manipulate the kids. You go in the classroom and they're telling the kids, "You're not going to have this, you're not going to have that. Your parents better vote for the budget, you need this, you need that."

**UNKNOWN AUDIENCE MEMBER:**

No kindergarten.

**MR. RAFFONE:**

And that's what it is. That's my opinion. Thank you.

***Applause***

**CHAIRMAN LINDSAY:**

Thank you very much, Mr. Raffone. John Conroy. Hello, Mr. Conroy.

**MR. CONROY:**

Good evening. How you doing? I had a speech to say but mostly everybody here has already said the same thing. I have one thing that is on my mind. I looked at the tax bill the other night and at other budgets, and one that I notice that stood out was a few years ago there was a big uprising in salaries towards one budget, the salaries were astronomical. I look now at that fact and I see the teachers and administrative salaries in school districts almost on par with this budget. That budget that I'm talking about is much, much lower than the school budget. I will sit here and wonder how the school budget can be so huge and this budget where the salaries are almost commensurate with teachers salaries; how does that happen? That's one thing.

As far as other people saying that their sons and daughters are leaving, my daughter is leaving in about another month, she can't afford to live here anymore. I think that the school budget has too much over weight in it. Supervisors, principals are too huge. Any kind of a business doesn't have this. I think that the budgets should be •• and the school districts should be ran as a business, most businesses survive. I see that the school district is killing our kids, they are leaving the Island. I think that maybe I have said my peace, all right?

Just like I said, I saw the tax bill the other night, I'm not going to mention this budget. I think that mostly everybody here should know what I'm talking about. The budget had a huge increase in salaries which our State •  
• our County Executive okayed years back. I think that's my two cents.

**CHAIRMAN LINDSAY:**

Thank you, Mr. Conroy.

**MR. CONROY:**

I appreciate your time. Thank you.

## ***Applause***

### **CHAIRMAN LINDSAY:**

Robert Donato.

### **MR. DONATO:**

Hi. I'm Robert Donato, I live on Smithtown Avenue in Bohemia and I feel I am the victim of tax abuse, seriously. I'm paying \$12,800 to live in Bohemia on a busy street; it's absurd, it's gouging at its highest.

We all know the problems, I think we're here to discuss the solutions. I think if the Federal Government were to collect their taxes on •• while they collect them on income, could you imagine if they were starting to collect their taxes on the amount of bathrooms that somebody has? Imagine how stupid that seems? It's pretty stupid if you ask me. That's what our tax system is, assessed value, real estate value, I think it's wrong. I think it should be taxed on income, this way older people get a break, younger people get a break ••

## ***Applause***

•• and it's fair for everybody, but punishing people for doing well in this society is wrong. Four hours ago, just four hours ago I said good•bye to a young lady that I've known since she was born 29 years ago. Thursday morning at 4 AM they're leaving for Florida, they could afford to live in Florida, buy a house, pay mortgage and taxes for less than their property taxes up here; that's absurd.

Again, I think a personal income tax should replace the real property tax as a fair means for everyone. That's about it. Thank you.

## ***Applause***

### **CHAIRMAN LINDSAY:**

Thank you. Frank Gerace?

### **MR. GERACE:**

Hello.

**CHAIRMAN LINDSAY:**

Did I pronounce your name right?

**MR. GERACE:**

Gerace, that's okay. What I'd like to read, I'd like to read a letter that I handed out before the school budget vote, in East Islip by the way. One of •  
• let's see, they approved 85% of the budgets on Long Island this year; 15% were not approved which shocked me. There's a lot of empathy out there; either that or just people don't know what's going on.

I would like to read this letter. Although I sympathize with the difficulties in managing a school system, I'm not •• I'm more concerned about the economic viability and long•term stability of our communities. Our communities will be doomed if the school boards continue to raise property taxes, year after year, without any real attempts at containing costs. No municipality, or school district for that matter, can prosper and survive under such conditions, it's only a matter of time.

I've always wondered why so much time is spent on proposed budgets that are fiscally irresponsible and not economically viable. Why do we continually try to save or add programs that we cannot afford? Do we really do it for the children? One must take a step back and ask themselves what good is keeping the programs but losing our children when years later when they cannot afford to live in these same communities? Every year it's the same old beating of the drums and empty promises. For only \$65 more per month we can keep our programs. The difference between a passed budget and a failed budget is only \$7.15, etcetera, etcetera. However, it's not the additional \$65 or even \$100 a month that I'm concerned with; what I'm concerned with is accumulative effect of these increases over time, they are not sustainable.

For several years now voters have been sending an increasingly loud message to school districts. However, the powerful teachers unions have been increasingly more aggressive in their campaigns, even going as far as supporting their own cronies for board of education seats; that's a clear

conflict of interest, but always under the guise of doing it for the kids. In this economy, where people have been outsourced and they have been downsized, when they have to work two or three jobs to make ends meet, the simple argument of doing it for the kids does not resonate. It's a case where people cannot afford it anymore. Homeowners are not gift horses, stop looking in their wallets. How much higher should school taxes go before the school boards decide to contain costs and relieve property owners? Only when school boards are faced with contingency budgets can sensible spending and property tax relief be achieved. Schools need to tighten their belts now. In the short term, what I suggested in this letter was that they vote no for the budget again and again until the school districts get the message. Note, a contingency budget will bring strict controls over district spending and will force fiscal restraint upon the boards.

What I think needs to happen for the long haul. Obviously the real solution rests in how the public schools are funded; that's why I'm here because I'm so glad you guys have this meeting going on.

### ***Applause***

Too much of the responsibility for funding schools currently rests squarely on the backs of the property owners, homeowners like you and me. The schools are overly relying on property taxes, especially here on Long Island. Other states have reformed their tax systems and New York must finally do so, too, and I commend you guys for doing this. Instead of going back to the well again and again and coming up dry, school officials need to take their buckets to Albany, schools, PTA's, teachers and their unions and all other interested do•it•for•the•kid organizations need to channel their energy into changing New York State's school funding formula now. Repeat after me, "Fix school funding now." It's increasingly clear residents are fed up. It's also clear the Governor and lawmakers won't leave reform unless they are forced to.

The hope is to shift the burden from the property owners, off the backs of property owners, instead revenue could rely more heavily on personal and corporate income taxes. Tax shifting would shift the tax base from property

taxes to income taxes or sales tax, I don't know how you want to attempt it, providing a much more equitable system for schools and residents. The more broadly a tax is imposed, the lower the rates can be in order to collect the same amount of revenue. In other words, it would spread •• it would spread the burden to a much wider audience, in turn making it a fairer system to all. Absolutely, every region in this state would see an increase in school funding and property tax relief; that's never been witnessed before. This is what we need to do for the kids. Thank you.

***Applause***

**CHAIRMAN LINDSAY:**

Perfect, Mr. Gerace. Peter O'Brien.

**MR. O'BRIEN:**

Hello. My name is Peter O'Brien, I just recently returned from Iraq in June.

***Applause***

I was over there fighting for democracy, for people that had no idea what democracy is and I come home and I find out my democracy is in trouble. The Federal government, since 2000 and 2001, has decreased the amount of Federal funding that this State has gotten by \$10 billion. On top of that, every year since then they have reduced our spending by 250 million which is about the cost of living increase or the amount of money that we've made more than the previous year, they tax it, we send it to the Fed and they send it back to us in tax dollars received.

New York State, from 2001 to 2004, went from 87 cents on the dollar, we give 13 cents extra out of every dollar we send in Federal taxes and say, "Have fun with it." In 2004 we're down to 79 cents a dollar, we're only talking about •• we're talking about 21 cents out of every dollar is being sent to the Fed and not being sent back to us. You're wondering where this money is going or should be coming from? We're short \$80 billion over the last six years as a State. Some of that money should have been going to an education fund. The problem is that the Fed attaches so many strings •• the

Federal government, I'm sorry •• the Federal government attaches so many strings to these, and I've been talking to the local districts all over Long Island.

I've got a formula here from Smithtown that said for them to receive \$58 million in •• I'm sorry, for them to receive \$9 million in Federal funding, they would have to spend 58 million to get it. We need to remove the strings for education funds from the Federal government. We need to elect people to the school boards who are responsible, have integrity and have a sense of duty to the community. I spent five years in the military and those morals are stamped on our forehead every time we walk in and out of every door. And when we get done with service our oaths are not finished and I feel I have a duty to represent Suffolk County at the Federal level if my Legislature will not. Thank you.

***Applause***

**CHAIRMAN LINDSAY:**

Thank you, Mr. O'Brien. Peter Quinn.

**MR. QUINN:**

Good evening.

**CHAIRMAN LINDSAY:**

Hello, Peter. You know the drill.

**MR. QUINN:**

Good evening, members of the commission. I don't quite share the view of some who have been condemning the public schools. I would have preferred to see a rather wholistic view rather than a provincial one where we target exclusively this real property tax without understanding how it's being bombarded from afar. And therefore, I'd like to say that when we note that there have been three Federal tax cuts in the past five years where most of the cuts have accrued to the wealthiest in America, in the last five years we've noted that the Federal deficit, after a surplus in •• up to

2000, is now we're talking about nearly \$9 trillion which our children and grandchildren will be paying for, they'll be moving not off Long Island to another state but to another country, where excess corporate compensation is bleeding America blind and where consummate business fraud is undermining all of us.

I heard someone saying we should adopt the business model; well, let me tell you •• let's make a comparison. There were some six districts, school districts guilty of fraud. The amount of money totaled between •• and I'm certainly not in agreement with anybody committing theft, but I will tell you that that theft amounted to between 20 and \$25 million. How many here in the audience had seen the article last fall in November in the business section, just one article, where 40 companies admitted fraud to a total of \$268 million? That's ten times the amount of fraud that occurred in the school districts. And nobody wants to complain about that, but I will, and I think others should. And then we want to look at the sources of aid that are provided us in public education. Federal aid averaging 6% every year, that's a constant. State aid, that's not so constant, it's gone down to a point where it's 35, 36% of the aid. What does that mean? When you add together the Federal aid and the State aid, it comes to 42%. What does that mean? The local districts are burdened with 58% share; that should be included in your report in November.

And then we need to look at what do the other states do? Well, there are 25 states that provide equal •• among the 50 states, there are 25 of them that provide equal sharing. So that if the Feds provide 6%, the State provides 47% and the local share is 47%. What will that mean to our real property taxes? They will go down roughly 11%. How many of them will then be complaining about real property taxes? They'll have to find another vehicle to complain about. I'll continue my comments at the next two sessions. Thank you.

***Applause***

**CHAIRMAN LINDSAY:**

Thank you, Mr. Quinn. Graham Kerby.

**MR. KERBY:**

Good evening. I'm Graham Kerby from Setauket in the Three Village School District. I would agree with many of the speakers who have come before me to say that it's not a revenue problem, it is a spending problem. To put it simply, at the 8% which property taxes are going up, I think generally our taxes will increase 50% in five years. And if it's going at 10%, which it is in some school districts, your taxes will double in seven years, so no matter how you play with the revenue it's unsustainable, there's no way that either State aid or property taxes can keep up without, in the case of property taxes, house prices collapsing.

With that said, since this is a revenue commission, I'll confine my other comments to revenue. I don't know quite what you're considering, but I think the major proposal would be an income tax which can come in two ways; it would either be a supplement or it would completely replace the property tax. The problem with having an income tax as a supplement is that my understanding is that we've thrown State aid into the schools, we've thrown the lottery in, we've had the STAR Program, all to no avail. The schools keep spending and to have an income tax supplement would, I think, be a waste of time; it would simply throw more money into the school districts.

The first year or so, yes, they would hold the line on taxes, on property taxes as they did in, say, 2000•2001. Then the spending establishment, which is what it is, would again start pushing the limit on property taxes, the only constraint being what they can force through in the budget vote, and they are very good at forcing high property taxes through the budget vote. The problem with replacing the property tax with the income tax is you would essentially disrupt, destroy the existing system of education, at least in Suffolk County and throughout Long Island. As great disparities, you have some districts spending 49,000, in the case of Bridgehampton and Port Jefferson I think it's 22,000, and they have costs built in. So given that, I'm sure an income tax would be distributed in terms of equity with the same amount going to each student, probably with some adjustment for disadvantaged children, there would be complete chaos, the system would sort of crash down given the imbalance of costs. So I think if you are looking to go for an income tax, you would seriously have to consider that

question. Again, I would recommend you urge that the spending side be looked upon.

Something else I would suggest is that we need to ask parents to pay more. Parents have an incentive to push their costs on to the rest of the community, it saves them money; I mean, what else would you do? My neighbor would rather I help pay for her daughter's piano lesson than she pay for it herself. We need some constraint on parents' incentive to push costs on to everybody else. And I would also suggest given that if you do move towards an income tax which replaces the property tax completely, you would look at introducing vouchers whereby the money would go with the child and the child would go to the school of his choice and there would be less pressure between districts.

Regarding the income •• one final point. With regard to an income tax on •• I'm losing my train of thought. Okay, I'll end it there except to say I do have some concerns about the compilation of the committee. When I did read who was on it, it struck me as being not representative of the community of the taxpayers. It looked very much like the school district establishment who have very keen and well-known interests, which hopefully they will put aside when they're looking at the question. I would note, for example, that nothing •• suggesting nothing about Mr. Pally, but I just happen to know that he was from my school district, he was a school board member until a year ago, I think he's married to a teacher, neither here nor there, but I think people might like to know that. Okay? Thank you.

**CHAIRMAN LINDSAY:**

Thank you, Mr. Kerby.

***Applause***

I would wouldn't ask Mr. Pally to defend himself, but he's also the head of the Long Island Association which is the largest business organization on Long Island.

**MR. KIRBY:**

Sure, sure, I know.

**CHAIRMAN LINDSAY:**

And has a very vested interest in keeping workers in our County to man the businesses. If we don't have working people here, we're going to lose our business base and our economy, and that's one of the things that we're most concerned about in this whole scheme of things. It's a very, very important issue to everyone of our citizens, young and old.

**MR. KIRBY:**

Sure.

**CHAIRMAN LINDSAY:**

Okay, thank you.

**MR. KIRBY:**

Thank you.

**CHAIRMAN LINDSAY:**

Fern Spies.

**MS. SPIES:**

Thank you, Mr. Lindsay. And you pronounced my name correctly.

**CHAIRMAN LINDSAY:**

I know.

**MS. SPIES:**

I think there might be some reason for that; he happens to be my Legislator. For years I have been tackling this issue publicly and privately and for years I thought an income tax might be the solution to alleviate the property tax issue with education, but that would only create another level of bureaucracy. Now, a sales tax we've thought about as well and that might be a solution, a partial solution at this time because of the fact that we already have a sales tax vision or department in our County. Ideally, the best situation would be if these teachers, administrators in our school districts would sit down and take this situation into consideration and take ••

look at their benefits and give something back.

***Applause***

But that, I'm afraid, is a pie•in•the•sky, but that would be ideal.  
Thank you.

***Applause***

**UNKNOWN AUDIENCE MEMBER:**

Never happen.

**CHAIRMAN LINDSAY:**

Thank you. Robert Drosz. Robert Drosz; did I pronounce that correctly?

**MR. OROSZ:**

Orosz, with an O.

**CHAIRMAN LINDSAY:**

Orosz, I'm sorry.

**MR. OROSZ:**

Right, O•R•O•S•Z.

**CHAIRMAN LINDSAY:**

It looked like a D to me.

**MR. OROSZ:**

It's my spelling.

**CHAIRMAN LINDSAY:**

Thank you for coming tonight, Mr. Orosz.

**MR. OROSZ:**

I appreciate you having a commission like this. I happen to be from Nassau County which I wish they had something like that there. I looked at the way we're paying taxes as far as the school tax is concerned, and the school tax is based upon two numbers. The first number is the assessed value of your

home which is an estimate of what someone thinks the value of your house is, an estimate which the home owner will never realize until they actually sell the house. All right? Now you multiply that by a tax levy. The tax levy is a very •• is a number that's come up, used by a very calculated formula that only a few people I think in the State even understand how that number is even derived. So now you're taking two hypothetical numbers, two estimated numbers, multiplying them together and you're coming out with a very real number and that's your tax bill. It's no wonder my tax bill never even comes close to what my school budget increases are, because you're taking all these •• these two hypothetical numbers and coming out with a real number. If you would take •• as most people I heard are in favor of an income tax, at least I know I'm taking a real number of what I earn and I multiply it by a particular equation and I come up with a number. As my salary •• as my wealth, as far as my income goes, increases, I know I'm going to be paying more; if it decreases I know I'm going to be paying less. But with this tax levy the way it's set up now, using an estimate of what the value of your home is is ridiculous.

I fought the tax increases, an assessment in Nassau County, I've had a reassessment for the last five years and I've won each time the last five years. If I did not win it, I mean, my tax would be out of site, which it is anyhow.

Now, what's the benefit of having •• of taking the school taxes from property tax values and basing it upon income? One is that people who have homes today may look in favor of, "well, listen, let me build that, put that dormer on the house, I've always wanted to put a deck on the back," or whatever which will make the house nicer, it would make it more valuable to the person living there when they finally go to sell it, but people are afraid today because it's going to be reassessed and they're going to be taxed on it.

And also I'm looking at how the State provides us with assistance. One is the fact they base it upon wealth and wealth is also based upon what your property is worth, not what you make but what your property is worth. So as property values escalate, the amount of State aid decreases and decreases and decreases; this has got to stop. The only way you can do

that is base it primarily on income tax, you could also not only include the homeowners but you could include the renters as well, anyone who pays tax on Long Island will pay into the system, this way everyone benefits from it and you have a much broader base on the people putting money in. Thank you.

### ***Applause***

#### **CHAIRMAN LINDSAY:**

Thank you, Mr. Orosz. Sylvia Koenig. Thank you, Sylvia, for coming tonight.

#### **MS. KOENIG:**

Thank you for having this meeting. This is a problem that I've heard about since I've been on Long Island, for about 40 years, and nothing has ever been done. It's been talked about frequently and I'm hoping that something will be done this time. I want to know if somebody could tell me how the New York City schools are funded, or why Queens and the city have lower property taxes.

#### **MR. PALLY:**

Because they have three taxes and we only have one. New York City schools are funded by a combination of their income tax, they have a personal income tax.

#### **MS. KOENIG:**

Is this what we're looking at here, is this one of the things.

#### **MR. PALLY:**

That's one of the things that's being discussed, yes. New York City has a personal income tax which all residents in New York City pay, they have a sales tax all residents of New York City pay and they have property taxes. So the schools are part of the New York City government in New York City, they are not a separate entity by themselves so they don't have their own revenue source, they are funded by the City of New York using those three focal points.

**MS. KOENIG:**

Are we ••

**MR. PALLY:**

Plus, in addition to that they, of course, get more State aid than they have children, Long Island gets less State aid than we have children.

**MS. KOENIG:**

Well, we need to do something there.

**CHAIRMAN LINDSAY:**

Ms. Koenig, one other thing; there's only one school district in the City of New York.

**MS. KOENIG:**

I understand that. Now, there also has been talk about combining districts, but I think that's a long time in coming yet. But maybe we can at least start with some kind of income tax, some kind of sales tax, maybe a combined group of taxes as the city does so that it will take the burden of the property •• school tax off the property tax. We are all feeling this, it doesn't matter how much income you make, everybody's school taxes are going up drastically. I have seen mine go up a great deal in the four years that I've moved and it's becoming increasingly difficult for everybody in every class. And I appreciate the fact that all of you have come here; please, please try to make something come of it.

***Applause***

**CHAIRMAN LINDSAY:**

Thank you, Ms. Koenig.

**MR. BYRNE:**

Are you suggesting an additional tax? Because I wouldn't personally want to see that.

**MS. KOENIG:**

An additional tax?

**MR. BYRNE:**

Yeah.

**MS. KOENIG:**

No, I'm not suggesting anything. I'm asking if it's viable for us to have the same kind of situation that the city has. Even though we are separate school districts, not one, can we have a combination of taxes in place of the school tax that will supplement the schools, or do you have something else that you're thinking of?

We came here today to hear about ideas; I have heard a lot of other things besides ideas. I know all the other things, I'm part •• I'm living them also, but I want ideas on how we can change what we have now, it's not working. So is there something else that you people are considering? Have you discussed another way that we can fund the schools?

**CHAIRMAN LINDSAY:**

First of all, Ms. Koenig, our deliberations are in the very early phases and everything that we do here we seek public comment and that's what tonight is about, it's the first of three public hearings when we can hear from you, the public, about the burden of what's taking place now. We have discussed very preliminarily everything from a sales tax to an inheritance tax to a lottery to an income tax as a way of replacing the real estate tax, and the reason why is if you objectively, I mean, looked at the system of taxing in Suffolk County and on Long Island, it really doesn't make any rhyme or reason. I mean, you could go from •• you know, I have a colonial in Islip that I probably pay half of what Legislator Nowick pays in Smithtown for taxes. I have a daughter that has a house probably three times the value of my house in Southampton and she probably pays a quarter of what I pay. You can go from one school district to the neighboring school district and you'll see that we fund one student at about half the level we fund the student next door.

**MS. KOENIG:**

I understand this, I've been in the education field ••

**CHAIRMAN LINDSAY:**

And if you want to carry that further, the State formula of how our schools are subsidized, it's all over the lot. I mean, one student is subsidized much more than another student depending on the perceived wealth of that community.

**MS. KOENIG:**

So if we had a different type of tax structure, there might be more equality in the way ••

**CHAIRMAN LINDSAY:**

Well, that's the purpose of this commission.

**MS. KOENIG:**

What I'm saying is, is there a chance that we could do something similar that the city is doing; can we have a combination of taxes in place of the school tax? Is it a viable issue that we're discussing or is this just going to be every year we're going to get together and say, "Our taxes are too high, we need to do something."

**CHAIRMAN LINDSAY:**

We haven't gotten together every year, this is, to my knowledge, the first time that that's been ••

**MS. KOENIG:**

But it's been discussed year after year after year since I've been on Long Island.

**CHAIRMAN LINDSAY:**

Legislator Nowick would like to try and answer your question.

**LEG. NOWICK:**

I hate that expression, I feel your pain; you're right, the situation •• the system is broken.

Just to answer your question when you started, are you coming up with

ideas. We have a series of meetings, our first meeting we went through about ten different ideas. The reason we called the public hearing today so early on in our commission's meetings is that we first today want to get some ideas from the public. Because as an elected official and one that has walked door to door when I run for election, some of the best ideas that we get we do get from our constituency, so that's why our second meeting, the second one we're having, is to bring all of you in. One of you might come up with the most wonderful idea and then when we get •• after we meet and we choose to do what we are going to do or not, we then have to take what we feel is best for Suffolk County and we have to go to our State elected officials and say, "Here, help us, we need you."

So just to answer your question which was do you have ideas; this is the beginning. We're looking for ideas with all of you, we're hoping all of us can work together. So that's why this is early on, come to us, bring us ideas.

**MS. KOENIG:**

Thank you, we'll try.

**CHAIRMAN LINDSAY:**

Thank you, Ms. Koenig. Alexis Weinstein.

**MS. WEINSTEIN:**

Hi.

**CHAIRMAN LINDSAY:**

Thank you, Ms. Weinstein, for coming.

**MS. WEINSTEIN:**

My name is Alexis Weinstein, I'm a new resident, I just moved here about a year and a half ago and I'm learning, I came here to learn and to see and to watch. And I'm a little scared because my taxes went up \$600 in one year and I'm retired and nothing else is going up \$600 a year.

I come from the New York City school system and I've been part of it for 25 years and I know its flaws and I know its positive sides. And when Bloomberg came in I couldn't understand why he wanted to do that; why do

you want to take on that great responsibility? Didn't he have enough responsibilities? But he was forthright and he had a lot of good points and a lot of bad points and he took a system and he restructured it and I think that's what we have to do out on Long Island. We need some restructuring.

Everything everyone said was right, it's top heavy, there's a lot at the top that doesn't have to be at the top. Could you imagine one district in New York City; how many students is that compared to East Islip, compared to West Islip? I mean, the number •• I laugh, when I went to vote at this fabulous high school, I never saw a high school like that before; it was just glorious, I thought I was in a country club, it was great. I would love my children to have gone there and I support it and I'm a proponent of students and education, but it's not working. It's not equitable and it needs a lot of thought and careful planning, and it's a pleasure to be part of that. Thank you very much.

### ***Applause***

#### **CHAIRMAN LINDSAY:**

Thank you. Charles Ellinger. Thank you, Mr. Ellinger.

#### **MR. ELLINGER:**

Thank you. Thank you for having the meeting. One thing about New York City schools is I've always heard bad about it. I did do a little part•time teaching in the city and they had nothing good to say about it. You might as well also talk about the tax situation in New York City and people exiting, that population has been based on people coming into the country and then exiting. So if we're concerned about keeping people here on Long Island, we don't want to imitate New York City.

I have a little prepared paperwork, it's very short. Suffolk County has undergone a dramatic increase in land values over the past few years. This increase in land prices has affected costs in many areas of our economy and threatens government services, yet without government services land would have little value. When looking for sources of revenue, our government is ignoring these land values which it can help create •• which it helped create and instead it's looking to income, sales or build our taxes on building

improvements, that's our current property tax, we tax the building improvements, some were just complaining about taxing bathrooms. But it's land values that our government is giving •• okay. These sources of revenue detract from our area's value and are part of the reason for relocation elsewhere, as our rising land costs; so people are leaving because of taxes, but youngsters are leaving because they can't handle mortgage payments period. A tax on land value would, to some extent, lower the price of land; this would help make housing more affordable. And this tax on land only, it would permit government to collect for the community services, what otherwise would be lost in principal and finance charges. Right now we've got people paying high mortgage, why couldn't some of that mortgage be going to government services through a tax on land which in turn lowers their purchase price? If you can get what I'm saying, we're tapping into what they're paying to someone rather than they're paying the bank, they're paying the government.

By removing the improvement from the property tax, Suffolk County would encourage revitalization by removing the building improvement. Changes in zoning could encourage density leading to improved public transportation, shorter commutes and more amenities. So I'm encouraging you not to ignore the property tax as you search for sources of revenue, but instead make it a tax on land value only.

Thank you.

**CHAIRMAN LINDSAY:**

Thank you, Mr. Ellinger.

**MR. SPRINTZEN:**

Charles, could you come back? And I think we have a couple of questions for you.

**MR. LIPP:**

Hi there. Robert Lipp. I appreciate your comments. In fact, I'm fully aware of the whole issue of a tax on land. From an efficiency point of view, a property tax on land alone is a lot more efficient than a land in structures. It's been a few years since I can recall, but I think on average in Suffolk County about 17% of the property tax is on the land portion on average

across all the towns. It is an issue of equity, on the surface it's more equitable. It would be a dramatic change in the system, but it could be a lot more efficient. There are lots of studies out there that have looked at stuff like this; for instance, there was one community that comes to mind in I believe it was actually Australia where on two sides of the same town, Main Street, they were in different counties, if you will, and the tax on one side was on land only and the amount of development was enormous compared to the tax on the other side which was largely based upon the structure. So we are fully aware of that, that's not something that this particular commission has had a chance to look at yet, but it has been brought up and I appreciate your comments.

**MR. ELLINGER:**

I might add that if we do tax income or sales or things of that sort, we're going to ignore rising land costs, and that alone is driving the kids away.

**CHAIRMAN LINDSAY:**

Lois St. George. Good evening, Ms. St. George.

**MS. ST. GEORGE:**

Good evening. I'm just a layperson; mother, grandmother, worker, now retired, and I come before you tonight to tell you that the population of elderly can no longer, in any way, shape or form, put up with the taxes that we are paying.

I live in Bay Shore. We had something in our budget this year that made my eyes water; \$94,000 for a summer program for children to go to for music. If you want your children to go to school during the summer for music, you should pay for that out of your pocket, not mine.

***Applause***

I worked almost 35 or 40 years, paid my taxes. I sent my daughter to a private school,, I never bothered about the taxes, I paid them, I never said a word, I paid for the books that she got, never said a word. My husband and I are comfortable people, but I feel that because we're comfortable we are being taken advantage of. Nobody gave us anything, we worked hard

for everything that we got; young people today want it all given to them. It's incredible what I hear.

We have a school district where we have many immigrants who come to us, legal or illegal, who cannot speak English. We are overburdened by people who are not paying taxes in any way, shape or form. So my idea would be maybe a flat tax for everybody. If your children go to school, whether you're legal or illegal, it doesn't matter to me, everybody has to pay a flat tax, all of us. If you're over 68 or 70 years old, that tax should be cut in half. I'm not going to be burdened by people who don't give a damn, they don't. You know what our budget passed by, 750 votes; that's ridiculous. And most of the votes and the people who voted for it are the teachers. Why wouldn't they? They get a retirement fund they don't even put a penny into. They get full medical coverage for them and their spouse for the rest of their lives. Hey, my husband has been working almost 45 years, he's not getting that; are you? Are any of you, for nothing? For absolutely nothing.

In the mornings I walk, I walk past a grade school at seven o'clock in the morning. Children are getting off of buses and being taken by cars, by parents, they get out with their little musical instruments and what have you. Teachers come in, and I want you to know, teachers who are wearing halter tops, short shorts, God only knows what in God's name they're wearing and they're here to teach our children and they're demanding from us that we continue the way that we're going; well, it isn't going to happen. It has got to stop. These people who teach in the morning get extra money for teaching classes that should be done with whatever funds are available. If they are not available and you want your children to have those kind of things during school hours, you should pay for it. It's enough already from everybody.

I look at all of you and I hope and I pray that you can do something to help Long Island, something to help people who have supported schools, who have supported this State, who have supported our Legislators and everybody else, our Senators, our people who have made decisions which obviously have not been right. Please help us, give us some sort of relief. The elderly, if you think the young people are leaving, the elderly are running like hell out of here, it's ridiculous.

## ***Applause***

Please help us, please, I beg of you. And I thank you all for being here tonight to at least listen to us, and me obviously, people who got up here and had a lot to say about a lot of things. I look at your faces, I see smiles, I hope that that means that you are willing to help us all. Thank you very much for listening.

## ***Applause***

### **CHAIRMAN LINDSAY:**

Thank you, Ms. St. George. This one I know I'll probably mess it up, so please forgive me in advance; Indarjeet Sardarg (sic)?

### **MR. SAHADEO:**

Sahadeo; the name is Indarjeet Sahadeo.

### **CHAIRMAN LINDSAY:**

Thank you very much. I'm sorry I brutalized your name.

### **MR. SAHADEO:**

Good evening, the committee members and Suffolk County residents. Just a brief background about myself. I came here as a foreign student 35 years ago and I have lived in the Town of Brookhaven as a homeowner for 29 years. I have seen the taxes rise and I have something to compare it against, and from what my fellow citizens have said, we are all paying an exorbitant price to educate our children. I am all for education, however, I am not for paying off pensions, paying medical care for people who are getting benefits that are better than the people who are paying for them.

## ***Applause***

That is the problem, that is part of the problem. The other thing is I am all for the people who are saying we are for education, but during the summer we should not be providing babysitting in the form of classes like ballet classes, swimming classes, etcetera. What we have to do is we have to

come •• we came here today to get •• to present ideas. My immediate idea is we should have a 12% tax cut on all property taxes, then the school district will come to us and say, "Well, we are short of funds," then we can start examining their budget line by line by line and say, "What do you need this for?" And then is when we could move forward.

Now, I have a copy of my tax bill here, it's listed 70.43% of my taxes go to school tax. The important thing for me as a taxpayer, besides education, would be recycling. The fire district, the lighting district, the ambulance district, the Real Property Tax Law, the Real Property Tax Law again, I don't know why we have two of them. The County of Suffolk, New York State mandated expenses; now, why do we have mandated expenses, can somebody answer that?

**LEG. NOWICK:**

You want to answer the other question?

**MR. SAHADEO:**

Okay, I don't want to put anybody on the spot.

**CHAIRMAN LINDSAY:**

You're not putting anybody on the spot, if you want an answer, when you're done talking we'll be happy to answer you.

**MR. SAHADEO:**

Right. So I'm going down my tax bill, now what is happening here is, just to give you a brief background, is I have put three children through the public school district and while they were doing, other people paid my taxes so my children could go to school, and I'm willing to do the same. However, I'm not willing to do it in excess, and this is what I think everybody in this room is saying, that's in excess.

**UNKNOWN AUDIENCE MEMBER:**

That's right.

**MR. SAHADEO:**

And the excess is not going for the education of the kids but towards the

benefits of the people who are delivering those services to the kids.

### ***Applause***

And what we have to do is we have to start attending the board meetings of the school and we have to start asking for a line by line item of what these budget expenses are. We approved •• the school budget gets passed, but I just want to say that I think 4% of the people vote at the school boards, for the school budgets; its ridiculous. So the people who are perpetuating the increases in the taxes are the ones who are voting for it. So what we have to do is I would say that if you're looking for some ideas, the first idea is effective immediately a 12% tax cut, and then when people start to say, "Well, I need money for this," we could start questioning it. And everybody will be getting a percentage increase •• decrease which is what they're looking for.

My kids cannot live on Long Island because it's too expensive, they cannot afford the health care because it's too expensive, and they're not lazy kids; they leave the house at seven in the morning and they come back home at seven in the evening, going to school and working. So we •• I have no answers, I'm giving you a proposal and one of the proposals is effectively immediately we cut the taxes by a percentage.

### ***Applause***

I just want to say thanks to everybody for listening to me.

#### **CHAIRMAN LINDSAY:**

Don't go away now, Robert Lipp is going to explain those items on the tax bill for you.

#### **MR. LIPP:**

One item that you had mentioned, New York State mandated expense?

#### **MR. SAHADEO:**

Right.

**MR. LIPP:**

Actually, that's a County government, portion of the County government property tax that's considered expenses related to New York State mandates, so it's broken out separately.

**MR. SAHADEO:**

Well, what is a New York State mandate?

**MR. LIPP:**

Oh, for instance ••

**MR. SAHADEO:**

Give me a for example.

**MR. LIPP:**

Okay, Medicaid, Public Assistance programs.

**MR. SAHADEO:**

That is fine, I'm all for paying that. I am more concerned about the portion that 70.43 of my taxes.

**MR. LIPP:**

Well, obviously you know that's the school tax.

**MR. SAHADEO:**

Right, exactly.

**MR. LIPP:**

And I believe County wide it's been the mid 60's someplace, perhaps like 65% as an average number. If you want, I could look at your bill with you afterwards, too.

**MR. SAHADEO:**

It's way above average, you know. If you say 60% of them being 70.43.

**MR. LIPP:**

That's right.

**MR. SAHADEO:**

You know? So something has to be done. And I think that everybody here is looking for reduction as a start, that's what everybody is here for. Because the one unifying voice that I have heard here today is that everybody is for education but everybody does not want to pay what we are paying for the education because we don't believe that all that money is going towards the education of the children.

**MR. LIPP:**

And just to let you know, I'm taking copious notes as to what everybody is saying and I'm internalizing it in my own way. And just also, sir, we want you to realize, our mandate is the revenue side not the expense side, and there is another commission that will supposedly be working on that.

**MR. SAHADEO:**

The only thing is I know that this is the first of three meetings and I intend to attend the other two meetings just to make sure that I fully understand and listen to what everybody is saying.

***Applause***

**CHAIRMAN LINDSAY:**

Thank you. Kathy Jenness.

**MS. JENNESS:**

Hello.

**CHAIRMAN LINDSAY:**

Hello, Ms. Jenness.

**MS. JENNESS:**

Thank you for having this meeting.

**CHAIRMAN LINDSAY:**

Thank you for coming.

**MS. JENNESS:**

There's a light at the end of the tunnel, hopefully. I prepared a speech.

When I read the article in Suffolk Life about the Homeowner Tax Relief Commission, I finally had a feeling of hope for some sort of tax relief for homeowners. I feel that an income tax based upon your income would be fair to remedy the skyrocketing taxes in Suffolk County. It isn't fair for senior citizens on a fixed income to pay and five and 6% more for property taxes when their Social Security went up 2%; does that seem fair? No. We have to move away from our homes that we've been living in for many years and leave our families for a better life, is that fair? No. Also, for young people who are trying to survive in Suffolk.

In the light of the many school scandals, I wonder how Roslyn can't notice that \$11 million of our tax money was stolen. Let's not forget William Floyd and now Roosevelt; there'll be many others, I'm sure. It's called greed and corruption in the system. People can't afford to live here, buy a home or keep their home if it keeps on going the way it has. There needs to be a change and it needs to be changed fast. I'm sure the school boards would not approve of this because they have been over spending and squandering and stealing our hard•earned money. It's time to change the system, it doesn't work, it's not fair. The State should oversee the school spending and cut the fat.

So please, let's work together on this issue. I, as a single parent with my son in school, would be willing to walk around and get as many signatures as I can on a petition to be mailed to the Governor or legislation to get this under way. So please, as a community, let's work together to save our homes and our children from having to move out of New York. Thank you.

***Applause***

**CHAIRMAN LINDSAY:**

Thank you, Ms. Jenness. Julia Weston. Is Julia still in the audience?

**MR. PEARSALL:**

I think she left.

**CHAIRMAN LINDSAY:**

She left, okay. Dan Jackson. Hi, Dan.

**MR. JACKSON:**

Good evening, Mr. Chairman, worth Legislators, thank you for having this meeting tonight. My name is Dan Jackson, I represent a small civic group here in Holbrook and I have a few questions.

First of all, in response to some of the things that have been said tonight, one of the hallmarks of every great society is the support of culture in the arts. The support of culture in the arts and the unified Suffolk school system is pretty much what our goal should be. Under a single education czar, a chancellor appointed by and responsible to the County Exec, this would lower the cost of running the schools through collective bargaining with the unions, contractors and vendors. All of the homeowners are taxed according to the budget vote, but those who vote aren't all homeowners.

**UNKNOWN AUDIENCE MEMBER:**

Right.

**MR. JACKSON:**

A sales tax combined with an income tax would be a fair alternative to a real estate tax. A gasoline tax, for example, a gasoline sales tax would share the burden of the school system across the board between residents, visitors and transients. I think you're on the right road and I'm glad that something is being done. That's all I really have to say, that we could spread the taxes out, maybe even a combination of all three; real estate, sales and income tax.

**CHAIRMAN LINDSAY:**

Thank you.

**MR. JACKSON:**

Thank you.

***Applause***

**CHAIRMAN LINDSAY:**

Deborah Slinkosky. Hi, Deborah. How are you?

**MS. SLINKOSKY:**

I'm fine, Bill. How are you?

**CHAIRMAN LINDSAY:**

Very good, thank you.

**MS. SLINKOSKY:**

This is an impromptu kind of thing for me, but I made my way down here tonight. Very much like a lot of the people here, I was very distressed when my school district, Sachem School District, went through a reconfiguration and my taxes went up by \$800 a year. And with that, being the community •minded person that I am and how I love a challenge, I decided to run for the Board of Education.

***Applause***

And I successfully won with a large majority of the vote; 7,610 people came out to vote for me.

***Applause***

Thank you, Sachem. With that, we knew we had to change the way we did business, we knew what our problems were, we had a \$238 million budget and it was escalating. And basically, we got down to business. So I wanted to let some people know that board members aren't the crooks. There are a lot of honest, decent board members out there who are trying to make a difference and I'm one of them. So I came into Sachem and with that and working with eight other board members, we reduced our budget from an 18% budget, which was reduced by contingency of course to 11%, but this year we offered the Sachem homeowners and property tax owners a 1.6% increase in taxes.

***Applause***

All right? So it can be done because we changed the way we did business. We reduced administration, we reduced some redundant programming, we didn't replace some teachers that, you know, retired because we didn't need them. We started at a zero-based budget and we told each division, "You better substantiate every penny that you're going to spend, because if you don't substantiate it you're not getting it." So it can be done in the districts across the County. So if each school is dedicated and each board member is dedicated to doing it, then that will reduce a lot of the pain that the taxpayers are feeling right now.

But I want to let you know what's most troubling. That when I first, you know, got on the board of education and I started to get into the mix, I suddenly realized that I've only got control of 10% of that budget; that gives me no room to do anything, folks. With contractual obligations, Federal mandates, State mandates, they curtail whatever the board could possibly do. So that's really where we've got to start. We've got to change •• legislation has got to be reformed. We've got to revamp State formulas, we've got to ease up on these mandates.

I can tell you what really scares me now, we've worked so hard to reduce our budget to 1.6%, and mind you we're the third lowest in the County and we came in below contingency. So in other words, if you said yes, you were going to pay less, you said no, you were going to pay more, and still 4,900 people came out and said no to the budget; I don't get it.

**MR. BYRNE:**

I do.

**MS. SLINKOSKY:**

But be that as it may, I think, as some of the people said here, we have to think of alternative ways such as the income tax, the sales tax, luxury tax and maybe a real estate, you know, a combined type situation may work. But we definitely have to reform legislation, we have to revamp the State formulas, we've got to ease up on those mandates. What really frightens me most is that I, as a board member, have a full understanding now that between now and the year two hundred and •• 2014, I have to expend \$55

million in order to comply with the NCLB and getting absolutely nothing from the Federal government.

Next year they're going to be bringing in the Pre•K Program, that's going to start costing us millions of dollars with no sort of funds coming from the Federal government or the State government to help subsidize these programs. So again, I just would say that, you know, you have to help us.

Also, you know what's also very important? And I know this is a legal matter, but you've got to get us out from under the constraints of these contractual agreements, they're stifling the districts.

### ***Applause***

They are causing us to go into bankruptcy because we can't get out from underneath those contracts. It's a very strong union out there and, you know, one of •• a very good friend of mine happens to be a Legislator up in Albany and that particular person said to me, "You know what, Deborah? I'd love to help, but if I go after the unions and try to go after these contractual agreements, I'll never be reelected." That's pretty scary. So again, I hope I offered a few things.

#### **CHAIRMAN LINDSAY:**

Deborah, your time is up but maybe you can help us. Would you tell the audience what NCLB stands for?

#### **MS. SLINKOSKY:**

Yes, No Child Left Behind Act.

#### **CHAIRMAN LINDSAY:**

Thank you. Dave?

#### **MR. SPRINTZEN:**

Could you also •• could you explain •• maybe you could also explain, while you're doing that, as to what is wrong with that, why is that a problem for you; could you explain that a little bit?

**MS. SLINKOSKY:**

It's going to cost my district \$55 million and I have no idea where I'm going to get the money.

**MR. SPRINTZEN:**

Now, could you explain why it's costing that and why •• if this is a Federal program, why the money is not there?

**MS. SLINKOSKY:**

Well, I guess that would be a good question for our Legislator to talk to our Congressman about.

**UNKNOWN AUDIENCE MEMBER:**

And George Bush.

**MS. SLINKOSKY:**

I think you all should come together, State, Federal and local and start putting your powers together on behalf of the people that you work for. Thank you.

**CHAIRMAN LINDSAY:**

Thank you, Deborah. Yolanda Lipani. Good evening, Yolanda. How are you.

**MS. LIPANI:**

Hello, I'm from •• good evening. I'm from Lindenhurst. I don't know if this was covered because I got here late, I would ask you all if you could assist the State in getting a sign for this building, it would be really helpful to find it. I was looking at some of the numbers today for the New York State Lottery and 33% of the lottery is going towards our schools. And it makes me wonder, when this system was put into effect, why isn't more going towards our schools > because if we can afford to hand out prizes of \$150 million and up and see that much money going to one person, can we change the system so that more of that is going towards the children? And is all of the money that's coming into the system going towards those children?

I happened to be, for the first time in my life, in Las Vegas this year and there are millions and millions and millions of dollars being thrown out by people who just have excess cash and want to go gamble. We have hundreds of thousands of people that go across the ferry to Mohegan Sun and Foxwoods. We have millions of people, I believe it's 33 million people a year go to Atlantic City. I think if we looked at how much money people have in excess that they're willing to leave this state to go out and spend just to have some fun when we're all struggling, and everything everyone has already said is true for all of us, we're all struggling just to pay our bills. If we were to have gambling right here in New York and all of those millions of dollars that are now leaving our state for people to just go out and have fun with were coming here, we would create not only jobs for this state, we would have people who could get out from under this tax burden just because the money was being funded by casinos and gambling. Because if we look at the fact, people are going out and gambling and they're leaving this state to take all their excess money and they're spending it in other places.

If we just looked at one issue like that, bringing a gambling place to New York, that was run by New York, or if we had a lotto just for Long Islanders, a Long Island State lottery system where that money completely took the burden of it being a tax any longer off of us, that money alone could fund our school systems. Now, think what a family could do with a thousand dollars a month excess income that's now going towards their taxes. You would get people who are working two jobs to be able to work normal hours and actually be able to be home for their children, those children who are now coming here on Long Island who are forming gangs. Children out are out forming gangs because they're looking for something to belong to, they're looking for power and they're bringing down the value of our homes. And it's happening •• I was shocked to find this out last year that there are gangs in Lindenhurst, there are gangs in practically every single County, every single school district here. Because kids don't have parents home, because their parents are working two jobs to try and live here.

So this is not just affecting people and people are saying, "Hey, you know what? We could afford to burden the taxpayers." This is affecting our home values, it's affecting our children, it's affecting the structure of this country.

And if we just looked at that and got the archaic ideas that we're living behind, I don't know why the State doesn't allow gambling here, but if people are willing to throw away millions of dollars, I see people sit at a table and put down a \$10,000 chip on one bet; it's insane. But if people are willing to do that, why couldn't we let that fund our schools completely, take the tax burden off us completely? Because my fear is if we have a tax on people's income, that's also going to get out of control and we're going to be going to work just to pay for all these services that already are out of control.

If we put another tax on gasoline, who could afford to drive a car? So if you take all these taxes and you keep taxing and taxing, people still have to go out, whether it's to fund their property tax or their income tax, they're still going to have to go out and work two jobs just to be able to send their kids to school, yet they can't be home for those kids when they come home from school. I would love it and I know people that I know would love it if they could work one job and be home at a reasonable hour, be able to put time into their children, their families. Those kids with that support would not be on the street, they would not be in gangs, they would not be bringing down our communities even more.

And I really hope that you're serious about doing something about this because like one woman said, this has been talked about for 40 years. I've only been on Long Island for 16 years, everyone has talked about it, it's time for someone to do something about it. If you want to look at the things that people are going out and spending their money on, you know, no one would love to maybe have prostitution be legal, but if prostitution were legal and people were willing to pay money for that, what about it funding our schools? It's happening.

### ***Laughter From Audience***

It's happening. People are gambling and they say, well, you know, people have •• are going to go out and gamble their money away, but if people are willing to go gamble their money away, why shouldn't it fund our schools? Why shouldn't our children be allowed to be home with their parents at night, to have parents there to structure them and help them instead of

being out trying to work two jobs just to be able to live. And there's lots of single parents on this Island that are doing that and their kids are roaming the streets or they're out there getting into trouble, you know, actually damaging property that we're paying for; what if those parents were actually able to stay home and their money •• the thousand dollars, or for some people it's even more a month, was being spent in their incomes. If they were out spending it in the stores, in the community on services, all the businesses on Long Island would benefit and we'd all have our schools funded and we'd have this money to be able to go out there.

**CHAIRMAN LINDSAY:**

Thank you, Yolanda ••

**MS. LIPANI:**

Thank you.

**CHAIRMAN LINDSAY:**

•• for your thoughtfulness on this. We have talked about a Long Island lottery as part of the scheme to replace the real estate tax. I readily admit, though, we didn't think about legalizing prostitution.

**MS. LIPANI:**

I would be willing to do that if it would pay for my kids education, you know.

**LEG. NOWICK:**

Just one point.

**MS. LIPANI:**

I'm saying, we can look at Las Vegas, we can look Atlantic City, see how much money is going into their communities and see if we could do it here.

**CHAIRMAN LINDSAY:**

I couldn't agree with you more.

**LEG. NOWICK:**

Just so you know, and it boggled my mind, it's \$2.8 billion we need to have

to fund the schools; is that correct to our economist?

**MR. LIPP:**

Yes.

**LEG. NOWICK:**

Two point eight billion, that's what we need?

**MR. LIPP:**

Yes.

**LEG. NOWICK:**

That's a lot of prostitution.

**MR. LIPP:**

Property taxes are about four ••

**MS. LIPANI:**

It's going on, someone might as well make a profit from it.

**MR. LIPP:**

Property taxes are about a little over four billion in Suffolk County, of which about 2.8 billion is the school districts.

**MS. LIPANI:**

What if that money could come from a source that it did not come off of us and we were able to be home with our kids and that would help the communities and all that excess money that tax •• that homeowners now have would be out spending it and increasing business on Long Island. So I know it's a very outlandish way to look at it, but ••

**CHAIRMAN LINDSAY:**

Thank you.

***Applause***

Steve Garofalo?

**MR. GAROFALO:**

Thank you for holding this commission.

**CHAIRMAN LINDSAY:**

Thank you for coming, Steve.

**MR. GAROFALO:**

Thank you. I'm a Certified Public Accountant, I have 20 years of experience. I'm a tax partner in a major Long Island accounting firm, so obviously I know a lot about taxation.

The interesting thing about taxation is the Federal government decides what's taxed and what's not taxed. Certain income that all of our neighbors earn escapes taxation, tax exempt interest, cash businesses, illegal apartments, or other income gets taxed very heavily. People sell businesses and make millions of dollars in selling their business; what percentage of that should they pay to Suffolk County in that year? Should their bill be 200, \$300,000? New York City has a tax of four and a half percent. I know what •• I do plenty of people, a lot of high network individuals, I see what that bill comes to, every one of them fall into Alternative Minimum Tax, huge problem. In New York State, California, a number of the other very high taxing districts. Should somebody buy a house for 300, 400, \$500,000 and put \$50,000 down and then turn around and finance a \$400,000 mortgage and then pay 8%, 6%, 5%, pay \$30,000 of mortgage interest so their income is lower.

We have all talked about teacher's benefits; well, this would be a windfall for them if they had to pay on income tax because they're not paying on their pensions. Okay? So let's say all the teachers now are paying \$10,000 for their homes; well, we just took that •• we just gave them another \$10,000 benefit. How are they going to get taxed? It's not part of their income. And I think that people have to stop and take a look and say all we're doing here is dividing the pie. Every tax bill that's put out by Washington, by Albany is about dividing who the winners are and who the losers are. Last Wednesday, George Bush signed the tax bill extending the 15% dividend, Qualified Dividends Cap Gain Rate for two more years. They turned around,

I don't know if anybody here does their own returns, but children under 14 were tied to their parents income level. I've seen a child at 14 years old have a half million dollars worth of income, okay, real world stuff. Okay? The bottom line is they're tied now to 17 years old. Are they going to be paying income tax to Suffolk County? I don't know.

A number of people have talked about alternative revenue sources. I just think that income tax is an easy one to look at and say yes, but all it does is shift the burden from one person and helps another. I don't have an answer for this, okay. I volunteer my services to help, okay, but there's lots of other things that aren't being discussed that are equally as important. A week ago or two weeks ago when the school budget was out for all the districts, do we need school budgets anymore? Because right now each community does a school budget and the community itself votes on the school budget. Well, if the revenue is generated from income tax, who approves their budget; do you guys approve their budget? Okay? Who's approving what programs are there?

Okay, now you have a pool of money. Okay, the pool of money right now is coming from each community, okay? You turn around and you raise the money from income tax, okay? Not gambling because that has other issues of not•in•my•backyard problems. How do you divide the money? Who divides the money; do you divide the money or do we have the same problem that we have in Albany right now where one district is fighting another district for money? What happens to home values when we no longer have property values? Right now I know this, that if somebody is buying their home next to mine, it's most likely that they can afford to be there and pay that property tax. But if I happen to have a cash business, I may not •• I might be able to go there and live there a lot cheaper than someone else.

Corporate taxation. Right now corporate taxation, all corporates pay tax if they have income. This commission here cannot do anything about corporate taxation, they're going to continue to pay property tax. What happens to that money? Levittown, as an example, has very little corporations.

**CHAIRMAN LINDSAY:**

Steve, your time is up, if you could wrap up.

**MR. GAROFALO:**

Okay. I just would like to say go slow, okay, because at the end of the day there are going to be a lot of winners and a lot of losers. I like the idea of finding alternative revenue sources, but I think changing to an income tax system isn't a cure•all. Yes, it helps seniors, I have my parents, they live here, they have a burden. I have a son who now lives in Florida, he couldn't afford to be here. I understand that people are moving out, we have serious problems. You know, it's easy to say take away the expenses from the school districts, but they're dealing with heat and they're dealing with all the rising insurance costs and everything else, it is really a problem that is very difficult to get our hands around.

**CHAIRMAN LINDSAY:**

Thank you very much, Steve.

***Applause***

Salvatore Nicosia. Good evening, Sal. Thank you for coming.

**MR. NICOSIA:**

Good evening, Mr. Lindsay, fellow Salvation Army and Gentlemen and Ladies of this commission, this esteemed commission. I'm here tonight to just share some priorities that I have been able to achieve through my 78 years of living in this world, and 50 of them have been in Suffolk County, Brookhaven in particular and Sachem specifically.

As an educator, I'm not here to defend the teaching profession, nor to pile any kind of woe upon them, but I want to speak about something very •• a concern that I have. You've heard a lot of situations here tonight, both about income tax, sales tax, all kinds of formulas. As an educator, what I'm concerned about is the fact that in this last election, May 16th, as I looked at the list of school districts and how they passed and didn't pass their budgets, one glaring thing came across, we are a democracy; democracy means we try to do majority rule and we try to get the majority of the

people involved in the process.

I was very dismayed, not just this year but in past years. Brentwood, for example, popped out 5% of the voters that are eligible in that district voted, 95% stayed home. That's not the only district; of the districts that I counted, Smithtown, Miller Place, Mount Sinai, I looked at them all, no more than 25% of the people voted. When the politicians in Albany look at the numbers, their quick response is,

"We don't have to worry about that." Because we are not the enemy here in local government, it's up in the State where these people have to discern how they're going to split the pie of the budget every year about who gets what and when and where. And they're looking to make sure they get elected so they keep their taxes down, and then whatever is not allocated in New York State budget comes down to the local government and we get caught with it. And these budget crunches in the districts, these school board members, many of them lay people, depend on the financial officers, the business office to give them some kind of direction and they stand there and play guard, so to speak, with money that they have to allocate to the community and they get it in the neck every year.

So consequently, as an educator my concern has been that the politicians only know one thing up in Albany as the politicians locally, because I ran for public office, too, and this is the rub. That unless we get a democracy of people here with 40, 50, 60, 70% of the vote comes out, you're going to have a continuation of this frustration, this feeling of helplessness as you heard that woman say, "May I please beg you to do something," we shouldn't have to beg our elected leaders, our appointed leaders to be begging. We should be empowered to say this is how we've got to go. You've heard kinds of overtures to get a lottery done, to get sales tax, those are remedies. But I think the root cause of our problem in Suffolk County as it is throughout the nation is that we've been espousing to be a democracy and we're really an oligarchy. The people that vote get to get what they want. The teachers, 450,000 NYSIT members of which I'm a member, are well organized; they don't turn out 26%, they turn out 99%.

**UNKNOWN AUDIENCE MEMBER:**

That's right.

**MR. NICOSIA:**

And that's what talks. The committee of 100 as it meets in Albany, they get to schmooze with the Legislators, and I've been up there myself, and I guiltily say that we're empowered because we know what to do, we know how to play politics. We've got to teach our young people because as an educator I am dismayed, and Mr. Pally knows, I've written a book on empowering our children, Mr. Lindsay knows, Lynne Nowick knows and Joe Sawicki knows because I've been to their offices. And I'll tell you something, that unless we do a complete revisal of how we teach our children, from kindergarten on, to \\_inculcate\\_ them, to become empowered so that when they get old they won't say, "I have to vote," they'll want to vote, they'll be empowered and confident to do it and we won't have this ring•around•the•rosy all the time, playing games with ourselves, having these commissions meet, and meanwhile business as usual. Up go the taxes. I remember when I started teaching in 1956 in Patchogue, my salary was \$4,200, I took a cut in salary from working in RCA for ten years while I was going to school at City College for night, of 5,600 to 42, I brought it home and I've been paying taxes for 50 years. I know what struggling is now. Yes, now that I'm retired, I'm somewhat comfortable after being retired for 20 years, but basically we need to empower our children now so the next generation knows how to solve these problems because they've been trained and equipped to, that we won't have 5% or 10%. Sachem this year had a 28% turnout of their votes because we did something about it, we started to go out and educate people and I think that's what's going to happen in this country. Thank you.

***Applause***

**CHAIRMAN LINDSAY:**

Thank you, Sal. I do not have any other cards. Is there anyone else in the audience that would like to speak? Yes, sir. Come forward and identify yourself, please.

**MR. DONNELLY:**

I'm Larry Donnelly, I live in Centerport, I've been there for 43 years, I've been working for 50 years and I'm retired. And I have broken down the

problem here to three areas, the source of the dollars. I think it's just a common sense of fairness that we should seek to obtain the money from people in accordance to their ability to pay. Property taxes are ridiculous, I think as you pointed out very well, Mr. Chairman. If I live across the street from somebody in the same neighborhood and he has a better view of Long Island sound, he'll have higher market value and he pays more taxes which results in higher school taxes. What does that got to do with a person's duty to pay school taxes? Nothing, nothing whatsoever.

The pay and benefit package is another area, that's the expense side of the equation. I would like to put a challenge before the representative from the union to publish the contract that people like myself are paying for, we are a party to the contract; we're paying the bill and I think we should have the privilege of seeing the contract.

### ***Applause***

And the benefits with it, the pension, the health coverage till they die. It's a deal that you can't get in private industry and I have been in private industry all my life. Then there's the business of the social contract that myself and all the residents enter into. As a citizen in the community, we have a duty to pay for basic education for our children. We do that because you want to raise decent citizens and we don't want them to be stupid and not understand the government, not understand arithmetic, they can't make change when they're working behind the counter at a grocery store. We like them to be able to read and write and understand what people mean when they talk to them. But we go far, much further than that with our education. It seems to me that the public has been brainwashed into thinking that there is a relationship to how much money you pay the teachers and how well your student does, and there isn't any, it's been proven time and time again.

### ***Applause***

Now, if we give a basic education it would cost much less money, as many people have pointed out here. If we give a basic education to our students, it will cost a lot less money than the one we're providing and it won't take

highly paid teachers to provide a basic education. The so-called reading, writing and arithmetic, it includes more than that, but that's what it's referred to as. To go any further than that, I think it should be based on a merit system, just as the pay of the teachers should be based on a merit system. I think that if a student comes from a family that does not have the ability to pay and he has what it takes to get ahead, in other words he's smart, then I think on the basis of a merit score, merit test, he should be given a scholarship, a high school scholarship to go to a special school or get special studies or tutors to bring him further ahead than a very high percentage of the students, I'm sad to say, who don't give a damn about •• they don't even want to be in school, they want to •• they can't wait to get out. And here we are paying more money to highly paid teachers so that they can turn the schools tighter and force these guys to learn and they're not doing it, they're resisting it.

So I think the bottom line •• what I'd like to close with is a challenge to the representatives of the union to publish the pay package and educate the public in exactly the deal that we're getting into here and then maybe you'll see a higher turnout for the voting on the school board, when you see •• you'll see the public raise up in outrage at what the teachers are being paid.

I have a story that can be repeated thousands of times I'm sure right here on Long Island. I moved here 43 years ago, I pay \$20,000 for my house, I still live in it. I was making \$10,000 a year as an engineer at Grumman and I work hard and started my own business and I just retired at age 70 a couple of years ago. All I have is the money that I saved and the value on that house and the school tax is picking my pocket and taking my retirement nest egg away from me, year by year, so that they'll have a better •• so they can retire early and have benefits that last until they die.

***Applause***

**MR. BAHR:**

Mr. Chairman?

**CHAIRMAN LINDSAY:**

Yes.

**MR. BAHR:**

Just •• and obviously we're not debating anything here, but you should all know, there is no secret, you can •• Freedom of Information the collective bargaining agreements are available to any taxpayer in any district, simply ask for them in your school district and they have to give them to them.

**MR. DONNELLY:**

I don't think that's the case.

**UNKNOWN AUDIENCE MEMBER:**

Yes; no, they do.

**MR. BAHR:**

All I'm telling you is that is what the law is and you have a right to see it. Certainly we don't want to hide it, it's there for you to take a look at, you have a right to see it if you're a taxpayer in your district. And your district is not doing right by you if they refuse to give it to you.

**MR. DONNELLY:**

I think you should know.

**CHAIRMAN LINDSAY:**

Is there anyone else that would like to speak? Please come forward, sir. Please identify yourself.

**MR. O'KEEFE:**

Good evening, Mr. Chairman. I'm Brian O'Keefe, I reside in East Patchogue and my business is directly across the street here in Hauppauge. I'm self •employed in a partnership and I'm a homeowner on Long Island as well. And I think the greatest challenge that you do have here is due to voter apathy, it's unfortunately fallen to people like yourselves to more or less almost paternalistically help us. Because we are here tonight, we are probably part of the small percentage that actually does vote, but I would have expected to see this place absolutely packed to the rafters and I don't see it. I thought I •• I got here half an hour early to watch the parking lot because I expected •• I couldn't park my car here even though I was

watching this parking lot from my business across the street all day long, I don't see people here, I don't see people with placards, I don't see people standing outside waiting to come in.

We've heard a lot of good ideas. I think part of the problem as, we've identified with the governmental system, is that public service is quite simply that and I think unfortunately, with people being really concerned about being reelected, they forget that public service is not guaranteed lifetime employment and they strive to feather their own nests and not do what they have essentially sworn to do which is to assist the constituency. And I'm sorry, I don't mean to shift the burden on to all the elected officials, unfortunately that seems to be what is happening.

In light of that being the fact and in light of the fact that we don't seem to turn out the large numbers and in light of the fact that it will take years to bring forth a whole new generation of people, as the one gentleman said, who would perhaps be implicated with the sense of civic responsibility to vote. I do favor the income tax solution simply because I think something has to be done to relieve the burden on the home owners on Long Island for the good of our community and for the continued viability of businesses and homeowners on the Island. Unfortunately, the taxes have risen to a point where they're going out of control, at least from my personal perspective. I can •• I have a particular advantage in that in a private business I can raise my fees to a certain extent to help compensate for rising costs, and a lot of other people have salaries which aren't even matching inflation, they're losing ground every year. My problem is when I ask people to pay my fee, they're the very people who are losing ground every year and find it more difficult to pay my fees for my services.

So I do think that the income tax solution, at least given the current environment that we have, is the first best step in the right direction; it's probably not the only step, not the last step, but perhaps if people can see some relief coming their way we can encourage a better environment on Long Island for business and for homeownership and contain some of our costs and provide for a decent standard of living for all of us. And so I think that sharing the burden across the board more broadly is certainly not the only solution, but it's probably the best solution in my opinion right now.

**CHAIRMAN LINDSAY:**

Thank you, Mr. O'Keefe.

**MR. O'KEEFE:**

You're welcome.

**CHAIRMAN LINDSAY:**

I appreciate your remarks.

***Applause***

I'd like to thank everybody for attending tonight and showing your interest and your ideas, and this process will continue. I'd like to thank the board for giving up your evening to be here tonight. We have two more hearings, as I said, one in June and one in August, and anybody else that would like to come out and give us your opinion, that's what we're here for, right? Thank you very much.

**UNKNOWN AUDIENCE MEMBER:**

Mr. Lindsay?

**CHAIRMAN LINDSAY:**

Yes.

**UNKNOWN AUDIENCE MEMBER:**

As someone pointed out, you know, we were surprise at the showing. It was almost like an afterthought in the Newsday editorial at the bottom of the page, you had to read that article to find out that this hearing was going on.

**CHAIRMAN LINDSAY:**

Well, I •• the only thing that I can say is that we made an attempt through public service announcements to get notices out in to all the local papers as well as to, you know, Suffolk Life and Newsday and our County•wide papers. I really can't control how vehemently they carry it, you know, but your point is well taken. Thank you. Good night.

**(\* The hearing was adjourned at 9:13 PM\*)**

**Legislator William Lindsay, Chairman  
Homeowners Tax Reform Commission**