

NEW ISSUE  
BOOK-ENTRY-ONLY NOTES

RATINGS: (See "RATINGS" herein)

*In the opinion of Bond Counsel, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the County with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the County, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion that under existing statutes interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Notes. See "TAX MATTERS" herein.*

*The Notes will NOT be designated by the County as "qualified tax-exempt obligations" pursuant to the provision of Section 265 of the Code.*

## COUNTY OF SUFFOLK NEW YORK

### \$105,000,000\* REVENUE ANTICIPATION NOTES – 2020 (the "RANs")

Date of Issue: April 14, 2020\*

Maturity Date: March 19, 2021

### \$30,000,000 BOND ANTICIPATION NOTES – 2020 SERIES A (the "BANs" and together with the RANs, the "Notes")

Date of Issue: April 15, 2020\*

Maturity Date: November 13, 2020

The Notes are general obligations of the County of Suffolk, New York (the "County"), and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the County, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011 of the State of New York, as amended. See "TAX LEVY LIMITATION LAW," herein.

The RANs are dated their Date of Issue and bear interest from that date until their Maturity Date, at the annual rate(s) as specified by the purchaser(s) of the RANs. The BANs are dated their Date of Issue and bear interest from that date until their Maturity Date, at the annual rate(s) as specified by the purchaser(s) of the BANs. The Notes will not be subject to redemption prior to maturity.

The Notes will be issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), Jersey City, New Jersey. DTC will act as securities depository for the Notes. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in the Notes. Payment of the principal of and interest on the Notes will be made by the County to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Notes as described herein. See "THE NOTES – Book-Entry-Only System" herein.

The Notes are offered when, as, and if issued by the County and accepted by the purchaser(s), subject to the receipt of the final approving opinion of Harris Beach PLLC, Hempstead, New York, Bond Counsel, and certain other conditions. Hawkins Delafield & Wood LLP will deliver an opinion as to certain matters, as Disclosure Counsel to the County. Certain matters will be passed upon for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe, LLP, New York, New York. Capital Markets Advisors, LLC has served as Municipal Advisor to the County in connection with the issuance of the Notes. It is expected that delivery of the Notes in book-entry form, will be made in Jersey City, New Jersey on their respective Dates of Issue.

Harris Beach PLLC has not participated in the preparation of the demographic, financial or statistical data contained in this Official Statement, nor verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion with respect thereto.

THIS OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE COUNTY FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE") EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS DESCRIBED HEREIN. FOR A DESCRIPTION OF THE COUNTY'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE NOTES AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

Dated: March \_\_, 2020

\* Preliminary, subject to change.

THE UNDERSIGNED HAS SERVED AS MUNICIPAL ADVISOR TO THE COUNTY REGARDING THIS FINANCING.

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**Capital Markets Advisors, LLC**

*Great Neck, New York*

*(516) 487-9817*

No person has been authorized by the County to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE NOTES, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Underwriter have reviewed the information in this Preliminary Official Statement in accordance with, and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter do not guaranty the accuracy or completeness of such information.

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# OFFICIAL STATEMENT

of the

## COUNTY OF SUFFOLK, NEW YORK

Relating to

**\$105,000,000\***

**REVENUE ANTICIPATION NOTES – 2020**

and

**\$30,000,000**

**BOND ANTICIPATION NOTES – 2020 SERIES A**

This Official Statement, including its cover page and appendices, presents information relating to the County of Suffolk, New York (the “County” and “State”, respectively), in connection with the sale of \$105,000,000\* Revenue Anticipation Notes – 2020 (the “RANs”) and \$30,000,000 Bond Anticipation Notes – 2020 Series A (the “BANs”) and together with the RANs, the “Notes”) by the County.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the County contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Notes and the proceedings of the County relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

### THE NOTES

#### *Description of the Notes*

The RANs are to be issued in the aggregate principal amount of \$105,000,000\* on April 14, 2020\*, shall bear interest from that date and shall mature on March 19, 2021. The BANs are to be issued in the aggregate principal amount of \$30,000,000\* on April 15, 2020\*, shall bear interest from that date and shall mature on November 13, 2020. Interest on the Notes will be calculated based on a thirty (30) day month and a three hundred sixty (360) day year. The Notes are not subject to redemption prior to maturity. The Notes will be issued in registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as securities depository for the Notes. Individual purchases will be made in book-entry-only form in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interests in the Notes.

Principal and interest will be paid by the County to DTC, which will in turn remit such principal and interest to its Participants (defined herein), for subsequent distribution to the Beneficial Owners (defined herein) of the Notes as described herein. The Notes may be transferred in the manner described on the Notes and as referenced in certain proceedings of the County referred to therein. (See also “THE NOTES – Book-Entry-Only System”, herein.)

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\* Preliminary, subject to change.

***Authorization and Purpose of the RANs***

The RANs are issued pursuant to the Constitution and Laws of the State, including the Local Finance Law, the County Charter and revenue anticipation note resolution No. 105-2020 which was duly adopted by the County Legislature on March 3, 2020 and approved by the County Executive on March 10, 2020, as amended by revenue anticipation note resolution No. 236-2020 on March 17, 2020, and approved by the Chief Deputy County Executive on March 17, 2020, authorizing the issuance of up to \$150,000,000 in revenue anticipation notes of the County. The RANs are being issued in anticipation of the receipt of certain revenues expected to be received by the County for the 2020 fiscal year from (i) State aid and (ii) Federal aid (collectively, the “Revenues”). The following chart shows the sources of such types of revenue, the amount budgeted by the County for each in the current fiscal year and the actual amount collected as of March 26, 2020:

<u>Source</u>	<u>Adopted FY 2020 Budget Amount</u>	<u>Actual Collection as of March 26, 2020</u>	<u>Amount to Notes</u>
State Aid	\$ 314,444,939	\$ 157,100	\$ 55,000,000
Federal Aid	<u>228,693,575</u>	<u>253,104</u>	<u>50,000,000</u>
Totals	<u>\$ 543,138,514</u>	<u>\$ 410,204</u>	<u>\$105,000,000</u>

Proceeds of the RANs will be used to offset the effects of timing differences between cash receipts and disbursements. The proceeds of the RANs may be used only for the purposes for which such Revenues are to be applied. The proceeds of the RANs will not be used for the redemption or renewal of any outstanding tax or revenue anticipation notes.

Pursuant to Section 25.00(g) of the Local Finance Law, generally, whenever the amount of the RANs and any additional revenue anticipation notes issued by the County in anticipation of the receipt of Revenues equals the amount of such Revenues remaining to be received, the County is required to set aside in special bank accounts all of such Revenues as thereafter received, and to use the amounts so set aside only for the purpose of paying such notes. Interest on the RANs will be provided from budgetary appropriations. (See "Appendix C – Cash Flow Statements".)

In the event the aforementioned Revenues are not received on or before the maturity date for the RANs, the RANs may be renewed from time to time. However, the RANs may not be renewed beyond December 31, 2022, such date being the close of the second fiscal year succeeding the fiscal year in which the RANs were originally issued. In the event such Revenues in anticipation of which the RANs have been issued have not been received by the final maturity of the RANs or any renewals thereof, the principal of and interest on the RANs or any renewals thereof will be paid from other available County moneys.

FOR ADDITIONAL INFORMATION CONCERNING CASH FLOW BORROWINGS IN PRIOR YEARS, SEE "INDEBTEDNESS OF THE COUNTY – CASH FLOW BORROWINGS," HEREIN.

***Authorization and Purpose of the BANs***

The BANs are issued pursuant to the Constitution, the laws of the State, including the Local Finance Law, the County Charter and various bond resolutions duly adopted by the County Legislature on their respective dates to provide funding for the purposes listed below. A portion of the proceeds from the sale of the BANs in the amount of \$13,479,744, together with \$11,520,256 in available funds, will be used to redeem the County’s \$25,000,000 Bond Anticipation Notes – 2019 Series B at maturity on April 16, 2020. The balance of the proceeds from the sale of the BANs in the amount of \$16,520,256 will be used to provide additional original or original project financing for the projects listed below:

<u>Resolution</u>	<u>Project Description</u>	<u>Amount Outstanding</u>	<u>Principal Paydown</u>	<u>New Money</u>	<u>Amount to BANs</u>
592 2016	Pavement Resurfacing of County Route (“CR”) 80, Montauk Highway, from the Vicinity of CR101, Sills Road to the Vicinity of NY24	\$ 6,853,000	\$ 6,853,000	\$ 0	\$ 0
299 2018	Pavement Resurfacing of CR80, Montauk Highway, from the Vicinity of CR101, Sills Road to the Vicinity of NY24	802,000	793,978	0	8,022
349 2019	Pavement Resurfacing of CR80, Montauk Highway, from the Vicinity of CR101, Sills Road to the Vicinity of NY24	960,000	0	0	960,000
594 2016	Pavement Resurfacing of CR48, Middle Road, from the Vicinity of Cox Neck Road, Sills Road to the Vicinity of Horton Lane	7,369,000	0	0	7,369,000
596 2016	Pavement Resurfacing of CR94, Nugent Drive, from the Vicinity of River Rd, to the Vicinity of CR51, East Moriches-Riverhead Rd	5,600,000	3,873,278	0	1,726,722
494 2017	Pavement Resurfacing of CR50, Union Boulevard, from the Vicinity of NY 109, to the Vicinity of NY 27A, Towns of Islip and Babylon	2,416,000	0	9,584,000	12,000,000
590 2018	Pavement Resurfacing of CR4, Commack Road from the Vicinity of Julia Circle to the Vicinity of NY25; and CR13, Crooked Hill Road from the Vicinity of Henry Street to the Vicinity of CR4, Commack Road.	0	0	5,000,000	5,000,000
720 2019	Acquisition of an Electronic Voter Check-In and Verification System to Facilitate Early Voting in Accordance with the New York State Early Voting Law	1,000,000	0	0	1,000,000
1163 2015	Improvements to CR12, Oak Street	<u>0</u>	<u>0</u>	<u>1,936,256</u>	<u>1,936,256</u>
	Total:	<u>\$ 25,000,000</u>	<u>\$11,520,256</u>	<u>\$16,520,256</u>	<u>\$ 30,000,000</u>

### ***Optional Redemption***

The Notes are not subject to optional redemption prior to maturity.

### ***Nature of Obligation***

The Notes when duly issued and paid for will constitute a contract between the County and the holder thereof.

The Notes will be general obligations of the County and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, the County has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the County, subject to applicable statutory limits (see “TAX LEVY LIMITATION LAW” herein).

Under the Constitution of the State, the County is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the County to levy taxes on real estate therefor. However, Chapter 97 of the Laws of 2011 of the State of New York imposes a statutory limitation on the County’s power to increase its annual tax levy, unless the County complies with certain procedural requirements to permit the County to levy certain year-to-year increases in real property taxes (See “TAX LEVY LIMITATION LAW” herein).

## ***Book-Entry-Only System***

The Depository Trust Company (“DTC”) will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each Note of a series which bears the same rate of interest and CUSIP number, in the aggregate principal amount of such series, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices with respect to the Notes shall be sent to DTC. If less than all of the Notes are to be redeemed, DTC’s practice is to determine by lot the amount of the interest of all Direct Participants is to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede



& Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

## **TAX LEVY LIMITATION LAW**

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, the counties comprising New York City and the Big 5 City School Districts (Buffalo, Rochester, Syracuse, Yonkers and New York). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities' tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Legislation adopted on April 12, 2019 made the Tax levy Limitation Law permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the tax levy limitation provisions.

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This has been interpreted by the Court of Appeals, the State's highest court, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the city’s faith and credit is both a commitment to pay and a commitment of the city’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the city’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit”, are used and they are not tautological. That is what the words say and that is what courts have held they mean.”

Article 8 Section 12 of the State Constitution specifically provides as follows:

“It shall be the duty of the legislature, subject to the provisions of this constitution, to restrict the power of taxation, assessment, borrowing money, contracting indebtedness, and loaning the credit of counties, cities, towns and villages, so as to prevent abuses in taxation and assessments and in contracting of indebtedness by them. Nothing in this article shall be construed to prevent the legislature from further restricting the powers herein specified of any county, city, town, village or school district to contract indebtedness or to levy taxes on real estate. The legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.”

On the relationship of the Article 8 Section 2 requirement to pledge the faith and credit and the Article 8 Section 12 protection of the levy of real property taxes to pay debt service on bonds subject to the general obligation pledge, the Court of Appeals in the *Flushing National Bank* case stated:

“So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted....While phrased in permissive language, these provisions, when read together with the requirement of the pledge of faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the *Flushing National Bank* case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of municipalities.

Therefore, while the Tax Levy Limitation Law may constrict an issuer’s power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer’s pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer’s levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

It is possible that the Tax Levy Limitation Law will be subject to judicial review to resolve the constitutional issues raised by its adoption. Although courts in New York have historically been protective of the rights of holders of general obligation debt of political subdivisions, the outcome of any such legal challenge cannot be predicted.

## **CYBERSECURITY**

The County, like many other public and private entities, relies on technology to conduct its daily operations. As a recipient and provider of personal, private, or sensitive information, the County faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer systems and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the County, through its Department of Information Technology, invests in various forms of cybersecurity and operational controls, including firewalls, intrusion prevention systems, an advanced persistent threat detection system, network share monitoring systems, internet content filters, email content filters, and host based detection software controls and regularly evaluates the integrity of its cybersecurity and controls. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against all cyber threats and attacks. The results of any such attack could impact the County's business operations or finances and/or damage the County's digital networks and systems and the costs of remedying any such damage could be substantial.

## **MARKET FACTORS AFFECTING FINANCINGS OF THE COUNTY, THE STATE AND MUNICIPALITIES OF THE STATE**

There are certain potential risks associated with an investment in the Notes, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The financial condition of the County as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the County's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or at any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the County to arrange for additional borrowings and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The County's credit rating could be affected by circumstances beyond the County's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of property in the County, which may affect the County's ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the County's credit rating could adversely affect the market value of the Notes.

If and when an owner of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Note is sold prior to its maturity.

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see "*Tax Matters*" herein).

The County is dependent in part on financial assistance from the State in the form of State aid. No delay in payment of State aid to the County is presently anticipated although no assurance can be given that there will not be a delay in payment thereof. In some recent years, the County received delayed payments of State aid, which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations.

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the County, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the County, could have an impact upon the finances of the County and hence the market price for the Notes. See "TAX LEVY LIMITATION LAW" herein.

The outbreak of the novel coronavirus ("COVID-19") has affected travel, commerce and financial markets globally, and is widely expected to affect national, state and local economies. The degree of any such impact to the County's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, (ii) severity and (iii) ultimate geographic spread, as well as with regard to what actions may be taken by governmental authorities to contain or mitigate its impact. Nonetheless, there can be no assurances that the spread of COVID-19 will not materially adversely impact the financial condition of the County. Potential impacts to the County include, but are not limited to, costs and challenges to the County's public health system and reductions in tourism with corresponding decreases in major revenues such as transient occupancy tax and sales tax. On March 12, 2020, the County Executive declared a state of emergency and directed the Budget Director that for each department of County government, he shall set aside in an amount not to exceed \$100,000 or 10% of any unencumbered appropriation, whichever is greater, to address the COVID-19 pandemic. On March 18, 2020, the President signed House Resolution 6201, the Families First Coronavirus Response Act into law which includes more than \$6 billion in Federal Medical Assistance Percentage ("FMAP") funds for the State. The County's share of the enhanced FMAP funding is expected to result in \$49.45 million to the County.

## **TAX MATTERS**

In the opinion of Harris Beach PLLC, Bond Counsel to the County, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the County with certain covenants and the accuracy of certain representations, interest on each of the RANs and the BANs is excluded from gross income for Federal income tax purposes and is not an "item of tax preference" for purposes of Federal alternative minimum tax on individuals.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the RANs and the BANs in order that interest on each of the RANs and the BANs to be and remain excluded from gross income for Federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the RANs or the BANs, as applicable, and in certain circumstances, payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the RANs and/or the BANs to be includable in gross income for purposes of Federal income tax, possibly from their respective date of issuance. In the respective Arbitrage and Use of Proceeds Certificate of the County to be executed in connection with the issuance of each of the RANs or the BANs, the County will covenant to comply with certain procedures and it will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code in respect to the RANs or the BANs, as applicable. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Prospective purchasers of the RANs or the BANs should be aware that ownership of the RANs or the BANs, and the accrual or receipt of interest thereon, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the RANs or the BANs and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

The Notes will NOT be designated as "qualified tax exempt obligations" within the meaning of, and pursuant to Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, interest on each of the RANs and the BANs is exempt from personal income taxes imposed by the State or any political subdivision thereof (including the City of New York).

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the respective dates of issuance and delivery of the RANs or the BANs may affect the tax status of interest on the RANs or the BANs.

No assurance can be given that any future legislation, including amendments to the Code or the State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the RANs and/or the BANs to be subject to Federal or State income taxation, or otherwise prevent Noteholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the RANs and/or the BANs for audit examination, or the course or result of any Internal Revenue Service examination of the RANs and/or the BANs or of obligations which present similar tax issues, will not affect the market price or marketability of the RANs and/or the BANs. Prospective purchasers of the RANs and/or the BANs should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE NOTES.

## **LEGAL MATTERS**

The legality of the authorization and issuance of each of the RANs and the BANs will be covered by a separate approving legal opinion of Harris Beach PLLC, Bond Counsel, Hempstead, New York. Each such legal opinion will state that in the opinion of Bond Counsel (i) the RANs or the BANs, as applicable, have been authorized and issued in accordance with the Constitution and statutes of the State of New York and such RANs or BANs constitute valid and legally binding general obligations of the County, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and the Notes and interest thereon, subject to the applicable statutory limitations set forth in Chapter 97 of the Laws of 2011 of the State of New York, as amended (See "TAX LEVY LIMITATION LAW" herein); provided, however, that the enforceability (but not the validity) of the RANs or the BANs, as applicable, may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights; (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the RANs or the BANs, as applicable, is excluded from the gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum taxes imposed on individuals; (iii) interest on the RANs or the BANs, as applicable, is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including the City of New York); and (iv) based upon Bond Counsel's examination of law and review of the respective arbitrage certificates to be executed by the County Comptroller in connection with the issuance of the RANs or the BANs, as applicable, pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in said arbitrage certificate are sufficient to support the conclusion that the RANs or the BANs, as applicable, will not be "arbitrage bonds" within the meaning of said section, and no matters have come to Bond Counsel's attention which makes unreasonable or incorrect the representations made in said arbitrage certificate. Bond Counsel will express no opinion regarding other Federal or State income tax consequences arising with respect to the RANs or the BANs.

Each such legal opinion will also state that (i) in rendering the opinion expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the

signatures appearing upon such public records, documents and proceedings and such certifications thereof; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the RANs or the BANs, as applicable, has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the County together with other legally available sources of revenue, if any, will be sufficient to enable the County to pay the principal of and interest on the RANs or the BANs, as applicable, as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the County, would materially affect the ability of the County to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the County, in connection with the sale of the RANs or the BANs, as applicable, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Hawkins Delafield & Wood LLP will deliver an opinion as to certain matters, as Disclosure Counsel to the County.

### **DISCLOSURE UNDERTAKING**

This Official Statement is in a form “deemed final” by the County for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). At the respective time of the delivery of each of the RANs and the BANs, the County will provide an executed copy of its applicable “Undertaking to Provide Notices of Events” (each, an “Undertaking”). Each such Undertaking will constitute a written agreement or contract of the County for the benefit of holders of and owners of beneficial interests in the RANs or the BANs, as applicable, to provide, or cause to be provided, to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice not in excess of ten (10) business days after the occurrence of any of the following events with respect to the RANs or the BANs, as applicable:

- (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties (the County has not established a debt service reserve in connection with the issuance of the Notes); (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers;
- (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the County; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County]; (xiii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a financial obligation of the County, if

material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

With respect to events (xv) and (xvi) above,, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The County may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the RANs or the BANs, as applicable; but the County does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

The Undertaking shall remain in full force and effect until such time as the principal of, redemption premium, if any, and interest on the RANs or the BANs, as applicable, shall have been paid in full. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the County, and no person or entity, including a holder of the RANs or the BANs, as applicable, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the County to comply with an Undertaking will not constitute a default with respect to the RANs or the BANs, as applicable.

The County reserves the right to amend or modify an Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

### ***Compliance History***

The continuing disclosure undertakings or agreements executed by the County in accordance with the Rule with respect to each of its general obligation serial bond borrowings required the County to annually file with EMMA, certain annual financial information in the form generally consistent with the information contained in or cross-referenced in the official statements for such serial bond issues and its audited financial statements for each fiscal year. Although the Official Statement and escrow agreement entered into by the County in connection with the issuance of its Refunding Serial Bonds – 2016 Series A (the “2016A Refunding Bonds”) which included all the required information were filed in a timely manner, the County filed the notice of defeasance with respect to the bonds that were refunded by the 2016A Refunding Bonds one day late.

The County has established procedures to ensure that future filings of continuing disclosure information will be in compliance with the County’s obligations under continuing disclosure undertakings entered into in accordance with the Rule, including transmitting such filings to the MSRB through EMMA. The County Comptroller adopted such written procedures entitled “Continuing Disclosure Procedures” which are available upon request.

### **RATINGS**

The County did not apply to Moody’s Investors Service (“Moody’s”) for a rating on the Notes.

On March 20, 2020, Fitch Ratings, Inc. (“Fitch”) downgraded the County’s long-term underlying credit rating from ‘A-’ to ‘BBB+’ with a negative outlook and assigned a rating of ‘F2’ to the RANs.

On March 20, 2020, S&P downgraded the County’s long-term underlying credit rating from ‘A-’ to ‘BBB+’ with a negative outlook and assigned a rating of ‘SP-2’ to the RANs and the BANs.

On October 7, 2019, Moody's affirmed the County's long-term underlying credit rating of 'Baa1' with a stable outlook.

Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; S&P Global Ratings, 55 Water Street, New York, New York 10041; and Fitch Ratings, Inc., One State Street Plaza, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any of the ratings may have an adverse effect on the market price of the Notes.

### **MUNICIPAL ADVISOR**

Capital Markets Advisors, LLC, Great Neck and New York, New York, (the "Municipal Advisor") is an independent registered municipal advisor with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the County in connection with this transaction.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the County to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the County. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Notes.

### **UNDERWRITING**

The County has selected Jefferies LLC as the book-running underwriter for the Notes. Jefferies LLC is herein referred to as the "Underwriter."

The Underwriter has agreed, subject to certain conditions, to purchase the RANs from the County at an aggregate purchase price of \$\_\_\_\_\_ (which reflects an underwriters' discount of \$\_\_\_\_\_ and an original issue premium of \$\_\_\_\_\_) and to offer the RANs at the public offering price set forth on the cover page hereof. The Underwriter has agreed, subject to certain conditions, to purchase the BANs from the County at an aggregate purchase price of \$\_\_\_\_\_ (which reflects an underwriters' discount of \$\_\_\_\_\_ and an original issue premium of \$\_\_\_\_\_) and to offer the BANs at the public offering price set forth on the cover page hereof. The Notes may be offered and sold to certain dealers (including dealers depositing such Notes into investment trusts) at lower than such public offering prices, and prices may be changed, from time to time, by the Underwriter. The Underwriter's obligations are subject to certain conditions precedent, and they may be obligated to purchase all such Notes if any such Notes are purchased.

Jefferies LLC has entered into an agreement (the "Agreement") with E\*TRADE Securities LLC ("E\*TRADE") for the retail distribution of municipal securities. Pursuant to the Agreement, Jefferies LLC may sell a portion of the Notes to E\*TRADE and will share a portion of its selling concession compensation with E\*TRADE.



## ADDITIONAL INFORMATION

Periodic public reports relating to the financial condition of the County, its operations and the balances, receipts and disbursements of the various funds of the County are prepared by the County Comptroller's Office and the Budget Office of the County, and in certain instances audited by independent certified public accountants. In addition, the County regularly receives reports from consultants, commissions, and special task forces relating to various aspects of the County's financial affairs, including capital projects, County services, taxation, revenue estimates, pensions, and other matters.

Additional information pertaining to the Official Statement may be obtained upon request from the Office of the County Comptroller, H. Lee Dennison Building, 9<sup>th</sup> Floor, 100 Veterans Memorial Highway, Hauppauge, New York 11788, telephone (631) 853-5040.

The County will act as Paying Agent with respect to the Notes. The County Clerk, Judith A. Pascale, (631) 852-2000, [countyclerk@suffolkcountyny.gov](mailto:countyclerk@suffolkcountyny.gov) shall be the Paying Agent contact.

Any statements made in the Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. The Official Statement is not to be construed as a contract or agreement between the County and the holders of any of the Notes.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at [www.capmark.org](http://www.capmark.org). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the County nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the County disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the County also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Official Statement is submitted only in connection with the sale of the Notes by the County and may not be reproduced or used in whole or in part for any other purpose.

**COUNTY OF SUFFOLK, NEW YORK**  
Department of Audit & Control

**BY:** \_\_\_\_\_  
**John M. Kennedy, Jr.**  
**County Comptroller**

Dated: March \_\_\_, 2020

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**APPENDIX A**

**THE COUNTY OF SUFFOLK**

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## THE COUNTY OF SUFFOLK

*The projections included in this Official Statement are based on the estimates included in the County’s 2020 Adopted Budget. Such projections do not make any predictions as to the impact of COVID-19 on the County’s financial position due to the COVID-19 pandemic. (See “MARKET FACTORS AFFECTING FINANCINGS OF THE COUNTY, THE STATE AND MUNICIPALITIES OF THE STATE” herein.)*

### **General Overview**

Suffolk County (the “County”) was established on November 1, 1683 as one of the ten original counties in New York State. The County comprises the eastern two-thirds of Long Island and its western border is approximately 15 miles from the eastern border of New York City. The County is bordered by Nassau County to the west, the Long Island Sound to the north, and the Atlantic Ocean to the south and east. Major population centers within the County are the Towns of Brookhaven, Islip, Babylon, Huntington, and Smithtown, each with populations in excess of 100,000. While land use within the County is predominantly suburban residential, significant amounts of land are also used for commercial, industrial, institutional, parkland, and agricultural purposes. In addition, the Atlantic Ocean, the Long Island Sound and the bays and harbors located within the County are prime attractions, providing swimming, boating and fishing activities for visitors and residents alike. County residents enjoy a high quality of life, supported by high median incomes, relatively low unemployment and crime rates, quality public school systems, and numerous cultural and recreational attractions.

Electricity within the County is supplied primarily by PSEG Long Island (a subsidiary of the Public Service Enterprise Group) and natural gas is supplied by National Grid. The primary supplier of water within the County is the Suffolk County Water Authority, but in some areas it is provided by local water districts. Fire protection is provided by local volunteer fire departments and fire protection districts. Police protection is primarily provided by the Suffolk County Police Department, but in some areas it is provided by local town or village police forces.

### **Demographics**

The population of the County is stable. According to the U.S. Census Bureau, the County had a population of 1,481,093 in 2018, a decrease of 0.8% since the 2010 Census figure. Between 2000 and 2010, the County’s population increased by 5.2%. A slow rate of population growth is expected in the near future. The County’s population is the largest of any county in New York State outside of New York City. According to the U.S. Census Bureau, the County ranks 26<sup>th</sup> in population out of all 3,143 counties in the United States, and has a larger population than 11 states.

According to the U.S. Bureau of Economic Analysis, total personal income of all County residents amounted to \$101.6 billion in 2018, an increase of 4.7% over the 2017 figure. The County’s 2018 per capita personal income was \$68,617, ranking 4<sup>th</sup> highest out of the 62 counties in New York State and 105<sup>th</sup> (in the top 4%) out of all counties in the nation.

As the table below shows, the median household income in the County was \$100,468 in 2018, placing it 62% higher than the median household income in the nation as a whole and ranking it in the top 1% out of all counties in the nation. In addition, the percent of persons living in poverty in the County was 7.2% in 2018, significantly lower than the State and the United States.

**Median Household Income and Poverty Rate in the County, with Comparisons**

Area	2013		2018	
	Median Household Income	Persons Below Poverty (%)	Median Household Income	Persons Below Poverty (%)
Suffolk County	\$85,439	7.3%	\$100,468	7.2%
Nassau County	96,193	6.1	116,304	5.6
New York State	57,369	16.0	67,844	13.6
United States	52,250	15.8	61,937	13.1

Source: U. S. Census Bureau (American Community Survey)

According to the U.S. Bureau of Labor Statistics, the average annual pay for County residents in 2018 amounted to \$60,419, an increase of 13.2% in the five years since 2013. This increase was greater than the rate of inflation over the same period, which was 6.5%.

According to the U. S. Census Bureau, the County has a relatively well-educated population. Among residents age 25 and over in 2018, 91% were high school graduates and 37% held a bachelor's degree or higher. These figures compare to 88% and 33%, respectively, for the nation as a whole.

### ***Governmental Organization***

In New York State, local governmental services are provided by counties, cities, towns, and villages. The County provides police and law enforcement services, economic assistance, health and nursing services, and preservation of open space along with numerous other services. The County also maintains many roads, parks, and waterways, and operates a three-campus community college.

Since 1960, the County has operated under a charter form of government, which provides for executive administration of County affairs. As enacted by general election referendum, an 18-member County Legislature was established on January 1, 1970, which consisted of representatives elected from 18 districts of approximately equal population based on data from the decennial U. S. Census. In 2007, a Charter Law was enacted establishing a non-partisan Reapportionment Commission to provide a fair and objective process by which future County legislative districts are reapportioned.

The Suffolk County Legislature is the main lawmaking body of the County. The County Executive heads the executive branch of government. The County Comptroller, as chief fiscal officer, is responsible for auditing the records of the County departments and special districts, for examining and approving all payment vouchers, for ascertaining that funds to be paid are both appropriated and available, and for the issuance of all County debt obligations. The County Comptroller receives and has custody of all County funds including County taxes and fees and reports the financial status of the County to the County Legislature.

In accordance with the Suffolk County Charter, the County Executive and the County Comptroller are elected to four-year terms and the 18 members of the County Legislature are elected to two-year terms. Term limits have been established for County Legislators, the County Executive and the County Comptroller.

Pursuant to Resolution 621-13 "A Charter Law to Create a Unified County Department of Financial Management and Audit," the 2014 Adopted Budget included savings anticipated to be generated through the merger and consolidation of the County Treasurer's and County Comptroller's Offices. On November 4, 2014, a voter referendum approved the merger of the County Treasurer's Office with the County Comptroller's Office in 2018. The merger became effective on January 1, 2016, accelerated from January 1, 2018, pursuant to Resolution 517-2015 adopted by the County Legislature on June 2, 2015.

### ***Economic Indicators***

According to the U. S. Bureau of Economic Analysis, the County had a gross domestic product of \$93.0 billion in 2018. This figure ranked 41<sup>st</sup> out of all counties nationwide. Its gross domestic product increased by 17.3% in the five-year period from 2013 to 2018. In real inflation adjusted terms, the five-year increase was 5.0% in that period.

In the Long Island region, comprised of Nassau and Suffolk Counties, employment continues to increase. According to the New York State Department of Labor, as of December 2019, there were 1,365,700 jobs in the region, an increase of 7,600 or 0.6% since December 2018. The following table shows the employment by industry sector in the region in 2018 versus 2019, along with the percent change in that period.

**Non-Farm Employment in the Nassau-Suffolk Region, by Industry, in Thousands**

<b>Industry</b>	<b>December 2018</b>	<b>December 2019</b>	<b>% Change</b>
Goods Producing			
Natural Resources, Mining & Construction	84.0	86.1	+2.5%
Manufacturing	71.5	71.9	+0.6%
Service Providing			
Wholesale Trade	67.8	68.3	+0.7%
Retail Trade	166.9	167.0	+0.1%
Transportation, Warehousing & Utilities	45.8	45.1	-1.5%
Information	17.0	16.6	-2.4%
Financial Activities	68.7	67.9	-1.1%
Professional & Business Services	170.1	169.7	-0.2%
Education & Health Services	282.6	285.5	+1.0%
Leisure & Hospitality	121.6	126.5	+4.0%
Other Services	61.2	60.3	-1.5%
Government	200.9	200.8	-0.0%
<b>TOTAL</b>	<b>1,358.1</b>	<b>1,365.7</b>	<b>+0.6%</b>

Source: New York State Department of Labor

The County's unemployment rate remains low and was 3.8% in December 2019. The County unemployment rate was lower than the rate in the State and in New York City. As of December 2019, there were 747,000 employed residents in the County. This figure was 0.4% lower than the December 2018 figure, but 3.2% higher than the December 2014 figure.

The following is a selected list of non-governmental firms in the County having large numbers of employees, and the number of persons employed by each. Many of these firms conduct business in both Nassau and Suffolk Counties and the statistics shown below are for both counties.

**Large Non-Government Employers, Nassau-Suffolk Region, 2016**

<b>Firm Name</b>	<b>Type of Business</b>	<b>Number of Employees</b>
Northwell Health	Health Care System	31,153
Catholic Health Services	Health Care System	17,000
Stop & Shop	Commercial	8,100
Winthrop University Hospital	Hospital	7,700
Walmart	Commercial	5,056
Home Depot	Commercial	4,361
CVS	Commercial	3,800
King Kullen	Commercial	3,649
Verizon	Utility	3,499
Geico	Insurance	3,200

Source: *Newsday* (2017), Data from U.S. Department of Labor; Bureau of Labor Statistics; New York State Department of Labor.

The number of businesses situated in the County continues to rise. According to the U.S. Bureau of Labor Statistics, as of the 2<sup>nd</sup> quarter of 2019, there were 51,755 private business establishments located in the County. This represents a record 2<sup>nd</sup> quarter high for the County and a 2.0% increase in the five years since 2014. According to the U.S. Census Bureau, as of 2017, there were 24 businesses in the County that employed 1,000 or more persons yet small businesses comprise a large portion of the County's business establishments. As of 2016, 62% of the businesses with payroll in the County employed fewer than five persons and 78% employed fewer than 10 persons. In addition, according to the U.S. Census Bureau, in 2017, the County had 131,986 "non-employer" firms, mostly self-employed individuals. The number of these businesses increased by 8.4% in the five years between 2012 and 2017.

***Technology Sector***

The County is well positioned to support the growth of the technology industry. It is home to Brookhaven National Laboratory ("BNL"), a multipurpose research institution that employs 2,600 people and the source of several Nobel

Prizes. In January 2020, the U. S. Department of Energy announced that a \$1.6 billion electron-ion collider will be constructed at BNL. The facility is expected to employ 1,000 people and attract nuclear research scientists from around the world to help them learn about the inner workings of the atomic nucleus. Construction of the facility is expected to take 10 years. Previously, the U.S. Department of Energy selected BNL for construction of the \$912 million National Synchrotron Light Source II (“NSLS II”) facility, which opened in 2015.

Accelerate Long Island, an initiative created by the Long Island Association (“LIA”), connects the region’s research institutions with businesses to aid local technology startups.

Broad Hollow Bioscience Park at Farmingdale State College, a 102,000 square foot incubator for biotech companies and Stony Brook University’s 62,000 square foot Long Island High Technology Incubator are START-UP NY state tax-free zones. Stony Brook’s incubator provides new technologically-innovative companies with support services and resources to foster their growth. Stony Brook University also operates two New York State Centers for Advanced Technology: one in Medical Biotechnology and another in Sensor Technologies. The University’s Stony Brook Research and Development Park includes its Advanced Energy Research and Technology Center, and the Center for Excellence in Wireless Information Technology. In addition, the University’s \$60 million Innovation and Discovery Center is under construction and is expected to open in 2020 at the Research and Development Park, and the \$75 million Institute for Discovery and Innovation in Medicine & Engineering is expected to open in December 2021.

### ***Economic Base***

The County has a substantial commercial office building market. According to the County’s Department of Economic Development & Planning, there are 26.4 million square feet of commercial office buildings located in the County. This figure includes 900,000 square feet of new office space constructed in the five years since 2015. An additional 2.6 million square feet of office space has been proposed for future construction. The office market in the County remains strong. According to CBRE, a multinational real estate firm, the office vacancy rate in the County was 13.1% in the 4<sup>th</sup> quarter of 2019, a 40 basis point (0.40%) improvement from the rate in the same period in 2018. The County’s office vacancy rate continues to outperform the Northern New Jersey, Westchester County (NY), and Fairfield County (CT) markets. The average office space rental rate in the County was \$25.16 per square foot in the 4<sup>th</sup> quarter of 2019, increasing by 2.1% over the 4<sup>th</sup> quarter 2018 figure.

The Route 110 Corridor in western Suffolk County is a hub of the Long Island business community. According to the County’s Department of Economic Development & Planning, the hamlet of Melville, located on Route 110, has 9.7 million square feet of office space and 1,485 acres in Melville and East Farmingdale are developed with light industrial uses. Fougera Pharmaceuticals plans to spend \$88 million to upgrade its Melville manufacturing facility by 2021. Melville is also home to large corporate headquarters, such as *Newsday*, the 8<sup>th</sup> largest newspaper in the United States in circulation, and Henry Schein Inc., a Fortune 500 distributor of healthcare products and services. Melville is the U.S. headquarters for Canon and Nikon and a regional headquarters for Fortune 500 cosmetics producer Estee Lauder and large banks including Capital One and TD Bank. After Melville, the next largest concentrations of private office space in the County are located in Hauppauge (3.8 million square feet), Islandia (1.8 million square feet), Bohemia (900,000 square feet), and Ronkonkoma (900,000 square feet).

The County has significant industrial space totaling 107.6 million square feet, according to the commercial real estate advisory firm Newmark Knight Frank. The industrial market fundamentals remain very strong in the County. According to Newmark, the County’s 3.6% industrial vacancy rate in the 4<sup>th</sup> quarter of 2019 was among the lowest in the nation and the industrial asking rent was \$11.43 per square foot, an increase of 5.2% in the past year. The largest concentration of industrial space in the County is located in Hauppauge, with more than 13 million square feet of space. Additionally, significant light industrial space is located in the area around Long Island MacArthur Airport in Ronkonkoma and Bohemia and further east in the Yaphank area.

According to the County’s Department of Economic Development & Planning, there are 282 hotels, motels and inns located in the County. Together these lodging properties have 11,968 rooms. Approximately 20% of these rooms are seasonal (open for half the year in the warmer months) and these seasonal rooms are located primarily in the eastern end of the County. In the five years since 2015, more than 400 lodging rooms have been added in the County. A 131 room Marriott Residence Inn in Riverhead opened in 2017, a 125-room Courtyard by Marriott opened in Central Islip in 2018, a 128-room Homewood Suites opened in Lake Ronkonkoma in 2019 and a 146-room Home2Suites by Hilton opened in Yaphank in 2019. Proposals have been made for several additional new hotels in the County,



which could result in an increase of more than 2,000 hotel rooms in the County. According to Smith Travel Research, the occupancy rate of the County’s hotels was 68.7% in 2019, slightly higher than the 67.7% figure in 2018 and average daily room rates in 2019 increased in the same period by 7.4% to \$163.

The County is a major retail market, as evidenced by \$23.7 billion in sales reported in 2012, according to the most recent U.S. Census of Retail Trade. Total retail sales per household in the County amounted to \$47,750 in 2012, ranking it among the highest markets in the country. Three regional malls and two regional outlet centers serve the County. According to the County Department of Economic Development & Planning, shopping center space in the County totals 41.2 million square feet and an additional 2.8 million square feet of new retail space is proposed for construction, including a new Walmart supercenter planned in Yaphank. Many of the County’s downtown business districts have emerged as attractive and vibrant centers for dining and entertainment. Ground floor retail space in the County’s downtown centers totals approximately 9 million square feet. The following table lists the major retail centers in the County.

#### **Major Retail Centers in the County**

<b>Retail Center</b>	<b>Location</b>	<b>Anchor Stores</b>
Smith Haven Mall	Lake Grove	Macy’s, JC Penney, Dick’s
Walt Whitman Shops	South Huntington	Macy’s, Bloomingdales, Lord & Taylor, Saks
Westfield South Shore	Bay Shore	Macy’s, JC Penney, Lord & Taylor, Dick’s
Tanger Outlets at the Arches	Deer Park	Off 5 <sup>th</sup> Saks, BJ’s, Regal Cinema, Christmas Tree Shops
Tanger Outlet Center	Riverhead	Off 5 <sup>th</sup> Saks, Pottery Barn, Nike, Polo
Huntington Business District	Huntington	Wild by Nature, Stop & Shop, Rite Aid, Value Drugs
Southampton Business District	Southampton	Hildreth’s, Stop & Shop, CVS, Rite Aid
Great South Bay Shopping Center	West Babylon	Old Navy, Bed Bath & Beyond, Marshalls, JoAnn
Airport Plaza	East Farmingdale	Home Depot, Staples, Stew Leonard’s
Riverhead Centre	Riverhead	Home Depot, Best Buy, Michael’s, ShopRite, Petco
Bay Shore Business District	Bay Shore	Boulton Center for the Performing Arts
Veterans Memorial Plaza	Commack	Target, Whole Foods, LA Fitness, Hobby Lobby
Babylon Business District	Babylon	Village Pharmacy
Centereach Square	Centereach	Walmart, Modell’s, JoAnn, Big Lots, Party City
Crooked Hill Commons	Commack	Home Depot, Walmart, Kohl’s
Sayville Plaza	Bohemia	K Mart, Modell’s, Old Navy, Bed Bath & Beyond
Islandia Center	Islandia	Walmart, TJ Maxx, Stop & Shop, Dave & Buster’s
Gardiner Manor	West Bay Shore	Target, King Kullen, Staples, HomeGoods, Old Navy
Patchogue Business District	Patchogue	Patchogue Theatre for the Performing Arts, Burlington
Gateway Plaza I and II	North Patchogue	Marshalls, Best Buy, Michael’s, HomeGoods, Dick’s
Riverhead Business District	Riverhead	Atlantis Aquarium
Town Center at Central Islip	Central Islip	Home Depot, Target
Big H Shopping Center	Huntington Station	Home Depot, Marshalls, Old Navy
South Port	Shirley	Kohl’s, Stop & Shop, Michael’s, Marshalls
Port Jefferson Business District	Port Jefferson	Theatre Three
Nicolls Plaza II	Centereach	Target, Home Depot, Best Buy
Bridgehampton Commons	Bridgehampton	K Mart, TJ Maxx, King Kullen, Staples

Source: Suffolk County Department of Economic Development & Planning, Division of Planning & Environment.

There are 11 full service hospitals located in the County. Several of these hospitals have spent or are spending hundreds of millions of dollars on major construction projects to expand and modernize their facilities. For example, Good Samaritan Hospital in West Islip has announced plans to invest \$525 million for a major expansion. Stony Brook University Hospital is undergoing a \$450 million expansion of its hospital campus, including a new cancer center, the expansion of its emergency, surgical, and obstetrics departments, and a major expansion to its Children’s Hospital that opened in 2019. In 2020, Peconic Bay Medical Center in Riverhead completed a \$67 million expansion. A \$60 million cardiac care center at Long Island Community Hospital in Patchogue opened in 2016 and a \$53 million expansion of Huntington Hospital’s emergency room opened in 2017. A completely new \$305 million Stony Brook Southampton Hospital is proposed for completion in 2025, replacing the existing Southampton facility.

The County has a significant agricultural sector. According to the most recent U.S. Census of Agriculture, the County has more than 30,000 acres of active farmland, the County has significant and agricultural production was

valued at \$226 million in 2017, ranking fourth highest out of 62 counties in the State. In 2017, farms in the County averaged \$7,511 in agricultural sales per acre of farmland, approximately ten times the State average. Between 2012 and 2017, direct food sales at farm stands and farmers markets increased 209% to \$27.7 million. In 2015, the County updated its *Agricultural and Farmland Protection* Plan, which aims to support public policy to protect, encourage and sustain agriculture in the County. The County also participates in the New York State Department of Agriculture and Markets' Agricultural District Program. This program is based on a combination of landowner incentives and protections designed to encourage the continued use of farmland for agricultural production and forestall the conversion of farmland to non-agricultural uses.

The fishing industry and the shellfish industry are important sources of employment and income in the east end of the County. Commercial fishing is a heritage industry in the County that provides quality of life benefits, economic benefits and tourism revenue. According to the Atlantic Coastal Cooperative Statistics Program, in 2018, there were 488 commercial fishing establishments in the County landing more than 18 million pounds of fish, valued at nearly \$25 million. The County's shellfish industry (primarily bay scallops, oysters and hard clams) has been enhanced through the establishment and implementation of the Suffolk County Shellfish Aquaculture Lease Program in Peconic Bay and Gardiners Bay. As of January 2020, there are 60 shellfish aquaculture leases in place, which cover 830 acres of County-owned underwater lands.

### ***Major Development Projects***

Major construction and redevelopment projects completed or currently taking place in the County include the redevelopment of downtown Wyandanch in the Town of Babylon. The Town assembled 48 properties and a \$500 million mixed-use transit-oriented redevelopment project adjacent to the Long Island Rail Road ("LIRR") station has begun. Sewer service was extended to the downtown area and the development's \$137 million first phase was completed in 2015, including a multi-level parking facility and two multi-story mixed use buildings with 177 rental units and 35,000 square feet of retail space. In 2018, a new LIRR train station and pedestrian overpass was completed and ground was broken on a 119-unit apartment building north of the plaza. Future development at the site includes the Wyandanch Healthy Living Center, a joint collaboration between the YMCA of Long Island and Hudson River Health to provide a new community YMCA and health center under one roof.

In Huntington Station, revitalization continues on New York Avenue near the LIRR station. Northridge, a three-story, mixed-use building of 16 residential units and 6,000 square feet of ground floor retail space was completed in 2018 and Columbia Terrace is under construction (14 affordable condominiums for veterans ). Gateway Plaza, a three-story mixed-use building with 66 residential units and 16,500 square feet of ground floor commercial space is also under construction. Other proposals in the area include 49 affordable artists' lofts, a proposed hotel and a 100,000 square foot medical office building.

A \$4 billion mixed-use development, Heartland Town Square, has been proposed for 452 acres of a surplus portion of the Pilgrim State Psychiatric Center in Brentwood, located at the intersection of the Long Island Expressway and the Sagtikos Parkway. At completion, the development is proposed to include 1,030,000 square feet of lifestyle retail space, 9,130 units of mid-rise rental housing, 3,239,000 square feet of office space, a hotel, and an aquarium. The project is proposed to be constructed in phases. The change of zoning for a 116 acre portion of the site was approved by the Town of Islip in 2017, but has not yet begun construction. In February 2019, the Suffolk County Sewer Agency granted a one year extension for County Legislature approval of the sewer connection agreement. The agreement is subject to future review and action by the County Legislature.

The long-term redevelopment of the former Central Islip Psychiatric Center is continuing. Projects built on this site include the Long Island Ducks baseball team ballpark and a federal courthouse; the Touro Law School building; the renovation of a former hospital building into a 175,000 square foot office building; and more than 1,500 units of rental and owner-occupied attached housing. A 268 unit apartment complex, Hudson Place, is under construction and will include former Psychiatric Center buildings. On former Psychiatric Center property, a new Courtyard by Marriott opened in 2018, and Ascent Pharmaceuticals and AlphaMed Bottles built a \$47 million manufacturing facility in two adjacent buildings in 2018. Also in Central Islip, Steel Equities has announced plans to develop a new 90 acre industrial park at the former New York Institute of Technology site.

A 54 acre area adjacent to the Ronkonkoma LIRR station is being redeveloped as a \$700 million mixed-use transit oriented development known as the Ronkonkoma Hub. An extension of sewer service to the area has been approved and \$50 million in State funding has been earmarked for infrastructure at the site. The development is now under

construction and at full completion in 2027, it is expected to include 1,450 apartments, 195,000 square feet of retail space and 360,000 square feet of office space. In 2019, the first 245 residential units opened for occupancy and another 244 units are under construction. In 2018, the County selected a preferred developer for 40 acres of County-owned land south of the Ronkonkoma LIRR station. The developer is currently evaluating each component of the proposal, which includes a sports and entertainment venue, medical office space, and public space.

In Yaphank, a \$100 million, 400,000 square foot expansion to Amneal Pharmaceuticals' industrial building in Yaphank was completed in 2015. The Boulevard at Yaphank, a large development consisting of retail, office, and 850 residential units is currently under construction near the intersection of the Long Island Expressway and William Floyd Parkway near Brookhaven National Laboratory. In Shirley, the Triple Five Group purchased the 105 acre former Dowling College campus in 2018, located adjacent to the Brookhaven Town-owned airport. Triple Five plans to renovate and upgrade an existing 65,000-square-foot building on the campus to create an industry-university research and development center for advanced transportation technology.

In the Town of Riverhead, a 131-room Marriott Residence Inn on Route 58 opened in 2017. In downtown Riverhead, the 45-unit workforce housing complex Peconic Crossing was completed in 2018. Riverview Lofts, a 116-unit mixed-use apartment complex, is currently under construction and on an adjacent site, a 170-unit apartment building is proposed. Calverton Executive Airpark, a former U. S. Navy aircraft test site used by Grumman Corporation, continues to be redeveloped for various light industrial purposes as the Enterprise Park at Calverton. At the site, a \$90 million, 134,000 square foot addition treatment and research complex is under construction and is expected to open in March 2020. The Town of Riverhead has approved an offer from Triple Five Group to purchase 1,600 acres at Calverton Airpark to construct \$110 million of industrial and commercial development for aviation, aerospace, technology, and renewable energy companies.

In the Town of Southampton, the 2015 *Riverside Revitalization Action Plan* calls for the re-zoning of 468-acres in Riverside that could result in 2,267 new housing units, 133,517 square feet of retail space and 62,000 square feet of professional offices. New wastewater treatment infrastructure would be needed to facilitate this development. The County-funded reconstruction of the Riverside traffic circle was completed in 2018. At the traffic circle, a blighted, long vacant diner was bulldozed in 2018 and a mixed workforce housing and office building opened in 2019 at the site. In the Town of Southampton, two rental workforce housing developments totaling 66 units were completed in 2019: Speonk Commons and Sandy Hollow Cove. On the formerly blighted site of the Canoe Place Inn in Hampton Bays, a \$60 million, 25 room hotel, restaurant, and 37-unit townhouse development began construction in 2018. In 2018, the village of Westhampton Beach was awarded a \$5 million grant from the State Department of Environmental Conservation toward the construction of a new sewer district project.

In other locations in the County, a number of additional significant development and redevelopment projects have recently been constructed or are proposed. The proposals include Islip Pines in Holbrook, a 136 acre, \$300 million development including apartments, retail space, office space, a movie theater and a hotel that was approved for construction. In Greenport, a 50 unit affordable apartment complex, Vineyard View, began construction in 2019 and received \$5.7 million in financing from the State in partnership with the Community Development Corporation of Long Island.

## ***Housing***

According to the U. S. Census Bureau, as of 2018, there were 576,845 housing units situated in the County. Single family homes dominate the housing stock, comprising 80% of all units. The County has 482,099 households and 81% of the County's occupied housing is owner-occupied. This rate of owner-occupied housing is significantly higher than the 64% of owner-occupied housing in the nation as a whole. The County's owner-occupied housing percentage has remained at around 80% for more than 40 years.

Multi-family housing construction is robust in the County. According to the Suffolk County Department of Economic Development & Planning, in the five years since 2015, a total of 63 multi-family housing complexes containing a total of 4,400 units have been built in the County and another 4,400 units are currently under construction. About half of the new units are in rental apartment complexes, and half are in ownership complexes. In addition, 110 multi-family housing complexes are currently proposed for construction in the County, which could add more than 13,000 housing units. Since 2015, ten assisted living facilities opened in the County and two facilities are currently under construction. Another 19 assisted living facilities have been proposed for construction in the County.

The table below shows the number of new housing units authorized by building permit in the County and the value of new residential construction. In 2019, building permits for 772 housing units were issued in the County, down 23% from the 2018 figure, yet residential construction in 2019 was still valued at more than \$500 million in the County.

**Number and Value of New Housing Units Authorized by Building Permit in the County**

Year	Housing Units	Value of New Residential Construction (in millions)
2019	772	\$544.1
2018	1,002	585.4
2017	1,112	637.0
2016	1,067	648.3
2015	1,218	690.8
2014	1,217	750.6

Source: U. S. Census Bureau, Construction Statistics Division

The housing market in the County remains strong. County home prices in the 4<sup>th</sup> quarter of 2019 were about 48% higher than the national median. As reported by the New York State Association of Realtors, and indicated in the table below, in January 2020, the median selling price of a home in the County was \$400,000, an increase of 5.3% compared to the median price in January 2019.

**Existing Home Sales in the County, January of Each Year**

Year	Median Sales Price	Percentage Change From Previous Year	Number of Homes Sold
2020	\$400,000	5.3%	1,340
2019	380,000	5.8%	1,205
2018	359,000	5.9%	1,256
2017	339,000	7.6%	1,121
2016	315,000	0.0%	977
2015	315,000	6.9%	784

Source: New York State Association of Realtors

According to data provided by RealtyTrac, in January 2020, 0.11% of homes in the County were in some stage of foreclosure, compared to 0.04% nationwide. According to HUD, the foreclosure rate in the Nassau-Suffolk region is relatively high because rapidly rising sales prices in the early to mid-2000s caused a higher portion of homes to have outstanding mortgage loan balances in excess of their market value during the housing crisis compared to the rest of the country. Rates in the region and statewide also remain elevated because the State is a judicial foreclosure state where the average length of the foreclosure process is significantly longer than in states with a non-judicial foreclosure process.

### ***County Initiatives***

The County has an ongoing open space acquisition program, whereby a portion of the County’s sales tax is devoted to the acquisition of open space lands within the County. (See “FINANCIAL FACTORS – Drinking Water Protection, Environmental Protection and Property Tax Mitigation Programs” herein.) The County also has an ongoing Purchase of Development Rights program to preserve and protect working farmland. As of February 2020, the County has purchased the development rights to 10,942 acres of farmland under the program.

The County continues to advance its Coastal Resiliency Initiative, which will utilize \$390 million in federal and state financial aid to connect nearly 6,500 parcels along river corridors on the County’s south shore to sewers as part of the State’s Post-Sandy Coastal Resiliency initiatives. Legislative approvals for the creation and extension of three sewer districts necessary to advance the projects were granted in November 2018. The projects represent the largest investment in sewer infrastructure in the County in more than 40 years and will eliminate nearly 6,500 cesspools and septic systems in these areas, a primary source of nitrogen pollution that has degraded water quality in local bays. Design work for the projects is ongoing and construction is anticipated to begin in late 2020.

The County's Reclaim Our Water initiative continues to advance the use of Innovative and Alternative Onsite Wastewater Treatment Systems as an alternative to cesspools and septic systems in areas where sewerage is not a practical or cost-effective alternative. Along with the Center for Clean Water Technology at Stony Brook University, the County has piloted three versions of an experimental non-proprietary Nitrogen Reducing Biofilter on County-owned Park's properties. In 2017, the County Legislature approved the Septic Improvement Program, which provides grants and loans to homeowners to make voluntary replacement of cesspools and septic systems with provisionally approved nitrogen reducing technologies more affordable for homeowners. As of February 2020, 1,350 property owners have applied and 333 advanced nitrogen reducing systems have been installed as part of the Septic Improvement Program. Another 180 installations are currently pending. In addition, more than 520 state-of-the-art nitrogen reducing septic systems have been installed outside of the grant program throughout the County. In early 2018, the State awarded the County \$10 million in Septic System Replacement Funds toward this grant program. In 2017, the County Legislature approved changes to the Suffolk County Sanitary Code to ban the in-kind replacement of cesspools effective July 1, 2019.

In 2012, County Executive Bellone introduced the Connect Long Island initiative, which encourages sustainable growth by supporting transit oriented developments and enhancing transportation infrastructure to help connect development hubs to the County's major research and educational institutions. In 2014, the County completed a Bus Rapid Transit ("BRT") feasibility study identifying Route 110, Nicolls Road, and Sagtikos Parkway as priority BRT corridors. Project development and 30% design on the Route 110 BRT is underway and scheduled to be completed by the end of 2020. The County's Innovation Zone ("I-Zone") initiative began in 2015 with an aim to create a multi-modal corridor along Nicolls Road that will connect some of the County's key assets including: Downtown Pachogue, the Ronkonkoma HUB and MacArthur Airport, Stony Brook University and Brookhaven National Lab.

In Westhampton, County-owned land at Gabreski Airport is being developed for light industrial and research & development office space at the Hampton Business District. To date, three buildings in the development have been completed, totaling nearly 200,000 square feet of space. At completion, this nine building business park will total 440,000 square feet including a 145-room hotel and is expected to employ 1,100 people.

Through the County's Housing Opportunities Program, the County has committed more than \$23.9 million since 2012 to assist in the construction of 1,412 housing units, 1,332 of which are affordable to families earning at or below 110% of the area median income, and more than half of these affordable units are reserved for families earning at or below 60% of the area median income.

### ***Transportation***

The County's highway network includes the Northern and Southern State Parkways, which are located in the western portion of the County, and the Long Island Expressway (I-495) which extends eastward from New York City to the eastern portion of the County. Other major highways include Sunrise Highway, which connects the County's western border to its eastern town of Southampton, and the Sunken Meadow/Sagtikos Parkway which connects the north and south shores in the western part of the County.

According to the U. S. Census Bureau, as of 2018, 80% of employed County residents drove alone to work. The major employment centers and residential areas in the County are widely dispersed, making it difficult to effectively provide mass transit service. However, the County operates a public bus system, Suffolk County Transit, with 43 bus routes and 14,000 daily riders, and the Town of Huntington operates its own 4 route bus system in the County. In 2018, the County completed the *Suffolk County Mobility Study: Strategies for Suburban Transportation* that included trip pattern analysis, evaluation of mobility modes to augment the existing fixed route transit, and recommendations to help achieve operational efficiency and better align service with rider needs. The County has recently awarded a contract for the Implementation Phase of the Mobility Study. This phase will develop a transit network optimization routing and rollout plan and is expected to last approximately two years.

The extensive commuter rail system in the County, the LIRR, is managed by the Metropolitan Transportation Authority ("MTA"). There are 41 LIRR stations located in the County. The LIRR provides public transportation between the County and New York City and is used by both commuters and leisure travelers. The LIRR is the busiest commuter railroad in the nation as of 2018, serving 89.8 million customers. The MTA plans to spend \$5.7 billion between 2020 and 2024 on LIRR infrastructure including funds to modernize switch and signal systems and purchase 160 new train cars. The LIRR is also evaluating proposals for studying the potential electrification of the

LIRR Port Jefferson Branch. In 2018, the LIRR broke ground on its \$2.6 billion Third Track project between Floral Park and Hicksville in neighboring Nassau County and in 2018, the LIRR completed the \$432 million construction of 17 miles of second electrified track between Farmingdale and Ronkonkoma in the County. These additional tracks will allow the LIRR to more easily flow around rail disruptions and will increase rail capacity to better serve commuters to New York City and reverse commuters to Long Island. The expanded rail service will help facilitate transit oriented development planned near the Republic, Wyandanch, and Ronkonkoma LIRR stations in the County. In addition, the MTA continues work on the \$11.2 billion East Side Access project. When fully completed, which is expected in 2022, this project will connect the LIRR to Grand Central Station in Manhattan, providing a more direct trip between Long Island and the east side of midtown Manhattan.

There are nine public use airports located in the County. At Republic Airport in East Farmingdale, Sheltair Aviation is currently constructing a \$55 million, 210,000 square foot aircraft hangar and terminal. The vast majority of the County's air passenger traffic occurs at Islip MacArthur Airport in Ronkonkoma, because it is the County's only airport with regularly scheduled carrier service. According to the New York State Department of Transportation, Islip MacArthur Airport is the 8<sup>th</sup> busiest airport in the State, based on passenger volume. In 2017, the airport had 648,000 passenger enplanements, a 3% decline in the five years since 2012 but a 9% increase since 2016. In addition to numerous scheduled flights provided by Southwest Airlines, the airport offers scheduled flights to and from Philadelphia by American Airlines. In 2017, Frontier Airlines began serving Islip MacArthur Airport and offers nonstop flights to eight cities.

Ferry service to Connecticut is available from two ferry terminals located in the County, one in Port Jefferson and one in Orient Point. High-speed ferry service is also available between Orient Point and New London, Connecticut. In addition, each summer thousands of visitors are transported by ferries to several Fire Island communities.

### ***Educational Facilities***

According to the State Education Department, there are 69 public school districts located in the County and the combined spending budget of these public school districts amounted to \$6.7 billion for the 2018-2019 school year. According to Western Suffolk BOCES, in the 2018-2019 school year, public school enrollment in school districts in the County was 229,988, a 5.8% decrease in the five years since 2013-2014. Birth rates have slowly decreased in the County in the past two decades, which has led to slowly declining school enrollments. Public school enrollment is expected to continue to slowly decrease by 1.3% per year during the next three years.

There are four four-year colleges and one law school (Touro Law Center) located in the County. Farmingdale State College continues to expand, with a new \$19 million School of Business building that opened in 2015. Suffolk County Community College has an enrollment of 26,000 students on three campuses and continues to expand its facilities. Numerous other professional and technical schools are also located in the County.

Stony Brook University is the largest university located in the County with a Fall 2019 enrollment of 17,100 undergraduate and 8,400 graduate students. The University continues to expand its facilities. The University's new \$41 million, 70,000 square foot computer science building opened in 2015. A new \$63 million student services building currently under construction is expected to open by the end of 2020 and two new residence halls with a total of 759 dorm rooms were completed in 2017. The University's Research and Development Park continues to expand with two additional buildings: the University's \$60 million Innovation and Discovery Center is under construction and is expected to open by the end of 2020, and the \$75 million Institute for Discovery and Innovation in Medicine & Engineering is expected to open in December 2021.

### ***Tourism & Recreation***

Tourism is a multi-billion dollar industry in the County. According to the consulting firm Tourism Economics, traveler spending in the County totaled \$3.2 billion in 2017; tourism supports 43,000 local jobs in the County and generates \$394 million in local and state tax revenues annually. There are 26 State parks located wholly within the County. According to the New York State Department of Parks and Recreation, the State parks in the County have more than 15 million attendees annually. The State parks in the County that were most frequently visited in 2018 were Robert Moses State Park (with 3.7 million visitors), Sunken Meadow State Park (with 3.2 million visitors), Captree State Park (with 1.1 million visitors), Heckscher Park (with 1.1 million visitors) and Montauk State Park (with 1.0 million visitors). Many of the other State, County, Town and Village parks are located inland and on beaches which attract hundreds of thousands of visitors each year. Moreover, a beach in the County has again been

ranked as one of the top ten beaches in the United States in 2019 by Florida International University. With 986 miles of shoreline, industries such as recreational boating, boat sales and service, marinas, and charter boat fishing are prominent in the County.

There are 68 golf courses located in the County. In 2018, the U.S. Open Golf Championship was held at the Shinnecock Hills Golf Club in Southampton and will return again in 2026. In 2019, the PGA Championship was held at the Black Course at Bethpage State Park and the Ryder Cup is scheduled to be played there in 2024. These major sporting events bring tremendous economic benefit to the County and the Long Island region. The 2018 U.S. Open Golf Championship had an estimated regional economic impact of \$120 million, with over 8,000 hotel rooms booked and 200,000 attendees throughout the course of the week-long event.

The County is home to numerous cultural and entertainment facilities. The County's 6,000-seat ballpark in Central Islip is home to the Long Island Ducks independent league baseball team. Hundreds of thousands of patrons attend games there every year. Other recreational attractions in the County include Atlantis Marine World aquarium in Riverhead, Splish Splash, a large water park also located in Riverhead and Adventureland, a traditional amusement park located in Farmingdale. The County boasts several performing arts theaters in its downtowns, including the Paramount Theater in Huntington, the Engeman Theater in Northport, The Argyle Theatre in Babylon, the Boulton Center in Bay Shore, the Patchogue Theatre for the Performing Arts and the Suffolk Theater in downtown Riverhead.

Eastern Suffolk County is a popular tourist destination. A significant number of wineries are located on the North Fork of the County. According to the County Department of Economic Development & Planning, the County has 51 vineyards, 36 craft breweries (the most of any county in the State), 3 cideries and 4 distilleries. An estimated 1.2 million gallons of wine are produced annually in the County, with \$114 million in sales and the 1.3 million visits to these wineries generate another \$99 million in tourism spending.

The County is home to one of the largest concentrations of seasonal homes of any county in the nation. According to the U. S. Census Bureau, in 2018 there were 53,000 seasonal homes in the County (primarily in the eastern part of the County and on Fire Island), which draw part-time residents to the area during the summer months and on weekends. Only nine counties nationwide have more seasonal homes.

According to the County Department of Economic Development & Planning, there are more than 5,300 lodging rooms located in eastern Suffolk, ranging from luxurious boutique hotels and bed & breakfast inns to traditional motels. These lodging properties draw thousands of tourists to the County's east end throughout the year, but primarily in the summer months. The department estimates that the resident population in eastern Suffolk increases by more than 213,000 people during peak summer times due to tourism, which more than doubles the year-round population. Due to its proximity to New York City, the County is well situated to serve the vacation needs of this market.

## **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

For the thirty-fifth consecutive year the Government Finance Officers Association of the United States and Canada (the "GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting (the "Certificate") to the County for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017.

In order to be awarded a Certificate, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate is valid for a period of one year. The County believes that its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018 will conform to the requirements necessary for the award of a Certificate.

# INDEBTEDNESS OF THE COUNTY

## *Constitutional and Statutory Requirements*

The New York State Constitution limits the power of the County (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the County.

**Purpose and Pledge** – Subject to certain enumerated exceptions, the County shall not give or loan any money or property to or in aid of any individual, or private corporation or private undertaking, or give or loan its credit to or in aid of any of the foregoing or any public corporation. The County may contract indebtedness only for a County purpose and shall pledge its faith and credit for the payment of principal and interest.

**Payment and Maturity** – Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the County determines to issue a particular debt obligation amortizing on the basis of substantially level or declining annual debt service. The County is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness, for the amounts required in such year for amortization and redemption of its serial bonds, and for such required annual installments on its notes.

**General** – The County is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers. As has been noted in the section of this Official Statement entitled “THE NOTES – Nature of Obligation”, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the County to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limitation Law imposes a statutory limitation on the County’s power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limitation Law unless the County complies with certain procedural requirements to permit the County to levy certain year-to-year increases in real property taxes. (See “TAX LEVY LIMITATION LAW” herein.)

**Debt Limit** – The County has the power to contract indebtedness for any County purpose so long as the aggregate outstanding principal amount thereof shall not exceed seven per centum of the most recent five-year average full valuation of taxable real estate of the County and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the final equalization rate as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such rate shall be determined. The average full valuation is determined by taking the sum of full valuations of such last completed assessment roll and the four preceding assessment rolls, and dividing such sum by five.

## *Computation of Debt Limit*

As of the finalization of equalization rates in each year:	<u>Full Valuation</u>
2016 .....	\$ 266,561,907,916
2017 .....	275,268,903,698
2018 .....	285,017,347,513
2019 .....	298,662,597,127
2020 .....	<u>320,677,173,986</u>
Total Five-Year Valuation .....	<u>\$1,446,187,930,240</u>
Five-Year Average Valuation .....	289,237,586,048
Debt Limit - 7% of Average Five-Year Full Valuation .....	<u>\$ 20,246,631,023</u>



### ***Statutory Procedure***

In general, the State Legislature has authorized the powers and procedures for the County to borrow and incur indebtedness by the enactment of the Local Finance Law subject to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including County Law and the General Municipal Law of the State and the County Charter.

Pursuant to the County Charter and the Local Finance Law, as applicable, the County authorizes incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of such bonds, by the adoption of a bond resolution, approved by at least two-thirds vote of the County Legislature and subject to the approval of the County Executive in accordance with the County Charter. The County Legislature as a whole constitutes the finance board of the County. Such resolutions are not subject to referendum unless the County Legislature specifically determines that a particular resolution shall be subject to referendum. The Local Finance Law also provides for a twenty-day statute of limitations after publication of a bond resolution (in summary or in full), together with a statutory notice which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing, the estimated maximum cost thereof and the maximum maturity of the bonds, subject to the legal restrictions relating to the period of probable usefulness with respect thereto. Annual principal reductions must commence within twenty-four months of the original issue date. Adoption of a bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of bonds. Statutory law in the State permits bond anticipation notes to be renewed each year provided that principal reductions commence within twenty-four months and provided that such renewals, except in the case of assessable improvement financings, generally do not extend more than five years beyond the original date of the borrowing. Notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five-year limit and may be renewed subject to annual reductions of principal, beginning within twenty-four months of the original issue date, for the entire period of probable usefulness assigned to the purpose for which such notes were originally issued. The County Legislature has delegated certain of its powers in relation to the sale of bonds and any notes issued in anticipation thereof to the County Comptroller, as the Chief Fiscal Officer of the County.

The County Legislature, as the finance board of the County, has the power, pursuant to the Local Finance Law, to adopt deficiency, tax and revenue anticipation note resolutions by majority vote. Such resolutions may authorize the issuance of budget, deficiency, tax or revenue anticipation notes in an aggregate principal amount necessary to fund anticipated cash flow deficits, but, in the case of tax and revenue anticipation notes, not exceeding the amount of taxes or moneys estimated to be received by the County, less any tax or revenue anticipation note previously issued and less the amount of such taxes or revenues previously received by the County. The County Legislature has delegated certain of its powers in relation to the sale of tax and revenue anticipation notes to the County Comptroller, as the Chief Fiscal Officer of the County.

### ***Independent Auditors***

The financial statements of the County as of and for the year ended December 31, 2018, a link to which is included in Appendix B to this Official Statement, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report dated June 28, 2019 appearing therein.

### ***Cash Flow Borrowings***

On April 9, 2019, the County issued \$45,000,000 in revenue anticipation notes in anticipation of the receipt of State and Federal aid. Such notes matured on March 20, 2020.

On October 18, 2019, the County issued \$100,000,000 in tax anticipation notes in anticipation of the receipt of delinquent real property taxes for the years 2016, 2017, 2018 and 2019. Such notes will mature on September 25, 2020.

On December 13, 2019, the County issued \$327,925,000 in tax anticipation notes in anticipation of the receipt of real property taxes levied for the year 2020. Such notes will mature on July 23, 2020.

On January 3, 2020, the County issued \$79,480,000 in tax anticipation notes in anticipation of the receipt of real property taxes levied for the year 2020. Such notes will mature on August 20, 2020.

The County currently anticipates issuing approximately \$100,000,000 in tax anticipation notes in anticipation of the receipt of delinquent taxes for the years 2017, 2018, 2019 and 2020 in October 2020 and \$410,000,000 in tax anticipation notes in anticipation of the receipt of real property taxes levied for the fiscal year 2021 in December 2020.

The County periodically issues short-term tax anticipation notes to provide funds in anticipation of the receipt of taxes that are delayed to some extent by the Suffolk County Tax Act (the “SCTA”). (See “REAL PROPERTY TAXES – Real Property Tax Collection”.)

The following table shows the County’s cash flow borrowings for the last three fiscal years and the projected cash flow borrowings for 2019 and 2020:

	<u>Cash Flow Notes</u>				
	<u>(\$ in millions)</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020*</u>
Revenue Anticipation Notes	\$ 45	\$ 45	\$ 45	\$ 45	\$105
Tax Anticipation Notes	<u>510</u>	<u>510</u>	<u>504</u>	<u>508</u>	<u>510</u>
Total	<u>\$555</u>	<u>\$555</u>	<u>\$549</u>	<u>\$553</u>	<u>\$615</u>

\* Projected.

Chapter 97 of the Laws of 2011 of the State of New York, as amended, (the “Tax Levy Limitation Law”), imposes a limitation on increases in the real property tax levies of the County, subject to certain exceptions outlined in the new law. The 2020 Adopted Budget is in compliance with all State and local tax and expenditure limitations. (See “TAX LEVY LIMITATION LAW” herein.)

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### **Calculation of Total Net Indebtedness**

(as of March 26, 2020)

Inclusions:

Outstanding General Obligation Bonds:

General Purpose and Improvement Bonds and Refunding Bonds	\$1,152,925,184	
County Sewer District No. 1 (Port Jefferson)	1,367,780	
County Sewer District No. 3 (Southwest)	105,540,921	
County Sewer District No. 5 (Strathmore-Huntington)	1,913,643	
County Sewer District No. 6 (Kings Park)	760,927	
County Sewer District No. 7 (Medford)	4,949,311	
County Sewer District No. 9 (College Park)	821,853	
County Sewer District No. 10 (Stony Brook)	354,772	
County Sewer District No. 11 (Selden)	7,994,219	
County Sewer District No. 12 (Birchwood)	762,000	
County Sewer District No. 13 (Windwatch)	210,509	
County Sewer District No. 14 (Parkland)	2,386,881	
County Sewer District No. 15 (Nob Hill)	84,204	
County Sewer District No. 16 (Yaphank Municipal)	238,766	
County Sewer District No. 18 (Hauppauge Industrial)	57,332,428	
County Sewer District No. 20 (William Floyd-Leisure Village)	1,125,603	
County Sewer District No. 21 (SUNY)	888,437	
County Sewer District No. 23 (Coventry Manor)	<u>627,562</u>	
Subtotal: Outstanding Bonds		\$1,340,285,000

Outstanding General Obligation Notes:

Bond Anticipation Notes – 2019 Series A (Federally Taxable)	13,000,000	
Bond Anticipation Notes – 2019 Series B	25,000,000	
Tax Anticipation Notes – 2019 Series I	100,000,000	
Tax Anticipation Notes for 2020 Taxes	407,405,000	
NYS EFC Clean Water Facility Note – 2015A	8,114,700	
NYS EFC Clean Water Facility Note – 2016A	6,904,640	
NYS EFC Clean Water Facility Note – 2019	66,804,024	
Subtotal: Outstanding Notes		<u>627,228,364</u>

Total Inclusions

\$1,967,513,364

Exclusions and Assets on Hand for Debt:

Tax Anticipation Notes	\$507,405,000	
Sewer District Bonds and Refunding Bonds <sup>(1)</sup>	<u>157,662</u>	
Subtotal: Exclusions		\$ 507,562,662

Assets on Hand for Debt:

Appropriations (other than for debt already excluded):		
Outstanding Bonds	<u>116,762,338</u>	
Subtotal: Assets on Hand		<u>116,762,338</u>

Total Exclusions and Assets on Hand for Debt:

\$ 624,325,000

Total Net Indebtedness <sup>(2)(3)</sup>

\$1,343,188,364

(1) Excluded pursuant to certificates issued by the Comptroller of the State of New York dated April 14, 2010.

(2) Represents approximately 6.64% of the Debt Limit of \$20,246,631,023.

(3) Exclusive of lease debt of the County. (See "Lease Payments" herein.)

Source: Suffolk County Comptroller's Office

## **Details of Short-Term Indebtedness Outstanding**

(as of March 26, 2020)

The County presently has outstanding the following short-term obligations:

	<u>Dated</u>	<u>Maturity</u>	<u>Amount</u>
NYS EFC Clean Water Facility Note – 2015A	09/24/15	09/24/20	\$ 8,114,700 <sup>(1)(4)</sup>
NYS EFC Clean Water Facility Note – 2019	10/03/19	09/15/21	66,804,024 <sup>(2)(4)</sup>
NYS EFC Clean Water Facility Note – 2016A	08/04/16	08/04/21	6,904,640 <sup>(3)(4)</sup>
Bond Anticipation Notes – 2019 Series A (Federally Taxable)	06/27/19	06/26/20	13,000,000 <sup>(5)</sup>
Bond Anticipation Notes – 2019 Series B	10/18/19	04/16/20	25,000,000 <sup>(6)</sup>
Tax Anticipation Notes			
For Delinquent Tax Receipts – 2019 Series I	10/18/19	09/25/20	100,000,000 <sup>(7)</sup>
For 2020 Taxes – Series I	12/13/19	07/23/20	327,925,000 <sup>(8)</sup>
For 2020 Taxes – Series II	01/03/20	08/20/20	79,480,000 <sup>(8)</sup>

- (1) The maximum principal amount of this EFC note is \$9,072,500. The note is expected to be retired with the proceeds from the sale of bonds issued to EFC in 2020.
- (2) The maximum principal amount of this EFC note is \$103,236,969. The note is expected to be retired with the proceeds from the sale of bonds issued to EFC in 2021.
- (3) The maximum principal amount of this EFC note is \$20,395,377. The note is expected to be retired with the proceeds from the sale of bonds issued to EFC in 2021.
- (4) The County has entered into various Project Financing Agreements (“PFAs”) with the New York State Environmental Facilities Corporation (“EFC”), pursuant to which the County issued the EFC notes referred to in this table. The proceeds of the EFC notes are advanced by EFC to the County as work on the respective projects financed by the respective EFC notes progresses. The amounts set forth in the table above reflect the sum of advances made by EFC to the County and reduced by scheduled principal repayments that have been made by the County to date. See “Anticipated Capital Borrowings” herein.
- (5) Expected to be paid from the proceeds from the sale of Suffolk County Sewer District Bonds.
- (6) Expected to be paid from State and Federal aid expected to be received by the County.
- (7) Expected to be paid from the collection of real property taxes or assessments for fiscal years 2016, 2017, 2018 and 2019.
- (8) Expected to be paid from the collection of real property taxes or assessments for fiscal year 2020.

Source: Suffolk County Comptroller’s Office

## **Summary of Bonded Debt (in thousands)**

(as of December 31 in each year):

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total Bonded Debt <sup>(1)</sup>	\$ 1,426,153	\$ 1,386,049	\$ 1,386,076	\$ 1,360,421	\$ 1,361,650
Bonded Debt Excluded from Debt Limit	<u>(16,169)</u>	<u>(10,912)</u>	<u>(2,138)</u>	<u>(1,137)</u>	<u>(158)</u>
Bonded Debt Subject to Debt Limit	<u>\$ 1,409,984</u>	<u>\$ 1,375,137</u>	<u>\$ 1,383,938</u>	<u>\$ 1,359,284</u>	<u>\$ 1,361,492</u>

- (1) \$3,222,294, \$1,806,512, \$1,446,393, \$2,367,356 and \$188,654 of Total Bonded Debt for the fiscal years December 31, 2015, December 31, 2016, December 31, 2017, December 31, 2018 and December 31, 2019, respectively, has been paid pursuant to an Escrow Contract between the County and M&T Bank dated April 1, 2013 related to a HEAL Grant from the State. See “Other Transactions” herein.

No principal of or interest on any County obligation is past due. Except as set forth in the immediately following paragraph, the County has never had a default or delinquency in the payment of principal of or interest on any obligation of the County.

Due to an extra “0” erroneously inserted into an account number in a wire sent to the Depository Trust Company (“DTC”) by U.S. Bank National Association (“US Bank”) acting as escrow agent for the County, a portion of the principal payment of the County’s Public Improvement Serial Bonds - 2010 Series B (the “2010 Series B Bonds”), which was due on October 15, 2018, was paid one day late despite the fact that the correct amount of funds was wired to and received by DTC late in the day on October 15, 2018. US Bank had entered into an Escrow Contract with the County on December 28, 2017 in which US Bank agreed to pay a portion of the principal of and interest on various County bonds including the 2010 Series B Bonds when due to DTC. The County made its payment of

\$5,465,775, representing the balance of the principal and interest due on the 2010 Series B Bonds to DTC in full and on time on October 15, 2018. The County filed a notice on EMMA related to this event on October 24, 2018.

***Authorized and Unissued Capital Indebtedness***

As of February 11, 2020, the County had authorized and unissued indebtedness for general capital purposes of approximately \$493,648,000. Included in that amount is approximately \$174,213,600 of capital purposes that may be funded with bond anticipation notes issued in anticipation of expected Federal and/or State aid.

In addition to the above, the County adopted Resolution 546 of 2016, authorizing the issuance of up to \$540,000,000 bonds to refund certain outstanding bonds of the County. As of February 11, 2020, the County has \$186,945,000 remaining authorized and unissued pursuant to this resolution.

***Anticipated Capital Borrowings***

In recent years, the County has issued debt on a semi-annual basis to finance its ongoing capital program.

During the Spring of 2020, the County anticipates issuing serial bonds of approximately \$50,000,000 for general capital purposes, which includes \$6,000,000 for the purchase of public safety vehicles and \$3,000,000 in connection with Gateway to Patchogue Construction. During the Fall of 2020, the County anticipates issuing serial bonds for approximately \$50,000,000 to \$55,000,000 for general capital purposes. In addition to issuing bonds for general capital purposes, the following material sewer related borrowings are authorized as described below.

The County Legislature has adopted Resolutions #1203-2011, #1134-2012 and #426-2015 authorizing the issuance of \$35,000,000, \$20,000,000 and \$207,000,000, respectively, in serial bonds to finance improvements and the outfall system of the Suffolk County Sewer District No. 3 – Southwest. \$5,000,000 of the above noted amounts has been issued by the County as Suffolk County Sewer District Bonds. \$112,309,469 of the above noted authorizations was issued to EFC in the form of draw down bond anticipation notes under the Storm Mitigation Loan Program (“SMLP”). Grant funding associated with these loans has been awarded by EFC up to a maximum amount of \$20,392,360. It is expected that these short term loans will be refinanced at or prior to maturity with proceeds from the sale of bonds issued to EFC in connection with a long-term loan to the County under EFC’s State Revolving Fund program.

The County Legislature has adopted Resolutions #721-2015 and #1167-2015 authorizing the issuance of \$2,000,000 and \$20,100,000, respectively, in serial bonds to finance the planning and design cost of Nitrogen Reduction Projects. \$20,395,377 of the above noted amounts has been issued in the form of a draw down bond anticipation note to EFC under its Short Term Loan Program. As of March 17, 2020, the County has requisitioned \$7,510,140 of the available proceeds of such short term loan from EFC. It is expected that these short term loans will be refinanced at or prior to maturity with proceeds from the sale of bonds issued to EFC in connection with a long-term loan to the County under EFC’s State Revolving Fund program.

As of March 17, 2020, the status of the NYS EFC short term loans are as follows:

	<u>Maximum Principal Amount of Note</u>	<u>SMLP Grant Funding Received to Date</u>	<u>Requisitions Drawn Against Note to Date</u>	<u>Principal Repayments</u>	<u>Net Outstanding Note Liability</u>
NYS EFC Clean Water Facility Note – 2015A, Final Effluent Pump Station , Sewer District No. 3 – Southwest	\$9,072,500	\$1,418,187	\$8,549,700	\$435,000	\$ 8,114,700
NYS EFC Clean Water Facility Note – 2019, Outfall Replacement Pipe, Sewer District No. 3 – Southwest	103,236,969	13,934,395	67,210,524	406,500	66,804,024
NYS EFC Clean Water Facility Note – 2016A, Suffolk County Coastal Resiliency Initiative	20,395,377	0	7,510,140	605,500	6,904,640

The County Legislature has adopted Resolutions #90-2017 and #1042-2017 authorizing the issuance of \$29,625,000 in serial bonds to finance the cost of improvements to Suffolk County Sewer District No. 3 – Southwest in connection with the Ronkonkoma Hub Project. The County has issued bonds in the principal amount of \$13,312,500 and notes in the amount of \$13,000,000 pursuant to these resolutions.

The County Legislature has adopted Resolutions #1001-2017 and #1204-2017 each authorizing the issuance of \$5,000,000 in serial bonds to finance the cost of improvements to Suffolk County Sewer District No. 11 – Selden and Suffolk County Sewer District No. 20 – William Floyd, respectively. The County has issued bonds in the principal amount of \$1,000,000 pursuant to these resolutions.

The County Legislature has adopted Resolution #206-2018 authorizing the issuance of \$6,000,000 in serial bonds to finance a portion of the cost of improvements to Suffolk County Sewer District No. 18 – Hauppauge Industrial. No serial bonds have been issued pursuant to this authorization.

The Legislature has adopted Resolutions #467-2016, 851-2016, 856-2016, 858-2016, 860-2016, 862-2016, 972-2016, 989-2016, 76-2017, 538-2017, 703-2017, 850-2017, 852-2017, 389-2018, 652-2018, 705-2018, 728-2018 and 49-2019 authorizing, in the aggregate, the issuance of \$29,523,830 in serial bonds to finance projects under the New Enhanced Drinking Water Protection Program. \$14,698,481 in bonds has been issued pursuant to these resolutions. (See “FINANCIAL FACTORS – Drinking Water Protection, Sewer Tax Rate Stabilization, Environmental Protection and Property Tax Mitigation Programs” herein.)

***Underlying and Overlapping Indebtedness of Political Subdivisions Within the County***

The estimated underlying and overlapping indebtedness of political subdivisions within the County as of the most recently completed fiscal year of the respective political subdivision as filed with the Office of the State Comptroller, State of New York is as follows:

	<u>Fiscal Year</u>	<u>Gross Debt<sup>(1)(2)</sup></u>
Towns	12/31/17	\$ 1,400,105
Villages	Various 2018	99,292
School Districts	06/30/18	2,172,803
Fire Districts	12/31/17	<u>108,998</u>
	Totals	<u>\$ 3,781,198</u>

(1) Amounts in thousands.

(2) Exclusive of local government exclusions.

Source: New York State Comptroller's Office, Division of Local Government and School Accountability Data Management Unit

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### ***Annual Debt Service Requirements***

The following table sets forth the annual debt service requirements, rounded to the nearest dollar, on all outstanding County general obligation bonds of the County.

Fiscal Year Ending <u>Dec. 31:</u>	Total <u>Principal</u>	Total <u>Interest</u>	Total Debt <u>Service</u> <sup>(1)(2)(3)</sup>
2020	\$ 138,285,000	\$ 51,005,530	\$ 189,290,530
2021	132,205,000	45,085,490	177,290,490
2022	133,975,000	39,903,635	173,878,635
2023	135,890,000	34,659,898	170,549,898
2024	130,065,000	29,584,664	159,649,664
2025	134,700,000	24,672,683	159,372,683
2026	134,140,000	19,434,148	153,574,148
2027	114,795,000	14,185,888	128,980,888
2028	89,895,000	10,046,721	99,941,721
2029	50,965,000	7,202,375	58,167,375
2030	35,100,000	5,472,577	40,572,577
2031	36,180,000	4,294,595	40,474,595
2032	26,050,000	3,056,302	29,106,302
2033	23,510,000	2,192,479	25,702,479
2034	14,285,000	1,544,208	15,829,208
2035	3,800,000	1,157,283	4,957,283
2036	3,825,000	1,022,357	4,847,357
2037	3,900,000	881,767	4,781,767
2038	3,950,000	737,035	4,687,035
2039	3,315,000	600,015	3,915,015
2040	3,385,000	470,946	3,855,946
2041	3,460,000	337,953	3,797,953
2042	3,535,000	199,670	3,734,670
2043	1,205,000	104,115	1,309,115
2044	<u>1,235,000</u>	<u>52,697</u>	<u>1,287,697</u>
Totals	<u>\$1,361,650,000</u>	<u>\$297,905,031</u>	<u>\$1,659,555,031</u>

- (1) On August 20, 2015 the County issued \$27,438,877 Environmental Facility Corporation Clean Water Bonds (the “2015 EFC Bonds”). The gross debt service attributable for the term of the bonds, March 1, 2016 through and including September 1, 2044 is reflected herewith. However, the gross interest on the 2015 EFC Bonds is subject to a 50% subsidy under the terms of the Project Financing Agreement entered into by the County and EFC in connection with the issuance of the 2015 EFC Bonds. The 2015 EFC Bonds are also subject to an Annual Administrative Fee, due annually on August 15 commencing August 15, 2016.
- (2) On November 9, 2017 the County issued \$48,229,800 Environmental Facility Corporation Clean Water Bonds (the “2017 EFC Bonds”). The gross debt service attributable for the term of the bonds, February 1, 2018 through and including February 1, 2042 is reflected herewith. However, the gross interest on the 2017 EFC Bonds is subject to a 50% subsidy under the terms of the Project Financing Agreement entered into by the County and EFC in connection with the issuance of the 2017 EFC Bonds. The 2017 EFC Bonds are also subject to an Annual Administrative Fee, due annually on October 1 commencing October 1, 2018.
- (3) For the entire fiscal year.

## ***Other Transactions***

### ***New York State HEAL Grant***

On August 21, 2012, Resolution #738-2012 (the “Resolution”) was adopted by the County Legislature accepting a \$17,000,000 grant award from the New York State Department of Health’s Health Care Efficiency and Affordability Law for New Yorkers Grant Program (“HEAL Grant”) Phase 21 for the John J. Foley Skilled Nursing Facility (“JJFSNF”). This award was used for the purpose of, among other things, retiring all outstanding bonds of the County issued to finance the JJFSNF, reimbursing the County for a portion of the debt service paid on such bonds in the 2012 and 2013 fiscal years from the date the grant was awarded to the date of the escrow contract and paying all incidental expenses incurred by or on behalf of the County in connection therewith.

On April 1, 2013, an Escrow Contract between the County and M&T Bank was executed. The HEAL Grant proceeds related to the retirement of the JJFSNF bonds were placed in escrow and, together with the interest earned from the investment thereof, were applied to economically defease the JJFSNF bonds, reimburse the County for the prior debt service payments on the JJFSNF bonds as described above and pay the related expenses, in accordance with the terms and conditions set forth in the Escrow Contract and the Resolution.

The final payment from the defeasance escrow to pay debt service on the JJSNF occurred on October 15, 2019.

### ***Lease Payments***

The following table sets forth the annual lease payments due on March 2<sup>nd</sup> and September 2<sup>nd</sup> annually, rounded to the nearest dollar, related to the sale-leaseback of the H. Lee Dennison Building between the County and the Suffolk County Judicial Facilities Agency. Additionally, under the sale-leaseback agreement, the County is required to fund the annual operating expenses of the Suffolk County Judicial Facilities Agency. For 2020, this amount will be \$101,494 and grows at the greater of CPI or 3% annually throughout the term of the lease.

Fiscal Year Ending <u>Dec. 31:</u>	Total <u>Principal</u>	Total <u>Interest</u> <sup>(1)</sup>	Total Debt <u>Service</u> <sup>(2)</sup>
2020	\$ 2,915,000	\$ 2,493,544	\$ 5,408,544
2021	3,060,000	2,347,794	5,407,794
2022	3,160,000	2,244,519	5,404,519
2023	3,275,000	2,133,919	5,408,919
2024	3,395,000	2,011,106	5,406,106
2025	3,530,000	1,875,306	5,405,306
2026	3,705,000	1,698,806	5,403,806
2027	3,865,000	1,541,344	5,406,344
2028	4,035,000	1,372,250	5,407,250
2029	4,235,000	1,170,500	5,405,500
2030	4,450,000	958,750	5,408,750
2031	4,670,000	736,250	5,406,250
2032	4,905,000	502,750	5,407,750
2033	<u>5,150,000</u>	<u>257,500</u>	<u>5,407,500</u>
Totals	<u>\$54,350,000</u>	<u>\$21,344,338</u>	<u>\$75,694,338</u>

(1) Off slightly due to rounding.

(2) For the entire calendar year.



## CAPITAL PLANNING AND BUDGETING

The County annually adopts a capital program which includes all anticipated capital expenditures for the next three fiscal years. No later than April 15 of each year, the proposed three-year capital program is submitted by the County Executive to the County Legislature. The Capital Budget and Program is adopted in June of each year. The County’s capital budget sets forth the capital projects, both new and previously authorized, expected to be undertaken or continued in the ensuing fiscal year. The adoption of the capital budget does not constitute an authorization to proceed with a project and the financing thereof. In the event the County wishes to finance a project through the issuance of bonds or notes, such issuance of bonds or notes requires further authorization by a two-thirds vote of the County Legislature.

The 2020-2022 Proposed Capital Program and Budget was submitted to the County Legislature on April 15, 2019 and adopted by the County Legislature on June 4, 2019. The 2020-2022 Adopted Capital Program (the “2020-2022 Adopted Capital Program”) includes the following:

	<u>2020-2022 Capital Program</u>
General Government Support: Judicial	\$ 21,552,000
General Government Support: Elections	0
General Government Support: Shared Services	35,891,532
Education: Community College	11,030,000 <sup>(1)</sup>
Public Safety and Law Enforcement	85,888,000
Health: Public Health	995,000
Transportation: Highways	146,550,000 <sup>(2)</sup>
Transportation: Waterways	22,445,000
Transportation: Other	135,606,321 <sup>(3)</sup>
Social Services	15,000,000 <sup>(4)</sup>
Economic Assistance and Opportunity	27,050,000
Culture, Recreation and Preservation	34,240,000
Home & Community Services: Sanitation	518,617,675 <sup>(5)(6)</sup>
Home & Community Services: Other	<u>12,345,000</u>
Total Program:	<u>\$ 1,067,210,528</u>

- (1) Community college projects receive 50% State aid.
- (2) Includes anticipated Federal aid of \$35,120,000 and State aid of \$1,875,000.
- (3) Includes anticipated Federal aid of \$94,203,534 and State aid of \$5,099,057.
- (4) Includes anticipated State aid of \$15,000,000.
- (5) Includes anticipated Federal aid of \$302,117,675 and State aid of \$60,400,000.
- (6) Proposes to fund County Sewer District No. 3 (Southwest) projects in the amount of \$39,475,000 through the Southwest Assessment Stabilization Reserve. (See “Anticipated Capital Borrowings” herein.)

The extension of the County’s one quarter of one percent sales and compensating use tax (“One Quarter of One Percent Tax”) for the Sewer Assessment Stabilization Reserve Fund (“ASRF”) by the adoption of Resolution #770-2007 significantly offsets borrowing needs. A number of sewer projects in the Capital Program are expected to be funded by this sales tax revenue source through the Sewer Assessment Stabilization Reserve. See “ADDITIONAL FINANCIAL INFORMATION – Sewer Tax Rate Stabilization” herein.

On May 16, 2017, Resolution 329-2017, “A Local Law to establish a grant assistance program for the installation of Innovative and Alternative Onsite Wastewater Treatment Systems” was adopted. This local law provides for the establishment of a grant assistance program to qualified residential property owners to be used for the installation of innovative and alternative onsite wastewater treatment systems. Depending upon income level, grant awardees will be provided grant funding of up to \$11,000. Pursuant to the County charter, annual funding of \$2 million will be provided from the ASRF for the years 2017-2021.

The County continues to advance the Suffolk County Coastal Resiliency Initiative (“SCCRI”), which will utilize \$390 million in federal and state financial aid to connect nearly 6,500 parcels along river corridors on the County’s south shore to sewers as part of the State’s Post-Sandy Coastal Resiliency initiatives. On November 20, 2018, the

County Legislature adopted resolutions to approve the creation of the Forge River Sewer District (Resolution 907-2018) as well as extensions of the Southwest Sewer District to the Connetquot River area (Resolution 904-2018) and the Carlls River area (Resolution 905-2018). Each resolution required approval of a majority of the resident electors within each area and special elections were held on January 22, 2019. Propositions were approved by voters in the proposed Forge River Sewer District and the Carlls River extension. The Connetquot River extension was not approved by voters. Funding allocated to the Connetquot River project has been redirected to another SCCRI project area. The projects represent the largest investment in sewer infrastructure in the County in more than 40 years, and will eliminate nearly 6,500 cesspools and septic systems that have been identified as a primary source of nitrogen pollution that has degraded water quality in local bays. Design work for the projects is ongoing and construction is anticipated to be underway in 2020.

Source: County Executive's Budget Office

## COUNTY INVESTMENT POLICY

Pursuant to Article V of the Suffolk County Charter, the County Comptroller is the custodian of all County funds and is charged with the responsibility for creating and administering, pursuant to written guidelines duly promulgated by the County Comptroller, the investment program of the County. The County Comptroller has a written investment policy which is consistent with the Investment Policies and Procedures guidelines of the Office of the State Comptroller. The County Investment policy is approved by resolution of the Suffolk County Legislature. The banks and trust companies authorized for the deposit of County monies are authorized to arrange for the redeposit of County monies in one or more banking institutions, as defined in Section 9-r of New York Banking Law, for the account of the County through a deposit placement program that meets all of the conditions set forth in Section 10(2)(a)(ii) of New York General Municipal Law.

Pursuant to the County Comptroller's investment policy, investments of monies not required for immediate expenditure for terms not to exceed its projected cash flow needs may be made in certain obligations authorized by Section 11 of the General Municipal Law of the State, those being (a) Special time deposit accounts; (b) Certificates of deposit; (c) Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (d) Obligations of the State of New York to the extent that no more than 25% of invested monies are to be invested in obligations of the State of New York; (e) Obligations issued pursuant to Local Finance Law Section 24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation of the State, other than the County to the extent that no more than 15% of invested monies are to be invested in obligations issued pursuant to Local Finance Law Section 24.00 or 25.00; (f) participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5-G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46 and the specific investment program has been authorized by the County Legislature to the extent that no more than 15% of invested monies, exclusive of trust and agency funds, shall be invested in obligations issued by any one approved cooperative investment program; and (g) tax anticipation notes and revenue anticipation notes issued by any school districts in New York State.

The County Comptroller's investment policy further provides that all investment obligations must be payable or redeemable at the option of the County in time to meet expenditures for the purposes for which monies were provided and, in the case of obligations purchased with the proceeds of bonds or notes, must be payable or redeemable at the option of the County within two years of the date of purchase. The investment policy also limits investment maturities of monies invested from current operating funds to 12 months or less while the maturities of monies invested from budgetary reserve funds are limited to 20 months or less.

The County Comptroller's investment policy further provides that, in accordance with the provisions of Section 10 of the General Municipal Law of the State, all deposits, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, are secured by (a) a pledge of "eligible securities" with an aggregate "market value", as provided by General Municipal Law Section 10, equal to the aggregate amount of deposits from the categories designated in Appendix A to the Policy (the "Schedule of Eligible Securities"). Eligible securities used for collateralizing deposits shall be held by a third party bank or trust company subject to security and custodial agreements; (b) an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the

highest rating category by at least two nationally recognized statistical rating organizations; or (c) an irrevocable letter of credit issued in favor of the County by a federal home loan bank whose commercial paper and other unsecured short term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization payable to the County as security for the payment of one hundred percent (100%) of the aggregate amount for the County deposits and the agreed upon interest, if any.

The County Comptroller's investment policy also authorizes the County to enter into repurchase agreements, subject to the following restrictions: (a) All repurchase agreements must be entered into subject to a master repurchase agreement; (b) Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers; (c) Obligations shall be limited to obligations of the United States of America and obligations of agencies of the United States of America where principal and interest are guaranteed by the United States of America; (d) No substitution of securities will be allowed; (e) The custodian shall be a party other than the trading partner and (f) repurchase agreement maturities shall be limited to 30 days or less.

## **FINANCIAL FACTORS**

### ***Operating Budget***

Pursuant to the County Charter, on or before the third Friday in September of each year, the County Executive must submit to the County Legislature the recommended operating budget for the following fiscal year, which includes the general fund and other fund budgets. The operating budget must be adopted as submitted or amended by the County Legislature not later than November 10 of each year or the 52<sup>nd</sup> day after the County Executive has submitted the recommended budget, whichever is later. In the event the County Legislature does not adopt such operating budget as submitted or amended within such time frame, the recommended budget as submitted by the County Executive is deemed adopted. The County Executive may veto legislative budget modifications in their entirety or by individual line item. Such budget amendment resolutions shall be approved or disapproved no later than the 10<sup>th</sup> day subsequent to submission of budget amendment resolutions to the County Executive. The 2020 Recommended Operating Budget was submitted to the County Legislature (the "2020 Recommended Budget") on September 20, 2019 and was adopted with amendments by the County Legislature on November 6, 2019 ("2020 Adopted Budget"). The County Executive submitted several line item vetoes to the County Legislature on November 15, 2019. The County Legislature sustained the line item vetoes, thereby adopting the 2020 Operating Budget on November 23, 2019.

Operating adjustments may be made by either the County Executive or County Legislature, or both, during the course of the fiscal year to ensure that expenditures will not exceed revenues. While the County Executive may amend the operating budget as needed, the Legislature may only amend the operating budget four times during the year; provided that any such amendment must be balanced.

### ***Sales Tax***

The total County sales and compensating use tax rate is 8.625% and is comprised of State tax (4.0%), Metropolitan Transit Authority tax (0.375%), Suffolk County tax (4.0%) and Suffolk County Drinking Water Protection Program tax (0.25%) ("One Quarter of One Percent Tax").

A county must secure State legislative approval to impose a sales tax rate above 3%. The State grants that authority for a set period of time, usually two years. A county must then seek reauthorization from the State legislature. Pursuant to Chapter 62 of the Laws of 2017, the County is authorized to continue to impose an additional sales and compensating use tax for a three year period, beginning December 1, 2017 and ending November 30, 2020. The County Legislature authorized this extension via Resolution 678-2017, which was adopted July 25, 2017.

The Office of the State Comptroller ("OSC") is now required by Chapter 59 of the Laws of 2019 to withhold certain county sales tax revenues and make payments to the impacted towns and villages in the amounts that they had previously received through Aid and Incentives for Municipalities ("AIM") in State Fiscal Year 2018-2019. For the County, the AIM Related Expense withheld from sales tax collections in 2019 was \$7.0 million. As a result, the County received 4.0% more from sales tax collections for fiscal year end 2019 than 2018 collections. If the County

had received the \$7.0 million, fiscal 2019 sales tax collections would have been 4.5% more than 2018. A report<sup>1</sup> issued by the Office of the New York State Comptroller, shows the County had the highest per capita collections in the State, \$1,104 per capita. The County will continue to benefit from the State's marketplace provider tax (internet sales tax). The marketplace provider tax requires online retailers, like Amazon, eBay and Etsy, to collect and remit sales tax when a buyer in the State makes purchases from a third-party vendor on the retailer's site. In addition, the Wayfair v. South Dakota U.S. Supreme Court Decision clarified that states have the right to collect sales tax on internet transactions coming into their state.

The One Quarter of One Percent Tax is utilized for the Suffolk County Drinking Water Protection Program. On August 7, 2007 the County Legislature adopted Resolution #770-2007, a Charter Law extending the One Quarter of One Percent Tax that was due to expire on December 31, 2013 to November 30, 2030 (the "2007 Legislation"). The extension was approved by the State Legislature, signed by the Governor and approved by a majority of the County electorate at the November 6, 2007 general election.

See "Drinking Water Protection, Environmental Protection and Property Tax Mitigation Programs" herein.

### ***Drinking Water Protection, Environmental Protection and Property Tax Mitigation Programs***

The County has a land acquisition program, known either as the Quarter Percent Program or the Drinking Water Protection Program (the "Program") which initially began in 1987 and has been modified by the electorate several times.

The 2007 Legislation extended, in modified form, the One Quarter of One Percent Tax and also amended the percentage allocation of collections as follows: (i) 31.10% to the Suffolk County Environmental Programs Trust Fund for open space acquisition and farmland development rights initiatives; (ii) 11.75% to the Suffolk County Environmental Programs Trust Fund for Water Quality Protection and Restoration Programs and Land Stewardship initiatives; (iii) 32.15% to the Suffolk County Taxpayers Trust Fund to reduce or stabilize the County's general property taxes and/or police/public safety property taxes for the subsequent fiscal year by being credited to revenue in direct proportion to real property taxes assessed and collected from parcels within the County; and (iv) 25.00% to be used to reduce or stabilize sewer taxpayer property taxes provided that the applicable sewer district experiences an increase in rates of at least 3% in the aggregate for user charges, operations and maintenance charges, per parcel charges and ad valorem assessments in the calendar year for which these revenues are being allocated. The amount of debt service and bond or note issuance costs paid from the Environmental Programs Trust Fund for Open Space Acquisition in any calendar year shall not exceed 80% of the unobligated projected sales tax revenues for such calendar year.

On July 29, 2014 the County Legislature adopted resolution #579-2014, a Charter Law amending the Program for enhanced water quality protection, wastewater infrastructure and general fund property tax relief for the County. This legislation provides for an Enhanced Water Quality Protection Program (the "Enhanced Program") designed to provide funding for the purpose of protecting the groundwater in the County's sole source aquifer from discharges of pollutants. The purpose of the Enhanced Program is to acquire, by fee, lease or easement, interests in land and to protect and/or enhance groundwater, for water quality protection and restoration program and land stewardship initiatives, and for installation, improvements, maintenance and operation of sewer infrastructure and sewage treatment plants and for installation of residential and commercial enhanced nitrogen removal septic systems. This Enhanced Program became effective December 1, 2014 and will expire December 31, 2020.

The 2020 Adopted Budget estimates \$89.7 million of sales tax revenues for the Program with a resulting transfer to the general fund of \$28.8 million in 2020. The 2019 estimated amount to be transferred to the general fund is \$27.7 million.

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<sup>1</sup> <https://www.osc.state.ny.us/localgov/pubs/research/growth-in-local-sales-tax-collections-second-half-2019.pdf>

## ***State and Federal Aid***

The County receives substantial financial assistance from State and Federal reimbursement, mainly for human services and other mandated entitlement programs. The 2020 Adopted Budget projects 20.8% of general fund revenue would be derived from State and Federal aid. The 2019 estimated annual County general fund revenue derived from State and Federal aid is 19.9%.

The State is not constitutionally obligated to maintain or continue to provide aid to the County. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the County during its current fiscal year, as well as future years. Any such elimination or reduction would require the County to either counterbalance any such loss with, to the extent available, an increase in revenues from other sources or a curtailment of expenditures. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the County, the County may be affected by a delay in the receipt of State aid, until sufficient State taxes have been received by the State to make such payments. If in any given year the State does not adopt its budget in a timely manner, municipalities and school districts in the State, including the County, may also be affected by a delay in the payment of State aid. (See also “MARKET FACTORS AFFECTING FINANCINGS OF THE COUNTY, THE STATE AND MUNICIPALITIES OF THE STATE” herein).

The State receives a substantial amount of Federal aid. However, the State’s current financial projections concerning Federal aid, and the assumptions on which they are based, are subject to revision.

State legislation adopted with the State’s 2019-2020 Budget continues authorization for a process by which the State would manage significant reductions in federal aid during fiscal years 2018-2019 and 2019-2020 should such reductions occur. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the Federal government (i) reduces federal financial participation in Medicaid funding to the State or its subdivisions by \$850 million or more; or (ii) reduces federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by \$850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State’s General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

## ***Medicaid***

The Medicaid expense share of general fund expenditures for 2018 was 11.1%. The 2019 estimated Medicaid expense is 10.9% of general fund expenditures. The 2020 Adopted Budget estimates Medicaid expense at 10.3% of general fund expenditures. Under the State Medicaid cap law, the County’s Medicaid expenses are capped by a formula which sets calendar year 2005 base period with local Medicaid payments to the State increasing by an annual, non-compounded inflation factor. (For example, the 2012 payment was determined by increasing the 2005 base by 3.50% for 2006, 3.25% for 2007 and 3.00% for 2008, 2009, 2010, 2011 and 2012, for a total increase of 21.75% over the 2005 base). Since 2015, the State has implemented a 0% cap on growth for local Medicaid contributions. The State cap on Medicaid expenses provides significant savings to the County each year, as well as providing an accurate method for budgeting for such expenses in future years.

In light of the State’s Medicaid budget deficit of \$4 billion in its fiscal year 2021, the State is exploring various options that could impact the State Medicaid 0% growth cap for County governments.

## ***2019 Adopted Budget with Updates***

The County Executive submitted the 2019 Recommended Operating Budget (“2019 Recommended Budget”) to the County Legislature on September 21, 2018. The 2019 Recommended Budget was adopted without amendment on November 7, 2018 (the “2019 Adopted Budget”). The 2019 Adopted Budget is in compliance with the Tax Levy Limitation Law and local budget cap laws.

The 2019 Adopted Budget projects sales tax revenue of \$1.51 billion, an increase of 3.9% over 2018 sales tax collections. The County retains an outside economic firm to assist it in developing sales tax forecasts. See “Sales Tax” herein.

The County Executive issued Executive Order 2019-01 on March 6, 2019 to establish for fiscal year 2019 a policy for the transfer of funds. In contemplation of revenue targets and not meeting expenditure goals due to reasons outside the control of County government, the order directed the Budget Director to embargo up to 10% of each department’s unspent, non-encumbered budget appropriations to be held in reserve.

Resolution No. 378-2019, adopted by the County Legislature on April 9, 2019, adopted Local Law No. 19-2019, a Local Law Reducing Fees For Instruments Presented For Recording Or Filing To The County Clerk. The 2017 Tax Cuts and Jobs Act, enacted, for the first time in tax history in the United States, a limit on the amount a taxpayer could deduct for state and local taxes (“SALT”) on a federal income tax return to \$10,000. Local Law No. 19-2019 reduces the fees on all mortgage instruments by \$100 per recording in order to help defray the impact of the SALT cap.

The 2019 Adopted Budget did not contain any pension amortization deferral or any other non-recurring revenue items.

### ***2020 Adopted Budget***

The 2020 Recommended Operating Budget was submitted to the County Legislature (the “2020 Recommended Budget”) on September 20, 2019 and was adopted by the County Legislature on November 23, 2019 (the “2020 Adopted Budget”). The 2020 Adopted Budget is in compliance with the Tax Levy Limitation Law and local budget cap laws.

The 2020 Adopted Budget projects sales tax revenue of \$1.58 billion, an increase of 3.7% over the 2019 sales tax collections. This estimate reflects the continued withholding of sales tax for AIM and the full year impact of increased sales tax collections related to internet sales.

The 2020 Adopted Budget includes sufficient funding for unsettled labor contracts.

The 2020 Adopted Budget is structurally balanced. It does not contain any pension amortization deferral or any other non-recurring items.

The 2020 Adopted Budget contains several initiatives:

2020 ADOPTED BUDGET  
SUMMARY OF MAJOR INITIATIVES  
(\$ IN MILLIONS)

Health Plan Savings (see “Employee Medical Health Plan” herein)	\$37.6
OTB Residual Payments	25.0
Uncollected Property Tax Contingency	7.0
Bail Reform Savings	7.0
Criminal Justice Reform Expenses	3.7
Increased ASRF Payment (see “Sewer Tax Rate Stabilization” herein)	3.6
School Bus Safety Initiative (stop arm camera ticketing program)	2.0
County Insurance Reserve Fund (see “Strategic Fiscal Planning” herein)	1.0

## ADDITIONAL FINANCIAL INFORMATION

### *Pension Payments*

Substantially all employees of the County are members of the New York State and Local Employees Retirement System (“ERS”) or the New York State and Local Police and Fire Retirement System (“PFRS”), (ERS and PFRS are referred to collectively hereinafter as the “Retirement Systems” where appropriate). These Retirement Systems are cost-sharing multiple public employee retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the “Retirement System Law”). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All retirement benefits generally vest after five (5) years of credited service, except employees hired after April 1, 2012. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. The Retirement Systems are non-contributory for members hired prior to July 1, 1976. All members hired on or after July 1, 1976 through and including December 31, 2009 must contribute 3% of gross annual salary toward the cost of retirement programs, until they attain ten years in the Retirement System.

On December 10, 2009, the Governor signed into law the creation of Tier 5, which was effective for new ERS employees hired after January 1, 2010. ERS employees in Tier 5 also contribute 3% of their salaries throughout their employment.

Additionally, on March 16, 2012, the Governor signed into law the new Tier 6 pension program, effective for new ERS employees hired after April 1, 2012. The Tier 6 legislation provides, among other things, for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees vest after ten years of employment and make contributions throughout employment.

The employer contribution for a given fiscal year is based on the value of the pension fund on the prior April 1; the County is notified of and can include the actual cost of the employer contribution in its budget. Current law requires a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible. The pension payment is due February 1, but may be prepaid by December 15 at a discounted amount.

The Office of the New York State Comptroller previously informed participating employers that due to the global economic crisis, the rate of return of the pension fund experienced an unprecedented decline in 2009 and consequently, contribution rates increased through and including 2014. Additional steps were needed to mitigate the expected increases in the employer contribution rates. Beginning in fiscal 2011, the Employer Contribution Stabilization Program authorized local governments to amortize a portion of annual pension costs during periods when actuarial contribution rates exceed thresholds established by the program. Amortizations are paid in equal installments over a ten-year period at an interest rate that is set annually and fixed over the ten year repayment period. The interest rate for the 2011 fiscal year was 5%, the interest rate for 2012 was 3.75% and the interest rate for 2013 was 3%.

Commencing with the 2014 payment, the County elected to utilize the State’s “Alternate Contribution Stabilization Program.” Per the program guidelines, the interest rate charged is the 12-year US Treasury bond yield plus 1% and is fixed over the twelve year repayment period. The interest rate for 2014 was 3.76%, for 2015, the rate was 3.5%, for 2016, the rate was 3.31%, for 2017, the rate was 2.63% and for 2018, the rate was 3.31%.

The following table sets forth the County's total bills, amounts amortized and annual payments related to the County's pension obligations for ERS and PFRS, including Suffolk County Community College:

PENSION COSTS

Year Paid	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Invoice Period	4/2010- 3/2011	4/2011- 3/2012	4/2012- 3/2013	4/2013- 3/2014	4/2014- 3/2015	4/2015- 3/2016	4/2016- 3/2017	4/2017- 3/2018	4/2018- 3/2019	4/2019- 3/2020
Gross Invoice Amounts (excluding Installments on Prior Deferrals)	136,045,644	182,737,273	203,604,694	233,895,448	228,960,795	195,059,113	195,346,037	205,491,878	202,134,461	206,434,236
Installments on Prior Deferrals	0	2,470,993	8,035,837	15,154,187	24,306,282	30,494,139	35,062,374	38,524,402	41,807,773	41,956,186
Gross Invoice Amount	136,045,644	185,208,266	211,640,531	249,049,635	253,267,077	225,553,252	230,408,411	244,016,280	243,942,234	248,390,422
Less: Pension amounts deferred <sup>1</sup>	(19,080,351)	(45,702,894)	(60,720,972)	(87,101,698)	(59,795,324)	(44,642,145)	(35,234,699)	(32,086,087)	0	0
<b>Pension Amount</b>	<b>116,965,293</b>	<b>139,505,372</b>	<b>150,919,559</b>	<b>161,947,937</b>	<b>193,471,753</b>	<b>180,911,107</b>	<b>195,173,712</b>	<b>211,930,193</b>	<b>243,942,234</b>	<b>248,390,422</b>
Employees Retirement System (ERS)	58,994,854	65,934,963	76,854,241	84,793,660	114,096,596	95,752,292	99,577,355	107,823,546	128,126,363	130,243,787
Police and Fire Retirement System (PFRS)	57,970,439	73,570,409	74,065,318	77,154,277	79,375,157	85,158,815	95,596,357	104,106,647	115,815,871	118,146,635
Total Net Pension Costs	116,965,293	139,505,372	150,919,559	161,947,937	193,471,753	180,911,107	195,173,712	211,930,193	243,942,234	248,390,422

(1) Represents amounts deferred and paid over time.

The County did not defer the allowable pension payment of \$22,124,802 in 2019 and did not defer the allowable pension payment of \$21,028,512 in 2020.

Source: Suffolk County Budget Office.

**Employee Medical Health Plan**

On May 14, 2019, the Suffolk County Legislature ratified a new contract with the Suffolk Coalition of Public Employees ("SCOPE"), a legal entity representing all nine County unions for the Employee Medical Health Plan ("EMHP"). The new contract, developed with the help of outside consultants, is effective July 16, 2019 (60 days after notification) and expires December 31, 2025. The agreement requires all active employees to pay 2% of their salary toward the cost of the EMHP with a minimum contribution of \$1,500 and a cap of \$3,750. Starting January 1, 2021, the contribution amount will grow 1/10 of a percent per year until 2025 when it will be 2.5%. Effective January 1, 2026, continuing contribution rates will be 2.5% with an increased cap of \$4,000. For 2019, contributions are estimated to be \$1.5 million above the 2019 Adopted Budget amount. The 2020 Adopted Budget estimates Employee Healthcare Premium contributions of \$18.8 million for 2020.

Additional design changes have been made as follows:

- Increased deductibles and out-of-pocket requirements.
- Increased co-pays on medical, surgical, hospital and pharmaceuticals.
- Limitations and increased employee share on out-of-network services for chiropractic, physical therapy and occupational therapy.

Annual savings for plan design total approximately \$22.8 million. For 2019, savings are estimated to be \$8.8 million. The agreement requires annual savings of \$40 million. SCOPE must notify the County on or before September 1, 2020 of agreed upon cost saving modifications that may be implemented by EMHP beginning in 2021 which will save the plan at least an additional \$13 million per year or the SCOPE-EMHP agreement will terminate two years earlier than the 2025 expiration date.

**NYS Fiscal Stress Monitoring System**

A Fiscal Stress Monitoring System ("FSMS") was developed by the New York State Comptroller in 2012 as a way to identify local governments facing fiscal stress, factors influencing fiscal stress and ways in which local



governments can manage fiscal stress. The FSMS evaluates local governments on the basis of financial and environmental indicators to create an overall fiscal stress score. The State Comptroller's August 30, 2013 update identified the County, along with eleven other municipalities, as having "significant stress." Such fiscal stress designations relied on data obtained from annual financial reports submitted by local governments to the Office of the State Comptroller. The State's analysis did not take into account the fact that the County maintained nearly \$430 million in special revenue funds. After review of the County's 2013 fiscal year, the State Comptroller improved the County's fiscal stress designation from significant to moderate, effective August 29, 2014. The County had remained in the moderate stress category, through the report issued in September 2017. In January 2018, the State Comptroller implemented changes to the FSMS scoring calculations. Since September 2018, under the new scoring system, the County is in the "significant fiscal stress" category. It should be noted, however, that if the State Comptroller did not implement changes to the FSMS scoring calculations in January 2018, the County would have remained in the moderate stress category.

See the State Comptroller's official website for more information on FSMS. References to websites and/or website addresses presented herein are for informational purposes only and implies no warranty of accuracy of information therein. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

### ***Strategic Fiscal Planning***

In 2019, the following financial reforms have been presented to the Budget and Finance Committee of the County Legislature and, where indicated, adopted by the County Legislature:

- 1) **Introductory Resolution No. 1132-2019 ("IR 1132"): ADOPTING THE OFFICIAL DEBT POLICY OF SUFFOLK COUNTY.** The County recognizes that one of the attributes of sound financial management is a comprehensive debt policy. The development of a debt policy is a recommended best practice by the Government Finance Officers Association. The goals and objectives of the County's Debt Policy are to: guide the County and its managers in policy and debt issuance decisions, maintain appropriate capital assets for present and future needs, promote sound financial management, protect and enhance the County's credit rating, ensure the legal and prudent use of the County's debt issuance authority and evaluate debt issuance options. IR 1132 passed out of committee on March 18, 2019 and was adopted by the County Legislature on March 26, 2019 as Resolution No. 208-2019 and approved by the County Executive on March 29, 2019.
- 2) **Introductory Resolution No. 1208 2019 ("IR 1208"): ADOPTING LOCAL LAW 18-2019, A LOCAL LAW TO MODERNIZE THE COUNTY INSURANCE RESERVE FUND.** The legislature finds and determines that it is a best practice in municipal finances to establish a fund with the express purpose of funding certain uninsured losses, claims, actions, or judgments for which a local government is required to purchase or maintain insurance, with certain exceptions. The County hereby establishes a reserve fund known as the "Insurance Reserve Fund" which shall consist of such moneys as are included in the adopted budget. The amount paid into such fund during any fiscal year shall not exceed the greater of \$33,000 or 5% of the total budget for such fiscal year. IR 1208 was adopted by the County Legislature on April 9, 2019 as Resolution No. 377-2019 and approved by the County Executive on April 26, 2019.
- 3) **Introductory Resolution No. 1141 ("IR 1141"): ADOPTING A LOCAL LAW TO ESTABLISH A MULTI-YEAR FINANCIAL PLAN ("MYP").** As part of the County's ongoing fiscal strengthening and structural enhancements and, in accordance with the best practice recommendations from the Office of the New York State Comptroller and the Government Finance Officers Association, the County is adopting a MYP. Beginning in 2020, the County Executive shall submit, no later than sixty (60) days after the adoption of the County Operating Budget, to the County Legislature, a four-year financial plan consisting of the total estimated expenditures and income for the fiscal year and for each of the next three successive fiscal years. The Legislative Budget Review Office will then review the MYP submitted by the County Executive and issue a report within 45 days of submission to the Legislature. IR 1141 was adopted by the County Legislature on April 9, 2019 as Resolution No. 277-2019, approved by the County Executive on April 26, 2019.

On January 24, 2020 the County Executive submitted the 2020 – 2023 MYP to the County Legislature. Using best financial practices including conservative revenue growth estimates and sensible expenditure growth estimates, the projected results illustrate that the County will have an operating surplus each year of

the MYP. In keeping with the County’s goals to maintain a prudent level of financial resources to guard against service reductions in the event of unexpected temporary revenue shortfalls, unpredicted one-time expenditures, economic downturns or other challenges the County may face, such as changes in monetary policy or federal/state aid policies; the MYP maps out the plan for rebuilding the County reserves as well as identifies the best use for any better-than-expected results surpluses.

Suffolk County 2020-2023 Multi-Year Plan

**001 - General Fund**

<b>Revenue</b>	<b>2020 Adopted</b>	<b>2021 Estimated</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>
Real Property Taxes	49,036,632	49,036,632	49,036,632	49,036,632
Non Property Taxes	1,480,585,758	1,517,682,173	1,547,360,517	1,577,632,427
Real Property Tax Items	49,804,647	49,804,647	49,804,647	49,804,647
Departmental Income	149,322,607	149,551,137	149,849,211	150,154,514
Charges to Other Governments	15,777,701	15,777,701	15,777,701	15,777,701
Uses of Money & Property	22,894,480	27,199,867	27,299,867	27,399,867
Capital Fund Earnings	988,000	988,000	988,000	988,000
State Aid	281,568,922	285,169,130	288,859,481	293,884,137
Federal Aid	200,627,238	200,981,746	201,662,206	202,961,272
Interfund Revenue	62,971,874	63,201,910	63,372,088	63,510,526
<b>Total Revenue</b>	<b>2,313,577,859</b>	<b>2,359,392,943</b>	<b>2,394,010,350</b>	<b>2,431,149,723</b>
<b>Expenditures</b>				
Personal Services	603,552,009	609,178,264	613,247,658	619,089,375
Equipment	1,268,331	1,293,698	1,319,572	1,345,963
Supplies, Materials, & Other Expenses	35,922,087	35,890,339	36,603,675	37,331,278
Contractual Expenses	982,127,479	995,979,310	1,010,365,628	1,025,110,863
Other	7,000,000	7,000,000	7,000,000	7,000,000
Principal on Debt	91,140,443	90,211,742	95,319,231	101,542,427
Interest on Indebtedness	45,500,556	44,170,038	43,792,270	43,354,357
Employee Benefits	181,311,216	182,803,702	182,054,166	180,378,705
Interfund Transfers	351,170,719	359,048,101	380,951,464	404,619,583
<b>Total Expenditures</b>	<b>2,298,992,840</b>	<b>2,325,575,194</b>	<b>2,370,653,664</b>	<b>2,419,772,551</b>
Operating Surplus/(Deficit)	14,585,019	33,817,749	23,356,686	11,377,172
Opening Fund Balance	(14,585,019)	0	0	0
Transfer to Contingency Fund and/or Reserves	0	33,817,749	23,356,686	11,377,172
<b>Ending Fund Balance</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

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## 115 - Police District Fund

<b>Revenue</b>	<b>2020 Adopted</b>	<b>2021 Estimated</b>	<b>2022 Estimated</b>	<b>2023 Estimated</b>
Real Property Taxes	607,963,890	618,968,036	630,171,358	641,577,459
Non Property Taxes	32,212,733	32,856,988	33,514,127	34,184,410
Real Property Tax Items	10,846,328	10,846,328	10,846,328	10,846,328
Departmental Income	3,142,340	3,142,340	3,142,340	3,142,340
Charges to Other Governments	115,000	115,000	115,000	115,000
Uses of Money & Property	2,874,871	2,874,871	2,874,871	2,874,871
State Aid	200,000	200,000	200,000	200,000
Interfund Revenue	38,428,396	38,074,564	36,718,658	33,372,092
<b>Total Revenue</b>	<b>695,783,558</b>	<b>707,078,127</b>	<b>717,582,682</b>	<b>726,312,500</b>
<b>Expenditures</b>				
Personal Services	372,727,039	373,144,892	378,341,435	383,745,872
Equipment	49,410	50,398	51,406	52,434
Supplies, Materials, & Other Expenses	3,025,818	3,086,334	3,148,061	3,211,022
Contractual Expenses	12,109,450	12,216,570	12,321,036	12,427,318
Principal on Debt	4,489,307	4,804,851	5,265,309	3,996,170
Interest on Indebtedness	1,311,734	1,398,378	1,498,227	1,611,693
Employee Benefits	126,460,279	127,497,153	128,407,520	127,903,015
Interfund Transfers	164,312,409	165,182,623	174,628,853	186,369,573
<b>Total Expenditures</b>	<b>684,485,446</b>	<b>687,381,199</b>	<b>703,661,847</b>	<b>719,317,097</b>
Operating Surplus/(Deficit)	11,298,112	19,696,928	13,920,835	6,995,403
Opening Fund Balance	(11,298,112)	0	0	0
Transfer to Contingency Fund and/or Reserves	0	19,696,928	13,920,835	6,995,403
<b>Ending Fund Balance</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

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## ***Suffolk Share***

The SuffolkShare Web Portal for municipal services launched in early 2019 and is currently facilitating streamlined contract “piggybacking,” as well as program development. The 2020 Shared Services plan includes several new programs to be initiated in 2020. These new programs include: SuffolkShare Energy Efficiency Program, SuffolkShare University (e-learning) and SuffolkShare Tech Cooperative for Law Enforcement.

There are currently 109 local governments in the County that are participating in the SuffolkShare Shared Services initiative, including all towns and villages, more than 30 school districts, more than a dozen library districts and fire districts, Eastern Suffolk BOCES, Western Suffolk BOCES and a water district. In addition, the SuffolkShare Public Health Partnership has non-government partners, including PSEG Long Island, Northwell Health and Cornell University.

Some of the County’s largest anticipated areas of savings via shared services include, but are not limited to:

- Shared CAD services between the Suffolk County Police Department and five town and village police departments;
- Shared security services (including school safety assessments by County law enforcement; cooperative usage of the Suffolk County contract for the RAVE panic button).
- Sale of used vehicles to other municipalities
- Cooperative procurement of police vehicles

No savings associated with this plan have been included in the 2020 Adopted Budget.

## ***Suffolk STAT***

Suffolk STAT, a program designed to assist departments in monitoring and analyzing operational performance utilizing Key Performance Indicators (“KPIs”), was implemented at the Suffolk County Police Department (“SCPD”) in 2017. Performance Management has since expanded the implementation of Suffolk STAT throughout County operations. This program is designed to leverage KPIs to provide County managers with specific operational objectives that help improve efficiency and reduce costs. These analytics have successfully contributed to SCPD’s continued success containing overtime expenses. These systems are being deployed countywide to support Budget, Payroll and procurement, with Department-specific features in the Department of Public Works, Parks, Traffic and Parking Violations Agency, Civil Service, Economic Development and others. The County is also currently working with the Sheriff Department to implement their own analytics program.

## ***Suffolk County Tax Act Study Committee***

The County periodically issues short-term tax anticipation notes to provide funds in anticipation of the receipt of taxes that are delayed to some extent by the Suffolk County Tax Act (the “SCTA”). (See “REAL PROPERTY TAXES – Real Property Tax Collection” and “INDEBTEDNESS OF THE COUNTY – Cash Flow Borrowings” herein.)

Resolution 753-2016 was approved on September 9, 2016 to establish a Study Committee to review the Suffolk County Tax Act and determine changes to improve the County’s method of collecting taxes so as to alleviate cash flow issues. The Study Committee is exploring a variety of issues to amend the Suffolk County Tax Act to provide the County with a fair distribution of tax revenues received earlier in the year and will be working with local assessors and school district officials to discuss proposed changes which may be beneficial to the County. Resolution 775-2017 adopted September 6, 2017 extended the deadline for this report to March 15, 2018. A proposed amendment to Resolution 775-2017 extending the report deadline to December 31, 2018 was adopted on March 13, 2018.

The Tax Act Committee has finalized their report to be submitted to the County Legislature. The report evaluated several aspects of the Suffolk County Tax Act beginning with the timing and sequence of the disbursements of the taxes collected. Analysis by the committee of a change to the current tax distribution schedule that would allow the County to receive its share of the tax warrant as collections come in, starting in January, rather than receiving a lump sum payment in June of each year, would improve the County’s cash flow and could reduce the size and expense of the County’s cash flow borrowings.

### ***Tax Stabilization and Debt Service Reserve Funds***

The County Charter requires that a minimum of 25% of the prior year's discretionary general fund balance be transferred to the Tax Stabilization Reserve Fund or Debt Service Reserve Fund. In accordance with this provision, the 2019 Adopted Budget includes a transfer of the Debt Service Reserve Fund in the amount of \$26.1 million which represents 25% of the audited discretionary fund balance in the General Fund in 2017. The \$26.1 million was used to pay debt service in 2019. The County does not anticipate a transfer will be required in 2020.

### ***Sewer Tax Rate Stabilization***

Resolution #625-2011, a Charter Law regarding use of Assessment Stabilization Reserve Fund ("ASRF") surpluses to enhance sewer capacity and provide tax relief, was adopted on August 2, 2011 by the County Legislature. This legislation establishes a limit for the balance of the Sewer District Tax Rate Stabilization Fund at \$140 million for the fiscal years 2011 through 2021, inclusive. In fiscal years 2011, 2012 and 2013, of the fund balance which exceeded \$140 million, 62.5% of the excess funds were required to be used for sewer projects approved by the County Legislature and 37.5% were appropriated by resolution to a reserve fund for bonded indebtedness or to a retirement contribution reserve. Should the fund balance exceed \$140 million in 2014 through 2021, the excess fund balance shall be used exclusively for sewer projects as approved by legislative resolutions. In September 2011, two environmental groups filed a lawsuit to block the County Executive and the County Legislature from using the surplus in this manner without voter approval. In a decision by the New York State Supreme Court on July 19, 2012, the Court found that the plaintiffs lacked the necessary standing to challenge the law. Plaintiffs appealed the decision and the Appellate Division, Second Department declared the law to be null and void and remanded the case to the New York State Supreme Court for, *inter alia*, entry of judgment. Judgment has been entered nullifying the 2011 law, but no damages were awarded in the judgment. Plaintiffs appealed the judgment and briefs were filed. The appeal was argued before the Appellate Division, Second Department, on October 17, 2018, and decision was reserved. On January 21, 2020, the Appellate Division denied the County's motion to reargue or appeal to the Court of Appeals. The County has a notice of appeal pending in the Appellate Division over the order to immediately transfer funds to the ASRF and the County is also seeking leave to appeal the Appellate Division decision to the Court of Appeals. (See also "Litigation" herein.)

Pursuant to Resolution 625-2011, the amount appropriated from the ASRF for the retirement contribution reserve fund to provide general fund relief was \$5.4 million in 2011, \$15.6 million in 2012 and \$8.5 million in 2013.

The 2014 Adopted Budget included a \$32.8 million transfer to the Debt Service Reserve Fund as well as a \$5.0 million transfer to fund sewer infrastructure projects. However, in March 2014, two environmental groups filed a lawsuit to void resolutions passed in 2013 which permitted the transfers from the ASRF. To settle the matter, two resolutions were adopted. Resolution 68-2014 requires a referendum to amend, modify, alter or repeal Local Law 24-2007. Resolution 579-2014 authorized a November 2014 mandatory referendum on a ballot proposal to adopt a charter law which created a \$29.4 million program for environmental protection and restoration. Resolution 579-2014 was approved by a majority of the electorate voting on the measure. In 2017, the County issued bonds for \$1.3 million under this program. In 2018, the County issued \$5.9 million in bonds under this program.

The charter law authorized the County to borrow from the ASRF in 2014, 2015, 2016 and 2017 to provide tax relief. All amounts borrowed from the ASRF are required to be repaid by 2029, with annual payments of no less than 5% of the amount borrowed commencing in 2018. Amounts transferred from the ASRF were \$32.8 million in 2014 and \$32.8 million in 2015. The 2016 Adopted Budget included a \$28.2 million transfer; however, a transfer of an additional \$60 million in fiscal 2016 was approved.

A transfer of \$17.5 million was made from ASRF in 2017. As required by Charter Law, the 2019 Adopted Budget and the 2020 Adopted Budget include paybacks to the ASRF, in the amounts of \$8.565 million and \$12.1 million, representing 5.3% and 7.8%, respectively, of the balance owed.

### ***Employees***

The County employs approximately 9,005 employees as of February 9, 2020, approximately 95% are represented by collective bargaining units. This includes the completion of several classes of Police Officers and corrections officers who replace higher paid officers that are retiring. The Association of Municipal Employees ("AME")

represents approximately 51% of the County’s employees, the Suffolk County Police Benevolent Association (“PBA”) represents approximately 18% of the County’s employees and the remaining employees are represented by various other collective bargaining units or are management.

The collective bargaining units representing employees of the County include:

<u>Association</u>	<u>Expiration Date</u>
Association of Municipal Employees	12/31/24
SC PBA, Probation Officers Association Unit	12/31/24
Superior Officers Association	12/31/24
Deputy Sheriffs Benevolent Association	12/31/24
Suffolk Detectives Association	12/31/24
Police Benevolent Association	12/31/24
Detectives Investigators Police Benevolent Association	12/31/18 <sup>(1)</sup>
Correction Officers Association	12/31/24
Faculty Association of Suffolk Community College	08/31/19 <sup>(1)</sup>
Guild of Administrative Officers of Suffolk County Community College	08/31/19 <sup>(1)</sup>

(1) In negotiations.

- **Resolution No. 437-2019 Adopting a Salary Plan for Employees Excluded From Bargaining Units** - Adopted by County Legislature on May 14, 2019. This resolution provides salary settlements, comparable to the increases offered to AME employees, for management and exempt employees who are excluded from bargaining units and who do not receive salary increases through other salary plans:

2017	2.5%, effective 1/1/19	2021	1.0%, effective 7/1/21
2018	1.5%, effective 7/1/20	2022	1.5%, effective 7/1/22
2019	0%	2023	2.0%, effective 7/1/23
2020	1.0%, effective 12/1/20	2024	2.5%, effective 7/1/24

***Union Contracts***

- **Association of Municipal Employees (AME)** – The Memorandum of Agreement dated May 8, 2019 was approved by the County Legislature via Resolution 434-2019 on May 14, 2019, signed by the County Executive on May 15, 2019 and ratified by union members on June 3, 2019. This agreement provides for an eight year contract from 2017 – 2024 with the following wage increases:

2017	2.5%, effective 1/1/19	2021	1.0%, effective 7/1/21
2018	1.5%, effective 7/1/20	2022	1.5%, effective 7/1/22
2019	0%	2023	2.0%, effective 7/1/23
2020	1.0%, effective 12/1/20	2024	2.5%, effective 7/1/24

Retro payments for the period from January 1, 2019 through date of payroll implementation will be paid upon the employee’s separation from employment at the employee’s then prevailing hourly rate.

- **PBA, Police Benevolent Association Inc.** – The Memorandum of Agreement dated May 8, 2019 was approved by the County Legislature via Resolution 435-2019 on May 14, 2019, signed by the County Executive on May 15, 2019 and ratified by union members on May 20, 2019. The agreement provides for a six-year contract from 2019-2024 and includes the following wage increases:

2019	0.0 %	effective 1/1/19	2023	1.0 %	effective 1/1/23
2020	2.25%	effective 1/1/20		1.0 %	effective 7/1/23
2021	1.0 %	effective 1/1/21	2024	1.5 %	effective 1/1/24
		effective 7/1/21		1.5 %	effective 7/1/24
2022	1.0 %	effective 1/1/22			
	1.0 %	effective 7/1/22			

- **SC PBA, Probation Officers Association Unit** – The Memorandum of Agreement dated August 28, 2019 was approved on September 4, 2019 by the County Legislature via Resolution 810-2019, signed by the County Executive on September 5, 2019 and ratified by union members. The agreement provides an eight-year contract from 2017-2024 and includes the following wage increases:

2017	2.5%, effective 1/1/19	2021	1.5%, effective 7/1/21
2018	2.5%, effective 7/1/20	2022	1.75%, effective 7/1/21
2019	0.0%, effective 1/1/19	2023	2.0%, effective 7/1/23
2020	1.0%, effective 7/1/20	2024	2.75%, effective 7/1/24

Retro payments for the period January 1, 2019 through September 6, 2019 were deferred and are payable upon retirement.

- **Superior Officer’s Association (SOA)** – The stipulation of agreement dated December 9, 2019 was approved by the County Legislature on December 17, 2019 via Resolution 1197-2019, signed by the County Executive on December 24, 2019 and ratified by union members. The agreement provides a six-year contract from 2019-2024 and includes the following wage increases:

2019	0.0 %	effective 1/1/19	2023	1.0 %	effective 1/1/23
2020	2.25%	effective 1/1/20		1.0 %	effective 7/1/23
2021	1.0 %	effective 1/1/21	2024	1.5 %	effective 1/1/24
	1.0 %	effective 7/1/21		1.5 %	effective 7/1/24
2022	1.0 %	effective 1/1/22			
	1.0 %	effective 7/1/22			

- **Deputy Sheriffs Benevolent Association (DSBA)** – A Memorandum of Agreement dated March 3, 2020 will be presented to the County Legislature on March 17, 2020 for approval. The Agreement provides a six-year contract from 2019-2024 and includes the following wage increases:

Effective January 1, 2019	0.00%
Effective January 1, 2020	2.00%
Effective July 1, 2021	1.50%
Effective July 1, 2022	1.75%
Effective July 1, 2023	2.00%
Effective July 1, 2024	2.75%

- **Suffolk Detective’s Association (SDA)** – The stipulation of agreement dated January 14, 2020 was approved on February 11, 2020 by the County Legislature via Resolution 36-2020, signed by the County Executive on February 19, 2020 and ratified by union members. The agreement provides a six-year contract from 2019-2024 and includes the following wage increases:

2019	0.0 %	effective 1/1/19	2023	1.0 %	effective 1/1/23
2020	2.25%	effective 1/1/20		1.0 %	effective 7/1/23
2021	1.0 %	effective 1/1/21	2024	1.5 %	effective 1/1/24
	1.0 %	effective 7/1/21		1.5 %	effective 7/1/24
2022	1.0 %	effective 1/1/22			
	1.0 %	effective 7/1/22			

- **Detectives Investigators PBA (DIPBA)** – The contract expired December 31, 2018 and is currently in negotiations.

- **Correction Officer’s Association (COA)** – The Memorandum of Agreement was approved by the County Legislature on July 16, 2019 via Resolution 737-2019, signed by the County Executive on July 18, 2019 and ratified by union members. The agreement provides for a six-year contract from 2019-2024 and includes the following wage increases:

Effective January 1, 2019	0.00%
Effective January 1, 2020	2.00%
Effective July 1, 2021	1.50%
Effective July 1, 2022	1.75%
Effective July 1, 2023	2.00%
Effective July 1, 2024	2.75%

Retroactive payments for the raises that were effective in 2014 and 2015, other than for overtime and compensatory time payouts, will be paid upon the employee’s separation from employment at the employee’s then prevailing hourly rate, except that those monies so deferred may be paid in 2020 at the sole discretion of the County upon the request of a then current employee.

- **Faculty Association of Suffolk County Community College** – The contract expired August 31, 2019 and is currently in negotiations.
- **Guild of Administrative Officers of Suffolk County Community College** – The contract expired August 31, 2019 and is currently in negotiations.

***Other Post Employment Benefits***

GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), replaces GASB Statement No. 45. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

GASB 75 requires state and local governments to measure a defined benefit OPEB plan as the portion of the present value of projected benefit payments to be provided to current active and inactive employees, attributable to past periods of service in order to calculate the total OPEB liability. Total OPEB liability generally is required to be determined through an actuarial valuation using a measurement date that is no earlier than the end of the employer’s prior fiscal year and no later than the end of the employer’s current fiscal year.

GASB 75 requires that most changes in the OPEB liability be included in OPEB expense in the period of the changes. Based on the results of an actuarial valuation, certain changes in the OPEB liability are required to be included in OPEB expense over current and future years.

Nyhart, formerly Alliance Benefit Group of Indiana, has completed its analysis and actuarial valuation of the County’s OPEB obligation as of the fiscal year ended December 31, 2018 in accordance with GASB 75. The Nyhart report determined that as of December 31, 2018, the County’s total OPEB liability was approximately \$5,116,960,000 using a discount rate of 4.10% and healthcare cost trend rates of 8.5% decreasing to 4.5%. For the year ended December 31, 2018, the County reported deferred outflows of \$162,050,000 and deferred inflows of \$885,020,000.

Should the County be required to fund the total OPEB liability, it could have a material adverse impact upon the County’s finances and could force the County to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the County to partially fund its OPEB liability.

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the County will continue funding this expenditure on a pay-as-you-go basis.



State Legislation has been introduced to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State's OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposed legislation, there would be no limits on how much a local government can deposit into the trust. The County cannot predict whether such legislation will be enacted into law in the foreseeable future.

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**Revenues and Expenditures – General, Police District, Suffolk Tobacco Asset Securitization Corp. and Non-major Governmental Funds**

The following table sets forth revenues and expenditures of the County’s General, Police District, Suffolk Tobacco Asset Securitization Corp. and Non-major Governmental Funds for the five years ended December 31, 2018. On June 24, 2011, the Tax Levy Limitation Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the County, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the County. (See also “TAX LEVY LIMITATION LAW” herein.)

Revenues and other financing sources:	<u>2014</u>
Real property taxes and tax items .....	\$ 663,413,331
Other taxes .....	1,317,106,569
Departmental .....	254,606,065
State aid .....	278,714,591
Federal aid .....	262,213,684
Other revenues .....	<u>94,976,743</u>
Total revenues .....	2,871,030,983
Transfers from other funds and other financing sources .....	<u>479,433,910</u>
Total revenues and other financing sources .....	<u>3,350,464,893</u>
Expenditures and other financing uses:	
General government support .....	250,103,814
Education .....	174,812,588
Public Safety .....	643,211,942
Health .....	143,526,375
Transportation .....	117,076,485
Economic assistance and opportunity .....	655,588,544
Culture and recreation .....	22,262,009
Home & community services .....	59,187,191
Employee Benefits .....	627,541,459
Debt Service .....	184,270,361
Capital Outlay .....	<u>39,842,728</u>
Total expenditures .....	2,917,423,496
Transfers to other funds .....	<u>458,030,400</u>
Total expenditures and other financing uses .....	<u>3,375,453,896</u>
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses .....	(24,989,003)
Fund balances, beginning of year .....	<u>306,223,473</u>
Fund balances, end of year .....	<u>\$ 281,234,470</u>

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<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 701,630,731	\$ 676,586,851	\$ 693,254,446	\$ 714,668,954
1,328,634,123	1,352,668,032	1,409,558,615	1,473,533,128
250,739,291	288,628,759	338,137,043	326,783,621
268,677,610	275,915,481	277,736,387	303,780,212
258,646,120	263,691,029	253,754,841	238,232,853
<u>91,831,972</u>	<u>127,847,940</u>	<u>114,532,591</u>	<u>127,926,881</u>
2,900,159,847	2,985,338,092	3,086,973,923	3,184,925,649
<u>574,088,550</u>	<u>569,905,253</u>	<u>865,438,892</u>	<u>447,241,269</u>
<u>3,474,248,397</u>	<u>3,555,243,345</u>	<u>3,952,412,815</u>	<u>3,632,166,918</u>
256,247,282	259,792,731	276,289,346	275,639,314
176,244,321	182,908,987	187,321,905	217,377,566
682,072,974	725,579,250	747,511,282	767,683,456
135,095,593	132,805,340	134,649,931	134,847,577
118,459,368	120,117,926	123,221,331	128,329,884
651,108,760	650,517,546	637,885,067	629,706,702
20,397,496	21,082,145	21,889,140	21,974,468
57,461,058	56,695,479	57,547,213	57,666,955
644,135,633	672,908,146	731,011,751	769,170,117
196,405,618	211,386,323	205,239,599	202,253,823
<u>43,921,468</u>	<u>45,905,201</u>	<u>28,561,895</u>	<u>62,280,461</u>
2,981,549,571	3,079,699,074	3,151,128,460	3,266,930,323
<u>569,888,571</u>	<u>566,019,294</u>	<u>806,287,093</u>	<u>414,406,195</u>
<u>3,551,438,142</u>	<u>3,645,718,368</u>	<u>3,957,415,553</u>	<u>3,681,336,518</u>
(77,189,745)	(90,475,023)	(5,002,738)	(49,169,600)
<u>281,234,470</u>	<u>204,044,725</u>	<u>114,503,173<sup>(1)</sup></u>	<u>109,404,531<sup>(2)</sup></u>
<u>\$ 204,044,725</u>	<u>\$ 113,569,702</u>	<u>\$ 109,500,435</u>	<u>\$ 60,234,931</u>

(1) Restated beginning fund balance. See Note I.D. 1 in Comprehensive Annual Financial Report prepared for the year ended December 31, 2017.

(2) Beginning fund balance variance of \$95,904 due to the reclassification of the Recreation and Economic Development Corp. of Suffolk County (REDC) changing from a blended component unit to a discretely presented component unit which reports on the Statement of Activities for Component Units found on page 45 of the Comprehensive Annual Financial Report prepared for the year ending December 31, 2018.

Sources: 2014-2018: Derived from audited financial statements. Summary itself is not audited.

## ***County Budgets – 2019 Adopted Budget, 2019 Estimates, and 2020 Adopted Budget***

The following table sets forth revenues and expenditures for County Governmental Funds prepared on a budget basis. The table excludes internal funds for inter-department services, self-insurance and medical insurance. (See “TAX LEVY LIMITATION LAW” herein.)

	2019 Adopted Budget			
	General Fund	Police District	Other Funds	All Funds
Revenues and other financing sources:				
Real property taxes and tax items	\$ 101,719,806	\$601,189,681	\$ 46,174,421	\$ 749,083,908
Other taxes	1,400,007,748	28,619,734	105,121,506	1,533,748,988
Departmental	165,346,847	4,486,940	65,569,860	235,403,647
State Aid	251,983,115	200,000	31,078,978	283,262,093
Federal Aid	209,362,138	0	26,245,884	235,608,022
Other revenues	<u>43,125,916</u>	<u>3,664,859</u>	<u>62,009,482</u>	<u>108,800,257</u>
Total revenues	2,171,545,570	638,161,214	336,200,131	3,145,906,915
Transfers from other funds and other financing sources	<u>86,959,188</u>	<u>42,296,563</u>	<u>160,354,529</u>	<u>289,610,280</u>
Total revenues and other financing sources	<u>2,258,504,758</u>	<u>680,457,777</u>	<u>496,554,660</u>	<u>3,435,517,195</u>
Expenditures and other financing uses:				
General government support	191,614,977	1,222,236	12,785,462	205,622,675
Education	151,225,042	0	0	151,225,042
Public Safety	332,067,433	374,241,688	17,143,778	723,452,899
Health	83,059,877	0	1,801,382	84,861,259
Transportation	108,623,965	0	12,970,315	121,594,280
Economic assistance and opportunity	622,357,352	0	38,241,542	660,598,894
Culture and recreation	64,611,229	9,588,343	2,183,179	76,382,751
Contracts	8,983,906	0	6,501,145	15,485,051
Home & community services	5,087,425	0	54,584,616	59,672,041
Employee Benefits	177,803,270	124,238,730	6,828,129	308,870,129
Debt Service	<u>132,259,009</u>	<u>3,704,494</u>	<u>33,071,157</u>	<u>169,034,660</u>
Total expenditures	1,877,693,485	512,995,491	186,110,705	2,576,799,681
Transfers to other funds	<u>382,049,726</u>	<u>150,607,899</u>	<u>341,861,519</u>	<u>874,519,144<sup>(1)</sup></u>
Total expenditures and other financing uses	<u>2,259,743,211</u>	<u>663,603,390</u>	<u>527,972,224</u>	<u>3,451,318,825</u>
Excess/(deficiency) of revenues and other financing sources over/under expenditures and other financing uses	(1,238,453)	16,854,387	(31,417,564)	(15,801,630)
Fund balances, beginning of year	<u>1,238,453</u>	<u>(16,854,387)</u>	<u>198,811,650</u>	<u>178,195,626</u>
Fund balances, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$162,393,996<sup>(1)</sup></u>	<u>\$162,393,996<sup>(1)</sup></u>

(1) Includes \$36.5 million reserved for Local Law 35-1999 (Water Quality Protection Program, Open Space Acquisition and Farmland Acquisition) and Local Law 24-2007 (Water Quality Protection & Land Stewardship and Land Acquisition Programs) and excludes \$2.0 million to be transferred to Fund 406 and used for certain enhanced nitrogen removal septic systems.

2019 Estimated Results<sup>(2)</sup>

2020 Adopted Budget<sup>(3)(4)</sup>

General Fund	Police District	Other Funds	All Funds	General Fund	Police District	Other Funds	All Funds
\$ 91,841,685	\$602,153,614	\$ 48,989,434	\$ 742,984,733	\$98,841,278	\$618,810,218	\$44,325,534	\$761,977,030
1,410,441,841	28,619,734	105,208,565	1,544,270,140	1,480,585,758	32,212,733	110,038,024	1,622,836,515
155,752,400	3,487,340	66,151,190	225,390,930	149,322,607	3,142,340	66,931,696	219,396,643
269,915,805	200,000	76,236,311	346,352,116	281,568,922	200,000	32,226,017	313,994,939
181,145,846	0	48,154,687	229,300,533	200,627,238	0	28,066,337	228,693,575
<u>53,902,787</u>	<u>3,648,269</u>	<u>59,387,573</u>	<u>116,938,629</u>	<u>39,660,180</u>	<u>2,989,871</u>	<u>61,360,145</u>	<u>104,010,196</u>
2,163,000,364	638,108,957	404,127,760	3,205,237,081	2,250,605,983	657,355,162	342,947,753	3,20,908,898
<u>99,810,912</u>	<u>39,557,759</u>	<u>133,374,249</u>	<u>272,742,920</u>	<u>62,971,874</u>	<u>38,428,396</u>	<u>111,589,191</u>	<u>212,989,461</u>
<u>2,262,811,276</u>	<u>677,666,716</u>	<u>537,502,009</u>	<u>3,477,980,001</u>	<u>2,313,577,857</u>	<u>695,783,558</u>	<u>454,536,944</u>	<u>3,463,898,359</u>
190,267,346	1,251,945	44,890,167	236,409,458	211,291,612	1,234,451	14,585,043	227,111,106
204,170,014	0	0	204,170,014	210,932,371	0	0	210,932,371
342,454,257	390,162,382	35,514,597	768,131,236	345,584,328	386,642,210	17,888,348	750,114,886
133,230,865	0	11,829,218	145,060,083	135,511,889	0	2,518,042	138,029,931
109,652,955	0	10,709,934	120,362,889	114,835,897	0	12,161,561	126,997,458
619,131,871	0	51,006,370	670,138,241	635,124,137	0	51,266,096	686,390,233
0	0	0	0	0	0	0	0
15,315,878	0	7,633,466	22,949,344	15,869,336	0	8,012,370	23,881,706
5,344,704	0	56,228,541	61,573,245	5,716,279	0	58,071,022	63,787,301
176,350,040	124,597,632	6,853,153	307,800,825	183,786,282	126,495,335	7,203,832	317,485,449
<u>137,791,460</u>	<u>3,736,535</u>	<u>33,066,207</u>	<u>174,594,202</u>	<u>137,290,999</u>	<u>5,801,041</u>	<u>34,429,014</u>	<u>177,521,054</u>
1,933,709,390	519,748,494	257,731,653	2,711,189,537	1,995,943,130	520,173,037	206,094,018	2,722,251,495
<u>299,412,028</u>	<u>148,878,250</u>	<u>299,731,631</u>	<u>748,021,909</u>	<u>303,049,709</u>	<u>164,312,409</u>	<u>258,838,719</u>	<u>726,200,837</u>
<u>2,233,121,418</u>	<u>668,626,744</u>	<u>557,463,284</u>	<u>3,459,211,446</u>	<u>2,298,992,839</u>	<u>684,485,446</u>	<u>464,974,047</u>	<u>3,448,452,332</u>
29,689,858	9,039,972	(19,961,275)	18,768,554	14,585,018	11,298,112	(10,437,103)	15,446,027
<u>(44,274,876)</u>	<u>(20,338,084)</u>	<u>218,788,979</u>	<u>154,176,019</u>	<u>(14,585,018)</u>	<u>(11,298,112)</u>	<u>198,827,704</u>	<u>172,944,574</u>
<u>\$(14,585,018)</u>	<u>\$(11,298,112)</u>	<u>\$198,827,704<sup>(2)</sup></u>	<u>\$172,944,573<sup>(2)</sup></u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$188,390,601<sup>(3)</sup></u>	<u>\$188,390,601<sup>(3)</sup></u>

(2) Includes \$26.4 million reserved for Local Law 35-1999 (Water Quality Protection Program, Open Space Acquisition and Farmland Acquisition) and Local Law 24-2007 (Water Quality Protection & Land Stewardship and Land Acquisition Programs) and excludes \$2.0 million to be transferred to Fund 406 and used for certain enhanced nitrogen removal septic systems. Preliminary, subject to change.

(3) Includes \$39.6 million reserved for Local Law 35-1999 (Water Quality Protection Program, Open Space Acquisition and Farmland Acquisition) and Local Law 24-2007 (Water Quality Protection & Land Stewardship and Land Acquisition Programs) and excludes \$2.0 million to be transferred to Fund 406 and used for certain enhanced nitrogen removal septic systems.

(4) All budget amendment items contained in the 2020 Adopted Budget are subject to approval or disapproval by the County Executive for ten (10) days subsequent to submission of such budget amendment resolutions to the office of the County Executive.

Source: Suffolk County Budget Office.

## REAL PROPERTY TAXES

### *Constitutional Real Property Tax Limit*

In accordance with Section 10 of Article VIII of the State Constitution, the amount which may be levied in the County by taxes on real property in any fiscal year for County purposes, in addition to providing for the interest on and the principal of all indebtedness, may not exceed an amount equal to 1.5 percent of the five-year average full valuation of taxable real property of the County, less certain deductions as prescribed therein. The Tax Levy Limitation Law imposes a statutory limitation on the County's power to increase its annual tax levy. As a result, the power of the County to levy real estate taxes on all the taxable real property within the County is subject to statutory limitations set forth in the Tax Levy Limitation Law, unless the County complies with certain procedural requirements to permit the County to levy certain year-to-year increases in real property taxes. See "TAX LEVY LIMITATION LAW" herein. The total real estate tax levy for 2020 for County purposes subject to the tax levy limit is \$608,676,053, as amended.

### *Real Property Tax Collection*

Real property tax payments become a lien on December 1 and may be paid in two equal installments, the first half without penalty until January 10 and the second half without penalty until May 31. A one percent per month interest charge accrues on delinquent payments, and an additional five percent penalty accrues on delinquent payments outstanding after May 31.

Under The Suffolk County Tax Act ("Tax Act"), taxes levied for school district, town, and County purposes are collected by the appropriate town receiver of taxes in two installments. In January, each town distributes to the school districts within such town, as the first installment, one-half of the total taxes levied for school district purposes, or such part thereof as does not in the aggregate exceed one-half of the total amount of taxes collected by the receiver at the time, and retains the remainder for town tax purposes. In June, each town pays to the school districts within such town the balance of the amount of school district taxes levied for school district purposes, or such part thereof as does not in the aggregate exceed one-half of the total amount collected by the receiver at the time of such payment. After making payment to the school districts, each town retains the amount necessary to satisfy its tax levy and returns to the County any remaining moneys as a payment, in part, for taxes levied for County purposes. At the same time, each receiver returns to the County the tax roll indicating the amount of uncollected taxes for school district, town, and County purposes. Pursuant to Resolution No. 206-1998, prior to the return to the County, the towns are authorized to collect delinquent property taxes through additional partial or installment payments. It is the County's responsibility for collecting such unpaid taxes. The County may borrow in anticipation of the collection of these uncollected real property taxes as well as exercising foreclosure remedies as set forth in the Tax Act. (See "TAX LEVY LIMITATION LAW" herein.)

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## ***Taxable Full Valuation - Six-Year Summary***

The table below sets forth for 2015 through 2020, a summary of tax rates, assessed valuation, and full valuation of taxable real property within the County:

<u>Year</u>	<u>Assessed Valuation of Taxable Real Property in the County<sup>(1)</sup></u>	<u>Full Valuation of Taxable Real Property in the County<sup>(1)</sup></u>	<u>County Tax Rate Per \$1,000 of Full Valuation<sup>(2)</sup></u>	<u>Full Valuation of Taxable Real Property in the Police District<sup>(2)</sup></u>	<u>Police District Tax Rate Per \$1,000 of Full Valuation<sup>(2)</sup></u>
2015	\$65,502,093,119	\$255,389,963,430	\$0.19	\$148,609,661,602	\$3.41
2016	67,651,606,257 <sup>(3)</sup>	266,561,907,916 <sup>(3)</sup>	0.18	152,510,232,027	3.42
2017	70,813,844,065 <sup>(4)</sup>	275,268,903,698 <sup>(4)</sup>	0.18	154,882,668,852	3.50
2018	73,998,850,034	285,017,347,513	0.17	159,070,041,929	3.58
2019	77,492,172,113	298,662,597,127	0.17	168,209,152,319	3.42
2020	83,900,870,559	320,677,173,986	0.15	180,862,088,310	3.36

(1) The full valuation of taxable real property is determined by totaling the full valuation of the component towns. See "Assessed and Taxable Full Valuation - Towns." These figures reflect the most current amounts available from the New York State Office of Real Property Tax Services and not necessarily those of the adopted budget for said fiscal years.

(2) Obtained from final budgets for the respective fiscal years.

(3) Amended by Resolution No. 1189-2016.

(4) Amended by Resolution No. 1059-2016.

## ***State Equalization Rates***

Equalization rates are calculated each year based on the prior year's assessment roll and current market values.

<u>Town</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Babylon	1.25%	1.19%	1.18%	1.12%	1.07%	0.97%
Brookhaven	0.95	0.95	0.91	0.90	0.86	0.79
East Hampton	0.73	0.64	0.59	0.57	0.58	0.56
Huntington	0.89	0.86	0.85	0.84	0.80	0.76
Islip	13.20	12.70	12.70	12.12	11.35	10.77
Riverhead	15.40	14.58	14.66	13.87	13.52	12.35
Shelter Island	100.00	100.00	100.00	100.00	100.00	100.00
Smithtown	1.37	1.30	1.32	1.31	1.23	1.16
Southampton	100.00	100.00	100.00	100.00	100.00	100.00
Southold	1.17	1.10	1.08	1.01	0.94	0.93

Source: New York State Office of Real Property Services.

### ***Selected Listing of Large Taxable Properties***

The following table sets forth the larger taxable properties in the County, their location by town, the type of business, and the estimated full valuation on the 2019 assessment roll<sup>(1)</sup>:

<u>Name</u>	<u>Town</u>	<u>Assessed Value</u>	<u>Type</u>	<u>Full Valuation<sup>(1)</sup></u>
Marketspan	Various	\$ 59,644,269	Utility	\$ 6,393,450,519
Long Island Power Authority	Various	88,653,278	Utility	3,626,189,680
Keyspan Energy Corp.	Various	39,392,812	Utility	1,916,801,088
Long Island Lighting Co.	Various	47,855,509	Utility	1,153,146,610
Verizon New York, Inc.	Various	14,392,851	Utility	376,127,020
Westland South Shore Mall	Islip	30,261,400	Commercial	280,978,644
Faithfield Apartments LLC	Various	13,527,650	Residential	269,534,400
The Retail Property Trust	Huntington	2,000,000	Commercial	263,157,895
Blue Turtles Inc.	Southampton	262,339,800	Commercial	262,339,800
Mall at Smith Haven LLC	Various	2,390,847	Commercial	257,036,765
PSEG Long Island	Southampton	229,570,489	Utility	229,570,489
P.J. Venture Co. LLC	Smithtown	2,609,212	Commercial	224,932,069
Heatherwood House	Various	13,964,440	Residential	193,334,165
Avalon Bay Communities, Inc.	Huntington	1,219,975	Residential	160,523,026
Smithtown Galleria Association	Smithtown	1,752,711	Commercial	151,095,776
Target Corporation	Various	6,561,049	Retail	137,230,461
Peconic Landing at Southold	Southold	1,202,500	Residential	129,301,075
Airport Plaza LLC	Babylon	1,216,350	Commercial	125,396,907
Tanger Properties LP	Riverhead	14,427,500	Commercial	116,821,862
Commack Marketing	Smithtown	<u>1,326,488</u>	Commercial	<u>114,352,414</u>
Totals		<u>\$ 834,309,131</u>		<u>\$16,381,320,665</u>

<sup>(1)</sup> Assessment rolls established in 2019 for levy and collection of taxes during 2020 fiscal year. Full valuation is calculated by dividing 2019 Assessed Value by the 2019 Equalization Rate.

Sources: Assessors' Offices of the respective towns located within the County.



## Real Property Tax Warrants and Collection Record

The following table sets forth for 2015 through 2019, and as available for 2020, the tax warrants for all purposes, the amounts collected and the amounts remaining uncollected at the end of each year as well as the tax warrant for the current year.

	Fiscal Year Ended December 31		
	2015	2016	2017
County Taxes:			
County General Tax	\$ 49,037,038	\$ 49,037,038	\$ 49,037,038
Suffolk County Community College Tax	5,250,467	5,250,467	5,250,467
Police District Tax	506,872,160	521,492,609	542,278,671
Sewer Districts	61,958,350	55,673,132	41,896,517
MTA Commuter Tax	2,852,204	2,852,204	2,852,204
Other Items <sup>(1)</sup>	<u>139,241,788</u>	<u>130,166,857<sup>(3)</sup></u>	<u>119,619,239</u>
Subtotal	<u>765,212,007</u>	<u>764,472,307</u>	<u>760,934,136</u>
Town Taxes	1,027,314,222	1,049,329,153	1,077,420,766
School District Taxes	<u>\$3,790,829,553</u>	<u>\$3,859,089,286<sup>(3)</sup></u>	<u>\$3,912,016,695</u>
Total Tax Warrant	<u>\$5,583,355,782</u>	<u>\$5,672,890,746</u>	<u>\$5,750,371,597</u>
Collected During Year	\$5,499,943,359	\$5,589,898,061	\$5,665,883,375
Uncollected End of Year <sup>(2)</sup> :			
Amount	\$83,412,423	\$82,922,685	\$84,448,222
Percent	1.49%	1.46%	1.47%
Uncollected as of January 31, 2020	\$6,283,706	\$14,115,539	\$30,409,037
	Fiscal Year Ending December 31		
	2018	2019	2020 <sup>(4)</sup>
County Taxes:			
County General Tax	\$ 49,037,038	\$ 49,037,038	\$ 49,036,632
Suffolk County Community College Tax	5,250,466	5,250,467	5,250,467
Police District Tax	569,329,186	591,307,286	607,963,890
Sewer Districts	34,935,981	32,298,685	30,398,555
MTA Commuter Tax	2,852,204	2,852,204	2,852,197
Other Items <sup>(1)</sup>	<u>73,515,810</u>	<u>66,635,729</u>	<u>77,791,582</u>
Subtotal	<u>734,920,685</u>	<u>747,381,409</u>	<u>773,293,323</u>
Town Taxes	1,108,345,013	1,145,322,458	1,130,508,434
School District Taxes	<u>\$4,002,881,288</u>	<u>\$4,130,541,841</u>	<u>\$4,330,645,724</u>
Total Tax Warrant	<u>\$5,846,146,986</u>	<u>\$6,023,245,708</u>	<u>\$6,234,447,481</u>
Collected During Year	\$5,759,793,927	\$5,930,813,575	N/A
Uncollected End of Year <sup>(2)</sup> :			
Amount	\$86,353,059	\$92,432,133	N/A
Percent	1.48%	1.53%	N/A
Uncollected as of January 31, 2020	\$50,354,822	\$86,948,423	N/A

(1) Includes various debits and credits, District Court taxes, relieved items, etc.

(2) Net of penalties and interest.

(3) Resolution 1174-2015 amended Brookhaven and Shelter Island Tax Warrants.

(4) Amended pursuant to Resolution 1178-2019.

## Assessed and Taxable Full Valuation - Towns

There are ten towns in the County within which are also included 31 incorporated villages. Valuations of real estate of the towns taxable by the County for fiscal years 2015 through 2020, are shown below:

Town	2015	2015	2016	2016
	<u>Assessed Valuation<sup>(1)</sup></u>	<u>Full Valuation</u>	<u>Assessed Valuation<sup>(2)</sup></u>	<u>Full Valuation</u>
Babylon	\$ 244,921,923	\$ 19,593,753,840	\$ 244,626,105	\$ 20,556,815,546
Brookhaven	457,182,058	48,124,427,158	455,288,892	47,925,146,526
East Hampton	198,154,219	27,144,413,562	198,620,361	31,034,431,406
Huntington	325,971,798	36,626,044,719	325,198,542	37,813,783,953
Islip	4,336,052,345	32,848,881,402	4,335,576,442	34,138,397,181
Riverhead	821,458,520	5,334,146,234	826,725,035	5,670,267,730
Shelter Island	3,071,084,694	3,071,084,694	3,201,639,679	3,201,639,679
Smithtown	243,425,813	17,768,307,518	243,062,871	18,697,143,923
Southampton	55,696,406,525	55,696,406,525	57,712,943,608	57,712,943,608
Southold	<u>107,435,224</u>	<u>9,182,497,778</u>	<u>107,924,722</u>	<u>9,811,338,364</u>
Totals	<u>\$65,502,093,119</u>	<u>\$255,389,963,430</u>	<u>\$67,651,606,257</u>	<u>\$266,561,907,916</u>

Town	2017	2017	2018	2018
	<u>Assessed Valuation<sup>(3)</sup></u>	<u>Full Valuation</u>	<u>Assessed Valuation<sup>(4)</sup></u>	<u>Full Valuation</u>
Babylon	\$ 244,492,069	\$ 20,719,666,864	\$ 244,602,924	\$ 21,839,546,786
Brookhaven	456,880,067	50,206,600,769	458,395,503	50,932,833,667
East Hampton	199,658,928	33,840,496,271	200,465,483	35,169,382,982
Huntington	324,495,014	38,175,884,000	323,690,602	38,534,595,476
Islip	4,333,832,701	34,124,666,937	4,353,090,717	35,916,590,074
Riverhead	831,467,682	5,671,675,866	834,398,413	6,015,850,129
Shelter Island	3,387,323,394	3,387,323,394	3,541,702,845	3,541,702,845
Smithtown	243,297,644	18,431,639,697	243,591,217	18,594,749,389
Southampton	60,684,106,659	60,684,106,659	63,690,013,293	63,690,013,293
Southold	<u>108,289,907</u>	<u>10,026,843,241</u>	<u>108,899,037</u>	<u>10,782,082,871</u>
Totals	<u>\$70,813,844,065</u>	<u>\$275,268,903,698</u>	<u>\$73,998,850,034</u>	<u>\$285,017,347,513</u>

Town	2019	2019	2020	2020
	<u>Assessed Valuation<sup>(5)</sup></u>	<u>Full Valuation</u>	<u>Assessed Valuation<sup>(6)</sup></u>	<u>Full Valuation</u>
Babylon	\$ 245,775,322	\$ 22,969,656,262	\$ 247,719,202	\$ 25,538,062,062
Brookhaven	460,295,708	53,522,756,744	462,261,030	58,514,054,430
East Hampton	201,651,639	34,767,523,966	203,834,055	36,398,938,393
Huntington	322,923,047	40,365,380,875	323,087,888	42,511,564,211
Islip	4,375,409,829	38,549,866,335	4,384,244,906	40,707,937,846
Riverhead	839,897,329	6,212,258,351	846,890,126	6,857,409,927
Shelter Island	3,689,417,903	3,689,417,903	3,719,621,085	3,719,621,085
Smithtown	244,996,461	19,918,411,463	245,484,620	21,162,467,241
Southampton	67,002,152,249	67,002,152,249	73,356,963,200	73,356,963,200
Southold	<u>109,652,626</u>	<u>11,665,172,979</u>	<u>110,764,447</u>	<u>11,910,155,591</u>
Totals	<u>\$77,492,172,113</u>	<u>\$298,662,597,127</u>	<u>\$83,900,870,559</u>	<u>\$320,677,173,986</u>

(1) Per Resolution 1056 of 2014.

(2) Per Resolution 985 of 2015 amended by 1056-2016 and 1189-2016.

(3) Per Resolution 926-2016 amended by 1059-2016.

(4) Per Resolution 922-2017.

(5) Per Resolution 895-2018.

(6) Per Resolution 982-2019.

Source: New York State Office of Real Property Services.

***Other Tax and Assessment Information***

Real property subject to County taxes is assessed by the ten towns (See “Real Property Tax Collection” herein). Veterans’ and Senior Citizens’ Exemptions are offered to those who qualify.

The total taxable valuation of the County consists of approximately 91.4% residential properties and 8.6% non-residential properties.

The total tax bill of an average residential property located in the County, outside of a village is approximately \$10,558. This includes all school, town, county and special district taxes, but excludes the small amounts of taxes raised separately by villages.

Source: Budget Review Office.

**STATISTICAL INFORMATION**

***Population and Land Areas - By Towns***

The 2010 population of the County is 1,493,350<sup>(1)</sup> according to the U.S. Census Bureau.

<u>Town</u>	<u>Area In Square Miles</u>	<u>U. S. Census</u>				
		<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>
Babylon	52.3	203,570	203,483	202,940	211,792	213,603
Brookhaven	259.4	245,260	365,015	407,977	448,248	486,040
East Hampton	73.3	10,980	14,029	16,132	19,719	21,457
Huntington	94.0	200,172	201,512	191,474	195,289	203,264
Islip	105.2	278,880	298,897	299,587	322,612	335,543
Riverhead	67.4	18,909	20,243	23,011	27,680	33,506
Shelter Island	12.1	1,644	2,071	2,263	2,228	2,392
Smithtown	53.6	114,657	116,663	113,406	115,715	117,801
Southampton	140.2	36,154	43,146	45,351	54,712	56,790
Southold	<u>53.7</u>	<u>16,804</u>	<u>19,172</u>	<u>19,836</u>	<u>20,899</u>	<u>21,968</u>
County Total	<u>911.2</u>	<u>1,127,030</u>	<u>1,284,231</u>	<u>1,321,977</u>	<u>1,418,894</u>	<u>1,492,364</u>

(1) The total County population is also inclusive of the population of the Shinnecock and Poospatuck Indian reservations (986) which are not included in any of the town populations.

Source: U.S. Bureau of the Census

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## Employment Statistics

The average number of persons employed and unemployed in the County, plus the County, State, and United States average unemployment rates, for the last ten years and monthly for 2019, as available, are set forth below (unemployment rates are not seasonally adjusted).

Year	Number of Persons <u>Employed</u>	Number of Persons <u>Unemployed</u>	<u>Unemployment Rate</u>		
			<u>County</u>	New York <u>State</u>	United <u>States</u>
2009	734,300	57,600	7.3%	8.3%	9.3%
2010	717,600	60,300	7.7	8.6	9.6
2011	711,900	58,600	7.6	8.3	9.0
2012	718,700	60,700	7.8	8.5	8.1
2013	730,000	51,600	6.6	7.7	7.4
2014	724,700	41,300	5.4	6.3	6.2
2015	739,400	36,500	4.7	5.3	5.3
2016	739,400	33,700	4.4	4.9	4.9
2017	740,800	34,700	4.5	4.7	4.4
2018	747,800	30,000	3.9	4.1	3.9
<b>2019 Actual Employment Statistics</b>					
January	744,800	32,300	4.2%	4.6%	4.4%
February	742,200	30,400	3.9	4.4	4.1
March	751,000	28,800	3.7	4.1	3.9
April	753,000	24,000	3.1	3.6	3.3
May	756,300	24,900	3.2	3.8	3.4
June	760,500	24,600	3.1	3.8	3.8
July	756,800	29,600	3.8	4.1	4.0
August	748,600	31,400	4.0	4.2	3.8
September	748,400	26,600	3.4	3.7	3.3
October	752,100	27,100	3.5	3.9	3.3
November	750,300	25,900	3.3	3.6	3.3
December	747,000	29,300	3.8	3.7	3.4

Source: New York State and United States Department of Labor.

The following table shows the number of residents of the County employed in various categories of non-agricultural work in 1990, 2000 and 2010.

<u>Categories</u>	<u>1990</u>	<u>Percent</u>	<u>2000</u>	<u>Percent</u>	<u>2010</u>	<u>Percent</u>
Construction	45,328	6.8%	51,079	7.5%	56,469	7.9%
Manufacturing	96,828	14.6	65,316	9.6	55,922	7.8
Transportation, Utilities	56,557	8.5	40,393	5.9	40,414	5.6
Information	N/A	N/A	27,290	4.0	20,802	2.9
Trade	139,700	21.0	112,235	16.5	113,105	15.7
Services, Misc.	235,969	35.4	292,746	43.0	339,463	47.2
Public Administration	35,080	5.3	38,124	5.6	40,745	5.7
Finance, Insurance & Real Estate	<u>55,720</u>	<u>8.4</u>	<u>53,510</u>	<u>7.9</u>	<u>51,642</u>	<u>7.2</u>
Total	<u>665,182</u>	<u>100.0</u>	<u>680,693</u>	<u>100.0</u>	<u>718,562</u>	<u>100.0</u>

Source: U.S. Census Bureau.

## LITIGATION

In the opinion of the County Attorney, unless otherwise set forth in this section and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending which, if determined against the County, would have a material adverse effect on the financial condition of the County and its ability to make timely payments of debt service on its bonds and notes.

The County is subject to a number of lawsuits and claims in the ordinary conduct of its affairs. The County has elected to self-insure for workers' compensation claims, general liability claims, automobile liability claims, and medical malpractice claims. The County maintains catastrophe excess coverage for general liability and automobile liability with self-insured retentions in the amount of \$5,000,000 per occurrence.

As a result of the forecasting in budgeting by the County, it is the opinion of the County that the County's Insurance Budget included, in all prior years, adequate amounts for the payment of general liability, automobile liability, medical malpractice and workers' compensation claims to be paid during such year. To the extent that the amount of medical malpractice claims exceeds amounts appropriated in the County's Insurance Budget for those claims, the County intends to issue bonds to finance the amount of the claims not covered by appropriations in the County's Insurance Budget. Other than as stated herein, general liability, automobile liability, medical malpractice and worker's compensation claims, individually or in the aggregate, are not likely to have a material adverse effect on the financial condition or operations of the County.

**Medical Malpractice Infant Claims:** There are several medical malpractice claims against the County involving infants that have been in the notice of claim stage for quite some time. The statute of limitations is tolled in each of those cases due to infancy and some, all or none of those cases could result in lawsuits being filed in the future. At this time the potential for damages in these cases is unknown and in most instances where this situation occurs, no lawsuits are filed.

**Andersen, Danny v. Samuel D. Roberts, as Commissioner of the New York State Office of Temporary and Disability assistance, and John F. O'Neil, as Commissioner of the Suffolk County Department of Social Services:** This is a hybrid Article 78/Declaratory Judgement Class Action brought against the Commissioner of the New York State Office of Temporary and Disability Assistance and the Commissioner of the Suffolk County Department of Social Services ("DSS") in Supreme Court, Albany County, on behalf of a former County recipient of public assistance. The claim asserted is that the named plaintiff (and those similarly situated for six years preceding commencement of the action), who was placed in the "Work Experience" program by DSS, as a condition of receiving benefits, is considered an "employee" under the Federal Fair Labor Standards and is therefore entitled to be credited for work performed at the rate of the minimum wage for purposes of calculating the amount he will owe to DSS via the mortgage on his real property that DSS required him to execute as a condition of receiving benefits. The County's and the State's motions to dismiss were denied and an amended petition/complaint adding another Suffolk County petitioner/plaintiff and a St. Lawrence County petitioner/plaintiff and adding the County of St. Lawrence as a respondent/defendant was filed. The Court held a telephone conference on September 6, 2019. Negotiations are still ongoing. Plaintiffs allege that part of their claim is seeking a determination that public assistance recipients should receive credit for their work at minimum wage rates. Defendants take the position that the only issue is the lawsuit in whether the Fair Labor Standards Act applies to workfare and the issue of how to calculate the value of the work is not part of the lawsuit. The Court will set a briefing schedule on the motion. Plaintiff was granted leave to file a Second Amended Petition and Class Action Complaint, but they have not yet done so.

**Ayo, Barbara, et al. v. County of Suffolk, et al.:** A lawsuit on behalf of thirty plaintiffs was filed in Suffolk County Supreme Court in connection with a residual firefighting suppressant alleged to be a groundwater contaminant that was used by the Air National Guard, a tenant at County-owned Gabreski Airport. The plaintiffs allege that the firefighting suppressant has contaminated the water supply to their homes. In addition to the County, numerous corporate entities have been sued, including: the 3M Company, Tyco Fire Products, the Ansul Company, Angus Fire Company, National Foam, Buckeye Fire Protection Company, Kidde PLC, Inc. and Chemguard. The defendants removed the case to federal court. The plaintiffs made a motion to remand the case back to State court, which was denied. The defendants made motions to dismiss, which were pending. The plaintiffs made a motion to stay the dismissal motions, which was initially granted because a motion was made before the "Judicial Panel on Multidistrict Litigation" to transfer all similar cases to one federal district court. That motion was granted and the Judicial Panel on Multidistrict Litigation has transferred all similar cases to Judge Gergel in the District of South Carolina. Judge Gergel has denied all pending motions to dismiss as premature. Discovery will now proceed. The State Department of Environmental Conservation has this matter under review.

**Baruch/Belli/Arundel/Crai/Lipets/DiMonte/Grabina/Schulman v. County of Suffolk, et al.:** This case arises out of a two vehicle accident that occurred at the intersection of a County road and a Town road. Several young females in their early twenties were in a limousine, which was struck by a pick-up truck as the limousine was attempting a u-

turn. Four of the limousine passengers were killed. 50-h hearings have been conducted. All eight cases are now in suit. Discovery is ongoing. All plaintiffs have amended their complaints to include a product defect claim against the stretch limousine company.

**Bens BBQ, et al v County of Suffolk:** This is a potential class action federal lawsuit brought by a commercial establishment that challenges as unconstitutional the County's "False Alarm Fees" statute. The plaintiffs argue that the fees are an excessive fine under the eighth amendment; a violation of its due process rights; an unconstitutional taking under the fifth amendment; and a violation of State law. The County made a motion to dismiss, which has been fully submitted. The court held oral argument on the motion and a decision is pending.

**Booker, Gregory as administrator of Mary Alice Booker, Jacqueline & Anthony McCoy v. County of Suffolk:** The police were allegedly pursuing a vehicle stolen by Londell Skinner when Skinner crashed into the Booker vehicle, killing Mary Alice Booker and Jacqueline and Anthony McCoy.

/Mary Alice was Gregory's mother; Jacqueline was his sister; and Anthony was his brother. A fourth passenger in the vehicle, Tameka Foster, who was Anthony's girlfriend and the mother of his children, was also killed, as was a passenger in Skinner's vehicle. The County has not received a claim on behalf of either of those two decedents, Foster and the passenger in Skinner's vehicle. The claim is of an improper pursuit. A complaint has been served and discovery is proceeding.

**Brownyard, et al. v. County of Suffolk, et al.:** This is a potential class action lawsuit commenced in Supreme Court Suffolk County on February 2, 2015. Plaintiffs are seeking: to have declared null and void a reserve fund for the Southwest Sewer District as having been illegally established and as holding an excess balance; to have its balance returned to the taxpayers of the District; and to have the Court grant injunctive relief. The amount in question alleged in the original complaint is the fund balance of approximately \$117 million. The County answered the complaint and the plaintiffs are, by motion, seeking to amend the complaint to enlarge the amount in dispute by \$145 million and have moved for class certification and for summary judgment. Following a court conference, the plaintiffs served an amended complaint seeking the return of a total of approximately \$255 million and the County has answered, moved to dismiss the amended complaint, opposed the motions for summary judgement and class certification and cross-moved to disqualify plaintiffs' counsel. All motions were marked fully submitted on October 31, 2017. The four motions have been decided by the Court, as follows: Plaintiffs' motion for class certification was denied; the County's cross motion to disqualify one of plaintiffs' co-counsel was granted; the plaintiffs' motion for summary judgment was denied; and the County's motion to dismiss the plaintiffs' third amended complaint was denied. The case has been reassigned to Judge David T. Reilly. The County's motion for a protective order is pending. The plaintiffs have made a demand that the County search for relevant e-mails and documents going back to 1995. The County is objecting to the request as overbroad and burdensome. The motion is fully submitted and pending.

**Bush, Keith v. County of Suffolk:** Plaintiff was convicted of murder in 1976 and served over 30 years in prison. Upon release in 2008, he was required to register as a sex offender for 12 years. In 2019, the District Attorney's newly formed Conviction Integrity Bureau issued a report finding that Mr. Bush's conviction was based on wrongdoing by the District Attorney's Office and members of the Suffolk County Police Department. The District Attorney exonerated Bush of the murder and set aside his conviction. A 50-h hearing has been held. Plaintiff's counsel sent a letter demanding settlement in the amount of twenty million dollars. The County extended an offer of eight million dollars. The plaintiff has not responded.

**Jannie Butler, as Administratrix of the Estate of Arthur Lee Thomas, deceased v. the County of Suffolk, et al.** A Notice of Claim and compliant were served on the County alleging medical malpractice, negligence and a violation of decedent-plaintiff's civil rights. It is alleged that from April 12, 2012 through June 12, 2012, while decedent-plaintiff was incarcerated at the Riverhead Correctional Facility, the County deviated from acceptable medical care in the community by failing to care and treat decedent-plaintiff's tracheotomy and failing to transfer decedent-plaintiff to a facility where proper medical care could be rendered. It is claimed that as a result, decedent-plaintiff died. An answer was interposed and the matter is in discovery.

**Butler (class action) v. County of Suffolk:** This is a class action federal lawsuit brought by present and former inmates of the Suffolk County Correctional Facilities. The plaintiffs claim that various conditions at the jails violate their civil rights. Plaintiffs have made an \$85 million settlement demand. Discovery is complete. Both sides have submitted motions for summary judgment. Since it was questionable whether class representatives had exhausted their administrative remedies prior to filing suit, the Court gave plaintiffs' attorneys the opportunity to see if they

could locate alternative representatives who had. Plaintiffs have located several potential representatives and have moved to have them join the case. The summary judgment motions are stayed in the interim.

**Castaneda, Orellana v. County of Suffolk:** This is a federal civil rights lawsuit challenging the detention of illegal immigrants in the Suffolk County Jail past their release date based upon Department of Homeland Security (“DHS”)/Immigration and Customs Enforcement (“ICE”) detainers and warrants. In November 2018, the New York State Appellate Division ruled that the detainers and warrants from ICE were insufficient to hold individuals as they were civil in nature. The case may become a class action potentially involving up to 800 inmates. The County has engaged in extensive settlement discussions with the plaintiffs but has been unable to resolve the case. The County is making a motion to dismiss. Discovery is ongoing.

**Cella, et al. v. County of Suffolk:** The plaintiffs identify themselves as individuals who have paid a County “tax map verification fee” fixed in the County Code, suing on behalf of others similarly situated. The complaint does not demand any specific dollar amount, but instead generally demands a refund of fees paid under the Code. Plaintiffs seek: (i) a declaratory judgment that fees collected under County Code § 18-3(G) are unlawful, invalid and unenforceable; (ii) an injunction preventing the County from charging and collecting fees not reasonably calculated to defray the cost of providing services related to the County Real Property Tax Service Agency; and (iii) a refund of the fees paid, and attorney’s fees. The complaint does not allege the size of the class or the amount of fees paid by putative class members. The County filed an Answer on February 5, 2018 including several affirmative defenses. In April, 2018, Plaintiffs filed two motions: (1) a motion for conditional class certification and (2) a motion for partial summary judgment. The County filed its opposition papers to the two motions and filed a cross-motion to dismiss. The motion was marked fully submitted on May 28, 2019. Several judges recused themselves from handling this matter. It is now pending before Judge Berland.

**DiLorenzo, Patrizia, as Administratrix of the Estate of Robert DiLorenzo, deceased v. County of Suffolk, et al.:** A Notice of Claim and complaint were served on the County alleging medical malpractice and negligence by defendants in the care and treatment of decedent-plaintiff during 2010 at the Suffolk County Marilyn Shellabarger South Brookhaven Family Health Center East. It is alleged that from November 28, 2010 until December 6, 2010, decedent-plaintiff was caused to sustain severe injuries, including death, due to defendants’ failure to properly diagnose a heart condition and to otherwise render appropriate care. The case is in discovery.

**Flores-Melendez, et al. v. County of Suffolk:** The County received five Notices of Claim arising out of an accident involving a police vehicle. A police vehicle was involved in an accident with another vehicle and the police vehicle was propelled onto the sidewalk. Several infants walking on the sidewalk were injured. Although several of the claims are simply for “zone of danger” injuries, one infant claims he sustained a leg injury which required multiple surgeries and a lengthy hospitalization. The 50-H hearings have been held and all plaintiffs have filed suit. Discovery is ongoing.

**Gonzales-Mugaburu, Cesar v. County of Suffolk:** Plaintiff was a foster parent who fostered over 140 children at his home in the County. He was supervised by the Department of Social Services and the Saint Christopher’s Ottilie Agency. In January 2016, two of plaintiff’s foster children told social workers that plaintiff was having sexual relations with the family dog. As a result, all foster children were removed from plaintiff’s home. Eventually, numerous other foster children advised Suffolk County Detectives that they had been sexually assaulted by plaintiff. Plaintiff was indicted on 17 counts of sexual abuse and was incarcerated for sixteen months before being found not guilty on all counts after a jury trial. Plaintiff sued the County and the two detectives who investigated the charges for both federal and state claims of false arrest; malicious prosecution; denial of a fair trial; abuse of process; defamation; and coercion and intimidation of defense witnesses. Specifically, plaintiff alleges that the investigating detectives coerced the children to falsify the claims of sexual abuse. Plaintiff’s lawsuit demands 100 million dollars in damages, plus attorney’s fees. A complaint has been filed and the County interposed an answer. Discovery is ongoing.

**Green, Isaac, et al. v. County of Suffolk, et al.:** A proposed class action suit was filed by fifteen individual plaintiffs in Suffolk County Supreme Court in connection with a residual firefighting suppressant alleged to be a groundwater contaminant that was used by the Air National Guard, a tenant at County-owned Gabreski Airport. In addition to the County, several corporate entities have been sued: the 3M Company; Tyco Fire Products; the Ansul Company; Angus Fire Company; National Foam; Buckeye Fire Protection Company and Chemguard. The defendants removed the case to Federal court. The District court issued a briefing schedule for the defendants’ motions to dismiss. The defendants’ motion to dismiss has been fully briefed. However, the chemical

manufacturing defendants submitted a motion for a stay on this action and the related *Ayo, Singer* and *Py* actions. The motion for a stay was initially granted because a motion was made before the “Judicial Panel on Multidistrict Litigation” to transfer all similar cases to one federal district court. That motion was granted and the Judicial Panel on Multidistrict Litigation has transferred all similar cases to Judge Gergel in the District of South Carolina. Judge Gergel has denied all motions to dismiss as premature. Discovery will now proceed. The State Department of Environmental Conservation has this matter under review.

**Johnson, Lashakem, as Parent and Natural Guardian of Z.A.J., an Infant v. Suffolk County Brentwood Family Health Center, et al.:** A late Notice of Claim was served on the County in July 2017 in connection with an incident that allegedly occurred between April 1, 2013 and December 28, 2013 involving the claimants. It is alleged that claimant Lashakem Johnson received prenatal care and treatment at the Suffolk County Brentwood Family Health Center (“Health Center”) from on or about April 1, 2013 through December 23, 2013 and labor and delivery care at Southside Hospital between December 23, 2013 and December 28, 2013 (date of discharge), and that such care resulted in injuries to the claimants. It is further alleged that the Health Center was negligent in, among other things, failing to treat the pregnancy as high risk, failing to timely perform sonograms, failing to monitor fetal growth, failing to take proper tests, failing to recognize fetal distress, failing to do proper blood counts, and failing to do a timely Cesarean section. The injuries alleged are global developmental delays, brain damage, cerebral palsy, motor delays and diminished earning capacity and enjoyment of life. The Notice of Claim was rejected by the County as untimely.

**Kennedy, Jessica v. County of Suffolk:** A Notice of Claim was served wherein claimant asserts violations of her civil rights and State law allegations of medical malpractice and negligent hiring and training while claimant was an inmate at the Suffolk County Correctional Facility. Claimant alleges that as a result of such civil rights violations, medical malpractice and negligent hiring and training, she was denied proper medical care for the duration of her pregnancy and was caused to give birth to a premature baby girl. The claimant alleges multiple kidney infections, two days of excruciating labor, and other non-disclosed complications from the failure to provide proper pre-natal care.

**Lawrence, Shawn v. County of Suffolk:** Plaintiff was convicted of murder and spent approximately five years in prison. Eventually, the conviction was overturned because the court found that the District Attorney withheld Brady material during plaintiff’s trial. Plaintiff also alleges that detectives ignored exculpatory evidence and witnesses. Plaintiff has filed suit in federal court. Discovery is proceeding.

**Long Island Pine Barrens Society, et al. v. County of Suffolk, et al.:** Resolution #625-2011, a Charter Law regarding use of Assessment Stabilization Reserve Fund (“ASRF”) surpluses to enhance sewer capacity and provide tax relief, was adopted on August 2, 2011 by the County Legislature. This legislation establishes a limit for the balance of the Sewer District Tax Rate Stabilization fund at \$140 million for the fiscal years 2011 through 2021, inclusive. In fiscal years 2011, 2012 and 2013, of the fund balance which exceeded \$140 million, 62.5% of the excess funds were required to be used for sewer projects approved by the County Legislature and 37.5% was appropriated by resolution to a reserve fund for bonded indebtedness or to a retirement contribution reserve. If the fund balance exceeds \$140 million in 2014 through 2021, the excess fund balance shall be used exclusively for sewer projects as approved by legislative resolutions. In September 2011, two environmental groups filed a lawsuit to block the County Executive and the County Legislature from using the surplus in this manner without voter approval. In a decision by the New York State Supreme Court on July 19, 2012, the Court found that the plaintiffs lacked the necessary standing to challenge the law. Plaintiffs appealed the decision and the Appellate Division, Second Department declared the law to be null and void and remanded the case to the New York State Supreme Court for, inter alia, entry of judgment. Judgment has been entered nullifying the 2011 law, but no damages were awarded in the judgment. Plaintiffs appealed from the judgment and briefs were filed. The appeal was argued before the Appellate Division, Second Department on October 17, 2018. On June 26, 2019, the Appellate Division reversed the lower court’s judgement and held that the lower court’s decision should have directed the County to transfer \$29,409,109 from the County General Fund to the Assessment Stabilization Reserve Fund and to conform all future County Operating Budgets accordingly. The County has moved to reargue and for leave to appeal to the Court of Appeals. The Second Department denied the County’s motion by decision dated January 21, 2020 as to reargument and leave to appeal. The County made a Motion for Permission to Appeal the January 21, 2020 decision of the Second Department to the Court of Appeals. The motion is pending. (See also “Sewer Tax Rate Stabilization” herein.)



**Long Island Power Authority and Long Island Lighting Company d/b/a LIPA v. County of Suffolk, Suffolk County Comptroller:** LIPA has commenced this action seeking a declaratory judgment and permanent injunction declaring that purported tax liens and tax sales held by the County on LIPA properties are illegal and void and should be cancelled. LIPA seeks to permanently enjoin the County from taking liens, holding any tax sales and issuing any tax deeds regarding LIPA properties in the future. The County Comptroller has previously purchased tax liens and has indicated its intent to issue tax deeds to remedy partial remittances by LIPA to towns and/or school districts for sums owed as payments in lieu of taxes (“PILOTs”). Pursuant to the Public Authorities Law, the PILOT payments are to be made to the subject taxing jurisdictions, however, year over year increases are not to exceed two percent. As a result of an ongoing billing dispute between LIPA and the other taxing jurisdictions, the remitted PILOTs are less than the amounts actually charged. Due to the method by which payments are remitted and dispersed in the County under law, school districts and towns take one hundred percent of their respective amounts billed and the County is owed the difference between what was billed and what was actually paid by LIPA. Successful prosecution of this action by LIPA could render the unpaid PILOT charges for which the liens were issued uncollectable by the County. LIPA’s motion for preliminary injunction was granted. The towns moved to dismiss the County’s impleader action. The motion is pending.

**Mahadeo v. Suffolk County Department of Health Services:** Medical malpractice notice of claim and summons and complaint served wherein plaintiffs allege that between February 1, 2014 and November 24, 2014, at the Marilyn Shellabarger South Brookhaven Health Center East, claimant Monica Mahadeo received improper medical care and treatment relating to Ms. Mahadeo’s pregnancy and delivery, which resulted in the death of claimants’ child. It is alleged that the improper treatment included, inter alia, failure to properly test the mother for fetal abnormalities, the failure to properly order sonograms, the failure to properly interpret sonograms, the failure to inform claimants that their child suffered from Hypertrophic Cardiomyopathy, and the failure to offer claimants counseling. The injuries alleged are as follows: psychiatric and psychological pain, inability to sleep, loss of appetite, loss of libido, and loss of interest in daily activities of life. The matter is in discovery.

**Matter of a Remedial Program for Suffolk County Firematics, Order on Consent and Administrative Settlement:** This is a Consent Order between the County and the New York State Department of Environmental Conservation pertaining to the implementation of a remediation program at Suffolk County Firematics, the County Fire Academy in Yaphank. The Order provides for the initial expenditure by the County of not less than \$1,200,000 to fund certain initial remedial measures for contamination caused by a foam firefighting suppressant used at the Academy. Interim remediation measures include connection of certain affected properties to the public water supply or to alternative water supply filtration systems, investigative and feasibility studies, and associated site management. Remediation is ongoing.

**McGrath, Robert v. County of Suffolk:** This is an action pending in Suffolk County Supreme Court wherein Plaintiff is challenging the constitutionality of the Traffic Violations Bureau’s \$30.00 administrative fee, which is added to the \$50.00 fine for red light camera convictions. Plaintiff’s complaint indicates that he will be requesting that the case be given “class action” status in the future. Plaintiff argues that the New York State Vehicle and Traffic Law prohibits the imposition of the thirty-dollar fee. Plaintiff argues that the fee is an improper revenue generating penalty, not a true administrative fee. Plaintiff seeks a declaration from the court that the imposition of the administrative fee is unconstitutional; that the defendants have committed fraud; and seeks an order directing restitution of the thirty-dollar fees to the putative class members. The County has submitted a motion for summary judgment, asking the court to find, as a matter of law that the fee is not unconstitutional. The Plaintiff has crossed-moved for summary judgment and has opposed the County’s motion for summary judgment. In the County’s reply, it advised the court of a similar case brought in Nassau County by the same attorneys, Guthart v. Nassau County, which was dismissed by Judge Palmieri and is up on appeal to the Second Department. All motions marked “fully submitted” by Judge Ford on May 17, 2018 and a status conference was held on May 30, 2018. Since that conference, Judge Ford recused himself and the case was reassigned to Judge Reilly. A conference was held before Judge Reilly on February 15, 2019. At that time, the judge gave the plaintiff until March 20, 2019 to submit supplemental opposition to the County’s summary judgment motion regarding whether or not the court is bound by the Nassau County decision. The County submitted a supplemental reply. Oral argument was held May 29, 2019 and a decision is pending.

**Mendez-Castaneda, an Infant By Her Mother and Natural Guardian, Aleida Castaneda and Aleida Castaneda Individually v. Patricia O’Sullivan, MD and Southside Hospital:** This is a medical malpractice lawsuit whereby it is alleged that from on or about December 7, 2010, leading to the birth of the infant plaintiff on December 7, 2010, and continuing until the infant plaintiff’s discharge/transfer on December 15, 2010, and

continuing through the infant plaintiff's pediatric visits and admissions, defendants were negligent and committed malpractice in their treatment of the infant plaintiff and the infant plaintiff's mother by failing to timely and properly deliver. It is alleged that the infant plaintiff sustained global developmental delays, brain damage, cerebral palsy, neurological/cognitive deficits, motor delays, inability to live independently, and loss of enjoyment of life. No Notice of Claim was ever served on the County. The County filed a motion for summary judgment and the motion was granted on July 18, 2018. The plaintiff filed an appeal and the co-defendant hospital has opposed it. In its opposition, co-defendant is attempting to bring the County, through Dr. O'Sullivan, back into the case.

**Monteleone, Daniel v. County of Suffolk:** A motorcyclist was involved in an accident with another vehicle on a County owned roadway. Injuries to the motorcyclist included a leg amputation. Suit has been filed and discovery is ongoing.

**Newkirk, Lance, et al. v Pierre, Frances, Commissioner of DSS:** This is a potential federal class action lawsuit brought by plaintiffs who allege that they are impoverished individuals with physical or mental disabilities who have applied for or are receiving benefits and services from DSS. They allege that DSS has failed to provide legally required accommodations to the class plaintiffs. The County has submitted an answer to the complaint. The plaintiff's motion for class certification has been fully briefed.

**Pena, Reyna and Rodriguez, Lorenzo v. County of Suffolk:** Plaintiffs were driving their car when struck by a vehicle being chased by the Suffolk County Police Department. Both plaintiffs sustained injuries. Rodriguez claims internal injuries, resulting in removal of his appendix, some of his intestine and some of his liver. Discovery is complete. The County will be making a motion for summary judgment.

**Plaintiffs #1-21, individually and on behalf of all others similarly situated v. County of Suffolk et al.:** Federal lawsuit wherein plaintiffs claim that they were the victims of discriminatory policing by the Suffolk County Police Department ("SCPD"), in that Latinos have been subjected to unlawful arrests and seizures; subjected to a violation of equal protection in that the SCPD has failed to provide police services to Latino individuals; that two individual SCPD police officers have stolen property from Latino individuals; and that the County has created a policy sanctioning all of these constitutional violations. Defendant Green has filed multiple motions for appointed counsel, which the Court continues to deny. Fact discovery has been completed and expert discovery is to be completed by May 2020.

**Py et al. v. County of Suffolk:** This is a class action lawsuit arising out of alleged groundwater water contamination in the area surrounding the Suffolk County Fire Academy in Yaphank. Plaintiffs, who are homeowners who live near the Academy, allege that their water supply has been contaminated by a foam firefighting suppressant used at the Academy. The plaintiffs sued the County and the manufacturers of the foam. The plaintiffs brought suit in state court and the defendants removed the case to federal court. The defendants made a motion to dismiss, which was pending. The plaintiffs made a motion to stay the dismissal motions, which was initially granted because a motion was made before the "Judicial Panel on Multidistrict Litigation" to transfer all similar cases to one federal district court. That motion was granted and the Judicial Panel on Multidistrict Litigation has transferred all similar cases to Judge Gergel in the District of South Carolina. Judge Gergel has denied all pending motions to dismiss as premature. Discovery will now proceed. The State Department of Environmental Conservation has this matter under review.

**Pyzikiewicz, Theresa v. County of Suffolk, et al.:** Plaintiff was involved in an accident with a police vehicle. She sustained fractures of her cervical spine and rib fractures, which resulted in hospitalization, surgery with cervical screws and a lengthy stay in a rehabilitation facility. Discovery is complete but no trial date has been set.

**Reyes, Oralia v. Peconic Bay Medical Center, et al.:** Medical malpractice case whereby plaintiff is alleging that between November 15, 2010 and December 2, 2010, she was treated for her pregnancy, delivery and symphyseal separation. It is further alleged that the doctors failed to appropriately deliver the plaintiff's child by caesarean section and caused traumatic damage to her urethra. It is alleged that as a result of the foregoing, and due to the doctors' failure to properly suture the plaintiff, plaintiff has been severely damaged. None of plaintiff's injuries are itemized in the complaint. No Notice of Claim was served. A summons and verified complaint have been served and the County has interposed an answer on behalf of one of the doctors. Discovery is complete.

**Rogers, Grant v. Suffolk County:** A Notice of Claim was served regarding this medical malpractice matter whereby claimant alleges that while he was an inmate at the Suffolk County jail (between December 2017 and

March 2018), the County failed to timely diagnose and treat a detached retina to claimant's left eye despite claimant's repeated complaints of severe pain and loss of vision to his left eye.

**Sarni, Jr., Jerry W. and Maureen Sarni, as Administrators of the Estate of Jerry W. Sarni, III v. County of Suffolk:** A Notice of Claim and summons and complaint were served on the County alleging wrongful death as a result of negligence and medical malpractice relating to Jerry W. Sarni, III's incarceration at the County jail between July 2017 and November 2017. It is alleged that during Mr. Sarni's incarceration, the County failed to adequately care for Mr. Sarni notwithstanding its knowledge of certain congenital problems from which Mr. Sarni suffered. It is further alleged that due to the County's negligence and malpractice, Mr. Sarni died. Discovery is complete.

**Scott, Tawana as Administratrix of the Estate of Turner, Kevin v. County of Suffolk:** Plaintiff estate sues individual police officers in federal court for violation of his civil rights and also brings a claim against the County based upon the case of *Monell v. the Department of Social Services*. A Monell claim is a claim against a municipality that alleges that the municipality had an official policy that allowed the violation of civil rights. Plaintiff was involved in an altercation with the police during which he sustained head injuries. He remained in a coma for six months prior to his death. Discovery is complete. The County is moving for dismissal of the *Monell* claim.

**Singer, Diane, et al. v. County of Suffolk:** This is a class action lawsuit arising out of alleged groundwater contamination issue at the Yaphank Firematics Training Facility (the "Training Facility"). Plaintiffs are residents of the neighborhoods surrounding the Training Facility and allege that the use of aqueous firefighting foam containing perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA) chemicals at the facility has resulted in contamination of their water supply. In addition to the County, the plaintiffs have sued the manufacturers of the firefighting foam. The case was originally filed in Suffolk County Supreme Court, but the defendants removed it to federal court. The plaintiff's motion to remand the case back to state court has been denied. The defendants' motions to dismiss have been fully briefed. The plaintiffs made a motion to stay the dismissal motions, which was initially granted because a motion was made before the "Judicial Panel on Multidistrict Litigation" to transfer all similar cases to one federal district court. That motion was granted and the Judicial Panel on Multidistrict Litigation has transferred all similar cases to Judge Gergel in the District of South Carolina. Judge Gergel has denied all pending motions to dismiss as premature. Discovery will now proceed. The State Department of Environmental Conservation has this matter under review.

**Taouil, Elvis v. County of Suffolk, et al.:** A notice of claim was served on the County setting forth allegations of negligence, medical malpractice and civil rights violations (Section 1983) in connection with a Suffolk County Correctional Facility inmate who alleges that in August 2018 he was severely injured by other inmates and not given the proper medical care for the injuries he sustained. The claimant alleges, among other things, that the County was negligent in failing to separate inmates who had a history of violence, in acting with deliberate indifference in allowing the claimant to face a substantial risk of harm and in failing to control the safety of inmates. The injuries alleged in the notice of claim include permanent loss of vision to left eye, ruptured globe, orbital medial wall fracture, skull fracture, disfigurement, loss of teeth and emotional and psychological injuries. A 50-h hearing was conducted.

**Trinidad, Sebastian v. County of Suffolk:** Plaintiff was involved in an accident at the intersection of a Town and County road. The claim is negligent roadway/traffic control design and defect. Plaintiff suffered a traumatic amputation of his leg. Discovery is complete. The County's motion for summary judgment was denied and the case will be scheduled for trial.

**Yac v. Suffolk County, et al.:** Medical malpractice claim wherein it is alleged that decedent, Demetrio Yac, was under the care and treatment of the Marilyn Shellabarger South Brookhaven Family Health Center and the County failed to, among other things, investigate, diagnose and treat pyelonephritis, bacteremia, sepsis, pulmonary congestion, and jaundice. It is alleged that as a result of such failures, decedent sustained multiple and fatal bodily injuries including, but not limited to pyelonephritis, bacteremia, sepsis pulmonary congestion, jaundice, and death. A notice of claim was served in May 2010. A summons and complaint were subsequently served. Discovery was completed, the trial proceeded and the County obtained a verdict in its favor. The plaintiff has filed a motion for a directed verdict in the plaintiff's favor or for a new trial and the County opposed the motion. The motion was granted and a notice of appeal was filed. The trial has been stayed and the appeal will be perfected in November.

**22-50 Jackson Avenue Associates, L.P. v County of Suffolk, et al. (Heartland):** This action is a hybrid Article 78 Petition and complaint, arising out of the project known as the “Heartland Town Square” project. The Heartland project is a proposed mixed-use community, which would include retail, office and residential properties. The Heartland project was proposed to be built on the Pilgrim State Psychiatric Center property in Brentwood. The property is not within the boundaries of any sewer district in the County so the developers requested approval to connect to the Southwest Sewer District. The petitioners claim that, despite a lengthy approval process, including a favorable SEQRA review and approval by the County Commissioner of Public Works and the County Sewer Agency, the County Legislature failed to approve a bill allowing Heartland to connect to the Sewer District. The lawsuit asks for a declaration, *inter alia*: that the legislature’s actions were illegal and improper; that the legislature’s approval for the process was not legally required, as the DPW Commissioner has authority to approve any necessary contracts; directing the DPW Commissioner to proceed with contract negotiations for the connection of the property to the Sewer District; and that any contract negotiation by the DPW Commissioner is not subject to review by the legislature. The petition also seeks damages pursuant to 42 U.S.C. 1983 for violating petitioner’s rights to due process and equal protection. The County’s motion for summary judgment was granted. The plaintiff made a motion to renew and reargue, which was denied. The time to appeal has expired.

**End of Appendix A**

## **APPENDIX B**

### **Link to Audited Financial Statements\***

**For the Year Ended**

**December 31, 2018**

**(With Auditors' Report Thereon)**

**\* The Financial Statements for the year ended December 31, 2017 and opinion are intended to be representative only as of the date thereof. The financial statements referenced above are hereby incorporated into the attached Official Statement. Deloitte & Touche LLP, Independent Auditors, has not been requested by the County to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

**The County's financial statements for the fiscal year ended December 31, 2017 have been filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system ("EMMA").**

**Copies of the County's audited financial statements for the fiscal year ended December 31, 2017 are available on EMMA and can be viewed and downloaded at the following web address: (<https://emma.msrb.org/ES1404356.pdf>).**

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## APPENDIX C

### Cash Flow Statements

*The County of Suffolk (the "County") does not as a matter of course make public projections as to future cash flows. However, the County has prepared the prospective financial information set forth below to present the projected portion of the operating cash flow for fiscal years 2020, 2021 and 2022. The accompanying prospective financial information was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the County, was prepared on a reasonable basis, reflects the best currently available estimates and judgments and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the County. However, this information is not fact and should not be relied upon as necessarily indicative of future results, and readers of this projected portion of the operating cash flow for fiscal years 2020, 2021 and 2022 are cautioned not to place undue reliance on the prospective financial information.*

*Neither the County's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.*

*The assumptions and estimates underlying the projected financial information are inherently uncertain and, though considered reasonable by the County as of the date hereof, are subject to a wide variety of significant uncertainties that could cause actual results to differ materially from those contained in the projected financial information. Accordingly, there can be no assurance that the projected results are indicative of the future performance of the County or that actual results will not be materially different than those contained in the projected financial information. Inclusion of the projected financial information in this official statement should not be regarded as a representation by any person that the results contained in the projected financial information will be achieved.*

*In addition, the projected cash flows were prepared as of the date of this Official Statement and are based on the estimates included in the County's 2020 Adopted Budget. The projected cash flows do not make any predictions as to the impact of COVID-19 on either the County's revenues to be collected or expenditures to be incurred due to the COVID-19 pandemic. (See "MARKET FACTORS AFFECTING FINANCINGS OF THE COUNTY, THE STATE AND MUNICIPALITIES OF THE STATE" herein.)*

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**SUFFOLK COUNTY**  
**OPERATING CASH FLOW - FUNDS 001, 003, 016, 102, 105, 115, 121, 133, AND SEWERS**  
**PROJECTED CASHFLOW FOR FISCAL YEAR 2019 (PERIOD 13)**

ALL FIGURES IN THOUSANDS

	ACTUAL												CASH EST
	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	
CASH BALANCE	170,124	71,394	27,542	38,348	47,669	6,051	500,606	21,145	36,635	80,776	160,612	117,419	
TOTAL CASH RECEIPTS	367,248	190,219	345,923	215,855	250,761	787,583	601,448	258,307	407,296	264,971	179,981	271,527	4,141,119
REAL PROPERTY TAX	6,953	8,815	5,617	7,386	7,464	546,863	21,477	57,173	20,274	8,627	13,635	26,866	731,150
PAYMENTS IN LIEU OF TAXES	0	4,139	18	0	0	0	4,572	0	671	609	16	0	10,025
INT AND PENALTIES	1,260	813	609	763	775	924	1,533	2,796	3,873	1,699	2,187	3,731	20,963
SALES TAX	93,419	107,148	90,541	123,479	104,824	160,300	91,911	120,161	119,335	155,601	106,594	149,980	1,423,293
DEPT. AND OTHER	22,284	12,795	19,714	24,110	23,274	25,436	26,116	19,296	20,459	19,539	15,946	16,021	244,990
INTERFUNDS - BUDGETARY	24,493	2,153	10,333	9,726	7,316	3,221	4,090	11,514	3,276	2,898	2,142	14,480	95,642
INTERFUNDS - NON-BUDGET	194,651	24,022	165,618	4,022	68,530	3,454	423,510	1,208	169,750	6,340	5,245	35,252	1,101,602
FEDERAL AND STATE AID	7,109	6,369	19,820	11,328	16,003	12,307	20,766	23,948	38,949	43,350	15,660	16,982	232,591
FEDERAL & STATE AID - SOCIAL SERVICES	11,328	19,812	29,370	12,392	16,560	31,560	3,911	20,075	28,525	24,516	16,115	5,504	219,668
SEWERS	5,751	4,153	4,283	22,649	6,015	3,518	3,562	2,136	2,184	1,792	2,441	2,711	61,195
TOTAL CASH AVAILABLE	537,372	261,613	373,465	254,203	298,430	793,634	1,102,054	279,452	443,931	345,747	340,593	388,946	
TOTAL CASH DISBURSEMENTS	465,978	234,071	290,117	251,534	292,379	293,028	676,979	242,817	263,155	285,135	223,174	542,855	4,061,222
PAYROLL	93,433	70,353	64,966	92,711	74,263	77,469	114,305	72,680	66,353	81,529	68,840	137,025	1,013,927
EQUIPMENT	498	232	103	27	198	209	424	257	1,217	308	563	259	4,295
SUPPLIES	4,512	4,559	3,985	3,431	2,068	3,664	2,834	3,396	1,614	3,302	3,739	3,681	40,785
UTILITIES & OTHER EXPENSES	5,916	8,433	6,441	3,279	3,347	4,598	3,226	6,591	3,324	3,769	4,660	1,509	55,093
FEES FOR SERVICES	2,258	2,085	1,654	1,459	1,355	2,067	1,684	2,341	858	1,804	1,681	5,346	24,592
CHILDREN WITH SPECIAL NEEDS	10,861	8,305	14,573	12,837	21,877	14,109	17,844	15,024	4,358	4,548	17,018	16,204	157,558
MISCELLANEOUS EXPENSE	4,273	4,127	11,250	2,188	2,914	2,643	2,362	2,313	2,717	3,185	11,344	1,398	50,714
CONTRACTED SERVICES	10,692	13,025	19,670	8,478	17,832	20,776	21,722	27,269	4,965	28,442	16,925	16,356	206,152
DEBT SERVICE	0	15,731	1,228	13,338	30,325	23,931	12,006	7,627	4,728	47,223	5,062	2,215	163,414
FRINGE BENEFITS	248,449	39,533	38,536	41,784	27,392	32,928	33,720	39,928	22,515	30,467	30,655	30,092	615,999
INTERFUNDS - BUDGETARY	6,977	0	0	0	9,500	33,975	0	0	0	0	0	0	50,452
INTERFUNDS - NON-BUDGET	15,961	18,088	67,255	23,020	53,584	20,597	412,259	18,537	108,184	27,356	12,665	273,835	1,051,341
FUND 16	5,587	4,084	2,459	3,256	2,621	3,935	2,840	3,016	1,975	4,035	2,711	3,045	39,564
SEWERS	8,005	5,403	5,655	4,085	4,373	4,931	4,664	5,018	3,831	4,816	4,618	5,660	61,059
SOCIAL SERVICES	20,763	17,180	22,763	20,257	22,003	17,931	22,416	16,148	17,582	17,656	20,119	20,417	235,235
MMIS	22,987	18,390	22,987	18,390	13,792	22,987	22,987	18,390	18,390	22,987	18,390	22,987	243,664
CERTIORARI PAYMENTS	4,806	4,543	6,592	2,994	4,935	6,278	1,686	4,282	544	3,708	4,184	2,826	47,378
TOTAL CASH	71,394	27,542	83,348	2,669	6,051	500,606	425,075	36,635	180,776	60,612	117,419	(153,909)	
NEW BORROWINGS	0	0	0	45,000	0	0	0	0	0	100,000	0	327,925	472,925
REPAYMENTS	0	0	45,000	0	0	0	403,930	0	100,000	0	0	0	548,930
NET CASH AVAILABLE	71,394	27,542	38,348	47,669	6,051	500,606	21,145	36,635	80,776	160,612	117,419	174,016	
RESTRICTED CASH, ADDITIONS	0	0	45,000	0	0	0	403,930	0	100,000	0	0	0	548,930
RESTRICTED CASH, DELETIONS	0	0	45,000	0	0	0	403,930	0	100,000	0	0	0	548,930
TOTAL RESTRICTED YTD	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL CASH-RESTRICTED & NON	71,394	27,542	38,348	47,669	6,051	500,606	21,145	36,635	80,776	160,612	117,419	174,016	
ALTERNATIVE LIQUIDITY :	94,320	76,180	61,472	45,977	6,087	7,870	8,485	12,811	2,482	8,014	10,867	249,249	

Beginning cash is estimate based on actual cashflow through December, 2018

Disbursements for the retirement bill in January totals \$230.74 million and is reflected as follows: Fringe Benefits \$224.56 million; Fund 016 \$2.45 million; Sewers \$3.73 million.

Notice of disclaimer: This projection has been prepared based on the 2018 cash flow and the latest available information of an adopted budget.

Payroll is actual through December, 2019

Sales Tax is actual through December, 2019

**SUFFOLK COUNTY**  
**OPERATING CASH FLOW - FUNDS 001, 003, 016, 102, 105, 115, 121, 133, AND SEWERS**  
**PROJECTED CASHFLOW FOR FISCAL YEAR 2020**

ALL FIGURES IN THOUSANDS

	Actual	PROJECTED 2020											CASH EST
	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	
CASH BALANCE	174,016	13,286	34,222	24,814	55,904	42,804	530,672	104,018	104,710	38,910	88,020	91,678	
TOTAL CASH RECEIPTS	237,343	256,604	290,667	184,767	228,267	795,667	544,592	332,747	330,766	227,766	204,766	284,905	3,918,857
REAL PROPERTY TAX	7,258	9,000	13,000	8,000	21,000	551,000	49,000	30,000	15,000	12,000	15,000	16,742	747,000
PAYMENTS IN LIEU OF TAXES	1	3,000	1,000	100	100	5,000	0	100	100	100	100	3,399	13,000
INT AND PENALTIES	1,361	1,000	1,000	1,000	2,500	2,000	2,000	3,500	2,000	2,000	3,000	1,639	23,000
SALES TAX	88,136	118,937	94,000	128,000	111,000	163,000	99,000	124,000	119,000	154,000	110,000	163,927	1,473,000
DEPT. AND OTHER	18,890	17,000	16,000	18,000	22,000	27,000	23,000	22,000	20,000	21,000	20,000	23,110	248,000
INTERFUNDS - BUDGETARY	1,523	5,000	4,000	9,000	9,000	3,000	1,000	7,000	7,000	3,000	2,000	20,477	72,000
INTERFUNDS - NON-BUDGET	76,119	78,667	98,667	3,667	3,667	3,667	331,592	83,147	113,666	3,666	3,666	3,666	803,857
FEDERAL AND STATE AID	15,073	8,000	21,000	6,000	26,000	21,000	14,000	30,000	21,000	14,000	26,000	30,927	233,000
FEDERAL & STATE AID - SOCIAL SERVICES	25,507	12,000	35,000	6,000	28,000	14,000	21,000	30,000	29,000	16,000	23,000	19,493	259,000
SEWERS	3,475	4,000	7,000	5,000	5,000	6,000	4,000	3,000	4,000	2,000	2,000	1,525	47,000
TOTAL CASH AVAILABLE	411,359	269,890	324,889	209,581	284,171	838,471	1,075,264	436,765	435,476	266,676	292,786	376,583	
TOTAL CASH DISBURSEMENTS	477,553	235,668	255,075	258,677	241,367	307,799	643,321	252,575	296,566	278,656	201,108	506,080	3,954,445
PAYROLL	59,935	70,424	66,000	94,000	76,000	79,000	116,000	74,000	68,000	79,000	72,000	155,641	1,010,000
EQUIPMENT	352	250	400	250	200	250	105	125	220	200	200	448	3,000
SUPPLIES	4,309	6,000	3,000	5,000	3,000	4,000	3,000	3,000	4,000	4,000	3,000	1,691	43,000
UTILITIES & OTHER EXPENSES	5,177	6,000	5,000	4,000	4,000	5,000	4,000	6,000	5,000	4,000	4,000	823	53,000
FEES FOR SERVICES	2,193	1,500	1,000	2,000	500	2,000	1,500	2,000	2,000	2,000	1,000	4,307	22,000
CHILDREN WITH SPECIAL NEEDS	13,747	13,000	14,000	15,000	10,000	20,000	16,000	10,000	10,000	16,000	12,000	9,253	159,000
MISCELLANEOUS EXPENSE	5,376	4,000	6,000	5,000	1,000	3,000	2,000	2,000	3,000	6,000	5,000	2,055	44,431
CONTRACTED SERVICES	17,996	19,000	19,000	16,000	10,000	26,000	15,000	29,000	13,000	17,000	15,000	18,004	215,000
DEBT SERVICE	0	19,437	1,107	18,717	22,957	23,328	12,006	6,335	3,126	54,747	3,199	3,264	168,223
FRINGE BENEFITS	274,792	38,000	31,000	42,000	29,000	43,000	37,000	38,000	32,000	40,000	31,000	4,208	640,000
INTERFUNDS - BUDGETARY	0	4,000	5,000	6,000	29,000	40,000	4,000	4,000	3,000	2,000	5,000	14,000	116,000
INTERFUNDS - NON-BUDGET	39,053	3,667	48,667	3,667	3,667	3,667	383,667	31,072	103,666	3,666	3,666	216,666	844,791
FUND 16	4,866	4,000	2,000	3,000	2,000	3,000	3,000	3,000	4,000	3,000	3,000	4,134	39,000
SEWERS	8,420	4,000	4,000	6,000	4,000	4,000	3,000	4,000	4,000	4,000	3,000	14,580	63,000
SOCIAL SERVICES	21,657	20,000	24,000	18,000	25,000	24,000	21,000	21,000	18,000	20,000	19,000	26,343	258,000
MMIS	18,390	18,390	22,901	18,043	18,043	22,554	18,043	18,043	22,554	18,043	18,043	22,953	236,000
CERTIORARI PAYMENTS	1,290	4,000	2,000	2,000	3,000	5,000	4,000	1,000	3,000	4,000	3,000	7,710	40,000
TOTAL CASH	(66,194)	34,222	69,814	(49,096)	42,804	530,672	431,943	184,190	138,910	(11,980)	91,678	(129,497)	
NEW BORROWINGS	79,480	0	0	105,000	0	0	0	0	0	100,000	0	410,000	694,480
REPAYMENTS	0	0	45,000	0	0	0	327,925	79,480	100,000	0	0	0	552,405
NET CASH AVAILABLE	13,286	34,222	24,814	55,904	42,804	530,672	104,018	104,710	38,910	88,020	91,678	280,503	
RESTRICTED CASH, ADDITIONS	0	0	45,000	0	0	0	380,000	27,405	100,000	0	0	0	552,405
RESTRICTED CASH, DELETIONS	0	0	45,000	0	0	0	327,925	79,480	100,000	0	0	0	552,405
TOTAL RESTRICTED YTD	0	0	0	0	0	0	52,075	0	0	0	0	0	
TOTAL CASH-RESTRICTED & NON	13,286	34,222	24,814	55,904	42,804	530,672	156,093	104,710	38,910	88,020	91,678	280,503	
ALTERNATIVE LIQUIDITY :	189,569	113,869	68,045	71,202	72,698	76,875	81,051	84,371	78,547	77,172	80,812	257,070	

Beginning cash is estimate based on actual cashflow through December, 2019

Disbursements for the retirement bill in January totals \$236.5 million and is reflected as follows: Fringe Benefits \$231.3 million; Fund 016 \$2 million; Sewers \$3.2 million.

Notice of disclaimer: This projection has been prepared based on the 2019 cash flow and the latest available information of a recommended budget.

However, it is subject to change based upon a reconciliation to the published adopted budget.

Payroll is actual through February, 2020

Sales Tax is actual through February, 2020

**SUFFOLK COUNTY**  
**OPERATING CASH FLOW - FUNDS 001, 003, 016, 102, 105, 115, 121, 133, AND SEWERS**  
**PROJECTED CASHFLOW FOR FISCAL YEAR 2021 - First Three Months**

ALL FIGURES IN THOUSANDS

	PROJECTED 2021			CASH EST
	JAN	FEB	MARCH	
CASH BALANCE	280,503	94,549	94,158	
TOTAL CASH RECEIPTS	<u>271,667</u>	<u>226,667</u>	<u>328,667</u>	<u>827,001</u>
REAL PROPERTY TAX	9,000	9,000	12,000	30,000
PAYMENTS IN LIEU OF TAXES	2,000	3,000	2,000	7,000
INT AND PENALTIES	1,000	1,000	1,000	3,000
SALES TAX	90,000	113,000	97,000	300,000
DEPT. AND OTHER	19,000	17,000	18,000	54,000
INTERFUNDS - BUDGETARY	10,000	8,000	6,000	24,000
INTERFUNDS - NON-BUDGET	103,667	53,667	133,667	291,001
FEDERAL AND STATE AID	9,000	6,000	22,000	37,000
FEDERAL & STATE AID - SOCIAL SERVICES	24,000	11,000	32,000	67,000
SEWERS	4,000	5,000	5,000	14,000
TOTAL CASH AVAILABLE	<u>552,170</u>	<u>321,216</u>	<u>422,825</u>	
TOTAL CASH DISBURSEMENTS	<u>457,621</u>	<u>227,058</u>	<u>303,008</u>	<u>987,687</u>
PAYROLL	65,000	72,500	66,500	204,000
EQUIPMENT	400	250	400	1,050
SUPPLIES	4,000	5,000	3,000	12,000
UTILITIES & OTHER EXPENSES	6,000	6,000	5,000	17,000
FEES FOR SERVICES	2,000	1,500	1,000	4,500
CHILDREN WITH SPECIAL NEEDS	11,000	11,000	15,000	37,000
MISCELLANEOUS EXPENSE	3,000	4,000	8,000	15,000
CONTRACTED SERVICES	11,000	15,000	17,000	43,000
DEBT SERVICE	0	20,098	1,887	21,985
FRINGE BENEFITS	271,411	32,000	31,000	334,411
INTERFUNDS - BUDGETARY	15,000	8,000	7,000	30,000
INTERFUNDS - NON-BUDGET	11,643	3,667	88,667	103,977
FUND 16	5,954	3,000	2,000	10,954
SEWERS	7,170	3,000	9,000	19,170
SOCIAL SERVICES	21,000	20,000	23,000	64,000
MMIS	18,043	18,043	22,554	58,640
CERTIORARI PAYMENTS	5,000	4,000	2,000	11,000
TOTAL CASH	<u>94,549</u>	<u>94,158</u>	<u>119,817</u>	
NEW BORROWINGS	0	0	0	0
REPAYMENTS	0	0	105,000	105,000
NET CASH AVAILABLE	<u>94,549</u>	<u>94,158</u>	<u>14,817</u>	
RESTRICTED CASH, ADDITIONS	0	0	105,000	105,000
RESTRICTED CASH, DELETIONS	0	0	105,000	105,000
TOTAL RESTRICTED YTD	<u>0</u>	<u>0</u>	<u>0</u>	
TOTAL CASH-RESTRICTED & NON	<u>94,549</u>	<u>94,158</u>	<u>14,817</u>	
ALTERNATIVE LIQUIDITY :	<u>157,070</u>	<u>107,070</u>	<u>62,070</u>	

Beginning cash is an estimate based on actual cashflow through January, 2020  
 Notice of disclaimer: This projection has been prepared based on the latest available information.