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BUDGET & FINANCE COMMITTEE
OF THE
SUFFOLK COUNTY LEGISLATURE
MINUTES

A meeting of the Budget & Finance Committee of the Suffolk County Legislature was held via video conference in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on April 25, 2023, at 9:30 a.m.

MEMBERS PRESENT:

Leg. Steve Flotteron, Chairman
Leg. Leslie Kennedy, Vice Chair
Leg. Nicholas Caracappa
Leg. Samuel Gonzalez
Leg. Jason Richberg
Leg. Dominick Thorne

ALSO IN ATTENDANCE:

Frank Tassone, Clerk of the Legislature
Hope Clark, Deputy Clerk of the Legislature
William Duffy, Counsel to the Legislature
Lance Reinheimer, Director/Budget Review Office
TJ Corcoran, Budget Review Office.
Ali Nazir, Aide to the Presiding Officer
Chris DeLuca, Aide to the Presiding Officer
And all other interested parties

MINUTES TAKEN BY:

Gabrielle Severs, Court Stenographer

1 **CHAIRMAN FLOTTERON:**

2 Okay. Since everyone is here, if we can please stand for the
3 Pledge of Allegiance led by Legislator Thorne.

4
5 (Pledge of Allegiance)

6
7 If we all could please remain standing for a prayer for our
8 military and for our first responders that they all be safe and
9 thanking them for protecting us.

10
11 (Moment of Silence Observed.)

12
13 Please be seated. Roll call, please, Clerk.

14
15 (The roll was called by Chief Deputy Clerk Clark.)

16
17 **CHAIRMAN FLOTTERON:**

18 Here.

19
20 **LEG. KENNEDY:**

21 Here.

22
23 **LEG. CARACAPPA:**

24 Here.

25
26 **LEG. GONZALEZ:**

27 Here.

28
29 **LEG. RICHBERG:**

30 Present.

31
32 **LEG. THORNE:**

33 Here.

34
35 **CHIEF DEPUTY CLERK CLARK:**

36 Six.

37
38 **CHAIRMAN FLOTTERON:**

39 Thank you. Any correspondence?

40
41 **CHIEF DEPUTY CLERK CLARK:**

42 All correspondence have been distributed accordingly.

43
44 **CHAIRMAN FLOTTERON:**

45 And the public portion, we have our first speaker is -- looks like
46 Anthony Nash. Is that all part of you, Comptroller Kennedy?

47
48 **COMPTROLLER KENNEDY:**

49 Yes. Good morning, Mr. Chair. We have two members of the capital
50 markets, our financial advisors to speak to the committee briefly
51 to discuss the two resolutions that you have in front of you. They
52 are refunding resolutions. So whatever is the chair's preference
53 as far as how you would like us to address.

54
55 **CHAIRMAN FLOTTERON:**

56 And this is, again, Richard --

1
2 **COMPTROLLER KENNEDY:**

3 Richard Turturro and Anthony Nash.

4
5 **CHAIRMAN FLOTTERON:**

6 Know what? We could go right ahead now, sure. My understanding is
7 that this is just for you to look about into refinancing for I
8 guess lower expenses or interest rates.

9
10 **LEG. RICHBERG:**

11 Mr. Chair, maybe we should talk to bond counsel.

12
13 **COMPTROLLER KENNEDY:**

14 We do not have bond counsel here.

15
16 **LEG. RICHBERG:**

17 Sorry. Financial advisors. I apologize.

18
19 **COMPTROLLER KENNEDY:**

20 Right, financial advisors, but Anthony will be able to speak to you
21 specifically. Again, to the chair, you're correct. One resolution
22 authorizes us for three years, four years, I believe it is, and to
23 review prospective opportunities as far as refunding. The second
24 one is a very specific issue that comes from 2020 that might, in
25 fact, yield a \$1.6 million interest savings. This follows the
26 pattern that we've had over the last nine years, as you recall. We
27 bought roughly about 800 million in existing bonded debt for a \$51
28 million interest savings.

29
30 **CHAIRMAN FLOTTERON:**

31 Okay. Yeah. Sure. Go right ahead and give us the short elevator
32 speech version of it. Thank you.

33
34 **COMPTROLLER KENNEDY:**

35 There you go.

36
37 **MR. NASH:**

38 Good morning, everyone. So the first refunding resolution, the \$65
39 million one is the one Comptroller Kennedy was referring to about
40 the 2020 issues, so this one is a bit unique in that in 2020, the
41 county refunded some bonds on a taxable basis that can now be
42 refunded tax exempt. However, those bonds can't currently be
43 callable, so we have to do something somewhat unique.

44
45 **CHAIRMAN FLOTTERON:**

46 Excuse me one second. Can you also just give me your name and your
47 title for the record.

48
49 **MR. NASH:**

50 Sure. Anthony Nash. I'm senior vice president with Capital
51 Markets Advisors.

52
53 **CHAIRMAN FLOTTERON:**

54 Thank you. Continue.

55
56 **MR. NASH:**

1 So what we would do is something that the Suffolk Tobacco
2 Corporation did a couple years ago, which would be a tender offer.
3 We would go out and identify the bondholders for those 2020 bonds
4 and offer them to purchase them. Because interest rates are
5 actually higher now than they were back in 2020, those bonds are
6 trading well below their face value, so we go could buy those bonds
7 back at 85 to 90 cents on the dollar and then issue -- those are
8 taxable bonds, and then issue tax exempt bonds for them. So the
9 goal would be to possibly purchase 40 to 50 percent ideally.
10 That's typically how those transactions work, and if we're
11 successful in buying 40 to 50 percent of those bonds back from
12 those holders, we could save, as the comptroller mentioned, maybe a
13 million and a half, and that's a deal that could get done currently
14 in the next month or two. Relatively independent of what interests
15 rates do because it has more to do with the relationship between
16 taxable rates and tax exempt rates not so much with the absolute
17 rate.

18
19 **CHAIRMAN FLOTTERON:**

20 So it's basically because the interests rates are going up, the
21 bonds are worth a little bit less, you're going to try to sell
22 them, and that profit or that spread is with the money we'll be
23 saving. What do you feel on the 65 million, how many million this
24 might save us over time or bring us in?

25
26 **MR. NASH:**

27 Well, it's about a million and a half, we think. It kind of
28 depends on how much we are able to buy back, so typically when the
29 county issues debt, there's a call provision on there that gives
30 the county the right to buy those bonds back. So when the county
31 does refundings and we help you guys issue those refunding bonds,
32 we really decide ahead of time what we want to buy back, what the
33 county wants to buy back. This deal is more unique because these
34 bonds aren't callable. We have to go out to the bondholder and
35 say, you know, Will you sell them back to us, what price can we
36 give you to sell them back to us. We are sort of at their mercy to
37 a degree.

38
39 **CHAIRMAN FLOTTERON:**

40 So that's why the number for \$65 million is not that much in a
41 sense.

42
43 It's probably not going to be 65 million. You know, there's 58 --
44 there's about \$60 million of bonds outstanding. You know, if we
45 were able to buy every single bond back, that's probably how large
46 the deal would be. More likely, we'll be able to get half of that.
47 Of course, if we were able to get all of it, we might save \$3
48 million. That's not really likely, though. There's been a lot of
49 deals like this done around the country. Typically around half of
50 the bonds are able to be purchased back from various holders.

51
52 **CHAIRMAN FLOTTERON:**

53 Understand. Thank you.

54
55 **LEG. THORNE:**

56 So when you buy these bonds back or when go into the marketplace or

1 try to get them back, is this -- will you be reverting back to the
2 legislature to tell us what the deal is so we have the total
3 numbers before making a decision or is this authorizing you to just
4 do it?

5
6 **MR. NASH:**

7 Well, this would be authorizing -- I believe this would be giving
8 the Comptroller the authority to sort of make the decision on
9 whether it makes sense. So if -- it's sort of a multistep process.
10 I mean, I guess the short answer is no. If we went out, identified
11 the bondholders, and, you know, there's only 10 percent, for
12 example, that are willing to sell them to us, we wouldn't proceed
13 -- we wouldn't recommend that we proceed because I wouldn't make
14 economic sense. It sort of meets that threshold where the county
15 can save a million, a million and a half, \$2 million, we would
16 recommend to proceed.

17
18 **LEG. THORNE:**

19 So I guess the next question will be for the comptroller: Will you
20 come back and tell us what -- since you are not required to.

21
22 **COMPTROLLER KENNEDY:**

23 Legislator Thorne, what I would offer to you is yes, at any time
24 I'm happy to be here before this body. I'll also indicate to you,
25 as Anthony has explained, if the -- look, if the numbers don't
26 work, if we do not get a positive response, we're not going to
27 pull the trigger and wind up spending what would be associated with
28 the reissue to a loss of what the savings would be. Typically, we
29 have to show the state comptroller a minimum of three percent as
30 far as what our benefit will be when we go out into the market for
31 purpose of refunding. We have exceeded that well above and beyond
32 with most every issue we've done. We would look for, at a minimum,
33 that same three percent threshold regarding this issue, and I would
34 be happy to come back and let you know what the particulars are.

35
36 **LEG. THORNE:**

37 Outstanding. And it's not a question of your ability. I just
38 needed that question answered.

39
40 **COMPTROLLER KENNEDY:**

41 I'll talk all day long, as you guys know.

42
43 **LEG. THORNE:**

44 Or I'll call you on your cell phone; one or the other, right?

45
46 **MR. NASH:**

47 And to that end, this transaction looks like it's about 5.7
48 percent PV on the present value of savings basis right now.

49
50 **CHAIRMAN FLOTTERON:**

51 Thank you. And I'm sure you would love to come back and brag about
52 the success if it does happen. Terrific. Legislator Caracappa.

53
54 **LEG. CARACAPPA:**

55 Yeah, either for you or the comptroller. I think, John, you began
56 -- you hit on this earlier when you were talking but why are there

1 two separate resolutions? Why the 65 and why the 150?

2
3 **COMPTROLLER KENNEDY:**

4 Good morning, Legislator Caracappa. So the two separate
5 resolutions, the one is to authorize us to begin the process on
6 this one specific issue from 2020. It was the taxable C bond.
7 That is the one that's basically the unique bond amongst our whole
8 profile. Essentially, all the rest of our profile is tax free.
9 The second resolution gives us the authority to go into the years
10 from 2015 forward to 2019, I believe it is, to look for additional
11 opportunities that might manifest themselves for the purposes of
12 refunding. Every time we do a refunding, the process begins by
13 this body having given us the ability in the first instance to
14 begin the investigatory process, crunch the numbers, and look at
15 whether we have an opportunity to sell. We were very fortunate
16 when you looked at where interest rates were one and two percent.
17 Issuances that had gone out in the late 2000s were going out at
18 five, six, and seven percent so it wasn't hard to look at where the
19 savings were. It's no different than when you buy down your whole
20 mortgage. You got 10 percent when you went out and bought the
21 house and now money was at three or four percent, you pull the
22 trigger. You refi. You save on the interest. Same principal
23 here.

24
25 **LEG. CARACAPPA:**

26 So in the resos, that explains why you get two different, so
27 they've got to be very specific on which ones you're targeting
28 here.

29
30 **COMPTROLLER KENNEDY:**

31 Absolutely.

32
33 **LEG. CARACAPPA:**

34 In the first one, 1316, there's still 65,000,530 in principal
35 amount currently outstanding. You're asking for 65 so the offset
36 would be with the -- I'm sorry. I forget his name, the gentleman
37 behind you.

38
39 **COMPTROLLER KENNEDY:**

40 Anthony, yes. Let's let Anthony answer the particulars.

41
42 **LEG. CARACAPPA:**

43 So with the three percent or whatever the number is that you'd
44 currently be trading at or you can get them at, would that make up
45 the difference of the 530,000 when you sell them back? How does
46 that work?

47
48 **MR. NASH:**

49 Well, we don't expect to actually refund all of them plus a part of
50 the first maturity that's outstanding isn't callable, so we don't
51 expect we will need the full \$65 million. Of course, the authority
52 that you're granting can only be used to refund those bonds, so if,
53 in fact, we are only able to buy back half of those bonds and issue
54 30 million, that other 35 million couldn't be used for anything
55 else other than refunding those bonds.

1 And I guess just to speak on that other resolution as well, that's
2 authorizing bonds issued in 2015 through 2017, something the
3 legislature has kind of done in the past as well. We typically
4 will come to the legislature to authorize bonds that the county's
5 issued in the past that are coming up to their call date over the
6 next few years so those are bonds that will be callable in the next
7 few months through 2025 and so while some of them aren't attractive
8 refunding opportunities presently, as interest rates drop, as we
9 get closer to the call date, as move up on the yield curve, they
10 may present refunding opportunities, and so, of course, as the
11 approval process is something lengthy, we can get that out of the
12 way, we can move quicker because of course those interest rates are
13 very volatile and move all the time. If a refunding opportunity
14 presents itself, we would be able to move quickly, get a request
15 for proposals out to find a banker and get into the market as quick
16 as possible and act on it if interest rates are attractive.

17
18 **LEG. CARACAPPA:**

19 And this one, you're asking for 150 million where there are 7.8
20 million in principal amount currently outstanding, but the maturity
21 date of 5/1/23 reflects 5.9. So explain to me how that works when
22 there's a \$7.8 million principal amount currently outstanding and
23 then you look at the maturity date of 5/1/23 of 1.9 million.

24
25 **MR. NASH:**

26 Well, that's for the 2015 series A refunding, there's 1.9 million,
27 but in total across, there's 1,2,3,4,5,6,7,8,9 series of bonds that
28 would be authorized to be refunded by this resolution. There's
29 just under \$149 million of principal that would be refunded by
30 them, and in addition -- so that's the 150 million. Plus there's
31 cost of issuance, there's interest that needs to be refunded along
32 with the principal those refunding transactions go to market, you
33 have to refund a portion of the interest as well. So if you look
34 at that very last page, the total at the very bottom is the total
35 amount of principal that we're proposing to be included in this
36 resolution.

37
38 **LEG. CARACAPPA:**

39 Okay. That's the 148,895.

40
41 **MR. NASH:**

42 Correct.

43
44 **LEG. CARACAPPA:**

45 Okay. I was getting confused because you said that they're very
46 specific and you site the issue 21,640,000 refunding serial bonds,
47 2015 series A so that incorporates all of these when you say eight
48 or nine different serial bonds.

49
50 **MR. NASH:**

51 Right. So this includes nine serial bond issues that the county
52 has issued in the past, this resolution, whereas the other one is
53 just that one individual issue that's an opportunity currently.

54
55 **LEG. CARACAPPA:**

56 All right. Thank you.

1
2 **CHAIRMAN FLOTTERON:**

3 Okay. Legislator Gonzalez.

4
5 **LEG. GONZALEZ:**

6 Hi. How are you? John, you said that the state sets up that bar
7 at three percent?

8
9 **COMPTROLLER KENNEDY:**

10 It's a threshold.

11
12 **LEG. GONZALEZ:**

13 The threshold, correct?

14
15 **COMPTROLLER KENNEDY:**

16 In other words, when we look and start that investigatory process,
17 if we can't demonstrate to Comptroller DiNapoli that at a minimum,
18 we'll yield a three percent savings, then even if we've had the
19 authority from you, he will not approve at the state level for us
20 to go forward. As Anthony mentioned, the prospective savings for
21 the one special issue we talked about, the 2020 issue is roughly
22 about 5.7 at this point assuming that we get roughly 50 percent of
23 the bondholders to express a willingness to go in. So in no case
24 can we proceed if we don't show that at least we have a minimum of
25 three percent.

26
27 **LEG. GONZALEZ:**

28 Correct, and that's what he was saying after what you had said was
29 that you guys are usually looking at five or five and a half
30 percent on your end, correct?

31
32 **COMPTROLLER KENNEDY:**

33 Over the -- what have we done? We've probably done about six,
34 seven refundings altogether. I would say that on average,
35 Legislator, we've yielded five, six, some case almost seven percent
36 as far as what that cumulative savings has been. As I said, it was
37 about 800 million that we bought down and 51 million in interest
38 and principal savings to the citizens of Suffolk County.

39
40 **LEG. GONZALEZ:**

41 Okay. I'm good. Thank you.

42
43 **CHAIRMAN FLOTTERON:**

44 Any other questions? Legislator Richberg.

45
46 **LEG. RICHBERG:**

47 Thank you, Mr. Chair. So just quickly to the comptroller, I see we
48 have a list of the maturity dates but could we -- I mean not
49 necessarily right now, but could we get a list of the capital
50 projects that that will filled in this?

51
52 **MR. NASH:**

53 Yes. It's easy.

54
55 **COMPTROLLER KENNEDY:**

56 We do have -- yes, as a matter of fact, with every issue that we go

1 out with in the first instance, the first -- what is it, like the
2 first two or three pages actually are a compilation of every
3 capital project, the date that it was authorized by you, and the
4 amount in particular as being sought under that issue to fix the
5 air conditioning, pave a road, do all the things that you do under
6 the capital program. So but let me make sure I that understand
7 your question. For the -- well, for both of them. For both of
8 them, you'd like to see what the underlying capital projects are
9 associated with that?

10
11 **LEG. RICHBERG:**

12 Yeah. And just because as we go along and have a lot of
13 conversation about that and where we are with our finances, I think
14 as we are going to refinance, it's good to understand where these
15 projects are in the line because we want to make sure we are doing
16 the best we can for our constituents.

17
18 **COMPTROLLER KENNEDY:**

19 Absolutely. Give us a little time, but absolutely, we'll put that
20 happen together and I'll provide it for the chair and for the
21 members of the committee.

22
23 **CHAIRMAN FLOTTERON:**

24 Thank you very much. Any other questions? Just so -- I want to
25 clarify myself. So 1316, those are ones that aren't callable at
26 the time; is that the difference? And then 1317 are callable?
27 That's what I first heard you say if I heard right.

28
29 **MR. NASH:**

30 Well, the 1316 is the tender transaction. It isn't callable. The
31 1317, some are callable, some are not. That's the resolution that
32 we expect as time goes on and as we approach, they will become
33 callable in the near term, over the next few years, so as time
34 passes over those next couple years, if interest rates change, as
35 we get closer to them, they may present attractive funding
36 opportunities that we'll be able to move on quicker through the
37 adoption of this resolution.

38
39 **CHAIRMAN FLOTTERON:**

40 And when you are doing these things, just like when you refinance
41 your home and you get a lower interest rate, a lot of times, people
42 feel, Oh, I'm saving a couple hundred dollars a month, but it might
43 not be the interest as much as your 30-year mortgage is down to 17
44 years and it's back to 30 or something. Both those things are
45 taken into consideration is really what the total is of interest
46 going in the future. Sometimes it's just being r-spread out when
47 you are refinancing.

48
49 **MR. NASH:**

50 So when the county refinances its debt, it never changes the term,
51 so the original term will always match the new term. So there's no
52 -- right, we're not taking a 15-year and spreading it out to 20 to
53 lower rates but then you got more debt at the end or vice versa.
54 It's always -- if the original debt went to, you know, was 10
55 years, the new debt will also be 10 years. We would only look at
56 it if it made sense on the same exact --

1
2 **LEG. FLOTTERON:**

3 One thing -- I'm getting lost there. If it was a 15-year thing and
4 we've had it for five years, when you're refinancing, it's going to
5 be 10 years or 15.

6
7 **MR. NASH:**

8 Correct.

9
10 **LEG. FLOTTERON:**

11 How you were wording it, it sounded like you were doing 15 again.

12
13 **MR. NASH:**

14 No extension of the existing debt so whatever that original final
15 payment day was, it will have the same final payment. So when you
16 do this whole group of like 10 different ones, it'll be a whole
17 laundry list of different lengths for each one.

18
19 **MR. NASH:**

20 We'll look at each one individually. You may -- one may be a
21 refunding opportunity at one time and another may not, so even
22 though you're authorizing all nine of these issues right now, two
23 or three of them may become an opportunity at a certain time and
24 the county could go out and refund just those and then it could go
25 out at another time and then it could refund three or four other
26 ones if they then become an opportunity. At any given time, we
27 would look at the individual issue and not extend its debt. Its
28 own debt would still match its original term.

29
30 **CHAIRMAN FLOTTERON:**

31 And at the same time, are we looking at something we might have
32 bonded but we never did the project, we're not going to do the
33 project. It's also reducing that total debt before we move it
34 over.

35
36 **MR. NASH:**

37 When we look at a refunding, there's always a process that the
38 county goes through, so there's a review of all the underlying
39 projects in the given bond issue and if a project hadn't moved
40 forward, then that certain project won't be included in the
41 refinancing. If there's still money that was borrowed for it, it
42 would be used to pay off that bond rather than refinance.

43
44 **CHAIRMAN FLOTTERON:**

45 Reduce it down. Okay. I'm complete. Anyone else. Legislator
46 Richberg.

47
48 **LEG. RICHBERG:**

49 Just on that. So legally we can't extend the bond, right?

50
51 **MR. NASH:**

52 Correct.

53
54 **LEG. RICHBERG:**

55 So that's the reason so because there was enabling legislation that
56 said, you know, we're doing this for 10 years, it's got to be 10

1 years

2

3 **MR. NASH:**

4 Right.

5

6 **LEG. RICHBERG:**

7 Okay. And we don't have the ability to amend that as we go forward
8 because it would be changing the original legislation.

9

10 **MR. NASH:**

11 I mean, there are certain circumstances you could. The county
12 doesn't do it as a matter of practice. For argument's sake, if you
13 --

14

15 **LEG. RICHBERG:**

16 I know other localities have done it.

17

18 **MR. NASH:**

19 If a certain project was authorized for 20 years and you only
20 borrowed it for 10, you could refinance it for 20 and extended
21 those extra 10 years. The county doesn't typically do that, and we
22 wouldn't recommend that you do that, so there are certain
23 circumstances you could do that, but typically no, you don't, and
24 the county doesn't do that as a matter of practice.

25

26 **LEG. RICHBERG:**

27 And those are guardrails that the county has had in practice for
28 decades to keep us in good financial standing.

29

30 **MR. NASH:**

31 Yes.

32

33 **CHAIRMAN FLOTTERON:**

34 Okay. Thank you very much. I believe we are complete.

35

36 **MR. NASH:**

37 Thank you.

38

39 **CHAIRMAN FLOTTERON:**

40 With that, again, we were in the public portion. It doesn't look
41 like there are any other speakers, so we'll close the public
42 portion. Appointment resolutions is done. Presentations -- it's
43 not a presentation but BRO sent us an e-mail about sales tax. Can
44 you just give a short little update about the sales tax?

45

46 **DIRECTOR REINHEIMER:**

47 Sure. Thank you very much. This morning, we sent out an updated
48 projection for 2023 sales tax. It went out about 9:15 this
49 morning. We received the first quarter sales tax revenue. It's
50 complete. That revenue came in at \$365 million, which is about \$12
51 million greater than the first quarter of 2022. Came in at --
52 that's a growth rate of 3.4 percent, so with that as a baseline
53 with updated economic criteria provided by Moody's Analytics, we
54 revised our projection for 2023 where we expect sales tax to come
55 in given the information we have today. As you know, the economy
56 is kind of volatile, but there's still a lot of unknowns in the

1 economy: Energy cost, supply side issues that are being resolved,
2 stimulus funds. There was a lot of stimulus funds that were in
3 savings. Savings is starting to come down. Those stimulus funds
4 pretty much wound their way through the economy, so those things,
5 you know, work together to change the outlook, kind of slow the
6 economy down.

7
8 As a result, with this updated criteria that was provided to us,
9 we've lowered our projection for 2023; however, we're still coming
10 in above budget, and I have to congratulate the legislature and
11 policymakers. You've been very conservative in projecting sales
12 tax, which helps us in future budgets. Rather than coming in with
13 a deficit sales tax these past few years, we've come in with a
14 surplus. However, the surplus, we've downsized what we project our
15 surplus to be, and it's somewhere in the neighborhood of \$28
16 million. So we anticipate on a budget of 1.9 billion, that sales
17 tax will come in about \$28 million above that. That's still a
18 growth rate of 2.2 percent, so when we sent out our last projection
19 in February, we were looking at a five percent growth for the year
20 and significantly more sales tax in the neighborhood of \$82 million
21 surplus. So, you know, it's quite a change, and I just wanted to
22 explain it's really based on the actual revenue that came in and
23 updated and ever changing economic data that is presented to us
24 through Moddy's Analytics.

25
26 The good news is we're coming in with a surplus, and I don't think
27 we're in danger of coming in at a deficit with sales tax, and this
28 memo was just sent out today.

29
30 **CHAIRMAN FLOTTERON:**

31 For clarification, I just want to understand. So we're about 3.5
32 percent higher than last year. What was the percent we felt sales
33 tax was going to increase this year by?

34
35 **DIRECTOR REINHEIMER:**

36 So the 2023 adopted budget was based on estimated sales tax and a
37 two percent growth. Now our number is based on the actual sales
38 tax for 2022, which came in again somewhere around \$25 million
39 greater than the estimate. You know, when you're dealing with
40 almost \$2 billion in sales tax at \$25 million swing one way or the
41 other, it's nominal. I mean, it's a lot of money to you and me but
42 when you look at it in the context of almost \$2 billion in sales
43 tax, it's a minor change. If we come in within 25- \$30 million of
44 our budget with a surplus, to me that's a hole in one. That's
45 coming in at 99.5 percent of what it actually comes in at.

46
47 **CHAIRMAN FLOTTERON:**

48 Again, I guess I got a little confused on your answer there. We
49 came in \$12 million more than last year, and what were we
50 projecting to be coming in more than last year? If I'm hearing
51 your numbers, instead of 12, it would've been like 8 million or
52 something or? I'm just trying to understand what we did greater
53 than.

54
55 **DIRECTOR REINHEIMER:**

56 Yeah. Okay. I mean getting down into the details as to what the

1 quarterly projection was, we're just using that as a yardstick.
2 We're \$12 million above last year, but we expected sales tax in
3 general to grow two percent.

4
5 **CHAIRMAN FLOTTERON:**

6 And we did 3.5?

7
8 **DIRECTOR REINHEIMER:**

9 That quarter, we did --

10

11 **CHAIRMAN FLOTTERON:**

12 That's all I needed to know.

13

14 **DIRECTOR REINHEIMER:**

15 3.4 percent over last year.

16

17 **CHAIRMAN FLOTTERON:**

18 Okay. We did greater than we expected so far this year how we're
19 going.

20

21 **DIRECTOR REINHEIMER:**

22 Yes. That's the short answer and the good answer . It's always
23 good to report good news.

24

25 **CHAIRMAN FLOTTERON:**

26 So again, we got 3.5, and we were hoping to do to two percent.

27

28 **DIRECTOR REINHEIMER:**

29 Well, our projection, that 3.5 percent going forward, you know, and
30 that's like looking into a crystal ball. That's where the economic

31 --

32

33 **CHAIRMAN FLOTTERON:**

34 Things can still change. I'm not saying that. I just meant how
35 we're going so far.

36

37 **DIRECTOR REINHEIMER:**

38 So for the year, even though the first quarter came in at 3.4
39 percent for the year, for the year, we're looking for a sales tax
40 growth over the actual number for 2022 to come in at 2.2 percent.
41 So we expect the economy, the way this is going, the way the data
42 is pointing us, we're not going to come in at three percent every
43 quarter the way the data is today. That can change, and that's why
44 we report on a quarterly basis where we are.

45

46 **CHAIRMAN FLOTTERON:**

47 Thank you. Legislator Richberg.

48

49 **LEG. RICHBERG:**

50 You already knew I was coming, Mr. Chair. So when you get the sales
51 tax check reports every two weeks, I know it doesn't come from you
52 I know it comes from the budget office, correct?

53

54 **DIRECTOR REINHEIMER:**

55 We get the same information the budget office does. We get the --
56 I think it comes through the comptroller's officer. It comes

1 through the comptroller's office.

2
3 **LEG. RICHBERG:**

4 So is it possible -- well, I guess since the comptroller's in the
5 room, is it possible because we are getting -- we get last year's
6 numbers and this years, is it possible we can get maybe two or
7 three years also because what I noticed is that we're not adhering
8 to to same dispersement schedule. It seems like it's a little more
9 volatile this year going back and forth. I'd like to see a little
10 bit further back just to get a good.

11
12 **COMPTROLLER KENNEDY:**

13 Legislator Richberg, of course we can go ahead and provide you with
14 prior years' schedules. I would offer to you so far what I saw, I
15 believe -- I didn't hear what Lance said. We are about 5.6, 5.7
16 above where we were in '22, and so we're tending along an increased
17 line. It's tough to project off of '20 and '21 because the
18 pandemic. You know, '20, we took a steep dive. In '21 --

19
20 **LEG. RICHBERG:**

21 But '19 might be a good number to look at.

22
23 **COMPTROLLER KENNEDY:**

24 '19 really is the only reasonable benchmark because that's when,
25 you know, for all intents -- but I will also offer to you I do not
26 think '19 had the internet sales. Yeah, it did not. You've got an
27 additional element now that previously was not being captured. But
28 no, we'll get you as many years as you'd like.

29
30 **LEG. RICHBERG:**

31 Understood. I just think for our own edification, it would be
32 helpful just to look at because, as you said, '21 and '20 are not
33 as consistent in terms of --

34
35 **COMPTROLLER KENNEDY:**

36 They are outliers, yeah.

37
38 **LEG. RICHBERG:**

39 So I think at least we can look at some other years to see -- to
40 get a baseline of where we should be at. And you're right --

41
42 **COMPTROLLER KENNEDY:**

43 How far back do you want to go? Do you want '19, '18? What do you
44 want to go to?

45
46 **COMPTROLLER KENNEDY:**

47 I think '18 and '19 will be fine. I'll get those to you.

48
49 **LEG. RICHBERG:**

50 Thank you.

51
52 **COMPTROLLER KENNEDY:**

53 No problem.

54
55 **DIRECTOR REINHEIMER:**

56 And if I can just jump in. When the comptroller is speaking about

1 sales tax growth and where we are compared to last year, he's
2 looking on a cash basis and we're looking at budget, so there is a
3 difference on how the funds are -- flow in, and we do the
4 adjustment to accrue back. I think the comptroller is looking just
5 strictly on a cash. The check comes in January 1st, compares that
6 to January 1st last year. So we're looking compared to budget so
7 you are going to have a difference in percentages and growth, and I
8 just want to make that clear that we are looking at it from
9 different angles.

10
11 **LEG. RICHBERG:**

12 I like the budget angle.

13
14 **DIRECTOR REINHEIMER:**

15 I do too.

16
17 **LEG. RICHBERG:**

18 No offense, Mr. Comptroller, but I like the budget.

19
20 **COMPTROLLER KENNEDY:**

21 We're just here for the numbers.

22
23 **CHAIRMAN FLOTTERON:**

24 Thank you. Any other questions? No? Okay. That's it on BR0.

25 Thank you. Presentations are complete. Tabled resolutions,
26 there's none. We'll go into introductory resolutions.

27
28 The first is IR 1248, Approving 2023 funding for a contract agency
29 (Studio Theatre). (Pres. Off.) I'll make a motion. Second by
30 Legislator Caracappa. Any discussion? All in favor? Opposed?
31 Abstentions?

32
33 **CHIEF DEPUTY CLERK CLARK:**

34 Six.

35
36 **CHAIRMAN FLOTTERON:**

37 IR 1248 was approved. IR 1316, Refunding Bond Resolution of the
38 County of Suffolk, New York, adopted _____, 2023,
39 authorizing the refunding of certain outstanding Serial Bonds of
40 said County, stating the plan of refunding, appropriating an amount
41 not to exceed \$65,000,000 for such purpose, authorizing the
42 issuance of not to exceed \$65,000,000 Refunding Bonds to finance
43 said appropriation, and making certain other determinations
44 relative thereto

45
46 Motion by Legislator Kennedy. Second by Legislator Gonzalez.

47
48 **CHAIRMAN FLOTTERON:**

49 Any discussions? All in favor? Opposed? Abstentions?

50
51 **CHIEF DEPUTY CLERK CLARK:**

52 Six.

53
54 **CHAIRMAN FLOTTERON:**

55 IR 1316 was approved. IR 1317, Refunding Bond Resolution of the
56 County of Suffolk, New York, adopted _____, 2023,

1 authorizing the refunding of certain outstanding Serial Bonds of
2 said County, stating the plan of refunding, appropriating an amount
3 not to exceed \$150,000,000 for such purpose, authorizing the
4 issuance of not to exceed \$150,000,000 Refunding Bonds to finance
5 said appropriation, and making certain other determinations
6 relative thereto.

7
8 Motion by Legislator Thorne. Second by Legislator Gonazlez. Any
9 discussion? All in favor? Opposed? Abstentions?

10
11 **CHIEF DEPUTY CLERK CLARK:**
12 Six.

13
14 **CHAIRMAN FLOTTERON:**
15 IR 1317 approved. IR 1362, 1362, Amending the 2023 Adopted
16 Operating Budget and transferring funds to Long Island Cares and
17 Island Harvest. (Pres. Off.)

18
19 **LEG. RICHBERG:**
20 Motion to approve and cosponsor.

21
22 **CHAIRMAN FLOTTERON:**
23 Motion to approve by Legislator Richberg. Second by Legislator
24 Gonzalez. Any discussion? All in favor? Opposed? Abstentions?

25
26 **CHIEF DEPUTY CLERK CLARK:**
27 Six.

28
29 **CHAIRMAN FLOTTERON:**
30 IR 1362 is approved. That's it on the introductory resolutions.
31 There's no procedural motions, home rules, no executive sessions,
32 nothing tabled subject to call. I call Budget and Finance
33 adjourned.

34
35 (The meeting was adjourned at 10:17 a.m.)
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