

WAYS AND MEANS
COMMITTEE
of the
SUFFOLK COUNTY LEGISLATURE
Minutes

A regular meeting of the Ways and Means Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on Wednesday, March 16, 2011.

MEMBERS PRESENT:

Legislator Ricardo Montano - Chairman
Legislator Steve Stern - Vice-Chairman
Legislator Kate Browning
Legislator John Kennedy
Legislator Lynne Nowick
Presiding Officer Lindsay - Ex-Officio Member

ALSO IN ATTENDANCE:

George Nolan - Counsel to the Legislature
Gail Vizzini - Director - Budget Review Office
Robert Lipp - Deputy Director - Budget Review Office
Renee Ortiz - Chief Deputy Clerk of the Legislature
Eric Kopp - Deputy County Executive
Dennis Brown - County Attorney's Office
Christine Malafi - County Attorney's Office
Paul Perillie - Aide to Majority Caucus
Robert Martinez - Aide to Chairman Montano
Justin Littell - Aide to Legislator D'Amaro
Jeffrey Casale - Suffolk County Off-Track Betting
Anthony Pancella - Suffolk County Off-Track Betting
Jim McManaman - Suffolk County Off-Track Betting
Dot Kerrigan - AME
All other interested parties

MINUTES TAKEN BY:

Donna Catalano- Court Stenographer

(*THE MEETING WAS CALLED TO ORDER AT 10:20 A.M.*)

CHAIRMAN MONTANO:

Good morning. We are going to start the Ways and Means Committee Meeting with the Pledge of Allegiance led by Legislator Stern.

SALUTATION

Thank you. You may be seated. We're going to be having a Special Meeting of the Legislature at 12 o'clock. So with that, I'm going to jump right into the agenda. There's no correspondence. I don't believe we have any cards today; is that correct? Okay. We have no cards, no presentations.

We are going to move right to the Tabled Resolutions, then after that, I'm going to ask that -- okay. After the Tabled Resolutions, I'm going to take the resolution dealing with OTB out of order so that we can hear from representatives from OTB, and then we can have a discussion and vote on that bill, because that bill on the agenda of the Special Meeting.

The first resolution is **2018 - Adopting Local Law No. -2010, A Local Law to promote the preservation and Integrity of the Pine Barrens Core area by prohibiting the redemption or conveyance of vacant or unimproved Pine Barrens Core parcels acquired by Suffolk County by tax deed. (Co. Exec. Levy)**

I'm going to make a motion to table that. Is there a second on that?

LEG. STERN:

Second.

CHAIRMAN MONTANO:

Second. Any discussion? All in favor? Opposed? Abstentions? Motion to table carries.

TABLED (VOTE: 5-0)

IR 2045 - Adopting Local Law No. -2010, A Charter Law to limit campaign donations by members of the Ethics Commission. (Cooper)

I believe that the public hearing is still open on that. I'll make a motion to table for a public hearing, seconded by Legislator Stern. Any discussion? All in favor? Opposed? Abstentions? Motion carries. **TABLED (VOTE: 5-0)**

2100 - Directing modernization of the County Financial Disclosure Form. (Co. Exec. Levy)

Again, I will make a motion to table, seconded by Legislator Stern. All in favor? Opposed? Abstentions? Motion to table carries. **TABLED (VOTE: 5-0)**

2208 - Adopting Local Law No. -2010, A Local Law implementing the Charter Commission's recommendation regarding the terms of the Presiding Officer and Deputy Presiding Officer. (Romaine)

Again, I will make a motion to table, seconded by Legislator Stern. Any discussion? All in favor? Opposed? Abstentions? Motion to table carries. **TABLED (VOTE: 5-0)**

1010 - Adopting Local Law No. -2011, A Charter Law to reaffirm the County Legislature's policy-making authority. (Schneiderman)

I'm going to make a motion to table that.

LEG. KENNEDY:

Second.

CHAIRMAN MONTANO:

Seconded by Legislator Kennedy. Any discussion? Anyone want an explanation? Okay. All right. I will ask Counsel to give a brief explanation.

MR. NOLAN:

This proposed law would amend the County Charter to state expressly that no proposal to terminate a function of service performed by the County to close a facility where such function is performed, a service delivered will be advanced or implemented by the County unless it's expressly authorized by a Legislative resolution. And further, the law would bar the County from terminating a function or a service or closing a facility through the Operating Budget unless the action is previously authorized by a resolution of the County Legislature.

CHAIRMAN MONTANO:

Any questions?

LEG. BROWNING:

No. I was going to make a motion to approve.

CHAIRMAN MONTANO:

I mean, you're certainly within your prerogative. I'd like more time to look at this. I don't think there's any pressing need. One thing I will, just as a comment, the title, you know, "a Charter Law to reaffirm the County Legislature's policy making authority," I think maybe you should take a look at that. If we have the policy making authority in the first instance, why do we need a law to reaffirm it? But that's not dealing with the substance. I think the issue here has to do with the -- emanating from the nursing home and the way that the budget was passed; is that correct?

MR. NOLAN:

Yeah, definitely that was the trigger.

CHAIRMAN MONTANO:

On the motion, Legislator Stern.

LEG. STERN:

Thank you, Mr. Chairman. Clearly this body has the policy making authority over the services that we provide and how provide them, but just as important, with that policy making authority has to go the budget making authority as well. And so we could debate all day what our policy and what we think are necessary services to be provided. But at the same time, we have a fiscal responsibility to ensure that if we are going to provide services that it's done in a responsible way.

Again, we can talk about policy making and what we feel is important, but we need to make sure that as we go through that discussion, that our ability to meet those obligations through our budget is met as well. So, you know, this is -- this is a proposal that while I think we all agree we already have that policy making authority, sometimes we are able to do what feel is most important, and other times we have budgetary constraints. And that is just as much of a conversation that we have had to have.

Going forward, yeah, there are going to be issues that we all believe are extremely important in

services that we need to provide to our residents. But this is a resolution that I think confirms what we already know; that this is the body that has policy making authority in Suffolk County. But just because we say it's important policy, doesn't mean that we are going to be able to provide it in a way we think that we want to provide it. Of course, that's going to be down according to our ability to provide the services, and that's through our budget making process.

CHAIRMAN MONTANO:

Legislator Nowick.

LEG. NOWICK:

George, you can answer this. I'm just not sure what this does after listening to Legislator Stern. What does this do? It's legislation to reaffirm? I'm not so sure I understand what that means. I know what reaffirm means, but why are we doing that?

MR. NOLAN:

Well, I think, you know, in listening to Legislator Schneiderman, you know, the Charter says the County Legislature is a policy-making body, yet up to certain point, he felt the County Executive was able to advance the closure of the Foley facility, which he thought was a major policy decision, without ever gaining a majority vote of the Legislature. Now, that changed at one of our recent meetings. But that was really the rationale for the bill. Legislator Schneiderman said, we're closing Foley after 100 years, and yet, we never had a majority vote of the Legislature saying let's close that facility. So he thought it was important to put in this resolution to say if something like that comes up in the future that it does not advance unless the Legislature makes a policy declaration through a Legislative resolution.

CHAIRMAN MONTANO:

Go ahead, Legislator Stern.

LEG. STERN:

Just very briefly. My question is the same exact question that Legislator Nowick just raised on this resolution. She put it very succinctly, and I agree with you. I share that same concern.

CHAIRMAN MONTANO:

Just a comment. I'm not really that concerned with the title, although it is somewhat, in my opinion, maybe -- could be worked on better if we had the authority. I'm more concerned with the substance. I would like to move forward. We have one tabling motion, is there another motion? Hearing none --

LEG. BROWNING:

I'll make the motion to approve.

CHAIRMAN MONTANO:

Okay. We have a motion to approve, do we have a second? All right. Hearing no second, then we'll vote on the tabling. All in favor? Opposed?

LEG. BROWNING:

Opposed.

CHAIRMAN MONTANO:

Abstentions? Motion to table carries. It will be on the agenda for the next meeting, we can discuss it then. **TABLED (VOTE: 4-1-0-0 Opposed: Legislator Browning)**

1073 I believe has been withdrawn. The last Tabled Resolution.

1085 - Sale of County-owned real estate pursuant to Section 72-h of the General Municipal Law (New York State) (SCTM No. 0200-980.40-03.00-026.000). (Co. Exec. Levy)

And I believe that there is competing or another resolution on the agenda that deals with the same substance and subject matter; is that correct, Legislator Browning?

LEG. BROWNING:

Yes, it is. They in fact, this resolution -- I contacted the Village Mayor and Trustees, they weren't even aware of this resolution. And plus the fact that they are a new village, basically they can't afford to pay the money that's requested in this resolution. Mine is slightly different. And I did meet with them, and they said that they would appreciate my resolution.

CHAIRMAN MONTANO:

Okay. Now, the purchase amount here I believe is \$6365.13.

LEG. BROWNING:

Right.

CHAIRMAN MONTANO:

Okay. Now, Counsel, if I may, for the 72-H, do we need a resolution from the village or from the municipality approving the transfer?

MR. NOLAN:

Well, I think we can pass our resolution first, but it won't happen -- the transfer won't happen until the village expresses what they want.

CHAIRMAN MONTANO:

Okay. And have they passed such a resolution at this point, Legislator Browning?

LEG. BROWNING:

I believe they were having a meeting last night. I haven't had any conversation with them. So I was looking to maybe pass mine out of committee today and -- you know, if they're not prepared by the next meeting, we will table it.

CHAIRMAN MONTANO:

All right. And since you're looking to pass yours out of committee, do you have a motion in this resolution?

LEG. BROWNING:

Tabled subject to call.

CHAIRMAN MONTANO:

All right. I'll second the resolution. Pam, did you want to say something?

MS. GREENE:

Well, good morning, Mr. Chairman, members of the committee. If I can, just a little history. This was -- as I think most of the committee members might be aware, this was a piece of property that had been scheduled to be auctioned last fall. At the request of the village to the County Executive, this parcel was removed from the auction. And at the time, prior to the auction, there was discussion with -- I hate to use the term village people -- but with the village people that there would be an expectation for the County to be reimbursed its County investment, which is obviously

what the division always seeks. /SKWRES there was a gentleman's agreement that there would be the reimbursement of the County investment and then the land would be transferred to the village.

In the interim, we the division, would request a resolution, because it must state one particular purpose for the property. In other words, the resolution that has been before you now says that it could be used for a park or a village hall. And we would ask that there's one specific purpose, because in the manner the County transfers the property depends on whether the workforce housing credits are stripped off the land or not. In addition, there is now a new tax map number for the new village, and, of course, that just happened after March 1st. So it would be most appropriate to include that new tax map number in the transfer.

CHAIRMAN MONTANO:

Let me ask you -- first of all, I think Legislator Browning wanted to put some comments on the record.

LEG. BROWNING:

I would like to correct little bit about what you said. This was a piece of property -- it was a member of the Osprey Point Civic and a member of the Mastic Beach Property Owners who approached me. There was no village mayor or trustees at the time, they were going through the election process. They made the request to withhold the piece of property until after the whole village thing got resolved. Now we do have a mayor and trustees. However, they weren't aware of this resolution when I spoke with them.

And there was some concern with them as far as the money's concerned, because you know they're just up and running, money is an issue for them. I thought it would be -- it would be nice gesture on our part to work with them as a new municipality to transfer the property to them. So with that, like I said, I spoke with them. I did want to check and see if they have done a resolution to pass the acceptance of this property. Like I said today, I don't have that answer. But anyway, like I said, it was not the village that made the request, it was local civic leaders that made the request.

MS. GREENE:

Correct. And there was press release, I believe, at the time in October. And again, it did describe that there would be an expectation of the reimbursement. But that certainly is a policy-making decision.

LEG. BROWNING:

Who made the press release that there would be an expectation? Not the village people.

MS. GREENE:

Again, that was prior to their being formally incorporated.

CHAIRMAN MONTANO:

With all due respect, what I'd like to do is withdraw -- did I second the motion to table subject to call? All right. I'm going to withdraw that, but what I am going to do is just make a motion to table, and then we will see where we wind up your resolution. And if yours passes, this will probably be default not even be necessary at the next meeting. So I'll make a motion to table, do I have a second on that? Seconded by Legislator Browning. All in favor? Opposed? Abstentions? Motion to table carries. **TABLED (VOTE: 5-0)**

Now, we're going to move on to the Introductory Resolutions. As I stated earlier, we have members of the Off-Track Betting. Yes. IR 1233, I'm going to make a motion to take 1233 out of order. Motion to take it out of order.

LEG. STERN:

Second.

CHAIRMAN MONTANO:

Motion to take it out of order and a second. We'll vote on that. All in favor? Opposed? Motion carries.

1233 - Authorizing Suffolk Regional Off-Track Betting Corporation to file a petition under Chapter 9 of the United States Bankruptcy Code. (Pres. Off.) is before us. I'm going to ask Jeff to come forward and his team.

CHAIRMAN MONTANO:

Good morning, gentlemen. For the record, just enter your appearance or put your names on the record so we can move forward on that, and then you can make your presentation. If there are any questions, we will address it after your presentation.

MR. CASALE:

I am Jeff Casale, President of Suffolk Off-Track Betting. To my right is Anthony Pancella who is the Vice-President. And to my left is Jim McManaman, General Counsel of Off-Track Betting.

I really have very little to say that you haven't heard already today. I've made several presentations over the years actually to this committee and to the full Legislature as to direction I thought -- we collectively thought Off-Track Betting not just here in Suffolk, but throughout the state was heading. We know the history. We know that in the very early days of Off-Track Betting there was very little competition for gambling dollars and racing was probably the only game in town. And it was a lucrative and exciting industry.

Over the years, laws have changed radically where shifts have been made to more and more of what we make being turned over to the industry, either to the breeder's funds or track operations and less and less to local government and less and less, obviously, available for operating expenses. Almost every penny we make, in one way or another, on wagering, we're told how to spend it. The laws dictate certain amounts being given across the industry, certainly to the County.

I think over the years, 38 years of our history, Suffolk County taxpayers have actually realized about \$360 million from Off-Track Betting at no cost to the County in raising that money, which of course, was one of the reasons, I believe, most counties across the state entered into the OTB system. It was to not just support the racing industry, it was also to eliminate illegal book making and to generate revenue for local governments. I believe that the Off-Track Betting system has been successful in all three fronts, in fact, very successful in all three fronts, but these are different times.

There's been increased competition for entertainment and wagering dollars across the state. We all know in that 38 years what has happened with the infiltration of internet gambling sites from out-of-state. We know that there have been the growth of Atlantic City and casinos in Connecticut, and most recently, private tracks throughout the state getting permission to run video lottery terminals, which are, in effect, slot machines where they're generating a lot of revenue for those tracks. So the competition clearly has increased.

But I think in the last two years in particular, we, not just here in Suffolk, but I think across the country, have experienced an incredibly serious economic recession. Everyone cutback spending on all fronts. In particular what was cut back, and I think very importantly here in Suffolk, was entertainment dollars. It's one of the first things people cut. And while we had to continue to operate, we were processing, for instance, the same number of transactions, but for a significantly less amount of money. But we watched our handle, which is the money wagered on races

continuously decline beginning probably four years ago, five years ago and rapidly accelerate during the -- since about November of '08 to today.

Now, we believe -- I know this committee has been updated fairly regularly on our activities. We at Suffolk OTB wanted to set an example not just here, but across the state where we would really be proactive in downsizing and scaling down the operation and conforming to the demands of today. I think you all know just how aggressive we were in those activities for the expenses that we had control over. Suffolk OTB cut, if you look at five years ago to today, a little over \$6 million in operating expenses. We also now have over 100 employees less than we were five years ago. We already have two branches, soon to be three branches less than we had five years ago. We have implemented many, many, too long to even recall here, policy changes that would affect our financial bottom line, including the requirement that employees contribute to their health benefits.

I feel very comfortable in telling this committee and telling anyone who will listen that we were very responsible and very aggressive in addressing the declining handle. And the increases in cost that we have no control over, there was very little we can do. And you know what those are. Those are health benefits, those are pension costs. I mean, that's affecting every municipality in the state.

We obviously hit a point where we weren't -- if we had just been dealing with a downturn in the economy, I think we wouldn't be here today. But in addition to that, if we had just been dealing with what we have many times outlined as convoluted and outdated distribution formulas affecting the OTBs, we wouldn't be here today. You combine the two, pretty much, you're going to run out of options.

Now, for the long term, and actually for the near term, I should say, we are exercising every tool that we need to have available to us to continue to recraft and restructure Off-Track Betting here in Suffolk County. One of those tools that is available to any municipality, because in affect, under the law, we are considered a municipality, would be what they call a Chapter 9 restructure. And we believe we are at the point where that is a very valuable tool, a very effective tool for us to continue our restructure.

Our goal, and I emphasize the word goal, is to continue to operate, obviously, in a different fashion; smaller than we are today, but more profitable than we are -- or begin to turn profit as we move along. It will not be easy. It is sometimes painful to go through these changes, but we've made hard decisions in the past, and we're going to continue to make those hard decisions. But with a Chapter 9 restructure, we have a financial tool available to us to allow us to do the things that we think we need to do to succeed.

And just on my final note, I do thank this committee and the entire Legislature actually for always listening. We've been here many times. So, you know, that we appreciate. We want to continuing, we want to operate, and we want to be effective and profitable.

CHAIRMAN MONTANO:

Thank you. Any other comments from your side there? Anyone want to add anything to what you said? Hearing none, I'm going to ask if there are any questions. Legislator Kennedy.

LEG. KENNEDY:

Yes. Thank you. You started off, Jeff, with your presentation referencing the fact that you've been before us before, and I appreciate that. To all three of you, you've made yourselves tremendously available to answer questions that we have and kind of go through the process.

I was going to ask why we look for Chapter 9 as opposed to just try to work out the way any commercial entity that's in distress would attempt to go forward at this point, because as you

gentlemen can appreciate, we are trying to balance always -- balance the equities, as they say. You spoke to this last week, just speak to it a little bit again about what's going to happen to the people that OTB owes money to; whether it's, you know, the landlords or the vendors of paper or utilities or -- how is this process going to affect that?

MR. MCMANAMAN:

James McManaman, Legislator Kennedy. OTB has more assets than it has liabilities, so in the worst possible case scenario, in the event that there was liquidation, all creditors would be paid 100% of the cents on the dollar.

LEG. KENNEDY:

Okay. The other thing I guess that's important to establish here to in seeking the Chapter, a trustee is going to be appointed presumably, and then the trustee is going to work in concert with you and the Executive Board? Tell me a little bit about that as we go forward, that element of direction and control and what role the board plays and you as the Executive Officers and the trustees. Just speak a little bit to that.

MR. MCMANAMAN:

Legislator Kennedy, as I understand it, Chapter 9, the debtor, that's us, the petitioner, is required to offer a plan. And the plan will be considered from Bankruptcy Court with input from a Creditors Committee. However, the Creditors Committee under Chapter 9, as opposed to certain other aspects of the bankruptcy code, does not have final say so in that regard.

LEG. KENNEDY:

So we'll have that element and that ability to continue to -- okay. So then our role as a Legislature in appointment to you for your board will still have the ultimate decision making ability or power going through this.

MR. MCMANAMAN:

Yes, I believe that's correct, in that our Board of Directors is appointed by this Legislature. And our Board of Directors, as I understand it, is in communication constantly with this Legislature. Certainly no decisions -- no substantive decisions as to the direction the Chapter 9 takes will be made without further consultation with this Legislature.

LEG. KENNEDY:

And then what I would ask through the Chair is that you please reiterate to the trustees and also to yourselves, I'm going to ask that since we're entering a somewhat unique process that you kind of continue that dialog to make us aware of how the process is going forward.

MR. CASALE:

I think I can say very clearly we will always keep the Legislature, this committee, very involved. And the County Government at all levels we'll keep involved. Clearly, we had hoped we would not reach this point, but sometimes, you have to use the tools that you have. I thought, Legislator Kennedy, you made a very interesting observation when you said "like other commercial enterprises." Unfortunately, we are a business, but also unfortunately, we are not a business, because of the way it has been structured in the state. If we were able to do what other private enterprises do, we probably would have gotten out of this a long time ago.

Unfortunately, the way the laws have been written -- and you know that -- I'll take the heat for this, I've been extremely vocal about the need for change. I think Suffolk OTB in particular as a group has been advocating new business models and changes not just here in Suffolk, but across the state. We were unsuccessful in those efforts. So, yes, we are a commercial enterprise. And that is the message we always try to give our regulators and our State Legislators, that we are a

business, we need to be able to run like a business. But when everything is pretty much divvied up for you, it gets hard to make the decisions that you need to make.

For the things, that I said earlier, that we had control over, and I said it's a list as long as can be, we reformed Suffolk OTB. It is a very different place today than it was five years ago. We needed help on other fronts, and we could not get it. We tried desperately. So now we have to take the next step, and that next step is Chapter 9.

LEG. KENNEDY:

You have maintained a robust dialog with the other regional OTBs throughout the state.

MR. CASALE:

Yes, very robust.

LEG. KENNEDY:

I'm just curious as to -- you talked about Suffolk has rightly been the leader in many case with operations. Do you foresee that the other regionals are going to take this step as well or?

MR. CASALE:

It's hard for me really to talk about the other regions in terms of their actual status at this point.

LEG. KENNEDY:

Sure.

MR. CASALE:

But we have predicted all along that if this continues in the state with no change in the laws or no upturn in the economy soon, that other OTBs could be in very similar circumstances. And, you know, I don't know their current conditions, but I can tell you that everybody's a little nervous, whether it's here, whether it's Catskill or the Capitol. But Western New York, as I said, they're probably the best of the bunch. Western New York OTB is in great shape largely because they own a racetrack.

LEG. KENNEDY:

Okay.

MR. CASALE:

And I don't think I'm telling tales out of school, but the racetrack operation, Batavia Downs in Western New York, which is owned by Western New York OTB is completely subsidizing the OTB operation there. Now, if there ever was an example of what's wrong with the laws relating to OTBs, that's it. God bless them, they're doing well. I'm happy for them. Their counties are realizing some real revenue. Other regions are not so fortunate. I think we are unique in Suffolk County, because we don't have a track in our county.

LEG. KENNEDY:

Right.

MR. CASALE:

We also are unique in that we're the only region that has real operational cooperation between regions; Nassau and Suffolk. We perform Nassau's OTB telephone account wagering and we provide all their printing services for them. You know, that's been very beneficial to both regions. We think there should be more of that, and maybe under the restructure, there will be. These cooperative arrangements keep our costs down and deliver more services and, you know, hopefully more monies to the counties.

LEG. KENNEDY:

Thank you, gentlemen. I appreciate it.

CHAIRMAN MONTANO:

Lynne, go ahead.

LEG. NOWICK:

Jim, I just wasn't sure what you said. When you're into Chapter 9 -- and Legislator Kennedy had asked if you have liabilities and you said you had more assets than liabilities, and I get that, but right now, if you go into Chapter 9 and you owe money, whether it's -- I don't know if you paid at tracks, I know to the state -- what happens then? Does that all get held off until you redo your budgets and money -- economy changes so to speak? How long do you have? Is there a set limit to a Chapter 9, how does that work?

MR. MCMANAMAN:

Legislator Nowick, as I understand it, there are two sets -- once a debtor is in Chapter 9, there are two sets of accounts payable; what's known as prepetition and postpetition. Post petition accounts have to be kept current, and we will keep them current. That's a required part of the bankruptcy.

LEG. NOWICK:

That what you already owe?

MR. MCMANAMAN:

No.

LEG. NOWICK:

No.

MR. MCMANAMAN:

Those are considered prepetition accounts payable.

LEG. NOWICK:

Post has to be kept --

MR. MCMANAMAN:

Current.

LEG. NOWICK:

Current. Pre?

MR. MCMANAMAN:

Prepetition accounts payable will be paid assuming we are able to reorganize as part of the larger reorganization plan as supervised and approved by the Bankruptcy Court. So what it does, it insulates the debtor -- the Chapter 9 insulates the debtor from legal action from monies that are owed for accounts that were payable in the past, not current accounts. It also assures that parties with whom we have contracts, for instance, racetracks and tote systems, have to continue providing our services to us while we are in Chapter 9.

LEG. NOWICK:

Is there a timeframe? For a Chapter 9, do they say, "You have three years or four years or five years"?

MR. MCMANAMAN:

As I understand it, there's no specific timeframe in the statute. We anticipate that our reorganization will take six to eight months. It's possible that it could take even less, but a realistic estimate, on advice of Bankruptcy Counsel, is six to eight months, gives the circumstances that we find ourselves in.

LEG. NOWICK:

Okay.

CHAIRMAN MONTANO:

Okay. Thank you very much. Lynne, would you like to make a motion on this?

LEG. NOWICK:

I'd like to make a motion to approve.

CHAIRMAN MONTANO:

I'll second the motion. Legislator Stern, on the motion.

LEG. STERN:

Yeah, thank you. Jeff, you and your team were with us last week and made a detailed presentation and you Counsel was there and answered a lot of questions that were asked. What, if anything, has changed from last week to this week? We are going to be meeting in special session and perhaps going forward. Is there anything -- is there anything that's changed over the past week?

MR. CASALE:

Other than accelerating the need for us to proceed, nothing else has changed. Our situation remains serious, and we're not certainly going to be coy about that, that's real. The need to act is becoming more and more urgent. And we need to have the tool available to us affect the changes that we've been talking about.

CHAIRMAN MONTANO:

Okay. With that, a motion to approve has been made. All in favor? Opposed? Abstentions? Motion carries. **APPROVED (VOTE: 5-0)**

Did you want to say anything else, Jeff?

MR. CASALE:

Thank you.

CHAIRMAN MONTANO:

Because this is going to be the subject of the Special Meeting at 12 o'clock, so you'll obviously stick around, and they'll be further questions, I'm sure, at the time. Did you want to say anything?

MR. CASALE:

Just thank you, again. We know these are not easy times, these are not pleasant options, butt hey are necessary options. We're prepared to work very hard to succeed.

CHAIRMAN MONTANO:

Before you leave, I'm going to take the prerogative of the Chair, I'm going to ask everyone to please stand -- and I probably should have done this at the beginning of the meeting -- as you know, Legislator Nowick's brother passed away recently, and we want to take a moment of silence on his behalf. We also know that he was a valued employee at OTB. So would you please stand. Let's take that moment of silence on Dennis's behalf.

MOMENT OF SILENCE

CHAIRMAN MONTANO:

Thank you. Thank you very much. We will move forward. Okay.

Introductory Resolution **1119 - Authorizing certain technical correction to Adopted Resolution No. 1151-2010. (Co. Exec. Levy)**

Would you just gives us a brief --

MR. NOLAN:

It's changing a point number in a capital project.

CHAIRMAN MONTANO:

All right. I'm going to make a motion to approve and place on the Consent Calendar, seconded by Legislator Stern. All in favor? Opposed? Abstentions? Motion carries. **APPROVED and PLACED on the CONSENT CALENDAR (VOTE: 5-0)**

1123 - Reappointing member to the Judicial Facilities Agency (John J. Collado). (Montano)

I'm going to make a motion to approve, seconded by Legislator Kennedy. All in favor? Opposed? Abstentions? Motion carries. **APPROVED (VOTE: 5-0)**

1125 - Authorizing the sale, pursuant to Local Law No. 16-1976, of real property acquired under Section 46 of the Suffolk County Tax Act M.R.H. Mallard Family Limited Partnership, by Rhuella Hossain (SCTM No. 0200-975.90-02.00-043.000). (Co. Exec. Levy)

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

1126 - Authorizing the sale, pursuant to Local Law No. 16-1976, of real property acquired under Section 46 of the Suffolk County Tax Act Arlene S. Eckles (SCTM No. 0905-002.00-01.00-009.001). (Co. Exec. Levy)

I'm going to do same motion, same second, and with your permission, same vote. That's to place on the Consent Calendar and the other two will follow. **APPROVED and PLACED on the CONSENT CALENDAR (VOTE: 5-0)**

1127 - Authorizing the sale, pursuant to Local Law No. 16-1976, of real property acquired under Section 46 of the Suffolk County Tax Act Vincent Torres and Letitia Torres, his wife (SCTM No. 0500-338.00-02.00-044.000). (Co. Exec. Levy)

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

LEG. BROWNING:

I need to ask a question on 1125.

CHAIRMAN MONTANO:

Which one, the one that we just did?

LEG. BROWNING:

1125.

CHAIRMAN MONTANO:

I will certainly go back to 1125, not a problem. Counsel, we don't need a motion to reconsider just to discuss it, do we?

MR. NOLAN:

Not yet.

CHAIRMAN MONTANO:

Not yet. Go ahead, Legislator.

LEG. BROWNING:

Okay. 1125, is that the piece of property in North Bellport?

MS. GREENE:

The restaurant that we've often had difficulty with? It is.

LEG. BROWNING:

We've had a lot of difficulty with.

MS. GREENE:

So we join in thanking the Legislature for moving this towards redemption.

LEG. BROWNING:

The problem is -- do you know how many times this has come to us for redemption?

MS. GREENE:

I don't. Again, redemption is a matter of right. They have now paid in full, so we are ready to close.

LEG. BROWNING:

Pam, I'd like to talk to you some more about this. I mean, I have had problems with this individual in my district with properties that he owns, rental properties. It just seems like his name keeps popping up in my district as a slumlord. Just to put it blank, that's just what he is. Again, this is a property in North Bellport that's an eyesore. He is just not helping the community. But I guess we'll let it go for now, and I'll address it again on Tuesday.

CHAIRMAN MONTANO:

Right. I was just talking to Counsel. Right now, we made a motion and approved it to be placed on the Consent Calendar. But on Tuesday, you can request that it be taken off the Consent Calendar --

LEG. BROWNING:

Right. I'll do that.

CHAIRMAN MONTANO:

And we can have formal discussion on it. Thank you.

I believe we are on **1128 - Authorizing the sale, pursuant to Local Law No. 16-1976, of real property acquired under Section 46 of the Suffolk County Tax Act Goals and Benefits, Inc., by Thomas McSherry, Vice President (SCTM Nos. 0900-295.00-01.00-010.009, 0900-295.00-01.00-010.013, 0900-295.00-01.00-010.017, 0900-295.00-01.00-010.019, 0900-295.00-01.00-010.020, 0900-295.00-01.00-010.021 and 0900-295.00-01.00-010.022). (Co. Exec.)**

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

1133 - Adopting Local Law No. -2011, A Charter Law to strengthen County Legislature oversight of departments, offices and agencies. (Romaine)

I believe that's scheduled for a public hearing. I will make a motion to table for public hearing, seconded by Legislator Stern. All in favor? Opposed? Abstentions? Motion carries. **TABLED for PUBLIC HEARING (VOTE: 5-0)**

1149 - Authorizing the transfer of certain property to Suffolk County Department of Public Works. (Co. Exec. Levy)

For discussion, I'm going to make a motion to approve.

LEG. STERN:

Second.

CHAIRMAN MONTANO:

Seconded by Legislator Stern. And I'm going to ask Counsel for an explanation.

MR. NOLAN:

The Department of Public Works has requested this particular parcel for highway -- I think to enhance parking facility. I assume it's a DPW facility to increase their parking. So the parcel will be transferred to them for that purpose.

LEG. KENNEDY:

Mr. Chairman.

CHAIRMAN MONTANO:

Go ahead.

LEG. KENNEDY:

I'm sorry, I don't have the resolution before me. Where is it, George? You have a tax map number on the subject parcel? I'm just curious which town. Babylon Town. Okay. Thank you.

CHAIRMAN MONTANO:

Any other motions? With that, all in favor? Opposed? Abstentions? Motion to approve carries.

APPROVED (VOTE: 5-0)

1150 - Sale of County-owned real estate pursuant to Section 72-h of the General Municipal Law - Town of Brookhaven (SCTM No. 0200-306.00-11.00-020.000). (Co. Exec. Levy)

LEG. BROWNING:

Motion to approve.

CHAIRMAN MONTANO:

I'll second that.

LEG. BROWNING:

Oh, no, that's not mine. Hold on. Which one? 1150?

CHAIRMAN MONTANO:

1150. I believe yours was 1205.

LEG. BROWNING:

Hold on. Oh, yeah, motion to approve. Sorry.

CHAIRMAN MONTANO:

I will still second that. Any discussion? All in favor? Opposed? Abstentions? Motion carries.

APPROVED (VOTE: 5-0)

1151 - Sale of County-owned real estate pursuant to Section 72-h of the General Municipal Law - Town of Brookhaven (SCTM No. 0200-498.00-01.00-019.002). (Co. Exec. Levy)

Do I have a motion?

LEG. BROWNING:

Motion.

CHAIRMAN MONTANO:

Motion, I'll second that. Any discussion? All in favor? Opposed? Abstentions? Motion carries.

APPROVED (VOTE: 5-0)

1152 - Sale of County-owned real estate pursuant to Section 72-h of the General Municipal Law - Town of Brookhaven (SCTM No. 0200-980.50-05.00-052.000). (Co. Exec. Levy)

LEG. BROWNING:

Same motion.

CHAIRMAN MONTANO:

Same motion, same second, same vote. **APPROVED (VOTE: 5-0)**

1153 - Authorizing the sale, pursuant to Local Law No. 16-1976, of real property acquired under Section 46 of the Suffolk County Tax Act Robert Hogan, Jr. And Kristine Hogan, husband and wife and Anthony J. Narciso, as joint tenants with rights of survivorship (SCTM No. 0800-032.00-01.00-037.000). (Co. Exec. Levy)

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

1156 - Sale of County-owned real estate pursuant to Section 72-h of the General Municipal Law - Town of Brookhaven (SCTM No. 0200-980.50-05.00-017.000). (Co. Exec. Levy)

LEG. BROWNING:

I will make a motion.

CHAIRMAN MONTANO:

Motion, I will second that. All in favor? Opposed? Abstentions? Motion carries. **APPROVED (VOTE: 5-0)**

1157 - Authorizing the sale, pursuant to Local Law No 16-1976, of real property acquired under Section 46 of the Suffolk County Tax Act Crocifissa R. Ardi a/k/a Crocifissa R. Scalone (SCTM No. 0200-599.00-05.00-029.002). (Co. Exec. Levy)

I'll make a motion to approve and place on the Consent Calendar. That's another Local 16.

LEG. STERN:

Second.

CHAIRMAN MONTANO:

Seconded by Legislator Stern. All in favor? Opposed? Abstentions? Motion carries. **APPROVED and PLACED on the CONSENT CALENDAR (VOTE: 5-0)**

1158 - Authorizing the sale, pursuant to Local Law No 16-1976, of real property acquired under Section 46 of the Suffolk County Tax Act Douglas Miller and Vanessa Miller (SCTM No. 0100-132.00-04.00-021.000). (Co. Exec. Levy)

Same motion, same second, same vote. That's to place on the Consent Calendar. **APPROVED and PLACED on the CONSENT CALENDAR (VOTE: 5-0)**

1161 - Authorizing the sale, pursuant to Local Law No 16-1976, of real property acquired under Section 46 of the Suffolk County Tax Act Donald Kennedy, as to 1/10 interest (10%), the estate of John J. Kennedy by Cynthia Leather Kennedy as administrator (18%), Paul Kennedy (18%), Mary Jo Kennedy (18%), Peter Kennedy (18%) and Kathleen Kennedy (18%) (SCTM No. 0300-072.00-01.00-003.031). (Co. Exec.)

I assume that equals 100. I'll make a motion to approve and place on the Consent Calendar, same second.

LEG. KENNEDY:

On the motion, Mr. Chair.

CHAIRMAN MONTANO:

Was that a relative, Mr. Kennedy.

LEG. KENNEDY:

Absolutely not. We Kennedys are all over the face of the earth.

CHAIRMAN MONTANO:

Nowhere on that is a relative, right?

LEG. KENNEDY:

Only all having come from the homeland, that's it. No relation.

CHAIRMAN MONTANO:

Same motion, same second, same vote. **APPROVED and PLACED on the CONSENT CALENDAR (VOTE: 6-0 - P.O. Lindsay is included in the vote)**

1205 - Sale of County-owned real estate pursuant to Section 72-h of the General Municipal Law New York State (SCTM No. 0200-980.40-03.00-026.000). (Browning)

Is there a motion?

LEG. BROWNING:

Motion to approve.

CHAIRMAN MONTANO:

Motion to approve by Legislator Browning, seconded by Legislator Stern. Any discussion on this? Pam, do you want to come forward? Only if you want to. I'm not dragging you up here.

MS. GREENE:

The division would just again say that it is normal policy that we request municipalities to state the specific purpose for which they are requesting the 72-H transfer, and this resolution does not do that. They have not submitted a past resolution, which again, the division always requests prior to bringing it to you.

CHAIRMAN MONTANO:

Right. I understand that. But in my conversation with Counsel a little while ago, even though we approve it out of committee, we would not vote on it unless we had a resolution from the municipality requesting it; am I correct, George?

MR. NOLAN:

We could vote on it. It would be much better to have a resolution from the village before we vote.

CHAIRMAN MONTANO:

On Tuesday.

MR. NOLAN:

On Tuesday.

LEG. BROWNING:

Yeah, that's what I said. If we don't have a resolution by next Tuesday, I will table it until they do that.

CHAIRMAN MONTANO:

I agree with that. I don't think we would vote on a resolution. I don't think we'd be giving something to someone that they haven't asked for.

MS. GREENE:

And just a point of note then. Again, there is now a new tax map number as it is a new village. So I don't know if you wanted to be aware of having it --

CHAIRMAN MONTANO:

Do you want to put the -- do you have the tax map number, the new one, with you?

MS. GREENE:

I don't.

CHAIRMAN MONTANO:

You don't. Would you send that other to either -- send it over to Legislator Browning's Office. Now, would we have to amend the bill at that point, Counsel?

MR. NOLAN:

If we're assigning a new tax map number to it, yeah, I think we would have to table it and amend it and make that correction. So it may have to be tabled on Tuesday in any event if we're changing the tax map number.

LEG. BROWNING:

Okay. No problem.

MS. GREENE:

Thank you.

LEG. BROWNING:

Why don't I just table it for now?

CHAIRMAN MONTANO:

Motion to table.

LEG. BROWNING:

I withdraw my motion to approve and motion to table.

CHAIRMAN MONTANO:

I would second that. Again, Pam, I would ask you to send that information over to Legislator Browning as soon as possible.

MS. GREENE:

It will come from the village.

CHAIRMAN MONTANO:

We'll table it for today. All in favor? Opposed? Abstentions? Motion to table carries. **TABLED (VOTE: 6-0 - P.O. Lindsay is included in the vote)**

1226 - Amend Resolution No. 9-2011, Designating two (2) alternating newspapers as official newspapers of the County Of Suffolk. (Pres. Off.)

P.O. LINDSAY:

Motion.

CHAIRMAN MONTANO:

Motion by Legislator Lindsay, I will second that. Any discussion? All in favor? Opposed? Abstentions? Motion carries. **APPROVED (VOTE: 6-0 - P.O. Lindsay is included in the vote)**

1236 - Approval of auction rules for the disposition of surplus property acquired under the Suffolk County Tax Act. (Co. Exec. Levy)

I'll make a motion to approve. And just on the motion, the rules, have they been changed any from -- Pam, would you step up again? Are there any changes from the last surplus rules? I believe we do this every year.

MS. GREENE:

Not since last October, which was the last auction. And this year, the division is aiming for two

auctions this year.

CHAIRMAN MONTANO:

Right, but the rules are the same.

MS. GREENE:

Yes.

CHAIRMAN MONTANO:

Okay. Not a problem.

LEG. KENNEDY:

Mr. Chair.

CHAIRMAN MONTANO:

Yes, Legislator Kennedy.

LEG. KENNEDY:

Just one question for the Division Director. Pam, you recall last year we did do some minor modification with the way that title companies are solicited or sought or requested. Does that interact with these sets of rules at this point at all? I know in prior years -- I haven't gotten any of them this times around -- in prior years I've seen that there is a reference to title company selection for the purposes of doing, you know, the simple chain work and clearance of title and all the other things that title companies do.

MS. GREENE:

No. Your previous legislation did not make reference to the auction rules or what other people must do.

LEG. KENNEDY:

Correct. So in this case, we're not dealing with the County necessarily contacting title companies. Here, we're dealing only with prospective purchasers and what they would do as far as their due diligence for ascertaining that there's clear title, or do we do any preliminary title work with these parcels before they get up to the block?

MS. GREENE:

Yes. The abstracts are done within the division prior to them going to the auction. Once they're bid at the auction, then the prospective buyers are going to conduct their own title search. So again, your bill had to do with how title work is selected for County purposes.

LEG. KENNEDY:

Correct. Okay. Thank you very much.

CHAIRMAN MONTANO:

Okay. We have a motion and a second. All in favor? Opposed? Abstentions? Motion carries.

APPROVED (VOTE: 6-0 - P.O. Lindsay is included in the vote)

1243 - Adopting Local Law No. -2011, A Local Law to establish policy for County funding notices. (Romaine)

I believe that this needs to be tabled for a public hearing. I will make a motion, seconded by Legislator Stern. All in favor? Opposed? Abstentions? Motion carries. **TABLED for PUBLIC HEARING (VOTE: 6-0 - P.O. Lindsay is included in the vote)**

1245 - Authorizing the County Clerk to file an application for additional State Mortgage Tax reimbursement. (Pres. Off.)

I'll make a motion to approve.

LEG. KENNEDY:

Second.

CHAIRMAN MONTANO:

Seconded by Legislator Kennedy. All in favor? Opposed? Abstentions? Motion carries.

APPROVED (VOTE: 6-0 - P.O. Lindsay is included in the vote)

1246 - Adopting Local Law No. -2011, A Local Law mandating compliance with financial disclosure requirements. (Cooper)

It needs to be tabled for a public hearing. I will make the motion, seconded by Legislator Stern. All in favor? Opposed? Abstentions? Motion carries. **TABLED (VOTE: 6-0 - P.O. Lindsay is included in the vote)**

I believe that we are going to have an Executive Session; is that correct, Gail? I'm going to make a motion to go into Executive Session so that we can discuss a potential legal case or settlement of a case pending, seconded Legislator Stern. All in favor? Opposed? Abstentions? We are now going into Executive Session. All right. We are going to go in the back. We will return.

(*AN EXECUTIVE SESSION WAS HELD FROM 11:17 A.M. UNTIL 11:52 A.M.*)

A

CHAIRMAN MONTANO:

Okay. I'm going to readjourn -- reconvene the meeting. And in Executive Session, we had a discussion and approved a settlement offer in the case Howard and Riza Goldenberg versus County of Suffolk and David Salvatore. With that, no further business of the committee. I'm going to -- we are going to adjourn in honor of Lynne's brother Dennis Cannataro who passed away suddenly last week.

(*THE MEETING WAS ADJOURNED AT 11:52 A.M.*)

{ } DENOTES BEING SPELLED PHONETICALLY